

PVH

# Q1 R

REPORT  
2015





# ABOUT THIS REPORT

Corporate Responsibility (“CR”) is fundamental to the way we conduct business. We are committed to improving our impact on key issues and communicating our progress transparently with stakeholders. This, our eighth annual CR report, provides information and performance data on our operations during our 2015 fiscal year, which ended February 1, 2016. **[G4-28, G4-30]**

In this report, we also introduce our enhanced CR strategy and explore our goals, challenges and impacts across our three focus areas: people (including human rights and human resources), the environment and the communities where we work and live.

We report our performance under the Global Reporting Initiative’s (“GRI”) G4 framework<sup>1</sup> under the “Core” option. We continue our ongoing engagement with the GRI GOLD Community, a multi-stakeholder network dedicated to developing a more sustainable global economy. Please see our GRI index online at [http://pvh.com/~media/PVH/Files/corporate-responsibility/2015\\_gri\\_index.ashx](http://pvh.com/~media/PVH/Files/corporate-responsibility/2015_gri_index.ashx) and contact [cr@pvh.com](mailto:cr@pvh.com) with any questions.

**[G4-15, G4-31, G4-32]**



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<sup>1</sup> The GRI framework is the most widely used sustainability reporting standard in the world and was developed to guide organizations in disclosing their most critical impacts on environment, society and the economy.

## ABOUT PVH CORP.

With a history going back over 130 years, PVH Corp. has excelled at growing brands and businesses with rich American heritages, becoming one of the largest apparel companies in the world. We have over 30,000 associates operating in over 40 countries with over \$8 billion in revenues. We own the iconic *Calvin Klein*, *Tommy Hilfiger*, *Van Heusen*, *IZOD*, *ARROW*, *Speedo\**, and *Olga* brands 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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# CEO STATEMENT

“

**WE BELIEVE THAT CR  
WILL SERVE AS A KEY  
COMPETITIVE ADVANTAGE  
AS WE STRIVE TO DELIVER  
FUTURE GROWTH AND  
STOCKHOLDER VALUE.**

—  
**Manny Chirico**  
Chairman and Chief Executive Officer

2015 was a year of execution for PVH. We stayed focused on our top strategic priorities and our commitment to invest in our brands and operating platforms. We collaborated across our businesses by sharing innovation and best practices, while exercising sustainable business practices. And as an industry leader, we continued to recognize the great responsibility and opportunity to make positive impacts – focusing on empowering people, preserving the environment and supporting communities in which we work and live.

We attribute our solid performance, even during challenging economic climates, to our long-term approach of managing our company. We believe that CR will serve as a key competitive advantage as we strive to deliver future growth and stockholder value.

This year, we are pleased to introduce an enhanced global CR strategy that will support our efforts to become a more responsible corporate citizen, while providing our associates with an inclusive environment to help drive change across our organization and in our communities. Executing this strategy will not be possible without the talent and dedication of our over 30,000 associates around the world. I believe that through our collective efforts, we can continue to create value for both society and our business.

**The content on this page answers  
GRI G4 Indicator G4-1**

# CRO STATEMENT

## The content on this page answers GRI G4 Indicator G4-2

The global apparel industry faces many complex challenges. The world is gearing up for a clean energy transition, guided by the first universal agreement on climate change. Political instability and sectarian violence in sourcing countries continue to pose risks to supply continuity, while free trade agreements are altering the sourcing footprint. Globally, businesses are taking action to align their corporate responsibility efforts with the United Nations' new Sustainable Development Goals, while stakeholders – from investors to consumers – are pushing for more transparency.

As one of the world's largest apparel companies, we recognize our responsibility to lead and continuously seek new ways to address the pressing social and environmental challenges facing the industry. In 2013, we introduced a new approach to CR centered on driving positive impacts from Source to Store, with a focus on empowering people, preserving the environment and supporting the communities where we work and live. In 2015, we built upon that framework to develop a more comprehensive CR strategy that addresses the social and environmental issues that most affect our business – from building safety to environmental pollution.

As Chief Risk Officer, my focus is to ensure that our CR efforts help us both to manage risk and maximize opportunities. I feel strongly about activating the passion and power of our associates, so together we can drive meaningful change. I am encouraged to see our associates increasingly embrace not only the importance of CR but also how it creates value for our business.

We continue to build on our 25-year commitment to human rights, which

extends back to the first publication of *A Shared Commitment*, our code of conduct for business partners, in 1991. We seek to move beyond compliance in our supply chain by partnering with suppliers to promote safe labor conditions and undertake projects to improve the lives of workers in our supply chain, whom we view as an extension of our associate population. Not only is this the right thing to do but it also helps prevent human rights violations, safety incidents and supply chain disruption, which are significant risks to our business.

We are also building on our Core Values by further focusing on inclusion and diversity, with a vision to create an environment where every individual is valued. I am proud to play a role in PVH's commitment to gender equality, which we recently reinforced by signing the United Nations' Women's Empowerment Principles.

We have also expanded our environmental sustainability commitment and are conducting deeper analyses of our impacts. This will lay the foundations for future strategies and targets, underpinned by continuous innovation, collaboration and best practice thinking. We are beginning to engage with suppliers deeper in our supply chain to cut the social and environmental impacts of the materials we use in our products.

Across our organization, we will continue to reduce our carbon footprint by lowering energy consumption and increasing energy efficiency. We are using more sustainable materials and less packaging. And we are strengthening our chemical management program, as we continue to support our industry's push to phase out harmful chemicals.

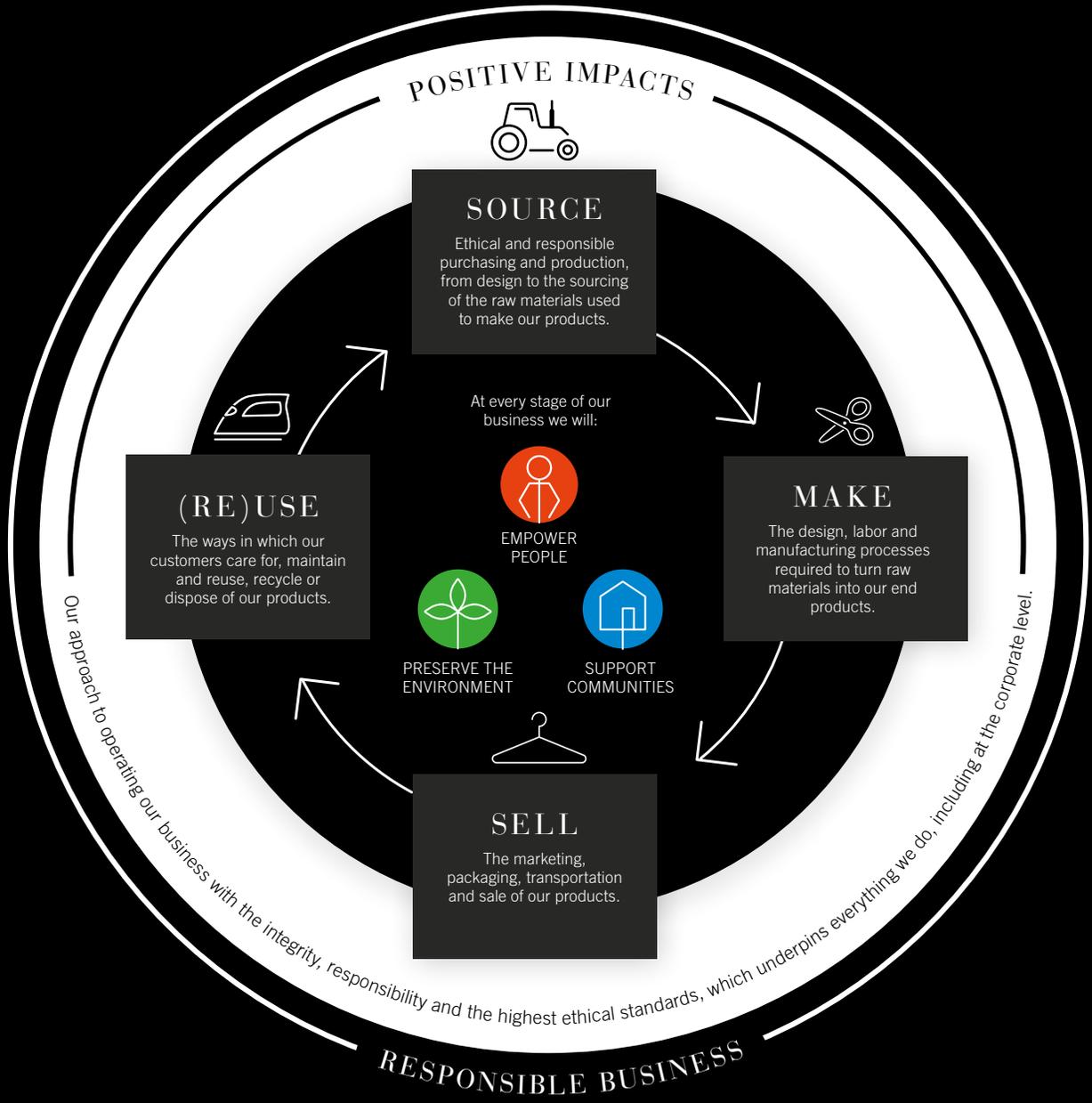


AS ONE OF THE WORLD'S  
LARGEST APPAREL COMPANIES,  
WE RECOGNIZE OUR  
RESPONSIBILITY TO LEAD  
AND CONTINUOUSLY  
SEEK NEW WAYS TO IMPROVE  
OUR CR IMPACT

—  
Melanie Steiner  
Chief Risk Officer

Finally, to fulfill our philanthropic mission to support the needs of women and children, we continue to maintain long-term partnerships with local organizations and encourage collaboration among our brands.

Looking forward, we are excited to build on our strategy with measurable targets and action plans. We also realize that we cannot achieve our ambitious goals on our own, and we will continue to embrace and engage with associates, suppliers, governments, non-profits and other stakeholders to effect change. I look forward to sharing more about our CR journey and welcome your feedback at every step along the way.



# OUR APPROACH

At PVH, doing the right thing is central to how we conduct business. As one of the largest global apparel companies, we are guided by our values and committed to addressing social and environmental issues, with a focus on those that matter most to us, our over 30,000 associates worldwide, our other stakeholders and the apparel industry. In particular, we aim to drive positive impacts throughout our value chain – from Source to Store – empowering people, preserving the environment and supporting the communities where we work and live.



# OUR CR STRATEGY

DRIVING POSITIVE IMPACT IN AN EVER-CHANGING WORLD

The content on this page answers GRI G4 Indicator G4-2

CR HELPS STRENGTHEN OUR ORGANIZATION BY MANAGING RISK, MAXIMIZING EFFICIENCIES AND DRIVING VALUE IN A RAPIDLY CHANGING WORLD

In this rapidly changing world, it is clear that there is much to do as we prepare to address today's issues and those of tomorrow. In 2015, we built on our existing CR efforts and Source to Store approach by articulating a more holistic CR strategy that we believe will address these global and industry challenges. We seek to strengthen our organization by managing risk, maximizing efficiencies and driving value in this rapidly changing world. In shaping our strategy, we conducted a materiality assessment with multiple stakeholders, benchmarked the strategies of industry peers and reviewed the impact of our current initiatives.

Looking ahead, we will increasingly set measurable targets to monitor and evaluate our progress, and take action to improve upon our performance.



## PEOPLE



Promote adherence to *A Shared Commitment*, our code of conduct for business partners, and go beyond compliance to **improve the lives of workers** within our supply chain



Ensure **safe working conditions** for workers within our supply chain



## ENVIRONMENT



Measure and reduce PVH's **GHG emissions** by reducing energy consumption, increasing energy efficiency and utilizing clean energy both in our owned and operated facilities and across our value chain.



Safeguard and preserve **water resources** to ensure continuity and quality of water supply for our business and the community



## COMMUNITIES



Support the needs of **women and children** by creating safe spaces, improving access to education and enhancing quality of life



## MAPPING OUR STRATEGY TO THE UN SUSTAINABLE DEVELOPMENT GOALS

The UN's Sustainable Development Goals ("SDGs"), agreed upon by 193 countries in 2015, will help guide global efforts to achieve sustainable development over the next 15 years. We have developed our new CR strategy to support the SDGs, as we renew our efforts to achieve positive impacts across our value chain.



Attract and retain **world class talent** by making PVH a great place to work



Invest in and support PVH associates in reaching their **full potential** in an **inclusive** environment where every individual is valued



Reduce the amount of **packaging** used in PVH products and work toward sending zero materials to landfill



Source **raw materials** more sustainably to minimize social and environmental impacts along the supply chain



Practice **responsible chemical management** by reducing and eventually phasing out hazardous chemicals from our supply chain by 2020

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	<b>HUMAN RIGHTS</b>				
	<b>SAFETY</b>				
	<b>OUR ASSOCIATES</b>				
	<b>INCLUSION AND DIVERSITY</b>				

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	<b>GREENHOUSE GASES</b>				
	<b>WATER</b>				
	<b>SUSTAINABLE PACKAGING</b>				
	<b>SUSTAINABLE MATERIALS</b>				
	<b>CHEMICAL MANAGEMENT</b>				

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	<b>SUPPORT WOMEN AND CHILDREN</b>					
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# MOVING THE NEEDLE IN ETHIOPIA

## BUILDING A “BEST-IN-CLASS” APPAREL MANUFACTURING INDUSTRY

The content on this page answers GRI G4 Indicator G4-2

We are at the start of an exciting journey to help build a best-in-class apparel manufacturing industry in Ethiopia. To start, we have convened a private-public collaboration with suppliers, the Ethiopian government and donor groups to establish an industrial park in Hawassa, a small city in southern Ethiopia. Our collective vision is that Hawassa Industrial Park (“HIP”) will be a win-win development opportunity, both for sub-Saharan Africa and for the apparel industry. To make this happen, we are working with partners that share our values and drawing on lessons learned in other sourcing regions. At every step, we are sensitive to the challenges and conscious of the responsibilities inherent in industrializing a predominantly agricultural region.

