

November 20, 2020

Ms. Sandra Ojiambo
Executive Director
UN Global Compact
United Nations
New York, NY 10017

Dear Ms. Ojiambo:

Levi Strauss & Co. is proud to confirm our support of the ten principles of the United Nations Global Compact and share with you our 2020 UN Global Compact Communication on Progress, which outlines progress we have made on our commitment in the last year in the areas of environment, transparency, labor and human rights, and anti-corruption. Sustainability is integrated across our business strategies and is key to our ability to return value to all our stakeholders.

Since our last communication on progress, we shared our [2019 Sustainability Review](#), detailing key programmatic developments and progress. Our [corporate website](#) further documents our social and environmental sustainability strategies, policies and actions. This information is supplemented by the Profits Through Principles section of the [Levi Strauss & Co. 2019 Annual Financial Report](#), which outlines actions taken by the company in the 2019 fiscal year to advance our corporate responsibility objectives and operationalize the principles of the UN Global Compact.

Of course, 2020 has been a year of unprecedented change and generational challenges. The COVID-19 pandemic has completely altered the way we work and live and caused us to devote extra attention and resources to protect our people and communities. Unprecedented fires, heatwaves, droughts, and floods are demonstrating drastic, destructive changes to our climate. And the United States is experiencing a long-overdue reckoning with racial injustices that have plagued Black, Brown and indigenous communities for hundreds of years. These era-defining issues all magnify the importance of driving environmental and social sustainability in creating a more resilient, just society.

Environment

Over the last 12 months, Levi Strauss & Co. continued to lead and encourage broader action on environmental issues. We have also rolled out several key product and business model innovations that hold potential to limit our environmental impacts, such as bringing to market the first denim fabrications of [re:newcell](#), containing a blend of organic cotton and fiber spun from discarded denim and launching [Levi's® Secondhand](#), a buy-back and resale platform that extends products' useful lives. In addition to these innovations, we have continued to drive progress across the key material impact areas of climate, water and chemicals.

Climate:

We have continued to build on the momentum of our 2018 [Climate Action Strategy announcement](#), and 2019 endorsement of the [Business Ambition for 1.5C pledge](#), making necessary progress towards our science-based targets. We have also partnered with public, private and non-governmental actors advocate for climate and energy policies to facilitate the just transition to a clean energy economy. Specifically:

- We sourced 72% renewable electricity at our owned and operated facilities by the end of 2019, putting us ahead of schedule on our path to 100% by 2025.
- We installed a [new solar power array](#) at [LEED Platinum-certified](#) distribution center in Henderson, Nevada, which will meet 20% of the facilities electrical demand.
- We joined Ceres and fellow Business for Innovative Climate and Energy Policy (BICEP) members in [successfully advocating](#) for the adoption of California's Advanced Clean Truck Rule and commitments by 14 other states and Washington D.C. to transition to 100% zero-emission medium- and heavy-duty vehicles.

Water:

Following the [release](#) of our [2025 Water Action Strategy](#) in 2019, we pioneered innovative solutions and partnerships to address our impacts on the watersheds that our business touches and the communities that depend on them.

- Through 2019, we recycled nearly six billion liters of water at product and fabric manufacturing facilities that apply our water [Recycle and Reuse Standard](#).
- We partnered with the city of Cape Town to install a recycled water pipeline from the municipal treatment plant to the industrial center in Epping, where our factory is located, enabling us to use [100% recycled water](#) to manufacturing products in South Africa.
- Our Wellthread™ line featured the first commercial realization of "[cottonized hemp](#)," a rain-fed hemp fiber that requires less water and pesticides to cultivate compared to cotton and that is treated to make it look and feel like cotton.
- We partnered with the UN Global Compact CEO Water Mandate to launch the [Water Resilience Coalition](#), which will be key to [our efforts](#) to partner with industry peers and NGOs to drive net-positive impacts on stressed watersheds.

Chemicals:

In January, we confirmed that [we met our Zero Discharge of Hazardous Chemicals commitments](#), made in 2012 upon adopting our [Greenpeace Detox Solutions Commitment](#) and joining the [Joint Roadmap Toward Zero Discharge of Hazardous Chemicals](#), an industry collaboration to drive systemic change and the goal of zero discharge of hazardous chemicals by 2020. This represents a major milestone for a chemical management program.

Core to [our Commitment to Zero Discharge of Hazardous Chemicals](#) is the [Screened Chemistry program](#) we developed and open-sourced. In the past year we announced several key partnerships to strengthen the program and prevent chemical hazards from entering apparel supply chains:

- We partnered with the Hohenstein Institute to utilize the ECO PASSPORT by OEKO-TEX® certification system to enable enhanced testing, verification and transparency to chemical suppliers.
- We collaborated with Scivera and NimkarTek to pioneer cutting-edge approaches to screen and track, bulk commodity chemicals in apparel supply chains.

