

Sustainability Report

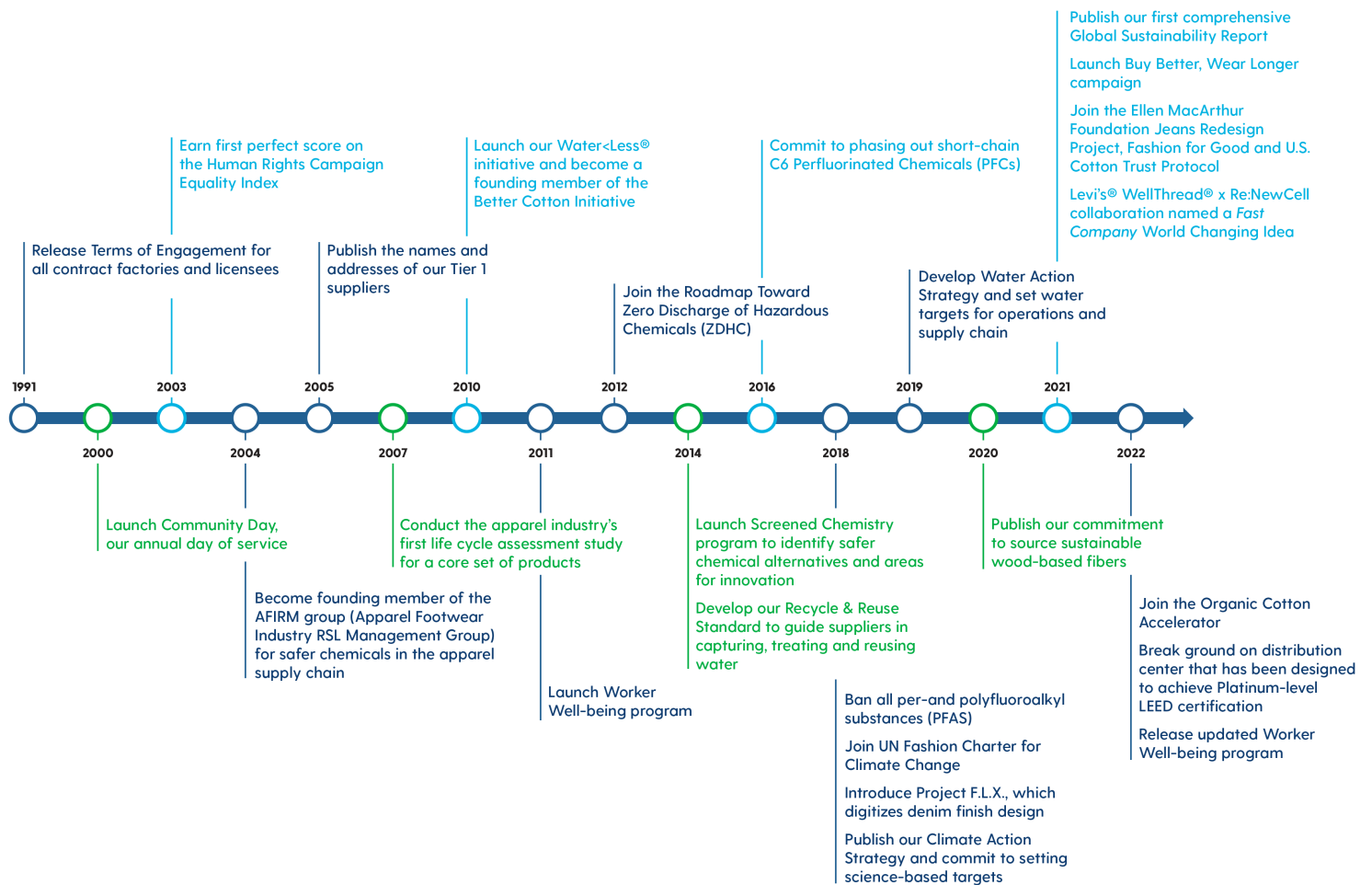


Levi Strauss & Co. 2021 Sustainability Report

The 2021 Levi Strauss & Co. sustainability report showcases our

commitment and approach to sustainability, along with our priorities and performance results in three areas: climate, consumption and community.

Sustainability Milestones



FY21 Highlights



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

Forward-Looking Statements

This Sustainability Report 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.

Sustainability Strategy



Creating real impact

Our sustainability strategy centers on three main pillars – climate, consumption, and community – that encompass where we are putting our energy and how we see our obligations in and beyond this moment. We aim to lead in transparency and impact, to accelerate the circular economy and to increase collaboration in the apparel industry by inspiring employees, communities and value chain partners to join the journey. To achieve our ambitions, we will continue fortifying each pillar, working with humility and transparency to deliver meaningful progress while evolving our efforts to ensure our business keeps getting more sustainable, day by day.

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From Our Leadership



Letter From Our CEO

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.



Q&A with Jeffrey Hogue and Harmit Singh

Our Chief Sustainability Officer, Jeffrey Hogue, and our Executive Vice President and Chief Financial Officer, Harmit Singh, share their thoughts on this year's report.

Q. Jeff, what are you hoping people take away from this year's report?

JH: I hope they get a sense of the rigor and ambition that went into both this report and the new goals we've set for the company. I hope they see ongoing progress across our programs and the heightened ambitions that we think necessary to meet the

moment. I hope they see how we continue to employ a broad, holistic definition of sustainability and that we see how the interconnectedness of the issues we're working on. And I hope they see that the climate, consumption and community framework remains the right one for this company and this moment.

Q. Harmit, what do you want people to know about how LS&Co. is responding to changes in the ESG reporting landscape?

HS: There is a great deal happening in this space, in the United States, in the European Union, and elsewhere. Some of it was already there, specifically the greater scrutiny we're seeing from NGOs and investors alike. Then there are conversations about regulations, with the Securities and Exchange Commission in the U.S., for instance. A degree of standardization has long been necessary, and as we track the various conversations,

we will continue to hold ourselves to the same high standards of accountability for our claims, plans and progress. It's a very active time on this front, no question about that. But as the picture comes into focus, it should benefit all stakeholders and put everyone on an even playing field when reporting progress and setting goals.

Q. Where is there the most opportunity, and conversely, the greatest headwinds?

JH: I think we talked about this last year, but the transition to a circular economy remains a massive opportunity for apparel companies. Getting to a point where products are made from safe and renewable inputs and made to be made again is critical, from both a sustainability and a performance perspective. We've made some real progress through programs like our collaboration with Re:NewCell that led to a circular version of our iconic 501® jeans, but there are still a whole host of challenges we have to work through. That's where some of our partnerships come in, with organizations like Fashion for Good, the Ellen MacArthur Foundation and the Organic Cotton Accelerator. These are all industry efforts that recognize the need to collaborate and advance this work, quickly.

Q. Do you have a favorite part of the report?

HS: Well, the new goals, certainly. It's great to have them out in the world. I'm also a finance guy, so I'm going to say the sections on the supplier support initiatives we have. It shows our pre-existing understanding that if we are going to meet our goals, we have to support our suppliers in their efforts to get more sustainable in their operations. The will is there. We need to make sure the investment capital is, too, and that we have mechanisms to make those dollars available and provide additional support to suppliers already performing well against our sustainability metrics. Lastly, I'd note the progress we've made on our diversity, equity and inclusion work, which was highlighted earlier this year in our first DE&I report and is captured again here.

JH: I think there are a lot of highlights, and, like Harmit said, it's really gratifying to be able to share our updated slate of goals. But one of the biggest things for me is one a reader wouldn't see, which is the growth in investment and capabilities of our sustainability team. We've added new people around the world and broadened our expertise dramatically. This complements the growing involvement of functions across the company in this work, all of which is happening with really energetic support and engagement from the top levels of leadership and the Board. The pieces are coming together, as they must, and I think this report, given its scope and the ambition it captures, is a clear indication of that.



Our Sustainability Strategy

Climate, Consumption, Community

In 2021, we updated our holistic sustainability strategy with clear goals to advance our progress; hold ourselves accountable; and meet stakeholder expectations for environmental, social and governance (ESG) commitments and performance. The strategy, which includes 16 clear goals, demonstrates our commitment to both a comprehensive definition of sustainability and progress across our key sustainability pillars – climate, consumption and community. Together these pillars reflect where we are putting our energy and

how we see our obligations in and beyond this moment.

Sustainability Goals

RESPONSIBLY MADE. ORIGINAL STYLE.


LEVI STRAUSS & CO.

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



Consumption



Community

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 comprehensive biodiversity action 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 v4.0, it will be adjusted to a 1.5°C trajectory as now required by the SBTi Net-Zero target application process.

**Against a 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.

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 LS&Co. 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.

**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."

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

Collectively, our sustainability goals reflect our guiding philosophy of profits through principles. Our intent is to be a leader in transparency and impact, to accelerate the circular economy ecosystem, and to increase collaboration in the apparel industry by inspiring employees, communities and value chain partners to join our journey toward an inclusive and regenerative industry in which all people are treated with dignity and respect.

Integrating Sustainability and Business Strategies

Our strategy provides a framework for us to continue integrating our sustainability ambitions with our broader business strategies to create more resilience and address the most pressing challenges of our time. Sustainability performance and business performance are intertwined as we strive to accelerate progress on our goals.

The goals reflect our intent to [reduce GHG emissions](#), strengthen [water stewardship](#), advance the [circular economy](#), elevate [worker well-being](#), foster greater [diversity, equity and inclusion \(DE&I\)](#), and advocate for progress on the [social issues](#) of our time. We have added several goals, such as our commitment to achieve [net-zero GHG emissions](#), advance [recommerce](#) and support [biodiversity](#). We continue to hold ourselves to pre-existing goals, including our science-based climate targets and the goal to halve freshwater use in the manufacturing of our products in areas of high water stress. Across all our goals, we will continue to pilot new solutions, develop partnerships for impact, accelerate industry-wide actions – and report on our progress, such as through this sustainability report.

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Governance



Relevant frameworks in this pillar: GRI, SASB, UNGC

Contributes to these UN SDGs: 8, 16

From our California Gold Rush beginnings, we have grown into one of the world's largest brand-name

apparel companies. A history of responsible business practices, rooted in our core values, has helped us build our brands and engender consumer trust around the world. Under our Levi's®, Dockers®, Signature by Levi Strauss & Co.™ and Denizen® brands, we design, market and sell – directly or through third parties and licensees – products that include jeans, casual and dress pants, tops, shorts, skirts, dresses, jackets, footwear, and related accessories for adults and children around the world. Our newest brand, Beyond Yoga®, acquired in 2021, is a body positive, premium athleisure apparel brand focused on quality, fit and comfort for all shapes and sizes.

Our products are sold in more than 110 countries through chain retailers, department stores, online sites, and a global footprint of about 3,100 brand-dedicated stores and shop-in-shops. Our global headquarters is in San Francisco, California, with additional support offices in Diegem, Belgium, and Singapore, and approximately 16,600 worldwide employees.

Led By Our Values

Across all our brands and throughout our global organization, our values – empathy, originality, integrity and courage – guide our decisions and actions. They are at the heart of our purpose-driven company, underpinning our vision of the future and our business strategies, including how we continue to lead in sustainability.

Our Mission: Deliver profits through principles to make an outsized impact on the world.

Our Aspiration: Be the world's best apparel company, famous for our brands and values.

Governance Highlights

#2

among top five apparel companies globally on *Fortune's* 2022 list of “World’s Most Admired Companies” and #3 among top five apparel companies globally in 2021

Change the world

Named to *Fortune's* 2021 “Change the World” list for two separate programs: Levi’s® “Buy Better, Wear Longer” advertising campaign, and LS&Co.’s paid leave programs and advocacy for a federal paid family leave policy in the U.S.

Our Value Chain



Forward-Looking Statements

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Sustainability Governance

GRI: 2-9; 2-14

Embedding sustainability into our organization

Our Global Sustainability Team, led by Jeffrey Hogue, our Chief Sustainability Officer (CSO), includes about 30 sustainability professionals dedicated to developing, coordinating and executing our sustainability

strategy across the LS&Co. global organization. The Global Sustainability Team works with various functions throughout the company that focus on our strategy execution, measurement and performance disclosure, either as part of or in addition to their core responsibilities. The team works with leaders across the company, including Commercial, Sourcing, Product Development, Finance, Legal and other functions to integrate sustainability approaches, policies and goals throughout our business, while regularly reporting to and seeking input from the Executive Leadership Team and relevant committees of the Board.

Sustainability Team Mission: We endeavor to be a catalyst for positive change.

Board-Level Oversight

The LS&Co. Board of Directors oversees the company's strategy and performance, including overall risks and opportunities. The Board reviews sustainability progress in the context of the company's strategy through committees that focus on specific areas of risk and sustainability, including the Nominating, Governance and Corporate Citizenship Committee, which has responsibility for review and oversight of corporate citizenship, sustainability and corporate governance matters. The committee reviews with management the impact of the company's business operations, policies and practices with respect to issues such as health and safety, corporate citizenship, public policy and community involvement. This includes, but is not limited to, sustainability and environmental, social and governance (ESG) matters that could have a significant impact on the company.

The Audit Committee reviews major financial risk exposures and the steps management has taken to monitor and control such exposures. In this context, management engages in discussions with the Audit Committee and the Board concerning risk, both periodically and annually, during a review of the key risks to the company's plans and strategies and mitigation plans for those risks, which include climate-related risks.

The Compensation and Human Capital Committee of our Board of Directors provides assistance to our Board in its oversight of our compensation, benefits and human resources programs and of senior management performance, composition and compensation. The committee reviews the development, implementation and effectiveness of the company's policies and strategies relating to human capital management, including policies and strategies regarding culture, recruiting, retention, career development and progression, talent planning and diversity and inclusion.

Executive Leadership Team Sustainability Responsibility

Our President and Chief Executive Officer (CEO), who also serves on our Board, holds the highest non-Board-level responsibility for environmental and social risks and opportunities. The Executive Vice President and Chief Financial Officer leads the efforts to integrate environmental, social and governance (ESG) initiatives into the company's business models and financial decision making. The Chief Sustainability Officer, with oversight from the Executive Vice President and Chief Operations Officer, is responsible for all aspects of our environmental and social risks and opportunities, and leads the assessment and management of these across the organization and throughout our value chain.

Sustainability Linked to Compensation

Certain employees are eligible for incentive compensation for the effective management of sustainability issues. As a specific example, the Executive Vice President and Chief Operations Officer has an absolute operational greenhouse gas emissions reductions target and a renewable energy procurement target (as a percentage of absolute operational energy use) built into her performance objectives.

In addition, for all executive-level employees, including our Executive Leadership Team, a premium of up to 15% of their target of performance-based restricted stock units (RSUs) is based on the attainment of diversity, equity and inclusion (DE&I) goals met over the three-year performance period. The DE&I goals include employee representation and engagement goals. We believe RSUs, which are 50% of the executive long-term incentive mix, drive greater accountability for achieving our strategic plan and create long-term value for shareholders.

For more information about our corporate governance practices, including details on our Board of Directors and committees, shareholder outreach, voting rights and other practices, see our [2022 Notice of Annual Meeting of Shareholders and Proxy Statement](#).

Resources

[2022 Notice of Annual Meeting of Shareholders and Proxy Statement](#)

Audit Committee Charter

Compensation and Human Capital Committee Charter

Corporate Governance Guidelines

Nominating, Governance and Corporate Citizenship Committee Charter



Data Privacy and Security

SASB: CG-MR-230a.1; CG-EC-220a.1; CG-EC-220a.2

Safeguarding consumer, employee and business data

LS&Co. is deeply committed to the relationship and trust we have with consumers, and we take our data protection and privacy responsibilities seriously. Our privacy program is based on a documented global

privacy framework with implementation led by our Chief Privacy Officer, under the direction of our Executive Vice President and General Counsel. The Chief Privacy Officer works in partnership with other leaders, including our Chief Information Security Officer. The global breadth of our privacy program is supported by a network of privacy champions embedded in the business.

As of July 2022, more than 150 countries have enacted at least one unique privacy and/or data protection law. By basing the core elements of our program on the Fair Information Processing Principles, LS&Co. can more easily respond and adjust to rapid legislative changes around the world. We monitor changing legal requirements and engage numerous external resources and experts to help us appropriately respond to data protection laws and regulations in the jurisdictions where we operate.

Data Protection

Our commitment to data protection has visibility at the most senior levels of the organization and forms part of the unique LS&Co. culture. Regular data privacy and data security updates are given by our Chief Privacy Officer and Chief Information Security Officer to the executive leadership team, the LS&Co. Enterprise Risk Committee and the Audit Committee. We provide mandatory annual information security training for all employees, applicable data privacy training, along with supplementary training on topics such as phishing and social media risk.

LS&Co.'s [Privacy Policy](#) (available on all our websites) describes how we use consumers' personal information collected when consumers interact with us in our stores, through customer service, on our retail websites, through our mobile app or on our corporate website (levistrauss.com). The LS&Co. Privacy Policy describes in detail the types of information we collect and, in line with the Fair Information Practice Principles, how we limit information collection to that which is reasonable and necessary to achieve the intended purpose for collection. This includes, as examples, information for processing consumer orders, advertising and marketing, improving consumer experience and offering our loyalty program. If there is a need to use personal information for purposes beyond the scope of that previously disclosed to consumers, we provide additional notice or seek consumer consent where required by applicable laws.

LS&Co. does not sell consumer personal information to third parties for their independent business use. We allow individuals the opportunity to participate in how their personal information is used and offer ways for them to exercise choices, including how to change or correct personal information and how to opt out of or unsubscribe from marketing emails and mailings. We provide consumers with opportunities to join our RedTab™ member program and subscribe to communications, and they are free to opt out at any time.

A process is in place to update the LS&Co. consumer Privacy Policy annually. We also maintain an Employee Privacy Notice that details how LS&Co. processes the personal information of its employee base, and a [Candidate Privacy Notice](#)

that provides information about LS&Co.'s privacy practices for job applicants. The privacy program is managed through a series of internal documented policies and procedures that reflect the organization's commitment to and respect for individuals' personal information.

Data Security

We apply and leverage a variety of approaches to protect company, employee, applicant and consumer data from risk, including risks of unauthorized disclosure, loss or misuse. These approaches include vendor security assessments; privacy impact assessments; legislative monitoring; cyber threat assessments; reviewing industry threat analysis; and benchmarking. LS&Co. maintains standard data processing agreements and security templates for use in our contract processes that are developed in line with our data use, privacy and security requirements. Technical security solutions, including but not limited to identity and access management, infrastructure, platform and endpoints solutions are deployed across the technology infrastructure to address identified cyber risks and protect against theft of sensitive data and/or information.

LS&Co. continuously monitors for privacy and security incidents, which include incidents of unauthorized use or access to personal information or other confidential information under our control. When an incident is detected or reported, a response team engages to contain, investigate, and respond, including assessing any applicable data breach notification and reporting obligations. Further, internal risk assessments are completed on an annual schedule. Additional risk analysis may be performed to address any potential threat scenario. External risk assessments are performed for certain third parties where the relationship meets the criteria of an assessment.

Proactive identification of cyber risks, along with significant investments in technology and vendor relationships, help address key risk areas and allow focus on risk quantification and reporting. This approach positions us to identify potential threats and invest in tools and resources to mitigate them. We will continue conducting annual reviews of our cybersecurity policies, which reflect our intentions and standards and provide us with guidance for protecting data security.

Our cyber awareness program aims to educate all employees of LS&Co. on current cyber threats and solicits their participation in the collective defense of the company's assets. The scope includes employees and contractors. We treat our employees as front-line defenders and support them in building the skills and habits to protect LS&Co.'s information assets through frequent, targeted and short trainings on topics such as phishing and data protection.

We actively participate in the data privacy and security initiatives of multiple industry associations and organizations, such as the International Association of Privacy Professionals, the Retail Industry Leaders Association (RILA), the National Retail Federation (NRF) and the Retail & Hospitality Information Sharing and

Analysis Center (RH-ISAC). Together, these consortiums help LS&Co. in its commitment to meet applicable legal requirements and to protect data and systems.

LS&Co. continues to invest strategically in information security, with investments across operational capacity as well as innovative technology, process and/or service capabilities. These critical investments support our focus on business and technology transformation, as well as support the handling of consumer personally identifiable information.

Intellectual Property Management

Our Chief Counsel, Global Intellectual Property, Brands and Marketing for LS&Co., and other specialists on our Legal team oversee our intellectual property. This includes all LS&Co.-owned property, whether publicly available on the LS&Co. family of websites or other public domains; our trademarks and patents; and proprietary and confidential information we use internally. We have a network of brand protection specialists who seek out counterfeit production sources and distribution channels, working to stop counterfeits from reaching the market.

The LS&Co. [Terms and Conditions of Use](#) apply to all online visitors of our websites; our supplier contracts stipulate the intellectual property protection requirements for LS&Co. vendors; and the [Worldwide Code of Business Conduct](#) specifies the intellectual property expectations of our employees to protect LS&Co.'s digital, financial and physical assets, intellectual property and confidential information.

Resources

[Candidate Privacy Notice](#)

[Privacy Policy](#)

[Terms and Conditions of Use](#)

[Worldwide Code of Business Conduct](#)



SASB: CG-MR-000.A

UN SDGs: 8

Creating value by advancing sustainability

At LS&Co., our “profits through principles” philosophy guides our actions and reminds us that how we make

our products is as important as what we make. Central to our business for many years, this philosophy encourages us as we work to make an outsized impact on the world, delivering value to businesses and consumers, supporting employment in our operations and our supply chain, supporting communities we engage with and nurturing the planet.

LS&Co. Economic Contribution Metrics

Key Metrics	Fiscal Year 2021
Net revenues	\$5.8 billion
Capital returned to shareholders*	~\$200 million
Number of employees	~16,600
Net Revenues from our global digital footprint**	22%
Number of retail locations where our products are sold***	~50,000
Number of brand-dedicated stores and shop-in-shops***	~3,100
Number of new company-operated stores, net of closures	41
Number of workers in our supply chain****	~509,000
Total charitable contributions to community partners*****	\$13.5 million
Charitable contributions as a percentage of net income	2.4%

*Capital returned to shareholders includes cash dividends paid and the repurchase of common stock.

**Our global digital business includes our company-operated e-commerce sites as well as the online businesses of our wholesale customers, including those of traditional wholesalers as well as pure-play (online-only) wholesalers.

***Our brand-dedicated stores include 1,083 stores operated by us, with the remainder operated by independent third parties such as franchisees.

****Excludes Beyond Yoga®. 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.

For more data see [Our Performance: Data Tables](#).



Accounting for Sustainability – embedding sustainability in business

LS&Co.'s Executive Vice President and Chief Financial Officer, Harmit Singh, joined chief financial officers from three other companies to launch the U.S. chapter of Accounting for Sustainability (A4S), an organization seeking to mobilize financial leaders and promote the business case for sustainability. Harmit Singh has served as the U.S. Co-Chair since 2021. LS&Co. is actively involved in A4S, routinely hosting and participating in U.S. and global workshops on a variety of sustainability matters.

A4S aims to inspire action by finance leaders to drive a fundamental shift toward resilient business models and a sustainable economy. This includes integrating sustainability into financial decision making, scaling action across the global finance and accounting community and forging close collaborations between finance and sustainability teams. We are committed to knowledge sharing and have worked with A4S on case studies to provide our insights on sustainable investing and sustainability data substantiation.



Ethics and Integrity

GRI: 2-24; 2-26; 2-27; 205-1; 205-2

UN SDGs: 16

UNGC: Principle 10

Bringing our values to life

The LS&Co. ethics and compliance program has a global reach with a geographic focus. The program is anchored by the generally recognized elements of a successful compliance program, which include compliance-related policies, oversight, education, monitoring, reporting, investigation and enforcement. The global ethics and compliance program is managed by a dedicated corporate compliance staff along with subject matter experts in our key geographic regions. Further oversight is provided by our Audit Committee, our Executive Vice President and General Counsel, and our Chief Ethics & Compliance Officer, each of whom regularly receives reports on the performance of our ethics and compliance program.

We closely monitor regulatory changes that could affect our business at the local, country and regional level to support continued compliance. This includes assessing the applicability of new legislation governing sustainability practices. Examples include consumer and other public information about our sustainability performance and sustainable product attributes. We also review practices related to topics such as supply chain human rights and environmental due diligence, as well as the emerging concept of extended producer responsibility.

LS&Co. Worldwide Code of Business Conduct

Our [Worldwide Code of Business Conduct](#) outlines the basic principles we expect all employees and LS&Co. affiliates to follow. It reflects our commitment to manage our business with the utmost integrity and in compliance with all applicable laws everywhere we do business. It provides guidance on a host of potential business situations and emphasizes the importance of making values-based business decisions. Publicly available in 21 languages, the code is provided to all LS&Co. employees upon hire as part of the on-boarding process. For applicable employees, Code of Conduct training is required annually to certify compliance with the respective policies.

Supply Chain Security Partnerships

LS&Co. participates in government-sponsored supply chain security programs such as the Customs Trade Partnership Against Terrorism (CTPAT) program in the U.S. and the Partners in Protection (PIP) program in Canada. LS&Co is committed to securing our supply chain from those who attempt to use our shipments to move illegal contraband, unauthorized people or weapons of mass destruction. As part of our responsibility to these programs, we conduct annual recertifications and undergo periodic validations with customs officials to ensure our program remains relevant to the changing security environment.

Global Anti-Bribery and Anti-Corruption Compliance

LS&Co. expressly prohibits bribery and corruption in all forms and expects the same from all third parties. Our [Global Anti-Bribery and Anti-Corruption Policy](#)

is publicly available in [21 languages](#). The code is provided to all LS&Co. employees at the time of hire. In addition, for certain employees based on their role, Code of Conduct and anti-bribery and anti-corruption training is required annually.

Internal audits of compliance are performed annually, and rotate countries and locations reviewed based on level of risk and materiality. Internal audits are designed to test compliance and review the overall effectiveness of controls outlined in the Anti-Bribery and Anti-Corruption Policy. Our Global Anti-Bribery and Anti-Corruption Policy and Global Anti-Bribery and Anti-Corruption Policy Statement for Third Parties requires certain due diligence into the background, reputation and business capabilities of a third party before entering into a contract. As part of this due diligence process, compliance screening is completed to identify high-risk scenarios, such as organizations or individuals who interact frequently with government officials or who operate in a high-risk location.

In fiscal year 2021, our internal audits did not identify any significant breaches of our Global Anti-Bribery and Anti-Corruption Compliance policy.

Reporting A Concern

Employees and any external party may raise a concern via [LS&Co.'s Ethics & Compliance Reportline \(Reportline\)](#) 24 hours a day, seven days a week. Concerns may be reported anonymously where permissible by local regulatory authorities. Reports may be submitted online or via phone. Each concern or allegation is addressed, and consistent disciplinary action is employed where appropriate.

LS&Co.'s commitment to non-retaliation is supported and reinforced by our Worldwide Code of Business Conduct and Accounting and Auditing Whistleblower Policy. Guidance for using the Reportline, along with our Code of Conduct, is published both internally and externally on our website. Allegations and inquiries received through the Reportline are assessed by the Global Ethics and Compliance Team to determine impact and whether further investigation or other appropriate action is needed. Global compliance metrics, including cases reported via Reportline and material outcomes, are communicated routinely to the Board of Directors' Audit Committee.

Resources

[2021 Annual Report](#)

[Corporate Governance Guidelines](#)

[Global Anti-Bribery and Anti-Corruption Policy Statement](#)

LS&Co. Worldwide Code of Business Conduct



Product Quality and Safety

Delivering on our brand promise

At LS&Co., “Quality Never Goes Out of Style” is more than a marketing slogan. It is a brand promise to our consumers that our products will meet and exceed their expectations. To that end, we have created product standards and process requirements designed to consistently deliver durable, quality products that will perform as expected, comply with government regulations and keep people safe from harmful chemicals.

In 2000, we established a Restricted Substances List (RSL), identifying chemicals that are restricted in the

manufacturing of our products due to their potential effects on consumers, workers and the environment. In 2012, LS&Co. joined the Joint Roadmap Toward Zero Discharge of Hazardous Chemicals (ZDHC), pledging to reach zero discharge of hazardous chemicals by 2020 for strategic wet finishing suppliers – a set of goals we met. The pioneering Screened Chemistry approach, launched in 2014, is designed to understand the potential human and environmental hazards of chemicals before they enter the supply chain, and to help us find safer and more sustainable alternatives. Together, these initiatives have resulted in the use of safer chemicals in our supply chain and finished garments.

We have product testing programs in place to review our products that go to market for compliance with our stringent requirements for fiber, fabric and production quality, and environmental and social responsibility in the supply chain. This includes testing fabric and zipper durability, and fasteners such as buttons and snaps to ensure they are securely attached and do not pose choking hazards to children.

The LS&Co. Product Integrity, Product Safety and Quality Assurance teams report to the Vice President, Global Quality Assurance, Product Integrity & Safety, who is part of the Product Development and Sourcing Leadership Team. This governance structure provides a direct connection between our quality management systems and our responsible sourcing systems which helps us ensure quality from design and development through manufacturing and delivery.



Responsible, Inclusive Marketing

Marketing centered on our values

We are committed to responsible, truthful, inclusive marketing communications and practices centered on our longstanding values. We have [processes in place](#) to avoid unsubstantiated product claims and to support marketing and communications that are accurate and balanced.

Our marketing reflects our DE&I principles across product design and labeling, communications and brand experience. This means holding ourselves to high marketing standards, such as respecting human dignity,

proactively educating our teams on inclusive language and practices, avoiding cultural appropriation and promoting body positivity. We are committed to providing the finest quality products to a broad base of consumers around the world. We create products based on fit, style, trend and concepts that are inclusive and globally relevant.

Toward Gender-Inclusive Product Offerings

Our garments are produced in size specifications designated as “men’s” and “women’s” as industry standard for patterns, size scales and production methods. We encourage our consumers to select and wear what they love regardless of product designation. Our products are not specific to age or gender, but by personal preference and style. Levi’s® are for everybody.

At times, we design capsule collections based on a universal system agnostic of binary gender-related labels: “Red Tab Sweats,” “Pride” and “Levi’s® Made & Crafted” capsule collections are recent examples. We consider these gender-neutral or gender-inclusive collections and curate the assortment of garments, merchandised together, to offer a style point of view that can be worn by all and is non-binary in its intent. Gender expression is complex. It is a constantly evolving construct determined by individuals navigating their own gender expression, and not for us to suggest inauthentically.

Using Our Brand Influence to Inspire “Authentic Self” Expression

Levi’s® is for Everybody

The Levi’s® brand connects our company values with our consumers in ways that celebrate “authentic self” expression and inclusion through products that allow them to express their own personal style and through marketing campaigns that reflect the diversity of Levi’s® fans globally.

For example, our annual Pride product collection reflects Levi’s® longstanding support for the LGBTQIA+ community and highlights diverse, authentic voices of the community. As part of the effort, Levi’s® makes an annual \$100,000 donation to OutRight Action International, a global organization working to advance human rights for LGBTQIA+ people all over the world.

Likewise, the Levi’s® Music Project – which kicked off in 2016 and relaunched in 2021 with a focus on reaching a global audience through music education on digital platforms – supports emerging artists through an inspiring music education-oriented community. Musicians collaborating with Levi’s® to benefit their communities include Khalid, Mabel, Skepta, Rosalía and more. And while our marketing always reflects our values, throughout the year, we recognize specific community heritages or cultures, such as Black History

Month, International Women's Day and World AIDS Day.

Lastly, Levi's® "Buy Better, Wear Longer" global campaign recognizes the intersection between environmental justice and social justice. It is a call to action to both our industry peers and consumers to urgently address the climate crisis, from innovating to deliver more sustainable products, to practicing ethical business practices and encouraging conscious consumption. Our storytelling approach features diverse influencers and activists, each of whom has a distinct connection to sustainability and adds a unique dimension to our brand storytelling.

Read more about our [Buy Better, Wear Longer campaign](#).

Dockers®: Values-Centered Outreach

Dockers® champions a California lifestyle that's progressive, optimistic, creative and values-centered. In 2021, the brand introduced the content series "Recognize: Black Culture in Progress." The year-long storytelling program featured Black community members, leaders and influencers. Through Recognize, Dockers® amplified Black stories on the Dockers® e-commerce website and social media and provided donations to community organizations selected by participants.

View the [Recognize: Black Culture in Progress video](#).

Read more about our ongoing efforts toward becoming a more [diverse and inclusive organization](#).

Climate



Momentum in our operations and supply chain

Relevant frameworks in this pillar: GRI, SASB, TCFD, UNGC

Contributing to these UN SDGs: 6, 9, 12, 13, 15

Climate change poses significant threats to commerce and communities around the globe and is the existential challenge of our time. We all share a responsibility to act. Reducing our climate footprint across our value chain and galvanizing others for collective action are top priorities. While we acknowledge the challenges ahead and the many variables involved, we aim to leverage our innovation, supplier engagement, sustainable sourcing, advocacy and giving, while taking steps to strengthen our own business resilience to

the effects of climate change. We're committed to doing our part and expect that others are, too, since it will take concerted and collective action to address climate change. This includes reducing energy use and emissions as well as innovating to reduce freshwater use in our own operations and our supply chain – while striving to protect and restore biodiversity. Our supply chain, which includes the manufacturing of our products, is the biggest part of our footprint.

Water and climate issues are inextricably connected in what is often called the water-climate nexus, so we manage their risks and opportunities in tandem. The impacts of climate change can manifest as water-related events like droughts and floods. At the same time, water is used to keep traditional power plants cool and for some forms of renewable energy. Conversely, energy is used to pump water from aquifers for consumption, as well as for water treatment and distribution.

This intersection presents opportunities for us to address some water and climate impacts simultaneously. For instance, many of our Water<Less® techniques also reduce energy use by decreasing the energy needed to pump water into factories. In 2021, we completed a greenhouse gas (GHG) and cost modelling assessment across our supply chain. The process considered the water-climate nexus as we assessed both supplier water usage and possible interventions that would have a direct impact on GHG emissions. These range from simply adjusting temperatures to water pump installations and system upgrades.

Climate Goals

Goal:

40% absolute reduction in supply chain GHG emissions*

Target Year:

By 2025

Goal:

90% absolute reduction in GHG emissions and 100% renewable electricity in all company operated facilities**

Target Year:

By 2025

Goal:

Net-zero emissions of greenhouse gases***

Target Year:

By no later than 2050

Goal:

Reduce freshwater use in manufacturing by 50% in areas of high water stress****

Target Year:

By 2025

Goal:

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

Target Year:

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.

Climate Highlights

22%

absolute reduction in supply chain GHG emissions (Scope 3, Category 1) over the base year

66%

absolute reduction in GHG emissions associated with company-operated facilities (Scope 1 and 2) over the base year

85%

renewable electricity in our company-operated facilities*

11.5 billion

billion liters of water recycled at product and fabric manufacturing facilities that apply our Recycle & Reuse Standard and Water<Less® techniques**

* Of total electricity used.

** Cumulative since launch of Recycle & Reuse Standard in 2011.

Forward-Looking Statements

This Sustainability Report 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.



Climate Action

SASB: CG-AA-430a.2; CG-MR-130a.1; CG-MR-410a.3; CG-EC-410a.2

GRI: 2-24; 201-2; 305-1; 305-2; 305-3; 305-4; 305-5

UN SDGs: 9, 12, 13, 15

UNGC: Principles 7, 8, 9

Toward net zero with science-based targets

We have set science-based targets to reduce absolute greenhouse gas (GHG) emissions in our company-operated facilities by 90% and to achieve 100% renewable electricity* in those facilities – both by 2025. In 2017, we committed to a 40% absolute reduction in supply chain emissions by 2025, which was approved by SBTi in 2018.** Notably, in 2021, we committed to achieving net-zero emissions of greenhouse gases by no later than 2050, and will begin the process of submittal to SBTi in 2023. As part of the approval process for our net-zero goal, we will revisit our commitment to a 40% absolute reduction in Scope 3, Category 1 emissions by 2025 to ensure alignment with a 1.5°C trajectory, as now required by SBTi.

Our climate action targets are absolute rather than compared to our net revenues, size or other economic metric. We established a base year of 2016 against which we measure our progress. Our Scope 1 and 2 goals are consistent with limiting global temperature rise to 1.5°C compared to pre-industrial levels, and we expect to align our Scope 3, Category 1 goals with the 1.5°C pathway as part of the approval process for our net-zero commitment. We were among the first companies in any sector to commit to Scope 1 and 2 emissions reductions consistent with the 1.5°C trajectory – and we plan to continue to be aligned with the rigorous requirements of SBTi.

As of the close of our 2021 fiscal year, renewable electricity accounted for 85% of the total electricity used at our company-operated facilities, on the path to 100% by 2025. The onsite solar power array at our Leadership in Energy and Environmental Design (LEED) Platinum-certified distribution center in Henderson, Nevada, meets about 20% of the facility’s electrical demand, with room to expand. Electricity makes up 68% of the total LS&Co. company-operated energy footprint, so achieving our goal of 100% renewable electricity in our own facilities will help reduce our overall impacts.

**While it has become common to use “renewable energy” and “renewable electricity” interchangeably, they are different. Electricity refers to purchased-from-the-grid electricity, as opposed to other forms of energy, such as natural gas, diesel and other fuels.*

***Supply chain GHG emissions refer to Scope 3, Category 1 (Purchased Goods and Services).*

Climate Action Goals

Goal:

Net-zero emissions of greenhouse gases*

Target Year:

No later than 2050

FY2021 Progress

New goal

Goal:

40% absolute reduction in supply chain GHG emissions**

Target Year:

2025 (against a 2016 base year)

FY2021 Progress

22% against base year

Goal:

90% absolute reduction in GHG emissions associated with all company-operated facilities***

Target Year:

2025 (against a 2016 base year)

FY2021 Progress

66% against base year

Goal:

100% renewable electricity in all company-operated facilities***

Target Year:

2025 (against a 2016 base year)

FY2021 Progress

85% of total electricity

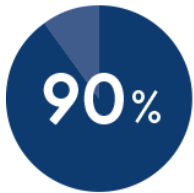
*We plan to submit this goal for SBTi approval in 2023.

**Supply chain GHG emissions refer to Scope 3, Category 1 (Purchased Goods and Services). 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.

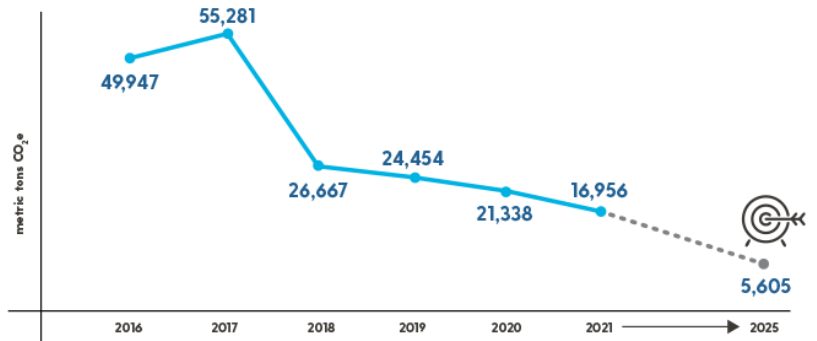
***This goal is consistent with limiting temperature rise to 1.5°C compared to pre-industrial levels.

Progress Toward Our Science-based Targets

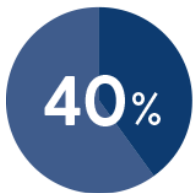
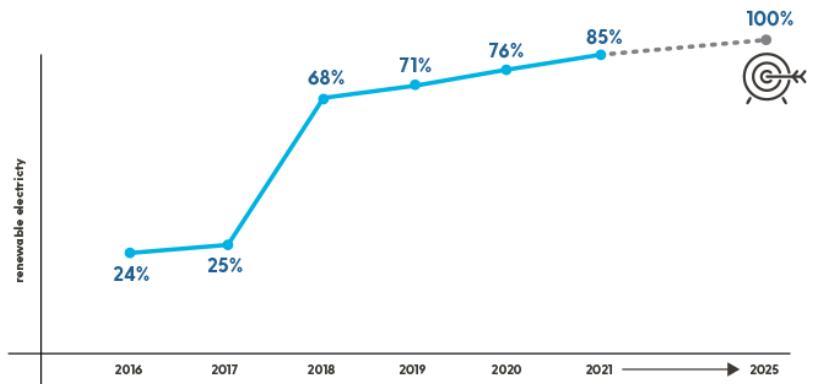
LS&Co. intends to achieve the following by 2025 (from a 2016 base year):



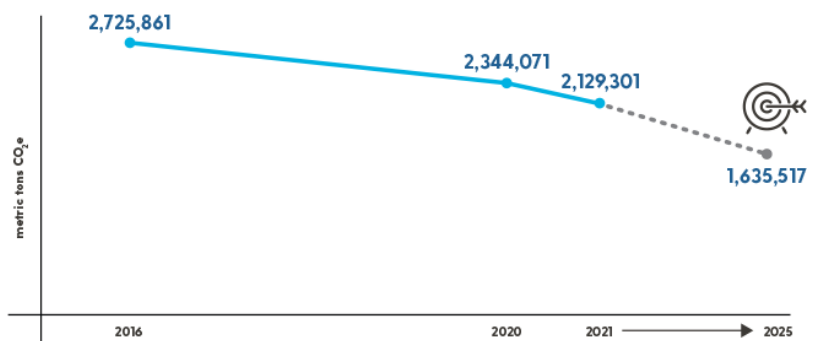
absolute reduction in GHG emissions associated with all company-operated facilities*



renewable electricity in company-operated facilities



absolute reduction in supply chain GHG emissions**



* Scope 1 and 2

** Scope 3, Category 1 (Purchased Goods and Services)

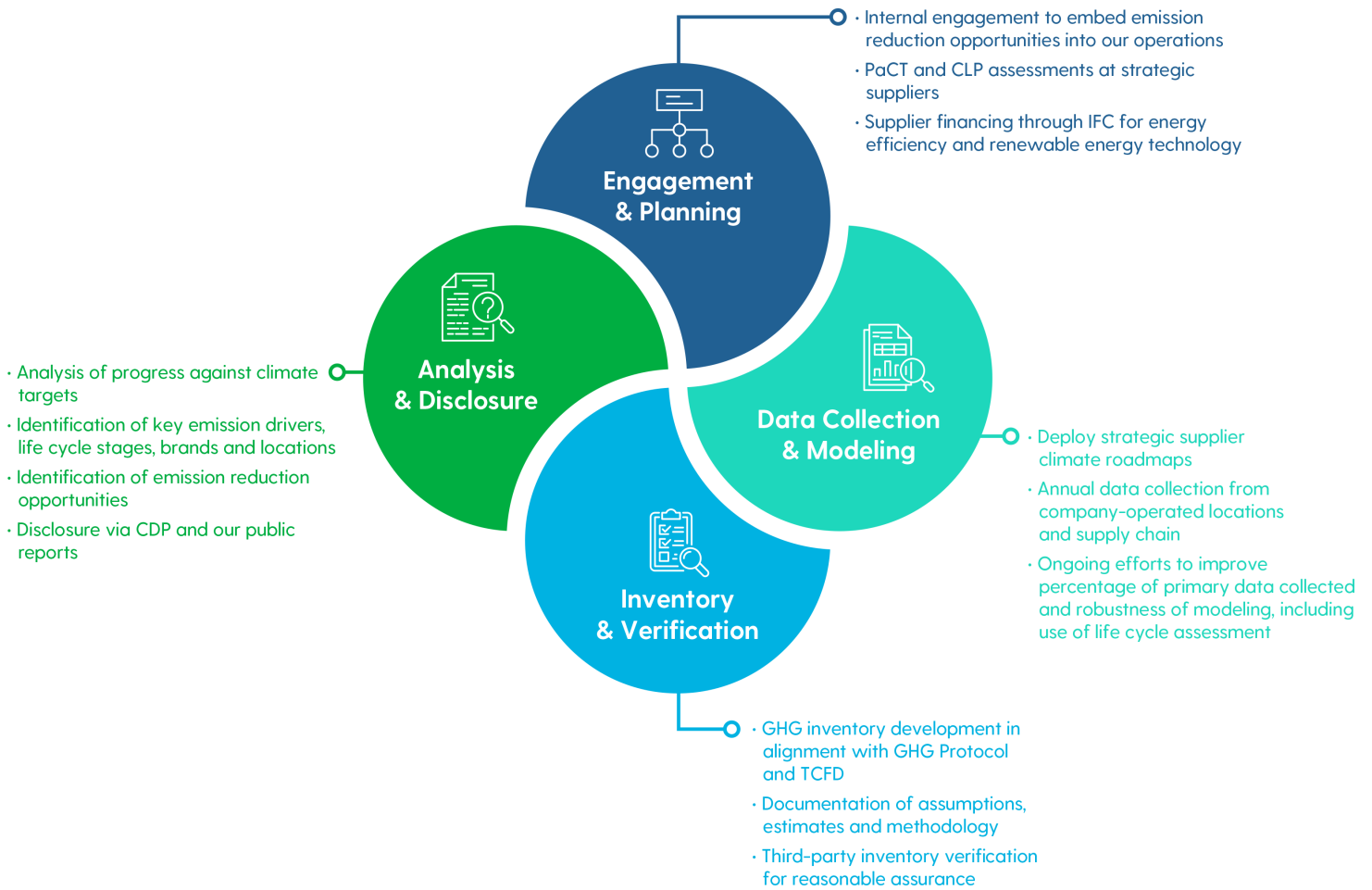
Climate Metrics

Metric	FY21
Scope 1 Emissions	10,703 mtCO ₂ e*
Scope 2 Emissions	6,253 mtCO ₂ e*
Scope 3 Emissions (11 relevant categories of 15 total)	3,903,171 mtCO ₂ e*
Total Emissions (Scopes 1, 2, 3)	3,920,127 mtCO ₂ e*
GHG Emissions Intensity (Scopes 1 and 2)	2.9 mtCO ₂ e* per \$1 million of net revenue
Total Electricity Consumption in all Company-Operated Facilities	104,663 MWh*
Renewable Electricity Consumption in Company-Operated Facilities	88,706 MWh*, 85% of total electricity

*mtCO₂e refers to metric tons (also referred to as tonnes) of carbon dioxide equivalent emissions, a commonly used form of greenhouse gas emissions measurement. MWh is megawatt hours.