So why Ethiopia? It is Africa’s second most populous country, with an average GDP growth rate of 11% for the past 11 years and a stable government with an ambitious 2025 vision to become Africa’s leader in light manufacturing. To support this, Ethiopia is investing in its infrastructure, including by expanding clean energy generation, and worker development. The country’s power is among the cheapest in the world, is 86% renewable and is on track to be 100% renewable over time. For the apparel industry, there is an opportunity to grow cotton and implement other stages of production within Ethiopia so that the value generated from all stages of the production process can be maintained in-country.

We are taking a thoughtful and measured approach to sourcing in East Africa, partnering with suppliers to thoroughly investigate trade prospects across the region and engaging with the national and local governments. Our Chief Supply Chain Officer, Bill McRaith, provided testimony to the U.S. government supporting the

renewal and 10-year extension of the Africa Growth and Opportunity Act – legislation introduced in 2000 to help sub-Saharan Africa build trade partnerships with the U.S. This effort paved the way for investors to help make this and other industrialization projects a reality. **[G4-12, G4-15]**

Our efforts in Ethiopia reflect our key focus areas of people, environment and communities.

“

**OUR AMBITION TO CREATE  
A VERTICAL, SCALABLE AND  
SUSTAINABLE VENTURE IN ETHIOPIA  
HAS GUIDED EVERY ACTION. WE SET  
OUT TO LEARN FROM SOCIAL AND  
ENVIRONMENTAL CHALLENGES IN  
OTHER PRODUCTION COUNTRIES,  
AND ESTABLISH AN OPERATION WE  
CAN BE PROUD OF.**

—  
William McRaith  
Chief Supply Chain Officer

### EMPOWERING PEOPLE

HIP is projected to create more jobs in the region than generated in the past 50 years. The park’s tenants hope to hire 40,000-60,000 workers over the next three years, and a significant number of related jobs are expected to be created in Hawassa and surrounding communities.



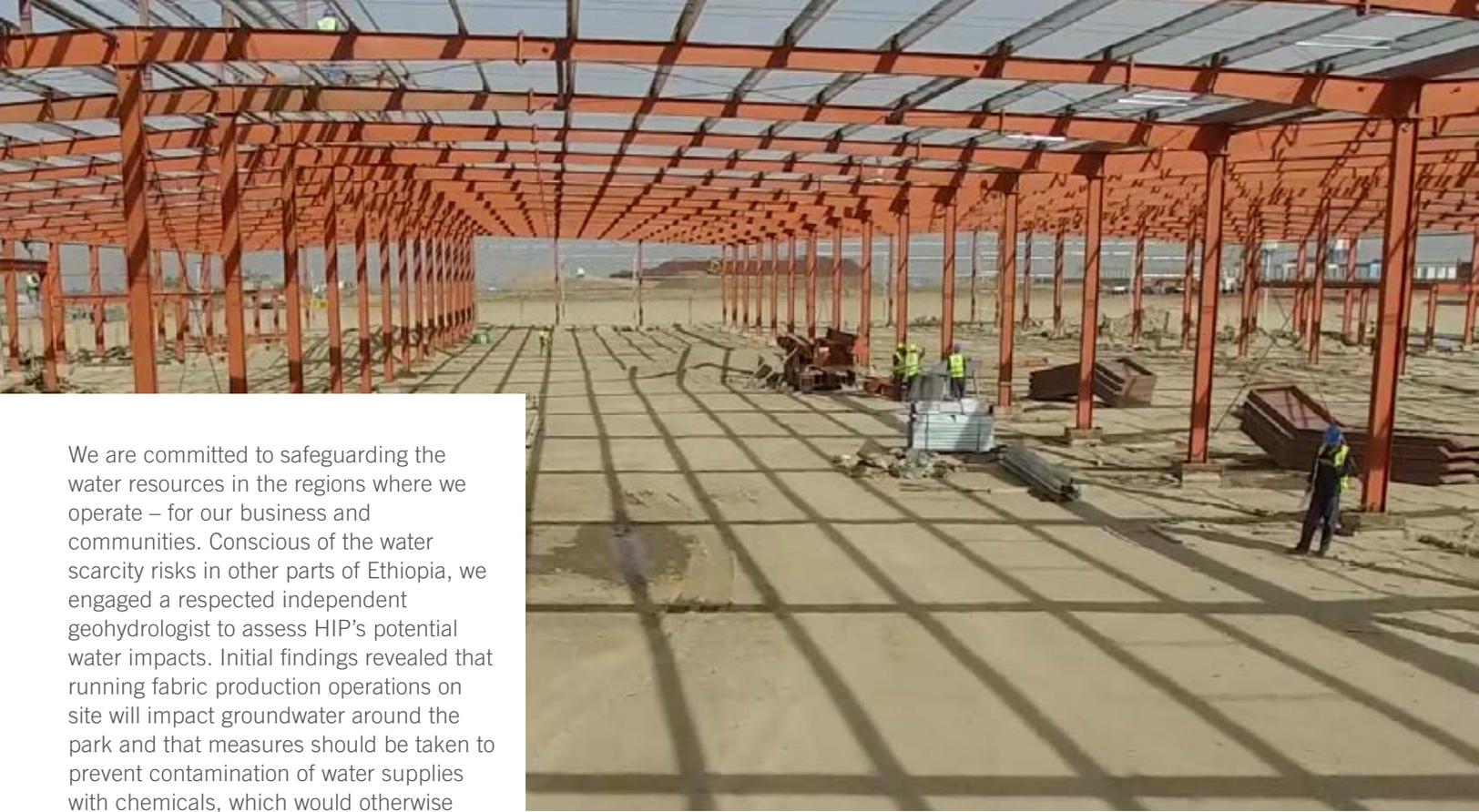
From the outset, we have approached this new venture by drawing on the lessons learned from decades of promoting human rights in our supply chain and our experience in helping to lead efforts such as the Accord. We have opted to collaborate with like-minded business partners, all of whom understand the importance of promoting workers’ rights in creating a high quality product. Through the HIP Tenants Association, we are agreeing on fundamental ways of working that reflect our values, including the adoption of a code of conduct for park tenants.

Beyond compliance, we are working with partners to make the park a great place to work. For example, we are promoting the establishment of workers’ committees and exploring innovative transport and housing solutions, including for workers migrating to the area. We want to help enable these workers to become part of the Hawassa community and feel invested in the park’s success.

### PRESERVING THE ENVIRONMENT

Our long-term vision is to develop a truly integrated vertical supply chain comprising all stages of apparel production, from growing cotton to dyeing fabrics to sewing the final garments. In order to minimize impacts on the environment, it is vital that we use sustainable energy and ensure sufficient water supplies for both our operations and local communities.

Green electricity is plentiful in Ethiopia; by 2017, the country will be able to draw on the largest hydroelectric power supply in Africa. This is one of the key motivating factors in deciding to produce there and we plan to power HIP with a mix of hydroelectric and geothermal energy.



We are committed to safeguarding the water resources in the regions where we operate – for our business and communities. Conscious of the water scarcity risks in other parts of Ethiopia, we engaged a respected independent geohydrologist to assess HIP’s potential water impacts. Initial findings revealed that running fabric production operations on site will impact groundwater around the park and that measures should be taken to prevent contamination of water supplies with chemicals, which would otherwise reach groundwater level.

As a result, we are partnering with the Ethiopian government and the other tenants in the park to build a zero liquid discharge effluent treatment facility that recycles wastewater produced in the park, thereby preserving and protecting the community’s water supply. Beyond this, we are proactively taking steps to address local water issues by looking into sponsorship of a collective action water stewardship project in Hawassa.

**SUPPORTING COMMUNITIES**

Resettling local communities can be a controversial issue when industry enters a new location. With our partners, we decided to tackle this challenge head on, and address it in the right way. Through our initial risk and impact assessment, we identified that resettlement could be a challenge. We partnered with the Ethiopian government to ensure that any resettlement was informed by national laws and international regulations, with an aim to exceed those guidelines when possible. With support from independent experts, our supply chain team worked with local community leaders and officials to help resettled people with access to adequate housing, compensation and information.

With our partners, we are taking a unique approach to investment in the local communities around HIP by addressing potential challenges from the start, rather than retrofitting solutions. With the support of Development Finance International, an independent consultant, we are bringing public and private donors to the table, matching them with sustainable development projects near the park. In this way, donors will be able to play an active role in ensuring that local impacts are managed responsibly and that the infrastructure is in place for HIP’s operations to run smoothly. We believe this collaborative model could be a blueprint

for future development in sub-Saharan Africa and beyond.

Some of the projects already in motion include vocational and life skills training, transport infrastructure and waste management systems. These initiatives build on our experience supporting sustainable supply chain projects around the world. Ultimately, by helping local communities to develop valuable skills, we aim to contribute toward a sustainable economy in Ethiopia.



# MATERIALITY AND STAKEHOLDER ENGAGEMENT

**EVOLVING OUR STRATEGY  
THROUGH DIALOGUE AND  
PARTNERSHIP**

**The content on this page answers  
GRI G4 Indicators G4-24, G4-25, G4-26**

Engaging with our stakeholders has played an integral role in evolving our CR strategy. As a large apparel company with highly visible brands, we are in regular conversation with organizations and individuals interested in our approach to social and environmental issues. By communicating openly and listening to the things they care about, we gain valuable

insights that help us to strengthen our program for greater impact.

## OUR STAKEHOLDER GROUPS

We work with multiple stakeholder groups, including associates, investors, suppliers, workers in our supply chain, non-governmental organizations, industry

associations, multi-stakeholder initiatives, labor unions, governments, communities, wholesale accounts and our end consumers. We engage with each group in a way that we believe responds to their questions effectively, supports our shared goals and leads to new efforts and improvements to existing ones.

STAKEHOLDER GROUP	HOW WE INTERACT
Associates	We regularly engage with our associates and communicate more broadly through events, activities and internal communications to embed CR throughout our business. Associates also have opportunities to volunteer in their communities and contribute to philanthropic efforts.
Investors	We respond to CR-related queries from both socially responsible and traditional investors. Through our corporate website and CR report, we strive to communicate our CR efforts and how we manage social and environmental risks.
Suppliers and workers in our supply chain	We aim to move beyond compliance by expanding our assessment program to focus on capacity-building. We openly communicate and take a partnership approach with suppliers to resolve social and environmental issues.
Non-governmental organizations (“NGOs”)	We respond to inquiries from NGOs regarding CR policies and practices, as well as significant events in the industry. We undertake projects in partnership with NGOs to address specific social and environmental issues.
Industry associations and multi-stakeholder initiatives	We work closely with peer companies and other industry participants to address industry-wide issues and work towards long-term solutions. We also engage directly with working groups globally and in key manufacturing countries to promote and strengthen compliance and broaden CR focus areas across the industry.
Labor unions	We partner with labor unions through multi-stakeholder forums and direct engagement on initiatives that impact the workers in our supply chain.
Governments	We engage with governments on specific issues, like freedom of association, fair compensation and building fire and structural safety. For instance, we are liaising with various levels of government to help build a best-in-class apparel manufacturing industry in Ethiopia.
Communities	We invest in local communities through partnerships with non-profit organizations, associate volunteerism and contributions.
Wholesale accounts and consumers	Wholesale accounts and consumers are increasingly interested in CR issues. We communicate our CR approach and performance to them through our corporate website, CR report and, to a lesser extent, other communication vehicles including social media and point-of-sale marketing. We also engage in direct discussions with wholesale partners to work toward our respective CR goals.

## DEFINING OUR KEY MATERIAL ISSUES

In 2015, we conducted a materiality assessment in line with the GRI G4 guidelines. Building on our 2013 materiality assessment, we identified and prioritized the CR topics that are most material to our business and stakeholders, including by seeking input from stakeholders. We evaluated each topic according to the level of risk and opportunity it presents to our business. This helped to inform our new CR strategy and will be integral to long-term strategy development and reporting.

The stakeholders participating in the assessment included associates throughout our organization and partners, including the Fair Labor Association (“FLA”), Better Work, the Zero Discharge of Hazardous Chemicals (“ZDHC”) group, the Sustainable Apparel Coalition (“SAC”) and New York University’s Stern Center for Business and Human Rights. We sought their views through an online survey and in-depth interviews, and conducted a roundtable before finalizing the prioritization of key topics with senior executives.

Looking forward, we will continue to assess and refine our material topics with our stakeholders as required.

## MATERIAL TOPICS

The following CR topics were identified through our materiality assessment as important to our business. This table shares both the topics as well as the areas of our value chain where we consider their most relevant impacts.

	 SOURCE	 MAKE	 SELL	 (RE)USE	 RESPONSIBLE BUSINESS
Human rights	■	■			■
Factory fire and structural safety	■	■			
Responsible sourcing by PVH business units	■	■			■
Supplier capacity building	■	■			
Chemicals management	■	■		■	
Bribery and corruption & corporate governance	■	■	■		■
Health, safety and wellbeing			■		■
Talent management/Learning & Development		■	■		■
Community investment	■	■	■		■
Inclusion and Diversity			■		■
Water stewardship	■	■		■	■
Compensation and benefits			■		■
Associate engagement			■		■
Sustainable materials (incl animal welfare)	■	■	■		
Living wage	■	■	■		■
Responsible entry and exit of factories	■	■			
Packaging & Packing		■	■	■	
Greenhouse Gas (Carbon) Emissions	■	■	■		■
Waste	■	■	■	■	■
Associate volunteering			■		■
Sustainable product design and manufacturing	■	■	■	■	

# CR GOVERNANCE AND LEGAL COMPLIANCE

## EMBEDDING CR THROUGHOUT OUR ORGANIZATION

Oversight of the CR program starts at the highest level, with the PVH Board of Directors and the PVH leadership team. Our CR Committee, comprised of three independent Directors, advises management and the Board on policies and strategies that affect our role as a socially responsible organization. The Committee monitors our policies and performance on social, employment, environmental and other issues, and meets regularly with management.

Clear lines of accountability for CR exist throughout our organization. Our Chief Risk Officer, Melanie Steiner, directs the development and implementation of our global CR strategy. She reports to our Chief Operating & Financial Officer, Mike Shaffer,

and is supported by our Group Vice President of CR, Marissa Pagnani, who manages a team of nearly 60 CR associates in 10 countries across Europe, Asia and the Americas. The CR team works closely with divisions across PVH to embed CR considerations throughout our operations.

