

# LEVI STRAUSS & CO.

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## *Progress on Commitment to Zero Discharge of Hazardous Chemicals*

Levi Strauss & Co. is committed to responsible chemicals management and driving sustainable progress within the apparel industry. We were one of the first apparel companies to develop a [Restricted Substances List](#) (RSL), which establishes the chemicals we restrict in our manufacturing process. And we were the first company to set U.S. Environmental Protection Agency-level standards for the wastewater leaving our supplier factories, which we call our [Global Effluent Requirements](#).

In 2012, Levi Strauss & Co. advanced its commitment to chemical stewardship by joining the [Joint Roadmap Toward Zero Discharge of Hazardous Chemicals](#) (ZDHC Roadmap), an apparel industry collaboration to drive systemic change with a goal of zero discharge of hazardous chemicals by 2020. Such collaboration mirrors our belief that this collaborative approach to chemicals management is the most effective way to achieve the scope and scale necessary to meet the goal of zero discharge in the apparel industry. Read our commitment to zero discharge [here](#).

Also in 2012, LS&Co. signed a [Detox Solution Commitment](#) with Greenpeace International further outlining our commitment and actions toward zero discharge of hazardous chemicals. The following shares progress made since making these commitments.

### **Piloting Hazard Assessment Methodology**

Over the last two years, Levi Strauss & Co. has been developing and piloting a hazard assessment methodology, called Screened Chemistry, which examines chemicals used to manufacture LS&Co. products against specific health and environmental impacts, allowing us to identify better alternatives and areas for innovation.

Ensuring the credibility and transparency of the program is a key objective, thus the program is based on the publicly available and transparent [U.S. EPA Safer Choice Program](#) and [GreenScreen® for Safer Chemicals](#).

As the program matures and moves from pilot to implementation, the intent is that all LS&Co. suppliers will transition to using a preferred chemistry list, using safer alternatives for manufacture.

We know that when we lead others follow. We are sharing our learnings from the pilot with the industry to increase the use of sustainable chemistry across the apparel supply chain. Our goal is for Screened Chemistry to be implemented beyond LS&Co. to impact the apparel industry broadly.

### **Restricted Substances Stewardship Program**

LS&Co. established one of the first apparel and footwear industry Restricted Substances Lists (RSL) more than a decade ago. The RSL aims to protect consumers from exposure to priority substances on product. In 2014 we launched the [Restricted Substances Stewardship Program](#) (RSSP), which takes this commitment a step further creating the foundation to eliminate priority substances from suppliers' production processes (including production for other brands) by supporting our product-focused RSL with a Manufacturing RSL (MRSL).

The RSSP identifies elements of a chemical management plan to restrict priority substance use and discharge, and help ensure a safe and healthful workplace. The RSSP has at its heart a list of more than 11 categories of priority substances—notably including alkylphenol ethoxylates (APEOs), perfluorinated compounds (PFCs) and phthalates—identified by the ZDHC Roadmap and Greenpeace International.

With the RSSP, LS&Co. requires supplier factories to accord high priority to responsible chemical management. Our suppliers are required to work closely with chemical suppliers and analytical laboratories so that sound management migrates up the supply chain and that LS&Co. is able to validate the results of implementation. Transparency is an important tool in keeping all stakeholders accountable.

In 2015, we focused on implementing the program with suppliers and aligning the RSSP with the ZDHC MRSI and other tools and trainings developed within the ZDHC Roadmap. We also believe in industry collaboration and as an example will co-lead the upcoming update of the ZDHC MRSI in 2016.

Through our RSL and RSSP, we have taken specific action to address the elimination of APEOs, PFCs and phthalates in our products and supply chain.

#### ***Alkylphenol ethoxylates (APEOs)***

Levi Strauss & Co. began focusing on phasing out APEOs in 2008 — long before our most recent commitment to extending a usage ban throughout our supply chain. Our 2008 RSL listed APEOs as a substance identified for phase out, requiring manufacturing suppliers to assess the scope of their usage within their own supply chains.