For more data see [Our Performance: Data Tables](#)

Our Approach to Climate Action



Reducing Absolute Emissions in Our Own Facilities

LS&Co.'s company-operated facilities include 1,083 retail stores in 37 countries, about 80 offices – including administrative and sales offices, data centers, photo studios and others – 12 distribution centers and two manufacturing plants. Emissions from our company-operated activities generally fall into the Scope 1 and 2 emissions categories. Collectively, these emissions make up less than 1% of our carbon footprint. Through energy reductions, efficiency, onsite renewable energy and energy attribute credits, we are able to make meaningful change. In 2021, we achieved a 66% reduction in Scope 1 and 2 emissions from the 2016 base year, keeping us on track toward our goal of a 90% reduction in absolute emissions associated with all company-operated facilities by 2025.* Electricity represents the majority of energy used at our company-operated facilities (68% as of the end of 2021). A smaller portion of our energy (27%) is from natural gas,

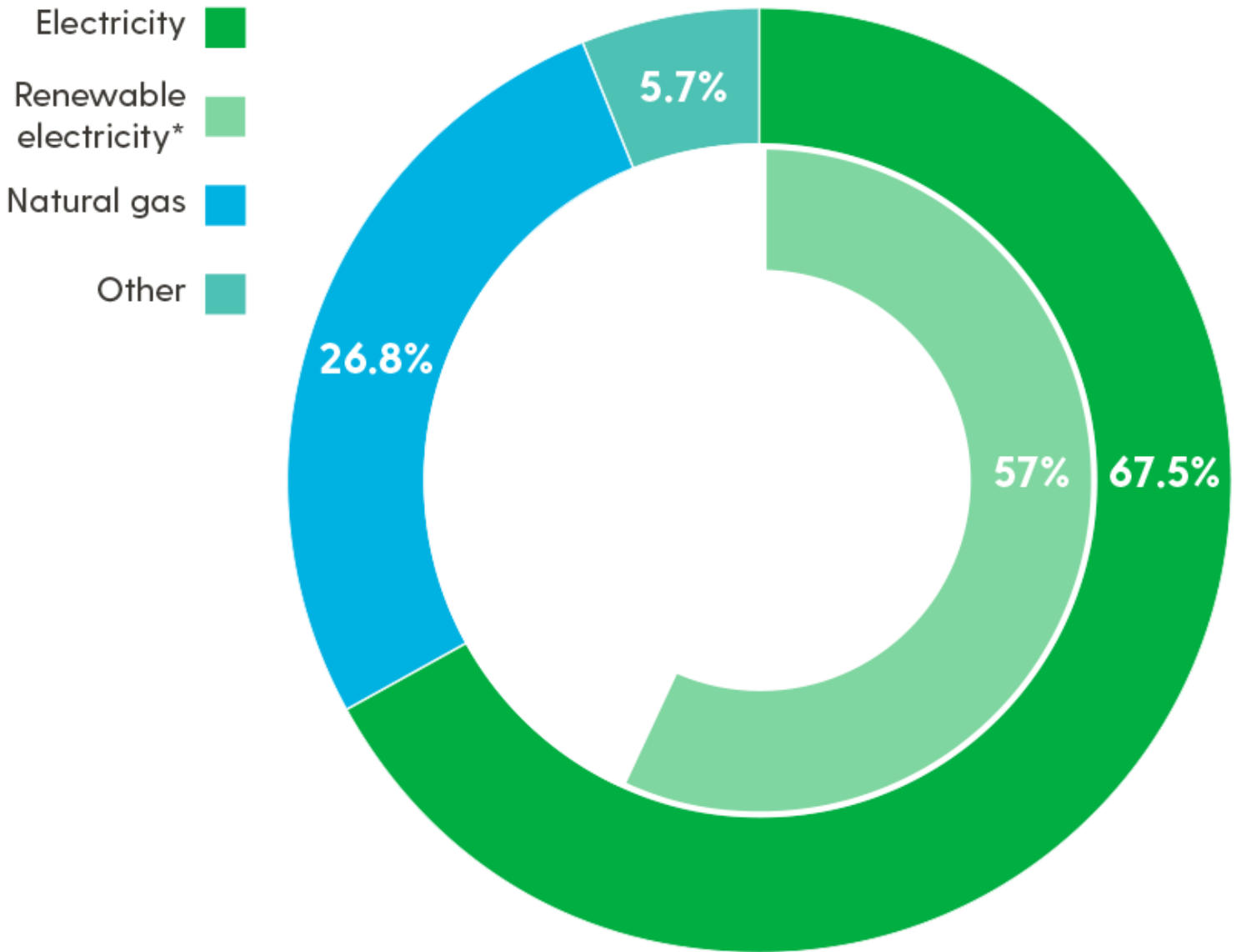
which we plan to reduce through efficiency improvements and biogas credits.

**We have applied a market-based approach for Scope 2 emissions accounting.*

Toward Net Zero at Our Corporate Headquarters

Levi's Plaza is our global headquarters in San Francisco and our largest office. In 2021, the property owner announced a commitment for Levi's Plaza to achieve net-zero carbon emissions by 2025. Improvements are anticipated to include increasing energy efficiency, replacing gas boilers with electric heat pumps, generating onsite solar energy and purchasing carbon-free electricity from CleanPowerSF.

2021 Energy Footprint: Company-Operated Facilities



* 85% of the electricity consumed in 2021 came from renewable sources. This includes renewable energy from LS&Co.'s on-site projects, renewable energy certificates (RECs) and energy attribute certificates (EACs) from LS&Co. locations, as well as electricity that we receive from renewable energy generation serving the electric grids where select LS&Co. offices, factories or retail stores are located. We purchase RECs and EACs to offset electricity consumption and as an investment in renewable energy. 98% of renewable electricity is covered by EACs. Purchasing RECs is one of many ways we work to achieve our targets.

2021 Energy Consumption and Scope 1 and 2 Emissions – Company-Operated Facilities

Metric	FY21
Total energy consumption	154,960 MWh
Emissions from energy combusted onsite (Scope 1)	10,703 mtCO ₂ e
Emissions from purchased energy (Scope 2)	6,253 mtCO ₂ e
Reduction in Scope 1 and 2 emissions from 2016 base year	66%



Our LEED-Certified Facilities

Leadership in Energy and Environmental Design, or LEED, is a widely used green building rating and certification system. LS&Co. has eight LEED-certified facilities, including our headquarters office, which is LEED Gold; some retail stores in Europe, Asia and the U.S.; and our LEED Platinum-certified distribution facility in Henderson, Nevada, which at the time of its initial certification in 2015, was the largest facility of its kind to receive the Platinum designation. We are building a new distribution center in Dorsten, Germany, that has been designed to achieve Platinum-level LEED certification and is expected to be completed in 2024.

We have incorporated some LEED principles for energy, waste management, indoor air quality and water into our Retail Sustainability Playbook to guide store updates and development. We have also adopted some LEED construction safety measures for use in future store and distribution center construction projects.

Our Distribution Centers

Along with retail stores, the 12 distribution centers we own make up the largest portion, about 37%, of our company-operated energy footprint. We have focused heavily on energy efficiency efforts at these facilities and will continue to do so. For example, LS&Co.'s distribution center in Henderson, Nevada, earned the LEED Platinum rating – the highest level of sustainable building certification – in part due to its strong energy efficiency features.

The facility's solar installation is capable of generating up to 20% of the facility's electricity needs, while also serving as a shade structure over employee parking. The center's energy-saving features include giant fans and LED lighting with motion sensors in the high bay area to keep the area cool and energy efficient, LED-lit vending machines, and a battery recycling station, among others.

At Henderson, as well as our distribution centers in Rexdale, Canada, and Hebron, Kentucky, we have used American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE) II audits, which provide a detailed, 360-degree view of energy usage and potential reductions. Before we decide to build new distribution centers, we assess key sustainability criteria, including climate and water considerations, locations, building components and construction materials. And just as we have a sustainability playbook for our retail real estate, we plan to launch a sustainability playbook for our distribution centers in 2022, capturing best practices, supporting site-specific opportunities and standardizing the sustainability assessment process.

For more about the sustainability attributes of our Henderson distribution center, see this [video](#).

1,970,841 kilowatt hours (kWh) generated by on-site solar at Henderson facility in FY21

Our Omnichannel Facility

In 2021, our Henderson distribution center became our first company-operated facility to fulfill orders for ecommerce, retail and wholesale channels, which increases processing efficiency and reduces lead-time needed to get items ready to ship to consumers. It also eliminates the double handling of some products, which were previously transported to a third-party logistics facility.

Our Most Innovative Distribution Center

Development continues for a new LS&Co. distribution center in Germany designed with sustainability at the center, featuring building materials that support a circular economy. Groundbreaking took place in 2022, with operations scheduled to begin in 2024.

The 70,000-m² solar and geothermal-powered facility will occupy a revitalized mining site in Dorsten, Germany, where it will serve as the LS&Co. European distribution center. The facility is designed to secure two certifications: Platinum-level LEED and Platinum-level WELL certification, which focuses on the health and well-being of building occupants. It will also be built according to circular design principles.

A rooftop garden will support biodiversity and serve as a water collection point to reduce heat island effects and minimize stormwater run-off. Through renewable energy sources including solar and geothermal, the center is expected to meet a majority of its own energy needs. It will also reflect human-centered design principles, featuring communal and green areas to support employee health, wellness and social connection, while maximizing efficiency. As we look to future growth, the facility will serve as our standard for

distribution center design, helping us to further integrate business and sustainability objectives.

Our Factories

Since 2013, our Plock, Poland, manufacturing facility has used 100% renewable electricity. The facility also completes regular energy audits to identify opportunities for greater efficiency and has implemented a number of energy-saving projects, including:

- **Completion of a Partnership for Cleaner Textile (PaCT) assessment**
- **Installation of a new compressor with heat exchanger to more efficiently heat production water and reduce natural gas use**
- **Thermo-modernization of factory steam and hot water systems to reduce energy use**
- **Installation of automatic gates in the cutting and sewing area to reduce heat consumption**
- **Installation of LED lighting and motion-sensing lights throughout the premises**
- **Installation of new, more efficient HVAC system for the sewing area**

Thanks to its ongoing energy efficiency improvements, the Plock facility generates white certificates for the country's cap-and-trade system, which the government sells to properties that did not reduce energy use. White certificates are energy efficiency obligation schemes used in many European Union countries as a policy measure to reach efficiency targets. In 2021, the facility adopted the 5S continuous improvement system to support further gains in efficiency and quality.

Our factory in Epping, South Africa, has upgraded to LED lighting throughout the facility, uses recycled engine oil in a boiler, and is exploring a solar project to further reduce the need for purchased electricity. The Epping facility has also completed a PaCT assessment to identify additional potential energy efficiency improvements. Additionally, the Epping facility has reduced its water consumption through use of Water<Less® techniques – which indirectly improves energy efficiency because less water needs to be pumped and heated for production processes.

Both of our factories are certified to the ISO 14001 Environmental Management Systems Standard, which includes guidance for managing energy use.



Our Retail Stores

Our retail stores offer opportunities for high-impact efficiency gains through relatively small changes, such as switching to LED lighting and installing systems that dim lights after hours, because of the high density of lighting per square foot needed to keep these spaces brightly lit.

Retail Sustainability Playbook

We have developed a Retail Sustainability Playbook based on a series of detailed energy audits and supported by regional surveys. It encourages our company-operated stores to use 100% LED lighting, set energy and GHG emission performance targets, reduce energy use and costs, and develop and execute

energy assessment and re-commissioning strategies. The guidance covers the store life cycle across three main areas:

- **Location and Lease:** Engaging with landlords when developing and signing leases and assessing site infrastructure like HVAC and LED lighting.
- **Design and Construction:** Creating specifications for an energy-efficient environment in keeping with our brand and customer experience expectations, outlining guidance for retail operations, including practices such as keeping doors closed when air conditioning is on, programming thermostats for efficiency, and installing auto-shutoff lights and motion sensors.
- **Operations:** Providing guidance for energy, waste and water reduction as well as air quality, asset replacement, sustainable behaviors and communications.

We will begin rolling out the Retail Sustainability Playbook to stores in 2022.

Sustainable Store Design in the Middle East

Today's newest Levi's® stores are designed to give our consumers an authentic, compelling and consistent experience with the Levi's® brand in a store environment designed with sustainability attributes. For instance, the 280-square-meter Dubai Mall store in United Arab Emirates, which opened in 2021, includes a Tailor Shop where customers can customize or repair their Levi's® jeans, jackets and other items; digitally focused design and sustainable lighting; reimagined fitting rooms and a Style Lounge; and personalized shopping options.

Product Shipping

Product shipping accounts for less than 10% of emissions in our global value chain. In addition to ocean shipping, we use other methods, including rail, trucking and barge transport, depending on location and the distance a shipment needs to travel, weighed against the emissions profile of available options.

We try to avoid air freight wherever possible. In Europe, we prioritize shipping by rail, given that air freight is more carbon intensive (per metric ton/kilometer) than rail. In Asia, we use some barge transport along rivers where possible, which offers lower emissions than trucking. And in the U.S., truck transportation is being replaced by rail from port to inland distribution centers, with the intention to increase intermodal rail connections in the coming years. We used higher than expected air freight in FY21 to address COVID-19 pandemic-related supply chain disruptions.

Maersk, our largest global shipping partner, has a program that uses waste-based biofuels to move large

containers with net-zero carbon dioxide emissions. In 2021, we shipped 1,000 containers through Maersk ECO Delivery, with plans to ship twice that amount in 2022.* Likewise, LS&Co. is a member of the Clean Cargo Working Group. This allows us to collaborate with like-minded shippers, forwarders and carriers to integrate sustainability into the freight procurement process, and to access global carriers' emissions data for more informed transportation decision making.

**The 1,000 containers are measured as 20-foot equivalent units, also known as TEUs.*

We are also collaborating with Maersk and a few other organizations in a joint project to explore the environmental benefits and commercial viability of LEO, a blend of lignin ethanol oil, that could support sustainable shipping. A structural bio-polymer found in plants, lignin is also a byproduct of the paper industry often disposed of through incineration to produce steam and electricity.

Optimizing Our Shipping Cartons

Our products move around the world in large shipping containers that travel by sea, rail, air and land. A recent initiative to redesign the outer carton protecting our products enables each carton to be packed more densely, which allows us to fit more cartons into a container and ship fewer cartons overall. We evaluated the packing process and existing carton configuration, then determined the packaging configurations that would optimize space. Refining the carton design by just a few inches saves 17% of container space. Our company-operated distribution centers reuse the majority of the cartons received from suppliers, repack them and ship products to large retail customers. Of the remaining cartons, some arrive damaged and get broken down for recycling, as do any cartons not needed for reuse.

Reducing Emissions in Supplier Facilities

LS&Co. estimates a comprehensive climate footprint, including Scope 3 Greenhouse Gas Protocol categories identified as relevant to LS&Co. operations (11 of 15 categories). Of these, the biggest contributor to our footprint is our supply chain, referred to as Purchased Goods and Services (Category 1), and representing 54% of our overall emissions footprint in FY21. To make progress on these impacts and achieve our climate goals, including our commitment to reduce Scope 3, Category 1 emissions by 40%, we must collaborate with our suppliers. That means working with them to set targets and support their efforts to become more water and energy efficient and increase their use of renewable electricity. Given the nature of Scope 3 goals, the continuation of our progress is not solely dependent on our own actions. We continue to influence our suppliers and other brands to support positive change. However, continuing to reduce Scope 3, Category 1 emissions is dependent on many factors outside our control, such as supplier interest and access to financing for capital improvements, actions by other apparel brands who may have emission reduction targets less ambitious than our own, and geopolitical conditions, among others.

We reduced Scope 3 emissions associated with our supply chain by 22% over our 2016 base year.* Some progress may be the result of declines in volume due to the COVID-19 pandemic. Our continued efforts to source more sustainable raw materials, such as more sustainable cotton and responsible manmade cellulosic fibers, also play a role in reducing emissions.

*Supply chain GHG emissions refer to Scope 3, Category 1 (Purchased Goods and Services).

Emissions Categories

Reporting Scope	Scope 3 Category	Reporting Category	Emissions (mtCO ₂ e)	Percentage of Footprint
Scope 1	N/A	Direct emissions from sources owned and controlled by LS&Co.	10,703	0.3%
Scope 2	N/A	Purchased electricity, steam, heat and cooling	6,253	0.2%
Scope 3	1	Purchased goods and services	2,129,301	54.3%
Scope 3	2	Capital goods	9,307	0.2%

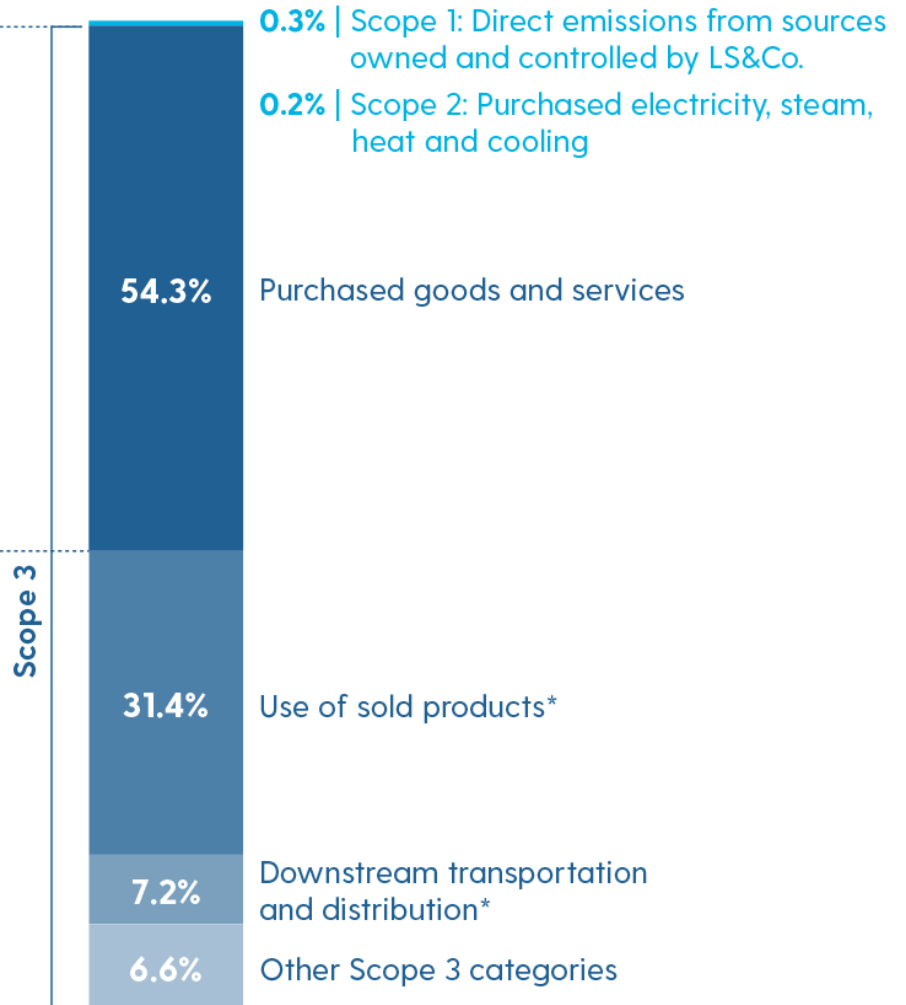
Reporting Scope	Scope 3 Category	Reporting Category	Emissions (mtCO ₂ e)	Percentage of Footprint
Scope 3	3	Fuel-and-energy-related activities	8,399	0.2%
Scope 3	4	Upstream transportation and distribution*	94,863	2.4%
Scope 3	5	Waste generated in operations*	13,836	0.4%
Scope 3	6	Business travel	1,907	<0.1%
Scope 3	7	Employee commuting	6,173	0.2%
Scope 3	9	Downstream transportation and distribution*	283,404	7.2%
Scope 3	11	Use of sold products*	1,229,576	31.4%
Scope 3	12	End of life treatment of sold products	89,673	2.3%
Scope 3	14	Franchises*	36,732	0.9%
Scope 3		Total	3,903,171	
Total			3,920,127	
*Estimated				

FY21 Total Carbon Footprint

Purchased goods and services

13.3%	Raw materials
31.7%	Yarn production (includes spinning)
40.2%	Fabric production (includes weaving)
7.4%	Garment assembly
7.3%	Indirect sourcing

Total emissions



* Estimated

Supplier Support through the Partnership for Cleaner Textile

We collaborate on PaCT with the International Finance Corporation (IFC), the private-sector arm of the World Bank Group. This innovative public-private partnership provides access to advisory services to suppliers who wish to invest in reducing their energy, greenhouse gas and water footprints, and who would benefit from additional technical support or upfront capital to do so.

We initially piloted six suppliers' manufacturing sites in South Asia, focusing on a PaCT assessment and solar pre-feasibility study in factories and mills (Tier 1 and Tier 2 suppliers). After these 2017 pilot programs showed real savings and efficiency improvements, we expanded availability to additional factories and mills. Within the next several years, we plan to engage the remainder of our key factories and mills globally. As part of this program, LS&Co. is covering the costs for eligible suppliers to undergo a renewable electricity assessment. Where onsite renewable investment is feasible, we will collaborate with the IFC on a financing model, leveraging the IFC Global Trade Supplier Finance (GTSF) program.

In China, where IFC is not implementing the PaCT program, we encourage supplier participation in the Carbon Leadership Program (CLP), formerly Clean by Design, which is overseen by the Apparel Impact Institute and served by RESET Carbon. The CLP approach works to improve and reduce supplier use of energy and water.

We have expanded our partnership with IFC to provide further support through the GTSF program to suppliers that have begun implementing low-carbon investment plans and have conducted PaCT cleaner production assessments. This includes offering them access to lower-cost financing to support their efforts, and together, deliver meaningful climate action. This program enables suppliers to access competitively priced financing based on criteria such as strong performance on our [Supplier Code of Conduct](#). It provides access to capital for sustainability investments, which the supplier may otherwise not be able to finance. We also began a global collaboration in 2021 with HSBC on the Sustainability Supply Chain Finance (SSCF) program, expanding the availability of low-cost, early payment financing to our suppliers. Supplier interest rates for both the IFC and HSBC payments can be linked to performance against our Supplier Code of Conduct, providing incentives to improve social and environmental performance. IFC has also introduced a pricing scheme that offers additional incentives for suppliers that implement low-carbon solutions.

Managing Climate Change Risks

LS&Co. identifies, assesses and determines climate-related risks with a potential substantive financial impact through company-wide risk assessments and periodic assessments in both our operations and across our

supply chain. These include sustainability issues prioritizations, supply chain risk assessments, life cycle assessments (LCAs) and supplier data collection through the Sustainable Apparel Coalition (SAC) Higg Facility Environmental Module (FEM). We evaluate climate-related risks in the short-, medium- and long-term.

The LS&Co. Executive Leadership Team and Board reviews the company's risk priorities at least twice per year, as informed by the cross-functional Enterprise Risk Committee (ERC), which enables LS&Co. to identify and manage emerging risks to the company, improve resource deployment and enhance our enterprise resilience. The ERC surveys about 130 of our top leaders annually to identify, characterize and estimate the potential impact and likelihood of each risk, and to assign a risk score accordingly. These risk scores allow LS&Co. to determine the relative significance of each risk. Special attention is given to align with the COSO and MSCI Index Frameworks and integrate ESG themes into this process. This includes scenario planning, risk forecasting, testing crisis and business continuity plans. The top 15 entity-wide risks identified are reported to the Audit Committee of the Board on an annual basis. The ERC enables LS&Co. to identify and manage risks entity-wide, improve resource deployment and enhance our enterprise resilience.

Climate-related matters are also separately reviewed on a case-by-case basis by our sustainability and supply chain functions, as well as other internal and external stakeholders, to understand the level of importance and potential direct, upstream and downstream impacts. This review includes understanding potential climate-related impacts related to brand reputation, operational disruption, supply availability and cost, consumer awareness and regulatory activity.

For more about our risk management practices, see [Ethics and Integrity](#).

Read more about our programs to mitigate, adapt to and manage risks associated with climate change in our [2021 CDP Climate Response](#), [TCFD Index](#) and [Fiscal Year 2021 Form 10-K](#).

Supplier Climate Roadmaps to Meet their Targets

Fabric mills and garment manufacturers account for most of our full value chain carbon footprint, especially given that many of our fabric mills are also yarn spinners. Measuring emissions in the apparel supply chain has long been challenging, due to the shared and distributed nature of supply chains in our industry. Achieving our goal of a 40% absolute reduction in Scope 3, Category 1 emissions is dependent on our suppliers also working toward reductions. We must work closely with suppliers to understand what percentage of emissions correspond to the manufacturing of our products, help them recognize the benefits of reducing energy and emissions and support them through programs like PaCT and CLP.

We have collaborated with suppliers to make sure they could collect their environmental data through the

Higg FEM. The data was verified by SAC-approved third parties, then used to create supplier roadmaps for change and develop supplier-level climate and water targets. Where suppliers and mills were not yet participating in the Higg FEM, we conducted surveys to collect their data.

We have since engaged more deeply with key mills in our supply chain to work toward establishing roadmaps for them as well. Suppliers have agreed to emission reduction targets with the base year set with the earliest available Higg FEM data for each. The targets are laid out in detailed roadmaps, complete with energy and water usage from the Higg FEM, target setting support and detailed tracking of completed and upcoming initiatives. These roadmaps guide suppliers as they make big changes – like replacing an old coal-fired boiler – as well as smaller ones, like adding efficient lighting. Through July 2022, we have set renewable energy and emissions targets with 66 key suppliers, representing 128 factories and mills. Achieving our goal of a 40% absolute reduction in Scope 3, Category 1 emissions is directly linked to our suppliers' ability to meet the commitments in these roadmaps.

During 2021, we also refined and expanded the LS&Co. team dedicated to supplier sustainability. Closer engagement with, and commitments from, our supply chain partners is critical to achieving our near-term Scope 3 targets and our net-zero ambitions.

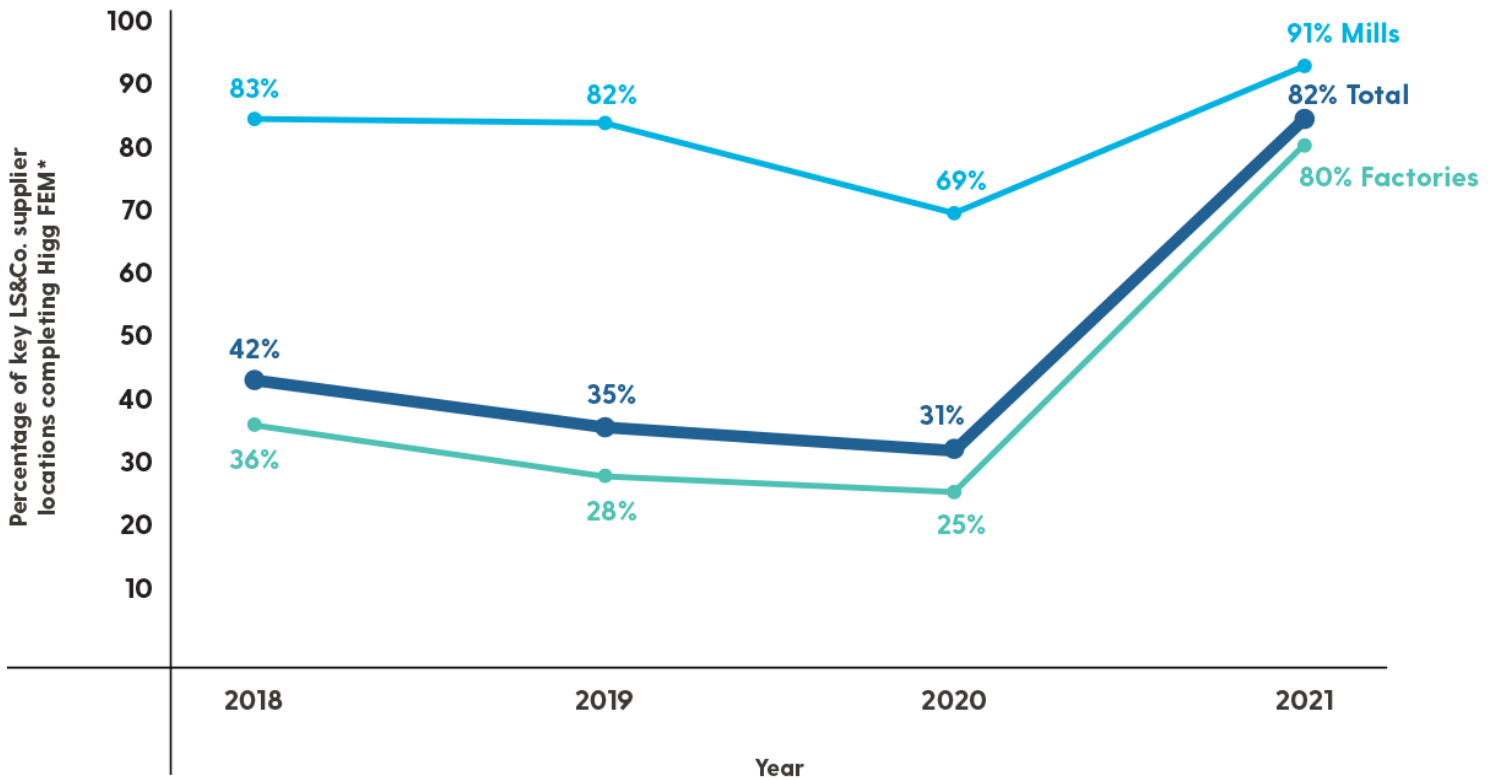
The supplier roadmaps include:

- Base year energy and water usage
- Current year energy and water usage, as reported by suppliers through the Higg FEM
- Progress to date against their targets for carbon emissions, renewable electricity, and water reduction
- Targets and a five-year action plan developed by the supplier to track progress and accountability

Number of LS&Co. Supplier Locations at Year End

	2018	2019	2020	2021
Factory	392	453	484	439
Mill	60	67	75	65
Total	452	520	559	504

Percentage of Key LS&Co. Supplier Locations Completing Higg FEM*



* As of October 2021. Key suppliers cover approximately 80% of our annual product volume. Since the Higg FEM was launched by SAC in 2017, the factories and mills in our supply chain have increased their use of the tool to share their environmental data.

80% of key factories and 91% of key mills completed the Higg FEM in 2021, significant increases over 2020

Higg FEM Scores – Selected Suppliers

Vendor Name	Factory Name	Country	2021 Score
Arvind – India	Arvind Limited – Naroda	India	Self-assessment: 81.4% Verified assessment: 81.4%
Crystal	Ya Da Viet Nam Limited	Vietnam	Self-assessment: 94.2% Verified assessment: 93.3%
Crystal	Zhongshan Yida Apparel Ltd.	China	Self-assessment: 94.7% Verified assessment: 91.2%
Crystal	YI DA Manufacturer Co., Ltd.	Cambodia	Self-assessment: 85.3% Verified assessment: 80.7%

Reducing Fiber-Related Emissions

Recognizing the climate impact of raw materials used in the manufacturing of our products, we continually assess and develop programs to reduce emissions associated with raw material cultivation and processing. In 2021, we continued focusing on three main actions where feasible:

1. Identifying interventions to minimize energy use tied to the most carbon-intensive materials
2. Reducing reliance on fossil fuel-derived materials
3. Sourcing more sustainable fibers, which we define as third-party certified

Although the GHG impact of fibers is relatively small at about 7%, we remain focused on finding solutions to reduce our impacts over time. Of the raw materials in our portfolio, manmade cellulosic fibers are among the most energy intensive, with the most energy consumed processing the raw material into fibers and spinning the fibers into yarn. These fibers make up just 4% of our total fiber mix, but 8% of our raw material carbon footprint. Identifying this area of impact enabled us to assess the manufacturing and energy management practices of manmade cellulosic suppliers to guide our sourcing practices. We now work with a select set of manmade cellulosic fiber suppliers that use renewable energy and energy reduction programs.

We use a small amount of polyester, nylon and elastane. Our initiatives to reduce use of these virgin synthetic fibers include incorporating recycled polyester and nylon in outerwear and accessories, and recycled elastane in some collections. Going forward, we will continue to minimize our use of virgin synthetic materials, opting for more sustainable alternatives.

Initiatives to reduce petroleum-based inputs to our raw materials are also underway. Since cotton – our most significant raw material – is a natural fiber typically grown with synthetic pesticides and fertilizers, we have undertaken efforts to reduce these petroleum-based inputs. We are committed to collaborating with partners around the world to drive more sustainable methods of cotton cultivation.

Since 2010, we have worked with the Better Cotton Initiative to invest in reducing fossil fuel-based chemicals in global cotton agriculture. Similarly, our partnership with the U.S. Cotton Trust Protocol, which began in 2021, promotes farming practices to reduce synthetic chemicals for healthier soil, which in turn can absorb more carbon dioxide. Our support of organic cotton farming provides the greatest climate impact reduction related to our raw materials, as those farmers have eliminated petroleum-based chemical use and work to maintain soil health.

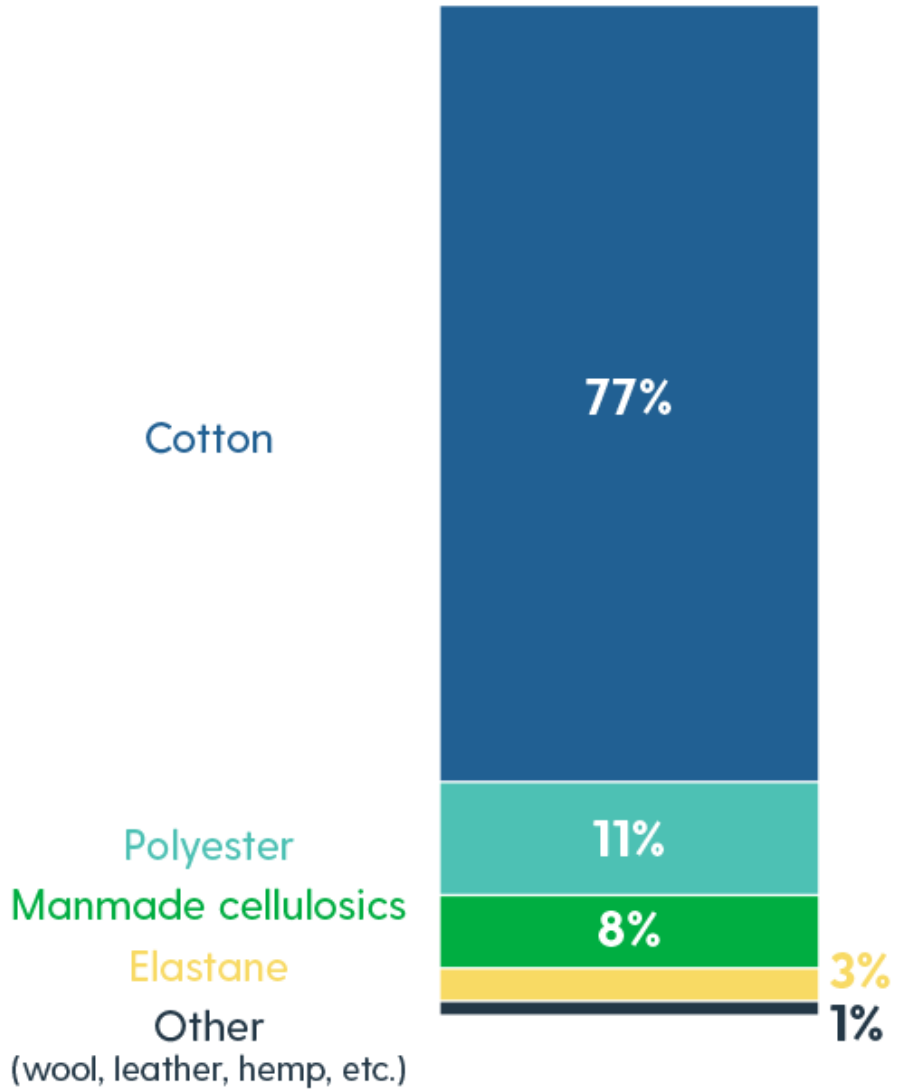
Read more about our support of [organic cotton](#).

Climate Impact of Raw Materials*

Percentage of total product mix



Percentage of raw material carbon footprint



* 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.

2021 Supplier Climate Data Limitations

Our supplier-level data includes verified Higg energy use data. LS&Co. engages with our suppliers to review the quality and reasonableness of the data received. Many suppliers do not submit their data on time or at all, which affects our ability to report on our climate footprint. Therefore, we must rely on estimates based on highly localized and step-specific life cycle analyses. We also have limited access to primary data sources for some Scope 3 categories, which affects our ability to specifically allocate the emissions reduction interventions completed by suppliers to the overall LS&Co. emissions footprint. In addition, the timeline for receiving verified Higg data and ensuring its accuracy can be 10 months to one year, which affects our ability to report in a timely manner.

Collaborating for Change

Collaboration and partnerships are critical to driving global progress and to achieving our near-term Scope 3, Category 1 targets and our net-zero ambitions. We join forces with other brands, with our suppliers and with other partners in pursuit of coordinated, systems-level change.

Business for Innovation Climate and Energy Policy

As one of the founding members of the Business for Innovative Climate and Energy Policy (BICEP) network, we advocate for science-based climate and energy policy to accelerate the transition to a more resilient clean energy economy. In 2021, for example, we signed onto a letter to U.S. President Biden supporting the Administration's commitment to climate action and to set a nationally determined emissions reduction standard, which was later established as a GHG reduction target of at least 50% by 2030. We also met with several lawmakers in 2021 to discuss the climate crisis, clean energy priorities and related topics.

At the state level in the U.S., we have successfully advocated for numerous climate-related measures, including the adoption of California's Advanced Clean Truck Rule, which introduces requirements to increase electric truck sales to 30% of total truck sales by 2030 and to 100% by 2045.

Fashion Industry Charter for Climate Action

As a signatory to the Fashion Industry Charter for Climate Action, which is committed to reducing the apparel industry's greenhouse gas emissions to zero by mid-century, we are committed to supporting the implementation of its principles, both by pursuing them in our own organization and by working with other signatories. The Charter is an initiative of the United Nations Framework Convention on Climate Change.

Fashion for Good

We joined Fashion for Good in 2021 to work with innovators focused on developing and scaling technologies and business models with the intention of transforming the apparel industry. We have since begun participating in several Fashion for Good projects focused on waste reduction and recycling, plant-based dyes and others. For more about our work with Fashion for Good, see [Circular Economy](#).

What's Next – Climate Action

We will continue existing programs to reduce our own greenhouse gas emissions and procure more of our electricity from renewable sources for our company-operated offices, retail, distribution and manufacturing facilities. As part of this, we plan to implement a centralized energy utility management system to provide data about our energy use in our stores, offices and distribution centers. We plan to educate and encourage the integration of sustainability factors – such as climate and water impacts – into business decisions made across our company. And we will continue collaborating with other brands and innovative organizations to address the significant challenges associated with this most pressing issue of our time.

Of course, we must continue focusing on energy efficiency and emission reductions in our supply chain. Going forward, we will continue our partnership with IFC to engage even more suppliers in the PaCT program and to encourage supplier investments in higher-impact decarbonization solutions. And we will work closely with suppliers participating in CLP to make sure they have access to the resources they need to meet their energy and emissions reduction targets. This will include strengthening supplier performance measurement and engagement on reduction technologies and renewable energy projects – because our target cannot be met without significant commitments from our suppliers. Based on our learnings during the first year of the supplier roadmap program, we plan to strengthen our approach by shifting from a per-factory roadmap to a per-supplier approach. We believe this will empower suppliers and give them better accountability for improvements at the factory level.

We are also planning to complete renewable energy assessments in additional countries, such as Bangladesh, to get as many suppliers connected to renewable sources as possible. We also anticipate increasing our climate action work with full-package mills – those facilities selected by direct suppliers to deliver our products, end to end – that are not covered by current roadmaps. Our aim is to be able to cover the majority of facilities making the fabric used in our products, along with 80% of the cut-and-sew product volume, through supplier roadmaps.

This includes continuing to work with suppliers to support the transition to more energy efficient equipment and to incorporate more sustainable raw materials where possible, including responsibly sourced manmade

cellulosic fibers, organic cotton, recycled polyester and others.