We are committed to maintaining the highest moral, ethical and legal standards in our business. PVH Legal, led by Mark Fischer, our General Counsel, oversees compliance issues, ensuring that we remain up-to-date on relevant social and environmental legislation in the countries where we operate. We require that all PVH associates, as well as PVH Board members, participate in PVH *Complies*, our compliance training program consisting of online courses on key topics including our Code of Business Conduct

and Ethics, anti-bribery and anti-corruption policies and legislation, insider trading and conflicts of interest. It is designed to be engaging, informative and easy-to-use to ensure understanding and encourage compliance. In addition, the PVH Legal team provides in-person training around the globe in local languages to address these issues and policies, as well as related matters and policies specific to various regions and parts of our operations.

Associates, subject to certain legal limitations, can report any suspected policy violations, inappropriate behavior and unethical practices via *tell PVH*, our global reporting hotline. Reports, in most instances, can be made anonymously either online or by phone in any of 15 languages.

**The content on this page answers GRI G4 Indicator G4-34**

## MEET THE TEAM



OUR TEAM CONSISTS OF NEARLY 60 CR ASSOCIATES IN 10 COUNTRIES ACROSS EUROPE, ASIA AND THE AMERICAS.



# 2015 CR HIGHLIGHTS

The content on this page answers GRI G4 Indicator G4-15

## PEOPLE

We expanded our CR capacity-building program to improve the lives of the nearly

# 1M

garment workers in our supply chain.

We launched PVH University to

# 9,000

corporate associates globally.

# 100%

participation was achieved for our **Inclusion & Diversity** course on confronting unconscious bias by all senior leaders in the U.S.

In 2015, we began to act as the “lead” brand owner for the **Accord on Fire and Building Safety** in Bangladesh (the “Accord”) in all factories where we have production.

## ENVIRONMENT

We calculated our global greenhouse gas (“GHG”) emissions across

# 100%

of PVH’s facilities for the first time, with a view to developing targeted energy reduction strategies and goals.

We trained

# >50%

of our level 1 suppliers on responsible chemical management and will be training the other 50% over the course of 2016.

We launched a **sustainable packaging initiative**, uniting our business’s efforts on **reducing and using recyclable materials**.

Tommy Hilfiger procured

# 4,000 tons+

of Better Cotton – an increase of more than eight times over 2014.

Tommy Hilfiger partnered with **World Wide Fund for Nature International (“WWF”)** to help **safeguard water resources** in the Taihu and Mekong river basins.

Speedo USA partnered with Italian yarn maker Aquafil and Chinese supplier Parawin to **transform nylon factory remnants** into new **Speedo PowerFLEX Eco** swimsuits.

## COMMUNITIES

We continued our support of **Save the Children’s** early education programs in the U.S. and Bangladesh and expanded our support to programs in China.

# \$17.7M

in financial and in-kind corporate contributions to charities.

# \$3M+

raised for the Ronald McDonald House New York at their 23rd Annual Gala.

Tommy Hilfiger contributed to War Child’s efforts to provide education to

# 1,400 children

in the Democratic Republic of Congo.

Calvin Klein raised awareness of our Save the Children partnership through a cause merchandising campaign across

# 15 Countries





# EMPOWERING PEOPLE

We believe that our people are the key to our future success. We are committed to investing in talent, developing our people and expanding their career development opportunities while providing an inclusive environment where every individual is valued. We view people in our supply chain as an extension of our organization and we are committed to partnering with our business partners to help protect their employees' rights.





# GOING BEYOND COMPLIANCE

## TAKING ACTION AND EVOLVING OUR APPROACH TO HUMAN RIGHTS

As human rights issues in our industry become more complex, we are taking a proactive approach to protecting the rights, dignity and livelihoods of the nearly one million workers in our supply chain. Our Chief Risk Officer holds overall responsibility for our factory assessment program, which is central to managing risks in our supply chain and addressing any human rights violations. At the core of our approach is partnering with suppliers to improve performance, in line with *A Shared Commitment*. **[G4-2]**

We evolved our global human rights program in 2014, bringing operational excellence and increased consistency to the way we source our products and monitor supplier performance. In 2015, we took our program to the next level with three key initiatives: strengthening our supplier partnerships, driving operational excellence and moving beyond compliance by enhancing our remediation and capacity-building. In this way, we aim to achieve a lasting impact for workers in our supply chain and industry. Our efforts were recognized on the 2015 Corporate Responsibility Magazine “100 Best Corporate Citizens List,” with the #2 ranking in the Human Rights category.

### WORKING WITH SUPPLIERS TO IMPROVE PERFORMANCE

We are increasingly working with our suppliers to help them build systems to better and more effectively manage human rights and environmental risks within their factories. In 2015, we worked hand-in-hand with suppliers to resolve pressing issues, conducting over 2,150 factory assessments and visiting approximately 1,400 factories outside of the usual assessment process to share practical strategies to improve working conditions and employment practices. Additionally, we delivered over 160 sessions to approximately 7,525 internal and external partners to promote change, covering topics such as fire safety, human rights implementation, worker-management relations, chemical management, assessment practices and data management. **[G4-12, G4-HR2]**

In particular, our CR and sourcing teams collaborated with suppliers to explore the reasons *why* issues occur, including the role of purchasing practices. These efforts are informing our thinking on responsible purchasing, as we begin to help associates understand how forecasting and timing of order placement impact suppliers’ production capabilities and, in turn, the workers who make our products.



In order to help our suppliers make lasting improvements that go beyond responding to assessment feedback, we have enhanced our capacity-building program, as follows:

- **Building support for orange-rated factories** – Focusing on strategic factories with orange ratings, we will run a six-month pilot program diving deeper into corrective action plan development and execution with a focus on developing strong management systems.
- **Supporting industry-wide solutions** – We support continuous improvement programs by encouraging factories to participate in initiatives like Better Work.
- **Shifting top-rated suppliers to self-ownership** – Our new “gold” program is designed to recognize top-rated suppliers who take ownership over identifying and remediating issues in their factories. Participating suppliers will evaluate their own performance, sharing results and remediation activities regularly. We plan to test this program with a select number of vendors. We are also supporting our licensees as they work to improve their programs to drive greater impact.



We are also piloting a number of social impact programs to enhance workers' quality of life, including initiatives to support worker health in Vietnam and provide professional skills training for workers in China. We will expand and integrate successful programs in the coming years.

To support these efforts, our internal CR assessors will help develop and strengthen suppliers' skills and knowledge by evolving their approach. For example, assessors are now making follow-up visits to help suppliers implement remediation activities identified in their CAPs and following up with a more regular and mandatory cadence. The information we gain will further inform our discussions on responsible purchasing practices.

## SEEKING NEW LEVELS OF EFFICIENCY

We continuously aim to improve the effectiveness and efficiency of our assessment programs. To better monitor supplier performance, we rolled out a new data management system globally and evaluated opportunities to further improve our assessment tool, seeking feedback from key stakeholders such as the FLA. We are now testing new features through two pilot programs:

- First, we are taking steps to evaluate working hours more comprehensively in order to better distinguish between irregular circumstances and workers systematically working overtime.
- Second, as we seek to help protect workers' rights by encouraging suppliers to see workers as people, we

## OUR ASSESSMENT PROCESS

The content in this section answers GRI G4 Indicator G4-LA14

Our factory assessment is the first step on a journey to achieve continuous improvement with our suppliers. Our CR assessors evaluate finished good factories with ratings based on a traffic light-like system. The rating feeds into our sourcing decisions and determines how regularly we conduct subsequent assessments. High-rated factories receive "green" or "yellow" ratings. An "orange" rating indicates that action is required to help the supplier improve, while the "red" rating results in termination of the business relationship with the factory through a responsible exit.

Throughout the assessment process, we look beyond typical auditing by partnering with our suppliers to address shared goals. We share our expectations at the outset, giving factory managers the opportunity to ask questions. We then conduct a thorough check of the factory's data management systems, inspect every area of the factory and seek workers' views in confidence. Finally, we present our findings to the managers and, together, review them. We encourage an open discussion and collaborate to determine how the factory will resolve any issues.



## LOOKING AHEAD

We are proud of what we accomplished in 2015. We know that moving beyond compliance is a journey requiring ongoing commitment, and we realize there is a long way to go. In 2016, we will continue to refine our assessment program, by incorporating more environmental criteria into our assessment tool, conducting a mapping of our level 2 suppliers (including mills, dye houses and trim suppliers) and starting to pilot assessments with these suppliers in partnership with our Global Supply Chain team. We will empower our suppliers by providing practical remediation strategies, piloting elements of our capacity-building program and expanding the most promising social impact pilots. Additionally, we will participate in the Social and Labor Convergence Pilot, an initiative facilitated by the SAC that seeks to bring together brand owners, manufacturers, civil society and other stakeholders to create a unified approach to social and labor assessments. We are also starting to address the complex issue of fair and living wages in partnership with the FLA, and plan to launch a fair compensation plan by the end of 2017.

## PARTNERING WITH LEADING SRI LANKAN FACTORIES

In Sri Lanka, we partner with “best-in-class” factories that are leading the field in lean manufacturing and sustainable practices. These suppliers are among the first in our Gold Program, which recognizes suppliers who take ownership over identifying and remediating issues in their factories. For example, one supplier constructed the world’s first purpose-built factory certified Platinum by Leadership in Energy and Environmental Design (“LEED”) – the highest rating from the most widely used third-party verification for green buildings. It is also helping its largely female workforce develop new skills to advance their careers. Another supplier generates wind and hydroelectric power on-site, sharing the excess with Sri Lanka’s national grid. Its flagship factory uses 48% less energy and 70% less water compared to a conventional facility. It also contributes to the surrounding community by investing in local health services and schools. We are proud to work with suppliers who share our integrated CR approach and look forward to strengthening and building similar partnerships in the future.

## ADDRESSING CHILD LABOR IN TURKEY’S COTTON INDUSTRY

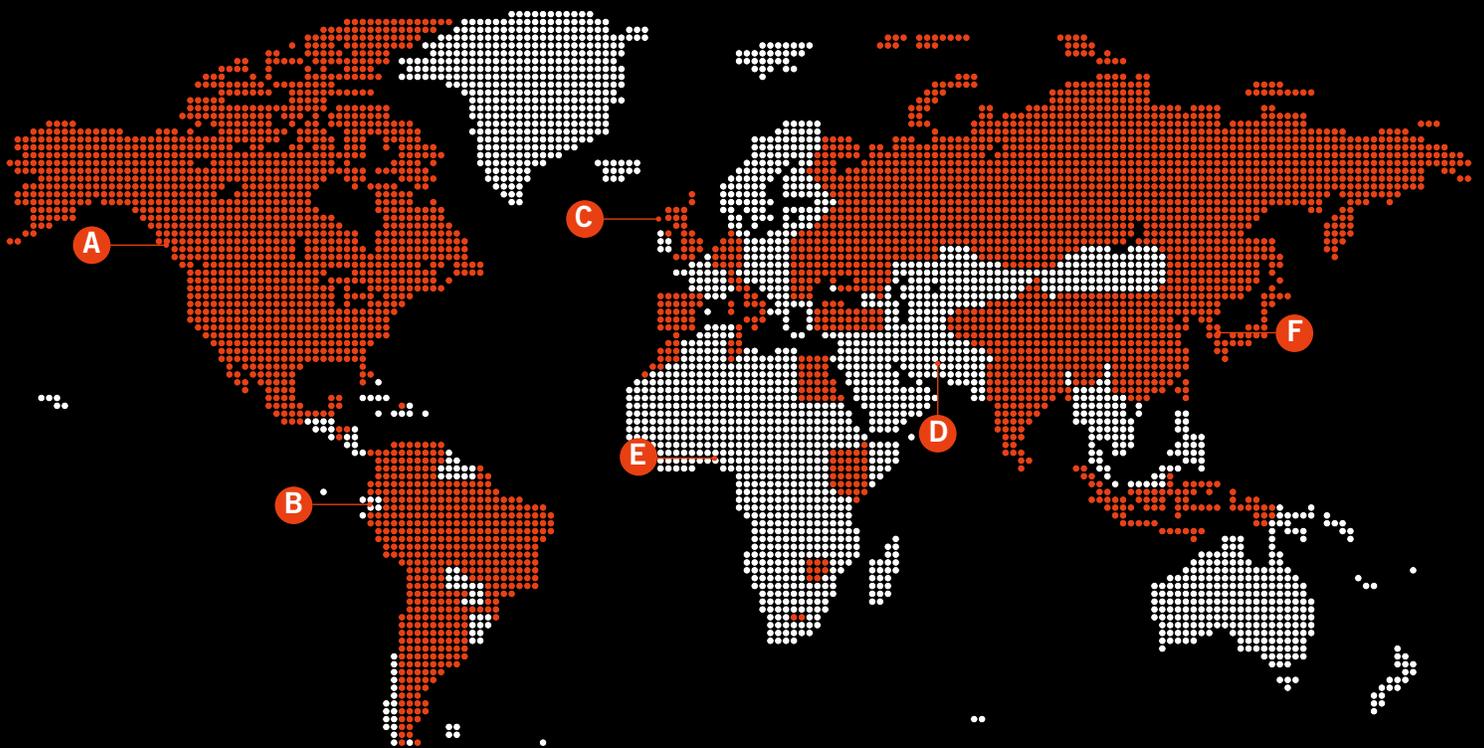
We are piloting a number of social impact projects in our supply chain that have benefits into the surrounding communities beyond our direct operations. One example is an FLA initiative to better understand and prevent child labor in Turkey’s cotton industry. This is an area of growing concern as more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

CATEGORY	SUBCATEGORY	NUMBER
<b>Assessments</b>	Total (Not Subcategory)	2,167
	Long-Form	1,257
	Short-Form	54
	Self-Assessment	120
	Collaboration	736
<b>Non-Assessment CR Engagement</b>	Total (Not Subcategory)	1,397
	CAP Remediation	313
	Factory-Specific Capacity Building or Investigative Visit	250
	Engagement Meetings	834
<b>Training: Person-Hours</b>	Total (Not Subcategory)	49,577
	Internal	3,542
	External	46,035
<b>Training: Attendees</b>	Total (Not Subcategory)	7,524 <sup>(2)</sup>
	Internal	1,594 <sup>(3)</sup>
	External	5,930 <sup>(4)</sup>

1 Potential duplicates: Up to 722 individuals that attended Chemical Management Training may have attended other Human Rights Training.

