

2025 WATER ACTION STRATEGY

LEVI STRAUSS & CO.

2025 WATER ACTION STRATEGY



OUR VISION

To ultimately use only as much water as replenishes naturally, wherever we operate

OUR 2025 COMMITMENTS

WATER REDUCTIONS

Reduce our water use in manufacturing by 50 percent in areas of high water stress against a 2018 baseline



WATER<LESS® SUPPLIERS

All key fabric and garment suppliers, which represent 80 percent of LS&Co.'s production, will meet their new contextual Water<Less® targets



OUR IMPACT

- We're setting contextual, facility-level targets to address local water stress
- We're updating Water<Less® to incorporate contextual water targets
- We're going "beyond the fence line" to promote watershed health and access to clean water
- We're open-sourcing our approach and leveraging collective action to enable broader progress

“ Levi Strauss & Co. is answering an urgent call for companies to embrace water stewardship – not just for business interests, but to protect water resources for everyone.

Sheila Bonini / SVP, Private Sector Engagement, World Wildlife Fund

We need more companies to follow Levi Strauss & Co.'s lead in implementing context-based strategies that are good for communities and good for business.

Mindy Lubber / CEO and President, Ceres

OUR APPROACH

Levi Strauss & Co. (LS&Co.) has a long history of leading on water, dating back to the establishment of the apparel industry's first wastewater quality guidelines in 1992, which we scaled to all of our garment manufacturing suppliers in 1994. We are proud of our contributions to the advancement of water stewardship in the apparel industry, but we have no intention of resting on yesterday's achievements.

As water stress manifests to varying degrees around the world and across the apparel supply chain, we see an opportunity to take another step forward – to use the science and tools at our disposal to focus our reduction efforts where they are most critical; to increase access to clean, safe drinking water; and to inspire the collective action necessary to alleviate the apparel industry's impact and exposure to water issues around the world.

Our ultimate vision is to use only as much water as replenishes naturally, wherever we operate.

To this end, we are changing how we define successful water stewardship in manufacturing. Since 2011, we have delivered on targets that prioritize the application of [Water<Less](#)® finishing techniques and the use of recycled water wherever possible. Our peers have forged similar approaches, driving water efficiency improvements across the apparel supply chain. Now that we've successfully scaled Water<Less>®, it's time to scale its impact.

To position Water<Less>® to drive quantifiable impacts beyond our factory walls, we are using the best available water stress data to develop manufacturing facility-level targets that respond to local water stress. If a factory (cut, sew, finish) or fabric mill meets its target, meaning that it adheres to a sustainable level of water consumption for its local context, then that facility and its products will receive the Water<Less>® designation. Through this targeted, contextual approach, we believe we can drive progress toward alleviating local water stress where we operate.

To ensure that we prioritize the most critical water sources, **we commit to reducing the amount of water we use for manufacturing in areas of high water stress by 50 percent by 2025** against

We are committing to reduce the amount of water we use in manufacturing in highly stressed areas by 50 percent by 2025.*



Source: World Resources Institute

Global Water Stress map.