We anticipate continuing to test the Retail Sustainability Playbook in key areas and developing a playbook specifically for our distribution centers, incorporating applicable retail guidance on energy, water and waste reduction as well as behavioral changes for meaningful energy reductions in our operations. To take our building plans and specifications to the next level of efficiency, we will continue using life cycle management tools to link the energy and cost savings of various building options with the intent of identifying the best options going forward, considering country, market and climate. And to accelerate our transition to renewable electricity, we are looking into the technical feasibility of further onsite solar installations for our distribution centers.

Resources

[GHG Verification Statement](#)

[Climate Action Strategy](#)

[2021 CDP Response](#)

[LEED Silver Store in Shanghai](#)

[LEED Platinum Nevada distribution center](#)

[Nextgen Stores in Indonesia and UAE](#)

[Partnership with IFC](#)

[Commitment to Source Sustainable Wood-Based Fibers](#)



GRI: 303-2

UN SDGs: 6, 12, 15

UNGC: Principles 8, 9

Working to use only as much water as replenishes naturally

A single pair of jeans can use up to 3,800 liters of water in its lifetime. The World Economic Forum rates water issues among the top financial risks to the global economy, and the United Nations estimates that 2 billion people live in countries experiencing high water stress. Clean water access is an issue for many and varies geographically. As water stress manifests to different degrees around the world and in the apparel supply chain, we see opportunities to use the science and tools at our disposal to focus our efforts where water savings are most critically needed.

We set geographically contextual water use targets for suppliers based on local water stress, increasing the number of products made in Water<Less® facilities and in facilities that recycle and reuse water. We apply the Jeanologia Environmental Impact Measurement (EIM) platform to track and reduce water use in garment finishing, helping to increase access to clean water for local communities in sourcing locations, and inspire collective action to lessen the apparel industry’s impact on water around the world.

Water Goals

Goal:

Reduce freshwater use in manufacturing by 50% in areas of high water stress

Target Year:

2025 (against a 2018 base year)

Water Metrics

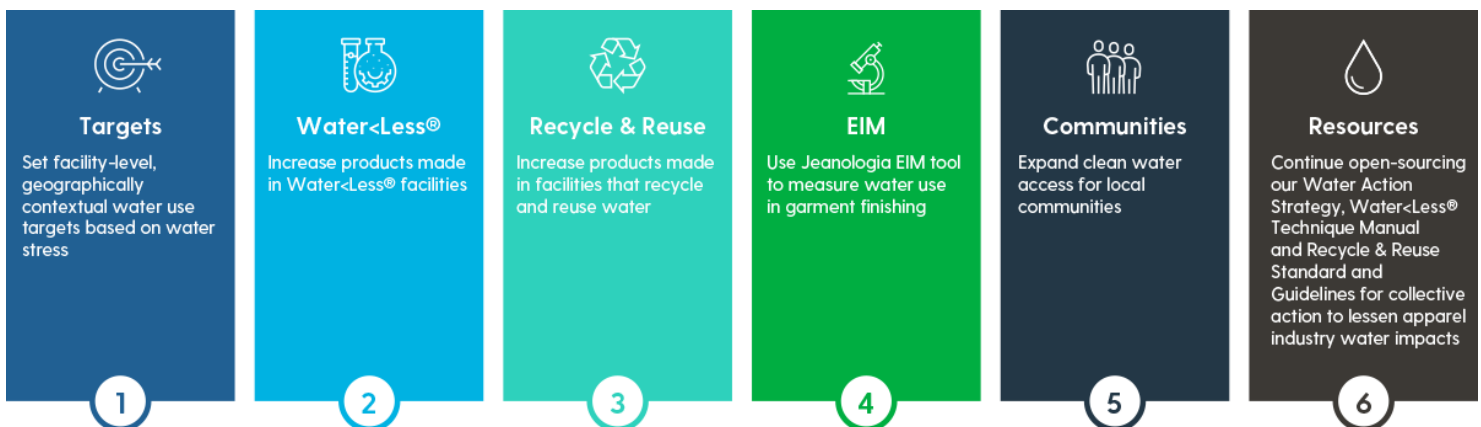
Target	Metric	FY20	FY21
Reduce freshwater use in manufacturing by 50% in areas of high water stress by 2025 (against a 2018 base year)	Percent reduction of manufacturing water use in areas of high water stress	22% reduction in water use	Will be available following verification of Higg FEM data

Target	Metric	FY20	FY21
100% of key fabric and garment suppliers will meet their new contextual Water<Less® targets by 2025*	Percentage of key fabric and garment suppliers meeting Water<Less® targets due to designation as Recycle & Reuse facilities	16%	14%

*Key suppliers cover approximately 80% of our annual product volume.

For more data see [Our Performance: Data Tables](#)

Our Approach to Water Stewardship



2025 Water Action Strategy

Water is necessary for people, communities and the planet – and to create many of the beloved products our consumers enjoy. LS&Co. has long been working to ensure that water is available for both communities and commerce. In the early 1990s, for example, we established the apparel industry’s first wastewater quality guidelines. In 2019, we published our [2025 Water Action Strategy](#), which leverages the best and most current publicly available data sources to address water stress in the supply chain. The strategy is the driving force behind our geographically contextual, facility-level targets to address local water stress. We are

incorporating these contextual water targets into our Water<Less® program.

As with other LS&Co.-developed resources, we published our Water Action Strategy as an open-source document to inspire collective action and progress across our industry. We share our [Water<Less® Technique Manual](#) and [Recycle & Reuse Standard and Guidelines](#). To further extend its benefits, the 2025 Water Action Strategy includes focused strategies to drive resilience beyond manufacturing in areas experiencing high water stress. This is intended to bring greater resilience to our operations and to the communities and watersheds affected by our business.

Water<Less® – Our Flagship Program Evolves

We launched Water<Less®, our comprehensive water stewardship program, in 2010 to maximize water efficiency in apparel production through a series of garment finishing techniques and water recycling guidelines. In FY21, we continued to evolve the program for more positive impacts, including important changes to the ways we track and report Water<Less® progress.

When it was conceived, Water<Less® was a collection of water-saving techniques, all very technical and some quite innovative compared with traditional methods in fabric development and garment finishing. Ten years later, these techniques have become standard practice. While it is positive that these water-saving approaches are now considered standard by many apparel and textile suppliers, we will no longer claim that these techniques “save” water because they have become so widely used, and we will no longer report total liters water saved by Water<Less®. Of course, we will continue working to apply new innovations, and because many of our suppliers operate in geographies of high water stress, we will continue reporting their progress to reduce freshwater use. Through 2021, we have recycled over 11.5 billion liters since 2011, in line with supplier use of our Reuse & Recycle standard and our Water<Less® techniques.

Nearly 3 billion liters of recycled water used in the manufacturing of LS&Co. products in FY21

FY21 Water<Less® Labeled Bottoms*

Brand	Percentage of Water<Less® Bottoms
Levi's®	47%

Brand	Percentage of Water<Less® Bottoms
Dockers®	72%
Signature	55%
Denizen®	63%

**Over the past decade, we have reported on the number of LS&Co. products made with Water<Less® techniques. However, only a portion of our Water<Less® products carry the Water<Less® label. Due to supply chain variability, a specific product could be made at two different facilities, one using Water<Less® techniques and one not, but we applied the Water<Less® label only if the product was uniformly manufactured with Water<Less® techniques. Beginning in FY21, we will report only on products that carry the Water<Less® label, so the percentage of our products deemed Water<Less® will be lower than in recent years.*

Helping Suppliers Set Contextual Water Targets

We use the World Resources Institute Aqueduct Water Risk Atlas to help us gain a basin-level understanding of the local water stress contexts where we operate. We then categorize our suppliers into areas of low, medium and high water stress. As we work with suppliers on water efficiency targets, the low and medium stress areas receive progressive efficiency targets, while suppliers in areas of high water stress are assigned aggressive absolute water use reduction targets compared to a 2018 base year. All our key suppliers have contextual water targets, and collectively, the targets are intended to contribute to reducing the water used in the manufacturing of our products by 50% in areas of high water stress by 2025.

How Water<Less® Innovation Interacts with Supplier Targets

One of our key 2025 Water Action Strategy intentions is to evolve our Water<Less® program into a facility-level qualification to simplify the program implementation and deepen our impact in local communities. Suppliers can achieve this facility-level Water<Less® qualification by attaining their 2025 facility-level contextual water targets. We have set intermediate reduction targets to serve as milestones for suppliers as they progress to their 2025 target. These intermediate targets will indicate which suppliers are on track and can be considered Water<Less® suppliers for a two-year period. Any products manufactured by a Water<Less® supplier are deemed Water<Less® garments in the marketplace.

Recycle and Reuse in Supplier Facilities

LS&Co.'s efforts to address manufacturing water use and pollution started in 2014, when we authored a standard for water recycling and reuse for manufacturing facilities. Our Recycle & Reuse Standard and Guidelines establish that facilities must adhere to the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation's wastewater guidelines' progressive standard and recycle more than 20% of the water used in

manufacturing. Between 2011 and the end of 2021, approximately 11.5 billion liters of water have been recycled at product and fabric manufacturing facilities that apply our water Recycle & Reuse Standard or use our Water<Less® techniques.

See our [Water Stewardship Data Table](#) for more information on recycled water over the years.

How It Works

The Recycle & Reuse program is designed to minimize freshwater usage in water-scarce areas of the supply chain. A typical factory uses local freshwater from rivers, lakes or groundwater to manufacture products, then sends the wastewater to a treatment plant before it re-enters the local environment. Through the Recycle & Reuse program, the treated wastewater is instead piped back into the factory so it can be used again.

When factories implement the program and meet the Recycle & Reuse Standards and Guidelines, recycled water may be used at the facility for laundry, landscape irrigation, cooling towers and toilet flushing. In some cases, the water does not even need to be sent to a treatment plant. Instead, when processing water is clean enough, it can be recaptured and immediately reused. In both cases, the water is being used multiple times, significantly reducing the total amount of freshwater consumed. Applying our Recycle & Reuse Standards and Guidelines is another way a facility can achieve the Water<Less® designation. We continue to encourage suppliers to develop recycle and reuse capabilities.

2021 Water Reduction Data Challenges

Our supplier-level data includes verified Higg water use data. LS&Co. engages with our suppliers to review the quality and reasonableness of the data received. Many suppliers do not submit their data on time or at all, which affects our ability to report on our water footprint. Therefore, we also rely on estimates. In addition, the timeline for receiving verified Higg data and ensuring its accuracy can be 10 months to one year, which affects our ability to report in a timely manner.

Water Use in Our Own Facilities

At our company-operated factories in Plock, Poland, and Epping, South Africa, a variety of water-savings processes are in place. Both facilities use Water<Less® production processes and have installed water-efficient retrofits on washing machines. In addition, our facility in South Africa uses 100% recycled water in

manufacturing, rather than relying on the stressed local freshwater supply. The facility created an innovative public-private partnership with the Cape Town municipal government to construct a pipeline that returns recycled water from the municipal treatment plant to the industrial area where our factory is located, rather than discharge it to the ocean, as was customary.

These actions allowed our factory to decouple production from Cape Town's freshwater, helping to protect local supplies and build resilience to future shortages. In addition, LS&Co. grants to The Nature Conservancy's Greater Cape Town Water Fund enabled training and work for local women who have been removing thirsty invasive shrubs, freeing up more than 120 million liters for the local water supply – part of the 4.8 billion liters of water saved per year under the fund. In FY21, we signed a three-year agreement to continue supporting this program.

Across all our company-operated facilities, including corporate offices, retail stores, distribution centers and factories, our 2021 water footprint was 522 million liters.*

**Water footprint data is for calendar year 2021 because Higg FEM data is reported on a calendar year basis. The footprint includes both actual and estimated water usage.*

The Water-Chemical Nexus

Water pollution contributes to water stress, so ensuring that the water put back into the environment is clean and safe is as important as addressing water consumption. In 2020, we met our goal for zero discharge of hazardous chemicals for strategic wet finishing suppliers. Our partnership with the ZDHC Foundation continues contributing to cleaner wastewater from apparel manufacturing. In 2021, we continued working to scale the adoption of ZDHC's Manufacturing Restricted Substances List (MRSL) and our Screened Chemistry approach to encourage more industry peers to adopt preferred chemical lists and to screen any new formulations for hazards.

Read more about our continued work on [safer chemicals](#).

Measuring Finishing Water Impacts

Jeanologia's EIM software is a third-party digital platform developed to track and measure water use in garment finishing processes for individual products. An EIM score of "green" (for water only) is one of the primary pathways for a product to be designated Water<Less®. It reflects use of 35 liters of water or less in the finishing stage of a pair of jeans – identical to our Water<Less® standard. We use the tool in our two company-operated factories and have made its use mandatory for our key suppliers to improve the

environmental performance of jeans finishing.

Wastewater Transparency through IPE

The Institute of Public and Environmental Affairs (IPE) is the leading environmental non-governmental organization monitoring corporate environmental performance across China. LS&Co. uses the IPE Blue Map environmental database to monitor our suppliers in China, all of which are registered to the database. We have also shared our supplier factory list and data with the IPE Green Supply Chain Map, which provides real-time performance data and historical trend information related to air emissions and wastewater discharge. LS&Co. was ranked number 1 in the 2021 IPE Green Supply Chain CITI Evaluation and the top apparel-only brand in the 2021 Corporate Climate Action Transparency Index (CATI).

LS&Co. suppliers have disclosed more than 375 Pollutant Release and Transfer Register forms since 2016, covering 100% of higher-environmental-impact suppliers since 2018, and we have encouraged many additional suppliers to disclose as well. The higher-impact suppliers are identified through life cycle analysis data to determine impact levels at each stage, focusing on water consumption in the context of regional water stress, as well as energy use, carbon intensity, chemical use and wastewater quality.

Partnerships in Water Stewardship

As with our other environmental and social commitments, our progress is stronger when we collaborate with others. For this reason, LS&Co. has been a signatory to the United Nations Global Compact CEO Water Mandate since it began in 2008. The CEO Water Mandate mobilizes business leaders to address global water challenges and advance water stewardship. We are also members of the Water Resilience Coalition, which is working to help align industry peers and NGOs to achieve our shared vision of net-positive water impact in water-stressed basins and drive toward a water-resilient value chain.



Waves for Water

In 2021, the Dockers® brand launched a three-year collaboration with surfer Jon Rose and his foundation Waves for Water to help provide clean drinking water to communities in need. Waves for Water provides access to clean water through portable water filtration systems, digging and renovating borehole wells, and rainwater harvesting and storage systems. Some of these projects are in or near communities where workers in the Dockers® supply chain live. The first items available in the Dockers® Waves for Water collection made their appearance in Spring 2021 – all made with Water<Less® techniques. We also invited the public to donate water filters, with Dockers® matching gifts up to \$50,000 and bringing new partners to the Dockers® brand, including Selema Masekela, Arturo Islas Allende and others.

What's Next – Water Stewardship

We will continue working to refine and strengthen our Water<Less® program, focusing on the facility level for maximum positive impact. This means that mills and factories that meet their facility-level contextual targets will qualify as Water<Less® facilities, as will all the fabric or products coming from those facilities. Implementing such a facility-level approach both simplifies the administration of the Water<Less® program and amplifies our impact, because the scope of facility-level targets also encompasses other brands' production volume manufactured in the same supplier facility. In this way, the net result of meeting our 50% reduction target in areas of high water stress will have positive ripple effects beyond LS&Co.'s products.

Although we provide our suppliers the flexibility to choose their preferred approach to meet their facility-level targets, our existing Water<Less® techniques, EIM measurement software, Recycle & Reuse Standard and the PaCT partnership will remain pillars of our new water strategy and serve as key tools for facilities to meet their targets.

Our water stewardship efforts will continue to involve sourcing more sustainable fibers. For example, one of our fiber innovations, cottonized hemp, is much less water-intensive than conventional cotton production and has the added benefit of relying on rainwater instead of irrigated water that could be used for other productive purposes. Our product circularity work, such as using Circulose® – which includes fiber spun from discarded denim – also benefits our water efforts because it reduces the amount of water required to create virgin materials.*

*Circulose® is a registered trademark of Re: NewCell AB.

Resources

[2025 Water Action Strategy](#)

[Reuse & Recycle Standard and Guidelines](#)

[Dockers® Waves for Water Partnership](#)



UN SDGs: 15

UNGC: Principle 8

On the path to safeguard and restore nature

The United Nations has declared this decade – from 2021 to 2030 – the UN Decade on Ecosystem

Restoration, as a call to protect and revive ecosystems all around the world. The threats to biodiversity are many, including climate change, land degradation, forest clear-cutting, habitat loss, poor water quality and pollution, habitat destruction, over-exploitation and others. Only with healthy ecosystems can we stop the collapse of biodiversity, enhance people's livelihoods, and counteract climate change.

We are working to support healthy ecosystems through responsible sourcing of raw materials, responsible production and chemical management practices, effective waste management, and other actions. To guide our progress, in 2021 we created a new biodiversity goal, our first ever, as part of our global sustainability strategy. We are developing a detailed roadmap and key performance indicators to measure our progress.

Biodiversity Goals

Goal:

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

Target Year:

2025

Our Biodiversity Roadmap

In 2021, we developed a preliminary biodiversity roadmap, which we plan to finalize in 2022 after completing our full value chain biodiversity footprint. In alignment with the forthcoming guidance from Science Based Targets for Nature (SBTN), our biodiversity work will focus on:

- **Avoiding new negative impacts in areas of high conservation value.**
- **Reducing unavoidable existing impacts through alignment with science and credible certifications.**
- **Restoring and regenerating ecosystems where impacts on nature cannot be avoided or reduced.**
- **Unlocking transformative opportunities for systemic change through supply chain and sectoral collaboration.**

Our biodiversity roadmap began with benchmarking research on apparel industry biodiversity impacts, quantification methodologies, and best-in-class impact mitigation frameworks – including GLOBIO, IPBES and WWF. In 2021, we contributed to the Textile Exchange beta Biodiversity Benchmark to build out the textile industry's baseline biodiversity performance. This benchmarking focused on different levels of biodiversity – genetic, species and ecosystem diversity, from seed to landfill degradation. Through this

process, we identified the most significant biodiversity impacts in the manufacturing of our products to be:

1. Cotton cultivation
2. Manmade cellulosic fibers
3. Fabric dyeing and treatment
4. Textile waste
5. Microplastics

Read about our use of plant-based dyes and safer chemicals, as well as our work toward zero waste in [Consumption](#).

Mapping Biodiversity Impacts

Our intention is to set a biodiversity goal that will be based on a robust roadmap and include key performance indicators that are quantifiable and time-bound to result in nature-positive results. Among our actions will be a comprehensive overview of our direct and indirect impacts. Baselineing our biodiversity footprint builds on the life cycle analysis of our static and dynamic Scope 1, 2 and 3 impacts, layering in the “extent x condition x significance” framework to assess the magnitude of pressures on ecosystems and species. We have engaged The Biodiversity Consultancy, specialists in biodiversity assessment and accounting, to conduct this baseline biodiversity footprint and steer our development of goals. Among other analyses, the impact assessment will measure mean species abundance to measure biodiversity conditions as well as species threat abatement and recovery to measure species extinction risk to develop a global biodiversity score for the full value chain. This effort and subsequent goal setting will be aligned with the forthcoming SBTN guidance.

Reducing Land Use Impacts

Our biggest opportunities to mitigate and reverse biodiversity loss – and to restore healthy ecosystems – occur at the farm level where the raw materials used in our products are grown. Cotton cultivation is one of the largest contributors to biodiversity loss associated with the apparel industry. In 2021, the vast majority of the fiber content in our products was cotton, so our primary focus is sourcing more sustainable cotton. This includes recycled, organic, and transitional organic cotton, as well as cotton grown with more sustainable farming practices such as Better Cotton and cotton grown under the U.S. Cotton Trust Protocol.

While we have made real progress in sourcing more sustainable cotton, we still need to do more to address negative impact reduction and realize nature-positive opportunities. We continue evaluating the specific impacts of land use, soil health and water consumption for cotton cultivation – and the growth of cotton consumption. This work began with our participation in the Better Cotton Initiative and its mission to scale

sustainable agricultural practices. It has continued as we incorporated organic cotton into our products and will continue as we increase our use of organic and transitional cotton with the intent to restore soil health, promote cleaner waterways, and support farmer livelihoods.

Alternative Fibers

To mitigate land use issues and promote soil health and efficient water consumption, we are exploring alternative natural fibers that may have a lower environmental impact than cotton. We are working with suppliers and other partners to develop, use, and scale next-generation fibers made with circular manufacturing processes and recycled or regenerative raw material inputs.

For example, our integration of hemp in blends and through our cottonization process presents an opportunity to use a less water-intensive crop that also requires fewer chemicals and less land use for cultivation. WellThread® – our specialty collection that puts sustainable practices first in design and manufacturing – and our partnership with Fashion for Good will continue to enable our research and uptake of alternative fibers with potential to go beyond limiting loss of biodiversity and move toward restoration and transformation.

Leather Working Group

We are also committed to only using leather and animal skins from sources that are responsibly managed to protect biodiversity and prevent deforestation. We will not source leather from animals raised in the Amazon Biome, and our suppliers must provide credible assurances that leather is derived from animals raised elsewhere without contributing to deforestation. Through our partnership with the Leather Working Group (LWG), the world's leading leather manufacturing environmental certification, we are committed to sourcing more leather from LWG-rated suppliers.

Read our [animal welfare policy](#), more about our animal welfare commitment and [use of leather from LWG-rated suppliers](#).



Nature Agenda Project

In 2021, we began participating in market research being conducted by GlobeScan in Brazil, China, France, India, South Africa, the U.K., and the U.S. The research, which aims to uncover what nature means to people and how they see its value, will lead to insights about regional viewpoints on nature and to a better understanding of stakeholders' expectations of businesses in protecting it. Eventually, we plan to use these learnings to engage consumers in the journey to safeguard biodiversity.

Protecting Forests, Habitat and Water Quality

Forests not only help stabilize the climate by absorbing carbon dioxide, but they are also home to 80% of the world's terrestrial biodiversity, according to the International Union for Conservation of Nature. We are committed to doing what we can to help protect the world's forests. We regularly review and update the [LS&Co. Commitment to Source Sustainable Wood-Based Fibers](#), which details our pledge to protect ancient and endangered forests and address the environmental and social impacts of wood-based fiber production through a four-part strategy.

The sourcing and processing of wood-based fibers like viscose can have significant negative impacts on biodiversity. We met our 2014 commitment to prevent fiber sourcing from ancient and endangered forests by 2020. The only wood-based fibers in LS&Co.-developed products are sourced from Canopy Green Shirt-rated suppliers that have earned a minimum of 25 buttons in Canopy's 2020 Hot Button Ranking. These are among Canopy's highest designations for supplier efforts to protect ancient and endangered forests and provide traceability with more sustainable, next-generation solutions.

In 2021, as before, we accepted manmade cellulosic fibers only from the companies Lenzing, Birla, Tangshan Sanyou for Circulose® fiber and Kelheim. These suppliers are certified to the Forest Stewardship Council (FSC)-STD-40-004 Standard for Chain-of-Custody Certification and FSC-STD-40-005 Company Evaluation of Controlled Wood. Results of their supply chain and feedstock certification audits are publicly disclosed on Canopy's Hot Button Report. Going forward, we will continue engaging these suppliers to assess and address other impacts associated with manmade cellulosic fiber production. We are also using more recycled and innovative fibers such as cottonized hemp, REFIBRA™ and Circulose® fibers, which have lower impacts on land use and biodiversity.*

**REFIBRA™ is a trademark of Lenzing Aktiengesellschaft. Circulose® is a registered trademark of Re:NewCell AB.*

We require suppliers to adhere to our preferred list of screened, safer chemicals. Applying the LS&Co. Preferred Chemical List – which now includes approximately 1,300 high-use chemicals – ensures safer chemical inputs, leading to safer effluents and wastewater quality, which in turn helps to protect aquatic biodiversity. At the same time, we are looking for innovative plant-based fabric dyeing and treatment options to further reduce petrochemical use, support clean water and prevent freshwater contamination through runoff.

Consumer education, product repair and take-back, and sales of vintage products also support biodiversity by managing our land use to grow cotton for new clothes, reducing textile waste of used garments, exploring digital prototypes instead of physical samples and avoiding habitat loss through landfilling. And we are exploring how best to consider the biodiversity impacts of construction – for stores or a distribution center, for example. Already, the LS&Co. Retail Sustainability Playbook gives preference to shopping centers with sustainable attributes and LEED certification, which support biodiversity considerations.

What's Next – Biodiversity

In the coming year, we plan to advance regenerative agriculture practices through deep supply chain partnerships. We are sponsoring the U.S. Regenerative Cotton Fund, a field-level pilot with the Soil Health Institute (SHI) to draw down 1 million mtCO₂e from the atmosphere by 2026 through increased adoption of regenerative farming practices. The grassroots reach of this program is significant – 4,000 small farmers in nine U.S. states representing 85% of U.S. cotton production. This free program delivers on key environmental justice focus areas, including equitable distribution of environmental benefits, and aims to eliminate financial, technological and accessibility barriers to resources. A sampling of these benefits includes real-time tracking of pest suppression, drought risk and mitigation opportunities, access to new revenue streams through cover crops, and farmer-to-farmer mentorship programs in a network of 13,000 participants. Although the amount of U.S.-grown cotton used in our products is smaller than that grown elsewhere, we believe that investments

in programs like this one can help to support regenerative agriculture.

We are deepening our support for organic cotton farmers through our partnership with the Organic Cotton Accelerator. This organization works with over 80,000 existing and in-conversion organic cotton farmers across India and Pakistan, improving supply chain transparency and product integrity. Our partnership with OCA supports increased accessibility and diversity of non-genetically modified cotton seed for farmers, encourages regenerative agriculture and sustainable farming practices, and invests in farmer livelihoods. We are also collaborating with textile manufacturer Arvind Ltd. in a farm-direct sourcing program, which includes a multi-year agreement to support a farmer group in converting their cotton from conventional to organic.

One of our projects with Fashion for Good, which we joined in 2021, is a collaboration with Stony Creek Colors to pilot the use of plant-based, pre-reduced indigo at scale – an effort to replace synthetic indigo in the denim supply chain. If the project proves the plant-based indigo to be viable at commercial scale, the project has the potential to deliver widespread biodiversity benefits. We plan to follow the work of WWF in its 2022 pilot program to look at the biodiversity value of a location and companies' impacts on that value. We are also closely watching the UN's progress on forest and land use guidance. A declaration developed at COP26 and signed by more than 140 countries identifies six aspirations to halt and reverse forest loss and land degradation by 2030, but guidance has not been issued.

Resources

Animal Welfare Policy

Commitment to Source Sustainable Wood-Based Fibers

Consumption



Using innovation and collaboration to create change

Relevant frameworks in this pillar: GRI, SASB, UN SDGs

Contributing to these UN SDGs: 6, 12, 13, 15

We have long been committed to contributing to a more just society and a better world. This means using

our scale, reach and platform to advocate for positive change, address overconsumption and drive toward a more sustainable, less resource-intensive apparel industry. It also means looking past the traditional take-make-waste model toward a circular economy, where nothing is wasted in the manufacture, use and reuse of products. And it means engaging consumers, peers and industry groups in this shared journey to a sustainable future.

In 2021, LS&Co. continued to encourage innovation and broader action on the path to embracing a circular economy and reducing resource consumption. This included bringing to market our first-ever circular Levi's® 501® jean, which contains a blend of organic cotton and fiber spun from discarded denim. We also launched “Buy Better, Wear Longer” – a global marketing campaign that encourages consumers to be more intentional about purchasing decisions and emphasizes our own commitment to becoming more sustainable across our operations.

Throughout our industry, brands must establish a different relationship with the idea of consumption as it applies to consumers and to ourselves – it takes all of us to solve this challenge. That's why consumption is a key part of our broader approach to sustainability, because if we're not talking about consumption and helping to change the paradigm, we will not see the progress our business, our communities and our planet require.

Consumption Goals

Goal:

Key markets to introduce or increase resale and upcycling initiatives to extend the life of our products

Target Year:

By 2025

Goal:

Circular ready*

Target Year:

In 2026*

Goal:

Zero-waste-to-landfill from company-operated facilities and 50% waste diversion across strategic suppliers**

Target Year:

By 2030

Goal:

Eliminate single-use plastics in consumer-facing packaging by shifting to 100% reusable, recyclable or home compostable plastics

Target Year:

By 2030

Goal:

Strategic garment wet finishing manufacturing and fabric mills use 100% certified screened chemistry***

Target Year:

By 2026

Goal:

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

Target Year:

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.”

Consumption Highlights

95%

of all cotton was organic,
recycled or Better Cotton*

100%

of all manmade cellulosic fibers
sourced from Canopy Green
Shirt-rated suppliers*

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

99.94%

pass rate of suppliers in
Restricted Substances List testing

* 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.

Forward-Looking Statements

This Sustainability Report 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.



UN SDGs: 12

Toward a circular apparel industry where nothing is wasted

We are committed to playing a central role in the apparel industry’s journey toward a circular future – one where materials are used and reused safely, where ecosystems are protected and regenerated, and where people have good work and livelihoods. This means making products with their next use in mind. It means we no longer talk about end of life, but about end of use. And it means evolving each part of the apparel supply chain toward a circular economy – starting with our own practices as we work to become more circular ready.

Circular Economy Goals

Goal:

Key markets to introduce or increase resale and upcycling initiatives to extend the life of our products

Target Year:

2025

Goal:

Circular ready*

Target Year:

2026

*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 will be 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.

The Business Case for Circular Apparel

Circular business models can deliver value through strategic growth and innovation. Circular products offer the potential to mitigate risks across supply chains by using more sustainable fibers and fabrics made with

safer chemicals, less water, less energy and less waste. They can support healthier workplaces for people, from farm to factory to retail store. They can reduce our company's exposure to environmental and social risks and reduce the share of garment waste in landfills. They can support growing consumer demand for more sustainable and circular apparel options. And they help to retain value for our customers by extending product life.

Circularity Challenges

Moving to a circular business model is not without its challenges. For instance, some promising new fibers that support circularity may cost more or be less durable. Safer chemicals sometimes pose scaling challenges, are not as easy for suppliers to use, or do not necessarily achieve the same outcomes as the chemical they are meant to replace. And while many suppliers are eager to partner with us on more sustainable innovations, a supply chain spread across many countries makes it harder to quickly apply new approaches everywhere. We are tackling many of these challenges through sustainable design practices, through our Eureka Innovation Lab, and through collaboration with other brands and leading organizations.

The Power of Collaboration

By participating with organizations like Fashion for Good, which funds and scales sustainable innovation, and circular apparel initiatives like the Ellen MacArthur Foundation's Jeans Redesign project, we are helping to realign the industry and create economies of scale. We are also working with industry groups such as the Policy Hub and the European Branded Clothing Alliance, to inform European Union policy that supports the transition to a more circular, less resource-intensive apparel sector.

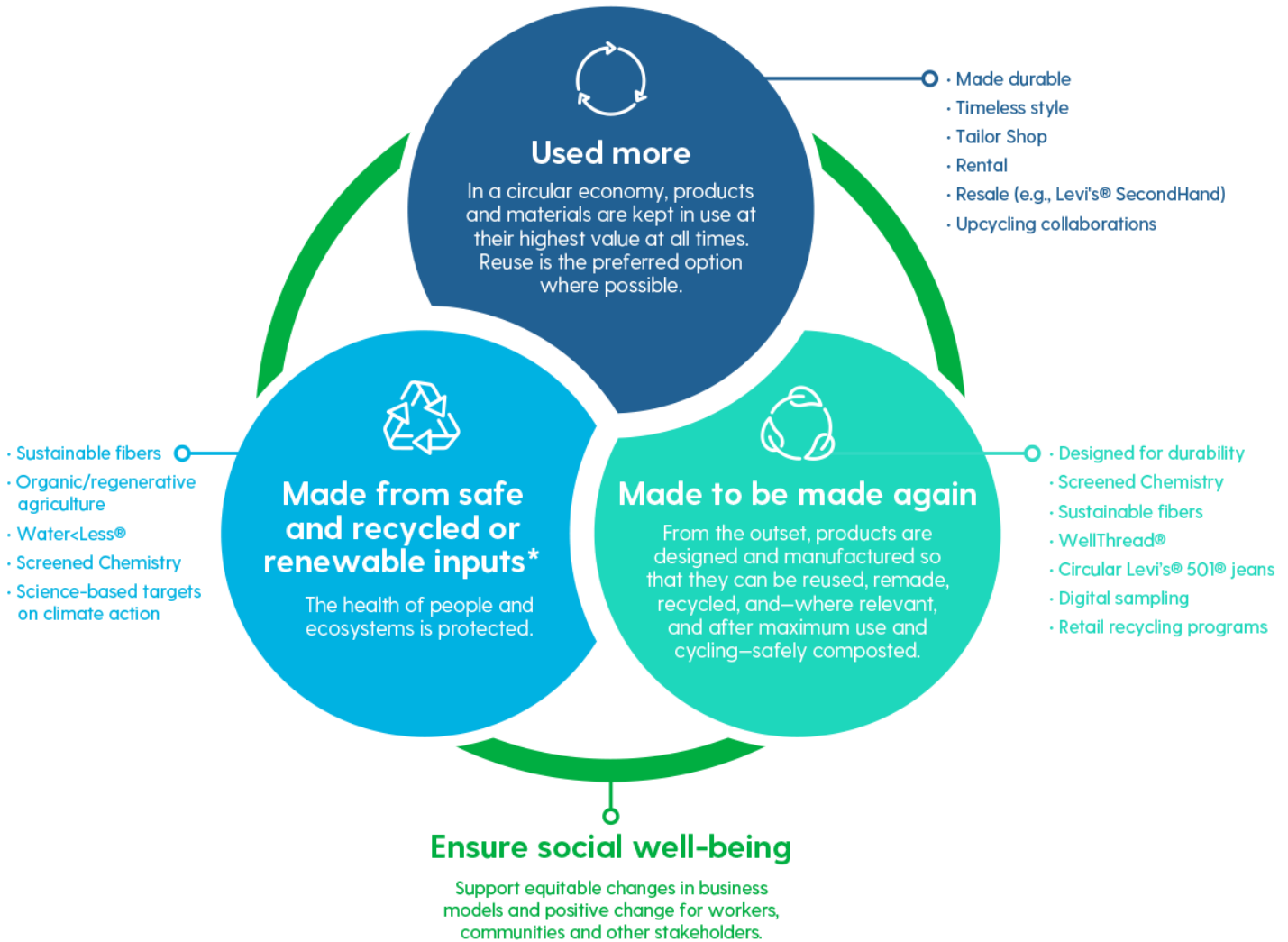
In 2021, some of our collaborative projects addressed the challenges of plastics, sorting technologies for recycling garments, fiber transparency and traceability, and the use of plant-based indigo as a substitute for synthetic dye in denim. We also continued our work with suppliers on solutions to challenges around water use, emissions and worker well-being.

Sorting Textiles for Recycling

LS&Co. is participating in the Sorting for Circularity Fashion for Good project, which aims to drive textile recycling through a new application of technology. The initiative is conducting a comprehensive textile waste analysis using improved near-infrared technology that can read fiber content to tell a recycler what's in a given fabric. The project is also mapping textile recyclers' capabilities with the aim of ultimately creating an

open digital platform to match textile waste from sorters with appropriate recyclers.

Our Approach to Circular Fashion



* Safe refers to products that pass all international product quality and safety tests and meet Zero Discharge of Hazardous Chemicals (ZDHC) wastewater standards.

Our Circular Strategy

By its very nature, circular fashion is intended to create a closed loop. But it has to start somewhere. For us, circularity starts with pioneering principles and fundamental philosophies that guide our ideation and design from the earliest stages. By integrating circularity at the design stage, we can develop products that last, can be repaired if necessary and can be reused or recycled – building a more sustainable and circular system. When designed with consideration for not just their next wear, but also their next life, our products can help transition the apparel industry from the take-make-waste model to one capable of restoring resources.

Our merchandising, design, product development and marketing teams have embraced a circular mindset that aligns with the Ellen MacArthur Foundation's Make Fashion Circular vision. This shift in mindset is a critical first step to understanding the necessary changes and innovations that may be required to set forth a path forward for bringing circular products to the market after 2026.

Used more – kept at the highest value at all times

A pair of Levi's® jeans is designed to stand the test of time, to be worn for years if not decades, to be repaired or refashioned if needed, and to be passed along to new wearers, all while contributing to the owner's authentic self-expression rather than the waste stream. We are also pursuing innovation to shift from the industry's sell-what-you-make approach to a make-what-you-sell approach that optimizes resource use and minimizes excess inventory. Note that "highest value" refers to keeping materials in use, either as a product or, when that can no longer be used, as components or raw materials so nothing becomes waste and the intrinsic value of products and materials is retained.

Made to be made again – designed so they can be reused, remade, recycled and safely composted

We are designing and producing more clothes that are made to be made again, using safe, recycled and renewable inputs. We define "safe" to mean products that pass all recognized international product quality and safety tests and meet Zero Discharge of Hazardous Chemicals (ZDHC) wastewater standards in alignment with the Ellen MacArthur Foundation vision for a circular economy. This also includes working with other brands, partners, platforms and customers to scale programs and achieve lasting change.

Made from safe and recycled or renewable inputs – to protect the health of people and ecosystems

We are committed to making sure our primary materials are third-party preferred or certified more sustainable and have launched initiatives to support use of recycled or recyclable raw materials like Circulose® fiber.* At the same time, Screened Chemistry and other elements of our safer chemicals program

work towards eliminating hazardous chemicals in the manufacture of our products.

**Circulose® is a registered trademark of Re: NewCell AB.*

We have begun collaborating across design and manufacturing to codify a detailed strategy in 2026 to work towards being circular ready. This will mark the first milestone in our holistic approach to circularity, in which we advance work already underway, implement other aspects of the three pillars of the Make Fashion Circular framework and continue industry advocacy to drive policies and shifts that can catalyze progress at scale and create a more conducive environment for a truly circular economy. Concurrently, we will strive to foster positive social impacts in the supply chain designed to ensure a just transition to a circular economy.

Steps we took in 2021 included launching important product innovations like our circular 501® jeans, continuing to explore repair and recommerce options that can extend the life of our products, increasing engagement with both Fashion for Good and the Ellen MacArthur Foundation, and public discussion of our perspective and priorities in the media and other forums. We also launched our “Buy Better, Wear Longer” marketing campaign, which is continuing in 2022 and aims to engage consumers in a frank, urgent discussion of overproduction and overconsumption in the apparel industry.

Made to Be Used More

We are leveraging the durability, quality and timeless style of our products to help consumers use their garments more and longer. Our SecondHand recommerce platform allows people to find popular vintage styles. They can also repair, repurpose and customize their jeans or Trucker jackets to last a lifetime at our in-store Tailor Shops. We also partner with other organizations to support upcycling of our products.

As we push ourselves to create more sustainable products at scale, we will also encourage consumers to keep them as long as possible before passing them on to friends or relatives, returning them to a Levi's® store, updating them for a new look, upcycling them into new items, or recycling them when the time is right and the infrastructure is in place.

Durability and Reuse: Standing the Test of Time

Across our brands, we use a host of innovations and insights to help our products stand the test of time. Everything we make is rigorously tested for durability and designed to nurture the connection consumers have had with our products for more than a century and a half.

Innovation for Longer-Lasting Products

Dockers® uses a Stain Defender technology that is free from perfluorinated compounds (PFCs) commonly

used in our industry, while still allowing water-based stains to bead up and roll off. This stain defender does not dramatically change the feel of the fabric and works with the Dockers® existing 98% cotton pant. With fewer stains and fewer subsequent washes, these garments are expected to last longer.



Tailor Shop – Repair, Reimagine, Recycle

One of the unique aspects of denim is that denim is a blank canvas for the wearer to make their own. The Levi's® Tailor Shop concept was designed with that in mind. Grounded in the Levi's® brand heritage of craftsmanship and commitment to authentic self-expression, Tailor Shops allow fans to get beloved pieces repaired or updated with their own personal stamp. Tailor Shops reflect the emotional connection of the wearer to their cherished garment – and to the brand – while unlocking creativity through customized pieces. Some Levi's® stores have a Tailor Shop, and our tailors have also taken their talents to festivals to reach customers outside the retail world.

Expert tailors take well-worn or torn pieces and rework them, add embroidery, paint or patches to customize an item, turn shorts into wallets or patches, even sew non-Levi's® items like a baby blanket or other keepsake onto a Trucker jacket. Tailor Shop content is available on the Levi's® blog for DIYers who want to

learn from Levi's® master tailors how to embellish, repair or upcycle their denim. In 2021, we introduced Tailor Shop Virtual Workshops so fans could experience the benefits of repairing and repurposing garments without visiting a store.

29 Tailor Shops Across North America

2,400+ customers had products repaired in FY21

Levi's® SecondHand and SecondChance

Buying used garments instead of new saves water, reduces greenhouse gas emissions and cuts waste. The [Levi's® SecondHand](#) platform aims to help consumers do just that. Levi's® SecondHand makes vintage items available to consumers and invites them to join us in a more sustainable future. The platform gives jeans, jackets and shorts another life, while providing consumers with the confidence they're getting something that's still in great shape and that consumes a fraction of the natural resources a new garment would require.

In 2021, we expanded the program in Europe, launching [SecondChance](#) in Germany. During the year, we collected products at eight Levi's® stores in Germany, offering consumers discount vouchers on future purchases in exchange for Levi's® clothing in good condition. We began offering these items for sale through SecondChance in 2022.

In addition, if jeans are too worn or damaged to sell again, consumers can still drop them off at a Levi's® store for recycling and receive a gift card toward a future purchase. Our partner Blue Jeans Go Green then converts that used denim into insulation for buildings, a greener alternative to standard insulation.

Resale and Upcycling

Levi's® SecondHand and Levi's® SecondChance*	FY2021
Units of clothing reclaimed or extended**	28,000 (U.S.) 500 (Germany)
Units of clothing reclaimed or extended through trade-in only	19,000 (U.S.) 500 (Germany)

Levi's® SecondHand and Levi's® SecondChance*	FY2021
Number of units resold***	14,000 (U.S.)
Number of consumers purchasing secondhand items	10,000 (U.S.)

*Levi's® SecondHand is available to consumers in the U.S. Levi's SecondChance is available to consumers in Germany.

**Represents all items sent to Trove for a second life (including consumer trade-ins, vintage products and damaged returns).

***Net items fulfilled. In 2021, as in 2020, we tried to limit in-person touchpoints for our consumers for safety during the COVID-19 pandemic.

Dockers® Vintage

This curated selection of unique, pre-loved and pre-worn Dockers® pieces from the 1980s, 1990s and beyond gives Dockers fans access to some of our historic styles. Each garment has been cleaned, restored and repaired, ready for its next life. The ongoing project is a [collaboration between Dockers® and Transnomadica](#), a vintage archive, which helps us source authentic Dockers® vintage clothing for consumers.



Levi's® Haus

Levi's® Haus, London reflects our sustainable approach to the retail experience, centering around longevity and circularity. Whether customers need a simple patch repair or want to create something entirely new from their pre-loved jeans, Levi's® Haus, London exists to help them extend the life of their denim. In 2022, we opened a Levi's® Haus in Mexico.