Additionally, we adopted the [Changing Markets Roadmap](#) to address the environmental impacts of wood-based fiber production and updated our [Commitment to Source Sustainable Wood-Based Fibers](#) to reflect our commitment to applying our commitment to Zero Discharge of Hazardous Chemicals to our work with relevant fiber suppliers.

Each year we share our progress toward meeting our chemical sustainability commitments on the [chemicals section of our corporate website](#), which also makes public our [Restricted Substances List](#), and various additional reference documents and case studies.

Transparency and Reporting:

After re-listing as a public company in 2019, we published our second Sustainability Review, highlighting the year's key sustainability progress. We plan to build upon this as we hone an approach to report relevant sustainability progress for our stakeholders.

We were one of the first apparel companies to publish a list of our manufacturing suppliers in 2005, representing 100 percent of our Tier 1 suppliers. In 2018, we expanded that commitment to transparency as one of the first apparel companies to publish a [list of fabric mills](#) that we work with around the globe, which are our Tier 2 suppliers.

In 2020, we were the second-highest rated apparel company in the [Corporate Information Transparency Index](#) (CITI), managed by the Institute of Public and Environmental Affairs, a leading environmental NGO in China. The CITI ranks brands' management of the environmental [impact](#) of their supply chains in China. Previously, we joined IPE's [Green Supply Chain Map](#), a leadership initiative dedicated to showcasing corporate commitment to supply chain transparency and environmental management. The map directly links Levi Strauss & Co. supplier factories with relevant environmental data.

Labor and Human Rights

Over the last year, we updated our [Sustainability Guidebook](#) (first established in 1991 as our Terms of Engagement) which outlines labor, health and safety, and environmental requirements for our manufacturing suppliers. The 2020 update included a broad range of new policies addressing the root causes of sexual harassment and promoting gender equity at factories; substantial enhancements to the foreign migrant worker and freedom of association policies to account for the risks identified in our supply chain; and a robust set of health and safety guidelines in response to the COVID-19 pandemic.

Recognizing that the COVID-19 pandemic has had a profound impact on global supply chains and supply chain workers, we have proactively pursued partnerships with multilateral and U.S. government institutions to leverage public funds and expertise to support worker communities in our sourcing countries. [Since 2014](#), we have worked with the International Finance Corporation (IFC) on a program that suppliers can use to get early payments at favorable market rates. We now also provide additional assistance to suppliers not in locations served by the IFC program so that all our suppliers have access to low-cost financing. We continue to explore facilitating longer-term financing for suppliers who have expressed the need and interest. More recently, we have [signed](#) a Memorandum of Understanding with the U.S. Agency for International Development (USAID) to work together to create a more resilient apparel and footwear sector and workforce, enhance the rights and welfare of workers, and empower

women in the workforce. In addition, Levi Strauss Foundation made [grants](#) to local organizations to support the most vulnerable, with a particular focus on women, and continues to monitor the needs in the sourcing communities.

In May 2019, the [Worker Well-being](#) (WWB) initiative surpassed our 2020 goal of reaching 200,000 workers – almost one full year ahead of schedule. What’s more, a majority of suppliers self-fund their own WWB initiatives — as of [January 2020](#), only 40 percent of factories relied on the Levi Strauss Foundation for support. Three quarters of participating factories reported improvements in worker engagement, and over half reported improved satisfaction and lower absenteeism. Throughout 2020 we worked on updating our WWB strategy and setting targets for 2025 and beyond, taking into consideration the insights gleaned from Harvard and nearly a decade of implementation.

Anti-Corruption

Our success as a company is built upon a foundation of integrity – a longstanding commitment to act with the highest ethical standards and conduct business honestly and legally. We make both our [Worldwide Code of Business Conduct](#) and our [Global Anti-Bribery and Anti-Corruption Policy](#) publicly available for all stakeholders in the [corporate governance section](#) of our website. Employees are required to be trained in our Worldwide Code of Business Conduct and to familiarize themselves with our Global Anti-Bribery and Anti-Corruption Policy.

LS&Co. remains an active and committed UN Global Compact member. We look forward to the years ahead as the Global Compact’s activities advance our company’s sustainability commitment.

All the best,

A handwritten signature in black ink, appearing to read 'C. Bergh', written in a cursive style.

Charles V. Bergh
President and Chief Executive Officer