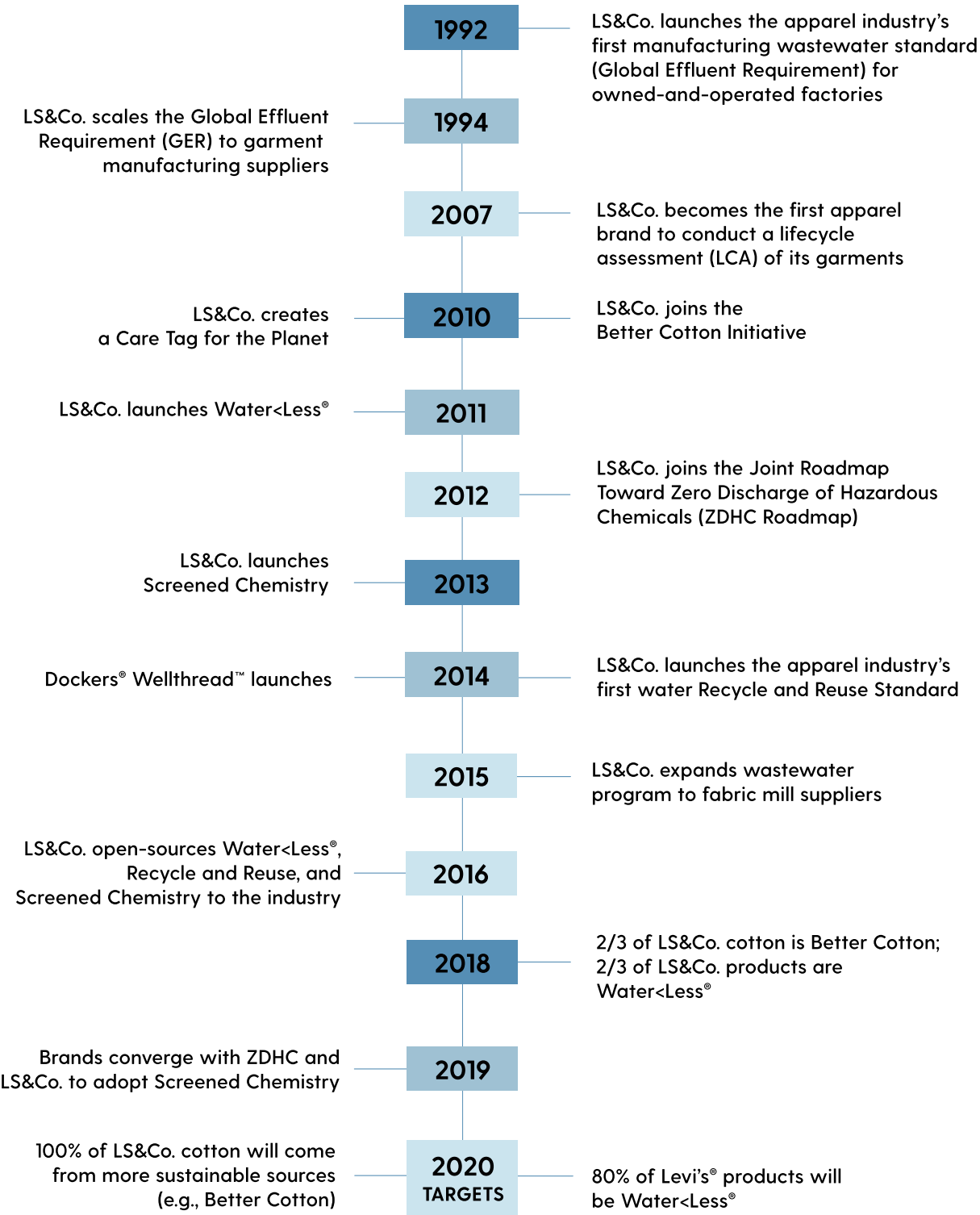
Key: ■ low water stress; ■ medium water stress; ■ high water stress

a 2018 baseline. And consistent with the vision to use only as much water as replenishes naturally, wherever we operate, **we are committing to helping all of our key factories and fabric mills, which represent 80 percent of our production, to become distinguished Water<Less>® facilities by 2025.**

Moreover, we'll continue our industry-leading and collaborative chemicals management approach. We'll build on our efforts to scale more sustainable, less water-intensive raw materials across all of our brands and to transition to a more circular economy. We'll advocate for policies and engage in collective action projects that extend our impact beyond the four walls of manufacturing facilities, promoting access to safe and affordable drinking water in the communities that we touch. By making progress at each level of the product lifecycle – and working together with other brands and partners to do so – we can truly turn the tide on our industry's water impact.

