

# Sustainability Report Summary



LEVI STRAUSS & CO.

Our second annual global sustainability report takes a deeper look at how we are addressing the most pressing environmental, social and governance (ESG) issues for our business, industry and the communities in which we operate.

## This report and our sustainability strategy focus on three pillars – climate, consumption and community.

Collectively, they reflect our guiding philosophy of profits through principles. We seek to be a leader in transparency and impact, to accelerate the circular economy ecosystem, and to increase collaboration by inspiring others to join our journey toward an inclusive and regenerative apparel industry.



### Climate

- 22% absolute reduction in supply chain greenhouse gas (GHG) emissions over the base year (2016)
- 66% absolute reduction in GHG emissions associated with all company-operated facilities over the base year (2016)
- 85% renewable electricity in our company-operated facilities (of total electricity used in FY21)
- 11.5+ billion liters of water recycled since 2011, in line with supplier use of our Reuse & Recycle standard and Water<Less® techniques
- Preliminary biodiversity roadmap developed (as a prelude to implementation of a comprehensive biodiversity strategy by 2025)



### Consumption

- First-ever circular Levi's® 501® jeans developed
- 95% of all cotton used in products was organic, recycled or Better Cotton\*
- 100% of all down sourced from Responsible Down Standard-certified suppliers\*
- ~1,300 chemicals on the LS&Co. Preferred Chemical List, which encourages our suppliers to use safer alternatives in their manufacturing
- ~28,000 units of clothing reclaimed or extended

\*Data is as of October 2021 and reflects product seasons H2'21 and H1'22. Together, these seasons generally correspond to the fiber sourced for LS&Co. products in FY21. In our year-over-year fiber analyses, we track the fiber used in our products for the second half of the current year and the first half of the following year.



### Community

- ~16,600 LS&Co. employees
- ~62% female LS&Co. executive leadership team
- ~509,000 workers in our supply chain\*
- ~80% of LS&Co. product volume sourced from factories using the Worker Well-being initiative
- \$13.5 million total charitable contributions to community partners\*\*
- Ongoing advocacy on climate change, paid family leave, gun violence prevention, voting rights, and, in 2022, reproductive rights

\*Number of workers in our supply chain includes an estimated 428,000 workers in Tier 1 supplier factories and 81,000 workers in Tier 2 supplier factories, for a combined total of approximately 509,000.

\*\*Charitable contributions include \$9.5 million in Levi Strauss Foundation grants, \$3.1 million in LS&Co. corporate grants and \$0.9 million in LS&Co. product donations.



### Rankings

- A- CDP 2021 Climate Score
- #1 2021 Institute of Public and Environmental Affairs (IPE) Green Supply Chain CITI Evaluation
- #1 Pure apparel brand IPE 2021 Corporate Climate Action Transparency Index
- Prime 2021 Institutional Shareholder Services Status
- #3 in Business of Fashion Sustainability Index (2022)
- #2 apparel company on the 2022 *Fortune* list of "World's Most Admired Companies" and #3 among top five apparel companies globally in 2021
- Named to the 2021 *Fortune* "Change the World" list
- 100 points on the 2021 Human Rights Campaign Corporate Equality Index

Today, we are proudly releasing both the Levi Strauss & Co. 2021 sustainability report and launching the second iteration of the Levi's® brand's "Buy Better, Wear Longer" campaign. Within the report, I'm extremely happy to say, you will also find our updated slate of 16 goals that reflect our holistic definition of sustainability, with targets tied to emissions reductions, water use, fibers, circularity, worker well-being, engagement on social issues and more.

I mention the report, the new goals and "Buy Better, Wear Longer" in combination because I believe that they together speak to the depth of LS&Co.'s commitment to sustainability and our priorities across all stakeholder audiences.

This report is a record of our determination to deliver progress across the three main pillars of our sustainability programming – climate, consumption and community. Our goals articulate how we plan to become an even more resilient business while also signaling to our industry our willingness to collaborate and create the scale necessary to address the most critical challenges of our time. And our "Buy Better, Wear Longer" campaign represents the continuation of our ongoing conversation with consumers about the need to combat overproduction and overconsumption in and by the apparel industry.

It is abundantly clear that businesses with long-term growth aspirations must be looking for ways to use resources more efficiently and judiciously, better support their people and communities, and play an active role in solving the most critical issues of our day. There remain questions, however, about how companies do these things, how businesses should measure and substantiate progress, and whether the progress is happening fast enough, which in most cases, it is not.