The elimination of APEOs across our supply chain is a key success metric for Levi Strauss & Co.'s individual action plan toward zero discharge of hazardous chemicals. Levi Strauss & Co. is sourcing from about 630 facilities in 43 countries globally, so this is a significant commitment and a challenge to ensure compliance and understanding by suppliers when the regulatory environment in all these countries does not align with Levi Strauss & Co.'s prohibition on APEO use.

We understand that there are multiple supply-chain pathways for potential APEO contamination (including process, maintenance, on-site laboratory, sanitary, pest control and chemical waste water treatment plan chemicals) and we are committed to enhancing both training and auditing of our supply chain to ensure our suppliers have the latest information on APEOs, highlighting where there is a risk that APEOs may enter into the undocumented contamination of chemical supplier formulations. Through [this report](#), we are sharing the baseline findings from Levi Strauss & Co.'s phase out of APEOs in our supply chain.

In 2015, 83 finishing suppliers and 20 textile mills supplying LS&Co. contact all of their chemical suppliers to remind them of the APEO phase out. We also reinforced the APEO ban with all our licensees and provided training to 59 suppliers globally.

#### ***Perfluorinated compounds (PFCs)***

As of January 1, 2016, Levi Strauss & Co. stopped producing products with any perfluorinated compounds (PFCs) – chemicals that have unique properties to make materials waterproof, and stain resistant. This challenge is significant considering there are currently no equally effective alternatives to PFCs. Previously we had eliminated the use of long-chain PFCs (C8) in our products, but as of the end of 2015, we have in place a prohibition on the use of all PFCs in the manufacture of our products.

### ***Phthalates***

LS&Co. included a restriction on the use of phthalates in its Restricted Substances List (RSL) back in 2000 and has had a usage ban in place since 2010, which is further addressed throughout our Manufacturing Restricted Substances List (MRSL). Our attention to phthalates and commitment to elimination in our products globally preceded our joining the ZDHC Roadmap and Greenpeace Detox Solutions Commitment, but through the collaboration in ZDHC Roadmap we have a better opportunity to expand and ensure implementation.

In 2015, 100 percent of LS&Co. print suppliers (59 total) were determined to be free of phthalates usage at their facilities. Thirty-two of LS&Co.'s 35 sundry suppliers were determined to be free of phthalates usage. Three are in the process of phasing out phthalates and removing them from their facilities. We continue to remind our suppliers of our phthalates usage ban and work with them on systems for responsible chemicals management.

### **Research and Disclosure**

As we advance our commitment to zero discharge of hazardous chemicals, LS&Co. performed a benchmark study of chemical use and discharge of 11 priority groups of chemicals from a total of 41 supplier facilities located in key production markets (i.e., Mexico, China, India, Bangladesh, Cambodia, Sri Lanka, Pakistan, Vietnam, Egypt, Nicaragua and Lesotho).

The results will help to establish a baseline understanding of chemical use and discharge to focus capacity building, process change, and policy change with suppliers toward the goal of zero discharge of hazardous chemicals in the apparel industry. It also helps to understand how to organize and improve supplier transparency.

You can find the 25 supplier facility reports on chemical use and discharge from December 2013 [here](#). The previous 16 reports can be found [here](#). Several of these suppliers have also posted their data on the [IPE Detox Platform](#).

In 2014, 20 LS&Co. suppliers based in Bangladesh, China, Egypt, India, Pakistan and Sri Lanka uploaded to the [IPE Detox Platform](#). In 2015, 10 direct suppliers and 16 textile mills in China disclosed data on the IPE PRTR platform. An additional eight LS&Co. suppliers based in Bangladesh, Cambodia, Egypt, India, Mexico, Pakistan, Sri Lanka, Vietnam uploaded to the [IPE Detox Platform](#).

We are proud that our effort to improve sustainability, chemicals management, and disclosure with Chinese suppliers was recognized by the Institute of Public and Environmental Affairs (IOE), the Chinese environmental nongovernmental organization, in its [2015 Corporate Information Transparency Index \(CITI\)](#). LS&Co. ranked third in apparel and fourth in all industry.

LS&Co. is following up with all supplier facilities to outline actions to be taken by the facility to meet the goal of zero discharge of hazardous chemicals.