

October 29, 2017

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 2017 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. 2016 Annual Financial Report](#), which outlines actions taken by the company in the 2016 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 and energy, and chemicals. In addition, we continued to work to address the environmental impact of our raw materials. Specifically, we made [progress](#) against our goal of using 100 percent sustainable cotton by 2020, and also joined other brands in signing onto a [Sustainable Cotton Communiqué](#), which calls for 100 percent sustainable cotton by 2025, therein using our voice and early commitment to encourage others in the industry to act. Finally, we were honored to be ranked first among all apparel companies (after being ranked second in 2016 and third in 2015), and third among all industry operating in China, in the Institute of Public and Environmental Affairs' [2017 Annual CITI Index](#), which ranks brands' management of the [environmental impact of their supply chains in China](#).

## *Water*

LS&Co. furthered our commitment to [water](#) sustainability by working across our supply chain and organization to improve water stewardship in the areas of product innovation, direct operations, supplier operations, and collective action, including consumer, community, and policy engagement. We took our commitment to reducing water use in the apparel industry a step further by making water the issue focus for our inaugural year of the [LS&Co. Collaboratory](#), a fellowship program that brings together entrepreneurs and social entrepreneurs in the apparel industry, who are committed to a profits-through-principles approach to business, for three days to collaborate with LS&Co. mentors and leaders,

outside experts, and each other on social and environmental solutions for their organizations. Following a workshop weekend at LS&Co.'s Eureka Innovation Lab, fellows were invited to submit a proposal to receive up to \$50,000 in grant funding to implement an idea to reduce their organization's water impact. LS&Co. is providing [\\$350,000 in grant funding](#) to fellows to implement their ideas for improving water efficiency and/or water quality.

In an effort to raise wastewater standards across the industry, we also worked with the Joint Roadmap Toward Zero Discharge of Hazardous Chemicals (ZDHC), an ambitious industry coalition focused on eliminating hazardous chemicals from the global apparel and footwear supply chain, to integrate LS&Co.'s industry-leading [Global Effluent Requirements](#) into the [ZDHC Wastewater Guidelines](#). We hope that by [combining efforts](#) with ZDHC, we will be able to create more sustainable change and improve water quality across the industry, including in regions in which we do not have a manufacturing presence.

### *Climate and Energy*

As part of our commitment to disclosing information on climate and energy, we issued our ninth [CDP Report](#), which captured not only a summary of our 2016 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 full report and [summary](#), we reduced our emissions 1 percent in 2016 vs. 2015, and are on track to meet our 2020 goal of reducing our greenhouse gas emissions by 25 percent and increasing our use of renewable energy to 20 percent. In addition, in our 2016 CDP reporting we also included our Scope 3 emissions, disclosing emissions information on all 11 categories relevant to LS&Co. operations.

In September 2017, [we joined](#) more than 300 brands in committing to [Science Based Targets](#). Companies who commit to the Science Based Targets Initiative have two years to develop science-based targets to reduce their greenhouse gas emissions within their own operations and supply chains, based on strict criteria.

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, we joined thousands of leaders from government, business, and civil society on the [We Are Still In declaration](#), reaffirming our commitment to delivering on the promise of the Paris Agreement and America's contribution to it. In addition, in the moments following the U.S.'s decision to pull out of the Paris Agreement, I published a [blog post](#) on [LinkedIn](#) and our corporate blog reaffirming our commitment to stemming climate change.

### *Chemicals*

We are committed to [zero discharge of hazardous chemicals](#) in the apparel industry by 2020. In the last twelve months, we continued to work with the [Joint Roadmap Toward Zero Discharge of Hazardous Chemicals](#) (ZDHC) to improve chemicals management and environmental performance for the global apparel and footwear industry, outlining specific commitments and timelines for actions to meet our shared goal of zero discharge of hazardous chemicals by 2020.

Over the last year, we have shared our progress toward meeting our chemical sustainability commitments on the [chemicals section of our corporate website](#), which also makes public our [Restricted Substances List](#), updated in 2016. We continued to work with our vendor base to rollout our [Screened Chemistry Program](#), an industry-first program designed to remove hazardous chemicals from the apparel supply chain upfront during the design phase, before such chemicals enter the supply chain. Last year 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, and this year we were thrilled to be

honored with the [Green Chemistry and Commerce Council's Champions Award](#) for our work to push for safer chemicals in apparel production.

Moreover, in an effort to encourage others from across industries and sectors to collaborate to advance sustainable chemistry, we hosted a [forum](#) in partnership with UC Berkeley's Center for Responsible Business at the Berkeley-Haas School of Business. The event brought together more than seventy leaders from diverse industries and sectors to exchange best practices and brainstorm solutions for driving the adoption of green chemistry.

## **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. Building on our commitment to labor and human rights in the apparel supply chain, we've continued to advance implementation of our [Worker Well-being](#) program. This year, we were honored to be [recognized](#) on *Fortune* Magazine's [Change the World List](#) for our Worker Well-being program; the list recognized 50 companies that are turning their sustainability efforts into positive business results.

The Worker Well-being program seeks to move beyond a "do no harm" labor compliance model and collaborate with suppliers to improve the lives of apparel workers in locations where our products are made. We work with our suppliers and factory workers to design and deliver worker-focused programs in the areas of financial empowerment, health and family well-being, and equality and acceptance, often in partnership with local nonprofit service providers. 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. Since it began, the program has reached more than 100,000 workers in 12 countries, including countries such as [India](#), [Sri Lanka](#), and [Vietnam](#). Our goal is that by 2025, 80 percent of our product volume be product in vendor locations that have worker well-being programs in place, reaching 300,000 workers.

In an effort to encourage others in our industry and beyond to adopt a similar approach, we [open-sourced](#) our Worker Well-being Initiative, making publicly available on our website not only our approach but also key tools such as our [Worker Well-being Guidebook](#). We also continued to partner with Harvard University's [Sustainability and Health Initiative for NetPositive Enterprise](#) (SHINE) program to develop a universal worker well-being measurement toolkit. The toolkit will help suppliers track key performance indicators around workers' overall levels of engagement, health and well-being, and allow suppliers to analyze the impact of well-being on business performance in real-time.

We also continued to expand the [LS&Co. Service Corps](#), a program that 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 both inside and outside of the factory. Since 2015, we've taken employees on [immersion trips](#) to Mexico, Sri Lanka, Cambodia, and Haiti, which give our employees a unique opportunity to see our innovative programs in action and understand how the decisions they make have a direct impact on the people in our supply chain.

Cognizant of 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](#).

Finally, LS&Co. publicly announced our expanded [paid parental leave program](#), which provides all hourly and salaried U.S. LS&Co. employees, regardless of gender, eight weeks of paid parental leave at the time of the birth or adoption of a child.

### **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