Made to Be Made Again

We continue advancing design and material innovations to make clothes that can be made again, using safe, recycled and renewable inputs that contribute to a more circular product cycle. This includes:

- Ensuring our suppliers adhere to the Screened Chemistry protocols designed to support the health and safety of supply chain workers, promote healthier water systems and help us work toward the goal of safe compostable materials at the end of our products' useful lives.
- Using responsibly sourced fibers like organic cotton and manmade cellulosic fibers. We also believe that third-party preferred or certified more sustainable fibers make a better quality garment.*
- Revolutionizing the use of water-saving hemp to make it soft and comfortable like cotton.
- Partnering with innovators like Re: NewCell on state-of-the-art fibers made from post-consumer recycled jeans and other responsible components.
- Extending our WellThread® design innovations to our mainline collections, such as with the circular 501® jeans. This is part of our ongoing work to reinvent the total concept-to-consumer value chain that prioritizes sustainability and circularity along the product life cycle.

**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.”*

First-Ever Circular Levi's® 501® Jeans

In a step forward toward more circular practices, we took our iconic Levi's® 501® jean – the original and best-selling five-pocket jean of all time – and designed it to be made with advanced recycled materials.


By producing the 501® jean with recycled content and in a way that makes them recyclable, we demonstrated that we can deliver a more sustainable product that looks great, saves resources and meets our high quality standards. For our circular 501® jeans to have a second (and third and fourth) life after they've been worn, we chose recyclable materials, starting with the denim. We blended certified organic cotton with Re: NewCell's pioneering Circulose® fiber, a breakthrough material made from worn-out jeans and sustainably sourced viscose.

We also removed elements that would disrupt the cotton recovery process later. Pocketing and labels – typically made from synthetic fibers – are 100% cotton in our circular 501® jeans to enable efficient recycling.

We chose metal trims that are not electroplated to eliminate heavy metals and reduce water consumption. And our technique for fabric dyeing and garment finishing not only reduced water consumption, but also resulted in zero discharge of hazardous chemicals in the finishing process.

Of note, our innovation in using a blend of organic cotton and a smaller amount of post-consumer recycled cotton means that the denim still has exceptional durability and longevity. In traditional recycling processes, fibers become shorter – and weaker – with each trip through the recycling machinery, but using Circulose® fiber avoids that issue.* This is our first circular product offered through mainline Red Tab, but won't be our last. Following years of development work, we originally used this unique fiber blend in our WellThread® collection in a jean that *FastCompany* named a [“World Changing Idea in 2021.”](#)

*Circulose® is a registered trademark of Re: NewCell AB.



OUR FIRST-EVER CIRCULAR

MADE OF RECYCLED MATERIALS & DESIGNED TO BE RECYCLED



10% CIRCULOSE® PULP FROM INDUSTRIAL TEXTILE WASTE

6% CIRCULOSE® PULP FROM POST-CONSUMER DENIM WASTE

24% WOOD PULP FROM SUSTAINABLY MANAGED FORESTS

60% ORGANIC COTTON

METAL TRIMS DON'T USE ELECTRICAL PLATING PROCESS

MADE WITH OUR WATER-LESS® FINISHING TECHNIQUES

DESIGNED WITH ALL COTTON TRIMS, MAKING THE GARMENT EASILY RECYCLABLE

USES AWARD WINNING AND INDUSTRY RECOGNIZED INNOVATION AND DESIGN TO REDUCE ENVIRONMENTAL IMPACT WITHOUT SACRIFICING LEVI'S® QUALITY OR DURABILITY

DESIGNED FOR CIRCULAR ECONOMY

- MADE FROM SAFE AND RECYCLED OR RENEWABLE INPUTS**
- DESIGNED TO BE USED AS LONG AS POSSIBLE**
- MADE TO BE MADE AGAIN**

WellThread® – Research, Development and Innovation

Our continued circularity work builds on the achievements and breakthroughs of the Levi's® WellThread® collection, which is essentially a living research and development lab for sustainable design and innovation. WellThread® subscribes to four prevailing use principles:

- **Materials and processes that prioritize environmental stewardship**
- **Production in facilities that support worker well-being**
- **Design that promotes durability and celebrates timelessness**
- **Garment engineering that enables efficient material recovery and reuse**

Initially, the WellThread® collection was a way to push the sustainable boundaries of how we make our clothes. Today, it is a vehicle for continued progress with which we work through design and manufacturing challenges to create more innovative products that incorporate multiple sustainability attributes.

Recently that progress has come in the form of exciting innovations and styles, including natural indigo dye techniques, post-consumer recycled fibers, more organic and in-transition cotton and the recyclability of every WellThread® garment. WellThread® innovations are helping us make sustainably produced, fully recyclable garments a reality, and transition them into our mainline products as we have done with the circular 501® jeans. Among current and future focus areas are work with natural plant-based dyes and projects related to transitional cotton – cotton on its way to becoming organic cotton in a farming and soil management process that takes about three years.

State-of-the-Art Digital Denim Sampling

The Eureka Innovation Lab has accelerated its deep dive into digital prototyping and renderings that can minimize or eliminate sample production and the associated waste. Previously, digital rendering had not been viable for denim because it failed to accurately capture the character of the fabric on a screen. Our Eureka team developed the technological infrastructure through which new styles and finishes can be shared with buyers and consumers can see what products could look like. By coming up with a groundbreaking way to visualize a finish – or an entire product – that is photorealistic, we can virtually convey what it's like before it has to exist physically.

This new digital sampling platform is accessible to suppliers, merchandisers, third-party retailers and others, and reduces the number of physical product iterations needed. In turn, this preserves the resources that would have been required to make samples, shortens the time to market, and saves money for us and our suppliers. Coupling this approach with improved AI-based forecasting that allows us to better predict who will buy what, where and when, offers the potential to greatly cut down on waste associated with overproduction. As we continue to demonstrate the technology's adaptability and value, we hope to expand

its use significantly.

F.L.X. – Future Finish®

Project F.L.X., also launched by the team at Eureka, is a 3D digital design and laser finishing technology that enables a more responsive supply chain while vastly reducing the number of chemicals needed for the finishing process. The technology has also been incorporated into our Future Finish® customization service, which offers consumers a new level of denim personalization. Digital sampling, F.L.X. and Future Finish® together comprise a suite of digital design and manufacturing tools that are helping to change the prevailing apparel model from selling what we make to making what we sell, based on a much clearer picture of consumer tastes, with a production platform that is far more agile and much closer to the consumer. This helps us better deliver the same timeless, built-to-last products consumers want most, when they want them, saving resources and reducing waste in the process.

Recycling Levi's® Products Supports Refugees

As millions of refugees and asylum seekers continue migrating in search of better lives, LS&Co. has launched various projects to help support economic stability in certain communities. The Levi's® x Cooperative Porto Alegre is a capsule collection of handmade recycled denim products created in collaboration with the Porto Alegre Cooperative in Italy. The program not only provides refugees with training and new skills, but also donates 100% of net sales proceeds directly to the social cooperative to further support the vulnerable populations they serve.

Made from Safe and Recycled or Renewable Inputs

LS&Co. joined the Ellen MacArthur Foundation Jeans Redesign project in 2021 to help drive greater circularity in the denim world. The initiative provides guidelines for brands and suppliers to make jeans that can be used more, are designed to be made again, and are made of safe, recycled and renewable inputs – the three fundamentals of circular apparel.

The Jeans Redesign guidelines already align with LS&Co.'s minimum requirements for denim jean durability, and set additional standards for material health, recyclability and traceability to support a circular economy. The project's commitments are in step with our WellThread® collection's established design methodology – while challenging us to deliver increased unit volume and a more transparent reporting protocol. Although our circular 501® jeans were not developed as part of our work with the Jeans Redesign project, they

conform to Jeans Redesign, and we plan to develop additional jeans that comport with the Jeans Redesign standards as part of our commitment as a participant.

And while Jeans Redesign applies only to denim, our non-denim brands are doing their part to support responsible materials and product recycling when the time comes. At Dockers®, a continued embrace of recycled fibers complements our prioritization of natural fibers over synthetics.

From supporting organic cotton farming, to sourcing recycled fibers and more sustainable manmade cellulosic fibers, to incorporating next-generation fibers like Circulose®, we are working to consider the entire product life cycle in our raw material sourcing.* Read more about these innovations in [Sustainable Fibers](#).

**Circulose® is a registered trademark of Re: NewCell AB.*

We also have been working to remove hazardous chemicals from our supply chain for more than two decades. We issued a Restricted Substances List in 2000. We achieved zero discharge of hazardous chemicals for strategic wet finishing suppliers and have shared the Screened Chemistry approach with others in the industry. Read more about our leadership in [Safer Chemicals](#).

We are making progress toward our goal of 100% renewable electricity in all company-operated facilities by 2025. Read more in [Climate Action](#).

Because water is consumed throughout the apparel value chain – from cotton cultivation and garment manufacture to consumer use and recycling – a circular approach demands that we make sure production, supply chain practices and technologies all support efficient water use. The LS&Co. Water Action Strategy builds on our water Recycle & Reuse Standard for suppliers, a key piece of our Water<Less® program, which in turn drives other innovations in our products and our suppliers' processes. Read more in [Water Stewardship](#).

Consumers – Sharing the Journey to Circular

Everywhere we operate, whether in our stores or online, we aim to give our fans a connected experience. We understand their passion for our iconic brands and want to honor that passion in every interaction – whether they're buying a new pair of jeans, reworking a beloved Trucker jacket in a Tailor Shop, or looking for a soft pair of secondhand Levi's® jeans.

Buy Better, Wear Longer – an Ethos and a Call to Action

The Levi's® "Buy Better, Wear Longer" marketing campaign, launched in 2021, aims to raise awareness about overproduction and overconsumption, and to deliver a call to action – for ourselves, our consumers and our industry – to be more intentional about how we design, make, sell and buy clothes. Through "Buy Better, Wear Longer," consumers around the world can come together to rethink fashion production and

consumption. Positive social sentiment for the “Buy Better, Wear Longer” campaign in 2021 was strong, up to 87% positive on any given day, signaling that our consumers are aligned with the message and interested in contributing.

Similarly, the Dockers® [Waves for Water](#) initiative invites consumers to help fund clean water filters for communities in need. Collectively, consumer connection campaigns like these reflect our sustainability ethos, celebrate innovative products and invite consumers to participate in our shared journey to a sustainable future.

Partners in Sustainability

Our consumer surveys indicate growing concerns about sustainability issues like climate change – concerns that have increased since the beginning of the COVID-19 pandemic. The action consumers most want companies to take in order to enable sustainable living is to make more affordable products that are better for people and the planet. In the majority of countries where LS&Co. surveys consumers, they associate Levi’s® with products that are durable and high quality. This recognition positions us to meet consumer expectations with products designed to last, that can be worn again and again, and can ultimately be recycled where the appropriate infrastructure exists, rather than discarded.

Additional 2021 consumer research conducted in partnership with GlobeScan and other leading companies in 31 markets showed that people around the world are open to adopting more sustainable and healthy behaviors, but often do not know where to start. A majority, 73%, indicated they want to significantly reduce their impact on the environment and 75% are very or somewhat interested in companies making products from recycled materials and/or that are fully recyclable, as well as restoring nature and the environment. LS&Co. also continues to sponsor the annual GlobeScan Healthy & Sustainable Living Study – one of many key studies from which we draw to learn more about consumer perspectives and behaviors when it comes to sustainable fashion and circular economy approaches.

Awareness and Transparency through Labeling

As the apparel industry offers more garments labeled “sustainable,” it can be harder for consumers to determine which innovations are truly making a difference. One way we enhance awareness is through labeling, including complying with applicable regulations regarding country of origin, manufacturer identification address or code, care instructions and fiber content and size, as required in certain countries.

Our products include what we call a Care Tag for the Planet – labels sewn into our products to encourage washing less frequently, using cold water, line drying and donating when no longer needed. Our e-commerce site also offers sustainable product care tips. Likewise, LS&Co. products that include cottonized hemp,

organic cotton, and innovative fibers like REFIBRA™ and Circulose® include labels identifying those environmentally friendly fibers.*

*REFIBRA™ is a trademark of Lenzing Aktiengesellschaft. Circulose® is a registered trademark of Re: NewCell AB.

View our [“Buy Better, Wear Longer”](#) and [Water<Less® innovation](#) videos.

What’s Next – Circular Economy

As we continue our progress toward circular readiness, we are working at both a large scale, such as collaborating with Fashion for Good, and a smaller scale, as we’re doing by aiming to increase our take-back offerings and exploring partnerships to drive used products through more circular channels. Building on the strong foundations provided by WellThread®, Water<Less®, Screened Chemistry and other initiatives, we are working to identify and implement more sustainable practices – and reflect a circularity mindset – in product development. We are committed to sourcing third-party preferred or certified materials and incorporating pioneering fibers into our mainline collections, such as 501® jeans and Red Tab™. We still need to look more holistically at the entire product life cycle from agriculture and production, to packaging, shipping, consumer use and reuse.

To this end, in 2022 we will continue our participation in a Fashion for Good project that aims to understand the different textile waste streams in India, including those generated outside the country and shipped into the country, with the eventual aim of determining how to use pre- and post-consumer textile waste in India. Importantly, we plan to conduct a social impact assessment of textile recycling, which will give the apparel industry valuable information about both the environmental and social impacts of textile recycling.

We will work through our store network to connect directly with consumers and increase reuse and textile-to-textile recycling opportunities for used denim. Our plans for 2022 include growing our in-store program, which incentivizes customers to turn in unwanted jeans, delivering a more global program that is available to even more of our customers. We will explore programs with new recycling partners to build out our vision of circularity by creating channels for used denim to be reworn, recycled or downcycled, diverted from landfill, and recognized as a resource for a circular economy.

Other future focus areas include work with natural plant-based dyes and projects related to transitional cotton – cotton on its way to becoming organic cotton in a farming and soil management process that takes about three years. As an initial step, we reached out to a mill in our supply chain that has direct relationships with smallholder cotton farmers. We began sponsoring education on organic cotton with farmers and offered them a purchase guarantee during the transitional process.

At the same time, the Levi’s® and Dockers® brands are pursuing reliable and scalable natural dyes, some of which also save water. Additional work with partners to continue evolving our fiber portfolio includes

understanding how best to incorporate in-transition cotton. In these areas and others, we don't yet have all the solutions to the challenges of creating a truly circular apparel and less resource-intensive value chain. But we will forge ahead with our competitors, partners and customers to find them.



SASB: CG-AA-440a.3; CG-AA-440a.4

GRI: 301-1; 301-2; 301-3

UN SDGs: 12, 13, 15

The foundation of sustainable apparel

Much of the fashion industry relies on virgin fibers to produce yarns and fabrics for apparel. The Ellen MacArthur Foundation estimates that over 53 million metric tons of virgin fibers are used annually – primarily due to the lack of scale in recycled fiber technology and the economies of scale needed to create cost-effective alternatives to virgin fibers. We took meaningful steps in 2021, including establishing a new goal to use only third-party preferred or certified more sustainable primary materials by 2030. We also launched initiatives to test our ability to scale more sustainable fibers, such as introducing Levi’s® circular 501® jeans made with Circulose® fiber and supporting cotton cultivation methods that use less water, involve fewer pesticides and promote healthy soil.*

Currently, sourcing more sustainable fibers has a limited impact on our climate targets, although we continue to evaluate this as a pathway to impact reduction.

*Circulose® is a registered trademark of Re:NewCell AB.

Sustainable Fiber Goals

Goal:

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

*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.” Our “primary materials” include cotton, manmade cellulosic fibers and polyester. We define “more sustainable” materials as those that have achieved third-party certification or verification.

Fiber Metrics*

Metrics	FY21 Percentage Used in Our Products
Cotton that was organic, recycled or Better Cotton	95% of all cotton

Metrics	FY21 Percentage Used in Our Products
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 (LWG)-rated suppliers	>35% of all leather
Recycled polyester	8% of all polyester

**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.*

For more data see [Our Performance: Data Tables](#).



More Sustainable Cotton

Nearly 90% of the fibers used in our products are cotton-based, which makes it critically important that we find more sustainable and regenerative sources for that cotton, while continuing to investigate alternative fibers and upholding our standing prohibition on the use of any cotton from regions where there is evidence of systemic forced, child or bonded labor.

We define “more sustainable” materials as those that have achieved third-party certification or verification.

Our efforts toward more sustainable cotton intersect with many other elements of our sustainability strategy, including action on climate change and water stress. We also believe we have a responsibility to support agricultural practices that contribute to environmental stewardship and social fairness for cotton farmers.

During FY21, 95% of our cotton was organic, recycled, or Better Cotton.* We intend to reach 100% certified or preferred more sustainable cotton in 2025 while continuing to diversify our portfolio to incorporate more sustainable and less resource-intensive alternatives to conventional virgin cotton.** Our strategy to reach this goal includes supporting organic cotton agriculture, using more post-consumer recycled cotton when available and sourcing pre-consumer recycled cotton.

We also remain committed to unlocking the challenge of scaling more sustainable cotton and quantifying its environmental and social benefits. We have achieved success already in sourcing more sustainable cotton, but we want to more fully understand how sustainable cotton can limit water consumption, support biodiversity and use agricultural practices to drawdown greenhouse gas emissions. This represents an evolution in our approach to more sustainable cotton and the recognition of the role we can play in driving further progress in the global cotton industry.

**The Better Cotton Initiative (BCI) trains farmers to produce cotton in ways that respect the environment and strengthen the industry. Licensed Better Cotton farmers must adhere to principles to minimize use of pesticides, use water efficiently, safeguard soil health, protect biodiversity, preserve cotton fiber health and promote decent work. Our use of Better Cotton does not replace our commitment to organic cotton, but it contributes to achieving our goal of sourcing 100% more sustainable cotton.*

***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.”*

Organic Cotton

Organic cotton is grown without the use of toxic and persistent pesticides or fertilizers, unlike conventional cotton, which uses both. The impacts to human and environmental health associated with conventional cotton agriculture are well documented, and life cycle studies by the Textile Exchange showed that organic cotton production can save water compared to conventionally grown cotton. We are committed to supporting organic cotton production and sourcing organic cotton for our WellThread® collection, Levi's® Red Tab™ and some Dockers® products. The organic cotton we source is third-party certified to the Organic Content Standard (OCS) or Global Organic Textile Standard (GOTS).

As demand for organic cotton has grown, there have been challenges to global supply. Organic cotton

makes up a small percentage of the global cotton supply and the discovery of falsely certified organic cotton in India and of forced labor in the Chinese supply chain have limited the organic cotton supply. This situation has recently led to other developments, such as the largest certification body that certifies organic cotton in India announcing they will no longer certify, as well as our internal ban on any cotton sourced from China's Xinjiang province. LS&Co. is following a plan to incrementally increase our use of organic cotton to manage these challenges, but only with the highest level of integrity and attention to the quality of actual practices on the ground in organic cotton growing regions. We are also participating in collaborative platforms to advance the organic cotton industry, starting at the farm level.

Better Cotton

LS&Co. is a founding member of BCI and joined the initiative in 2010. BCI's vision is to transform the cotton-producing sector by enabling more sustainable agricultural practices such as reduced water consumption, chemical use at the field level and increased market access for farmers. By aligning environmental and financial sustainability, reducing market barriers through a mass balance system and working with stakeholders at every stage of the supply chain, BCI has shown an exceptional ability to scale. By the end of the 2020-2021 cotton growing season (defined by BCI as July 2020 – August 2021), Better Cotton accounted for 10% of global cotton production and 2.2 million licensed BCI farmers produced 4.7 million metric tons of Better Cotton

During the COVID-19 pandemic, BCI was able to work through its network of implementation partners and licensed farmers to provide personal protective equipment, updates on the pandemic and safety advice to remote cotton farming communities. For LS&Co., participating in BCI as a member and supporting Better Cotton demonstrates our commitment to improving cotton farming on a global scale, supporting farmers' livelihoods and driving environmental improvements at the field level.

U.S. Cotton Trust Protocol

In 2021, we joined the U.S. Cotton Trust Protocol, a farm-level, science-based program setting a new standard for more sustainably grown cotton. We also serve on the Trust Protocol Board of Directors as a representative of apparel retailers. Specifically, the Trust Protocol strives to bring quantifiable goals with verified impact to sustainable cotton production. The Trust Protocol offers several opportunities for us to drive more sustainable and transparent cotton cultivation. It supports ongoing efforts to make U.S. cotton production more sustainable, further diversifies our cotton portfolio, offers verified data in six sustainability metrics, and provides a trackable cotton supply chain for all members. These benefits promise to help us measure progress toward our water and climate targets and communicate the impact of this work publicly.

Our participation in the Trust Protocol supports greater sustainable practices in the U.S. It aligns with our global sustainable fiber priorities and our participation will allow us to further diversify our more sustainable

cotton portfolio, which is prudent given how much cotton we use. Our initial work with the Trust Protocol has included a pilot with a number of mills that support LS&Co. in the Americas. We are also participating in the pilot phase of the Protocol Credit Management System, which uses blockchain technology to record and verify the movement of U.S. cotton fiber along the entire supply chain.

Pioneering Fiber Innovations

Cottonized Hemp

Hemp requires less water and fewer pesticides to grow but had traditionally felt too coarse on the skin for unaltered use in denim. We worked with other innovators to devise a way to soften rain-fed hemp so that it feels like cotton. This advancement aligns with our commitment to safer chemicals in the apparel supply chain and to responsible stewardship of the resources required to make our products.

Both Levi's® WellThread® collections and mainline products have featured cottonized hemp, bringing the environmental benefits and comfort of soft hemp to even more consumers. Innovating and scaling the use of alternative fibers like cottonized hemp are key steps along the way to delivering more sustainable apparel. In 2021, we launched cottonized hemp in Dockers® products. While it was a small part of the 2021 Dockers® fiber makeup, we look forward to being able to incorporate more of this water-saving fiber in the future.

Recycled Fibers

While we continue to explore the use of recycled denim and other cotton fabrics such as those in t-shirts and other tops, limitations on the strength and durability of recycled cotton fibers pose challenges. Each time a cotton textile is recycled, its fibers become shorter, which reduces strength. We are trying to achieve the right balance between recycled cotton and virgin cotton in any given fabric to meet our standards for strength and durability – which are not only required to meet our quality requirements but are key tenets of our circular apparel approach.

Responsible Manmade Cellulosic Fibers

Fibers like viscose, modal and lyocell are produced using wood pulp. The sourcing of wood as well as the fiber manufacturing processes can have significant impacts on the environment, from air and water quality to biodiversity. The sustainable production of manmade cellulosic fibers provides opportunities to tackle some of the apparel industry's sustainability challenges and contribute to building resilience, accelerating regeneration and supporting a circular economy. We continue to address the impacts of wood-based fiber production by sourcing 100% of our manmade cellulosic fibers from responsible supply sources, as rated by

Canopy.

Back in 2019, LS&Co. completed the shift of all manmade cellulosic fibers – viscose (rayon), modal, and lyocell – to suppliers earning a Canopy “Green Shirt” rating with a minimum of 25 buttons in Canopy’s Hot Button Ranking, which requires eliminating sourcing from Ancient and Endangered Forests. In this move, we transitioned away from generic viscose to traceable viscose and expanded our use of lyocell, such as Lenzing’s Tencel™ fiber, which continually recycles the chemical solvents used to produce the fiber and requires less energy and less water than generic viscose.* In FY21, we accepted manmade cellulosic fibers from the companies Lenzing, Birla, Tangshan Sanyou (for Circulose® fiber) and Kelheim.** All manmade cellulosic fiber suppliers to LS&Co. must be Canopy Green Shirt-rated and committed to responsible manufacturing.

We source sustainable wood-based fibers consistent with our CanopyStyle commitment to work with suppliers to prevent wood-based materials from the world’s Ancient and Endangered Forests from entering our supply chain. Our work to address the impacts of manmade cellulosic fiber manufacturing is consistent with our Commitment to Zero Discharge of Hazardous Chemicals. It is also aligned with the Changing Markets Roadmap.

**Tencel™ is a trademark of Lenzing Aktiengesellschaft.*

***Circulose® is a registered trademark of Re: NewCell AB.*

Next-Generation Fibers

About two-thirds of the manmade cellulosic fibers used in our products are lyocell fibers, created with closed-loop manufacturing processes that recover and reuse chemicals and water. This drastically reduces the environmental impacts and natural resources required for production. We are also incorporating the pioneering REFIBRA™ technology, which involves upcycling cotton scraps from garment production into our products.* These cotton scraps are transformed into cotton pulp and added to wood pulp, with the combined raw material resulting in new Tencel™ Lyocell fibers to make fabrics.

**REFIBRA™ is a trademark of Lenzing Aktiengesellschaft.*

To further advance progress toward next-generation manmade cellulosic fibers, we participate in the Vision for the Future of Manmade Cellulosic Fibers initiative, a collaborative venture of the Forum for the Future and Textile Exchange. This multi-stakeholder program lays out five interdependent components for regenerating ecosystems, producing fibers with zero harm, enabling circular systems, creating prosperity and upholding rights in the value chain. We see participation in visionary collaborations like this one as important building blocks in our industry’s journey to next-generation fibers that not only eliminate harm, but also offer the potential to regenerate ecosystems and strengthen biodiversity.

Animal Welfare

As detailed in our [Animal Welfare Policy](#), updated in 2021, LS&Co. aims to ensure that wherever materials derived from animals are used in the production of our products, their health and welfare is protected. Our suppliers are expected to use the international industry best practices known as the Five Domains for Animal Welfare. Additionally, we prohibit the use of animal-derived products and materials from any endangered species as identified by the International Union for Conservation of Nature (IUCN) Red List. We do not accept wool from mulesed sheep and we are working to ensure all virgin wool in new LS&Co. products will be Responsible Wool Standard-certified by 2025.

We are committed to the principles of the Responsible Down Standard (RDS) and 100% of our down products are certified to the standard. In 2021, we joined the Leather Working Group (LWG) to support responsible leather processed using best practices by environmentally certified leather suppliers. That same year we began using some leather for footwear and accessories from Leather Working Group-certified sources. In FY21, more than 35% of the leather we sourced came from LWG-rated suppliers for footwear and accessories, a number we are working to expand over time. With many supplier partners along the chain of custody, it can be difficult to determine the exact origin of leather. We have evaluated the use of leather in our backpatches to see how we might further increase our visibility into the leather supply chain. In 2022, we will work with our suppliers to assess the animal welfare of cattle in our supply chain using the Royal Society for the Prevention of Cruelty to Animals (RSPCA) beef cattle welfare standard.

Synthetic Fibers

Synthetic fibers like polyester can help to enhance product performance. And while they are a small portion of the LS&Co. fiber portfolio, we are committed to reducing our use of virgin synthetics through recycled fibers. For instance, Dockers® continues to use recycled polyester and is also working to shift away from synthetics by collaborating with suppliers to bring sustainability attributes into other performance fibers.

Dockers® incorporates polyester for moisture wicking, strength and other performance properties. The brand launched its new Dockers® Rec collection with a variety of products – tops, shorts and pants– featuring recycled fibers. For instance, REPREVE®, a recycled polyester made from plastic bottles and traceable through the UTRUST certification program, was used in the Dockers® Rec collection for men’s hiking shorts and utility pants.*

*REPREVE® is a registered trademark of Unifi, Inc.

Certification

Certification is the last step in the process of traceability and assuring the integrity of more sustainable fibers. It reflects third-party verification of fiber content, chain of custody, social and environmental practices, and other attributes. Certifications align definitions of certain characteristics, such as organic content, recycled content, safer chemical use and others. LS&Co. uses the Textile Exchange Certifications – Organic Content Standard, Global Recycled Standard, Recycled Claim Standard, Responsible Down Standard, Responsible Wool Standard and others – and the [Preferred Fibers and Materials](#) list to define our “more sustainable materials.” We define “more sustainable” materials as those that have achieved the related third-party certification or verification.

One exception is hemp. Still considered an innovative fiber, hemp is not yet certifiable, but its significant sustainability potential is gaining recognition. We worked with third parties to substantiate water and chemical use reductions associated with hemp cultivation and the process we use for our cottonization, or softening, of hemp. We are working with industry associations such as the Sustainable Apparel Coalition to recognize hemp as a more sustainable material.

During 2021, we worked extensively to substantiate water and chemical use considerations associated with innovative fibers, materials and input for dye processes. This included making sure the bio-based fibers we source are not food turned into textiles and are grown with responsible land-use practices. We engaged a third party to identify ways to substantiate our claims regarding water and chemical use with a high degree of confidence. During the year, we began pursuing brand-level certification to the Organic Content Standard (OCS), the Recycled Claim Standard (RCS) and the Global Recycled Standard (GRS). These certifications would be in addition to the existing Responsible Down Standard (RDS) certification we rely on for responsibly sourced down. Already, our company-operated factory in Plock, Poland, is certified to develop products under the OCS.

What’s Next – Sustainable Fibers

Today, more sustainable, next-generation fiber solutions are still emerging. Through collaborations enabled by the Organic Cotton Accelerator, U.S. Cotton Trust Protocol and other organizations, we are joining forces with likeminded brands, with nonprofits and with farmers to create the positive change the cotton industry needs. We plan to participate in the Better Cotton Initiative’s new work to provide physical traceability of Better Cotton in an emerging program that seeks to revise the current chain of custody practices, standardize data collection, adopt innovative cotton integrity checks and meet other objectives. And we will keep driving on our key focus areas – sourcing fibers responsibly, engaging suppliers to address textile manufacturing impacts, and using next-generation fibers that are less resource-intensive – as we continue our work to deliver more sustainable products at scale.

Resources

Animal Welfare Policy

Commitment to Source Sustainable Wood-Based Fibers



SASB: CG-AA-250a.1; CG-AA-250a.2; CG-AA-430a.1

GRI: 303-2

UN SDGs: 6

A hazard-based approach to safer apparel chemistry

We are committed to providing products that are safe for both people and the environment. This includes not only designing LS&Co. products to be manufactured without hazardous chemicals, but also instituting processes in the supply chain to prevent hazardous chemicals from entering the environment in the first place. We require that all materials, chemicals and other goods provided by suppliers and their sources are screened. We ban the use of certain chemicals in our products and specify limits for other chemicals in our finished products. To ensure that the finished products meet these stringent requirements, our suppliers must implement regular testing and quality assurance programs subject to our review.

By addressing both chemical input and output, our holistic approach not only ensures that our products are made with safer chemicals to protect human health and the environment, but our program also supports product reuse or recycling later in life.

Controlling Both Inputs and Outputs for Safer Chemistry Overall

Textile mills use some 20,000 chemicals and are estimated to generate about 20% of the world's industrial water pollution. In 2000, we were one of the first apparel companies to establish a Restricted Substances List (RSL), identifying chemicals that are restricted in the manufacturing of our products due to their potential effects on consumers, workers and the environment.

In 2012, we joined the Joint Roadmap Toward Zero Discharge of Hazardous Chemicals (ZDHC), pledging to reach zero discharge of hazardous chemicals by 2020 for strategic wet finishing suppliers – a set of goals we met and a major milestone for our chemical management program. Screened Chemistry is designed to understand the potential human and environmental hazards of chemicals before they enter the supply chain, and to help us find safer and more sustainable alternatives. We continue evolving our approach to identify the safest chemicals for use in manufacturing our products.

In 2021, we set a goal that all strategic garment wet finishing manufacturing and fabric mills will use 100% certified Screened Chemistry by 2026.* After aligning with the AFIRM Group (Apparel Footwear Industry RSL Management Group) RSL for many years, we formally adopted the AFIRM RSL in 2022. Using the AFIRM RSL enhances our ability to manage restricted substances to further reduce the use of any potentially harmful substances in factories where our products are manufactured.

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

Along this journey to sustainable chemical management, we have tried to play a central role in helping shift the apparel industry from a reactive state focused on products and RSL testing, to a more proactive

approach that manages input chemistry through Screened Chemistry and the ZDHC Manufacturing Restricted Substances List (MRSL). Focusing on chemical inputs allows us to select the safest chemical options for the supply chain. This eliminates hazardous chemicals from consideration before they even get to manufacturing facilities.

With our suppliers, we have established an effective system to monitor chemicals going into our production processes. We have moved from a risk-based evaluation of chemicals to one based on specific hazards, and we measure and report chemical output through factory wastewater testing. We believe controlling chemical inputs is the best approach to ensuring more robust chemical management in the apparel supply chain, in order to continue delivering safe products to our consumers, keep our workers safe and manage wastewater outputs.

Safer Chemicals Goals

Goal:

All strategic garment wet finishing manufacturing and fabric mill factories will use 100% certified Screened Chemistry*

Target Year:

2026

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

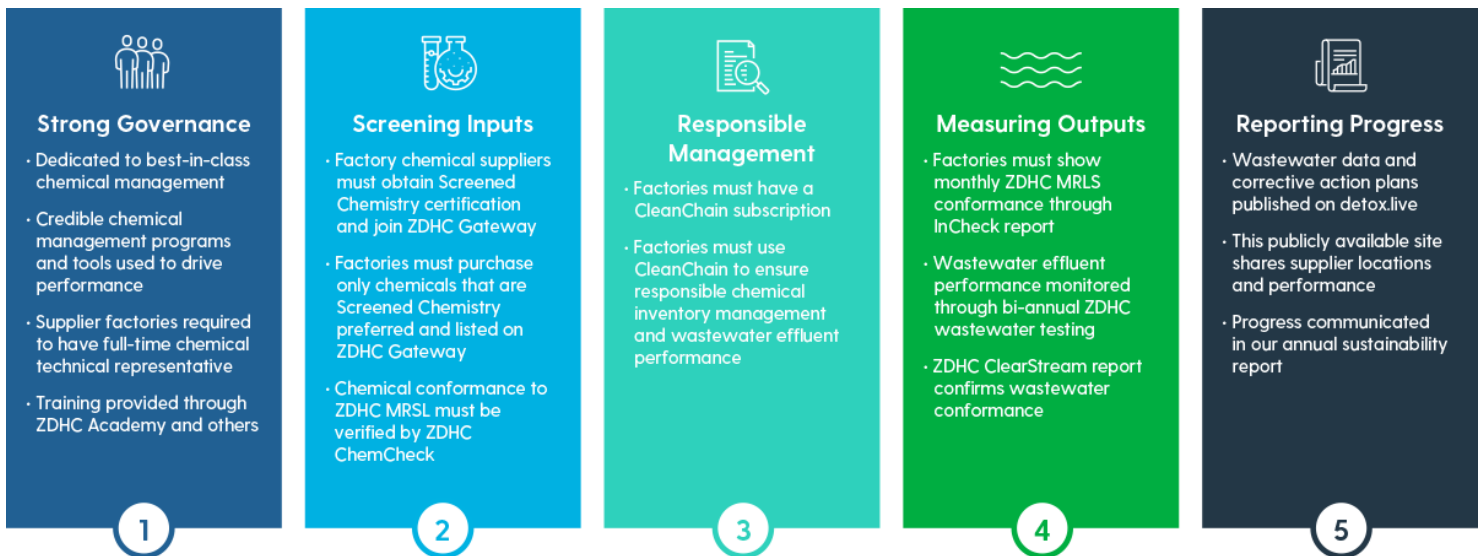
Chemical Metrics

Metric	FY21
Number of chemicals on the LS&Co. Preferred Chemical List, which encourages our suppliers to use safer alternatives in their manufacturing	~1,300
Number of factories using LS&Co.'s Preferred Chemical List and reporting chemical use to the CleanChain tool	~100

Metric	FY21
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%

For more data see [Our Performance: Data Tables](#).

Our Approach to Safer Chemicals



Safer Chemical Recognition

ZDHC Leadership – Aspirational Level: We were one of just five apparel companies to earn this designation in 2021. The Aspirational Level is the highest category of success, recognizing our many

achievements in the Roadmap to Zero Program and other work on safer chemicals in our supply chain.

Natural Resources Defense Council (NRDC): LS&Co. received an A+ from NRDC in 2022 due to our longstanding commitment to phasing out all per- and polyfluoroalkyl substances (PFAS) chemicals, the highest ranking among 30 top U.S. apparel brands surveyed and the only company to receive an A for our early adoption of a PFAS elimination policy to remove PFAS from our supply chain.

Safer Chemicals, Safer Products

As of January 1, 2016, LS&Co. stopped producing products with any perfluorinated chemicals (PFCs) – that have unique properties to make materials waterproof and stain resistant. We extended our use ban to cover all per- and polyfluoroalkyl substances (PFAS) in 2018. Our ban on PFCs and per- and PFAS is significant, considering there are currently no equally effective water- and stain-repelling alternatives.

The LS&Co. RSL prohibits the use of priority chemicals identified by Greenpeace and ZDHC, including alkyl phenol ethoxylates, phthalates, short- and medium-chained chlorinated paraffins, flame retardants and others. We take measures to fully enforce our ban on alkyl phenol ethoxylates (APEOs) – chemicals used in some detergents and surfactants. Suppliers are not allowed to intentionally use these banned chemicals in LS&Co. products.

In addition to ensuring suppliers adhere to Screened Chemistry, monitoring supplier wastewater quality and encouraging them to use chemicals from our preferred list, we also conduct testing on finished garments. This includes product testing for chemicals as well as mechanical and construction characteristics, such as flammability and various product safety requirements for children's wear.

During 2021, we achieved a product testing pass rate of 99.94% in both development and production testing against our RSL. Additionally, periodic and random product testing at 80% of Tier 1 factories demonstrated a 100% pass rate, indicating that our products consistently meet our strict requirements globally. In 2022, we hope to extend our random testing to footwear and accessories as well. Globally, LS&Co. is consistent in demonstrating the utmost product safety compliance with regulatory requirements. Several of the countries in which we operate, including the U.S., have either a national product liability reporting system or participate in a regional reporting system that provides publicly available data. No LS&Co. products were reported as recalled in any of those national or regional reporting systems in 2021.

Adopting the AFIRM RSL

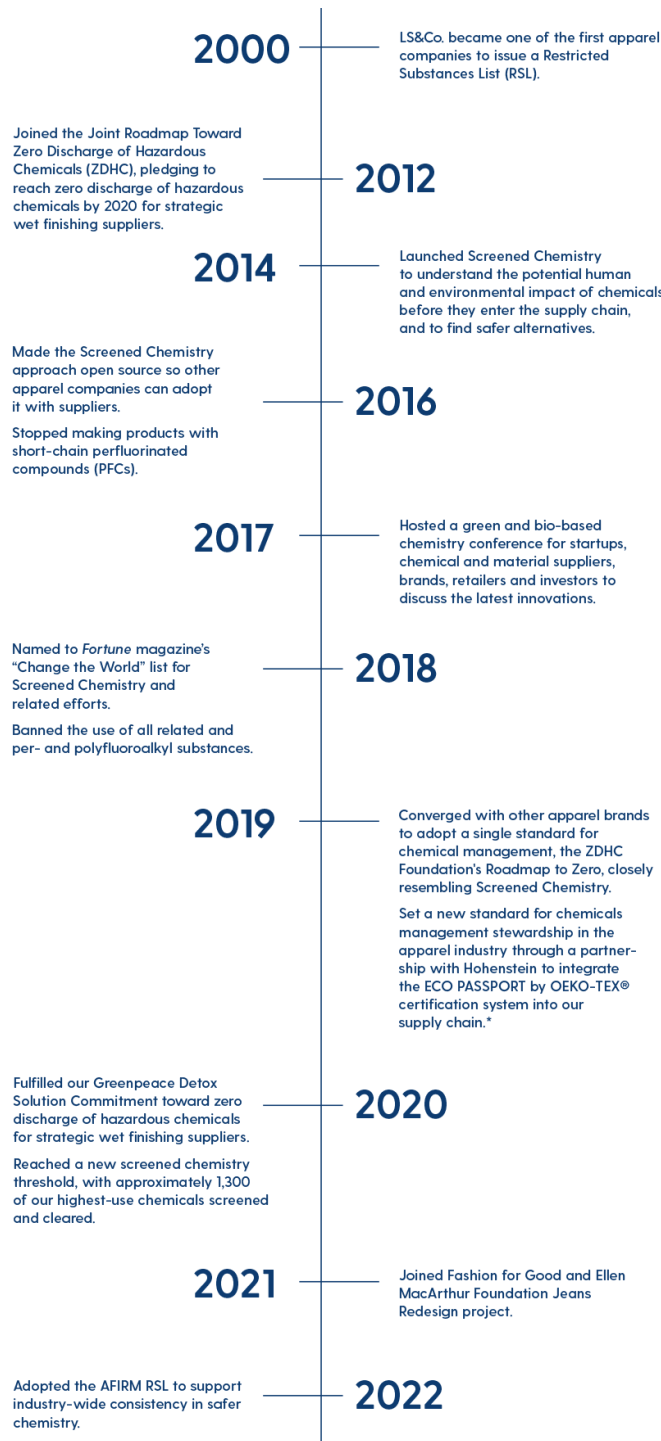
In 2004, LS&Co. was one of the founding members of the AFIRM Group and has aligned with the AFIRM Group RSL for many years. In 2022, we formally adopted the AFIRM Group RSL and AFIRM Packaging RSL as part of our ongoing commitment to supporting greater industry collaboration and consistency.

Comprehensive New Guidance and Standards

The [2022 LS&Co. Product Safety by Design Framework for RSL](#) document introduces supplier requirements for various emerging issues in safer chemicals – such as antimicrobials, flame-retardant chemicals and priority chemicals to phase out from our finished products. The new framework is also intended to promote better understanding of the contents of chemical formulations and enable suppliers to substitute safer alternatives.

Some of our requirements exceed those of the AFIRM RSL, including certain priority chemicals that we ban; Supplier Code of Conduct requirements; emerging issues policies for carcinogens, mutagens, reproductive toxins (CMR); skin sensitizers; endocrine disruptors; and persistent, bioaccumulative, toxic (PBT) chemicals. The LS&Co.-specific requirements above the AFIRM RSL apply to all materials, parts, chemicals, components, packaging and other items, including sundries – small items like buttons and buckles – that are intended for use in our products without exception.

Our Safer Chemicals Timeline, 2000 to 2022



*OEKO-TEX® is a registered trademark of OTI - Institut Für Ökologie, Technik und Innovation GmbH.

Restricted Substances Stewardship Program

We launched the Restricted Substances Stewardship Program (RSSP) in 2014 to ensure conformance with the ZDHC Roadmap and the successful elimination of priority chemicals as identified by Greenpeace and ZDHC. The program provides guidance and a plan to eliminate priority chemical use and discharge, while supporting safe and responsible chemicals management.

Through the RSSP, we require manufacturing suppliers to prioritize responsible chemicals management. They are required to work closely with chemical suppliers and analytical laboratories to ensure that responsible management extends throughout the supply chain. This provides us with transparency into program implementation and promotes accountability. LS&Co. monitors RSSP performance and compliance status monthly. We have focused on implementing the program with suppliers and aligning the RSSP with the ZDHC MRSL, as well as on other tools and training developed within the ZDHC Roadmap.

From Chemical Risk to Chemical Hazard

Although the words are sometimes used synonymously, *hazard* refers to a substance's inherent properties that make it capable of causing harm to human health or the environment. *Risk*, on the other hand, is the possibility or likelihood of a harmful event coming from exposure to a substance. That's why we see preventing hazards as the right approach to chemical management.

As part of our continued evolution in sourcing the safest possible chemicals in our supply chain, the Screened Chemistry system was designed to shift us and our suppliers from a risk-based to a hazard-based chemical management approach. Since 2014, we have been evaluating chemical formulations from a hazard lens with the help of third-party toxicology experts. This includes looking at the full material disclosure of chemical compounds in a given substance to make the right selection. Screened Chemistry allows us to validate all incoming chemicals through hazard assessment to ensure they contain no chemicals of concern, regardless of percentage within the formulation. This is in contrast to a risk-based approach, which does not require full disclosure and can only reduce the likelihood of negative outcomes and unsafe outputs at the end of the pipeline.