2 Potential duplicates: Up to 368 individuals that attended Chemical Management Training may have attended other Human Rights Training.

3 Potential duplicates: Up to 354 individuals that attended Chemical Management Training may have attended other Human Rights Training.



### A North America

COUNTRY	NUMBER OF FACTORIES
Canada	5
Dominican Republic	8
Haiti	5
United States	40

### B South & Central America

COUNTRY	NUMBER OF FACTORIES
Brazil	519
Chile	1
Columbia	8
El Salvador	2
Guatemala	9
Honduras	3
Mexico	20
Nicaragua	1
Panama	1
Paraguay	1
Peru	5
Uruguay	1
Venezuela	1

### C Europe

COUNTRY	NUMBER OF FACTORIES
Belgium	1
Bulgaria	7
France	2
Hungary	1
Italy	112
Macedonia	5
Poland	3
Portugal	49
Romania	10
Spain	3
Turkey	47
Ukraine	1
United Kingdom	5

### E Africa

COUNTRY	NUMBER OF FACTORIES
Egypt	8
Ethiopia	2
Kenya	5
Lesotho	1
Mauritius	5
Morocco	2
Tunisia	35
Zimbabwe	2

### D Middle East

COUNTRY	NUMBER OF FACTORIES
Bahrain	1
Jordan	3
Kenya	5

### F Asia

COUNTRY	NUMBER OF FACTORIES
Bangladesh	86
Cambodia	23
China	829
Hong Kong	2
India	178
Indonesia	46
Japan	28
Laos	3
Malaysia	3
Nepal	1
Pakistan	18
Philippines	10
South Korea	18
Sri Lanka	52
Taiwan	12
Thailand	24
Vietnam	152



# PARTNERING FOR PROGRESS

**WORKING COLLECTIVELY TO MAKE PROGRESS ON HUMAN RIGHTS**

The content on this page answers GRI G4 Indicator G4-12 and G4-16

The pressing social and environmental issues facing the apparel industry are too great for any one company to address alone. In addition to partnering with suppliers at a factory level to improve performance, we collaborate with suppliers and stakeholders to address endemic issues at an industry level. We work with a number of global and local organizations to help empower suppliers to raise their standards and drive industry-wide change. Below we provide a sampling of our affiliations.

## IMPROVING SUPPLY CHAIN TRANSPARENCY WITH THE FLA

The FLA is a multi-stakeholder initiative uniting brand owners, universities and civil society organizations to find solutions to industry-wide labor issues. PVH is a founding member and has been active in the FLA since its inception; Marissa Pagnani, PVH's Group Vice President of CR, currently serves on the FLA's Board of Directors. The FLA continues to evaluate our supplier programs and assess our factories against its Code of Conduct and Compliance Benchmarks. We disclose our full direct factory list to the FLA and participate actively in its third-party complaint mechanism, through which issues raised by workers, unions or NGOs are addressed by partner brands. As a move of transparency, the FLA posts our suppliers' assessment reports and corrective action plans on its website.

**[G4-15]**

## RAISING SUPPLIER STANDARDS WITH BETTER WORK

Better Work seeks to improve garment workers' lives through country-based programs to raise labor standards. An initiative of the International Labor Organization and International Finance Corporation, it currently runs programs in eight countries – Bangladesh, Cambodia, Haiti, Indonesia, Jordan, Lesotho, Nicaragua and Vietnam. Participating brand owners can share Better Work audit results, reducing the auditing burden on suppliers and helping the industry to measure supplier performance in a harmonized way. PVH began requiring key suppliers in Cambodia to join the program in 2005 and has since enrolled approximately 130 suppliers in eight countries. As we expand our sourcing operations in key countries like Vietnam, we are asking suppliers in those areas to join Better Work and commit to its philosophy of continuous improvement.



## UNDERSTANDING OUR LICENSEES' SOCIAL FINGERPRINT

We contract with third parties who license our brands for product categories and geographic regions that we choose not to manufacture or operate in directly. These licensees often operate complex supply chains over which we have little direct influence, meaning that although we require our licensees' suppliers to undergo assessments against our code of conduct for business partners, it can be challenging to address and improve performance. Just as we partner with our direct suppliers to protect workers' rights, we are committed to helping our licensees take ownership of their social compliance programs. This year we introduced the Social Fingerprint program from Social Accountability International ("SAI") to a pilot group of 10 key licensees. Leveraging SAI's experience in developing the SA8000 standard for decent work, the scheme helps suppliers identify opportunities to more effectively

“  
BETTER WORK IS COMMITTED TO CREATING A FAIR, SAFE APPAREL INDUSTRY THAT PROVIDES QUALITY JOBS FOR MILLIONS. PVH IS AN ACTIVE AND COMMITTED PARTNER AND ENGAGES ON-THE-GROUND IN OUR WORK TO BRING LASTING IMPROVEMENTS TO FACTORIES AND IN OUR STRATEGIC EFFORTS TO TRANSFORM THE INDUSTRY.  
—  
Dan Rees  
Program Director, Better Work

address critical health, safety and labor issues. Participants complete a self-assessment followed by an independent SAI verification, which produces a score on the effectiveness of their human rights management systems. Each licensee develops its own corrective action plan,

## EMPOWERING ARTISANS IN PARTNERSHIP WITH NEST

In 2015, we joined the Nest Artisan Steering Committee – a coalition of fashion and home design retailers and brand owners committed to addressing the industry's sustainability issues relating to craft, artisans and homeworkers. Facilitated by Nest, a non-profit committed to global artisan advancement through economic development, the committee includes retailers like West Elm, EILEEN FISHER and Patagonia. PVH will work with the committee to refine and pilot the industry's first-ever standard for artisan and homeworker compliance, which will consider the unique context and challenges of artisan supply chains, including issues like worker health and safety in homework environments and living wage models for piece-rate transactions.

drawing on the online Social Fingerprint toolkits. We guide and approve the plans and follow up regularly to review progress. Looking ahead, we plan to expand the Social Fingerprint program to all our major licensees, as well as to key vendors, and to incorporate the results in our overall evaluation of their performance.



# FIRE AND BUILDING SAFETY

## PROMOTING SAFE WORKING CONDITIONS IN OUR SUPPLY CHAIN

The content on this page answers GRI G4 Indicator G4-16

Supporting the Accord remains central to our efforts to improve health and safety in the Bangladesh garment industry. The situation in Bangladesh is challenging, heightened in 2015 by political unrest, the Nepal earthquake and recurring safety incidents within the industry. We continue to collaborate with multiple stakeholders to identify and address fire, electrical and structural risks, and drive positive change. As of July 2016, the Accord had completed over 1,500 factory inspections and completed over 1,450 corrective action plans.

We contribute to the Accord at multiple levels. Our Chief Risk Officer sits on the Accord Steering Committee and our CR and sourcing teams work closely to support our suppliers' remediation efforts. In 2015, we began to coordinate efforts on behalf of all brand owners to improve safety in all factories where we have production. Our local assessors visited all 72 of PVH's Bangladeshi suppliers to monitor progress, understand challenges and deliver training, and we held 27 joint CR-sourcing meetings

at our Dhaka office to dive deeper into key issues.

As a result of this engagement, we addressed nearly 70% of the 5,725 issues uncovered through the assessment process. Though there is much more work to do, we are pleased that as of April 2016, our suppliers' improvement rate was consistently higher than the Accord average.

One of the key challenges for retailers and brand owners sourcing in Bangladesh is that delays often occur in addressing safety issues. We conducted an in-depth analysis of the root causes of such delays, engaging with all stakeholders. Although the situation is highly complex, we discovered that the most prominent contributing factors are difficulty in procuring fire safety equipment, the lack of qualified engineers and designers and administrative delays by all stakeholders. Identifying the causes of these delays has led to more targeted and effective communication with both our suppliers and the Accord, which we



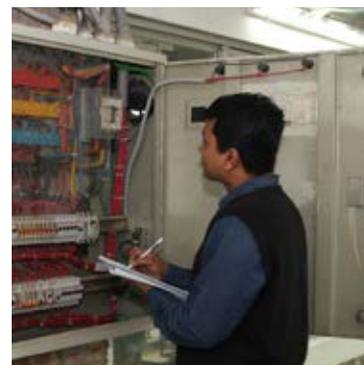
believe will ultimately lead to swifter remediation of outstanding issues.

Additionally, with remediation underway, we are supporting the Accord's efforts to empower workers to identify and raise safety issues. In 2015, we participated in an Accord pilot program to create and train worker health and safety committees in 40 factories. Through regular training sessions, committee members learn about hazard identification, complaints handling, collective problem-solving, monitoring workplace safety and remediation, enabling them to take a more active role in addressing safety issues. As of March 2016, all of our Bangladesh suppliers had set up committees. We will support the expansion of the program to more unionized factories in 2016.

## BEYOND BANGLADESH

We are committed to extending the building and fire safety lessons we have learned in Bangladesh across our supply chain. In 2015, we supported the FLA's Fire Safety Initiative, which seeks to reduce fire risks and prevent injuries by empowering factories in countries beyond Bangladesh to develop a culture of safety. We collaborated with Nike, Patagonia and Columbia Sportswear on an FLA training program for fire and safety trainers. Two members of our CR team are working toward becoming "Master Fire and Safety Trainers" who will in turn train local teams and factories, while five additional team members have received instruction to train factory-based Fire Safety Facilitators. Further, our work with the Accord has reinforced our tenement policy, which prohibits suppliers in South Asian countries from using tenement buildings due to their high safety risk. We are looking to expand this policy to other high-risk regions in the future.

As we move forward in 2016, we will continue to analyze reasons for remediation delays, push for progress on remediation and apply the lessons we are learning throughout our supply chain to promote safe working conditions for the people making our products.



<sup>3</sup> An unsafe factory building, particularly in Bangladesh, India, and Pakistan, which is identified as follows: a multi-use building (e.g. mixed purpose shared commercial, industrial, and/or residential); a building that is not properly zoned for industrial use and is, therefore, not meant or able to support industrial manufacturing; a building that does not have the proper governmental approvals, duly approved by a qualified engineer or municipal authority; a building with an obvious or reported structural concern, integrity faults or deficiencies (e.g. cracks, sagging floors, tilts, etc.) that indicate it has significant defects, as determined by a qualified engineer; and a multi-factory building.



# PVH A GREAT PLACE TO WORK

**COMMITTED TO OUR 30,000+ ASSOCIATES AROUND THE GLOBE**

We know that the success of our organization is directly related to our hardworking and dedicated associates, who contribute their time and talents to help us exceed customer expectations and grow our business. That is why we are committed to developing our over 30,000 associates personally and professionally. We pride ourselves on being a great company to work for, including by providing competitive and comprehensive pay and benefits. For example, in addition to the learning and development opportunities available within PVH, we also offer college scholarships for associates' children in the U.S.

Our Core Values – individuality, partnership, passion, integrity and accountability – embody who we are as a company, guide our decisions and inspire us.

We strive to offer a range of benefits to associates globally, as well as more localized offerings. One of our signature programs is PVH *HealthMatters*, a health and wellness platform available to associates in the U.S. and Canada. It gives associates the opportunity to take part in fitness, nutrition and health-oriented seminars and activities. We have distributed pedometers to associates since 2007 and following the distribution

of about 4,000 FitBit Zip pedometer upgrades to participating and additional associates last year, we experienced the highest ever participation in our semi-annual PVH *Walks!* competitions. About 1,800 associates took part, an increase of over 30% from 2014. We also introduced a mobile app to help associates better monitor their fitness goals and enhanced our Personal Health Coaching program. In the U.S. and Europe, we offer subsidized rates for health clubs and promote team sports to enable associates to pursue active lifestyles.

We also provide for the safety of our associates through our Business Continuity Program, which involves associate preparedness, local site preparations, crisis management and business recovery. In 2015, approximately 400 U.S. associates attended PVH *Prepares* fairs and “lunch and learns” featuring representatives from local agencies offering advice on preparing for an emergency. In addition, in light of the mass shootings taking place around the globe, our global annual PVH *Complies* program included *RUN.HIDE.FIGHT.*, an active shooter survival video produced by the Houston, Texas Police Department to help educate associates on how to be prepared in an active shooting scenario.

In 2016, we plan to roll out a new global human resources and payroll software solution in order to gain deeper insight into operations, costs and talent. This system will promote global consistency and allow us to better analyze the effectiveness of our programs and support our associates in line with our business strategy.