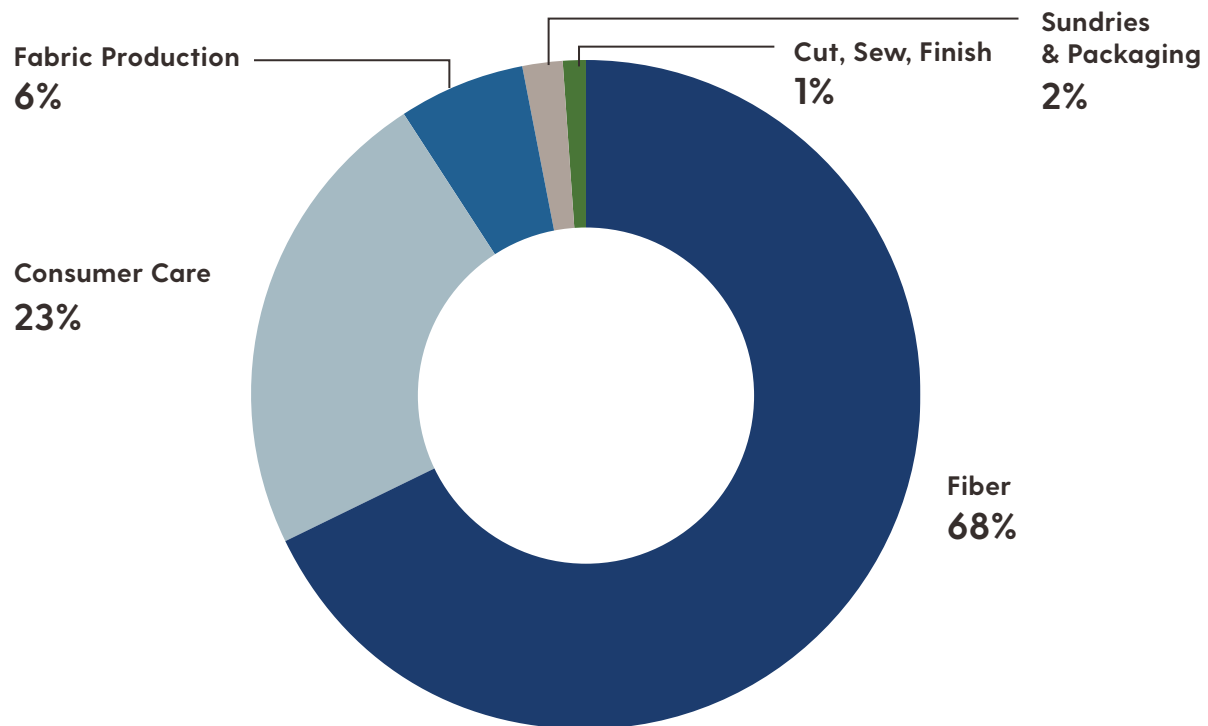
* Against a 2018 baseline

OUR WATER HISTORY



Our 2007 [lifecycle assessment](#), the apparel industry's first comprehensive analysis of a garment's cradle-to-grave environmental impact, highlighted our company's and industry's contribution and exposure to water stress. This analysis, which we updated in 2015, enabled us to target water reductions across the entire product lifecycle.

LIFECYCLE WATER CONSUMPTION PERCENTAGE BY PHASE



Raw Materials

To address the most significant contributor to our water footprint, materials (specifically cotton), we joined the [Better Cotton Initiative \(BCI\)](#) in 2010. BCI educates cotton farmers on how they can optimize their yields while minimizing their water and chemical application. As a result, Better Cotton is more water-efficient than conventional cotton.

By 2018, Better Cotton had scaled from zero to 67 percent of LS&Co.'s cotton supply and nearly 20 percent of the global cotton supply. Supplementing this partnership with BCI, our [Levi's® Wellthread™](#) collection, which initially launched as a Dockers® initiative in 2014, advances our sustainable fiber and design work by testing sources of recycled fiber content and other innovative materials, like [cottonized](#)

[hemp](#), which we are looking to scale across our broader product portfolio.

Consumer Care

Since about one quarter of our product's lifecycle impact occurs after the point of sale – during the consumer use phase – we began sewing into every pair of Levi's® jeans a [Care Tag for the Planet](#) that carries a simple message on [how our consumers can reduce the amount of water that they use to care for their Levi's®](#): "Care for our planet: wash less, wash cold, line dry, donate or recycle."

In the years since, we've applied the care label to our other brands and product categories, and in 2018, we began applying a new care tag to denote Water<Less® jeans and trucker jackets. Over the

past few years, we ramped up our commitment to extending the useful life of our products by installing [Levi's® Tailor Shops](#) in our owned-and-operated Levi's® stores around the world, where consumers can have their garments repaired and altered to extend their life and value.



Levi's® Water<Less>® Care Tag for The Planet.

Manufacturing

Recognizing our ability to influence water use in the manufacturing stages of fabric development and garment finishing, we launched the [Water<Less>® program](#) in 2011. Water<Less>® was built on a series of technical innovations that saved water compared with traditional methods. This innovative program spotlighted the opportunity that apparel companies have to decrease their manufacturing water use, resulting in water use becoming a major focus of apparel brands and, in turn, inspiring additional innovations that enhance water efficiency at apparel factories and fabric mills, such as low water-use washing machines and recycling systems.

