

**Written Testimony Submitted by  
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**Before the Subcommittee on International Development and Foreign Assistance,  
Economic Affairs and International Environmental Protection  
of the United States Senate Committee on Foreign Relations**

**Statement on Climate Adaptation Funding Support**

October 15, 2009

Thank you Mr. Chairman and members of the Subcommittee for the opportunity to provide written testimony today regarding Levi Strauss & Co.'s support for climate adaptation funding.

Levi Strauss & Co. (LS&Co.) recognizes that the emission of carbon dioxide is a major contributor to global climate change and if left unchecked large-scale climate change threatens serious economic, social and environmental consequences for our business and the communities in which we operate. We, therefore, urge the Senate to ensure that comprehensive climate change legislation dedicates at least 3 percent of allowances to support community efforts to build resilience to climate change in developing countries.

Headquartered in San Francisco, California, LS&Co. is one of the world's leading branded apparel companies, marketing its products in more than 110 countries worldwide. The company designs and markets apparel and related accessories for men, women, and children under the Levi's®, Dockers®, and Signature™ by Levi Strauss & Co. brands.

Within our operations globally, LS&Co. is committed to reducing emissions of carbon dioxide and other greenhouse gases. But as the company changes its how it operates and reduces its emissions, we recognize that U.S. government leadership is essential for widespread action to address climate change and create the enabling environment for the efforts by our company and others. Through participation in the Business for Innovation in Climate and Energy Policy (BICEP), LS&Co. is calling for leadership and support from the Administration and U.S. Congress to develop comprehensive energy and climate legislation.

Why are we focused on the funding need for climate adaptation?

First, cotton, our core raw commodity, makes up 95 percent of our products.

We are deeply concerned about the threats that climate change is posing to the natural and agricultural resources that provide the material bases for production. For our company, that resource is cotton. Cotton is produced in more than 100 countries around the world, many of which are already starting to feel the impact of climate change and the need to implement adaptation strategies. There are approximately 40 million cotton

farmers in those countries facing arable land constraints and water scarcity as climate change takes place.

Cotton, like other agricultural commodities, is at risk for crop failure and reduced yield as temperatures rise and there are water shortages in producing countries. Risks also stem from countries deciding to switch from cotton fiber production to food crops as commodity crops compete with food crops for decreasing land and water resources. All of this creates business risk and uncertainty around cotton availability, quality and pricing. LS&Co. has therefore recognized the need to be very focused on what climate change is doing and may do to our cotton supply, and to the farmers who produce it.

Second, much of our manufacturing supply chain is in developing countries.

LS&Co. products are manufactured in more than 45 countries around the world, many of which are in the developing world and are already or are expected to feel the effects of climate change, including increased water shortage (e.g., India and Nicaragua), disease (Cambodia), and flooding and salt water intrusion (e.g., Bangladesh and Vietnam). Extreme weather events and trends pose a difficulty for managing risks to production and reliable supply chains. The volatility of weather events presents monumental challenges for planning inventory and supply levels.

These sourcing countries in the developing world are also not the primary source of most of the current and historic emissions, but, nevertheless, will face the need to adapt to changes sooner and more intensely than the major economies which produce the bulk of the world's emissions. This places all the more impetus on the United States to provide funding from its own emissions reductions efforts to the developing world to adapt to climate change.

Thus, LS&Co. urges the Senate to ensure that comprehensive climate change legislation dedicates at least 3 percent of allowances to support adaptation to climate change impacts in developing countries.

Thank you again for the opportunity to present this testimony.