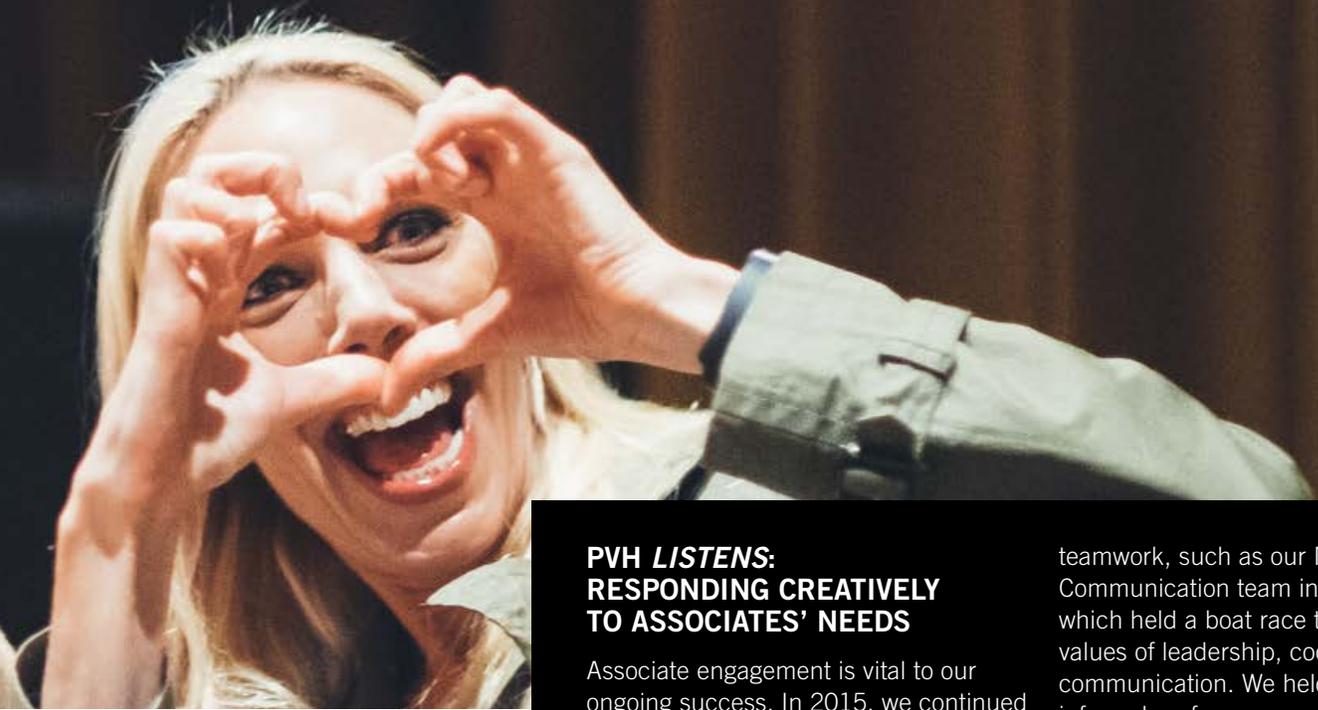
## **BENEFITS OFFERED GLOBALLY**

**The content in this section answers GRI G4 Indicator G4-LA2**

PVH offers benefits that are competitive in the countries in which we operate. In 2015, we improved our benefits programs in Hong Kong and offshore locations, extending certain benefits to associates' domestic partners and children and including dental care in offshore locations.

Specific benefits vary by employees and regions and may include:

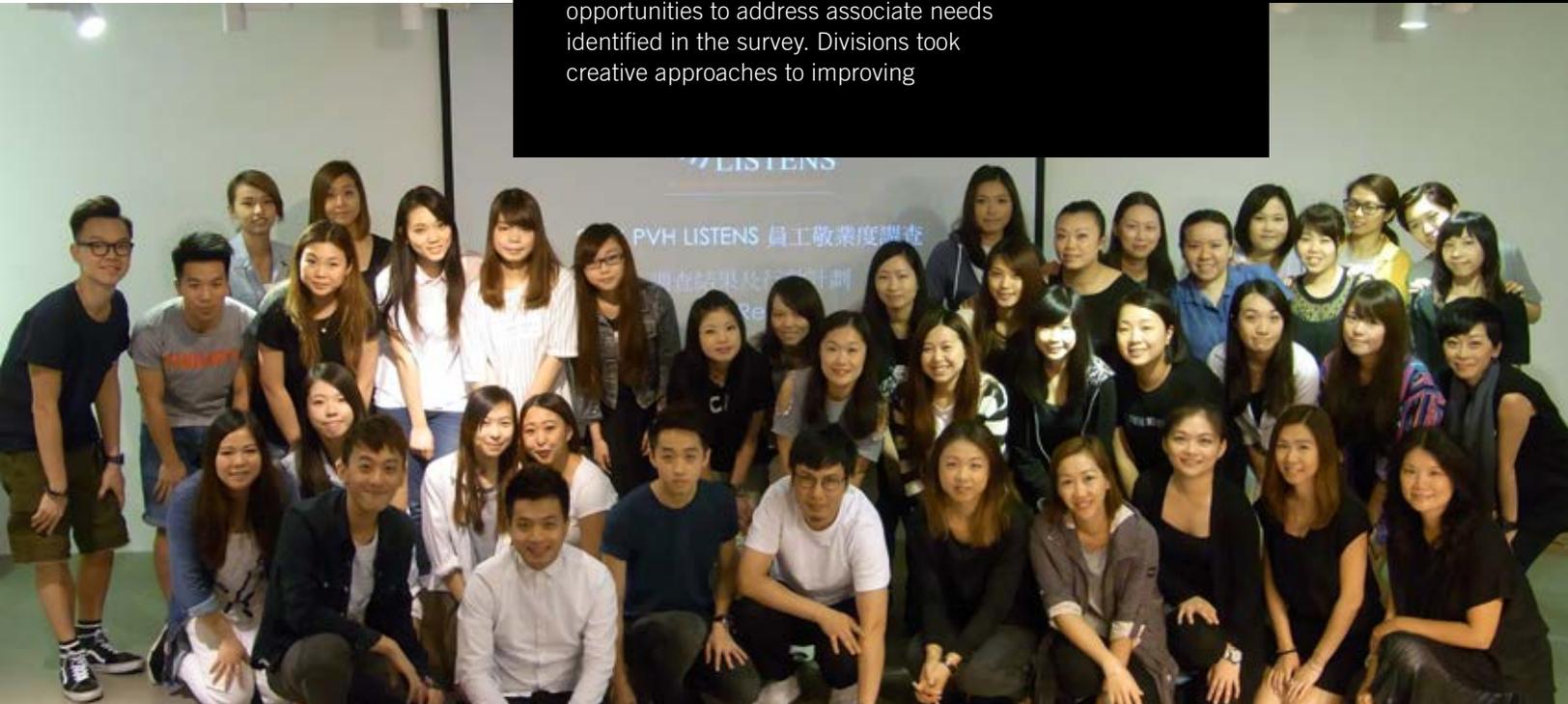
- Health and dental insurance
- Life insurance
- Disability insurance
- Retirement plan benefits
- Paid time off
- Employee product discounts program



### **PVH LISTENS: RESPONDING CREATIVELY TO ASSOCIATES' NEEDS**

Associate engagement is vital to our ongoing success. In 2015, we continued to address areas for improvement from our 2014 PVH *Listens* associate survey, particularly on the themes of learning and development, teamwork and recognition. We worked with all of our divisions to create departmental action plans to improve on lower-rated areas, as well as action committees to push forward projects. One milestone was the launch of PVH University, which expanded our learning and development opportunities to address associate needs identified in the survey. Divisions took creative approaches to improving

teamwork, such as our Marketing and Communication team in Amsterdam, which held a boat race to explore the values of leadership, cooperation and communication. We held more frequent informal performance reviews, and our Tommy Hilfiger U.S. retail stores stepped up their focus on recognizing associates for excellent performance through the PVH *GREAT Job* reward program. We are monitoring progress throughout the organization, and sharing success stories through our global intranet, *The Thread*. We want associates to know that PVH does not just listen – we act!





# INCLUSION AND DIVERSITY

CREATING AN INCLUSIVE WORK ENVIRONMENT WHERE EVERY INDIVIDUAL IS VALUED



THE WORLD AROUND US IS CHANGING DRAMATICALLY. DEMOGRAPHICS ARE CHANGING WITHIN OUR CONSUMER AND ASSOCIATE POPULATIONS. WE ARE MORE ETHNICALLY DIVERSE. WE ARE MORE CULTURALLY DIVERSE. I BELIEVE PVH IS AN INCLUSIVE CULTURE WHERE EVERYONE IS VALUED AND CAN BE THEMSELVES. EMBRACING INCLUSION AND DIVERSITY IS VITAL TO OUR SUCCESS.

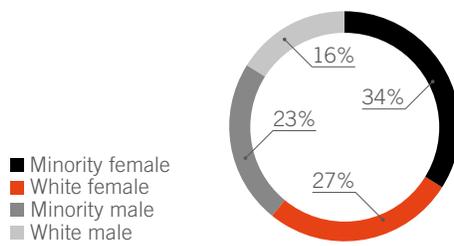
—  
Manny Chirico  
Chairman and CEO, PVH

At PVH, we value an inclusive workplace that drives growth, success, performance and creativity. It is important that we remain committed to strengthening our culture as we grow, and creating an inclusive environment where every individual is valued.

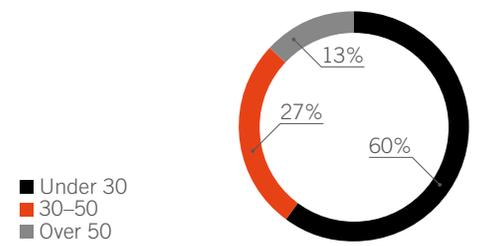
As part of this effort, we are building on our Core Values to bring an added focus

on inclusion and diversity, which will allow us to maintain our vibrant culture by embracing and supporting unique backgrounds and perspectives. To support this, we have launched an Inclusion and Diversity Council, initially in the U.S., focused on positioning PVH as a world-class global corporation that attracts and grows diverse talent. Our current focus areas for inclusion and diversity are:

## U.S. DIVERSITY ANALYSIS – 2015

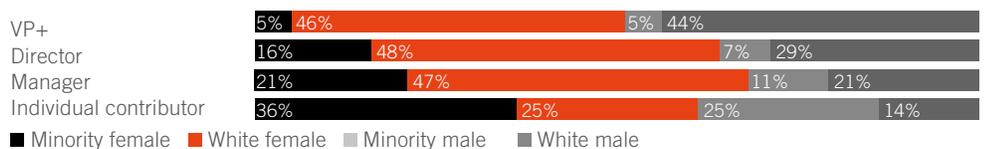


## U.S. ASSOCIATES (%) BY AGE – 2015



The content in these charts answers GRI G4 Indicator G4-LA12

## U.S. DIVERSITY REPRESENTATION: BY LEVEL – 2015





- Talent Practices – We are taking steps to ensure that our hiring, promotion, evaluation and remuneration practices are fair and free from bias.
- Education and Awareness – We have created an Inclusion and Diversity Academy as part of PVH University. Associates can learn about the benefits of inclusion and diversity through classroom and online training.
- Business Resource Groups – Business Resource Groups are voluntary, associate-led affinity groups that share commonalities and support our business goals. By establishing such groups across race, gender, culture and age, we seek to foster inclusion and help develop future leaders.

In 2015, we formed our first Business Resource Group – the Women’s Leadership Council – to support women on their

leadership journey. The Council was initiated in the U.S. and consists of female executives who focus on leadership development, growing emerging talent and breaking down silos. We also reinforced our commitment to gender equality and women’s empowerment by signing the United Nation’s Women’s Empowerment Principles – guidelines designed to help enable women in every walk of life to participate fully in the global economy.

In the coming year, we will take further steps to integrate inclusive practices across the business, support the development of additional Business Resource Groups and measure our inclusion and diversity performance. We plan to provide training for all associate levels and launch an inclusion and diversity “champions” program in the U.S. to further incentivize learning on this subject.

## CONFRONTING UNCONSCIOUS BIAS

The human brain creates “shortcuts” to deal with the constant stream of information it encounters each day, which helps individuals remain efficient and productive. However, shortcuts based on generalizations about others can affect people’s understanding of certain groups, creating unconsciously biased attitudes. In 2015, we made “Confronting Unconscious Bias” the first course in the Inclusion and Diversity Academy of PVH University. We launched the course with more than 300 senior leaders in the U.S., including those reporting to our Chairman and CEO, Manny Chirico, who played an active role in introducing the course. The course helped leaders to identify deeply ingrained biases, with participants remarking how eye-opening and important it was. The course is now mandatory for all U.S.-based leaders and is being rolled out internationally. Importantly, we are following up with participants regularly to understand how they are applying their discoveries in their roles and daily interactions.



# LEARNING AND DEVELOPMENT

INVESTING IN OUR GREATEST ASSETS, OUR PEOPLE



THE GLOBAL LEADERSHIP PROGRAM BREAKS DOWN WALLS AND OPENS UP LINES OF COMMUNICATION THAT WILL LAST FOREVER.

—  
Meg Lachance  
President, Van Heusen Retail

We are committed to developing our associates. They are the lifeblood of our company and the key to our future success. We help our associates build long-term, successful careers and advance their skill sets with many learning and development opportunities. For example, we offer tailored, individual learning plans, diverse training programs, practical learning opportunities and annual performance reviews. These efforts are supported by the PVH Global Talent Council, a group of leaders from across the company who champion initiatives and make sure talent planning aligns with our business strategy.

We regularly analyze learning needs to ensure that our development options support business strategy and our associates. In the most recent PVH *Listens* survey, associates indicated that they would like to see a wider variety of learning and development opportunities. In support of this, we rolled out PVH University globally in early 2016 to more than 9,000 corporate associates.

PVH University offers a blended learning experience, with classroom courses and

online tools organized into topical Academies, including Leadership, Inclusion & Diversity and Professional Skills. Also, as part of this effort, we launched a new online learning portal, PVH University OnDemand. With more than 800 courses and videos available in 16 languages, corporate associates gain the flexibility to learn anywhere, at any time. We will continuously refine the content to help associates build core competencies.

We also continue to support the development of our leaders. Over 40 senior leaders have now completed our Global Leadership Program, a six-month leadership development experience launched in 2014. This program helps to promote greater internal collaboration, encourage a better understanding of our global business and strengthen leaders' strategy, business and leadership skills. It was developed collaboratively by PVH and the Wharton School of the University of Pennsylvania, one of the world's top-ranked business schools.