Building off our industry-first Global Effluent Requirement (GER) wastewater standards, we signed onto the Joint Roadmap Toward Zero Discharge of Hazardous Chemicals ([ZDHC Roadmap](#)) in 2012. In doing so, we initiated collective action with other leading brands to remove hazardous chemicals from apparel supply chains. Then, in 2013, we launched [Screened Chemistry](#), an approach to prevent hazardous chemical formulations from entering our supply chain from the outset.

LS&Co.'s efforts to address manufacturing water use and pollution converged in 2014, when we became the first apparel brand to author a standard for manufacturing water recycling and reuse. Our [Recycle and Reuse Standard](#) establishes that facilities must adhere to the ZDHC wastewater guidelines' "progressive" performance threshold and recycle over 20 percent of the water used in manufacturing to qualify for the program.

We invited our competitors into our Eureka Innovation Lab in San Francisco in 2016 and [shared how to apply our Water<Less>® finishing techniques](#). This approach of open-sourcing our sustainability innovations is fundamental to our mission to have an outsized impact on the world. We also [open-sourced Screened Chemistry in 2016](#), leading to its adoption by the industry in early 2019.

We initiated a collaboration with the International Finance Corporation's Partnership for Cleaner Textiles ([IFC PaCT](#)) in 2017, a program that provides low-cost financing and expert guidance for water and energy efficiency projects at apparel manufacturers. A pilot program launched with the IFC and four LS&Co. suppliers improved facility water efficiency at participating sites by about 20 percent. And we recently announced a [\\$2.3 million expansion program with the IFC](#) to start the process of scaling PaCT to our top 42 supplier facilities across 10 countries.



LS&Co.'s Eureka Innovation Lab in San Francisco.

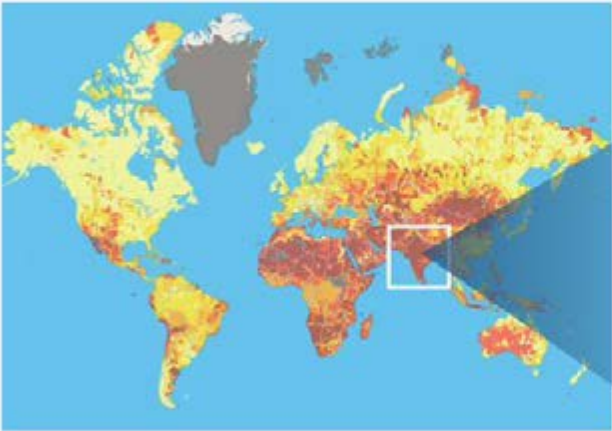
WATER STRESS IN CONTEXT

The [World Economic Forum](#) rates water issues among the top financial risks to the global economy. The [United Nations](#) adds that 2 billion people live in areas of high water stress and over 4 billion, more than half of the world's population, now experience severe water scarcity for at least one month a year.

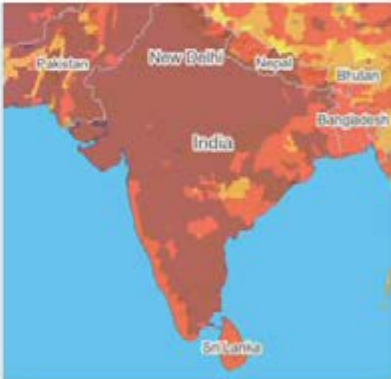
Water availability is an issue for many, but it is also highly variable. Even in middle latitudes, where much of the world's manufacturing of apparel and other goods occurs, and where population growth,

economic development and climate change converge, there is a wide range in the level to which different regions and watersheds are impacted by water scarcity. As supplier facilities and nearby communities across our supply chain are exposed to varying levels of fresh water stress, we recognize the opportunity to maximize our efforts where they are most needed and to take actions that result in measurable benefits beyond the fence line of our manufacturing facilities.

DRIVING WATERSHED IMPACTS



LS&Co. is utilizing an array of tools to positively impact watersheds in South Asia.



Source: World Resources Institute
 Key: ■ low water stress; ■ medium water stress; ■ high water stress

Materials

In 2018, more than two-thirds of the cotton LS&Co. sourced from fabric mills in India and Pakistan was Better Cotton, curtailing water and chemical use in cotton cultivation.

