

November 4, 2019

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 2019 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 and 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, we have continued our progress on sustainability and 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 Profits Through Principles section of the [Levi Strauss & Co. 2018 Annual Financial Report](#), which outlines actions taken by the company in the 2018 fiscal year to advance our corporate responsibility objectives and operationalize the principles of the UN Global Compact.

Environment

In the last 12 months, Levi Strauss & Co. continued to lead, increase transparency, and encourage broader action on environmental issues and in particular, our 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](#), rolling out programs to that will enable us to achieve our science-based targets and engaged with public, private and non-governmental to scale the broader adoption and execution of science-based climate action. Specifically:

- We signed the [Fashion Industry Charter for Climate Action](#) in December 2018, [committing](#) to work with the United Nations, industry peers and key stakeholders to accelerate the industry towards zero net greenhouse gas emissions by 2050.
- We joined Ceres and fellow Business for Innovative Climate and Energy Policy (BICEP) network members in successfully advocating for the Nevada's Senate Bill 254, setting a course to achieve the state's short- and long-term climate targets.
- We recently announced that we will be [installing solar](#) power generation at [LEED Platinum-certified](#) distribution center in Henderson, Nevada in 2020.
- We have collaborated with the International Finance Corporation's [Partnership for Cleaner Textiles](#) to provide low-cost financing and expert consulting to support our supplier's efforts to decrease their water and energy use since 2017 and in June we [announced](#) plans to scale the program to 42 suppliers across 10 countries.

- Consistent with our commitment to science-based climate action, we were the first apparel company to sign the [Business Ambition for 1.5°C](#) pledge, encouraging other companies to join us in setting targets in line with the [Intergovernmental Panel on Climate Change](#)'s guidance.

We took our commitment to addressing the apparel industry's climate impacts a step further by making climate the issue focus for our second class of the [LS&Co. Collaboratory](#). 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 climate impact. LS&Co. is providing [\\$350,000 in grant funding](#) to fellows to implement their innovative business solutions to climate change.

LS&Co. has also worked with the [Climate Reality Project](#) to help educate employees on the impact of climate change and to provide outlets for employees to get involved in their own communities. In 2019, we continued to send groups of our employees to participate in Al Gore's Climate Reality Trainings throughout the world.

Water:

We took a big step forward on our long-term water efforts with the [release](#) of our [2025 Water Action Strategy](#). This strategy builds on over 25 years of water action and leverages existing successful programs, like PaCT, our [Water<Less® finishing techniques](#) and our water [Recycle and Reuse Standard](#), as well as the best publicly-available datasets to address water stress in the context of where it occurs in apparel manufacturing. Through this approach we aim to reduce our water use for manufacturing in areas of high-water stress by 50 percent by 2025 and for all our key fabric and garment suppliers, representing over 80 percent of volume, to achieve their geographically contextual water use targets. With this announcement, we are the first apparel company and among the first companies in any industry to establish contextual water use targets for its entire supplier base. By taking a contextual approach we can ensure that our efforts are addressing local water needs where we operate. This will not only will promote sourcing resiliency but promote the health of the watersheds that we touch and the communities that depend on them.

In 2015 we open-sourced our Water<Less® finishing techniques and Recycle and Reuse standard to our industry peers and have seen manufacturing water efficiency become an important focus across the industry. With the development of our new strategy and contextual targets, we convened our peers and key stakeholders again this October to share our progress and encourage others to share from their learnings and leading programs so that we can move forward together as an industry to address our contribution and exposure to water stress and promote water quality and access where the industry operates.

This year we also joined Ceres and the [Connect the Drops](#) network in successfully advocating for the establishment of a [Safe and Affordable Drinking Water Fund](#) in California, where we are headquartered and where more than one million residents lack reliable drinking water access.

Chemicals:

Last year our [Screened Chemistry program](#), a key component to achieve [zero discharge of hazardous chemicals by 2020](#), earned us a place on [Fortune magazine's "Change the World" list](#). Early this year, we [converged](#) with other leading brands to establish a [single standard](#) for chemical screening, closely managing our Screened Chemistry protocols, which the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation will oversee and implement. In support of this work, we collaborated with Nike, C&A, H&M and Gap Inc. to develop screening methodologies for dyes and pigments. These are important steps in encouraging broader adoption of the approach and will strengthen our efforts to prevent hazardous chemicals from entering the apparel supply chain.

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:

Levi Strauss & Co. continues to lead the industry in supply chain transparency. 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 2019, LS&Co. was the 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. In 2018, 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 LS&Co. supplier factories with 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 update included enhancements to our expectations around monitoring for and preventing forced labor and human trafficking.

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](#) initiative. Worker Well-being 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 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 organizations. 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 impacted nearly 190,000 workers in 17 countries (including China, [India](#), [Sri Lanka](#), Turkey, [Mexico](#), and [Vietnam](#), which represents 65 percent of our product volume. Our goal is that by 2020, 80 percent of our product volume be produced in locations that have worker well-being programs in place, impacting 200,000 workers.

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 initiative 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, Haiti, India, and Vietnam which gives them 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](#). This year, we expanded our industry-leading building integrity program and standards to our sourcing operations in Cambodia and Pakistan.

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