Our RSL and the ZDHC MRSL indicate chemicals that are banned or limited to a certain threshold in our products and in our manufacturing processes, respectively. However, for the effective elimination of harmful chemicals beyond what is currently restricted and regulated, Screened Chemistry – with full chemical formulation disclosure – allows us to identify chemicals of concern in advance of regulations.

Screened Chemistry

The pioneering [Screened Chemistry](#) approach examines chemicals used to manufacture our products against specific health and environmental impacts, allowing us to identify better alternatives and areas for innovation. The aim is for all LS&Co. suppliers to use our Preferred Chemical List, which represents safer alternatives for manufacturing. This is a much more proactive approach to sustainable chemicals management in the industry, and one that we open sourced to benefit the entire supply chain.

To date, we have screened and cleared approximately 1,300 of our highest-use chemicals. Screening was performed by a toxicologist, validating RSL and ZDHC MRSL compliance as well as ensuring full material disclosure of the chemical formulation. We have shared the Screened Chemistry program with others in the industry and with the ZDHC Foundation, which is working on adopting the program as part of the ZDHC Aspirational Chemical Management level.

Importantly, the Screened Chemistry approach exceeds legal requirements for chemical safety. Under Screened Chemistry, any impurity or addition to a chemical must be disclosed and meet the ZDHC MRSL. To this end, Screened Chemistry has also included a pilot on commodity chemicals – the bulk chemicals that serve as building blocks in chemical processes and are the largest volume of chemicals used in apparel supply chains. Including commodity chemicals in the Screened Chemistry approach is a breakthrough for our supply chain. The commodity chemicals used in the apparel industry sometimes come from other industries, such as pharmaceuticals, and can contain impurities, residuals or contaminants from those other industrial uses. Commodities are difficult to address, but we are up for the challenge. We know that meeting our safer chemical ambitions requires us and the industry to address these chemicals.

On the Way to 100% Screened Chemistry at Strategic Facilities

Our goal is to implement certified Screened Chemistry at 100% of strategic garment wet finishing manufacturing and fabric mills as part of upholding our ZDHC commitment. Impurities screened by the program are measured down to 100 parts per million.* Our Preferred Chemical List, along with the corresponding hazard scores, are available through the ZDHC Gateway. This gives suppliers the resources they need to select safer chemicals.

We also continue focusing efforts on Tier 2 suppliers, including encouraging our Tier 1 suppliers to engage more of their vendors that have adopted the Screened Chemistry program.

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

CleanChain Tool

Third-party toxicologists upload Screened Chemistry certificates to the CleanChain tool, where they can be accessed by our key suppliers. As of the close of 2021, more than 100 facilities, including factories, mills and laundries are uploading their chemical purchases and deliveries. This allows us to see the chemicals used, by weight or volume, in those factories on a monthly basis. This tool allows us to have an outsized impact on safer chemical management beyond our own products, as our shared suppliers apply many of these preferred chemicals to the garments they produce for other, non-LS&Co. brands.

We actively monitor chemical usage and wastewater impacts at Tier 1 and 2 facilities through both the CleanChain tool and ZDHC Gateway web application. Supplier chemical use is also cross-checked through bi-annual wastewater testing. The monthly chemical use report is publicly available on the ZDHC Gateway and the wastewater data is available on the ZDHC detox.live platform. The latter provides year-over-year wastewater quality data. Finally, any factory demonstrating an issue with wastewater quality is subject to a corrective action plan, which also must be uploaded to the [ZDHC detox.live](#) site.

Monitoring Our Supply Chain

We monitor for substances of concern by tracking our suppliers' testing of chemicals and through wastewater testing. We maintain specific performance standards by product category and conduct RSL testing based on hazards at both development and manufacturing stages against applicable standards in our Product Integrity Portal.

By closely monitoring chemical safety standards and usage across the supply chain, we are better able to identify and eliminate potential RSL non-compliances at early stages of product development, preventing further wastewater contamination. Both Tier 1 and Tier 2 factories are encouraged to participate in the [ZDHC Supplier to Zero program](#), through which suppliers can connect to the ZDHC Gateway database and implement ZDHC's sustainable chemical management system.

Substances of Concern Declarations

Since its inception, our approach to safer chemicals has been designed to make sure that no intentional use of substances of concern occurs in the manufacturing of our products. Today, our priority chemicals list as well as our usage ban for PFAS, antimicrobials, flame retardants and other substances of concern are clearly documented in the LS&Co. Product Safety by Design Framework for RSL. We also regularly provide product declarations to various customer inquiries. This includes adhering to REACH requirements for responding in a timely fashion to external inquiries about use of any substances of very high concern. To continue ensuring

product safety, we regularly review and update our RSL document, while also seeking to add chemicals to our Preferred Chemical List and phase out emerging chemicals of concern.

Progress Toward Scalable Plant-Based Indigo

Over the years, LS&Co. has tested a variety of botanical dyes, but we have generally found they produce variations in color that customers don't like, in part because there is no non-chemical color fixing agent available to lock in a desired level of color saturation. We believe plant-based indigo dye shows promise for widespread use.

As part of our work with Fashion for Good, in 2021 we forged a collaboration with Stony Creek Colors to pilot the use of plant-based, pre-reduced indigo at scale, part of our ongoing efforts to reduce the number of potentially harmful chemicals in the denim supply chain. This is a new program for us with the Fashion for Good partnership, but it continues an existing collaboration with Stony Creek Colors. The Levi's® brand has worked with Stony Creek Colors' plant-based dyes for several seasons of its WellThread® collections, infusing their plant-based indigos into the line's various denim pieces.

The program is running performance trials on IndiGold™ indigo dye at selected denim mills using different dyeing systems.* The goal is to unlock learnings around shade application and other efficiencies. The project aims to have additional garments dyed with IndiGold™ on the market by late 2022 and early 2023. As an added benefit, Stony Creek Colors grows its indigo on former tobacco farms providing income to farmers shifting their operations to different crops.

**IndiGold™ is a trademark of Stony Creek Colors.*

Partnerships and Certifications for Progress

We believe in industry collaboration to bring scale and scope to our commitment to zero discharge of hazardous chemicals. Over the past two years, we announced key partnerships to strengthen the program:

- We have two key partnerships to advance sustainable chemicals management with Scivera and NimkarTek Laboratory to pioneer cutting-edge approaches for screening and tracking bulk commodity chemicals in apparel supply chains.
- We partnered with the Hohenstein Institute to use the ECO PASSPORT by OEKO-TEX® certification system for enhanced testing, verification and transparency to chemical suppliers.
- We encouraged Scivera and Jeanologia to develop an Environmental Impact Measurement (EIM) tool for chemicals certification, and the resulting system is being piloted. We are exploring the possibility of implementing EIM for chemicals, in addition to the energy and water EIM, which we already use.

In addition, our [LS&Co. Product Safety by Design Framework for RSL document](#) highlights LS&Co.'s preferred fiber and apparel certification schemes, including the Global Organic Textile Standard (GOTS), Global Recycled Standard (GRS), and several OEKO-TEX® standards – ECO PASSPORT, STANDARD 100, MADE IN GREEN, LEATHER STANDARD and STEP.

What's Next – Safer Chemicals

We remain as committed as ever to advancing the use of safer chemicals. Above and beyond our 2026 commitment that strategic garment wet finishing manufacturing and fabric mills use 100% certified Screened Chemistry, we will continue to advance strategies, programs and collaborative efforts with key partners to develop and scale sustainable chemicals management strategies across the apparel sector.*

This includes continuing to partner with ZDHC, AFIRM, Fashion for Good and others to create more sustainable change at scale, eliminate hazardous chemical use and improve wastewater treatment practices across the industry. In 2022, we plan to conduct an OEKO-TEX® pilot for chemical commodities at selected factories in support of future OEKO-TEX® STANDARD 100 product certification. We will also continue our collaboration with the Hohenstein Institute to use the ECO PASSPORT by OEKO-TEX® certification system to better implement our chemicals management processes and create a template for the apparel industry.**

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

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Resources

Product Safety by Design Framework for Restricted Substances List

Screened Chemistry



SASB: CG-MR-410a.3

UN SDGs: 12, 15

Optimizing resources in our operations and supply chain

To achieve a circular economy in fashion, the challenges related to waste must be addressed at significant

scale and in collaboration across the industry. The Ellen MacArthur Foundation estimates that a garbage truck of textiles is landfilled or incinerated every second somewhere in the world. It is estimated that aggregate textile waste will increase by about 57 million additional tons of waste annually by 2030.

At LS&Co., we are committed to doing our part to address these challenges by reducing waste in our supply chain and our own operations; making it more convenient for consumers to change their own consumption and recycling patterns; working with the industry to solve the challenges that currently limit the scale of collection, sorting and recycling technologies; and minimizing the use of plastics. This also includes our focus on developing more circular product designs that use recycled inputs and are recyclable, while using recycled and recyclable packaging for our e-commerce shipments and product packaging. These and other strategies will move us closer to our vision of zero waste.

In 2021, we continued this journey by developing detailed roadmaps to achieve two new zero-waste goals.

Zero Waste Goals

Goal:

Zero-waste-to-landfill from company-operated facilities and 50% waste diversion across strategic suppliers*

Target Year:

2030

Goal:

Eliminate single-use plastics in consumer-facing packaging by shifting to 100% reusable, recyclable or home compostable plastics

Target Year:

2030

*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.

Our Products

We are working to make even more products with safe, recycled and renewable inputs that contribute to circularity. This includes making sure suppliers adhere to Screened Chemistry protocols, an important step in ensuring safely compostable materials at the end of our products' useful lives. We use responsibly sourced fibers like organic cotton and responsible manmade cellulosic fibers as recognized by Canopy. We have incorporated state-of-the-art fibers made from post-consumer recycled jeans and other responsible components, and we have extended some of our WellThread® design innovations to our mainline collections, such as with the circular Levi's® 501® jeans.

For more about our use of recycled and renewable raw materials, read [Sustainable Fibers](#).

For more about the ways we are becoming circular ready, read [Circular Economy](#).

Shrinking Care Labels and Hangtags

In 2021, we reduced the width of our care labels by 25%. For care labels on our tops, we switched to using recycled raw materials. Our primary supplier estimates that the smaller labels reduce related fabric waste by about 30% for bottoms and by about 70% for tops. We also reduced the size of a number of the paper hangtags on Levi's® bottoms. As just one example, moving away from our large matchbook-style tag to a much smaller tag on Levi's® 541 jeans reduced the overall size by 62%.

Predictive Forecasting, Smart Buying

Most apparel companies – and we are no exception – carry more units of apparel than they end up selling to be prepared to satisfy consumer demand across a variety of styles, colors and sizes. With this practice comes waste in the form of excess and obsolete inventory. Optimizing this inventory could reduce environmental impacts, from production, to shipping, to energy use in distribution.

Driving higher accuracy in our demand forecasting process by digitizing and infusing artificial intelligence predictions is a priority in addressing this opportunity. We have opportunities to use digitization for product prototyping, eliminating the need to manufacture physical prototypes and samples. We will continue working toward a digitally powered organization to increase efficiency and eliminate waste wherever possible.



E-Commerce and Third-Party Retail

Shipping packages to our customers and receiving returned packages generates a lot of waste. From paper to polybags, we are working to reduce the amount of packaging our online customers receive. Over the last two years, we have collaborated with a variety of third-party retailers to reduce or eliminate the polybags used to protect our garments during transport to their distribution centers and stores.

Read about how our [Henderson, Nevada, distribution center](#) is optimizing efficiency and reducing waste by going omnichannel.

Retail Stores

The LS&Co. Retail Sustainability Playbook includes operational guidelines for reducing waste generated in our retail stores. It provides guidance for reducing our environmental footprint by minimizing store waste and increasing recycling and reuse rates at all LS&Co. store locations. Among other guidance, the playbook advises retail store managers to:

- Partner with waste haulers to ensure all waste is sent to the proper location, such as a recycling center.
- Ensure all waste is separated at the store level for proper recycling, including cardboard boxes and polybags from shipments.
- Implement a recycle or reuse program for common store items, including clothes hangers, display features and other recyclable materials.
- Establish in-store recycling programs for customer clothing, along with a local partner for proper donation or recycling of all used clothing.

Pre-fabricated fitting room walls allow us to take the walls with us should we move to a new location, eliminating the waste associated with disposing of the old ones and using resources to build new ones. In 2021, we began implementing this approach at our stores in India, and we aim to expand use of pre-fabricated fitting room walls to other regions in 2022.

All company-operated U.S. and Canadian Levi's® retail locations and all U.S. wholesale locations use 100% post-consumer waste stock for their print materials. What's more, the newest mannequins we use are made from 100% recycled base stock that blends both post-industrial and post-consumer materials. The material has an unlimited shelf life and the mannequins themselves use a universal base, which means stores will not have to discard a base because it doesn't fit. Printed imagery is made from upcycled plastics that can be recycled again into more graphics.

Other features include wallpaper made of plant-based reed fiber and cotton paper pulp applied to the walls with glue that has a potato or rice starch base. Wool rugs have been made from sustainably and humanely raised sheep, the wool has been colored with natural dyes, and rug backings are made of sisal, a plant material. In 2021, we applied these and other innovative features to Levi's® store upgrades, including stores designed to our "indigo concept," which reflects a unique brand experience through ambient lighting, an open and airy feel, and sustainability attributes throughout the store and its fixtures.

Reducing Waste in Construction

To improve efficiency and reduce waste in building out our retail stores, we have begun using a master set of plans and specifications for construction that incorporates sustainability features from our Retail Sustainability Playbook. The set includes metadata and dashboards to make it as easy as possible for construction teams to use, with the aim of minimizing change orders that are inherently inefficient and potentially wasteful. We anticipate the new plans and specs, as well as a new digital collaboration platform, will cut construction waste once fully implemented.

Company-Operated Factories

Our manufacturing facility in Plock, Poland, is working toward zero waste to landfill through a waste segregation and recycling program – including a waste management and recycling campaign for employees – and collection of denim material scraps for reuse in the household industry. During 2021, an estimated 400 metric tons of fabric scraps were collected and sent for recycling or recovery. The facility has

also provided employees with reusable water bottles, eliminating the use of plastic cups.

Our plant in Epping, South Africa, aims to achieve zero waste to landfill through a robust waste segregation and recycling program for paper and plastic, along with denim material waste collection for reuse in the automotive industry. In 2021, the facility began repurposing some fabric waste into products for use by charitable organizations.

Eliminating Pumice Stone Waste in the Apparel Supply Chain

Pumice has been used for many years in processes commonly referred to as stone washing to give denim garments a worn-in, authentic look. And while pumice is natural, it also creates a lot of waste, both from upstream mining and from its use in factories, which then ultimately ends up in landfills. In fact, each pumice stone can be used just two or three times before it degrades into sand. We've been encouraging some of our suppliers to switch to enzyme-based softening powders and synthetic stones to reduce waste.

Shifting away from pumice avoids the water pollution impacts from mining and the climate impacts associated with shipping pumice from Turkey and Indonesia, the two countries that export it. Synthetic stones can be used about 3,000 times before they are ultimately recycled and replaced and so they also offer cost savings to our suppliers.

As of early 2022, more than 5,400 metric tons of pumice stone waste have been avoided by LS&Co. suppliers who have switched to non-pumice fabric softening methods. This is equivalent to approximately half the weight of the Eiffel Tower.

Distribution Centers

Our 12 company-operated distribution centers handle about 65% of our total volume globally and about 5% of our global e-commerce volume. We have opportunities to make efficiency changes that reduce waste in logistics and shipping at these locations. To gain even more control over efficiency and waste, we have brought some e-commerce operations in-house, including bringing our U.S. e-commerce logistics operations to our LEED Platinum-certified distribution center in Henderson, Nevada. A new system in Henderson eliminates the addition of polybags and saves other plastic packaging, while also reducing transportation needs – all of which will add up to environmental improvements. Our company-operated distribution centers have recycling programs that allow them to reduce waste.

Eliminating Poly Liners and Reusing Cartons

Before being placed into a shipping container, our garments are packed into boxes of various sizes. Different boxes are used across the world, which reduces loading efficiency and leaves wasted space inside the containers. Our shipping experts continue working hard to optimize the size of boxes and match box size and durability to the product, but we have not yet resolved the issue of multiple box sizes being used around the world.

We have strengthened the boxes in which our products ship so they can remain intact when they reach distribution centers. This has included improving their moisture-resistant coatings to eliminate some of the polybags used by suppliers to protect our products during shipment and to eliminate the internal poly liners that used to be necessary to protect our products from humidity and wet weather. The stronger, coated boxes also allow our distribution centers to reuse a majority of the cartons that come into the facilities from suppliers, repack them and ship products out to large retail customers.

Eliminating Single-Use Plastics

Soft plastic packaging bags, or polybags, and other plastics are ubiquitous in the apparel industry, with an estimated 180 billion polybags produced for the industry every year and a small percentage collected for recycling. Polybags are the clear plastic bags commonly used to protect garments, footwear, and accessories during storage and shipping. Other forms of plastics used in the apparel industry include a range of items, from small hooks, clips and shirt collar supports to large shipping carton liners – which we have begun eliminating in concert with suppliers. Polyvinyl chloride, or PVC, has been banned from use with any LS&Co. products, so all polybags used for our products are non-PVC, industrially compostable or made with recycled content. Even so, we are working to find ways to reduce their use in our supply chain, distribution centers and stores. To meet our goal of eliminating single-use plastics in consumer-facing packaging by 2030, we are working to shift to 100% reusable, recyclable or home compostable plastics.

Reducing Polybags

In the LS&Co. value chain, our suppliers wrap light-colored t-shirts, tops and bottoms in polybags to keep them clean and folded. Over the past few years, we have carefully examined our polybag use practices to determine whether we can replace them with biodegradable options and use different folding techniques to minimize the need for a polybag. In 2021, we began collecting data to establish a polybag use baseline for

our products associated with Tier 1 and Tier 2 suppliers, representing the majority of our product volume. This cross-functional step is fundamental to tracking future polybag reduction progress.

Once our North American e-commerce operations moved to the LS&Co. Henderson, Nevada, distribution center, we began eliminating polybags from e-commerce shipments departing that facility. If a product arrives in a polybag, it stays in one, but we do not add polybags to products that arrive without one. We have begun discussions with third-party retailers about ways they can remove polybags from their e-commerce shipments of our products as well, especially with products like dark blue or black jeans. In 2021, our company-operated distribution centers tested the use of paper bags instead of polybags with some WellThread® products and discovered that the paper's brittleness made them unsuitable for use with conveyor belts, so our search for sustainable polybag alternatives continues.

Pre-Packing Our Products to Eliminate Polybags

Simply eliminating a polybag can cause a product to un-fold and the hangtag to tangle, so we are exploring reduction alternatives like pre-packing. This would allow us to have suppliers pack a specific size range and quantity of garments into a box that does not get opened until it has reached its retail store destination. In 2021, we began collecting data to better understand how many of our products are already getting pre-packed and where the additional opportunities lie.

Ongoing Challenges

There is a reason polybags are so common in our industry – they work well to protect folds and keep clothing clean. Finding alternatives that work as well is a challenge. Some of our third-party retail partners require product shipments from us to be pre-packed. This means these items do not get opened and repackaged at a distribution center and must be in a polybag to protect them.

What's Next – Toward Zero Waste

In 2021, we began accelerating our waste strategy, setting two new goals and identifying immediate and longer-term actions to meet them. Although we are making progress, we want to do much more, especially when it comes to addressing the systemic issue of polybags. In our own operations, we have begun developing a waste sampling approach for our company-operated retail stores to identify and begin quantifying our waste streams and the existence of infrastructure that would allow our stores to recycle. We plan to pilot polybag takeback for recycling at retail locations. As part of our commitment to become circular

ready and support the emerging concept of extended producer responsibility, we also aim to upgrade in-store takeback of used garments globally, targeting our company-operated stores in all major markets. And of course, we will continue seeking ways to incorporate more recycled fibers into our products, as we have done with our circular Levi's® 501® jeans.

In the supply chain, we plan to develop and implement Higg FEM training for key suppliers to better equip them to report waste using the FEM tool. We are participating in a Fashion for Good circularity sorting project in Europe that aims to create solutions to match textile waste with recyclers, as well as a sorting project in India to research the volume and use of pre- and post-consumer textile waste. We will also participate in a Fashion for Good project to test bio-based polybag alternatives, and will continue working with industrially compostable bags and recyclable polybags made from recycled content. And a baseline for waste in our supply chain, which we anticipate will be in place before the end of 2022, will support monitoring and accountability going forward.

Community



Putting people first

Relevant frameworks in this pillar: GRI; SASB; UNGC

Contributing to these UN SDGs: 3, 5, 8, 10, 11, 13, 16

Our value chain includes many people who contribute to the success of our business: Farmers who grow our raw materials. Mill workers who produce our fabrics. Those who sew our clothes, footwear and accessories. Dedicated employees in stores, distribution centers and corporate offices. Millions of consumers around the world. And the people who live and work in the areas where we operate.

Together, they make up our global community. And we are committed to doing what we can to help make

sure everyone in the LS&Co. value chain has access to safe and supportive work environments where they can bring their whole selves and experience dignity and respect. This includes fostering a culture that is diverse, equitable and inclusive – in our own operations and those of our suppliers and vendors. And it includes using our voice and our philanthropy to foster well-being, equality and resiliency in ways that consistently put people first.

Our actions and ambitions within this community framework include employee programs for health and safety, wellness and development; diversity, equity and inclusion work; our supply chain standards and Worker Well-being initiatives; our social issue advocacy; and our giving and volunteering programs. Together, these are cornerstones of the “profit through principles” approach that guides our business.

Community Goals

Goal:

Continually improve apparel worker health, satisfaction and engagement

Goal:

Ensure competitiveness and equity in total rewards

Goal:

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

Goal:

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

Goal:

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

2021 Community Highlights

100 points

– a perfect score – on the Human Rights Campaign (HRC) Corporate Equality Index in 2021, our 18th year in a row

~\$893M

in early payments directed to LS&Co. suppliers through an International Finance Corporation program in 2020 and 2021

~80%

of LS&Co. product volume sourced from factories using Worker Well-being initiative in FY21

\$13.5M

donated to communities through direct corporate grants, Levi Strauss Foundation grants and products

33%

increase in women among our global executive leadership team, FY20 to FY21

Forward-Looking Statements

This Sustainability Report 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.



SASB: CG-MR-330a.1

GRI: 2-7

UN SDGs: 5, 8, 16

UNGC: Principle 6

Cultivating a diverse and inclusive workplace

At LS&Co., we're committed to creating a workplace where people from all backgrounds feel confident that their voices will be heard and their contributions welcomed. It's not just the right thing to do – it's a business imperative. We know that companies are stronger and more successful when they are diverse and inclusive.

Key Diversity, Equity and Inclusion Metrics

Gender*	
Metric	2021
Executive Leadership Team	61.5% women; 38.5% men
Top Management**	42.6% women; 57.4% men
Corporate Employees	55.4% women; 44.6% men
Frontline Workers	58.2% women; 41.8% men
Race and Ethnicity*	
Metric	2021
Executive Leadership Team	84.6% White 7.7% Asian 7.7% Latinx

Metric	2021
Top Management**	64.9% White 15.7% Asian 9.4% Latinx 4.7% Black 2.1% Other BIPOC*** 3.2% no data
Corporate Employees	50.7% White 23.3% Asian 11.5% Latinx 7.3% Black 4.5% Other BIPOC 2.7% no data
Frontline Workers	31.1% White 36.8% Latinx 20.5% Black 5.2% Other BIPOC 5.3% Asian 1.1% no data

*Gender and race/ethnicity data reflects the workforce, including frontline workers and corporate employees, from 1/1/2021 to 12/31/21. Frontline workers includes retail, distribution center and plant workers; gender data is global; race/ethnicity data is U.S. only.

**Top management is defined as the top ~250 leaders in the company.

***BIPOC refers to Black, Indigenous and People of Color.

Diversity Training

Metric	2021
Number of workshops and learning sessions offered	75
Number of active global learners across our corporate and retail populations	12,926
Number of translated languages for training	20+
Global completion rate achieved	87%

University and Diversity Recruiting	
Metric	2021
Number of formalized partnerships with organizations working to develop diverse talent pipelines in areas most relevant to LS&Co.	13
Number of established partnership programs	10
Number of hosted branding and recruiting events	12
Number of converted diverse applicants	1,578
Number of strategic partnerships of our key business functions: Design and Brand, Technology and our Digital Enterprise	3
Corporate Grantmaking	
Metric	2021
Percent of organizations LS&Co. supported that were BIPOC-led	51%
Percent of LS&Co.'s giving that advanced racial equity goals	53%

Diversity, Equity & Inclusion Impact Report

In 2022, we launched our first-ever annual Diversity, Equity & Inclusion Impact report. The report reflects our commitment to fully and transparently communicate our progress in making our company more diverse and inclusive. It includes details on our progress, including our hiring and retaining of talented professionals from underrepresented groups and our continued efforts to understand the identities, intersectionalities and experiences of our people across our corporate, retail, distribution centers and plants worldwide.

Please see our [2021 DE&I Impact Report](#) for more information.

Global DE&I Strategy

Defining a clear, multi-faceted, global strategy was an imperative first step for us as we doubled down on our commitment to DE&I. Please see our [2021 DE&I Impact Report](#) for more about our global DE&I strategy.

Representation

In 2021, we experienced growth across our corporate, distribution and retail populations. Although we saw a decrease in the overall percentage of representation for women, we made notable increases in their representation across our executive and top management levels. In the U.S., we're also more diverse than a year ago, led by notable increases in our Black and Latinx populations.

Please see our [2021 DE&I Impact Report](#) for more information on representation at LS&Co.

Read more about how we support employees in [Employee Support and Development](#), which covers benefits, pay equity, employee resource groups and learning and development.

Global Training Initiative

In 2021, we introduced #thepledge, our global DE&I training initiative. #thepledge included targeted training efforts from our retail stores to our C-Suite.

Please see our [2021 DE&I Impact Report](#) for more information on our global training initiative.

Diversity and University Recruiting

We formed a Diversity and University Recruiting team to focus on collaborating with our talent acquisition and DE&I teams to augment our hiring and ensure that we're intentionally recruiting diverse talent and providing them with dynamic career growth opportunities.

To enable inclusive recruiting at LS&Co., our priority in 2021 was to lay the foundation for advancing our diversity hiring practices.

Please see our [2021 DE&I Impact Report](#) for more about our recruiting practices.

Diversity Programs

In 2021, we focused our DE&I programs on three key areas:

- Building our capabilities
- Investing in our talent
- Driving equity

Please see our [2021 DE&I Impact Report](#) for more about our programs.

What's Next – Diversity, Equity and Inclusion

Moving into 2022 and beyond, we are committed to:

- Ensuring employees of all backgrounds, and with all types of experiences, have meaningful career opportunities at LS&Co., feel supported and see a path forward for growth.
- Improving how we track and measure impact, with an emphasis on better data and increased transparency.
- Developing stronger leaders with essential capabilities – including inclusive leadership, anti-bias and anti-racism practices.
- Growing as an industry leader in employee well-being by fostering a culture of empathy and implementing policies that support the diverse, holistic needs of all employees – so they can prioritize their wellness and well-being both inside and outside of work.
- Launching Diversity Action Plans – data-driven operational plans created to focus and shape action to drive DE&I, talent and culture on functional – and collectively on global – levels. Their purpose is to enable functional executives, their leadership teams and human resources partners to:
 - Better understand their workforce and culture via analytics and insights
 - Correlate and connect gaps and needs to strategy and action, driving action and improvement
 - Empower and activate them with specific plans customized to meet their DE&I, talent and culture needs
 - Establish ownership of their DE&I, talent and culture realities and goals

Please see our [2021 DE&I Impact Report](#) for more about our continued commitment.



Employee Health and Safety

GRI: 403-5; 403-6

Committed to workplace protections

Our [Worldwide Code of Business Conduct](#) details health and safety standards for all LS&Co. employees, including full-time and part-time employees as well as contractors. It also details the requirements to report

accidents, injuries, unsafe conditions and any concerns about potential workplace violence. Our approach is to meet and exceed applicable regulatory requirements, and we have implemented workplace-specific injury and illness prevention programs to meet these laws and protect employees.

Our two company-operated factories maintain certification to the ISO 45001 occupational health and safety management standard. Both factories implement programs designed to manage health and safety risks, reduce accidents and near misses, and adhere to the safety standards outlined in our [Supplier Sustainability Guidebook](#). Worldwide, we work to maintain strong, locally relevant programs that meet, at a minimum, ISO and OSHA requirements. We have also begun a global self-assessment to determine how to better apply country-level regulations as we expand our program.

Employee Health and Safety Metrics

Metric	2019*	2020*	2021*	Industry Average (U.S. Bureau of Labor Statistics)
Total Recordable Incident Rate (TRIR) at Distribution Centers**	3.04	3.54	2.52	4.80
Incidents resulting in: Days Away / Restricted Time (DART) at Distribution Centers***	2.48	2.43	1.88	3.90

*Data reflects calendar years. It includes our company-operated distribution centers in Mexico, Brazil and Canada, as well as three in the U.S.

**TRIR: Number of recordable work-related injuries per 100 full-time workers during a one-year period.

***DART: Number of recordable injuries and illnesses per 100 full-time employees that resulted in days away from work, restricted work activity, and/or job transfer.

Safety at Our Distribution Centers and Stores

We maintain a health and safety management system that includes injury and illness reporting as well as claim case management and reporting. We track the total recordable incident rate (TRIR) and days away from work/restricted time (DART) for our company-operated distribution centers in Mexico, Brazil and

Canada, as well as three distribution centers in the U.S. These key safety metrics have shown improvement, reflecting strong safety practices and outcomes and beating industry averages each year.

From the 2019 through 2021 calendar years, we achieved a 36% decrease in U.S. retail store worker's comp claims.

At three of our company-operated distribution centers in the U.S., we opened free onsite clinics in 2021 as part of our continued focus on employee health and well-being. The clinics – at our facilities in Nevada, Kentucky and Mississippi – are staffed by doctors and nurse practitioners. We are also exploring the feasibility of opening a clinic at another distribution center and at our global headquarters in San Francisco.

At our retail stores, we implemented a third-party assurance audit to ensure compliance with our COVID-19 and customary safety protocol, followed by a digital platform to train retail associates and monitor completion of required OSHA training for our U.S. retail stores. Store managers also hold safety meetings that cover topics such as training, audit results, safety tips and others.

Safe Motion Dynamics

Our ergonomics program focuses on six principles of safe motion dynamics, with videos to demonstrate each principle. The program is available at our company-operated facilities to help employees avoid strains and injuries associated with repetitive motions, posture and other issues.

What's Next – Employee Health & Safety

In addition to completing our global self-assessment toward a consistent global health & safety program, we will continue evolving our employee wellness programs, health care benefits and other offerings that support comprehensive employee well-being.

For more about these programs and benefits, see [Employee Support and Development](#).



Employee Support and Development

SASB: CG-EC-330a.1

GRI: 2-7; 2-27

UN SDGs: 3, 5, 8

UNGC: Principle 3

Helping employees be their best at any stage of life and career

LS&Co. has approximately 16,600 employees, united in a shared commitment to grow and shape our company through creativity, innovation and teamwork. Wherever they are in life or in their career, we want our employees to feel that we provide the support they and their families need to stay healthy, meet their financial goals, protect their income, and balance their work and personal lives.

Employee Support and Development Goals

Goal:

Ensure competitiveness and equity in total rewards

Goal:

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

LS&Co. Employee Metrics

Metric	FY21
Number of employees	~16,600
Number of employees per country/location	7,700 Americas 4,600 in Europe 4,300 in Asia
Number of employees in manufacturing and procurement	1,600
Number of employees in retail, including seasonal employees	8,700
Number of employees in distribution	1,500
Number of employees in non-production roles	4,800

Metric	FY21
New hires in 2021 (global corporate)*	900+ new hires in FY21 53.4% women 59.6% BIPOC (U.S.)
Percent employees participating in July 2021 employee engagement survey	63%
Employee engagement score	79%

*Data for the period of 1/1/2021 to 12/31/2021. See more metrics in our [Diversity, Equity & Inclusion Impact Report](#).

For more data see [Our Performance: Data Tables](#).

Employee Well-being

Because people are critical to our success as a business, we aim to support our employees and communities in ways that promote their well-being and allow them to flourish. Over the years, we've been a leader in several key areas. Decades ago, for example, we were the first American company to provide benefits to same-sex partners. We have extended paid sick leave to all part-time employees – and we continue to build on those foundations for a more diverse and equitable workplace and to provide strong benefits and learning and development opportunities.

In keeping with our values, particularly empathy, courage and integrity, we are committed to providing employees with a supportive work environment that is free of discrimination and harassment based on any protected characteristics. Our Respectful Workplace Policy, updated in 2021, prohibits sexual harassment and other forms of discrimination so that each person can perform their workplace responsibilities and fully contribute to the company.

Leading Benefits

We are fueled by passion, drive and a commitment to doing great work, but the work can't happen without putting employee well-being first. We support employees in their physical, financial, emotional and social well-being through a variety of benefits and programs. While benefits vary by position, location, and eligibility, LS&Co. employees have access to competitive compensation, innovative well-being programs, and best-practice benefits. Depending on location, comprehensive benefits are generally available to full-time employees working in our offices, our retail stores and our distribution centers. In addition, all LS&Co.

employees around the world, whether part-time or full-time, can take advantage of several important base benefits:

- Travel and accident insurance
- Global life insurance
- Employee Assistance Program, known as **WorkLife**
- Global mental well-being program, THRIVE
- Counseling, work/life referral services, critical incident support through Optum, a new resource in 2021

In 2021, we made several changes to provide even better resources, including more generous health benefits coverage for employees and family members, easier access to mental health and well-being support, an expanded network of providers, and enhanced concierge support personalized to an employee's unique health care needs. We also extended benefit coverage to employee family members, enhanced gym rewards, and added more emotional well-being benefits like access to online therapy and stress management resources. As part of our ongoing commitment to making LS&Co. a place where women can thrive, in 2021 we made sure that all LS&Co.-provided insurance plans in the U.S. include access to comprehensive reproductive healthcare. We also provide travel expense reimbursement for healthcare services not available in a U.S. employee's home state, including those related to reproductive healthcare and abortion.



Work/Life Flexibility and Support for the Whole Self

Throughout 2021, the ongoing COVID-19 pandemic continued to ask a lot of employees, and we responded with resources and programs to make things easier. In mid-2021, we announced our new workplace framework for corporate employees. **SEAM(less): Work Tailored for Us** is a hybrid model that will enable us to drive our business forward, stay connected and provide flexibility to seamlessly integrate work and life. Rooted in both flexibility and connection, **SEAM(less): Work Tailored for Us** has been guiding how we work, whenever offices can safely remain open, which varies around the world.

Mental Health

We expanded our wellness and mental health programs to support resiliency and well-being, offering a spectrum of support. We made it easier to access the suite of integrated **WorkLife** well-being benefits, adding 24/7/365 access to a personal coach, offering enhanced mental health benefits, and connecting employees with the Thrive Global app to support mental, physical, financial, family and social well-being. Our partnership with Thrive will continue beyond the pandemic.

We also added access to **Talkspace**, a digital platform offering an alternative to face-to-face therapy with a licensed behavioral health clinician, providing greater flexibility to improve health. And we offered the **Grief Warrior** program to help employees and teams process grief through guidance, workshops and training. We expanded the program in 2021 to provide more support to global regions being deeply affected by the pandemic.

Physical Wellness

In addition to our existing **live wellth** program, which offers opportunities to complete well-being-related activities to earn incentives throughout the year, we began offering new workshops on yoga, Pilates, and dealing with isolation – provided around the world in local languages. Some locations, like our factory in Plock, Poland, also offer on-site wellness options, such as daily gymnastics sessions.

We also have a no-meeting-Friday policy and provide corporate employees with the last Friday off each month to encourage self-care and time with loved ones.

To help parents juggling remote work and parenting during the pandemic, we upgraded our childcare and parent support benefits and made them available to full-time retail employees. The new benefit includes support with childcare and eldercare, access to a network of 6 million caregivers, full-time nanny placement services, an online curriculum of classes and parent support webinars and tutoring services.

Paid Family Leave

Our Paid Parental Leave program offers eight weeks of paid leave for hourly and salaried LS&Co. employees, regardless of gender, at the time of a child's birth, adoption, or entry into a family from foster care. In 2020, we took another step, offering up to eight weeks of paid family leave to help ease the strain on U.S.-based employees caring for an immediate family member with a serious medical condition. Since then, we have advocated for national paid leave policies so employees of other companies have access to

support when illness or caregiving needs affect their family.

This policy is an important part of our commitment to building a best-in-class workplace that supports well-being and enables our employees to take care of themselves and their family members in the moments they need it most. In 2021, we expanded employee leave for bereavement, which also includes pregnancy loss leave up to two weeks. In Europe, where a country-by-country approach is required, we set minimum standards to best support employees consistently and inclusively across Europe.



Safety Nets for Part-Time Retail Employees

While many U.S.-based companies provide safety net provisions to full-time employees, most part-time workers go without these benefits. At LS&Co, part-time employees – including the many hourly retail employees who make up the majority of our retail team members – may participate in the 401(K) retirement savings program. To help employees save for the future, we match \$1.25 for every \$1 contributed by employees to our 401(K) up to the first 6% of each paycheck, as well as a 15% discount on LEVI shares purchased through our Employee Stock Purchase Plan.

Paid sick leave also extends to all U.S. part-time hourly retail employees, making them eligible for paid sick time based on their average hours worked. An investment in the future of our workforce and our business, this benefit will continue after the pandemic subsidies because we never want employees to feel they have to choose between their health and their income.

Additionally, the Red Tab Foundation, our employee-funded hardship assistance initiative, runs the [Red Tab Savers](#) program. Available to employees in the U.S. and Canada, the Savers program helps hourly LS&Co. employees build a short-term emergency fund and a habit of savings. The 6-month matched savings program allows employees to build a safety net and receive a dollar-for-dollar match, up to \$260, from the

Red Tab Foundation. The program also provides financial literacy support to help employees get started. In 2021, the program hit \$1 million saved by participants since its launch in 2015 – quite an accomplishment for our participating retail employees.

Total Rewards Compensation

As detailed in our annual proxy statements, we structure our compensation so that approximately 90% of our CEO's total compensation and approximately 70% of our other named executive officers' total compensation is linked to company performance, which in fiscal year 2021 included net revenues, earnings, share price, total shareholder return and DE&I goals, among other results. Additional compensation details for fiscal year 2021 are available in our [2022 Notice of Annual Meeting of Shareholders and Proxy Statement](#).

In 2022, we held a shareholder advisory vote on executive compensation, commonly referred to as a “say-on-pay vote,” which received shareholder approval. We take the views of our shareholders seriously and believe that the principles of our executive compensation program are strongly supported by our shareholders and aligned with their interests. Each year, the Compensation and Human Capital Committee conducts a review of our compensation and benefits programs to assess whether the programs are aligned with our business strategies, the competitive practices of our peer companies and our shareholders' interests. Full-time corporate employees have an incentive component to their overall pay, as do our employees at our company-operated distribution centers.

Pay Equity

To help fulfill our commitment to fair and equitable compensation, LS&Co. conducts an independent pay equity audit every other year, with the most recent audit completed in 2020. We use the data to identify potential adjustments to be incorporated into our annual performance review process for different groups in the U.S. population, including corporate and retail employees as well as distribution center management. The study considered job level, performance, experience, and other factors such as promotions and location of jobs. Our audit confirmed that we do not have any systemic pay differences across gender and ethnicity. We are expanding our pay equity audits to include new markets. We're also focused on eliminating bias and increasing transparency in pay practices and salary ranges and ensuring objectivity around compensation rewards.



Engagement

At LS&Co., the voice of our employees matters, and we strive to empower them to make a difference. They are instrumental in how we hold ourselves accountable to our commitments, inform our talent priorities and drive a culture in alignment with our core purpose, brand identity and values. To this end, we conduct regular employee engagement surveys to understand and enhance the employee experience across many dimensions.

In July 2021, we launched our engagement survey on a new platform. A total of 63% of employees from around the world participated in the survey, resulting in an engagement score of 79%. This is about 6

percentage points higher than the global average, an external benchmark of other best-in-class companies compiled by Qualtrics. Our people leaders used the aggregate results to create specific action plans to address the top opportunities identified for their teams.

We also shifted from a single annual survey to a continuous and integrated approach to comprehensively understand and act on feedback and insights across the full employee life cycle. This new approach includes pulse surveys in addition to the annual employee engagement survey to measure and track progress and take real-time action on employee sentiment.

What Employees Are Saying: FY21 Engagement Survey Results

- 88% I am proud to work for LS&Co.
- 85% Overall, I am extremely satisfied with LS&Co. as a place to work.
- 84% I would recommend this company as a great place to work.
- 76% I trust the senior leadership of this company.
- 72% This company does a good job of helping me understand how changes will affect my work.
- 71% There is open and honest communication at this company.

Listening and Learning

True Blue, our new annual global listening and learning tour launched in 2021, allows us to delve into the nuances of our employees' experiences. True Blue provides opportunities for employees to have honest conversations about what's important to them and for the company to learn more about how they experience culture, inclusion and belonging at LS&Co.

Representative groups of employees from 16 functions and 33 global offices took part in True Blue. They universally expressed their deep appreciation for our culture, an overall sense of belonging at LS&Co. and connections to their colleagues. We heard that employees want us to focus on becoming a more globally focused and connected workplace, provide greater clarity on career growth and development, increase access to tools to support mental health, and support workload balance, especially in retail stores and distribution centers.

Our Plock, Poland, factory began using the ping app to stay in touch with employees in 2021, providing a monthly newsletter and two-way communication. And our Epping, South Africa, factory launched various communication platforms to engage with employees who do not have technology access, such as monthly

newsletters, town hall meetings, and televisions placed throughout the plant to share information with employees.

Recognizing Excellence and Dedication

When employees truly go above and beyond, we recognize their contributions through several awards:

- **Exceptional business results – Impact Award**
- **Substantial impacts that set a new global standard for our business – Koshland Award**
- **Innovative achievement in commercial, social and environmental sustainability – Haas Award**
- **Leadership in amplifying the voices of women – Meeta Award**

In 2021, we honored more than 13,000 frontline employees in our two factories, distribution centers, and retail stores with the Impact Award and a financial bonus. It was an expression of our gratitude for those who safely addressed customer needs under extraordinary circumstances.

Learning and Development

We are working to sustain a culture of high performance and continuous learning, underpinned by clear role expectations and opportunities for growth. We start by listening to employees – who made it clear through engagement surveys they wanted a better way to discover and grow their careers. Our learning and development approach zeroes in on these desires by offering development opportunities based on current and future skill gaps that support healthy careers and a strong business. We are also committed to ensuring equitable access and opportunity to learning, and to delivering tailored learning pathways, anchored in individual needs and learning preferences. In addition, our learning and professional development approach sustains a strong leadership bench through tailored programs for high-potential talent. Above all, we strive to build a continuous learning culture.

Convenient and Personalized Learning

In October 2021, we launched a new learning management system, Workday Learning, to make it even more convenient for employees to access the training they seek. The new learning management system also enables better reporting, access to development content and systems consolidation. The platform covers more than 5,000 employees as well as some contractors. By the end of fiscal year 2021, more than 1,100

enrollments and 86 courses had been created. Overall, between our previous platform and the new learning management system, approximately 24,000 completions were tracked across approximately 20 internally developed courses.