Manufacturing

Key LS&Co. suppliers in Bangladesh, India and Pakistan have significantly reduced their water use by adhering to our Recycle and Reuse Standard.

Collective Action

LS&Co. is collaborating with Arizona State University, Earth Genome and World Wildlife to provide stakeholders in Pakistan with data insights to address local water issues.

OUR WATER FUTURE

Building on Water<Less®

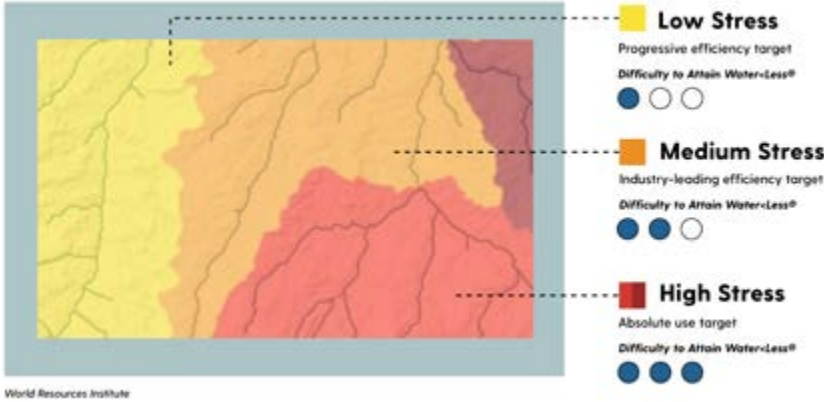
In the years since we launched Water<Less®, it has become a standard best practice for companies to address the amount of water they use. As water stress intensifies in various regions around the world, however, it is becoming increasingly clear that saving a liter of water where water is plentiful is not as critical as saving a liter where water is scarce. Therefore, we think it is imperative for companies like LS&Co. to address water use in the context of where that use occurs.

While there currently is no prevailing guidance on how to set science-based water targets in a local watershed context, we do have access to respected, publicly available tools and datasets, such as the [World Resources Institute's Aqueduct Water Risk Atlas](#), that help us understand where water stress is greatest. Using this data, we have categorized our suppliers into areas of low, medium and high water stress. Suppliers in low and medium stress areas will receive progressive efficiency targets, and suppliers in areas of high water stress will be assigned aggressive, absolute water use targets.

Starting in 2021, we will move to qualify Water<Less® at the facility level. This will mean that mills and factories that meet the targets we issue, which will vary depending on the amount of water stress, will qualify as Water<Less®, as will all the fabric or products coming from those facilities. Our existing Water<Less® techniques, our Recycle and Reuse Standard and the PaCT partnership will remain as pillars of our new water strategy and will serve as key tools for facilities to meet their targets.

Moving from our current process-oriented approach to a contextual, outcome-oriented approach will connect our progress on Water<Less® to real improvements for watersheds.

SETTING CONTEXTUAL WATER<LESS® TARGETS



As we take on this new approach, we are committing to the following by 2025:

- 1) Reducing our water use in manufacturing by 50 percent against a 2018 baseline in areas of high water stress.
- 2) Ensuring all key mills and factories, which represent 80 percent of production volume, will meet their geographically contextual Water<Less® targets.

With these two goals, we are establishing a clear vision to focus our water recycling and efficiency efforts where the need is most urgent, while also ensuring that we are progressing toward using water more sustainably in the context of wherever we are using it.

We think that these changes position Water<Less® to be even more impactful than it has been and make the program more conducive to widespread industry adoption. We know that we can't tackle this alone, so, as we did with the original Water<Less® finishing techniques, we will open-source the latest iteration of Water<Less® with our peers and hope to see it gain wider adoption, if not become the new industry standard. We also plan to work with experts and key stakeholders to develop metrics that establish a threshold for necessary water action like the standard that the Science Based Targets initiative has provided for corporate climate action.

Water Quality

Water pollution also contributes to water stress, so ensuring that the water we put back into the environment is clean and safe is as important as addressing our water consumption.

Our partnership with the [ZDHC Foundation](#) and other leading brands, manufacturers and chemical suppliers in pursuit of achieving and scaling the ZDHC Roadmap is essential. This collaborative framework will enable us to scale the adoption of [ZDHC's Manufacturing Restricted Substances List \(MRSL\)](#) and Screened Chemistry to ensure that more and more of our industry peers are refusing known hazardous chemical formulations and screening new formulations for hazards.

