

October 29, 2016

Ms. Lise Kingo
Executive Director
UN Global Compact
United Nations
New York, NY 10017

Dear Ms. Kingo:

Levi Strauss & Co. is proud to confirm our support of the ten principles of the United Nations Global Compact and share with you our 2016 UN Global Compact Communication on Progress, which outlines progress we have made on our commitment in the last year in the areas of environment, labor, human rights and anti-corruption. Our commitment to sustainability goes far beyond regulatory compliance or addressing the social and environmental impact of our business practices. We build sustainability into everything we do so that our profitable growth is achieved through principled actions.

Since our last communication on progress, Levi Strauss & Co. has expanded our sustainability communications and continued to further our commitment to transparency. Levi Strauss & Co.'s [corporate public website](#) provides the latest information about our social and environmental sustainability strategies, policies and actions. The information found on our public website is supplemented by the sustainability portion of the [Levi Strauss & Co. 2015 Annual Financial Report](#), which outlines actions taken by the company in the 2015 fiscal year to advance our corporate responsibility objectives and operationalize the principles of the UN Global Compact.

Environment

In the last twelve months, Levi Strauss & Co. continued to take action and increase transparency and reporting on key environmental issues, including water, climate, energy and chemicals. We announced an exciting new partnership with the International Finance Corporation (IFC) to [expand IFC's Partnership for Cleaner Textile \(PaCT\) program](#) to reach factories outside of Bangladesh, including India, Sri Lanka and Vietnam, with best practices in reducing water, energy and chemical use. We also expanded our in-store [clothing recycling program](#) across Europe, Canada and Japan after launching the program in all of our U.S. stores last year.

Water

LS&Co. continued our commitment to [water](#) sustainability by working across our supply chain to improve water stewardship in the areas of product innovation, direct operations, collective action and consumer and community engagement. We took our commitment to reducing water use in the apparel industry a step further by making our water reduction standards and tools, including our [Water<Less™ innovations, publicly available](#) to others within and outside our industry, encouraging other denim companies – large and small – to use them in their production. Not only did we make our standards and tools publicly available, we also hosted other apparel brands and retailers at our Eureka Innovation Lab, where we shared our standards and tools and discussed ways to make further progress to improve water quality and efficiency within the apparel industry.

On World Water Day, we announced an ambitious new goal to train [100 percent of our corporate employees in water education](#) by 2020 in partnership with Project WET, and participated in a Water Summit hosted by the White House that focused on the importance of finding creative solutions to today's water challenges. We also re-affirmed our 2020 goals:

- Use 100 percent sustainable cotton;

- Produce 80 percent of our products with our Water<Less™ techniques;
- Achieve zero discharge of hazardous chemicals.

Climate and Energy

As part of our commitment to disclosing information on climate and energy, we issued our eighth [Carbon Disclosure Report](#), which captured not only a summary of our 2015 emissions, but also our GHG reduction targets and strategies for achieving those reductions. This climate and energy reporting helps us assess progress, identify gaps in our program, and push for action. As noted in the report, we reduced our emissions 2 percent in 2015 vs. 2014.

We also continued to advocate for public policies at the state, national and international levels to reduce greenhouse gas emissions and build a low-carbon, sustainable future. In particular, I was proud to join several CEOs from fellow apparel companies in [calling for a strong global deal](#) at the United Nations Conference of the Parties in Paris, and to support the White House's [American Business Act on Climate Pledge](#).

Chemicals

We are committed to [zero discharge of hazardous chemicals](#) in the apparel industry by 2020. We continued to work with the [Joint Roadmap Toward Zero Discharge of Hazardous Chemicals](#), an ambitious industry collaboration working to set a new standard for chemicals management and environmental performance for the global apparel and footwear industry, outlining together specific commitments and timelines for actions to meet the goal of zero discharge. Over the last year, we have been sharing progress toward meeting our chemical sustainability commitments on the [chemicals section of our corporate website](#), including our achieving our [commitment to phase out short-chain perfluorinated chemicals \(PFCs\)](#) from our supply chain. In December 2015, we reported on [progress on our commitment to zero discharge of hazardous chemicals](#). We've also encouraged our Chinese vendors to proactively submit their environmental discharge data onto the publicly available [Institute of Public and Environmental Affairs \(IPE\) Pollutant Release and Transfer Register \(PRTR\)](#). In 2015, 27 factories (mills and laundries) supplying LS&Co. disclosed their data on IPE's website; and, to date, an additional 17 factories that are suppliers to LS&Co. have shared their data in 2016. LS&Co. was ranked by IPE's Corporate Information Transparency Index among the [top-ranking apparel companies in managing the environmental impacts of factories in their supply chains in China](#), ranking third in the apparel industry and fourth across all industries. Moreover, we were honored to be named an [EPA Safer Choice Partner of the Year](#) for our work to advance sustainable chemistry within our supply chain through our Screened Chemistry Program.

Labor and Human Rights

Our [Sustainability Guidebook](#) (first established in 1991 as our Terms of Engagement) outlines labor, health and safety and environmental requirements for our manufacturing suppliers. Two years ago we announced that we were teaming up with the IFC to offer LS&Co. suppliers a [financial incentive for improving their sustainability performance](#) in the form of lower interest rates for suppliers who score better under our Sustainability Guidebook's labor, health and safety and environmental requirements. A first of its kind in the industry, the program has continued to see participation grow since it was launched.

Building on this commitment to human and worker rights in the apparel supply chain, we've continued to advance implementation of our [Worker Well-being](#) program. This program seeks to move beyond a "do no harm" labor compliance model and instead collaborate with suppliers to improve the lives of apparel workers in locations where our products are made. Following extensive external stakeholder consultation, in 2011 we initiated pilot programs in Bangladesh, Cambodia, Egypt, Haiti and Pakistan, and have since been working to scale the program across our supply chain by working with LS&Co. suppliers to implement worker-focused programs in the areas of health and family well-being, economic empowerment and equality and acceptance. We now have Worker Well-being programs implemented in 12 countries reaching almost 100,000

workers. Our goal is that by 2020, 80 percent of our product volume be product in vendor locations that have worker well-being programs in place, reaching 200,000 workers.

In support of this initiative, we announced an exciting new [partnership with Harvard University's Sustainability and Health Initiative for NetPositive Enterprise \(SHINE\) program](#) that will help us develop a universal Worker Well-being measurement toolkit for the wider manufacturing industry. The toolkit is meant to provide suppliers with a dashboard to track key performance indicators around workers' overall levels of engagement, health and well-being, which will allow suppliers to analyze the impact of well-being on business performance in real-time.

We also took our second group of LS&Co. employees on an [immersion trip to Sri Lanka to see our Worker Well-being program](#) in action as part of a program we launched last year called the [LS&Co. Service Corps](#), which provides employees from across the globe an opportunity to see our Worker Well-being program on the ground and experience what life is like for apparel workers outside of the factory.

Understanding the specific issues arising around fire safety and building integrity in Bangladesh, we continued to implement an industry-leading [Fire Prevention and Building Integrity Program in Bangladesh](#). As part of this program, we disclose the results of inspections and audits annually in this [status report](#).

Lastly, we were proud to be recognized this year by Fashion Revolution as the [top apparel retailer for supply chain transparency](#) out of 40 listed in the organization's 2016 Fashion Transparency Index.

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 on our [corporate 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,



Charles V. Bergh
President and Chief Executive Officer