Internal career development content is accessible to employees who can build their own learning paths using personalized learning recommendations. The platform will also integrate compliance training in 2022, creating a single hub for learning content. In addition to the internally created content on Workday Learning, employees still have access to the LinkedIn Learning content library, which is being migrated into the learning management system. In 2021, more than 95,000 LinkedIn Learning videos were viewed by more than 1,800 unique learners. Also during 2021, we offered live workshops attended by nearly 3,000 employees in the Americas, Asia-Pacific and Europe.

Development Days

Learning-focused Developments Days launched for the first time in July 2021 to create a dedicated month of learning. A total of 2,250 employees from all regions globally attended 17 live workshops. This month of curated learning events also featured eight e-learning courses, which were completed by approximately 1,000 employees over one month. Throughout the month, employees completed more than 3,000 courses in total, a testament to our continuous learning culture.

Continuous Learning in Our Factories

Some of the 2021 learning and development programs at our Plock, Poland, factory included training on 5S implementation, project management, DE&I, first aid and CPR, and internal audits for the plant's two ISO standard certifications. At the same time, our Epping, South Africa, factory re-introduced its successful in-house learning program, Epping Academy in 2021.

Employees Helping Employees

As the COVID-19 pandemic affects people around the globe, the role of hardship funds has never been more critical. Widely considered to be the first corporate employee-funded hardship fund, the [Red Tab Foundation](#) is a public, nonprofit foundation that assists LS&Co. employees, retirees and their families during times of unexpected financial hardship. The Red Tab Foundation serves as a valuable connecting point between

employee giving and employee grants, and since March 2020, has disbursed more than \$1.15 million in COVID-specific hardship relief.

Assistance to Departing Employees

The impact of the pandemic, coupled with a restructuring initiative, resulted in workforce reductions occurring in 2020 and 2021. These difficult steps were necessary to provide us with a path forward to be the strongest possible business and employer over the long term. In all instances, we sought to treat our employees with empathy and respect, providing additional support where possible. Most departing employees received severance packages and were allowed to retain company-issued computers and phones. Most remained eligible for Red Tab Foundation support and our Employee Assistance Program for an additional year.

Ongoing Support During COVID-19

Although 2021 presented moments when it seemed the world was returning to normal, the pandemic continued to present challenges to LS&Co. employees worldwide. We continued to prioritize the safety and well-being of our people, launching a suite of initiatives in offices and stores to support physical, psychological and financial well-being.

Thousands of our retail, distribution center and manufacturing employees were on the front lines during the worst of the COVID-19 pandemic. We updated and adapted our policies to ensure that their working environment was as safe as it could be and that we were following all applicable health guidelines – or exceeding them in circumstances where we believed they did not go far enough.

At our two company-operated factories, we launched a suite of initiatives to help keep employees safe. At our Epping, South Africa, facility, a dedicated nurse oversees our COVID-19 measures and tracks employee recovery; we have a COVID-19 isolation room; we issued masks, hand sanitizer and multi-vitamins; we introduced gate screening; we provided support and training to employees on coping mechanisms; and we held a wellness week.

At our Plock, Poland, factory, our 2021 COVID-19 safety measures included on-site vaccination, remote or hybrid work arrangements, masks, work station distancing, temperature checks, hand disinfection resources, limits on meetings and other measures.

And in our retail stores, we developed a detailed guide and handbook explaining the protocols for COVID-19 safety, created COVID-19 prevention plans that included a hazard assessment and online training, put in place a process for reporting, and established contact tracing and case management processes for COVID-19.

Due to continued business disruptions and store closures, we did have to furlough some retail employees in 2021. In those instances, we provided regular pay for several months, continued offering benefits and invited employees back as stores reopened. Around the world, we worked through a network of state and LS&Co. supplemental pay programs to take care of employees while stores were closed. Once stores were able to reopen, we adapted store policies to prioritize the safety of our staff and consumers alike, and we continue to adapt our retail and distribution center practices to support employee well-being.

What's Next – Employee Support and Development

There's no doubt that 2021 was a year of listening and learning at LS&Co. Our employees spoke up, sharing their hopes, concerns and ideas for a brighter future. Many of the programs initiated during the pandemic to give employees extra support – paid sick leave for part-time retail employees, for example – will continue going forward, even when the pandemic threat diminishes. We will also continue to make sure employees know they have a voice, whether through our regular surveys, through town halls during which anyone can ask questions of our CEO, or through employee resource groups.

Building out our training and competencies, expanding our new learning management system to include more courses, leaning into integrated talent management, and making even stronger connections to culture in ways that help everyone feel valued, appreciated and included are all part of our outlook for 2022 and beyond. Our focus on making LS&Co. a dynamic and inclusive career destination goal will continue through multiple channels, including social media, campus tours, talent events, DE&I action plans for our retail stores and other initiatives.

We also anticipate continuing our progress on global corporate compensation structures and benefits toward development of a global paid leave policy. We are concurrently working toward a model retail compensation program that could include new incentives for store managers and associates in certain countries to make our retail network an even more attractive place to build a career.

Resources

[2022 Notice of Annual Meeting of Shareholders and Proxy Statement](#)

[Red Tab Foundation](#)

Red Tab Savers



GRI: 2-27

UNGC: Principles 1, 2, 3, 4, 5, 6

Dignity and respect for all

At LS&Co., we are focused on ensuring that all people who are touched by our company are treated with

dignity and respect. We invest time, energy and resources in making sure that fundamental human rights are upheld for the workers in the mills and manufacturing factories in our supply chain and that their well-being is fostered to create an engaged and productive working community. We forbid any sourcing from regions where there is evidence of systemic forced, child or bonded labor.

Suppliers are required to sign a Master Supply Agreement (MSA), which contains the requirement to comply with our [Supplier Code of Conduct](#) and related policies. Our MSA requires that any supplier contracted to produce branded products comply with all rules, regulations and policies of the greater LS&Co. network, including human rights practices and procedures. In addition, our Supplier Code of Conduct has been informed by globally recognized human rights standards and conventions, including but not limited to the:

- **International Labour Organization (ILO) Protection of Wages Convention, 1949**
- **ILO Forced Labour Convention, 1930 and Abolition of Forced Labour Convention, 1957**
- **Palermo Protocol, 2000**
- **Universal Declaration of Human Rights, 1948**
- **UN High Commissioner for Human Rights Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, 1984**

Our Supplier Code of Conduct bans the use of child labor, prison labor, indentured labor, bonded labor and trafficked labor. In addition, because female and migrant workers often face additional vulnerabilities, the Supplier Code of Conduct has a specific section dedicated to anti-discrimination and several provisions to support gender equity in the supply chain. It also covers foreign migrant workers and their rights, including rights in recruitment, employment contracts, remuneration and benefits, worker communication, accommodations and food, social activities, religious practices and repatriation.

We actively support the Better Work Program, a partnership between ILO and IFC focused on protecting human rights and improving working conditions in the apparel industry. Better Work makes targeted investments in our suppliers' workers, training apparel workers and factory management on their rights and responsibilities in the workplace. In countries where Better Work operates, our suppliers are subject to Better Work assessments to ensure compliance and monitor improvement. Along with national constituents and brand partners, Better Work also engages in national advocacy efforts to influence policies related to workers' rights and safety in different target countries for long-term sustainable impact.

LS&Co. suppliers must have clear and established company policies to protect workers' rights and well-being. These company policies must be made publicly available to all workers, in a language they understand, and applied in a standardized fashion throughout the facility. Discrimination in any form is prohibited. All policies must prohibit discrimination based on age, caste, color, disability, gender, gender identity and expression,

sexual orientation, health status (including HIV and hepatitis B), marital status, pregnancy status, parenthood, nationality, social, national or ethnic origin, migrant worker status, political opinion, race, religion or union affiliation.

Full-time LS&Co. staff located in various countries monitor suppliers' sustainability and human rights practices and provide capacity building support where needed. 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, and health and safety standards and know the local languages, laws, culture and business context of each country in which they operate. We are also continuing to shift away from supplier assessments against our own Supplier Code of Conduct to embrace the Social & Labor Convergence Program (SLCP) Converged Assessment Framework, which provides greater assessment consistency across the industry.

Within our own operations, we maintain and enforce accountability procedures for employees and contractors regarding company standards on human rights. Our Worldwide Code of Business Conduct establishes the expectations we have of our employees. LS&Co. does not tolerate workplace violence, discrimination or harassment of any kind by any employee. We also promote a safe working environment, and our employees share responsibility to obey health and safety rules and policies, report accidents and raise any unsafe working conditions to supervisors immediately.



Supply Chain: Going Beyond Compliance

SASB: CG-AA-430b.1; CG-AA-430b.2; CG-AA-430b.3; CG-AA-000.A

GRI: 2-8; 2-27; 414-1; 414-2; 308-1; 308-2; 409-1; 408-1; 403-5; 403-6 UN

UN SDGs: 3, 5, 8, 10, 11, 16

UNGC: Principles 1, 2, 3, 4, 5, 6, 10

Collaborating for holistic worker health and well-being

In fiscal year 2021, we sourced apparel, accessories and footwear from more than 500 supplier facilities located in approximately 40 countries around the world. Since 2005, LS&Co. has publicly disclosed our Tier 1 suppliers. Today we publish Tier 1 and 2 suppliers and partner with the Open Apparel Registry (OAR) to open source our list and unique factory identifiers for better stakeholder engagement.* We believe that this degree of transparency leads to accountability and a better-performing supply chain, and we are conducting traceability pilots to get greater visibility into Tier 3 and Tier 4 – those suppliers providing raw materials to Tier 3 facilities.

**The list covers 99.5% of Tier 1 supplier factories (those providing sundries are not included) and 94% of Tier 2 factories. Beyond Yoga® data is excluded. The list represents all sourcing countries, including those where we source from just one or two factories.*

In 2021, approximately 428,000 people worked in our suppliers' Tier 1 facilities, while another 81,000 worked in Tier 2 facilities supporting LS&Co. products for our brands. Continued partnership with our suppliers with a focus on worker well-being has been at the heart of our historical success. To make sure we have the most resilient approach to our supply chain, we continually evaluate where and with whom we partner to produce our products based on a variety of factors, including supplier performance, country level risk, quality, capacity and time to market. Through regular factory assessments, supplier training and our Worker Well-being initiative, we collaborate with suppliers to drive improvement on the key social and environmental issues common to the apparel supply chain.

We have renewed our focus on overall program governance through a series of improvements started in 2021, including new country-level risk-based assessments, human rights due diligence and gap analysis, continued migration to converged industry-wide supplier monitoring programs, evolving our data management platform, and nearly doubling our Sustainability Team in six countries to work even more closely with suppliers on capacity building, with the aim of resolving common and systemic issues in the apparel supply chain.

Note that supplier assessment data throughout this section corresponds to the 2021 calendar year, not to the LS&Co. 2021 fiscal year.

Supply Chain Goals

Goal:

Continually improve apparel worker health, satisfaction and engagement

Supply Chain Metrics

Metric	2021
Tier 1 supplier factories assessed in 2021	98%
Tier 2 supplier factories assessed in 2021	100%
Percentage of LS&Co. products from factories using Worker Well-being initiatives	~80%
Number of supplier factories participating in Worker Well-being program	104

For more data see [Our Performance: Data Tables](#).

Supplier Code of Conduct and Supplier Sustainability Guidebook

In 1991, we pioneered a comprehensive workplace code of conduct for our suppliers, known as the Global Terms of Engagement (TOE). Based on international standards, such as the UN Universal Declaration of Human Rights and International Labour Organization (ILO) core conventions, the TOE was designed to help us improve the lives of the people manufacturing our products by requiring they be treated with dignity, respect and fairness within safe and environmentally responsible factories. While the TOE was innovative and pioneering 30 years ago, supplier codes of conduct have since become standard for responsible sourcing across the industry.

Today, the supply chain social and environmental requirements codified in the LS&Co. TOE have been migrated to a new [Supplier Code of Conduct](#), and have been incorporated into our comprehensive [Supplier Sustainability Guidebook](#). The Guidebook is updated regularly, following internal review and input from external stakeholders. For instance, in 2020 we updated the Supplier Sustainability Guidebook to incorporate more comprehensive guidance on pandemic safety, gender equity, migrant worker protections, digital wage payments, freedom of association and collective bargaining, and more robust health and safety guidance to address multi-story building risks. Suppliers were assessed against these new provisions beginning in April 2021.

Overall, our approach emphasizes the need for workers to be treated fairly and equitably by managing compliance as a foundational element. The Supplier Code of Conduct requirements are applicable to every

factory, subcontractor, licensee, agent or affiliate that manufactures or finishes products for LS&Co., including our company-operated factories. In 2021, following our acquisition of Beyond Yoga®, their suppliers became subject to regular assessments for compliance with our Supplier Code of Conduct.

Assessments for Risk Management, Improvement, Transparency

Companies with strong supply chain standards, monitoring and engagement are better positioned to manage risks. The Supplier Code of Conduct assessments conducted at our suppliers' factories annually help us identify any business, social or environmental risks that could be posed by non-compliance and enable us to work with suppliers to improve their performance. All initial, annual and follow-up Supplier Code of Conduct assessments take place unannounced to give monitors a realistic view of daily practices at assessed factories.

Supplier Code of Conduct Assessment Approach

Assessments are conducted by LS&Co.-approved third-party monitors when a new supplier is onboarded and annually thereafter, or more frequently if needed to evaluate corrective action compliance. To verify quality and integrity, we review and approve all third-party monitors and require them to go through training on our Supplier Code of Conduct requirements, assessment process, gathering information from workers' process, procedures and legal requirements, followed by examinations to check a monitor's level of competence and readiness to perform onsite assessments.

The last step in the approval process is a shadow assessment, where we review the monitor's knowledge, skills, behavioral attributes and level of competences to perform an assessment. Every year approved third-party monitors are shadowed by LS&Co. Sustainability Responsible Sourcing team members to ensure that all approved monitors meet our assessment performance quality parameters.

Supplier violations found during the assessments are categorized by three levels of severity:

- **Zero tolerance violation** – a serious breach of the Supplier Code of Conduct that LS&Co. believes could result in severe impact to individual rights, safety, and/or LS&Co.'s corporate reputation. Zero tolerance violations must be remediated immediately.
- **Immediate action item** – a breach of the Supplier Code of Conduct that LS&Co. believes would result in negative impact to individual rights and safety and/or LS&Co.'s corporate reputation. Immediate action items must be remediated fully within two months.
- **Continuous improvement item** – a labor, health and safety, or environmental issue that LS&Co. believes the factory should address to enhance the well-being of its workers and/or improve the factory's reputation or management practice.

Supply Chain: Zero Tolerance Violations

- Underage workers
- Corporal punishment
- Violation of ethical standards
- Falsification of records
- Failure to provide adequate emergency exits
- Failure to complete zero tolerance or immediate corrective actions within the agreed-upon timeframe
- Forced labor
- Sexual harrassment
- Infringements on freedom of association
- Inadequate fire prevention
- Unauthorized subcontracting

Tier 1 and 2 Supplier Facilities Assessed Against Our Supplier Code of Conduct

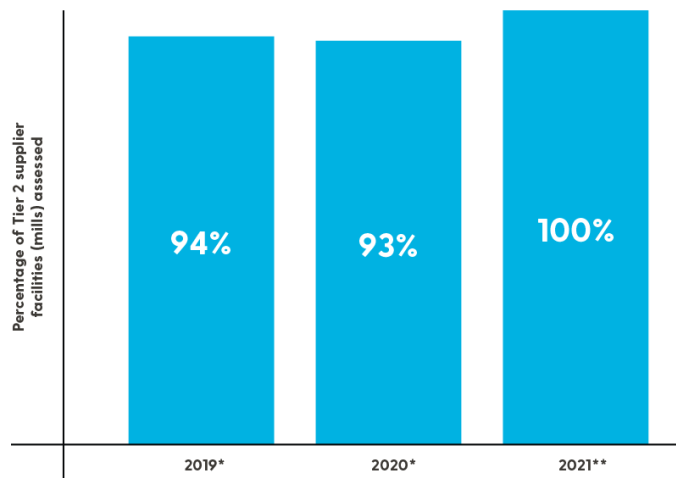
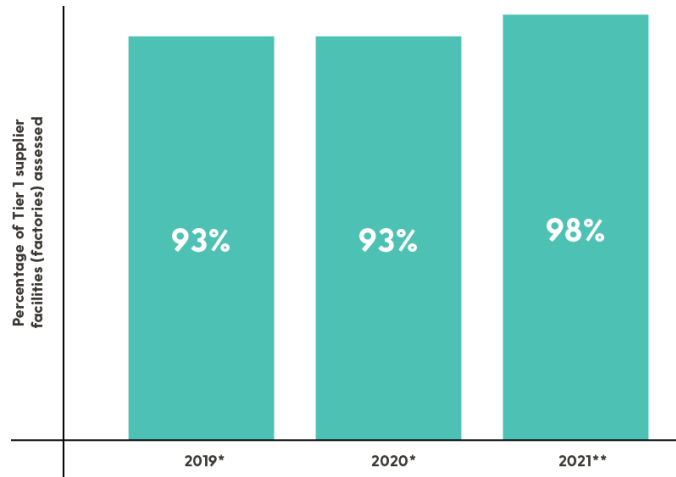
	Number of facilities assessed - 2019*	Total number of facilities - 2019*	Number of facilities assessed - 2020*	Total number of facilities - 2020*	Number of facilities assessed - 2021**	Total number of facilities - 2021**
Tier 1 Suppliers	420	453	449	484	430	439
Tier 2 Suppliers	62	66	70	75	65	65

*The following categories of factories were exempt from assessments in 2019 and 2020:

- Better Work high-performance factories are assessed on a 2-year cycle, per criteria set by Better Work.
- Low-volume suppliers were exempt from the 2020 annual assessment cycle in Europe due to the COVID-19 pandemic.

**While we previously conducted assessments and aggregated findings data according to the LS&Co. fiscal year, in 2021, we moved to a calendar year cycle. This was done to ensure consistency with major assessment programs in the apparel industry, such as SLCP and Better Work, both of which use a calendar year. As we continue shifting from our proprietary compliance program based on our Supplier Code of Conduct to converged industry platforms, other small adjustments may be necessary.

Percentage of Tier 1 and 2 Supplier Facilities Assessed Against Our Supplier Code of Conduct



* The following categories of factories were exempt from assessments in 2019 and 2020:

- Better Work high-performance factories are assessed on a 2-year cycle, per criteria set by Better Work.
- Low-volume suppliers were exempt from the 2020 annual assessment cycle in Europe due to the COVID-19 pandemic.

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Direct Supplier Facilities and Licensee Facilities Assessed Against Our Supplier Code of Conduct, Better Work or SLCP

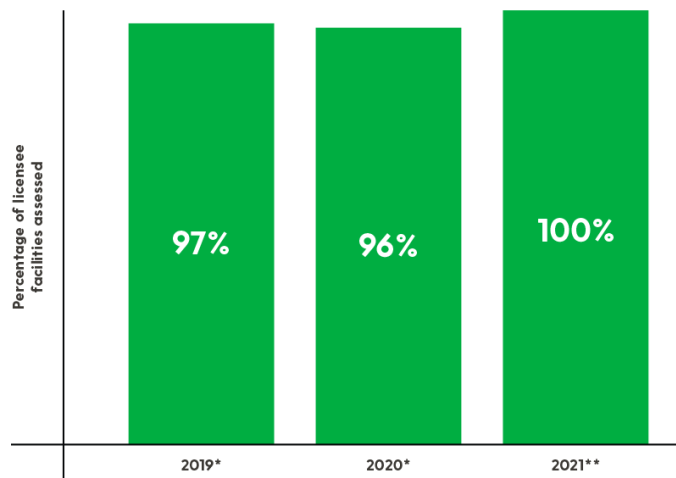
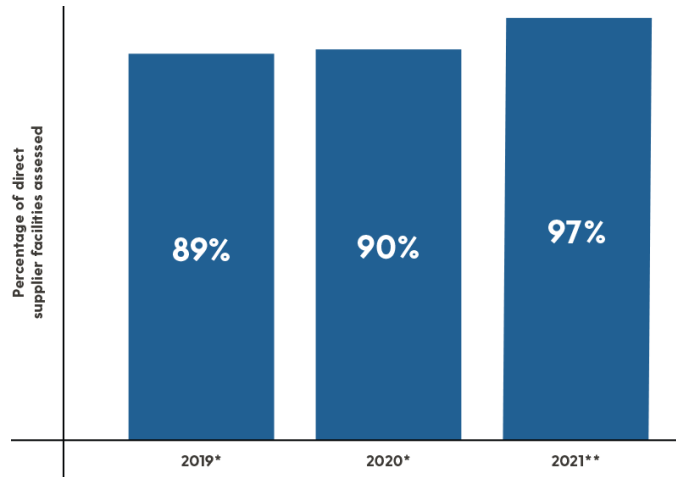
	Number of facilities assessed - 2019*	Total number of facilities - 2019*	Number of facilities assessed - 2020*	Total number of facilities - 2020*	Number of facilities assessed - 2021**	Total number of facilities - 2021**
Direct	237	265	255	282	253	262
Licensee	183	188	194	202	177	177

*The following categories of factories were exempt from assessments in 2019 and 2020:

- Better Work high-performance factories are assessed on a 2-year cycle, per criteria set by Better Work.
- Low-volume suppliers were exempt from the 2020 annual assessment cycle in Europe due to the COVID-19 pandemic.

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Percentage of Direct Supplier Facilities and Licensee Facilities Assessed Against Our Supplier Code of Conduct, Better Work or SLCP



* The following categories of factories were exempt from assessments in 2019 and 2020:

- Better Work high-performance factories are assessed on a 2-year cycle, per criteria set by Better Work.
- Low-volume suppliers were exempt from the 2020 annual assessment cycle in Europe due to the COVID-19 pandemic.

**While we previously conducted assessments and aggregated findings data according to the LS&Co. fiscal year, in 2021, we moved to a calendar year cycle. This was done to ensure consistency with major assessment programs in the apparel industry, such as SLCP and Better Work, both of which use a calendar year. As we continue shifting from our proprietary compliance program based on our Supplier Code of Conduct to converged industry platforms, other small adjustments may be necessary.

In 2021, 98% of our Tier 1 supplier factories were audited and 100% of Tier 2 supplier factories were audited by LS&Co.-approved third-party monitors, Better Work monitors or SLCP-approved verifiers. A small number were done by LS&Co. Responsible Sourcing team members, such as when we identify critical non-compliance issues or do not have a network of approved external monitors in a given market.

Tier 1 and Tier 2 Facilities Assessed Against Our Supplier Code of Conduct, Better Work or SLCP

Tier	# of facilities assessed	# of facilities assessed against Code of Conduct	# of facilities assessed against Better Work	# of facilities assessed against SLCP
Tier 1	430	325 (76%)	48 (11%)	57 (13%)
Tier 2	65	40 (62%)	0	25 (38%)

Better Work Assessments

Better Work is an International Labour Organization (ILO) and International Finance Corporation (IFC) program bringing together various levels of the global garment industry to improve working conditions and respect labor rights for workers, while boosting the competitiveness of apparel businesses. We were one of the first to join Better Work when it was formed in 2001 and remain committed to its principles. By the close of 2021, 11% of our Tier 1 suppliers were covered under the Better Work program. In the countries where Better Work has a presence, LS&Co. suppliers are subject to assessments by Better Work. While this represented just 11% of Tier 1 supplier facilities in 2021, it accounted for 69% of our product volume.

Social & Labor Convergence Program

The Social & Labor Convergence Program (SLCP) is designed to help suppliers and brands move away from brand-specific factory assessments to a holistic industry approach through the Converged Assessment Framework. Under current protocols, many suppliers experience assessments from multiple brands. The SLCP approach is designed to reduce duplication, enhance industry-wide consistency and strengthen accountability. In addition, the assessment framework supports joint remediation and shared responsibilities among brands in the same supplier factories.

In 2021, we continued advancing the transition from our Supplier Code of Conduct assessments to the SLCP

Assessment Framework. By the close of the calendar year, approximately 13% of Tier 1 factories and 38% of Tier 2 factories supporting LS&Co. were being assessed using the SLCP converged framework. We are committed to SLCP and believe in the value of consistency across supply chain assessments. SLCP is not yet active in many of the countries where our suppliers are located, however. In addition, while a converged approach is beneficial when a factory serves multiple brands, for small suppliers that work exclusively for LS&Co., the Supplier Code of Conduct-based assessment approach may continue to be most effective.

Read more about the [Social & Labor Convergence Program](#).



2021 Assessment Approach – A Transition Year

During 2021, for direct supplier and licensee facilities, we continued shifting to SLCP and Better Work assessments.

LS&Co. Supplier Code of Conduct

- 76% of Tier 1 factories were assessed against our Supplier Code of Conduct
- 62% of Tier 2 factories were assessed against our Supplier Code of Conduct

SLCP Framework

- 13% of Tier 1 factories were assessed using the SLCP framework
- 38% of Tier 2 factories were assessed using the SLCP framework

Better Work

- 11% of Tier 1 factories were assessed through Better Work

Overcoming Assessment Challenges

Although factory assessments are commonplace in the apparel industry, the process comes with challenges and limits. The multi-year Worker Well-being Impact Study conducted by The Sustainability and Health Initiative (SHINE) at Harvard University's T.H. Chan School of Public Health illustrated how the assessment mechanism is not a suitable tool for understanding issues related to worker satisfaction, health and engagement.

The partnership with SHINE, which was funded and developed by the Levi Strauss Foundation, underscores the value of hearing directly from workers about their experiences and perceptions of the workplace. Our updated Worker Well-being approach, which will be rolled out in 2022, intends to bring greater visibility to worker experiences. For instance, implementing worker voice programs and empowering workers to speak up, whether through committees, grievance mechanisms or other platforms, can be an effective way to uncover concerns and begin addressing them.

Supplier Code of Conduct Assessment Ratings

Every LS&Co. supplier is assigned a rating from 1 to 10, with 10 being the best rating, based on overall performance, past record and timeliness in completing corrective action plans when necessary. These ratings are used by our manufacturing operations team when considering which suppliers to use and how much production to allocate.

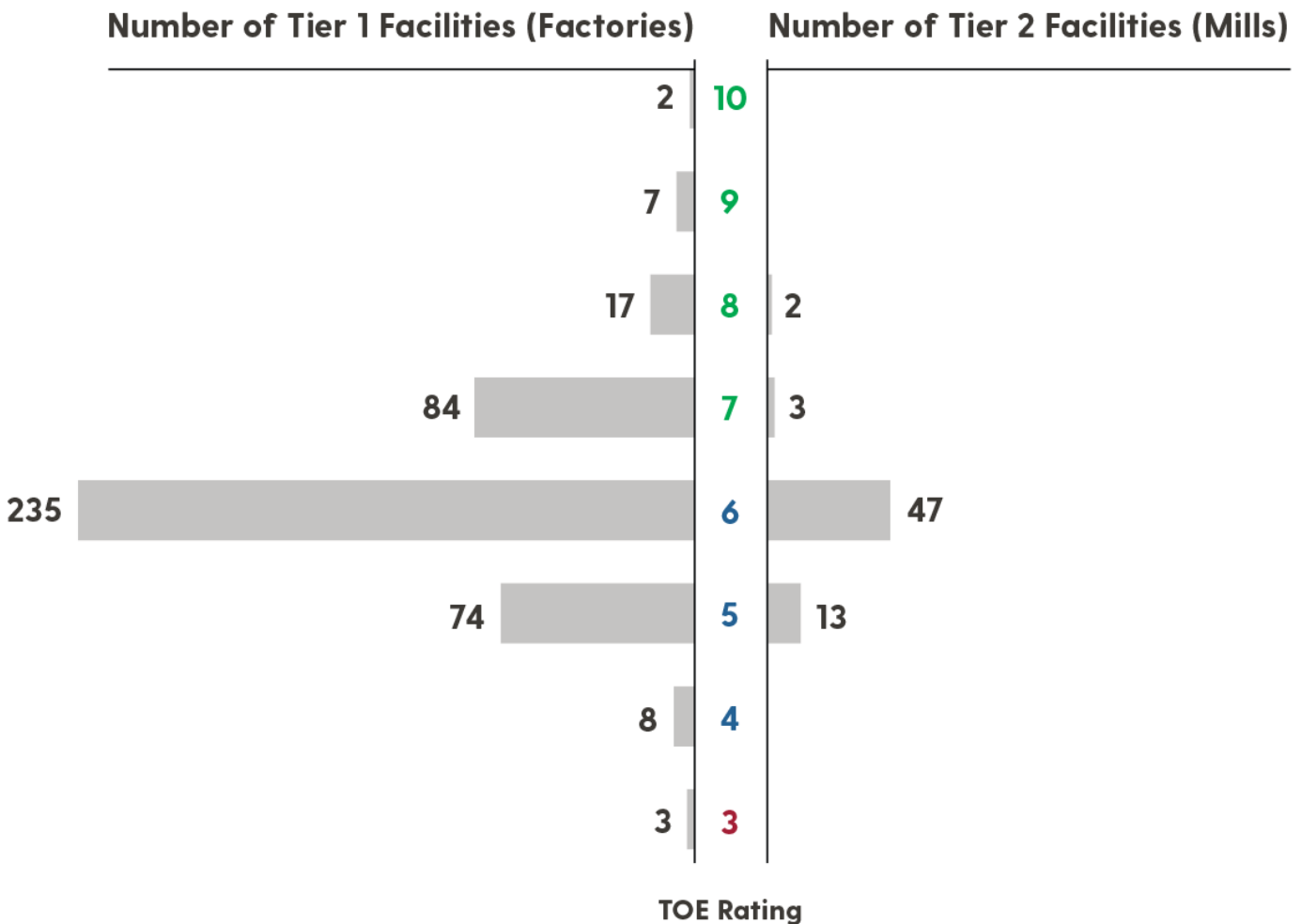
Top performers are those with no Supplier Code of Conduct violations, a good management system and consistently high performance meeting our requirements. Poor performing suppliers are those with zero tolerance violations and/or repeat violations, slow follow-up or lack of willingness to improve. These suppliers will be given formal warning that they are in danger of having their production orders reduced unless they improve by the required timeframe. In most cases, such notification motivates the supplier to quickly improve.

Suppliers can enhance their ratings by establishing a strong record on compliance and systemic issues. Our expectations are high – we do not increase scores until issues have been resolved. If a supplier receives a rating of 6 or below, we work with them and in collaboration with other brands sourcing from the same facility to improve performance. The hope is always that the issues can be addressed because pulling out of a factory can have long-term impacts on the workers in those facilities, potentially leading to job loss. Being part of the solution is the preferred way forward whenever feasible.

The COVID-19 pandemic affected supplier performance in 2021 to some degree. Delays in remittance of social security benefits, severance payments to workers, delays in permits renewal and other issues

associated with the pandemic were reported during the assessments. We worked with suppliers during 2020 and 2021 to make sure they met their legal obligations to pay their workers during the pandemic as part of our continued efforts to minimize negative impacts on workers in the face of supply chain disruptions and uncertainty.

Assessment Scores of Tier 1 and Tier 2 Facilities



Number of Violations Found

Tier 1 Suppliers			
	2019	2020	2021
Continuous improvement	54	66	1,286
Immediate Action	365	383	3,370
Zero Tolerance Violation	1	0	43
Tier 2 Suppliers			
	2019	2020	2021
Continuous Improvement	2	4	245
Immediate Action	60	66	986
Zero Tolerance Violation	0	0	10

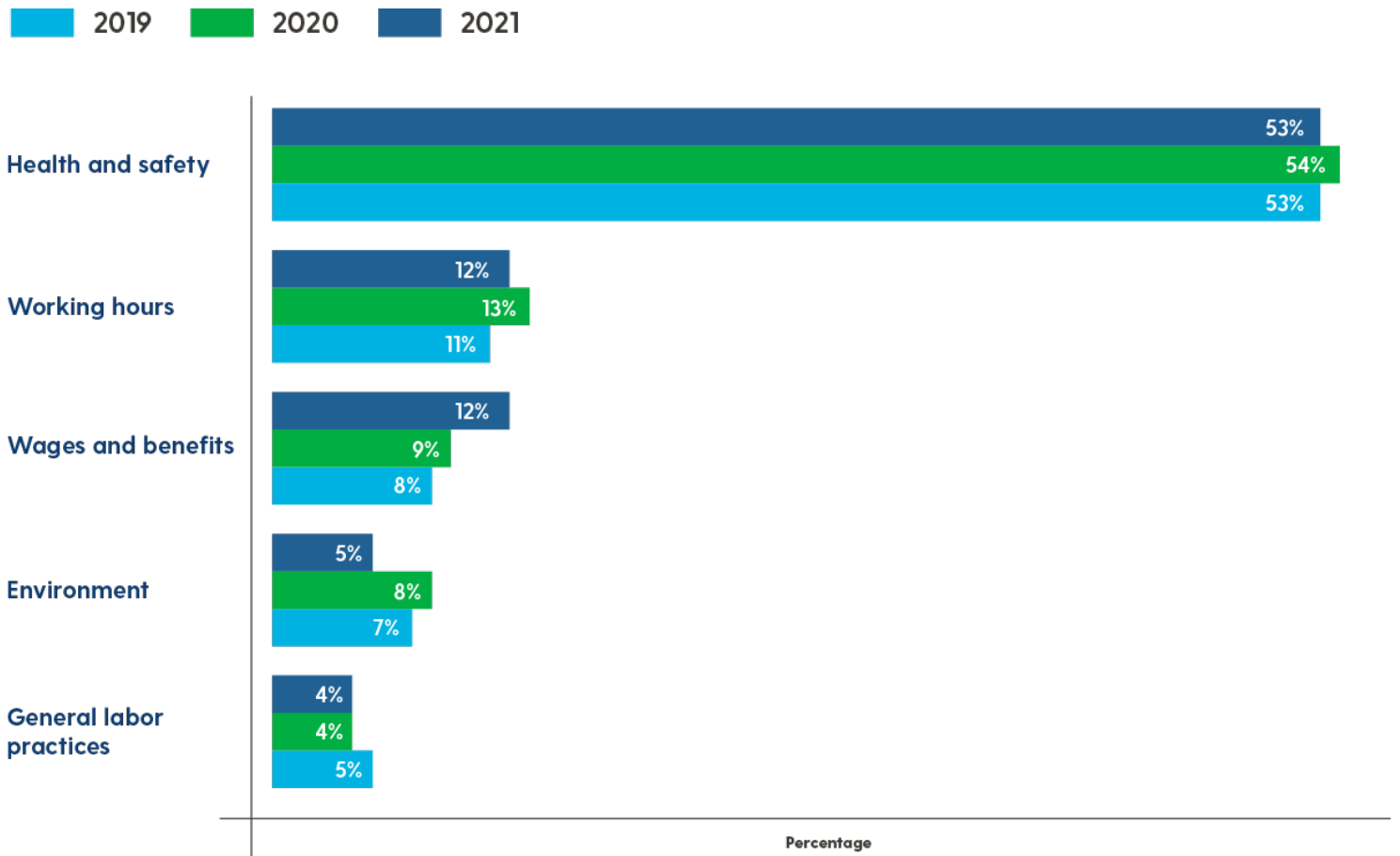
Zero tolerance violations, continuous improvement findings and immediate action findings all require the supplier to implement a corrective action plan. Our Supplier Code of Conduct requires compliance on more immediate action issues than any other compliance categories and includes detailed safety requirements for laundering and finishing garments. For these reasons, our assessments find more immediate action issues, most of which have to do with health and safety. Our suppliers are also expected to fully adhere to applicable health and safety management laws, industry best practices and international standards.

In 2021, we returned to visiting factories more often after the impact of pandemic-related closures and limited travel in 2020. Many apparel and footwear suppliers' cash flows were impacted by the pandemic, which resulted in higher violations related to issues such as making timely wage payments. In addition to the pandemic-related issues, the 2021 assessments identified cases where suppliers had not yet met the new requirements of our adoption of an industry tool, the Social & Labor Convergence Program's (SLCP) Converged Assessment Framework, and those introduced in our Supplier Sustainability Guidebook – which had been updated and expanded with new requirements in 2020.

We also noted an increase in zero tolerance violations in calendar year 2021. We terminated two supplier relationships for non-compliance, another is undergoing verification in September 2022 and the remaining

zero tolerance violations have been successfully remediated.

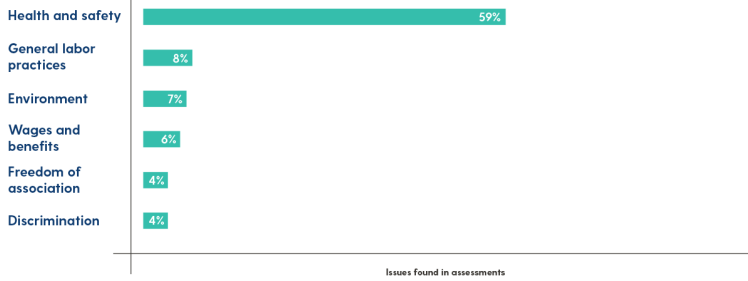
Top Issues Found – Tier 1 and Tier 2 Facilities*



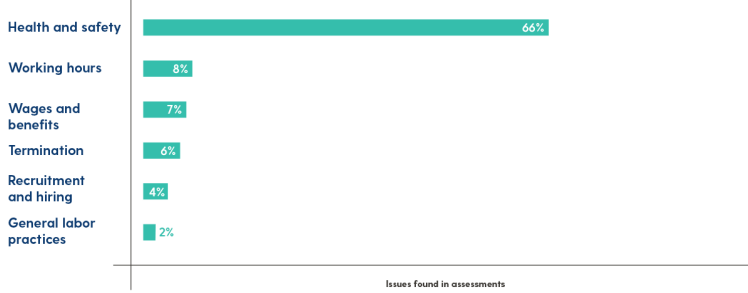
* Since these represent the top issues, not all issues, percentages do not add up to 100.

Top Issues Found – Tier 1 Facilities by Region (2021)*

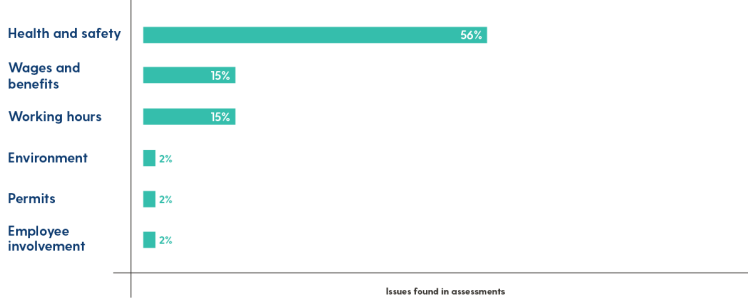
Americas



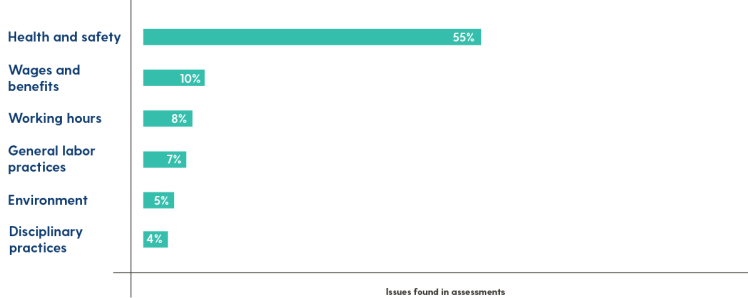
Europe, Middle East, North Africa



North Asia



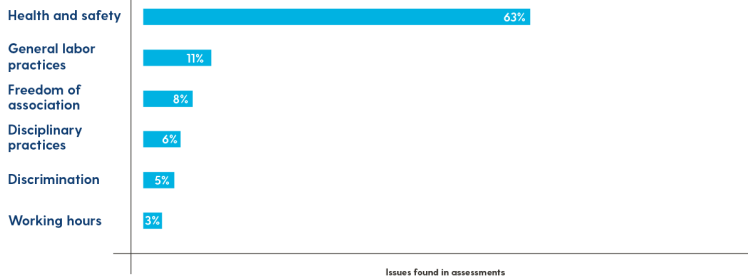
South Asia



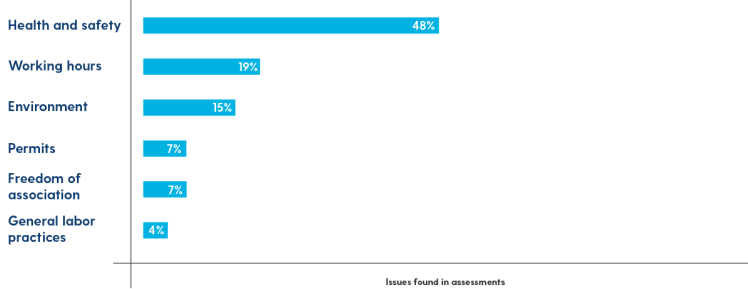
* Since these represent the top issues, not all issues, percentages do not add up to 100.

Top Issues Found – Tier 2 Facilities by Region (2021)*

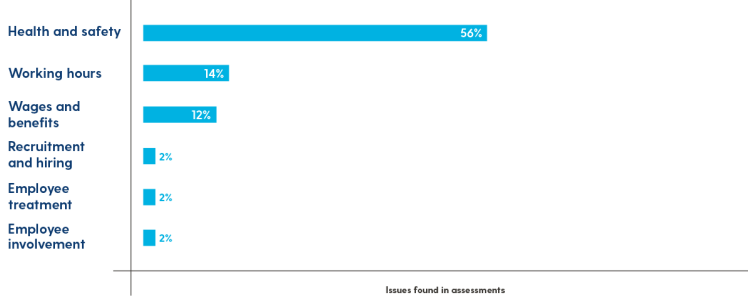
Americas



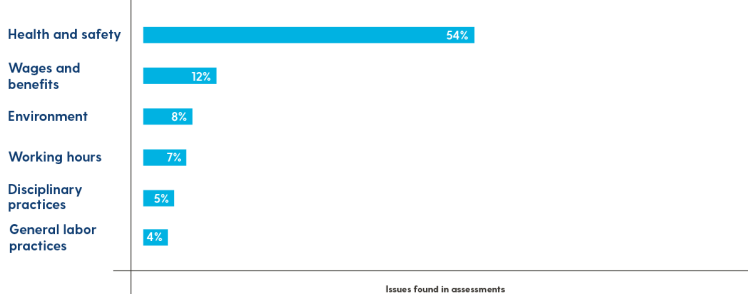
Europe, Middle East, North Africa



North Asia



South Asia



* Since these represent the top issues, not all issues, percentages do not add up to 100.

Closing Corrective Action Plans (CAPs)

In 2021, we doubled down on closing CAPs by providing training, resources and capacity building to suppliers to help them address systemic issues in the supply chain. This included a special focus on licensees – many of whom were harder hit by the COVID-19 pandemic than our direct suppliers – to help make sure they have the necessary knowledge, capacity and resources to meet our Supplier Code of Conduct requirements. We are also adjusting our scoring methodology and rating system to more closely align them with industry practices and to fast-track remediation and closure of CAPs.

We are aware that our practice of offering suppliers six to eight months to demonstrate substantial improvement – longer than some other brands – can make CAPs appear incomplete in our reporting data, particularly with respect to health and safety and environmental findings. However, we remain dedicated to driving our suppliers to resolve systemic issues that affect the apparel industry even though this can take longer and keep some CAPs open over extended periods.