In addition to providing a key vehicle for suppliers in highly water-stressed areas to reduce their water consumption and build resilience, our Recycle and Reuse Standard supports improved water treatment. By requiring “progressive” performance on [ZDHC's Wastewater Guidelines](#), the standard ensures that qualified facilities treat their wastewater in line with industry-leading protocols before it is returned to the environment.

Materials and Circularity

Cotton represents over 90 percent of the raw materials that we source. By 2020, 100 percent of the cotton that LS&Co. uses will be from sources that are more sustainable – less polluting and less resource intensive – than conventional cotton. On this same timeline, we are working to help Better Cotton reach 30 percent of the global cotton supply. Partnering with BCI, we'll look to further the program's scale and impact well beyond what it is today.

We'll also continue to look for opportunities to test and scale alternative, less water-intensive fibers through our [Wellthread™ Collection](#), which has already produced garments that feature fully traceable rain-fed linen, cottonized hemp and a variety of recycled and recyclable materials, and in our mainline products as well. Among these innovative fiber solutions is [Evrnu](#), which regenerates cotton garments into a



A Levi's® WellThread™ Collection Assortment

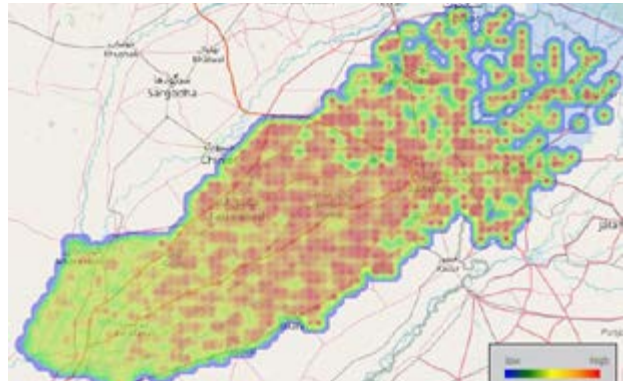
high-quality fiber, and [Refibra™](#) by Lenzing, a lyocell fiber that replaces much of its conventional wood-based raw material input with post-industrial cotton scraps.

Levi's® Wellthread™ also provides a model to build upon as we work toward product circularity. By not mixing synthetic and natural fibers, our Wellthread™ designers increase the potential recyclability of the product line.

To more fully address our raw material footprint, we are expanding our capabilities to repair and recycle used garments. As we take these efforts into the future, we can leverage Wellthread™, Levi's® Tailor Shops and [Levi's® Authorized Vintage](#), which features archive-quality, decades-old products that we reclaim, refurbish and resell, enabling us to offer a product that will not result in additional water use. We are growing these programs, supplementing them with new initiatives and targeting collective action and policy advocacy as we build out and actualize a more comprehensive circularity approach.

Toward Collective Action

When it comes to making a difference on an even larger scale, our success will rest on our ability to galvanize productive coalitions that commit to driving real impact for the communities and people that stand to be most affected by water stress.



LS&Co. is partnering with local stakeholders and water experts to drive collective water stewardship in Pakistan's Ravi River Basin (left). The Basin Assessment Scenario Intervention Tool (BASIT) is a map of the basin that pinpoints water stress for stakeholders (blue – low stress, red – high stress) (right).

Collective action will be critical to addressing water scarcity. That is why we are open-sourcing our updated Water<Less[®] program. We hope to see this contextual approach scale across the apparel industry, but even more importantly, we hope to foster a productive and ongoing dialogue that supports collective action among apparel brands and other key stakeholders to address water use in the context of local water stress.

True water resiliency is a function of environmental factors that extend beyond the factory walls. We are committed to collaborating with industry peers and other key stakeholders to scale the solutions that are needed to ensure the long-term sustainability of the water supplies we all depend on and to see those benefits translate to the communities we touch. To this end we are among the 145 companies from various industries to endorse the [CEO Water Mandate](#), which requires brands to demonstrate progress on water sustainability and security across their direct operations and supply chains through collective action, policy advocacy, community engagement and transparency.