So, while we take a moment to reflect on the work that's been done, we know that what's most important is what we do next. Creating real impact is a challenge that all businesses must take on – a challenge that we will continue to tackle across our company.

Sincerely,

**Chip Bergh**

President and CEO, Levi Strauss & Co.



For more from our leaders, read a [Q&A with our Chief Sustainability Officer and Chief Financial Officer](#).

In 2021, we updated our holistic sustainability strategy with clear goals to advance our progress, hold ourselves accountable and meet stakeholder expectations for ESG commitments and performance. The strategy brings together long-standing company goals – such as climate action, water reduction, and our commitments to workers and the communities where we operate – with important

focus areas such as biodiversity, waste and circular economy. We are actively working on these focus areas to develop baselines and pathways for achievement. The overall strategy and goals demonstrate our ambition and our commitment to progress across our key pillars of climate, consumption and community.

### Our sustainability goals for 2025 and beyond

16 people- and planet-first goals that illustrate our commitment to bettering the world we all share



#### Climate

- 40% absolute reduction in supply chain greenhouse gas emissions by 2025\*
- 90% absolute reduction in greenhouse gas emissions and 100% renewable electricity in all company-operated facilities by 2025\*\*
- Net-zero emissions of greenhouse gases by no later than 2050\*\*\*
- Reduce freshwater use in manufacturing by 50% in areas of high water stress by 2025\*\*\*\*

- Continue to assess and identify material impacts and dependencies on nature across the value chain, in order to implement a comprehensive biodiversity strategy by 2025

\*Against 2016 base year. Supply chain GHG emissions refer to Scope 3, Category 1 (Purchased Goods and Services). While this goal was approved by SBTi under the apparel and footwear sector science-based targets guidance v.4.0, it will be adjusted to a 1.5°C trajectory as now required by the SBTi Net-Zero target application process.

\*\*Against 2016 base year. This goal is consistent with limiting temperature rise to 1.5°C compared to pre-industrial levels.

\*\*\*We plan to submit this goal for SBTi approval in 2023.

\*\*\*\*Against 2018 base year.



#### Consumption

- Key markets to introduce or increase resale and upcycling initiatives to extend the life of our products by 2025
- Circular ready in 2026\*
- Zero-waste-to-landfill from company-operated facilities and 50% waste diversion across strategic suppliers by 2030\*\*
- Eliminate single-use plastics in consumer-facing packaging by shifting to 100% reusable, recyclable or home compostable plastics by 2030
- Strategic garment wet finishing manufacturing and fabric mills use 100% certified screened chemistry by 2026\*\*\*

- Use only third-party preferred or certified more sustainable primary materials by 2030\*\*\*\*

\*Product will be considered circular ready when it meets all pillars of the Ellen MacArthur Foundation Make Fashion Circular Framework. Note that LS&Co. product will not be fully circular in 2026, but that the company is prepared to set forth a path by 2026 to bring fully circular products to market. Of note, the time horizon for this goal has shifted to 2026 due to the impact of supply chain challenges and other external factors.

\*\*In alignment with the Zero Waste International Alliance and TRUE Zero Waste certification, facilities that reach the 90% threshold will be designated as zero waste. We are committed to sharing our waste diversion progress.

\*\*\*Strategic garment wet finishing manufacturing and fabric mills cover approximately 80% of product weight.

\*\*\*\*In this context, "preferred" is based on the Textile Exchange, which defines a preferred fiber or material "as one which results in improved environmental and/or social sustainability outcomes and impacts in comparison to conventional production."



#### Community

- Continually improve apparel worker health, satisfaction and engagement
- Ensure competitiveness and equity in total rewards
- Ensure that LS&Co. remains a dynamic and inclusive career destination

- Leverage the leadership of the Levi Strauss Foundation and invest in our communities to advance pioneering social change
- Drive societal impact in communities where LS&Co. operates through advocacy, grantmaking, employee giving and volunteerism

We are committed to doing our part to help mitigate climate change and build resilience in the face of increasingly volatile and unpredictable weather conditions. This includes reducing energy use and emissions in our own operations and our supply chain, using water more efficiently and working to safeguard biodiversity.

