

Materiality and Stakeholder Engagement

Stakeholder Engagement

Strengthening Our Impact Through Dialogue and Partnership

As a large apparel company with highly visible brands, we are regularly in contact with organizations and individuals interested in our approach to social and environmental issues. By communicating openly and listening to their interests, concerns, and suggestions, we gain valuable insights that help us to strengthen our program for greater impact. Increasingly, we are looking for ways to engage proactively with our stakeholders in order to ensure that we leverage their diverse perspectives and expertise.

Our Stakeholder Groups

We engage with our stakeholders in ways that best address their inquiry, support our shared goals and leverage best practices and stakeholder guidance.

ASSOCIATES

We regularly engage with our associates through events, trainings and internal communications, as well as social media, to embed CR throughout our business. Associates have opportunities to volunteer in the communities where they live and work and contribute to philanthropic efforts. They also have opportunities to participate in Business Resource Groups (“BRGs”), associate-led groups that facilitate networking and professional growth.

INVESTORS

We strive to communicate our CR efforts and how we manage social and environmental risks, specifically through our corporate website, Annual Report and CR Report. We also respond to CR-related queries from both traditional institutional investors and socially responsible investors.

SUPPLIERS

We aim to move beyond compliance by expanding our assessment program to focus on capacity-building and by supporting effective industrial relations between workers and management. We communicate openly and take a partnership approach with suppliers to resolve social and environmental issues.

WORKERS IN OUR SUPPLY CHAIN

We engage with workers in our supply chain through in-depth worker interviews through our assessment process, and we offer a global grievance hotline available to all workers in our supply chain. We also seek opportunities to engage with workers through our capacity-building activities in factories, as well as through multi-stakeholder initiatives (“MSIs”).

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 multi-stakeholder 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 direct engagement, bi-partite relationships, and multi-stakeholder forums on initiatives that impact the workers in our supply chain.

GOVERNMENTS

We engage with governments, both directly and through industry associations, and MSIs on specific issues such as freedom of association, fair compensation and building, fire and structural safety. We also look to engage with governments on their national SDG implementation plans in order to align our efforts.

COMMUNITIES

We invest in local communities through partnerships with non-profit organizations, associate volunteerism, monetary and product contributions, and point-of-sale fundraising.

WHOLESALE CUSTOMERS AND CONSUMERS

We communicate our CR approach and performance to our wholesale customers and individual consumers through our corporate website, CR report, Annual Report, customer surveys and third-party indices, and other communication vehicles, including social media. We also engage in direct discussions with wholesale customers to work toward our respective CR goals.

Materiality

Defining Our Key Material Issues

We conducted assessments in 2013, 2015, and 2018 to guide our CR efforts. Through our 2018 materiality assessment, we identified and prioritized the CR topics and issues that are most material to our business and stakeholders, in line with the GRI Standards guidelines. Following research on the wider landscape of issues that included a review of the Sustainability Accounting Standards Board (“SASB”), the SDGs and the Organization for Economic Co-operation and Development (“OCED”), we refreshed the list of possible CR topics for 2018. We asked PVH leadership, associates, and key internal business partners to rate these topics on both the level of risk and opportunity the topic presents to PVH as a business and the extent to which the topic influences our wider stakeholders.

We also sent our assessment to key external partners including Better Work, IDH, The Accord on Fire and Building Safety In Bangladesh (“Accord”), Better Cotton Initiative (“BCI”), Sustainable Apparel Coalition (“SAC”), Textile Exchange, Social and Labor Convergence Project, SASB, and Bloomberg.

We sought views through an online survey and met with PVH executives before finalizing the prioritization and key topics. We will engage our stakeholders again to conduct a materiality assessment in 2020.

Material Topic	Priority
Human Rights	1
Responsible Sourcing	2
Factory Health & Safety	3
Philanthropy	4
Bribery & Corruption & Corporate Governance	5
Water Preservation & Stewardship	6
Inclusion & Diversity	7
Compensation & Benefits for PVH Associates	8
Talent Management/Learning & Development	9
Associate Volunteering	10
Supplier Capability Building	11
Chemicals Management	12
Living Wage for Supply Chain Workers	13
Sustainable Materials Innovation	14
Community Investment for Sourcing Communities	15
Climate, Energy, & Greenhouse Gases	16
Sustainable Packaging & Packing	17
Sustainable Product Design & Manufacturing	18
Circular Economy	19
Waste	20

CR Governance and Legal Compliance

Embedding CR Across Our Organization

Our senior management team, led by Emanuel Chirico, our Chairman and CEO, establishes the vision, sets the tone, and leads the way for our CR program. The CR Committee of the PVH Board of Directors provides support and guidance to management and the full Board with respect to our policies and strategies governing our CR program. Three independent directors form the CR Committee. The Committee meets four times a year in order to monitor our CR performance on social, environmental and community issues and progress against key performance indicators (“KPIs”) established each year to advance the program’s commitments.

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, including our human rights, health and safety, and environmental commitments and policies. 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 over 70 CR associates in 11 countries across Europe, Asia, Africa and the Americas. Our CR team works closely with PVH businesses to further align our CR goals with the business.

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, helping to ensure 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. This consists 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. In order to help associates understand and comply with all elements of these topics, the program is designed to be engaging, informative, and easy to use. In addition, the PVH Legal team provides in-person training in local languages to address these issues and policies, some of which may be specific to individual regions.

Our global reporting hotline, Tell PVH, was opened in 2017 to all workers in our supply chain. It acts as a channel for PVH to capture and address concerns or complaints raised by our associates as well as the people who work for our suppliers and elsewhere. Workers and associates, subject to certain legal limitations, can report any suspected policy violation, inappropriate behavior and unethical practices via the hotline. In the majority of cases, they can make reports anonymously, either online or by telephone, in one of 15 languages. We provide regular updates to the reporter, with whom we can communicate through the hotline.

Mapping Our Strategy to the UN Sustainable Development Goals

The UN's Sustainable Development Goals will help guide global efforts to achieve sustainable development over the next 15 years. We have developed our CR strategy to support the SDGs, as we renew our efforts to achieve positive impacts across our value chain.