A year ago, we shared the progress of our partnership with World Wildlife Fund (WWF), Earth Genome and Arizona State University (ASU) in Pakistan's [Ravi River Basin](#) to map and diagnose sources of water stress in the region, engage local stakeholders and develop and implement targeted solutions. The mapping,

developed by Earth Genome and ASU, provides a holistic view of the basin's ground and surface water, supply and demand, and historical and forecasted stress. WWF convenes local stakeholders, including several of our key suppliers in the region, to download and leverage the mapping's insights.

Our primary goal with the project is to ensure a healthy Ravi River that can support industry and local communities. Ultimately, we hope that we can develop a replicable collective action model that involves effectively mapping highly stressed watersheds, empowering local stakeholders to drive targeted solutions and enabling brands and multilaterals to galvanize investment in broader interventions.

Promoting Water Access

We want to have an impact that extends beyond our suppliers' walls and increases access to safe, potable water for supply chain communities. Similar to our approach with Water<Less[®], we'll leverage the best available data and expert insights to develop facility-level performance targets to ensure that the efforts of LS&Co. and our suppliers are addressing local water access needs.

As we advance our efforts to expand and secure community water access where we operate, we are able to draw on best practices in our supply chain. For example, one of our suppliers in Pakistan installed water faucets on the exterior of its facility,

providing the surrounding community with the only reliable public source of potable water for five miles. Our [Worker Well-being](#) initiative, which enables our manufacturing supplier workforce to vote on the implementation of programs they believe will be most helpful for their communities, provides one way we can develop projects that increase water access, sanitation and health in supplier communities.

We are enthusiastically engaging our employee community as well. LS&Co. has committed to having all of its full-time employees trained on water education, in partnership with [Project W.E.T.](#), by 2020, so that our employees are qualified to teach the broader community about sustainable water use and hygiene.

Transparency

By signing the [Apparel and Footwear Supply Chain Transparency Pledge](#) in 2017, we formalized our existing practice of making our factory list public. The factory list can be found on [levistrauss.com](#) along with our list of fabric mills.

In addition to making our supplier lists public, we are using publicly available datasets from World Resources Institute to assess our factories' and mills' exposure to water stress. We are also using supplier water use data from the [Higg Index](#), the apparel industry's supply chain transparency clearinghouse. On water quality, we are driving progress through our partnership with the ZDHC Foundation and member brands, along with the open-sourcing of our Screened Chemistry program, enabling its industry adoption.

We are committed to putting forward a program that is as transparent as possible so we can effectively partner with suppliers, industry peers and other key stakeholders to drive the necessary impacts and solutions. We will share our contextual Water<Less[®] and water access targets with industry peers and stakeholders and report annually on our progress toward our new 2025 targets.



LS&Co. employees are trained on water education through our partnership with Project W.E.T.

Policy and Advocacy

We will utilize the same outcome-oriented focus that we are applying to our operations when advocating for policy that addresses water stress from overuse or pollution.

In California, where LS&Co. is headquartered, more than one million residents lack access to safe and affordable drinking water. In 2019, we were proud to successfully advocate for the establishment of a [Safe and Affordable Drinking Water Fund](#) in California, in partnership with the Ceres [Connect the Drops](#) water policy initiative, to ensure access for all Californians going forward.

We also recognize the clear connection between the global climate crisis and water stress. We have consistently supported efforts to curtail greenhouse gas emissions and transition to a clean energy economy. We maintain our [support for the Paris Agreement](#) and signed the [Fashion Industry Charter for Climate Action](#). And since joining as a founding member in 2009, we have actively partnered with Ceres' policy network, Business for Innovative Climate and Energy Policy ([BICEP](#)), to advocate for necessary legislative action in the United States.

Further, we are partnering with the [Sustainable Apparel Coalition Policy Hub](#) to develop policy solutions that can enable a more circular, less consumptive apparel industry.

CONCLUSION

The sixth United Nations Sustainable Development Goal ([SDG 6](#)) is to “ensure availability and sustainable management of water and sanitation for all” by 2030. In order for our company, and our industry, to contribute meaningful progress toward that goal, we need to step up our collective efforts and use the data and science we have at our disposal to inform strategies that address water stress, scarcity and lack of access where it is most critical.

As we refocus our efforts to maximize our impact, we hope to improve our efficiency, grow more resilient and ultimately ensure that communities around the world are better off because of LS&Co.’s presence and engagement. Our approach and vision are ambitious, but it’s time for us all to come together to meet this challenge.