Looking forward, we will continue to refresh and improve PVH University content to

## SPOTLIGHT ON: PVH LEADERSHIP ACADEMY

PVH University supports the needs of our associates and our business through a blended learning experience. Below is a sample curriculum for the PVH Leadership Academy:

Sample PVH university curriculum: PVH Leadership Academy

	ALL ASSOCIATES	FRONTLINE LEADERS	MID-LEVEL LEADERS	SENIOR LEADERS/ EXECUTIVES
<b>Global Programs</b>				<ul style="list-style-type: none"> <li>Global Leadership Program</li> </ul>
<b>Sample Classroom Courses</b>	<ul style="list-style-type: none"> <li>Strategies for Influencing Others</li> <li>Finance for the Non-Financial Manager</li> </ul>	<ul style="list-style-type: none"> <li>Executing Strategy at the Front Line</li> <li>PVH Coaching Boot Camp</li> </ul>	<ul style="list-style-type: none"> <li>Making Change Happen</li> <li>Translating Strategy into Results</li> </ul>	<ul style="list-style-type: none"> <li>Tailored University Executive Education courses</li> </ul>
<b>eLearning Library of 800+ Online Courses and Videos</b>	<ul style="list-style-type: none"> <li>Course: Navigating Change</li> <li>Video: Going Beyond Planning and Execution</li> </ul>	<ul style="list-style-type: none"> <li>Course: The Basics of Effective People Management</li> <li>Video: Developing Organizational Talent</li> </ul>	<ul style="list-style-type: none"> <li>Course: Financial Statement Analysis</li> <li>Video: Keys to a Successful Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Course: Strategies for Implementing Change</li> <li>Video: Can Your strategy Withstand Business Cycles?</li> </ul>
<b>Other Learning Resources</b>	<ul style="list-style-type: none"> <li>Speaker Series</li> <li>Leaders as Teachers</li> </ul>	<ul style="list-style-type: none"> <li>Speaker Series</li> <li>Leaders as Teachers</li> </ul>	<ul style="list-style-type: none"> <li>Speaker Series</li> <li>Leaders as Teachers</li> </ul>	<ul style="list-style-type: none"> <li>Speaker Series</li> <li>Leaders as Teachers</li> </ul>

ensure it reflects the evolving needs of our associates and our business. We also plan to add a Retail Academy to meet the needs of our associates in *Tommy Hilfiger*, *Calvin Klein* and *Van Heusen* retail stores. In partnership with the Global Talent Council, we are designing a development program for Vice President- and Director-level associates. We will develop and pilot a New Manager development program as well as a coaching skills program in 2016. Both programs will be certificate-based and self-paced to support leaders' management skills, as we continue to build a stable future for our organization.

“

**MOST CLASSES USE HYPOTHETICAL REPORTS AND CASE STUDIES. WHAT REALLY MADE THIS CLASS FANTASTIC WAS THAT MIKE (SHAFFER, CHIEF OPERATING & FINANCIAL OFFICER) USED PVH'S MOST RECENT FINANCIAL RELEASE AS THE LEARNING MATERIAL. THAT WAS AN INCREDIBLY POWERFUL LEARNING TOOL. IT MADE EVERYTHING REAL.**

—  
Leaders as Teachers “Finance 101”  
Course Participant

## ENGAGING OUR LEADERS AS TEACHERS

In 2015, PVH University launched “Leaders as Teachers” – an initiative through which associates can attend classes on current business topics, delivered by those who know them best – our senior leaders. Mike Shaffer, our Chief Operating & Financial Officer, led the first session, titled “Finance 101” to some 30 associates in the New York office. Within five minutes of enrollment opening, associates had filled all the seats available. Participants heard Mike explore the relationship between PVH's financial performance and its stock price, as well as how to interpret the finer details of a financial statement.



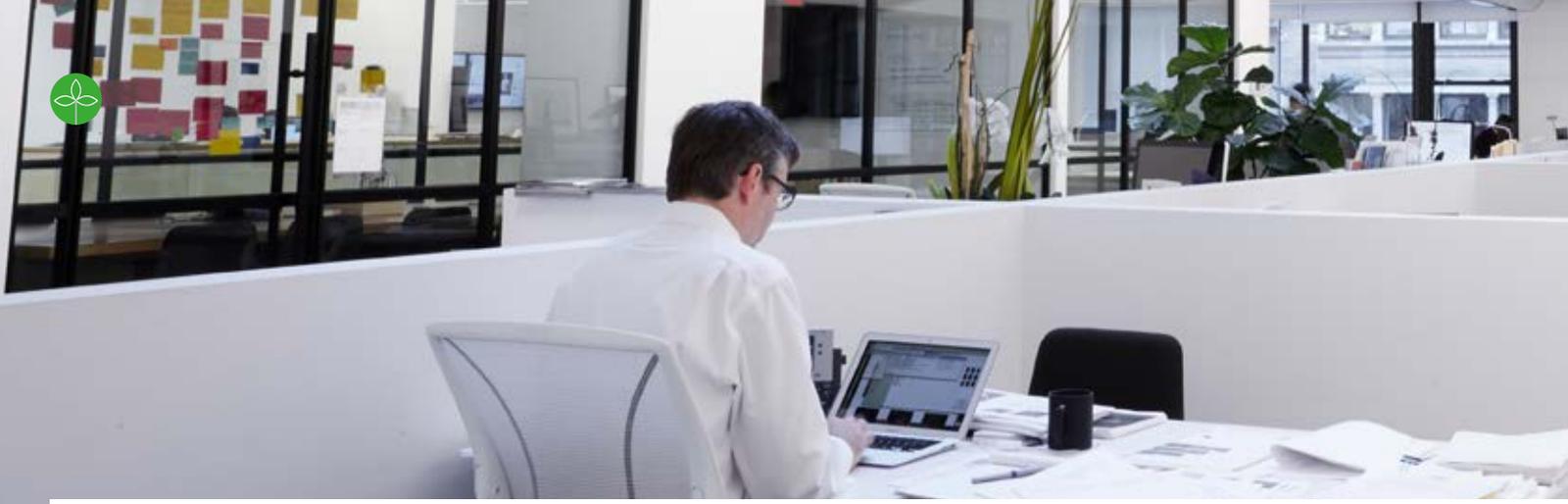
We followed the first class with additional sessions reaching 150 more associates in four offices to accommodate the overwhelming demand. Ken Duane, Chief Executive Officer, Heritage Brands and North America Wholesale, has also delivered a “Wholesale 101” session. He shared an overview of PVH's wholesale channels, as well as his experience with evolving trends such as millennial shopping preferences and digital commerce. In 2016, we plan to expand this program to feature other leaders throughout the business.





# PRESERVING THE ENVIRONMENT

We recognize our responsibility to address environmental impacts across our value chain, as well as the opportunity to maximize efficiencies and drive business value. This means reducing and phasing out hazardous chemicals, safeguarding water resources, innovating towards more sustainable packaging and sourcing raw materials in a way that respects people, animals and the environment. In order to reduce our global greenhouse gas emissions, we are measuring and analyzing our impact and will set targets around reducing energy consumption, increasing energy efficiency and utilizing clean energy.



# MANAGING OUR NATURAL RESOURCES

## UNDERSTANDING AND MANAGING OUR GLOBAL FOOTPRINT

At PVH, we are committed to playing our part in the global fight against climate change and we are taking steps to manage resources responsibly in the face of increasing resource scarcity. In particular, we aim to reduce our carbon footprint by cutting energy consumption and increasing energy efficiency – both within our business and across our value chain.

In 2015, we collaborated across our organization to calculate our first global greenhouse gas footprint for all PVH facilities. A dedicated team supported facilities managers worldwide in measuring and reporting energy use. Together, they gathered data from 43 countries and nearly 1,700 facilities, including offices, stores, showrooms, warehouses and distribution centers.

Overall, PVH’s scope 1 and scope 2 emissions totaled nearly 135,000 MT CO<sub>2</sub>E. We discovered that 69% of our emissions are derived from purchased electricity (Scope 2), with 28% produced by our consumption of energy (primarily natural gas) and refrigerants (Scope 1). Our retail facilities, which account for the largest part of our global facilities portfolio, generate our greatest energy impact. By region, North America contributes the most to our global footprint, accounting for 67% of greenhouse gas emissions, followed by

Europe (22%) and East Asia (8%).

To better understand our building energy performance, we are supporting the development of the Fair Fashion Analysis Collaboration Tool, an industry platform being developed by engineering firm Arup and the Fair Fashion Institute at Glasgow Caledonian University to help retailers optimize building energy use. This tool will enable us to compare our performance against industry benchmarks, identify opportunities for improvement and realize both financial and environmental savings.

In the coming year, we will develop a targeted energy reduction strategy in partnership with our associates and business partners around the world. We will also prepare to calculate our Scope 3 emissions and continue to build momentum on measuring, managing and reporting our global footprint.

### TAKING ACTION IN OUR FACILITIES

Our offices play a critical role in helping us effectively manage our energy use, water use and waste. In 2015, associates in multiple offices launched or continued initiatives to reduce their environmental footprints:

- We continued to implement power-saving measures in our Bridgewater,

New Jersey office, upgrading some 95% of bulbs to more energy-efficient equivalents and eliminating 27,000 watts of power by replacing two-third of cubicles with models that do not contain built-in lighting.

- We diverted over 415 kg of paper waste generated in our Calvin Klein office in São Paulo, Brazil from landfills since launching a paper recycling campaign in May. The paper is sold, recycled and turned into new stationery.
- The PVH Information and Communications Technology Service Desk team in Amsterdam launched multiple energy efficiency and waste-reduction initiatives, including installing power-saving monitors, setting up a partnership to recycle old hardware and digitizing equipment agreements to save paper.
- The “Green Committee” in our Reading, Pennsylvania Distribution Center collected and delivered 129 pounds of expired rechargeable batteries to a recycling plant, engaging the local community to prevent toxic runoff.
- The Tommy Hilfiger Europe retail store team developed a strategy to improve the environmental performance of its retail stores and began implementing certified wood-based store elements. [\[G4-EN23\]](#)

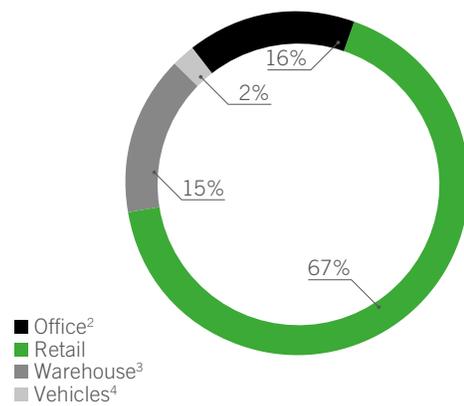


## CUTTING OUR TRANSPORT AND LOGISTICS FOOTPRINT

Our PVH North America logistics team operates a private fleet of trucks to transport our products to distribution centers and retail stores. The fleet, which contains four trucks and 24 trailers, undertook several initiatives in 2015 to reduce its carbon footprint. First, it started increasing fuel efficiency by participating in SmartWay, a U.S. Environmental Protection Agency initiative that helps companies streamline their transport and logistics operations. Using data on fuel consumption and carbon emissions from SmartWay, the fleet is taking action to minimize impact. So far, it has fitted anti-idling devices to tractors, introduced a maximum speed limit of 72 mph and specified fuel efficient engines for new tractors. It also made aerodynamic modifications to trailers that saved over 20,170 gallons of fuel and resulted in cost savings of approximately \$55,000 compared to 2014. Overall, the fleet expects to improve fuel efficiency by about 35% through the aerodynamic changes and new engines alone. Our overseas logistics teams are also modifying their fleets and implementing measures to cut greenhouse gas emissions, with our Retail Logistics team in Russia cutting its annual mileage by 11,000 miles, reducing the fleet's carbon footprint by 7 tons of CO<sub>2</sub>e.

The content in these charts answers GRI G4 Indicator G4-EN15, G4-EN16

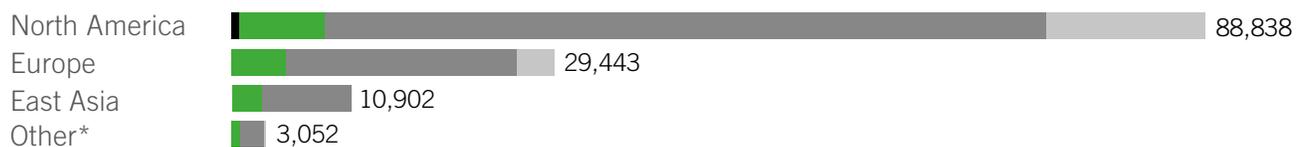
### 2015 GHG EMISSIONS – BY SOURCE



### 2015 GHG EMISSIONS – BY SCOPE

	MT CO <sub>2</sub> e
Scope 1 Emissions	41,293
Scope 2 Emissions	93,166
<b>Total GHG Emissions</b>	<b>134,459</b>

### 2015 GHG EMISSIONS – BY REGION AND FACILITY TYPE



\*Includes Africa (Eastern and Northern), Central America, South America, South-East Asia and Southern Asia.

■ Factory ■ Office ■ Retail ■ Warehouse/Distribution Center



# MANAGING CHEMICALS RESPONSIBLY

## OUR JOURNEY TO ELIMINATE HAZARDOUS CHEMICALS

Chemicals are used throughout the apparel value chain – from growing cotton to dyeing, treating and finishing fabrics, to consumer use and disposal. At every stage, there is a risk that chemicals entering the environment could potentially pollute waterways, damage ecosystems or harm human health. PVH seeks to manage chemicals responsibly and we have committed to zero discharge of hazardous chemicals from our supply chain by 2020. We made this commitment in 2013 and began implementing our Chemical Commitment and Action Plan in 2014. Our global Chemical Management program guides our efforts on compliance, auditing, remediation, resource development, training and stakeholder partnerships.

### [G4-2]

This year, we launched an updated Restricted Substance List (“RSL”) that applies to all PVH businesses and licensees. All of our suppliers sign on to comply with the new RSL through their supplier agreements and our licensees commit through their license agreements. The RSL establishes concentration limits for substances found in our finished products. While the RSL helps us stay compliant in a complex regulatory environment, it also serves as an indicator to stakeholders of the chemicals we believe

need to be limited and phased out.

Additionally, we conducted training for over 50%<sup>4</sup> of our suppliers and sourcing divisions on responsible chemical management, reaching over 720 participants. Through our training, we shared our approach to chemical management, reviewed the impacts of restricted chemicals and provided guidance on best practices.