## CLIMATE GOALS AND PROGRESS

GOAL/METRIC	TARGET YEAR	TARGET PROGRESS AS OF FY21
Net-zero emissions of greenhouse gases*	No later than 2050	New goal
40% absolute reduction in supply chain GHG emissions**	2025 (against a 2016 base year)	22% absolute reduction
90% absolute reduction in GHG emissions associated with all company-operated facilities***	2025 (against a 2016 base year)	66% absolute reduction
100% renewable electricity in all company-operated facilities***	2025 (against a 2016 base year)	85% renewable electricity
Reduce freshwater use in manufacturing by 50% in areas of high water stress	2025 (against a 2018 base year)	Will be available following verification of Higg Facility Environmental Module data
Continue to assess and identify material impacts and dependencies on nature across the value chain, in order to implement a comprehensive biodiversity action strategy	2025	New goal

\*We plan to submit this goal for SBTi approval in 2023.

\*\*Supply chain GHG emissions refer to Scope 3, Category 1 (Purchased Goods and Services). In FY21, as in FY20, supplier energy use and associated emissions were reduced because of COVID-19 pandemic impacts on production volumes. While this goal was approved by SBTi under the apparel and footwear sector science-based targets guidance v.4.0, it will be adjusted to a 1.5°C trajectory as now required by the SBTi Net-Zero target application process.

\*\*\*This goal is consistent with limiting temperature rise to 1.5°C compared to pre-industrial levels.



## CLIMATE HIGHLIGHTS

- Utilized a solar power array to meet about 20% of electrical demand at our Leadership in Energy and Environmental Design (LEED) Platinum-certified distribution center in Henderson, Nevada.
- Continued development of new distribution center in Germany designed to meet Platinum-level LEED and Platinum-level WELL certification and according to circular design principles.
- Incorporated some LEED principles for energy, waste management, indoor air quality and water into our Retail Sustainability Playbook to guide store updates and development.
- Received certification of both company-operated factories to the ISO 14001 Environmental Management Systems Standard.
- Shipped 1,000 containers through Maersk ECO Delivery, which uses waste-based biofuels to move large containers with net-zero carbon dioxide emissions.
- Worked with some of our key suppliers to create roadmaps that include climate and water targets and identify solutions – such as replacing old boilers, adding efficient lighting or recycling water.
- Continued encouraging supplier participation in the Carbon Leadership Program and Partnership for Cleaner Textile to identify lower-carbon solutions to their energy needs.



## WATER HIGHLIGHTS

- Established contextual water targets for our key suppliers.
- Updated Water<Less®, our comprehensive water stewardship program designed to reduce water use in the manufacturing of our products.
- Implemented Water<Less® production processes at our factories in Plock, Poland, and Epping, South Africa.
- Used 100% recycled water in manufacturing at our Epping facility.
- Applied the Jeanologia Environmental Impact Measurement platform to track and measure water and chemicals in garment finishing at our two company-operated factories.
- Established partnership between Dockers® and Waves for Water on programs designed to provide clean water access to communities.
- Used nearly 3 billion liters of recycled water in the manufacturing of LS&Co. products.

Read more about our work on [climate action, water stewardship and biodiversity](#).



## BIODIVERSITY HIGHLIGHTS

- Conducted benchmarking research on apparel industry biodiversity impacts, quantification methodologies and best-in-class impact mitigation frameworks.
- Developed a preliminary biodiversity roadmap, which will be finalized after completing our full value chain biodiversity footprint.
- Began sponsoring the U.S. Regenerative Cotton Fund, a field-level pilot with the Soil Health Institute to draw down 1 million mtCO<sub>2</sub>e from the atmosphere by 2026 through regenerative farming practices.



In 2021, we continued to encourage innovation and broader action on the path to a circular economy and reduced resource consumption. This included bringing to market our first-ever circular Levi's® 501® jean and launching “Buy Better, Wear Longer” – a global marketing campaign that encourages consumers to be more intentional about purchasing decisions and emphasizes our commitment to sustainability.

### CONSUMPTION GOALS

GOAL	TARGET YEAR
Key markets to introduce or increase resale and upcycling initiatives to extend the life of our products	2025
Circular ready*	2026
Zero-waste-to-landfill from company-operated facilities and 50% waste diversion across strategic suppliers**	2030
Eliminate single-use plastics in consumer-facing packaging by shifting to 100% reusable, recyclable or home compostable plastics	2030
Strategic garment wet finishing manufacturing and fabric mills use 100% certified screened chemistry***	2026
Use only third-party preferred or certified more sustainable primary materials****	2030

\*Product will be considered circular ready when it meets all pillars of the Ellen MacArthur Foundation Make Fashion Circular Framework. Note that LS&Co. product will not be fully circular in 2026, but that the company is prepared to set forth a path by 2026 to bring fully circular products to market. Of note, the time horizon for this goal has shifted to 2026 due to the impact of supply chain challenges and other external factors.