Addressing Priority Labor Issues

Our expectations and requirements of every supplier are detailed in the LS&Co. Supplier Sustainability Guidebook, which incorporates the principles and high-level requirements of our Supplier Code of Conduct. We update these requirements as needed to address any new identified risks, such as health and safety concerns associated with the COVID-19 pandemic, and to align with new regulations. This includes providing suppliers with training and resources to make sure they understand and can comply. Although we provide a grace period before the new requirements are rated during assessments, we sometimes find that the addition of new requirements results in non-compliance assessment findings as suppliers work to adjust their procedures.

Like many apparel brands, our work with suppliers over the years has especially focused on three issues that appear in assessment findings:

- 1. Health and safety (detected in 57% of Tier 1 assessments and 55% of Tier 2 assessments in 2021)**
- 2. Wages and benefits (detected in 11% of Tier 1 and Tier 2 assessments in 2021)**
- 3. Working hours (detected in 10% of Tier 1 and Tier 2 assessments in 2021)**

In 2021, as in previous years, we focused on helping our suppliers address these common issues. We terminated two supplier relationships for non-compliance.

Strengthening Our Responsible Sourcing Strategy

We recognize that our purchasing practices directly affect suppliers and in turn, their employees. For instance, insights from Harvard SHINE have made clear that the order placement process, trust and transparency in our relationships with suppliers, and reliance on long-term partnerships all enhance factories' ability to manage their businesses, the work environment and the overall worker experience. On the other hand, order inconsistency – such as that caused by COVID-19 pandemic-related disruptions – can lead to stress on factory managers and supervisors, which in turn can lead to decreased worker productivity and negative impacts to worker health and well-being.

We have taken a hard look at our own actions to determine how – or whether – we are enabling an environment that brings about the improvements we want to see. In turn, this enables us to better understand the downstream impacts of our sourcing and supplier relationship management practices on worker well-being. For instance, we recognize that our factory-level interventions and corrective actions can affect our relationships with factory managers, leading to uncertainty or tension that can trickle down to workers. We see opportunities to change purchasing practices that can inadvertently affect factory pay systems, and ultimately, worker well-being.

Working with ELEVATE, we reviewed our responsible sourcing program in 2021, from strategy and governance to transparency, monitoring, engagement and worker voice programs. We then developed a three-year roadmap for a sourcing strategy that aims to go deeper into the supply chain – beyond Tier 1 and 2 suppliers – and include more robust mechanisms for worker grievance, stronger monitoring in high-risk countries and greater transparency.



Health and Safety

The ability to work in a factory that is clean and safe is a basic worker right. All LS&Co. suppliers are required to provide safe buildings, secure work environments and appropriate personal protective equipment. Our Supplier Code of Conduct includes detailed requirements in more than 20 categories for ensuring worker health and safety, including safety committees, training, hazard assessments and controls, emergency preparedness, building integrity, aisles and exits, lighting, electrical safety, machine guarding, product finishing, and many others. Notably, the Supplier Code of Conduct and Supplier Sustainability Guidebook provide extensive guidance on safety while finishing garments. This includes hand scraping, laser engraving,

screen printing, abrasive blasting and other finishing activities.

Because our health and safety requirements are so extensive, it is not uncommon for assessments to uncover a violation, sometimes due to workplace conditions or procedures, and sometimes due to worker non-compliance, such as removal of gloves or a mask. Frequently, health and safety assessment findings are related to paperwork management non-conformances, rather than issues that could threaten worker safety. We regularly remind suppliers how important it is to provide ongoing safety training so workers understand and abide by requirements designed to protect them from harm.

Building Integrity and Electrical Safety

In 2013, when the Rana Plaza garment factory in Dhaka, Bangladesh, collapsed, the tragedy highlighted the unsafe conditions present at some apparel factories in the country. LS&Co. products were not made at Rana Plaza and the number of factories producing our products in Bangladesh remains low. Even so, we took stronger action in the aftermath of the Rana Plaza collapse to assess health and safety practices and building integrity of our suppliers and to publicly disclose this information. This led to continued supply chain health and safety improvements.

Factories supplying to LS&Co. in Bangladesh are assessed annually with additional emphasis on fire safety and electrical and building stability. When new suppliers are brought on board in Bangladesh, we have a building assessment conducted to make sure supplier building safety requirements are in place. Any findings not compliant with our Supplier Code of Conduct leads to a corrective action plan and follow-up assessment.

In 2021, we completed a detailed assessment of seismic risk for 105 facilities in the LS&Co. supply chain across 12 countries. The assessment, which included relative seismic hazards and local building codes and construction quality, helps us to better understand earthquake risk at these locations, with the aim of informing suppliers so they can take steps to better protect their workers. We have begun publishing building integrity information based on our assessments in Bangladesh, Cambodia and Pakistan, including the names of suppliers we assessed and their locations. We plan to extend these assessments to other key suppliers globally and expand the hazard factors assessed to include not only seismic vulnerabilities, but also general building and electrical integrity.

Read our [commitment to building integrity and fire safety](#).

Read our [2021 building integrity and electrical safety assessment findings](#).

Fair Compensation

We will do business only with supply partners that provide wages and benefits that comply with applicable

law and match the prevailing local manufacturing or finishing industry practices. Non-compliance triggers immediate corrective action, usually including a demand for payment to workers in arrears and according to legal requirements.

Requiring Digital Payments

Digital payments to workers provide greater transparency, ensuring workers are paid the right amount and on time. Electronic payments are also better for families by protecting funds from being stolen or spent impulsively. Our Supplier Code of Conduct stipulates that suppliers must pay their workers electronically and that workers be allowed to open bank accounts. The Worker Well-being initiative has played a key role in providing financial literacy training to assist with this process. In FY21, about 94% of workers in our supply chain were covered by digital payments.

Prohibiting Homework

Homeworkers are those workers, usually women, who do jobs that need to be finished by hand, such as cutting off threads, sewing on buttons or doing embroidery. They generally receive extremely low pay, are not covered by benefits and are often paid irregularly or late. Homework is expressly prohibited in the LS&Co. supply chain and if found, is an issue on which a supplier must take immediate action.

Compensation During the Pandemic

The impact of market fluctuations, changing government health regulations, and unpredictable conditions during the pandemic has in some cases affected the ability of suppliers to retain and pay workers. We have been in continual communication with suppliers to make sure they compensated employees in accordance with local legal regulations, making it extremely clear that a condition for continuing to work for LS&Co. was complying with all our requirements.

In 2020 and 2021, to provide additional assistance to workers, the Levi Strauss Foundation committed \$2.2 million in grants to support organizations providing critical community services and direct relief in the form of food, cash and housing assistance, personal protective equipment and medical care. During the 2020-2021 and 2021-2022 grant periods, funds were distributed to a variety of grantees, who aimed to assist over 650,000 apparel workers and family members. Additionally, grantees trained at least 3,400 healthcare and frontline workers on hygiene and safety practices to help protect workers, families and communities.

Toward Compensation Benchmarks

We have subscribed to the Fair Labor Association's (FLA's) Fair Compensation Toolkit as a common

methodology for measuring and driving industry-wide progress on fair compensation. LS&Co. aims to understand our supplier's current situations within the context of various wage benchmarks, including the Global Living Wage Coalition estimates, and evaluate opportunities for impact in our source base. As part of our initial work, 30 factories in our supply chain have completed the comprehensive wage data collection tool.

Promoting fair compensation among our suppliers supports our commitments to worker well-being since economic well-being is central to worker health, satisfaction and engagement – tenets of our Worker Well-being program. Together, our wage analysis and Worker Well-being program will inform our strategy to help ensure that supply chain workers are fairly compensated according to country-level and industry-wide benchmarks.

Working Hours

Excessive overtime is a prevalent issue in the apparel industry due to fluctuations in product orders and seasonal demands, delays receiving raw materials, inconsistent government enforcement of working hours laws and other factors. We understand that suppliers find it difficult to deal with these challenges without resorting to overtime. However, excessive overtime hours affect worker well-being and productivity. Our Supplier Code of Conduct makes it clear that we favor partners who use fewer than 60-hour work weeks and that we will not use suppliers who regularly require more than a 60-hour week. Employees also must be allowed at least one day off in seven. Where a country's legal code requirements are more stringent on overtime hours, suppliers must meet the legal requirements.

The discovery of working hour non-compliance during an LS&Co. assessment is cause for immediate action and requires a corrective action plan. We are aware that this remains a systemic issue in the apparel industry and needs constant attention by our teams and monitors. The impacts of the COVID-19 pandemic exacerbated the issue, as factories closed and reopened intermittently in response to changing government mandates, demand fluctuation, and unpredictable timetables. As a result, the factory-level corrective action plans we mandate tend to remain open, reflecting the ongoing nature of the issue, and affecting the annual percentage of closed corrective action plans.

Regular, Long-Term Employment Contracts

Our Supplier Code of Conduct and sourcing contracts require suppliers to offer permanent and/or long-term regular employment contracts for all non-seasonal workers, regardless of whether such contracts are legally required in each jurisdiction. We anticipate that all workers in the LS&Co. supply chain will have long-term employment contracts by the end of 2022.

Protecting Foreign Migrant Workers

In 2020, we updated our Supplier Sustainability Guidebook's section on foreign migrant workers to address areas for improvement identified through our assessment process. We have defined supplier requirements regarding foreign migrant workers, from hiring through the end of employment. The Guidebook also includes best practices in the employment of foreign migrant workers and requirements for suppliers to make sure these workers are aware of their rights. Approximately 1,250 foreign migrant workers were employed in factories and mills in the LS&Co. supply chain during 2021, less than 1% of all workers in the factories and mills supporting our products.

Our 2021 assessments uncovered a small number of compliance issues with respect to foreign migrant workers. These included issues associated with the payment of recruitment and documentation fees, expired work permits, and use of unapproved agents for recruitment. We make clear our expectations for protecting these workers, who are vulnerable to exploitation by unscrupulous recruiters and others.

Preserving Freedom of Movement

We prohibit suppliers from controlling their workers' legal documents – including passports or other documents that could restrict their movement. Any finding that a supplier is holding or otherwise controlling an employee's legal paperwork against their will constitutes an immediate action finding, with specific corrective action steps required immediately.

Prohibiting Forced Labor and Child Labor

LS&Co. is committed to human rights and labor rights wherever we operate and throughout our supply chain. Consistent with international labor conventions and the Universal Declaration of Human Rights, our Supplier Code of Conduct governs the conduct of the vendors and suppliers we work with around the globe and expressly forbids any forced, prison, indentured, bonded or trafficked labor in the supply chain. These requirements are clearly detailed in our Supplier Code of Conduct, as well as our [U.K. Modern Slavery Statement](#) and [Australia Modern Slavery Statement](#).

As a partner in the multi-stakeholder Better Work program, we contribute to industry-wide efforts focused on eradicating forced labor and human trafficking. Before entering into a contract with a new supplier, we evaluate the risk of forced labor and other issues through initial assessment, and suppliers are required to pledge their adherence to our Supplier Code of Conduct requirements as part of their Master Supply Agreements with us.

We will not contract with any entity that uses forced labor, whether prison, indentured, bonded or trafficked, nor will we utilize or purchase materials from a business partner using prison, indentured, bonded or trafficked labor. These forms of forced labor are defined as follows:

- **Prison Labor:** Work performed by individuals incarcerated by either the state or military that is a requirement of their sentence and usually without compensation.
- **Indentured Labor:** Work performed by an individual contractually bound to an employer for a specific time period, which is usually in return for payment of travel and living expenses.
- **Bonded Labor:** An illegal practice in which employers give high-interest loans to workers who either individually or as an entire family then work at low wages to pay off the debt.
- **Trafficked Labor:** A practice where a person is recruited, harbored, obtained, transported, or transferred with a view to that person being exploited.

All forms of prison or forced labor are considered zero tolerance violations of our Supplier Code of Conduct requirements. Likewise, all use of trafficked labor – whether the contractor is using labor that has been trafficked or facilitating the trafficking of individuals for the purposes of their exploitation by another party – constitutes a zero-tolerance violation. Subcontracting with prisons is also a prohibited zero tolerance violation. Our assessments did not find any such zero tolerance violations in calendar year 2021.

The use of child labor is not permissible at any facility in the LS&Co. supply chain. Workers can be no less than 15 years of age and not younger than the compulsory age to be in school.* We will not use any suppliers that have child labor in any of their facilities. These are considered zero tolerance violations that result in immediate corrective action and the potential termination of the supplier relationship. Our assessments did not find any such zero tolerance violations in calendar year 2021.

**LS&Co. defines a child as anyone under the age of 15, and a juvenile as anyone between the ages of 15 and 18. In regions or countries where the legal definition of a child includes persons older than 15, the local definition will apply.*

Preventing Sexual Harassment and Abuse

Sexual abuse and harassment are zero tolerance violations of our Supplier Code of Conduct and our company values. To comply with our standards, our suppliers' factories must have clear employment policies on harassment, abuse and coercion that are uniformly applied and made available to all workers in their local languages. If we learn of issues of abuse and harassment, it is incumbent on us to respond quickly and thoughtfully. Our assessment identified one incident of sexual harassment in calendar year 2021 that has been remediated.

In 2018, after we received the Worker Rights Consortium (WRC) report on harassment and abuse in supplier facilities in Lesotho, we took immediate action. We informed the CEO of the supplier that the abuse alleged in the report would not be tolerated and required remediation regarding employment contracts, reporting systems and grievances raised by workers. To support the remediation process, we collaborated with local and international labor rights NGOs and unions to design a program to address the issues that were found and provide greater protection for women working in these facilities.

We recognize these issues are difficult to detect and remediate through assessments alone. We have enhanced our assessment program to conduct off-site interviews and now require that assessment teams have female monitors to help create a safe environment, free of the possibility of retaliation.

As we have learned by listening to workers, a culture of trust and respect is essential to any workplace. Often, harassment and abuse are symptoms of underlying gender inequities that can be mitigated by creating more gender-equal environments. These were among the primary themes of the [Gender Equality Report](#) published by the Levi Strauss Foundation, which outlined practices for enhancing gender equity at factories and building cultures in which workers feel safe. We have been working to put these learnings into practice throughout our operations. We also believe it is crucial that we seek to understand the root causes of sexual harassment and identify policies and partnerships that can address it at a systemic level. We will continue striving to ensure safe, productive working environments across our supply chain and to improve worker well-being.

Prohibiting the Sumangali Scheme

LS&Co. condemns and prohibits the Sumangali scheme, an illegal bonded or forced labor scenario involving girls and young women workers in the textile industry in the Indian state of Tamil Nadu. Under Sumangali, young women accept multi-year work contracts to earn money for a wedding dowry. However, their employers hold back a significant portion of their wages and do not pay them until after the contract term is completed – if at all. The women are not allowed to leave or change jobs and are forced to accept all work and conditions, which are generally exploitative and even abusive.

Both national and global efforts have attempted to address the issue, and apparel companies, including LS&Co., have taken steps to eradicate the Sumangali scheme. Some of our actions over the years have included participating in the Tirupur Stakeholders Forum guidelines development, making grants to local NGOs focused on community intervention and women's empowerment, consolidating the supplier base, implementing additional due diligence measures, establishing a grievance management system, and advocating for a minimum wage on behalf of spinning mill workers in Tamil Nadu.

We continue to monitor our supply chain to determine whether any supplier has links to forced, prison, indentured, or bonded labor, or to human trafficking. Based on what we find, we are prepared to take appropriate actions to address the situation in accordance with our values, our code of conduct and international human rights standards to ensure our supply chain is free of forced labor. We continue to work with industry peers and partners to engage stakeholders on collective solutions to protect human rights and ensure the integrity of global supply chains.

Capacity and Capability Building

We expect a lot of suppliers and understand that many of them simultaneously try to meet our expectations as well as those of other brands. That's why our capacity building support is specific and based on need. It follows the Better Work approach to needs assessment and draws from factory assessment findings, worker voice initiatives and our own Worker Well-being initiative. The LS&Co. sourcing team is key to the needs assessment and to helping suppliers implement and improve their social and environmental performance, whether for compliance or to begin using innovative sustainable materials and new technologies. We are leveraging four primary ways to share learning and develop skills among suppliers:

Engagement – We engage directly with our suppliers through focused webinars to discuss and align on shared objectives. A total of 186 direct suppliers and fabric mills, as well as 19 licensees, engaged in these valuable dialogues with us in early fiscal year 2022 and we aim to meet with additional suppliers in the future.

Holistic workforce investments – In addition to complying with our requirements, suppliers must go beyond, investing in their workforce and ensuring the safety and holistic well-being of their employees. Through collaboration, training and initiatives like our Worker Well-being initiative, we support suppliers in making the transition from a strictly compliance-based approach to one that embraces comprehensive well-being for the people who make our products.

Digital tools – We are developing video-based training tools to educate suppliers on key compliance concepts and our approach to the Worker Well-being program.

Better Work – This program also provides training to suppliers on key issues like the worker-management relationship, worker dialogue, communication for supervisors and other soft skills that can make a difference in the workplace experience. All LS&Co. suppliers in Better Work countries participate in this training. During calendar year 2021, 31 factories with more than 92,000 workers participated in on-site and virtual training sessions. The trainings covered a wide array of topics, including:

- Occupational safety and health
- Compensation and benefits

- Workplace communication
- Gender equity
- Productivity skills
- Leadership skills for middle managers
- Sexual harassment prevention
- HIV and AIDS awareness
- Financial literacy
- Chemical management

We are also exploring use of a ZDHC Academy module offered by the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation on sustainable chemical management. We offer suppliers ZDHC tokens they can use to participate in the ZDHC Supplier to Zero program for certification and for ZDHC Academy training free of charge. Through calendar year 2021, more than 100 factories in our supply chain have achieved the ZDHC foundational certificate and others have used tokens for ZDHC Academy training.

Mekong Sustainable Manufacturing Alliance

We are participating in a three-year program funded by USAID in cooperation with the Institute for Sustainable Communities, ELEVATE and the Asian Institute of Technology, to enhance environmental, social and governance (ESG) supply chain standards in the Mekong Region of Cambodia, Thailand and Vietnam. The Mekong Sustainable Manufacturing Alliance program aims to improve the health, livelihoods and well-being of vulnerable populations, while fostering sustainable economic growth and greater development outcomes.

The program is expected to cover as many as 250 factories working in apparel, footwear, food processing and other sectors. Since it began in 2021, we have identified 13 factories in the LS&Co. supply chain to participate. Collectively, the factories employ approximately 40,000 workers in Cambodia and Vietnam. We collaborated with other companies to develop the program strategy, emphasizing ESG topics that resonate with our supply chain in the region. We have since begun engaging suppliers to participate in capacity building initiatives and technical assistance covering:

- Respectful workplace, focusing on non-discrimination and grievance mechanisms
- Protecting foreign migrant workers, focusing on equal opportunities for migrant workers
- GHG emissions, focusing on renewable energy
- Waste management

Enabling Worker Voice

We are striving to improve worker voice and grievance programs in the supply chain. We have developed guidelines for gathering information from workers during the assessment process, which helps to make worker interviews central to our assessments. While some suppliers are implementing worker voice channels, we do not yet have a unified program to help make sure workers have dialogue with factory management. We will continue encouraging suppliers to evolve their existing grievance approaches into more unified systems.

One of our first steps in this direction was the recent Harvard SHINE study, which provided valuable input from apparel workers about their mental, emotional and physical health. The newest version of our Worker Well-being initiative builds on this research and provides guidance to factories on ways to improve workplace culture and communication channels between workers and managers. To gain further insight, we will administer an adapted version of the Harvard SHINE survey in select sourcing locations in 2022 and beyond.

The responsible sourcing assessment we completed in 2021, as well as learnings from the gender-based violence and harassment remediation project in Lesotho, pointed to the need for more worker voice channels where workers can report their grievances or share their needs and suggestions. As a result, we are implementing independent workers' grievance hotlines at selected supplier facilities in three major sourcing countries – Bangladesh, Pakistan and India – in partnership with Ulula, a worker engagement service provider. An initial worker survey is being conducted at every site to define a baseline and identify any current systemic issues. The new grievance management platforms enable workers to share concerns 24/7 in multiple languages and through multiple online and offline channels. The intent is to support systems development and build capacity for suppliers to gradually take ownership of the platforms and case management after the first year, and we plan to scale the program in more markets.

Worker Well-being Initiative

The Worker Well-being initiative, introduced by LS&Co. in partnership with the Levi Strauss Foundation in 2011, is designed to go beyond compliance to improve the lives of the people who make our products. It

reflects our understanding that what is good for workers is good for business, and that when we elevate trust, respect and fairness in partnership with suppliers, we are all more innovative and resilient. The Worker Well-being initiative operates on the premise that if workers are healthy, satisfied and engaged, then business performance also improves. Our suppliers believe in this premise, and we have launched well-being programs in 113 supplier factories over the past decade.

At each participating factory, the Worker Well-being initiative surveys workers about their well-being needs, rolls out responsive empowerment programs and builds the capability of factory management to sustain progress through lasting improvements that improve worker experience – training, worker communication channels, cooperation between managers and employees, gender equity, and a comfortable physical workspace, among others.

The original 2011 [Worker Well-being Guidebook](#) outlines the criteria for supplier selection into the initiative, implementation standards and requirements for validating supplier programs. Then, nonprofit grantees of the Foundation partner with factories, providing guidance, resources and training to help address worker needs in economic empowerment and financial literacy, good health and family well-being, and gender equity.

Evolving the Initiative for Worker Health, Satisfaction, Engagement

To more closely examine the status of worker well-being throughout our broad supply chain, in 2017 we set up a multi-year partnership with Harvard SHINE. Their research – which initially reflected data from more than 13,300 workers in 15 factories concentrated in five countries collected over several years – has demonstrated that high levels of well-being at work require trust, respect and fairness. In line with our commitment to sharing our learnings with the field, the [Harvard SHINE study results](#) are publicly available to others in the industry.

In 2021, with a decade of implementation experience and learnings from our partnership with Harvard SHINE, we identified opportunities to deepen the impact of the Worker Well-being initiative. We updated our strategy and set new goals for even greater reach and impact, emphasizing improvements to the worker experience in health, satisfaction and engagement. LS&Co.'s refreshed Worker Well-being strategy, outlined in the [2022 Worker Well-being Guidebook](#), offers suppliers a self-directed, collaborative approach designed to help them identify locally relevant improvements to well-being and business performance. Our updated strategy focuses on:

- **Well-being in the workplace.** The way work is planned and distributed and how employees feel on the production floor not only affects well-being, but can also have ripple effects in households and communities as well. Data shows the industry has a long way to go to build caring workplaces where workers and managers share a sense of trust, respect and fairness.

- **Worker-manager cooperation and communication.** Understanding and elevating worker well-being requires collecting their perceptions. Listening to workers' insights and concerns goes deeper than compliance audits and highlights opportunities over risks.
- **Programs and investments within gender equity, workplace environment, and policies and systems.** Evidence and experience show that these three areas contribute most directly to well-being at work.

Improving the work experiences and lives of the women and men who make our products is a continuous process, so we established several principles and milestones we will strive to achieve along the way:

- **LS&Co.:** Review, re-assess and improve our purchasing practices because we know these can impact worker health and well-being.
- **LS&Co.:** Support suppliers in improving worker compensation. While laws that determine wages vary by country, financial security is critical to worker well-being.
- **Suppliers:** Improve cooperation between workers and managers by enabling collaborative teams that identify needs and develop solutions for well-being at work.
- **Suppliers:** Make investments in gender equity, the workplace environment, and factory policies and systems, and will monitor and measure progress.

Measuring Progress and Impact

Thanks to the Harvard SHINE partnership, we know the key indicators for well-being and have created the tools to measure them. The Levi Strauss Foundation led the development of a streamlined version of Harvard SHINE's worker survey, which provides a tool for LS&Co. and suppliers to assess the long-term impact of Worker Well-being initiative investments, including measures of health, job satisfaction, engagement and financial well-being.

In addition to the survey, the Levi Strauss Foundation also developed an accompanying tool for factory management teams to assess incremental progress against key milestones in the Worker Well-being roadmap, known as the Operational Framework. It represents a process of communication and collaboration where team members come together to diagnose challenges, design solutions and drive continuous workplace improvement. While many industry tools focus on traditional communication mechanisms like worker-management committees, the Operational Framework Tool explores other channels to assess whether suppliers are "building the muscle" for decision-making.

Measuring What Really Matters

Tracking the total number of workers with access to the program remains important, but it does not measure positive impacts. As we roll out our refreshed Worker Well-being approach, we will focus on measuring positive outcomes in health, satisfaction and engagement – key ingredients to well-being. We have developed baselines and metrics to track these, and LS&Co. and the Levi Strauss Foundation developed a Well-being Impact Survey with core indicators that suppliers can use to assess well-being in the workplace. This represents a shift in how apparel brands track worker well-being progress that we hope will catch on beyond our supply chain.

Worker Well-Being Impacts

Metric	FY21
Percentage of LS&Co. products represented by factories using Worker Well-being initiatives	~80%
Number of participating supplier factories	104
Number of participating countries	14

Reaching Apparel Workers with the Support They Need

In 2019, the Worker Well-being initiative surpassed our 2020 goal of reaching 200,000 workers – almost a year ahead of schedule. What’s more, 60% of suppliers now self-fund their own Worker Well-being initiatives, rather than relying on the Levi Strauss Foundation for support. Three quarters of participating factories reported improvements in worker engagement, and over half reported improved satisfaction and lower absenteeism.

Some Worker Well-being factory initiatives were temporarily halted in 2020 and 2021 due to lockdowns, business disruptions and safety concerns, reducing the number of workers we could reach through these initiatives. And although the pandemic continued to negatively affect the supply chain in 2021, with some suppliers going out of business, we added more than 6,500 workers to the initiative in 2021. By the end of the year, LS&Co. suppliers had active Worker Well-being offerings at 104 sites covering more than 180,000 workers. Going forward, all LS&Co. suppliers are expected to adopt the renewed Worker Well-being approach and start making progress immediately. We will assist them as they adopt the new approach and set achievable timelines.

Improved Vision Improves Quality of Life

Since 2017, VisionSpring has been a trusted partner of LS&Co. and the Levi Strauss Foundation, providing workers with access to affordable corrective eyewear and referrals to local optometrists. When garment industry workers lack the eyeglasses they need for clear vision, it affects their ability to continue working, earn an income, and care for themselves and their families. In 2021, VisionSpring screened nearly 20,000 workers in the LS&Co. supply chain across Bangladesh and Vietnam and provided corrective eyewear to almost 6,000 people, reducing error rates in garment production and improving quality of life.

Gender Equity and Women's Empowerment

Women are the driving force of the LS&Co. supply chain. In fact, at the factories participating in the Harvard SHINE study, women represent 60% to 80% of the workforce. Women in the apparel industry have both different lived and work experiences than their male counterparts. Women are more likely to work in sewing areas, which tend to offer lower wages than the areas dominated by men, such as cutting, laundry and finishing. Women also have fewer opportunities to move out of their initial jobs, while men are more likely to receive promotions. As a result, women's well-being at work is often less that of men.

We are committed to changing this. Already, the Worker Well-being initiative and the Levi Strauss Foundation focus on gender equity through a variety of initiatives. The Worker Well-being initiative has also demonstrated to many of our suppliers that an empowered workforce is essential to their success, giving them footing they can build on to implement the systemic changes needed for gender equity. The new version of our Worker Well-being strategy puts even greater focus on gender equity. Among other tactics, it aims to establish gender promotion targets and hiring ratios in supplier facilities and make progress toward mixed-gender, diverse departments.

Tailored Training for Women in the Bangladesh Garment Sector

In Bangladesh, a program to boost technical knowledge, develop leadership skills and provide on-the-job practice eases the way for women in ready-made garment factories to advance their careers. The project aspires to increase productivity and reduce gender imbalances. The garment industry in Bangladesh supports the livelihoods of more than 4 million Bangladeshis, and while women make up the majority of the industry's workforce – around 80% of sewing line operators – few line supervisors are women. Since 2020, the Gender

Equality and Returns (GEAR) program, a special initiative of Better Work designed by IFC and jointly implemented with ILO, has been delivered in nine LS&Co. supplier factories with support from the Levi Strauss Foundation.

The program has trained women to master the skills required for supervisory roles. GEAR has also worked with factory managers on systemic changes to create a more empowering environment for women's career progression. From March 2021 to March 2022, nearly 65% of the GEAR trainees in LS&Co. supplier facilities were promoted to supervisor after completing their training. Before GEAR began in these nine factories, 93% of line supervisors on average were men and about 7% were women. After the GEAR program was implemented, the number of female supervisors more than tripled – up to 24%.

Supplier Inclusion

We are developing an inclusion program to increase our engagement with a diverse cohort of indirect suppliers – those providing the goods and services we use in everyday operations, such as office furniture, computers, cleaning services and many others – and to ensure we work with those that not only have high environmental and ethical standards, but also prioritize inclusion in their businesses.

In the U.S., our first step was to get a better understanding of our indirect suppliers, including determining whether they are owned by underrepresented groups and the value of the contracts in place. This helped us establish a 2021 base year for assessing ongoing progress. Globally, we are developing a broader program to provide transparency around the inclusion practices of our indirect suppliers because inclusion is how we can drive overall improvement for the communities where we operate.

In 2021, we accelerated our efforts in four key areas:

- We engaged some of our largest suppliers in completing a full EcoVadis assessment to evaluate their performance in areas like gender equity, anti-bullying programs and inclusive business practices. Going forward, we plan to require the EcoVadis assessment of all new indirect suppliers over a certain financial threshold to begin measuring inclusion in our supply network.
- We began updating our Supplier Code of Conduct to include requirements relevant not only to suppliers making fabrics and sewing garments, but also to our indirect business partners.
- We began taking a close look at our contracting process to see how we can make our contracts and insurance requirements more accessible to small businesses and streamline their onboarding and break down barriers to doing business with us.
- We set internal targets to drive progress and accountability toward increased engagements with

under-represented, inclusive suppliers.

Our efforts also include collaborating with the National Minority Supplier Diversity Council, the Women's Business Enterprise National Council, the National LGBT Chamber of Commerce and other organizations to build out our supplier inclusion program. We will start rolling out the program more broadly in 2022.

Supplier Support During the Pandemic

Our suppliers faced unprecedented challenges in 2020, continuing through 2021, given the volatility and unpredictability in the industry. In line with our history of collaborative supplier relationships and commitments to worker well-being, we worked closely with suppliers to find the best way through the global COVID-19 pandemic.

We updated our Supplier Sustainability Guidebook with pandemic-specific health and safety guidelines. This ensured the additional health and safety procedures were in place then and in the future, should they be needed. We continue to use these practices in all LS&Co. sourcing countries through the different stages of the pandemic, including the emergence of new Coronavirus variants.

Additionally, when the pandemic first hit, we took full responsibility for all outstanding finished, ready-to-ship and in-progress orders. While we extended our payment terms, we believe our current terms are consistent with industry practice, and we have not asked for any discounts on payments. We made sure suppliers have access to working capital financing through programs like our ongoing partnership with the International Finance Corporation (IFC), which provides suppliers with early payments at discounted rates through its Global Trade Supplier Finance (GTSF) program.

Supply Chain Financing Program

In 2021, we expanded our supply chain financing program with IFC GTSF to provide discounted financing rates to suppliers that have already begun implementing low-carbon investment plans and have conducted Partnership for Cleaner Textile (PaCT) cleaner production assessments. The suppliers receive early payment for their LS&Co invoices, up to a maximum outstanding \$145 million for the program (as of first quarter 2022). As of the end of FY21, 33 LS&Co. suppliers have participated in the IFC program. Collectively in 2020 and 2021, these suppliers have received in aggregate approximately \$893 million in earlier payments to support their working capital and business operations needs. On average, participating LS&Co. suppliers in 2021 received payment approximately 60 days earlier than they would have without the program.

Supply Chain Financing Program

~\$893M

in early payments through IFC
GTSF program in 2020 and 2021

33

participating
LS&Co. suppliers

60

days earlier
payment on
average

We have also launched new early payment, low-cost financing programs to support suppliers in locations not covered by the IFC GTSF and to provide additional funding when GTSF reaches its limit, especially during peak shipment seasons. For instance, in 2021 we began a global collaboration with HSBC on the Sustainability Supply Chain Finance (SSCF) program. In FY21, 21 of our participating suppliers received \$142.4 million in early payments – out of an available \$150 million – made on average about 71 days earlier than our customary schedule.

Supplier interest rates for both the IFC and HSBC payments can be linked to their performance against our Supplier Code of Conduct, providing incentives for suppliers to improve social and environmental performance. In 2021, 16 of the 21 LS&Co. suppliers participating in the HSBC Sustainability Supply Chain Finance program received competitively priced financing based on their strong sustainability performance.

What's Next – Supply Chain

As we look to the remainder of 2022 and beyond, capacity building – both among our suppliers and our own team members – will remain a priority. We are forming a new internal team focused on worker well-being and supplier capacity building, which we plan to expand as our business grows. Our refreshed Worker Well-being program also includes robust provisions for supplier training.

We also remain committed to fostering a supply chain ecosystem that drives improvements in both environmental and social priority areas, including purchasing practices and wages. We plan to complete a comprehensive review of our purchasing practices, with the understanding that purchasing practices are key

to strong relationships with our suppliers, and that good relationships contribute to better worker health and well-being. We will also continue examining wage practices in the supply chain with the aim of ensuring that the people making our products receive fair and equitable wages.

Going forward, we will continue to update our compliance and assessment systems in line with changes in our operating environment, the nature of the pandemic, evolving industry best practice and convergence tools. We will work in partnership with our supply partners, many of which have been with us for more than a decade, to address shared environmental, social and operational challenges. And where possible, we will refine and offer access to financing mechanisms that can help our suppliers get the capital they need to fulfill their obligations under our Supplier Code of Conduct and make investments to improve sustainability performance.

We will share the updated Worker Well-being Guidebook with suppliers and other stakeholders so they can begin shifting toward programming focused on these better work experiences and impact-driven metrics of success. And just as we did with our original Worker Well-being Guidebook, we plan to make the updated guidelines and tools publicly available.

Resources

2021 Building Integrity and Electrical Safety Assessment Findings

Commitment to Building Integrity and Fire Safety

Conflict Minerals Disclosure

Harvard SHINE Worker Well-being Study

Supplier Code of Conduct

Supplier Sustainability Guidebook

Supplier Map

Support to Suppliers with the International Finance Corporation

Worker Well-being Initiative



Publishing our source base

LS&Co. publishes the names and addresses of the factories and mills in our supply chain using an interactive map designed to make it easy for interested stakeholders to see where our products are made. We update our factories quarterly and our mills semi-annually to reflect changes to our source base.



Using Our Platform

UN SDGs: 3, 11, 13, 16

Addressing the pressing issues of our time through advocacy, philanthropy and volunteering

Using Our Platform Goals

Goal:

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

Goal:

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

Nearly 170 years of business has helped us build a platform to drive for meaningful social change and environmental action. When we advocate for public policies, we do so by outlining the business, and sometimes moral, case for corporate and policy action. Over the years we have taken stands on issues such as gun violence prevention, equitable access to voting, the rights of LGBTQIA+ people, paid family leave, and science-based climate policy, along with many other issues important to our business, our customers and the communities we serve.

The Levi Strauss Foundation and LS&Co. underpin these efforts with grants to organizations working for lasting changes on the important issues of our time. We have been sharing our profits with the community since Levi Strauss founded the company in 1853. Today, we invest about 2% of our annual earnings back into communities we serve through our contributions to the Levi Strauss Foundation and direct corporate grants, with an emphasis on addressing the issues important to us as a company, to our employees and to the communities where we work. We amplify our impact by further supporting nonprofit organizations through employee volunteering and giving.

Advocacy on the Issues of Our Time

Throughout our history, we have made changes to our own operations, from integrating our factories in the southern U.S. before it became law, to extending health benefits to unmarried domestic partners – the first Fortune 500 company to do so. We will continue advocating for social change and encouraging others to do the same in contributing to a more just, safe and inclusive society.

LS&Co. leaders regularly speak publicly about our top advocacy issues, and we use our platforms to amplify those messages whenever we can. Our CEO Chip Bergh regularly discusses these issues during interviews and has become known as a leader in the broader push toward a form of stakeholder capitalism that

considers the role a company plays in society, not just the revenue it generates.

Just a few 2021 examples include:

- Our CEO Chip Bergh published an op-ed with CNN Business calling for a national paid family leave policy, “Failing to Mandate Paid Family Leave is Inexcusable.”
- Our Chief Sustainability Officer Jeffrey Hogue published an essay on LinkedIn, “Why We Need to Talk About Consumption.”
- Chief Operations Officer Liz O’Neill published an op-ed in *Fortune*, “Congress Must Act Against Climate Change to Keep America Competitive.”

Voting Rights and Engagement

At a time when voting rights are under attack in the U.S., we believe that the critical avenue for employees to engage civically is their vote. Every year we make sure our U.S. employees have access to the information and tools they need to vote in their local elections. In the face of continued infringements on the right to vote in various U.S. states, we believe it is especially critical to provide safe, accessible and secure voting to all eligible voters and to inform employees about the changes on election dates, vote by mail specifics and evolving rules in their locations. In 2021, we developed and executed a plan to support voting rights through our own advocacy as well as grant support to organizations working to preserve fair access to voting.

Early in 2022 we advocated at the U.S. federal level for passage of the John Lewis Voting Rights Advancement Act and signed statements in opposition to anti-voter legislation. We monitored legislation in four states that have large LS&Co. employee populations and restrictive voting laws that disproportionately affect communities of color. LS&Co. provided more than \$500,000 in grants to organizations in those states, as well as to national organizations building awareness of legislation, educating young people on the importance of voting rights, and engaging eligible voters in local elections. We also kept voting top of mind for employees, encouraging them to participate in local elections and reminding them of our policies allowing time off to vote. Other activities included:

- We joined a business amicus brief to the U.S. Supreme Court addressing the *Brnovich v. Democratic National Committee* case, which could substantially further weaken the Voting Rights Act and make it easier for local and state governments to discriminate against voters of color.
- We signed on to the Civic Alliance’s joint statement for an orderly and peaceful transition of power following the January 6, 2021, insurrection at the U.S. Capitol and the joint statement on protecting voting access.
- We joined other companies in signing a statement to oppose discriminatory voting rights legislation.
- We signed a letter organized by Fair Elections Texas to support reforms that make democracy more

accessible and oppose any changes that would restrict eligible voters' access.

Gun Violence Prevention

In 2021, gun violence in the U.S. claimed the lives of almost 45,000 people in a worsening gun violence epidemic that disproportionately affects Black and Brown communities. LS&Co. has pledged ongoing support for gun violence prevention by rallying the business community on the issue, advocating for gun safety measures and providing philanthropic support to organizations on the frontlines of the epidemic.

Our advocacy work also included reaching out to elected officials to pass common-sense gun safety legislation. For instance, in 2021, LS&Co. joined Giffords' Impact Network as a founding member, lending our support for increased and coordinated corporate engagement to prevent gun violence and pass meaningful gun safety legislation. Throughout the year, we continued support of organizations that are born from and work closely with communities of color disproportionately affected by gun violence, as laid out in our Gun Violence Prevention Plan.

Safer Tomorrow Fund

In 2018, we established the Safer Tomorrow Fund to support nonprofits working to address gun violence in the U.S. In 2021, the Safer Tomorrow Fund supported organizations that work closely with communities of color disproportionately affected by gun violence, providing direct support to community violence intervention programs and youth advocates working to make communities safer.

Work from our Safer Tomorrow Fund grantee partners is designed to bridge the following gaps:

- **Community Building:** advocacy and community violence intervention methodologies in disproportionately impacted Black and Brown communities.
- **Youth Leadership:** training and leadership development for young people of color committed to lending their voice and advocating for action on gun violence prevention.
- **Storytelling:** storytelling programs or initiatives that help maintain and strengthen broad interest in and coverage of the gun violence issue, centering the conversation around the everyday violence in Black and Brown communities.

In 2021, we provided \$475,000 to organizations working in these three pillars, most of which are led by people of color. Our 2021 grantee partners included LIVE FREE, Giffords, Cities United, Youth Over Guns, Community Justice Action Fund, Generation Progress and The Trace.



LBGTQIA+ Equality

LS&Co. has long been, and will continue to be, a vocal supporter of equality and non-discrimination. We were the first Fortune 500 company to extend health benefits to domestic partners and have continued to use our voice to advocate for an equitable society for all. We were the only California business in 2007 to file an amicus brief with the California Supreme Court in support of same-sex marriage, and we have proudly supported the Equality Act since the bill's introduction in 2015. In 2021 we rejoined a Texas Competes business statement in support of the inclusion of common-sense LGBTQIA+ protections in Texas' nondiscrimination laws.

In recognition of our many ongoing efforts in support of full equality, we have received a perfect score of 100 points on the Human Rights Campaign (HRC) Corporate Equality Index for 18 years. We have awarded grants to fund the HRC Foundation Youth Ambassador Program, which tackles multiple issues around sexual orientation, gender identity, race, immigration and discrimination.

We achieved a perfect score – 100 points – on the HRC Corporate Equality Index in 2021, our 18th year

Paid Family Leave

We believe that no one should have to choose between a paycheck and taking care of themselves or their family in moments of need. We continue to improve benefits for our employees and advocate for national paid leave for America's workers. In 2020, we implemented a new paid family leave benefit that provides U.S. corporate and retail benefits-eligible employees with up to eight weeks of paid time off per year to care for an immediate family member with a serious health condition.

National paid leave would make it possible for working people to take paid time off to take care of themselves and their loved ones under job protection guarantees, no matter in which state they live or for whom they work. LS&Co. has been a leading business advocate for national paid leave since 2018, and in 2020 and 2021, we stepped up our efforts, advocating for national paid leave legislation as part of building back better after the COVID-19 pandemic. In addition to our CEO's op-ed with CNN Business calling for a national paid family leave policy, he also appeared in a CEO advocacy ad with Melinda Gates and gave an interview on [LinkedIn Live](#). Our Chief Human Resources Officer Tracy Layney spoke at a [business roundtable](#) hosted by the U.S. Secretary of Labor, and appeared on Facebook Live in a [conversation](#) with a White House representative. LS&Co. also joined more than 350 businesses in a letter to Congress organized by PL+US.

Over the years, LS&Co. has conducted outreach to the U.S. Congress advocating for the bill, and our Rivet Women's Employee Resource Group has organized phone-banking sessions in support of paid leave during Women's History Month. In a related initiative, back in 2019 we were one of eight companies to first endorse the Pregnant Workers Fairness Act, which now has more than 30 corporate endorsers who re-issued a letter of support in February 2022.

Advocating for Dreamers

We have been advocating for a permanent legislative solution for Dreamers – undocumented immigrants brought to the U.S. as children – since 2017, when more than 600,000 young people were put in legal uncertainty about their status. Dreamers are members of our workforce, they are our consumers, and they are members of the communities where we live and work, and they deserve their shot at the American dream. In 2021, some of our actions included:

- Our CEO signed a letter to U.S. Congressional leaders organized by the Coalition for the American Dream urging Congress to pass the Dream Act.
- LS&Co. signed onto comments to the U.S. Department of Homeland Security urging the administration to codify Dreamer policy through a proposed rule.
- We participated in meetings with key U.S. senators as part of the corporate delegation of the National Immigration Forum.