At an industry level, we continued to support collaborative initiatives addressing shared challenges. We are members of the ZDHC Programme, which this year became an official independent non-profit entity called the ZDHC Foundation. Our Chief Risk Officer participated in the governance committee to set up the foundation’s structure and find an executive director. The ZDHC joint roadmap sets a path to eliminate discharge of hazardous chemicals by 2020 through development of foundational tools such as the ZDHC Manufacturing Restricted Substances List (“MRSL”) and waste water guidance. We also collaborated with the Apparel and Footwear International RSL Management (“AFIRM”) group to advance the creation of a global RSL for the industry. [G4-16]

Looking ahead, we are working toward

expanding our understanding of chemicals risks among our level 2<sup>5</sup> supplier base. This exercise will also inform the development of our global sustainable materials strategy and the build-out of our broader environmental program. We plan to train 100% of our level 1 suppliers by the end of 2016, and continue to engage with ZDHC and AFIRM to make sure that our program is aligned with industry efforts.



4 Level 1 suppliers, by volume.  
5 Raw material suppliers and wet processing units, including fabric mills (weavers/knitters), dye houses, printers, laundry/wash/finishing units, trim suppliers, embroidery units, converters/agents, molders and tanneries.

# SAFEGUARDING AND PRESERVING WATER

PRESERVING WATER FOR TODAY AND TOMORROW



Photo Credit: © Thomas Cristofolletti / WWF-UK

Water use and management present one of the biggest risks to global development according to the World Economic Forum. In the apparel industry, water is a highly complex issue, with large quantities used everywhere from cultivating raw materials to consumers laundering their garments. Water is also used during the dyeing, tanning, printing and finishing stages of garment production. We aim to safeguard water resources in our sourcing countries to ensure continuity and quality of water supply for our business and the communities where we source.

We are in the midst of developing a global water strategy informed by a water risk analysis in our operations and supply chain, as well as the findings of a PVH dress shirt life-cycle analysis and our engagement with suppliers, academic experts, non-profit partners and multi-stakeholder initiatives like the SAC and ZDHC. As we strengthen our water efforts and develop broader environmental guidelines for suppliers, we are learning from the environmental progress of our Tommy Hilfiger business, which has led progress in this area.

Tommy Hilfiger's water stewardship program has three key tenets: collective action with stakeholders in high risk areas, improving key factories' water practices and cutting the water impact of products. Tommy Hilfiger partners with WWF on

water stewardship projects in the Taihu and Mekong river basins and with the Better Cotton Initiative, which, among other things, supports cotton farmers in reducing their water use. **[G4-16]**

Tommy Hilfiger Europe also conducted a denim finishing pilot to help suppliers measure and improve chemical, energy and water use. Additionally, through participation in the Better Mills Initiative, a Tommy Hilfiger supplier in China has improved its knowledge of sustainable techniques, saving approximately 40,000 tons of water in less than 18 months.

The build-out of PVH's global water strategy in 2016 will allow us to increasingly improve transparency on water issues in our supply chain, including via a level 2 supplier mapping exercise.

Importantly, we will also start to plan water reduction initiatives, including in Ethiopia, where we commissioned an independent analysis of the potential impact on local water supplies of an industrial park in Hawassa where we plan on having production. We are partnering to build a zero liquid discharge effluent treatment facility that recycles wastewater produced in the park and looking to support collective action water stewardship projects in the surrounding communities.

**The content on this page answers GRI G4 Indicator G4-EN8**

## TOMMY HILFIGER PARTNERS WITH THE WWF TO PROTECT RIVER BASINS

River basins impact a number of different stakeholders, all of whom rely on local water resources. The ability of our factories and local communities to access water depends on the behavior of everyone in the area, so it is vital that we work collectively to safeguard shared water supply. In 2015, Tommy Hilfiger partnered with WWF to engage with stakeholders in two river basins where we have suppliers facing water risks. These are the Taihu Basin (part of the Yangtze River) in China and the Mekong, which covers Vietnam, Laos, Cambodia and Thailand. By collaborating with our suppliers, local businesses, universities and non-profits, we aim to build an understanding of water risks, promote responsible water stewardship and develop common solutions.



# SUSTAINABLE MATERIALS

## SOURCING RAW MATERIALS AND PRODUCING MORE SUSTAINABLY

We aim to source raw materials and produce goods in ways that minimize social and environmental impacts along our supply chain. In 2015, we took important steps to better understand the impact of the materials in our products. We partnered with our sourcing divisions to conduct a global mapping of the materials used in our products, including the volumes we use. We are also exploring the environmental impacts of one of our major products – *Van Heusen* dress shirts – from start to finish by conducting a lifecycle assessment. These exercises provide a critical foundation for our global sustainable materials strategy, which is currently in development.

We continue to support the SAC's efforts to develop an industry-wide system to measure suppliers' environmental performance, using its Higg index tool. Seven factories producing *Tommy Hilfiger* goods have participated in the current Higg index verification pilot to create and test a methodology for checking self-assessment scores. An additional 15 factories used by us will be covered through the participation of other brand owners who use the same factories. Our engagement with the SAC informs our environmental strategy, the incorporation of environmental indicators into our factory assessment tool and our efforts to design products more sustainably. **[G4-16]**

### STRENGTHENING OUR COMMITMENT TO ANIMAL WELFARE

Protecting animal welfare is integral to our commitment to source raw materials – such as wool, leather and down – more responsibly. It is also an increasingly important issue for our industry, with consumers, wholesale customers and non-profits seeking greater transparency on animal welfare topics.

In 2015, we began work on a global animal welfare policy encompassing all of PVH's branded businesses. In particular, we considered our most material animal welfare impacts, stakeholder concerns and respected guidelines such as the Five Freedoms. The policy will outline our expectations with regard to key materials and includes industry-wide certifications,

such as the Textile Exchange's Responsible Down Standard, where applicable.

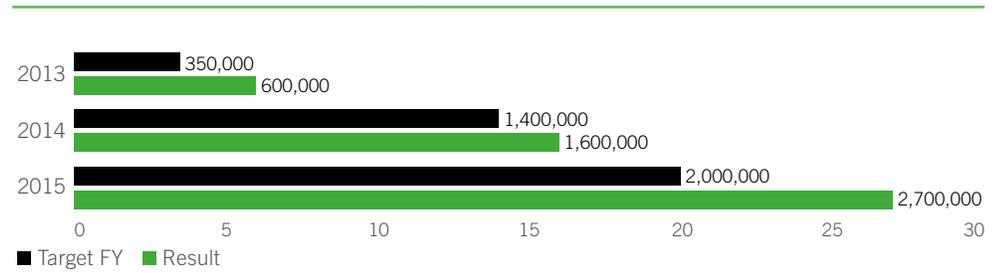
We will launch the policy in the coming year, asking all relevant business partners to sign it as part of their agreements.

### TOMMY HILFIGER CONTINUES ITS SUSTAINABLE EVOLUTION

*Tommy Hilfiger* is making progress on its Sustainable Evolution strategy and updates are available on its website. Sustainable materials highlights include:

- Procuring over 4.3 million kilograms (9.5 million pounds) of Better Cotton, amounting to approximately 11% of Tommy Hilfiger's global cotton volume and is more than eight times the amount sourced in 2014.

### TOMMY HILFIGER SUSTAINABLE MATERIALS PROGRESS: GARMENTS UTILIZING ORGANIC COTTON, RECYCLED COTTON OR TENCEL®



- Increasing use of more sustainable materials such as organic cotton and Tencel® by more than 70% compared to 2014, for a total of 2.9 million garments in select collections.
- Convening a multi-stakeholder summit in Amsterdam to collaborate with industry peers on improving sustainability and traceability in the leather supply and seek feedback on a leather impact calculator tool developed with Made-By, which seeks to determine impacts related to country of origin (including animal welfare, land use, water and carbon emissions).
- Procuring leather from certified sources: Approximately 13% of tanneries used by Tommy Hilfiger are accredited by the Leather Working Group, a multi-stakeholder group that establishes and promotes sustainable business practices within the leather industry.
- Incorporating down certified by the Responsible Down Standard in the majority of PVH Europe styles for Fall 2016.

## SPEEDO USA CLOSES THE LOOP ON SWIMWEAR

Our ambition to minimize the environmental impact of our materials sourcing starts with sustainable design. In 2015, Speedo USA partnered with Italian yarn maker Aquafil and Chinese supplier Parawin to transform nylon factory remnants into new swimsuits. Through this progressive project, Speedo and Parawin recapture cutting floor scraps and ship them to Aquafil's plants in Slovenia, where it is spun into Aquafil's 100% regenerated Econyl® nylon. Econyl® offers superior performance to virgin nylon and the new *Speedo PowerFLEX Eco* swimwear collection (made of 78% Econyl®) is priced on par with Speedo's other collections. The partnership has created one of the first take-back programs in the swimwear industry, and Speedo plans to build on its new closed loop swimwear program by exploring how to use Econyl® across the rest of its collections.

## SUSTAINABLE PACKAGING

Several PVH divisions have undertaken sustainable packaging projects in recent years, generating both environmental and business benefits, as well as company-wide engagement for a broader effort. In 2015, we built upon this work by launching a cross-business, global program, driven by our sourcing, marketing, design and CR teams, to move towards our goal of reducing packaging and sending zero waste to landfill.

One key benefit of this company-wide effort is the ability to share best practices and case studies. Speedo USA, for instance, modified its hang-tags by using less material, switching from virgin paperboard to 70% recycled content and adding a "recycle" indicator to encourage consumers to recycle tags. As a result, the division is using 67% fewer trees, saving 56% of the water needed to create the tags, and cutting its carbon footprint by 30%, while saving approximately \$150,000 annually.

Tommy Hilfiger North America also launched an initiative to reduce the environmental impacts and costs of labeling across all its product lines. They decreased the number of panels on care labels, shortened the length of UPC tags and plastic stickers and switched from card to vellum material. The project has saved approximately \$2 million and eliminated over 130,000 pounds of waste, which is equivalent to about 17 Asian elephants.

In 2016, we will conduct a global baseline exercise to understand the full scope of raw materials used for our on-product packaging footprint. This information will enable us to track progress and identify future initiatives.

## FINDING NEW USE FOR DESIGN ROOM SCRAPS

As part of our Source to Store vision, we look at how materials used during the design process are discarded at the end of their useful life. In 2015, Tommy Hilfiger partnered with re-fashionNYC, a joint initiative of the City of New York and non-profit Housing Works, on a pilot to reuse, repurpose or recycle both damaged and intact clothing and footwear. Calvin Klein followed suit shortly thereafter. re-fashionNYC sorts items, donates usable goods to thrift shops and charities and sells the remaining scraps to be transformed into products like home insulation.





# SUPPORTING COMMUNITIES

We are passionate about making a positive impact on the communities where we work and live. We aim to support the needs of women and children, including by creating safe spaces, improving access to education and enhancing their quality of life. We invest in local communities through partnerships with non-profit organizations, associate volunteerism and contributions.





Photo Credit: Save the Children



Photo Credit: Save the Children

# TAKING OUR COMMUNITY EFFORTS GLOBAL

## GOING GLOBAL FOR GREATER IMPACT

Supporting the communities where we work and live has always been a top priority for PVH and is part of our culture. In particular, we endeavor to impact positively the lives of women and children. We do this through initiatives both at the corporate level and within our divisions. In 2015, we contributed nearly \$55 million in cash and in-kind contributions to charitable causes.

Our Global Community Relations (“GCR”) team, established in 2014, guides these efforts. It oversees The PVH Foundation, our charitable giving arm, and PVH Cares, the platform through which we bring volunteering efforts to life. To maximize our impact, we partner with non-profits and encourage our business teams to collaborate in support of our global campaigns. We also give associates the flexibility to contribute to local causes they care about.

In 2015, we expanded our community outreach efforts and engaged with business teams around the world to share our global approach and drive consistency. As a result, our divisions are increasingly partnering for greater impact.

### EXPANDING OUR SAVE THE CHILDREN PARTNERSHIP

We have supported Save the Children for more than ten years. We built on this partnership in 2014 by making a \$5 million multi-year commitment to Save the Children’s early education programs and, in 2015, we expanded our support across businesses, regions and divisions. Our Chairman and CEO, Manny Chirico, joined Save the Children’s Board of Trustees in 2015, furthering our commitment and providing the opportunity to help the organization drive future strategy.

Some highlights from 2015 include:

CHARITABLE GIVING (USD AMOUNTS IN THOUSANDS)	2013	2014	2015
PVH Foundation Cash Contributions	5,684	4,888	4,782
Associate Contributions / Fundraising	736	670	826
Retail Customer Contributions	1,690	1,283	1,827
PVH Product Contributions	9,801	6,029	10,225
<b>Total</b>	<b>17,911</b>	<b>12,870</b>	<b>17,660</b>

The content on this page answers GRI G4 Indicators G4-EC1, G4-SO1



HELPING ASSOCIATES TO UNDERSTAND OUR MISSION AND HOW THEY CAN CONTRIBUTE IS CRITICAL TO ENCOURAGING GREATER PARTICIPATION AND COLLABORATION AND, ULTIMATELY, ACHIEVING MORE IMPACT FOR WOMEN AND CHILDREN.

Guy Vickers  
Senior Vice President of Global Community Relations and President of The PVH Foundation

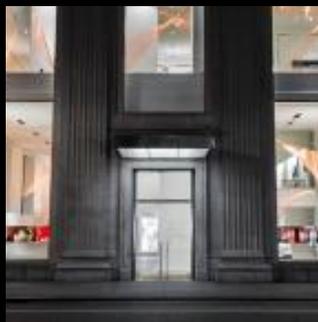
## CALVIN KLEIN PROMOTES SAVE THE CHILDREN IN GLOBAL RETAIL STORES

During the 2015 holiday season, our Calvin Klein retail divisions raised awareness of our Save the Children partnership through a creative merchandising campaign across hundreds of stores covering all of the regions in which we operate. The initiative was a global first, uniting retail associates around the world through their shared commitment to Save the Children. In addition to making a donation of \$125,000 to the non-profit, the Calvin Klein retail divisions promoted Save the Children's work to consumers via point-of-sale displays. The headline message "Keep Generosity Present" appeared in store windows around the world, notably at the *Calvin Klein Collection* flagship store on Madison Avenue in New York City, where it was woven into a shimmering art installation.



**WE WERE INSPIRED BY THE PARTNERSHIP BETWEEN SAVE THE CHILDREN AND PVH, AND WANTED TO LEVERAGE OUR BRAND TO HELP AMPLIFY THEIR AMAZING WORK TO OUR GLOBAL CONSUMERS AND ASSOCIATES.**

—  
Woozae Kim  
Vice President, Global Marketing,  
Calvin Klein, Inc.