\*\*In alignment with the Zero Waste International Alliance and TRUE Zero Waste certification, facilities that reach the 90% threshold will be designated as zero waste. We are committed to sharing our waste diversion progress.

\*\*\*Strategic garment wet finishing manufacturing and fabric mills cover approximately 80% of product weight.

\*\*\*\*In this context, “preferred” is based on the Textile Exchange, which defines a preferred fiber or material “as one which results in improved environmental and/or social sustainability outcomes and impacts in comparison to conventional production.”

## CONSUMPTION HIGHLIGHTS

## MORE SUSTAINABLE FIBERS\*

FY21 PERCENTAGE USED  
IN OUR PRODUCTS

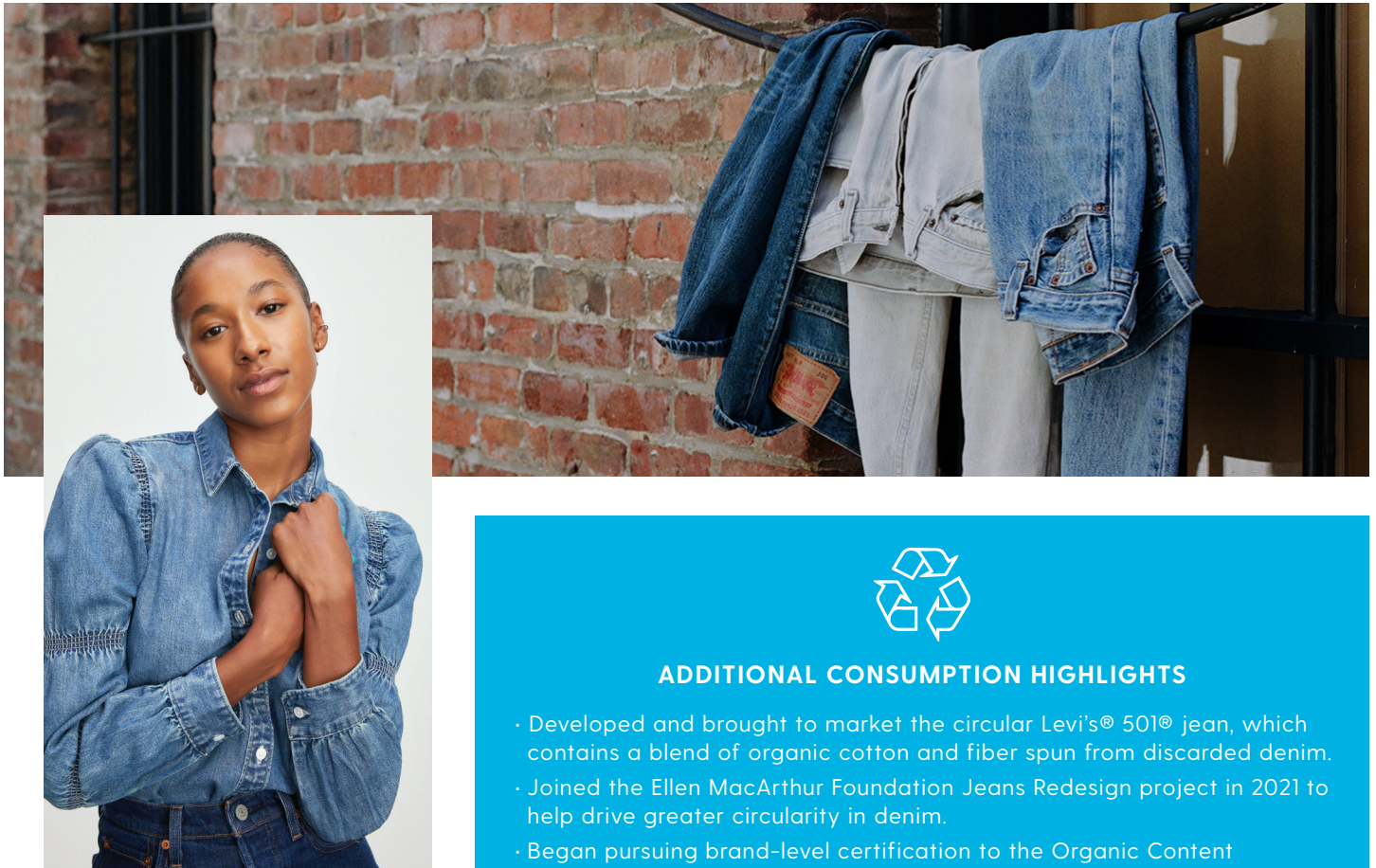
Cotton that is organic, recycled or Better Cotton	95% of all cotton
Manmade cellulosic fibers sourced from Canopy Green Shirt-rated suppliers	100% of all manmade cellulosic fibers
Down sourced from Responsible Down Standard-certified suppliers	100% of all down
Leather sourced from Leather Working Group-rated suppliers	>35% of all leather
Recycled polyester	8% of all polyester

