

## *Levi Strauss & Co.* **UK Modern Slavery Act Statement**

Levi Strauss & Co. is committed to ensuring that slavery and human trafficking is not taking place in its business or supply chains.

### **1. Description of business structure, and locations where there is a risk of slavery and human trafficking**

For more than 160 years, Levi Strauss & Co. has worked to honor the pioneering spirit of hard work, individuality and authenticity in how we make our products and how we run our company. We've dedicated ourselves to elevating the dignity of the people who work to bring our clothing to market. And we've invested our time, energy, heart and resources in improving the future of these communities. In October 2005, we were the first apparel company to release the names and locations of all our active, approved owned-and-operated, contract and licensee factories that manufacture and finish Levi's®, Dockers® and Signature by Levi Strauss™ products. We believe that making our factory list [public](#) fosters collaboration with other brands and leads to sector-wide improvement in workplace conditions.

### **2. Modern Slavery Policies and Supplier Contractual Requirements**

Levi Strauss & Co. assesses the risk related to the apparel supply chain as a fundamental element of our standard supplier and licensee engagement process. Levi Strauss & Co.'s commitment to responsible business practices - embodied in our [Global Sourcing and Operational Guidelines](#) - guides our decisions and behavior as a company everywhere we do business. Since becoming the first multinational to establish such guidelines in 1991, Levi Strauss & Co. has used them to help improve the lives of workers manufacturing our products, make responsible sourcing decisions and protect our commercial interests. The guidelines are a cornerstone of our business relationships with hundreds of contractors worldwide.

Levi Strauss & Co. develops Country Assessments, which are part of the Global Sourcing and Operating Guidelines, to help assess any country-level issues that might present concern in light of the ethical principles we have set for ourselves. The assessments assist Levi Strauss & Co. in understanding political and socioeconomic risks and opportunities associated with conducting business in specific countries, including understanding the risk of modern slavery, human trafficking and child labor. The Global Sourcing and Operating Guidelines outline assessments to be conducted to identify breaches of: health and safety; human rights; legal standards; and political and social standards. They explicitly prohibit the use of forced, prison, or child labour. Levi Strauss and Co. will update the Guidelines to include specific guidance on assessing modern slavery and human trafficking risks.

In addition to our Global Sourcing and Operating Guidelines, our Terms of Engagement (TOE) specify the requirements by which all of our suppliers and licensees must abide — including ethical standards, legal requirements, environmental requirements and community involvement. Our TOE also set out expected employment standards, and specifically addresses issues of child labour, forced labor, migrant workers and health and safety.

Our [Sustainability Guidebook](#) includes requirements aimed at protecting migrant workers from potential violations of their rights. The requirements cover the areas of:

- Recruitment
- Employment contracts
- Remuneration and benefits
- Worker communications
- Accommodations and food
- Social activities and religious practices
- Repatriation

All Levi Strauss & Co. suppliers are required to adhere to local law and the requirements contained in Levi Strauss & Co.'s Sustainability Guidebook - whichever is stricter.

Levi Strauss & Co.'s purchasing agreements require all suppliers to comply with applicable laws within the country of business, as well as our Global Sourcing and Operating Guidelines and our [Terms of Engagement](#) regarding forced and prison labor.

### **3. Steps Taken to Assess and Manage Risk**

We conduct assessments of our suppliers based on the conditions outlined in our TOE. These assessments are based on standards found in our [Sustainability Guidebook](#), which all our suppliers receive. These assessments involve on-site and off-site discussions with workers, management interviews, review of factory records (such as timecards and payroll) and health and environmental safety inspections. Each assessment identifies areas for improvement and a detailed corrective action plan, including actions, responsible parties and timelines. Regular follow-up visits are also conducted to ensure suppliers are completing their corrective action plans on a timely basis. We conduct both announced and unannounced assessments.

Where a business partner or supplier fails to meet our standards, or comply with any of our TOE, they are given a short period to correct the problem. If, on our next inspection, certain cases of non-compliance have not been resolved within a timely manner, Levi Strauss & Co. has rights, where appropriate, to terminate the business relationship.

Levi Strauss & Co. maintains and enforces internal accountability procedures for employees and contractors regarding company standards in forced labor and human trafficking. While these accountability procedures are targeted at forced and child labour, amongst others, these will be amended to include reference to slavery and human trafficking. In the case of non-compliance, Levi Strauss & Co. reserves the right to examine the specific situation and develop a best possible strategy for resolution.

### **4. Due Diligence in the Business and Supply chains**

We employ a full-time staff located around the world to oversee compliance, and advise on and monitor suppliers' sustainability programs. To supplement our own monitoring efforts, we use third-party monitors to conduct regular assessments of every factory, key fabric mills and our product licensee suppliers. All third-party monitors understand the scope of our labor, environment, health and safety standards and know the local languages, laws, culture and business context of each country in which they operate. All third-party monitors must be approved by Levi Strauss & Co. Approximately 80

individual third-party monitors are approved to conduct TOE assessments in factories. In accordance with our supplier arrangements, these monitors apply the standards of either the local law, or our Sustainability Guidebook - whichever are stricter.

## 5. Training and Programmes

We have learned that monitoring our suppliers for compliance with our TOE is only one mechanism for improving working conditions. Levi Strauss & Co. goes beyond compliance to invest in programs that focus on improving the lives of the workers who make our products. Through our [Worker Well-being initiative](#), we are collaborating with our suppliers and local service providers to implement programs in countries around the world. Worker well-being is a new approach to supply chain engagement that looks beyond the factory walls to improve the lives of the workers who make our products by supporting their financial empowerment, health and family well-being and equality and acceptance.

We actively support the International Labor Organization's [Better Work program](#), which is the leading global organization focused on protecting human rights and improving working conditions in the apparel industry. ILO Better Work makes targeted investments in our manufacturing suppliers' workers, training apparel workers and factory management on their rights and responsibilities in the workplace. Currently, Levi Strauss & Co. participates in ILO Better Work in Cambodia, Haiti, Nicaragua and Vietnam.

Levi Strauss & Co. conducts internal training on the Worldwide Code of Business Conduct annually to ensure we provide our employees with a clear set of standards and guidance for conducting our business with integrity and the highest degree of compliance with the law. Additionally, Levi Strauss & Co. conducts internal training of our supply chain management to ensure management are knowledgeable and aware of the issues and concerns surrounding the supply chain, including human trafficking and slavery, with a particular focus on mitigating risks.

This statement is made pursuant to section 54(1) of the UK Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 30 November 2016.

  
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Richard Hurren

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Date: May 8, 2017

  
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Levi Strauss & Co.

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Title: SVP, Chief Supply Chain Officer

Date: May 8, 2017