## ROLLING UP OUR SLEEVES WITH SAVE THE CHILDREN IN BLACKVILLE, SOUTH CAROLINA

In June 2015, 13 PVH associates personally experienced one of Save the Children's early education programs by participating in a volunteer service trip to Macedonia Elementary School in Blackville, South Carolina. Save the Children supports special programming and provides a safe learning environment in the area, where many families live in poverty. Our associates got involved in fun learning activities with children from kindergarten through to sixth grade and rolled up their sleeves to help renovate the school's library. They returned inspired and humbled by our ability to help make a difference.



**DURING THIS TRIP, WE WERE ABLE TO SEE FIRSTHAND WHAT PVH'S MULTI-YEAR GRANT TO SAVE THE CHILDREN SUPPORTS, FROM EARLY LITERACY AND CRITICAL THINKING TO HEALTHY CHOICES, AND MOST IMPORTANTLY, HOPE AND A LITTLE LIGHT (IN THEIR LIVES).**

—  
Brittany Tumminia  
Communications Manager,  
PVH



- We continued our support of Save the Children projects in the U.S. and Bangladesh and began funding a program that provides early childhood education to the children of migrant workers in China.
- We offered our associates the opportunity to attend the first PVH and Save the Children cross-company volunteer service trip to Blackville, South Carolina.
- We launched our Save the Children child sponsorship program globally and made it easier for associates to register online. Contributions fund early learning, literacy, healthy eating and physical activity programs.
- Through in-store collections, our retail associates in the U.S. raised \$400,000 for Save the Children's early education programs.
- Our associates made contributions totaling more than \$35,000 to Save the Children's disaster relief fund following the earthquake in Nepal.

Looking ahead, the GCR team will continue to strengthen our partnerships with non-profit organizations and expand globally initiatives in support of women and children. We also plan to extend our early education programs with Save the Children to additional communities, including India and Ethiopia.



# ENGAGING WITH LOCAL COMMUNITIES

## THINKING GLOBALLY, ACTING LOCALLY

The content on this page answers GRI G4 Indicator G4-SO1

We encourage our associates to make a positive difference in their communities, both by giving them the opportunity to contribute to causes they are passionate about and by inspiring collaboration for greater impact. In coming together to support our global goal commitment to support the needs of women and children, our associates also form new relationships across business divisions.

In November 2015, our U.S. offices raised over \$200,000 through our annual cross-company PVH Cares campaign in support of 12 spotlight charities, along with an additional \$12,000 for our non-profit partner Save the Children. Nearly 150 associates from our Calvin Klein, Tommy Hilfiger and Heritage Brands businesses hosted two days of arts and learning activities for around 175 disadvantaged children with Free Arts NYC. Associates from across the company also hosted a prom dress event for 116 underprivileged girls supported by non-profit Big Brothers Big Sisters and the New York Department of Homeless Services. Associates donated more than 625 dresses for the event and 30 volunteers helped to create a truly memorable experience for the participants.

In Amsterdam, close to 400 PVH Europe associates dedicated almost 2,000 hours to give back to the community. Outreach efforts included taking elderly people to visit museums, organizing outdoor activities for

children and cleaning up plastic waste from the canals of Amsterdam. PVH Europe also worked to combat food wastage by partnering with a non-profit called BuurtBuik, which reallocates leftover food from the employee restaurant to neighborhood centers where the food can be used to feed people in need.

## BUSINESS DIVISION HIGHLIGHTS

Our business divisions are given the flexibility to support spotlight charities of their own choosing that reflect our overall mission to support women and children. Here are some of the highlights from 2015:

**Tommy Hilfiger:** Tommy Hilfiger's *TommyCares* program – which forms part of the broader PVH Cares commitment to support the needs of women and children – supported Save the Children, War Child and WWF with philanthropic donations. With our support, War Child (a charity helping children to overcome the consequences of conflict in the Democratic Republic of Congo) provided approximately 8,300 individuals with child protection, education and psychosocial support activities. In North America, Tommy Hilfiger continued its 12-year partnership with the Hudson Guild, a New York community center empowering people in need. For the 10th year, executives and associates read to over 90 children as part of Hudson Guild's global "Read for the Record" event.

**Calvin Klein:** Calvin Klein strengthened its support of the Ronald McDonald House Charity ("RMHC"), a "home away from home" for the families of seriously ill children. As part of PVH Cares week, approximately 45 volunteers from across Calvin Klein divisions in the U.S. served lunch and dinner daily to families of pediatric cancer patients. We are active in supporting RMHC in other regions too. For example, in Hong Kong, Calvin Klein hosted a holiday party and crafts session for 15 patients and their families at RMHC Hong Kong. At a corporate level, PVH helped raise over \$3 million for the RMHC of New York City at its 23rd Annual Gala, where our Chairman and CEO, Manny Chirico, was honored.

**Heritage Brands:** In 2015, associates from our Heritage Brands division and PVH Corporate embraced child mentorship programs as a way to give back. In 2015, PVH associates collaborated with Playworks to host a leadership conference where they trained 67 fourth and fifth grade students on topics including peer leadership and conflict resolution. PVH also organized monthly "reading parties" with the Pajama Program, where associates practiced vocabulary and reading comprehension skills with children. In the same spirit, the PVH Marketing Group donated over 400 pro-bono service hours to support Brooklyn Community Services, a non-profit that empowers children from low-income communities.

# HIGHLIGHTS FROM 2015



PVH Bridgewater associates dedicated 772 hours to support RMHC in a walkathon, Halloween celebration and by serving meals to over 70 families of seriously ill children.



PVH Hong Kong associates partnered with the Changing Young Lives Foundation to lead confidence-building arts and sports activities for children from underprivileged families.



A group of Calvin Klein associates in Korea participated in "Pink Ribbon Love Marathon Seoul 2015" to raise money in support of Korea's Breast Cancer Foundation.



Building upon last year's partnership with Dignifica Tu Vida, PVH Mexico associates assembled over 350 backpacks with school supplies for children from disadvantaged communities.



PVH Canada associates in Toronto shopped for school supplies, hygiene items and toys to fill shoeboxes that Operation Christmas Child distributed to children in low-income regions of South America.



PVH's Jonesville Distribution Center associates raised approximately \$150,000 to support local causes and sponsored holiday gifts for 50 children.



Photo Credit: Save the Children

# SUPPORTING OUR SOURCING COMMUNITIES

SUPPORTING THE COMMUNITIES WHERE OUR PRODUCTS ARE MADE

“

REACHING CHILDREN WITH HIGH QUALITY EDUCATION IS VITAL IN THEIR EARLY, FORMATIVE YEARS. IT LAYS THE FOUNDATION FOR COGNITIVE, SOCIAL AND LANGUAGE SKILLS, AND HEALTHY DEVELOPMENT TO ADULTHOOD. WITH THE SUPPORT OF PVH, WE AIM TO HELP CREATE A BRIGHTER FUTURE FOR CHILDREN IN CHINA.

—  
Pia MacRae  
Country Director, Save the Children China

The content on this page answers GRI G4 Indicator G4-S01

Supporting the communities where we source our products is not only the right thing to do, it is also vital to operating successfully in these regions. We seek to create positive impacts for the communities where we work through partnerships with both global organizations and local non-profits.

## SUPPORTING EARLY EDUCATION IN CHINA WITH SAVE THE CHILDREN

In 2015, we expanded our support of Save the Children’s early education programming to include China, our largest sourcing country with more than 800 factories. China’s economy has grown rapidly in recent years, yet more than 130 million people still live in abject poverty according to the World Bank. And with millions of migrants moving to cities to find work, many children are either on the move or left behind in their native villages and lack access to a consistent, high quality education.

We aim to reach nearly 12,000 children through our support of Save the Children’s Early Childhood Development program in Shanghai. These efforts will include raising awareness of the importance of education among local communities, training kindergarten teachers and providing learning materials.

## TAKING AN ACTIVE ROLE IN OUR SUPPLY CHAIN HUB OFFICES

With help from The PVH Foundation, our Global Supply Chain (“GSC”) teams collaborate with local non-profit partners in eight key sourcing hubs – China, Bangladesh, Indonesia, India, Sri Lanka, Hong Kong, Kenya and Egypt. Engaging with communities is key to our approach in these localities. In 2015, GSC teams invested approximately \$95,000 in community initiatives and contributed their time and energy to on-site volunteer activities, as well.



# HIGHLIGHTS FROM 2015



In Bangalore, India, we continued our support of the Christel House, a school for more than 1,300 impoverished children, and lent a hand with their annual student elections. Providing education for children in India is vital to improving their prospects, with less than 10% of students graduating from high school.



We spent a day at the Orman orphanage in Egypt and donated multimedia equipment to support the educational development of the children.



We held a "Children's Day" at the Shanghai Children's Home with games, art projects and treats. SCH provides a warm and caring environment for children that have been abandoned due to disability.



We helped to keep the Indonesian Street Children Organization's Jakarta center running by coming together to repair the facility from rainy season damage. By providing underprivileged children with education, ISCO is helping them to escape poverty and lead a more fulfilling life.



In Sri Lanka, we supported Ma Sevana's efforts to rehabilitate and empower teenage girls who become pregnant as a result of sexual abuse. Through education, emotional support and medical care, Ma Sevana helps these young mothers to re-enter the community and move forward with their lives.



We held games and face-painting activities at an orphanage run by the Kenya Children's Home, which helps 1,700 abandoned and orphaned children annually by providing them with shelter and education.

# PERFORMANCE SUMMARY

## U.S. distinctions only

Corporate Responsibility is instilled in our organization and applies across all stages of our operations and supply chain, starting with our senior leadership and Board of Directors.

We measure our performance across three issue areas – empowering people, preserving the environment and supporting communities – using a variety of KPIs. As we develop our program, we are setting new goals, targets and KPIs to help track the progress of our work and the impact of it.

Our 2015 performance is summarized in the table below, with 2014 data provided for comparison, where appropriate. In preparing this report, we have been guided by the GRI G4 framework. The report meets GRI’s level “Core” option and 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 GRI index online at [http://pvh.com/~media/PVH/Files/corporate-responsibility/2015\\_gri\\_index.ashx](http://pvh.com/~media/PVH/Files/corporate-responsibility/2015_gri_index.ashx) and contact [cr@pvh.com](mailto:cr@pvh.com) with any queries.



## EMPOWERING PEOPLE

### HUMAN RIGHTS

Total Number of Factories Assessed	2,167
Long-Form	1,257
Short-Form	54
Self-Assessment	120
Collaboration	736
Total Non-Assessment CR Engagement	1,397
CAP Remediation	313
Factory-Specific Capacity Building or Investigative Visit	250
Engagement Meetings	834
Total Person-Hours of Training	49,577
Internal	3,542
External	46,035
Total Training Attendees	7,524 <sup>1</sup>
Internal	1,594 <sup>2</sup>
External	5,930 <sup>3</sup>



Human Rights Grievances	
Received	15
Resolved	13

## DIVERSITY

Diversity Analysis, U.S. Associates (%)	Minority Female	34
	White Female	27
	Minority Male	23
	White Male	16
Diversity Representation by Level, U.S. Associates (%)		
Vice President (and above)	Minority Female	5
	White Female	46
	Minority Male	5
	White Male	44
Director	Minority Female	16
	White Female	48
	Minority Male	7
	White Male	29
Manager	Minority Female	21
	White Female	47
	Minority Male	11
	White Male	21
Individual Contributor	Minority Female	36
	White Female	25
	Minority Male	25
	White Male	14
U.S. Associates by Age (%)		
Under 30		60
30-50		27
Over 50		13

- 1 Potential duplicates: Up to 722 individuals that attended Chemical Management Training may have attended other Human Rights Training.  
 2 Potential duplicates: Up to 368 individuals that attended Chemical Management Training may have attended other Human Rights Training.  
 3 Potential duplicates: Up to 354 individuals that attended Chemical Management Training may have attended other Human Rights Training.



## PRESERVING THE ENVIRONMENT

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

GHG Emissions by Scope		
Total Scope 1 Emissions		41,293
Total Scope 2 Emissions		93,166
Total GHG Emissions		134,459
GHG Emissions by Source (%)		
Office <sup>4</sup>		16
Retail		67
Warehouse <sup>5</sup>		15
Vehicles <sup>6</sup>		2
GHG Emissions by Region and Facility Type		
North America		88,838
	Factory	701
	Office	7,747
	Retail	65,803
	Warehouse/Distribution Center	14,587
Europe <sup>7</sup>		29,443
	Office	4,984
	Retail	21,046
	Warehouse/Distribution Center	3,412
Eastern Asia <sup>7</sup>		10,902
	Office	2,721
	Retail	8,180
Other <sup>7,8</sup>		3,052
	Office	742
	Retail	2,211
	Warehouse/Distribution Center	100

### WASTE AND RECYCLING

Tier 1 Suppliers Trained on Responsible Chemical Management (%)	50
Total Weight of Better Cotton Procured by Tommy Hilfiger (Millions of Kg)	4.3
Recycled Content Used in Hang-Tags by Speedo USA (%)	70
Total Weight of Waste by Disposal Method (MT)	
Reuse	7
Recycling	10,855
Composting	17
Recovery	37
Incineration	104
Landfill	1,206
E-Waste	13.83

### WATER USAGE

Total Water Withdrawn from Municipal Water Suppliers and Other Water Utilities (in Cubic Liters)	343,683
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## SUPPORTING COMMUNITIES

### CHARITABLE GIVING (USD AMOUNTS IN THOUSANDS)

PVH Foundation	4,782
Associate Contributions/Fundraising	826
Retail Customer Contributions	1,827
PVH Product Contributions	10,225
Total	17,660

4 Offices include emissions from showrooms.

5 Warehouses include emissions from Distribution Centers.

6 Includes fugitive emissions from vehicle refrigerants.

7 Figures have been rounded to the nearest whole number.

8 Includes Africa (Eastern and Northern), Central America, South America, South-East Asia and Southern Asia.





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Papers used in this publication are FSC® certified.

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