## SAFER CHEMICALS

## FY21 PROGRESS

Number of chemicals on the LS&Co. Preferred Chemical List, which encourages our suppliers to use safer alternatives in their manufacturing	~1,300
Pass rate of suppliers in Restricted Substances List testing	99.94%
Pass rate of suppliers in random product testing (at 80% of Tier 1 factories)	100%

\*Data is as of October 2021 and reflects product seasons H2'21 and H1'22. Together, these seasons generally correspond to the fiber sourced for LS&Co. products in FY21. In our year-over-year fiber analyses, we track the fiber used in our products for the second half of the current year and the first half of the following year.



Read more about our work to support a [circular economy](#), source more [sustainable fibers](#), use [safer chemicals](#), and advance progress toward [zero waste](#).



### ADDITIONAL CONSUMPTION HIGHLIGHTS

- Developed and brought to market the circular Levi's® 501® jean, which contains a blend of organic cotton and fiber spun from discarded denim.
- Joined the Ellen MacArthur Foundation Jeans Redesign project in 2021 to help drive greater circularity in denim.
- Began pursuing brand-level certification to the Organic Content Standard (OCS), Recycled Claim Standard and Global Recycled Standard. Our company-operated factory in Plock, Poland is certified to develop products under the OCS.
- Joined Fashion for Good and began participating in projects focused on waste reduction and recycling, plant-based dyes and more.
- Began collaborating with Stony Creek Colors to pilot the use of plant-based, pre-reduced indigo.
- Adopted the AFIRM Group (Apparel Footwear Industry RSL Management Group) Restricted Substances List (RSL) and AFIRM Packaging RSL as part of our commitment to greater industry collaboration and consistency in chemical management.
- Earned the Zero Discharge of Hazardous Chemicals Leadership Aspirational Level designation – one of just five apparel companies to earn the designation in 2021 – recognizing our achievements in the Roadmap to Zero Program and related work on safer chemicals.
- Began using mannequins made from 100% recycled base stock and printed imagery made from upcycled plastics at some Levi's® retail and wholesale locations.
- Collected an estimated 400 metric tons of fabric scraps for recycling or recovery at our factory in Plock, Poland.
- Avoided more than 5,400 metric tons of pumice stone waste by LS&Co. suppliers switching to non-pumice fabric softening methods.
- Joined the U.S. Cotton Trust Protocol, a farm level, science-based program for more sustainably grown cotton.

Our value chain includes many people who contribute to the success of our business, from farmers, mill workers and those who assemble our products, to our employees, consumers and communities where we operate. Our actions and ambitions include our employee programs for health and safety, wellness and development; our diversity, equity and inclusion work; our supply chain standards and Worker Well-being initiative; our social issue advocacy; and our philanthropy and volunteering.

COMMUNITY GOALS

Continually improve apparel worker health, satisfaction and engagement.

Ensure competitiveness and equity in total rewards.

Ensure that LS&Co. remains a dynamic and inclusive career destination.

Leverage the leadership of the Levi Strauss Foundation and invest in our communities to advance pioneering social change.

Drive societal impact in communities where LS&Co. operates through advocacy, grantmaking, employee giving and volunteerism.





### Employee Highlights

- Achieved 33% increase in women among LS&Co. global executive leadership team, FY20 to FY21.
- Hired 900+ new employees in FY21; 53% of new hires globally identified as women and 60% of new hires in the U.S. identified as Black, Indigenous, People of Color.
- Scored 79% in employee engagement.
- Confirmed no systemic pay differences across gender and ethnicity through pay equity audit (in 2020, most recent year of full audit).



### Supply Chain Highlights

- Assessed 98% of Tier 1 supplier factories and 100% of Tier 2 supplier mills in calendar year 2021.
- Sourced ~80% of LS&Co. product volume from factories using the Worker Well-being initiative.
- Confirmed that more than 90% of supply chain workers were paid with digital payments.
- Continued transitioning from our Supplier Code of Conduct assessments to the Social & Labor Convergence Program Assessment Framework and Better Work assessments in some countries where Better Work has a presence.
- Updated our Worker Well-being program and set new goals for even greater impact, emphasizing improvements to worker health, satisfaction and engagement.



### Using Our Platform Highlights

- Donated \$13.5 million to communities through direct corporate grants, Levi Strauss Foundation grants and products.\*
- Contributed \$11 million to the Levi Strauss Foundation by LS&Co. during the first quarter of FY22.
- Directed 51% of grants to organizations led by people of color, and 53% toward addressing racial equity goals among LS&Co. racial justice grantmaking.
- Provided 1,880 grants to employees and retirees facing hardships through the Red Tab Foundation.\*\*
- Celebrated 40th anniversary of Red Tab Foundation.
- Continued advocacy to advance voting rights, gun violence prevention, paid family leave, LGBTQIA+ equality and science-based climate policy, such as through an op-ed with CNN Business calling for a national paid family leave policy; an essay on LinkedIn, "Why We Need to Talk About Consumption"; and an op-ed in Fortune, "Congress Must Act Against Climate Change to Keep America Competitive."

Read more about our support of [employees, supply chain workers and community members](#).

\*Charitable contributions include \$9.5 million in Levi Strauss Foundation grants, \$3.1 million in LS&Co. corporate grants and \$0.9 million in LS&Co. product donations.

\*\*This report covers the Red Tab Foundation's 2022 fiscal year, June 2021 – May 2022.

Except where noted, this report covers performance during our fiscal year 2021 (November 30, 2020 through November 28, 2021). Where we believe it is meaningful to readers, and as noted in the report, we have provided more current information. Similarly, where fluctuations naturally occur throughout the year, as with the number of factories participating in certain programs, we have reported as of specified dates. Unless indicated otherwise, metrics include consolidated data from the company and its subsidiaries. In September 2021, we acquired Beyond Yoga®, and its sustainability data has not been included unless indicated otherwise.

### SUSTAINABILITY ISSUES PRIORITIZATION

We prioritize sustainability issues through a detailed assessment every few years, complemented by annual reviews. Through both approaches, we assess sustainability issues through their impact on society and the environment, and their impact on our business. The resulting priority issues informed our new sustainability strategy and the content of our report. We aim to maintain an annual reporting cadence with more frequent performance updates on key metrics as appropriate.

Read more about how we engage with stakeholders and prioritize [sustainability issues](#).

### ESG REPORTING INDICES

#### [SASB Index](#)

Our Sustainable Accounting Standards Board (SASB) index refers to relevant indicators from three SASB standards: Apparel, Accessories & Footwear (2022 standard; all disclosures); E-commerce (2015 standard; selected disclosures); and Multiline and Specialty Retailers & Distributors (2018 standard; selected disclosures).

#### [GRI Index](#)

Disclosures in the full sustainability report are informed by the 2021 Global Reporting Initiative (GRI) Sustainability Reporting Standards.

#### [TCFD Index](#)

Our 2021 Task Force on Climate-related Financial Disclosures (TCFD) response is drawn from our 2022 CDP response.

#### [UNGC Communication on Progress](#)

As a signatory, LS&Co. supports the United Nations Global Compact (UNGC) ten principles and our actions on these topics are described in our full sustainability report.

#### [UN SDGs Index](#)

Our purpose and sustainability strategy are aligned with the United Nations Sustainable Development Goals (UN SDGs). Relevant SDGs are indicated in each primary section of our full sustainability report.

#### [Higg BRM Scores](#)

Our scores on the Sustainable Apparel Coalition (SAC) Higg Brand & Retail Module (BRM) are published in the full sustainability report in keeping with our commitment to share them annually.

### ADDITIONAL RESOURCES

#### [Our Performance: Data Tables](#)

Detailed performance data is provided in tabular format.

#### [ESG Topics Index](#)

Links are provided to report content on issues of interest.

### FORWARD-LOOKING STATEMENTS

This Sustainability Report Summary and related website contain forward-looking statements, including statements related to our sustainability strategies, initiatives and targets. We based these forward-looking statements on our current assumptions, expectations and projections. These forward-looking statements are estimates and involve a number of risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties are detailed in our filings with the U.S. Securities and Exchange Commission, including our Forms 10-K and 10-Q. Other unknown or unpredictable factors also could have material effects on our future results, performance or achievements. All information in this Sustainability Report and related website was current only as of the date originally presented and we disclaim any obligation to update this information.