Climate Advocacy

Climate change is the issue of our time. We embrace responsible environmental practices across the company – including limiting emissions toward our goal of net-zero emissions by 2050 – and collaborate with others who share our commitment to limiting global temperature rise to no more than 1.5°C compared to pre-industrial levels. LS&Co. has been advocating for meaningful policy to mitigate climate change for

over a decade. Read more about our climate advocacy in [Climate Action](#).

Environmental Policy Approach

Our environmental policies are determined through a consultative process customarily led by our Sustainability Team, frequently in partnership with the Corporate Affairs team, and with input and review from functions across the organization. Members of our Executive Leadership Team approve these policies, and the Board of Directors is updated regularly. Our present policies – most notably our targets around climate, water and waste – are designed to create environmental awareness, reduce emissions and waste, shape and monitor the company’s performance against our key metrics, report on our progress, and use resources more efficiently and in ways that allow them to be reused. In all these policies and goals, our imperative is to find ways to use less water, reduce emissions, better support workers, drive safer chemistry, further reduce waste, and become more circular in our approach and our products.

Philanthropy

For nearly 170 years, we have endured by staying true to our values: empathy, originality, integrity and courage. These values were instilled by our founder, Levi Strauss, who donated some of his first profits to a local children’s organization. Today, our philanthropic work is bolstered by:

- The Levi Strauss Foundation
- The Red Tab Foundation
- Direct corporate grants
- Product donations

2021 Giving	
Type of Giving	Amount Provided
Levi Strauss Foundation grants	\$9.5 million
LS&Co. Direct Corporate grants*	\$3.1 million
LS&Co. product donations	\$0.9 million in LS&Co. product donations**
Red Tab Foundation grants	\$2.2 million in grants***

*Corporate and brands

**Estimated fair market value

***The Red Tab Foundation is supported by donations from LS&Co. employees and retirees. This report covers the Red Tab Foundation's 2022 fiscal year, June 2021 – May 2022.

Levi Strauss Foundation

Formed in 1952, the Levi Strauss Foundation advances pioneering social change on the issues and events of our time. The Foundation aims to take courageous risks in service of these values and strives for meaningful impact over the course of decades – with core program areas focused on advancing social justice, improving the lives of apparel workers and ending the HIV/AIDS epidemic.

The Foundation combines a long-term focus with a commitment to working for social change now. Its grants are intended to bolster advocacy, leadership and engagement. The Foundation goes “beyond the grant” to build grantee capacity, link grantees with influencers and other funders, and tell the story of pioneering change. LS&Co. contributed \$11 million to the Foundation during the first quarter of FY22. While we never wish to make reporting burdensome, we do ask beneficiary organizations for brief annual impact reports, which provide an overview of progress and aid in future decision making about grants.

Worker Well-being

The Foundation supports organizations devoted to advancing apparel worker rights and well-being in the countries where we operate. This commitment includes sharing learnings with industry peers to influence their giving as well. A network of nonprofit organizations partners with factories in the LS&Co. supply chain to implement programs designed to improve worker health, satisfaction and engagement as part of the Worker Well-being initiative. They also advocate for more cooperative relationships between workers and factory management, providing workers with much-needed avenues to share their needs and concerns for improvements.

Over the past two years, approximately, \$4.5 million in donations went to pandemic relief directed toward supply chain communities and to nonprofit partners in the U.S. struggling to stay afloat during the pandemic. Beyond the pandemic, the Foundation grants funds to organizations dedicated to improving the long-term rights of apparel workers. Some of these include facilitating “know your rights” workshops, building grassroots labor rights group capacity, engaging in dispute resolution with factories and brands, and working to strengthen labor laws. Collectively, these actions have affected hundreds of thousands of apparel workers.

The Levi Strauss Foundation is also supporting reproductive health organizations. This includes the Center for Reproductive Rights, which has been leading legal efforts to preserve reproductive rights in the U.S., and organizations assisting the most affected communities, including ARC-Southeast and Groundswell Fund.

Internationally, the Foundation supports organizations providing comprehensive reproductive healthcare for apparel workers, such as International Planned Parenthood Federation and MSI Reproductive Choices.

Gender Equity and Empowerment

Some of the Foundation's grantmaking is designed to directly support gender equity issues, such as reproductive justice, women's leadership, transgender rights and apparel worker rights. For instance, the Foundation supports the Texas-based Afiya Center, which works to transform the lives and well-being of Black womxn and girls through reproductive freedom, maternal health programming, HIV/AIDS resources and others. The Foundation also supports Fondo Semillas, a women's fund that works to improve women's lives in Mexico and empower them to fight against gender-based discrimination and unfair labor conditions. By providing financial support and guidance to women's organizations, Fondo Semillas has directly reached more than half a million women in the country.

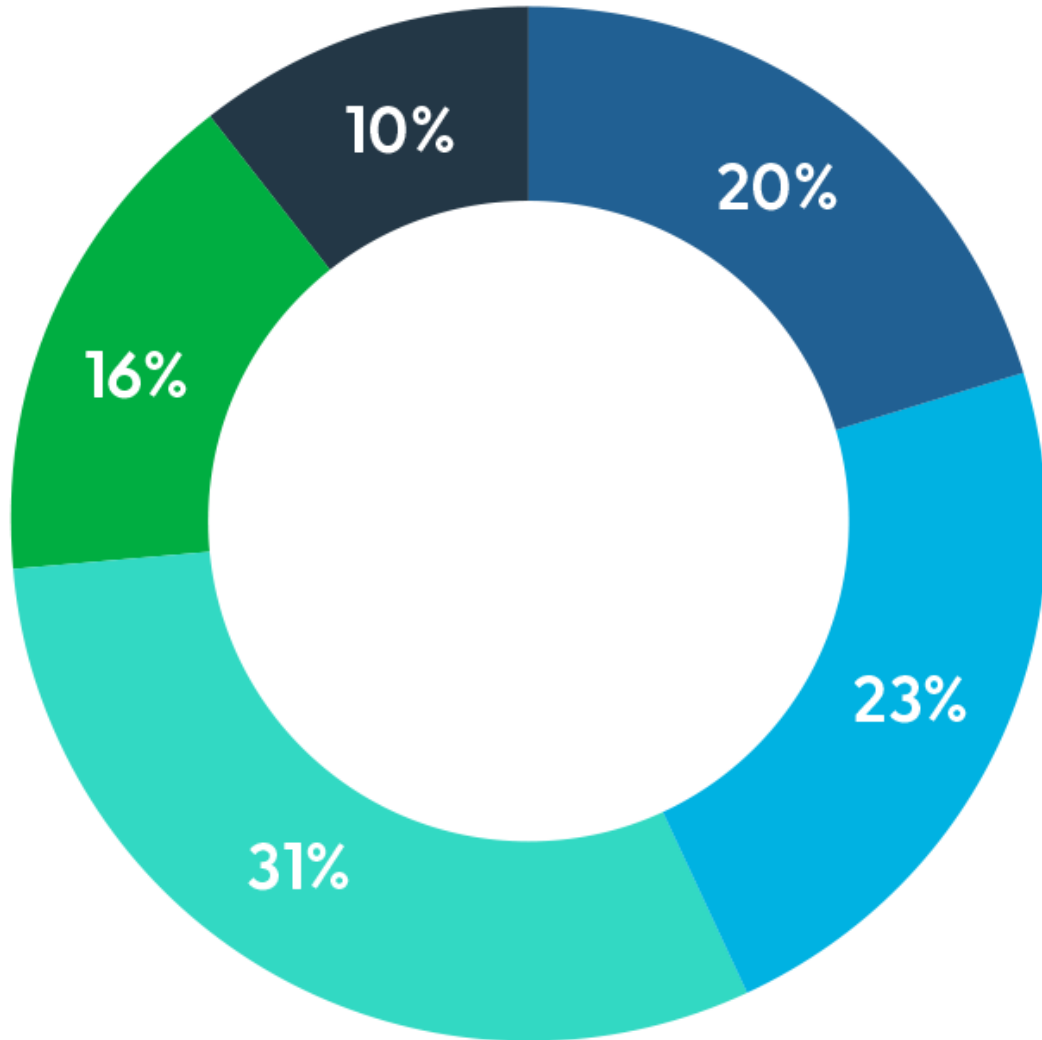
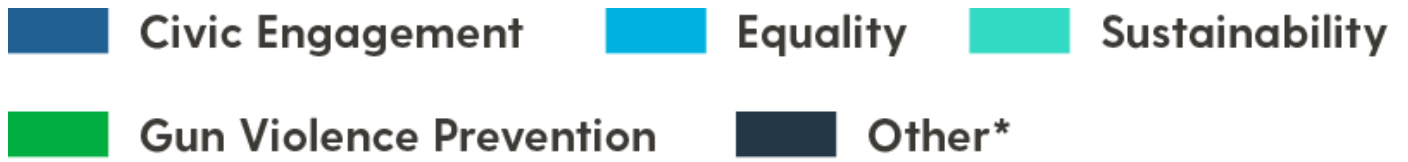
During 2021, the Foundation completed the Pioneers in Justice initiative, which worked for 11 years to empower and support next-generation BIPOC social justice leaders in the Bay Area of California. The program evolved to connect grassroots leaders working on systemic change in gender equity, climate change, criminal justice, LGBTQIA+ rights, racial equity, immigrant rights and gun violence. The Foundation remains committed to supporting the issues represented by the Pioneers in Justice initiative.

Company Giving

LS&Co. and our brands aim to create a values-aligned societal impact in communities where we operate. To do this, we make the most of grantmaking, employee giving and volunteerism, with a focus on sustainability, voting rights, equality and racial justice. Key initiatives in 2021 included:

- Advancing racial justice commitments through corporate grantmaking and advocacy on voting, gun violence prevention, environmental justice and other issues.
- Developing an environmental justice grantmaking portfolio that empowers young leaders in communities of color to be a voice for effective solutions.
- Helping to repair democracy by funding voter rights organizations and advocating to expand voting rights and access.
- Creating localized grantmaking on core racial justice issues in ten U.S. retail markets.

Percentage of Corporate and Brand Philanthropic Giving Focus Areas



* Event sponsorships, employee memberships and miscellaneous

Of LS&Co.'s FY21 racial justice grantmaking, 51% of grants were to organizations led by people of color, and 53% toward addressing racial equity goals.

Red Tab Foundation

The Red Tab Foundation, which celebrated its 40th anniversary in 2021, is a public, nonprofit foundation set up to help LS&Co. employees, retirees and their families who face unexpected financial hardship. Widely thought to be the first employee-funded corporate hardship fund, it provides financial assistance, education and preventive programs to help these individuals in their own efforts to maintain their financial, physical and emotional health. A valuable safety net contributed to by employees for other employees, it serves as the connecting point between people needing help and those providing it. Current employees are eligible for support from their first day of employment and funds are distributed as grants or short-term, no-interest loans.

Red Tab Foundation by the Numbers*

\$2.2_M
in services delivered

1,880
grants given

253
referrals to other resources
when Red Tab Foundation
could not support

97%
employee grants
to frontline employees**

102%
grant growth vs. 2019
(pre-pandemic) fiscal year

*The Red Tab Foundation's 2022 fiscal year is June 2021 – May 2022.

**Includes active retail, distribution and plant workers.

\$2.2 Million in 2022

During the Red Tab Foundation's 2022 fiscal year (June 2021-May 2022), the Foundation provided \$2.2 million in cash grants, helping to alleviate 1,880 hardships. The Red Tab Foundation raised the most money from employees and retirees in the Foundation's history – \$2.1. million – that went directly to people in need. Since its founding in 1981, the Red Tab Foundation has helped more than 27,000 grantees, providing assistance of

about \$28.7 million.

Meeting Employee Needs

Five case managers in the U.S. and in our company-operated factories in South Africa and Poland provided empathetic support and rapid access to funds, with assistance from human resources partners around the globe. As in 2020, the Red Tab Foundation provided substantially higher levels of support to employees and retirees – roughly double that of a pre-pandemic year and the second-highest grant giving in the Foundation’s history. The Red Tab Foundation continues to address the impacts of today’s global challenges on employees, including more frequent extreme weather events, rising fuel prices and ongoing pandemic impacts.

Run for Red Tab Raises Almost \$140,000 for Employees and Retirees

The annual (Run) For Red Tab was held virtually in 2021, with employees running, walking, biking, swimming, jump-roping and hula-hooping to raise money for the Red Tab Foundation. Across the company, more than 500 employees across 38 countries selected an activity and set up a fundraiser in their networks, collected donations for the Foundation – a total of almost \$140,000 to support LS&Co. employees and retirees facing hardship.

Sharing Our Learnings

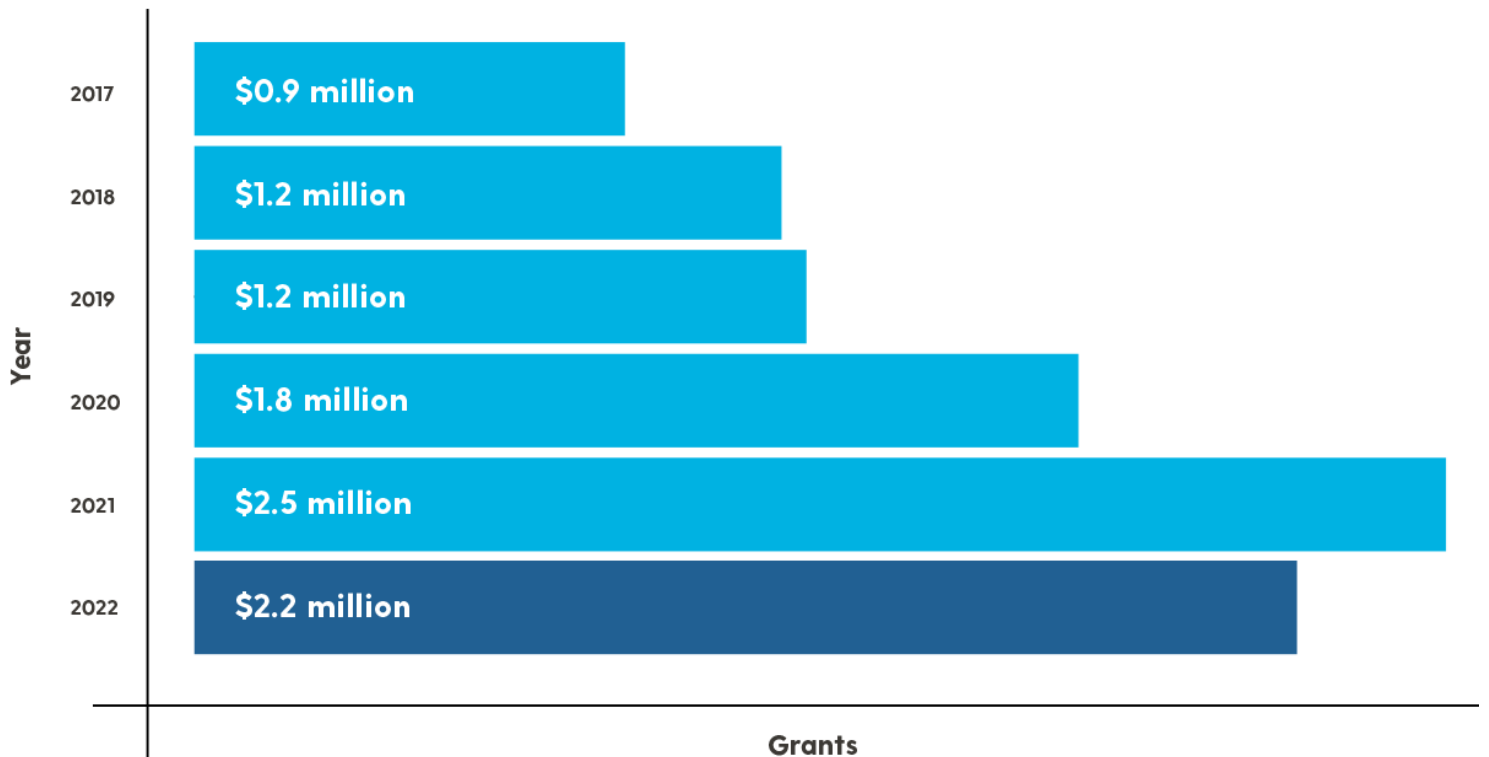
The Red Tab Foundation created and shares the [Hardship Fund Playbook](#), open sourcing its learnings from four decades of operations for others to use. The playbook had been downloaded nearly 1,000 times by global public institutions, Fortune 500 companies, nonprofits and small businesses alike, reflecting the unique leadership of our program in the industry. The Foundation also advises other companies, such as by hosting calls and information-sharing sessions for those that want to start new hardship funds or strengthen existing programs.

Red Tab Savers Helps Build a Rainy Day Fund

The [Red Tab Savers](#) program is available to hourly employees in the U.S. and Canada to help them build a

short-term emergency fund and a habit of savings. The 6-month matched savings fund also provides a dollar-for-dollar match from the Red Tab Foundation. During the Red Tab Foundation’s 2022 fiscal year, more than 1,900 frontline retail store and distribution center employees have taken part, and participants hit an impressive milestone of collectively saving \$1 million of their own money since the program launched.

Red Tab Foundation Grants by Year*



* The Red Tab Foundation’s fiscal year is June – May.

Employee Giving

Each year, employees across the company give both time and money to the causes they care about. In 2021, employees in 36 countries either made donations or volunteered to support 1,234 causes. Their donations totaled almost \$1 million, a total that climbed to nearly \$1.7 million given matching donations from LS&Co. A total of 18% of LS&Co. employees either donated money, volunteered or both in calendar year 2021, which is 4 percentage points higher than industry peers according to benchmarks compiled by Benevity, a charitable donation management platform. Notably, participation increased among our retail store employees by almost 6%.

Volunteering

We provide employees with tools and resources to become informed on issues and make a difference in their own communities. Our company culture empowers them to use their voice and volunteer their time to make a difference on the issues that matter most to them. We connect them with opportunities to get involved and provide 5 paid hours per month for civic engagement and volunteering with causes important to them. Their charitable giving impact is doubled up to \$2,000 per year with a match from the Levi Strauss Foundation. And in keeping with our commitment to voting, encouraging all eligible voters to participate in their democracy, we provide U.S.-based employees with paid time off to vote.

In 2021, the COVID-19 pandemic continued to create obstacles for volunteers to engage in person. For instance, LS&Co. reinvented our traditional global Community Day, our company-wide volunteer event that takes place in more than 100 cities on the same day, to include remote and individual options over 60 days. Collectively, corporate, retail and distribution employees clocked almost 13,000 hours of volunteer service in calendar year 2021. Overall participation of LS&Co. employees, whether giving or volunteering, continued to be ahead of retail industry average.

152 team volunteer grants were awarded in 2021, supporting 122 nonprofits

1,917 causes supported by individual employees globally

What's Next – Using Our Platform

The past two years have emphasized just how important our advocacy, grantmaking and volunteering tools are in helping us to address pressing social issues, enable employees to engage on issues important to them, uphold our obligations to communities, and build a workplace that truly lives its values. We will continue on all these fronts, seeing them as key elements to delivering profits through principles.

This includes continuing our efforts to protect voting rights and enable voter participation. We will also continue monitoring the public policy landscape and seeking opportunities for advocacy to promote gun safety. This includes supporting organizations aligned with the Safer Tomorrow Fund's objectives and increasing awareness of the gun violence happening in communities across the U.S. For example, in June 2022, we led an effort to get business leaders to sign a CEO Letter to the U.S. Senate calling for gun violence prevention legislation – a letter that had more than 420 signatories just days after it was first launched. We anticipate advancing our environmental justice grantmaking portfolio through 2022 and beyond.

We will also continue to make the business case for sound, comprehensive federal climate policy in the U.S. This includes partnering with the Ceres Business for Innovative Climate and Energy Policy (BICEP) network and America is All In coalition to advocate for legislation that prioritizes investments in clean energy and modernizing electrical, water and transportation infrastructure.

As in the past, we will leverage the leadership of the Levi Strauss Foundation to advance pioneering social change by investing in our communities on the issues and events of our time, such as by supporting causes that support inclusive democracy. The Red Tab Foundation team will continue working toward its 2024 strategic plan, which aims to expand program awareness and access around the globe, with a particular focus on Latin America, and serving as a connection point for the LS&Co. community.

Resources

[Levi Strauss Foundation](#)

[Red Tab Foundation](#)

[Safer Tomorrow Fund](#)

Reporting



Our Reporting

Sharing our reporting journey

Relevant framework in this pillar: GRI

Contributes to these UN SDGs: 9, 13

In 2021, we published our [first comprehensive sustainability report](#), highlighting our sustainability commitments, approach and progress through our 2020 fiscal year. In this Sustainability Report, which covers

our 2021 fiscal year, we have expanded our reporting scope to cover additional environmental, social and governance issues. We will continue reporting annually to share our progress, engage our stakeholders and drive accountability.

Reporting Highlights - Top Rankings for Transparent Disclosures

A-

CDP 2021
Climate Score

#1

2021 IPE Green Supply
Chain CITI Evaluation

#1

Pure apparel brand IPE
2021 Corporate Climate
Action Transparency
Index (CATI)

Prime

2021 Institutional
Shareholder Services
(ISS) Status

#3

in the Business of Fashion
Sustainability Index 2022

Forward-Looking Statements

This Sustainability Report 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.



About Our Sustainability Reporting

GRI: 2-2

An honest review of our performance

Report Scope and Content

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.

Our reporting is based on the underlying disclosure context. When appropriate, certain sections of this report focus on our company-operated corporate offices, distribution centers, factories and retail stores across all our geographic regions. At other times, we include information related to third parties that manufacture, distribute or sell our products, including suppliers, vendors, contractors, licensees and other partners. Data inclusions and exclusions are clearly noted.

Report content was informed by an update to our sustainability issue prioritization assessment completed in early 2022. This assessment – which built on our comprehensive 2021 sustainability issue prioritization assessment – confirmed our priority topics based on their impacts to society and the environment, as well as to our business. Our sustainability issues matrix shows how the issues have been prioritized.

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.

What We Mean When We Say

Levi Strauss & Co., LS&Co., the company, us, we or our: Unless specified otherwise, these terms refer to our global operations, encompassing all of our company-operated physical locations, including retail stores, distribution centers, manufacturing facilities and administrative offices. Our company-operated retail locations include leased locations as they are operated by us in accordance with LS&Co. standards. These terms are used for convenience only and are not intended to identify one particular entity, location or brand.

Levi Strauss Foundation: The [Levi Strauss Foundation](#), an independent legal entity, advances the human rights and well-being of underserved people in places where LS&Co. has a business presence.

Red Tab Foundation: The [Red Tab Foundation](#) is a public, nonprofit foundation funded by employees, shareholders and retirees that assists LS&Co. employees, retirees and their families when they face unexpected financial hardship.

Suppliers or vendors: These are independent third parties with which we have a direct contractual relationship to produce our apparel and accessories. They make up our Tier 1 supply base and include both “cut and sew” suppliers and laundries, more broadly referred to as factories. All of our suppliers operate their own businesses and manage their own facilities. They are expected to operate in compliance with our [Supplier Sustainability Guidebook](#), [Product Safety by Design Framework for Restricted Substances List \(RSL\)](#) and [Supplier Code of Conduct](#). Tier 2 includes those facilities where our Tier 1 suppliers get their fabric, threads, buttons and other materials, commonly referred to as “fabric mills” or simply “mills.”

Company-operated factories: These include LS&Co.’s two factories in Plock, Poland, and Cape Town (Epping), South Africa.

Reporting Frameworks

This sustainability report was informed by the Global Reporting Initiative (GRI) Standards (2021), the Task Force on Climate-related Financial Disclosures (TCFD), as well as the Sustainability Accounting Standards Board (SASB) Standard (2022) for the Apparel, Accessories & Footwear industry. Progress on relevant metrics from the SASB Multiline and Specialty Retailers Distributors Standard and the SASB E-Commerce Standard is also included.

This report reflects our commitment to the 10 principles of the United Nations Global Compact (UNGC), which addresses human rights, labor, environment and anti-corruption for business. Likewise, we are a signatory to the UNGC CEO Water Mandate. This report serves as our 2022 Communication on Progress (COP) for both the UNGC and the CEO Water Mandate.

LS&Co. supports the UN Sustainable Development Goals (SDGs), which provide a global framework for advancing sustainability. Throughout this report, we have included relevant SDG icons to indicate the places where our work aligns with specific SDGs.

We stay current on the latest reporting frameworks and support efforts toward reporting convergence designed to make it easier for stakeholders to find and compare sustainability information across organizations. For instance, we are engaged and monitoring standards setting activities, including but not limited to, the IFRS Foundation and GRI coordination, the U.S. Securities and Exchange Commission's proposal for climate-related disclosure rules and the World Economic Forum's intention to set disclosures for non-financial reporting.

View our reporting frameworks on the [ESG indices page](#) or in the Resources section of this page.

Data Verification

We are committed to data accuracy, comparability and consistency that enables year-over-year assessments of our sustainability progress. We applied our internally developed substantiation process to the information and disclosures provided in this report. This included review of report content to reliable external and internal evidence, including system-generated reports, external assurance reports, confirmations of partnerships with third parties, certifications received, involvement in campaigns, accreditations or awards received. Differences from industry standards, assumptions, estimates or models used in the information are clearly referenced and explained. Additionally, the report is reviewed by an internal cross-functional team to ensure our disclosures are presented clearly and consistently. While this process gives us confidence in the integrity and accuracy of our data and disclosures, it is not a substitute for third-party assurance.

In 2021, we continued evolving our approach to sustainability data verification and management of sustainability claims as part of our commitment to continued improvement and in preparation for mandatory disclosure regulations in the U.S., Europe and other regions. Going forward, our Legal, Finance and Sustainability teams will continue collaborating to review sustainability performance data and claims to meet our own – and our stakeholders’ – high expectations for accuracy.

We also sought and received external assurance from a third party with respect to [certain emissions, energy](#) and philanthropic information in our report. Where applicable, we have noted this in the report.

Transparency Beyond Reporting

Annual sustainability reporting is not the only way we share our sustainability journey. We maintain a suite of sustainability [policies, resources and commitments](#). We are aligned with the [Transparency Pledge](#) as part of our commitment to meaningful corporate accountability. We publish the list of our manufacturing suppliers which represent 100% of our Tier 1 suppliers, as well as the majority of our fabric mills – our Tier 2 suppliers. LS&Co. suppliers can be viewed through the [Open Apparel Registry](#).

We report to CDP, where we share our climate action approach and progress. We scored an A- on our 2021 CDP climate disclosure for transparency and actions to combat climate change during FY20.

In 2021, we were the top-rated company in the Green Supply Chain CITI Evaluation, managed by the Institute of Public and Environmental Affairs, a leading environmental NGO in China. The CITI evaluation ranks brands' management of the environmental impact of their supply chains in China. We were also the top-rated pure apparel brand (and #5 across all sectors) in IPE's new Corporate Climate Action Transparency Index (CATI), developed in 2021. The CATI evaluation assesses performance on corporate and value chain-level climate action performance, awarding points for actions related to greenhouse gases (GHGs) in proportion to a company's GHG emissions.

We continue to lead positive change in our industry by sharing many of our sustainability learnings. For instance, we have made our Supplier Sustainability Guidebook publicly available, disclosed our Water<Less® techniques and shared the Screened Chemistry approach we developed. By open-sourcing our learnings, we welcome others to join us in moving the industry forward.

Resources

[2021 GRI Index](#)

[2021 UNGC COP](#)

[2021 UN SDGs Index](#)

[2021 TCFD Index](#)

[2021 CEO Water Mandate COP](#)

[2021 CITI and CATI Scores](#)

[2021 CDP Response](#)

[2020 Sustainability Report](#)

[2019 Sustainability Review](#)



GRI: 2-28

UN SDGs: 9, 13

Collaborating for continued improvement

Our sustainability progress requires the participation of many stakeholders both inside and outside the

apparel industry. Their insights help us refine priorities and develop meaningful policies, goals and initiatives that address the issues facing our business, our customers, employees, investors, and suppliers, as well as the communities where we operate. These are just some of the ways we engage with our stakeholders:

Consumers

- Social media engagement through our LS&Co. accounts
- Communication in our stores
- Participation in the Levi's® Red Tab™ loyalty program
- Outreach through email and newsletters
- Information on our e-commerce sites about product sustainability attributes
- Unzipped blog
- Surveys on environmental concerns and perceptions of apparel brands' sustainability commitments
- Marketing campaigns such as Levi's® "Buy Better, Wear Longer" and Dockers® "Easy style, responsibly made"

Wholesale and Licensee Partners

- Regular communication with our wholesale partners' sustainability teams
- Regular assessment and monitoring
- As-needed input and collaboration on policy development
- Annual Sustainability Summit for licensees

Employees

- Surveys
- Team meetings
- CEO town hall meetings
- Company intranet
- Emails from leadership
- Internal newsletters
- Employee Resource Groups
- Ethics and Compliance Reportline

Shareholders and Prospective Shareholders

- One-on-one engagement
- Conferences
- Financial press

- Earnings conference calls
- Formal communications, including our press releases and Forms 8-K, 10-Q and 10-K

Suppliers and Supply Chain Workers

- Worker Well-being initiative
- Collaboration with the Sustainability and Health Initiative (SHINE) at Harvard University's T.H. Chan School of Public Health
- Supply chain worker studies and surveys
- Supplier assessments
- Interviews with suppliers
- Better Buying surveys
- Workshops and trainings

NGOs, Brands and Industry-Wide Coalitions

- Meetings and working groups
- Live events
- Industry group roundtables
- Partner collaborations
- Surveys

Key Memberships and Partnerships

Our memberships and partnerships are key to our success. Below are some of the organizations we engage with, either through direct participation or by adding our voice as a signatory.

Organization	Focus Area	Nature of Relationship	Year Joined
Accounting for Sustainability (A4S)	General sustainability	Founding Member and Co-Chair, U.S. Chapter (Chief Financial Officer)	2019
AIM European Brands Association	Business association	Participant	2019
AmCham China	Business association	Participant	2013

Organization	Focus Area	Nature of Relationship	Year Joined
American Apparel and Footwear Association (AAFA)	Industry association	Member and Member of Environmental and Product Safety committees	1953
Apparel and Footwear International RSL Management (AFIRM) Group	Chemicals	Founding member, Steering Committee member	2004
Better Cotton Initiative	Raw materials	Member	2010
BSR	General sustainability	Member	1993
Business Roundtable (BRT)	Business association	Participant	2020
Canopy Planet	Sustainable forestry	Signatory	2014
Ceres BICEP	Climate change (policy)	Founding member, Steering Committee member	2009
Ceres Company Network	General sustainability	Member	2009
Ellen MacArthur Foundation Jeans Redesign Project	Circularity	Member	2021
European Branded Clothing Alliance (EBCA)	Public policy (Europe)	Founding member	2007

Organization	Focus Area	Nature of Relationship	Year Joined
Fashion for Good	Sustainabilityinnovation	Member	2021
Green Chemistry & Commerce Council (GC3)	Chemicals	Sponsor	2013
Haas Center for Responsible Business	Academic institution/general sustainability	Sponsor, Senior Advisory Board member	2003
ILO/IFC Better Work	Tripartite initiative	Partner	2005
International Association of Privacy Professionals (IAPP)	Compliance	Silver Member	2019
Leather Working Group	Sustainable leather production	Member	2021
National Retail Federation (NRF)	Industry association	Participant and Member of Sustainability Council	2003
Open to All	Non-discrimination campaign	Founding Member	2018
Retail Industry Leaders Association (RILA)	Industry association	Board member (CEO) and Member of Environmental Advocacy, Sustainability, Zero Waste Network, Retail Climate Action committees	2017

Organization	Focus Area	Nature of Relationship	Year Joined
Social & Labor Convergence Program (SLCP)	Supply chain	Signatory	2015
Sustainable Apparel Coalition (SAC)	General sustainability	Founding member	2010
Textile Exchange	Raw materials	Member	2019
The Conference Board Chief Privacy Officer Council	Compliance	Participant	2019
UN Fashion Industry Charter for Climate Action	Climate change	Signatory and Member of Policy Working Group	2018
UN Global Compact	General sustainability	Signatory	2006
UN Global Compact CEO Water Mandate	Water stewardship	Member	2008
U.S. Cotton Trust Protocol	Sustainable cotton	Board member	2021
U.S. Fashion Industry Association (USFIA)	Industry association	Board Chair (VP, Public Affairs)	1992
Water Resilience Coalition	Water	Member	2020
World Federation of Advertisers	Business	Member	2020

Organization	Focus Area	Nature of Relationship	Year Joined
ZDHC Foundation	Chemicals	Founding brand, board member	2012



GRI: 2-29; 3-1; 3-2

Identifying our most relevant and significant issues

To ensure we are addressing the issues with the most potential to impact our business, society and the environment, we prioritize sustainability issues through a process in which we engage a broad group of internal and external stakeholders for feedback on key environmental, social and governance topics. This includes a detailed assessment every few years, complemented by annual reviews to assess emerging issues and make sure we continue to focus on issues of greatest relevance. We conducted a detailed assessment in 2021 as part of our first sustainability report, and in early 2022, conducted our first annual review.

Desk Research of Frameworks and Standards

In our most recent review, we worked with an independent consultant, GlobeScan, to review our previous sustainability issues prioritization, sustainability strategy documents, key consumer insights and our supplier Sustainability Guidebook. GlobeScan also analyzed the priority issues identified by our peers as well as public reporting organizations and frameworks, such as sustainability ratings agencies, SASB standards, UN SDGs, GRI Standards and issues identified for the apparel industry by peers and others.

Internal and External Validation

We assess sustainability issues through two lenses: their impact on society and the environment, and their impact on our business and success. For our 2022 assessment, a cross-functional group of about 50 internal stakeholders provided direct input, identifying those they view as most critical for us to address in the next five years. All the internal and external data was then scored, standardized and weighted, along with the results of the previous 2021 research, to confirm the priority issues and determine their priority relative to each other. While some issues shifted to a slightly higher priority – such as greenhouse gas emissions and circularity in product design – the assessment confirmed that the most significant issues remain consistent and that overall, LS&Co. is focused on the most important and relevant issues.

Sustainability Issues Matrix

The highest priority issues, shown in the top right three boxes, are in line with the highest priority issues identified by apparel industry peers, NGOs and associations. We know that many of the issues identified in this assessment are interdependent and require a holistic approach. Therefore, while some issues are relatively lower in impact, all remain significant to LS&Co., and we continue managing them through a variety of initiatives. For our priority sustainability issues, we have created time-bound and measurable goals to

address the impact on our business and to create transparency around our performance and management approaches.

Advocacy and public policy practices

Supporting or advancing public policy practices that align with LS&Co. environmental, social and governance practices and values.

Read more: [Using Our Platform](#)

Biodiversity and land use

Addressing impacts on biodiversity and ecosystems through transformation of habitats, land use and other business activities; reliance on biodiversity for raw materials (e.g., bees pollinating cotton flowers).

Read more: [Biodiversity](#)

Supplier chemicals management

Managing chemicals used in making materials, products and other substances released to the environment (air and water) that are toxic to humans and ecosystems; robust processes to manage risks and maintain supplier compliance associated with hazardous chemicals.

Read more: [Safer Chemicals](#)

Circularity in product design

Designing and innovating products, manufacturing processes and materials selection for quality, durability, repair, reuse and recycling.

Read more: [Circular Economy](#)

Climate change risks and adaptation

Building resilience to impacts and risks associated with climate change, including droughts, flooding and inundation and storms; adapting and managing the business to climate change impacts throughout the value chain.

Read more: [Climate Action](#)

Community impact

Addressing impacts on local communities from operations and supply chain; programs and practices that assess and manage the impacts on communities; efforts to improve economic well-being and resiliency in local communities; philanthropic efforts and employee volunteering.

Read more: [Using Our Platform](#)

Consumer engagement on sustainability and social responsibility

Engaging consumers on sustainability and social responsibility; promoting sustainable actions (clothes washing, reuse, recycling, etc.) through communication, certifications and marketing.

Read more: [Circular Economy](#)

Consumer transparency and safety

Making disclosures to customers and users about products and services; materials transparency; responsible marketing and labeling.

Read more: [Product Quality and Safety](#)

Data privacy and protection

Safeguarding privacy and personal data of customers, employees and business partners.

Read more: [Data Privacy and Security](#)

Employee diversity, equity & inclusion

Providing for fairness of treatment and compensation across all levels of the business; representation of female and underrepresented employees in workforce, management and board.

Read more: [A Look at Our Diversity, Equity & Inclusion](#)

Employee engagement and development

Attracting and retaining talent; offering training and development for employees to build capability and career opportunities; ability for employees to be heard, present, focused and energized.

Read more: [Employee Support and Development](#)

Employee health, safety and well-being

Providing for employee health and safety practices in LS&Co. operations; workplace wellness and engagement initiatives; employee benefits.

Read more: [Employee Health and Safety](#)

Ethical and transparent business practices

Ensuring ethical and transparent corporate behavior by combating dishonest or fraudulent behavior; responsible tax behavior; oversight and accountability for managing ESG risk; compliance with government sanctions, customs import bans and public disclosure requirements.

Read more: [Ethics and Integrity](#)

Forced labor

Identifying operations and suppliers as having significant risk for incidents of forced or compulsory labor; managing and mitigating risks through robust supply chain policies, supply chain mapping, traceability and Code of Conduct compliance.

Read more: [Supply Chain](#)

Gender equity in the supply chain

Promoting women's advancement to management and representation in worker-management committees; ensuring clear contract and payment terms; encouraging a respectful culture with zero tolerance against all kinds of illegal harassment, including gender-based violence.

Read more: [Supply Chain](#)

Greenhouse gas emissions

Addressing greenhouse gas emissions in LS&Co. operations and supply chain from material sourcing, manufacturing, transportation, workplaces and other business activities.

Read more: [Climate Action](#)

Health, safety and well-being of workers in the supply chain

Promoting worker health, safety and well-being throughout the supply chain.

Read more: [Supply Chain](#)

Labor rights in the supply chain

Protecting and monitoring labor rights in the supply chain, including a living wage; freedom of association and collective bargaining; independent grievance channels for workers and worker voice; prevention of union-busting.

Read more: [Supply Chain](#)

Materials sourcing

Considering social and environmental impacts associated with materials used; prioritizing options with lower environmental footprint and third-party certifications; ethical sourcing and traceability of materials such as cotton, leather, wool and conflict minerals.

Read more: [Sustainable Fibers](#)

Packaging design, recycling and waste

Designing packaging material for increased recovery and recyclability and reduced waste and environmental impact.

Read more: [Toward Zero Waste](#)

Product material waste

Managing waste generated throughout LS&Co.'s value chain; activities to reduce, reuse or recycle and responsibly manage/dispose of waste; includes policy engagement on waste, take-back, recycling infrastructure.

Read more: [Toward Zero Waste](#)

Public health and natural disaster risks

Promoting solutions and managing disruptions and impacts in the value chain associated with epidemics, communicable and non-communicable diseases and natural disasters.

Read more: [Climate](#)

Renewables and energy use

Managing energy consumption and efficiency; using renewable energy sources.

Read more: [Climate Action](#)

Social inclusion

Designing and promoting inclusivity through LS&Co. products, services, marketing and public communications to reflect the wide diversity of LS&Co.'s consumer base and LS&Co.'s social values.

Read more: [Responsible, Inclusive Marketing](#)

Supply chain management and transparency

Implementing transparent processes and systems to enable visibility into deeper supply chain tiers; ensuring suppliers uphold standards on environmental, social and ethical business practice issues; enabling supplier sustainability with longer-term contracts; considering the impacts of automation in supplier selection.

Read more: [Supply Chain](#)

Sustainable workplaces and practices

Addressing impacts on the environment and local communities of LS&Co. employees, buildings and workplace practices.

Read more: [Climate Action](#)

Water pollution

Addressing water pollution from LS&Co. operations, products and services and supply chain; impacts of wastewater discharge in supply chain, consumer use and end of life.

Read more: [Safer Chemicals](#)

Water use and replenishment

Managing water used and withdrawn throughout LS&Co.'s value chain; specifically monitoring and mitigating impacts and replenishing in water-stressed regions.

Read more: [Water Stewardship](#)



ESG Reporting Indices

View our ESG Reporting Indices in the links below:

- [Sustainability Accounting Standards Board \(SASB\) Index](#)
- [Global Reporting Initiative \(GRI\) Index](#)
- [United Nations Global Compact \(UNGC\) Communication on Progress](#)
- [United Nations Sustainable Development Goals \(UN SDGs\) Index](#)
- [Task Force on Climate-related Financial Disclosures \(TCFD\) Response](#)
- [Higg Brand & Retail Module \(BRM\) Scores](#)



An Overview of Our Key Performance Indicators

Climate

Climate Action

Scope 1 and 2 Emissions (in mtCO₂e*)

Metrics	FY20	FY21
GHG emissions associated with our company-owned facilities	21,338 mtCO ₂ e	16,956 mtCO ₂ e
Percent reduction in Scope 1 and 2 emissions from 2016 base year	57.3%	66%
Emissions from energy combusted onsite (Scope 1)	8,967 mtCO ₂ e	10,703 mtCO ₂ e
Emissions from purchased energy (Scope 2)	12,373 mtCO ₂ e	6,253 mtCO ₂ e
GHG Emissions Intensity (Scopes 1 and 2)	N/A	2.94 mtCO ₂ e per \$1 million of net revenue

Scope 3 Emissions

Metric	FY20	FY21
Scope 3 Category 1 Emissions: Purchased Goods and Services	2,344,071 mtCO ₂ e (60.4%)	2,129,301 mtCO ₂ e (54.3%)
Scope 3 Category 2 Emissions: Capital Goods	8,816 mtCO ₂ e (0.2%)	9,307 mtCO ₂ e (0.2%)
Scope 3 Category 3 Emissions: Fuel-and-energy-related activities	9,720 mtCO ₂ e (0.3%)	8,399 mtCO ₂ e (0.2%)
Scope 3 Category 4 Emissions: Upstream transportation and distribution**	63,302 mtCO ₂ e (1.6%)	94,863 mtCO ₂ e (2.4%)
Scope 3 Category 5 Emissions: Waste generated in operations**	11,046 mtCO ₂ e (0.3%)	13,836 mtCO ₂ e (0.4%)

Metric	FY20	FY21
Scope 3 Category 6 Emissions: Business travel	4,842 mtCO ₂ e (0.1%)	1,907 mtCO ₂ e (<.1%)
Scope 3 Category 7 Emissions: Employee commuting	5,758 mtCO ₂ e (0.2%)	6,173 mtCO ₂ e (0.2%)
Scope 3 Category 9 Emissions: Downstream transportation and distribution**	242,831 mtCO ₂ e (6.3%)	283,404 mtCO ₂ e (7.2%)
Scope 3 Category 11 Emissions: Use of sold products**	1,077,673 mtCO ₂ e (27.8%)	1,229,576 mtCO ₂ e (31.4%)
Scope 3 Category 12 Emissions: End-of-life treatment of sold products	65,530 mtCO ₂ e (1.7%)	89,673 mtCO ₂ e (2.3%)
Scope 3 Category 14 Emissions: Franchises**	25,028 mtCO ₂ e (0.6%)	36,732 mtCO ₂ e (0.9%)
Total Scope 3 Emissions	3,879,957 mtCO ₂ e	3,903,171 mtCO ₂ e
Energy, Company-Operated Facilities***		
Metric	FY20	FY21
Electricity (percent of energy footprint)	71.4%	67.5%
Natural Gas (percent of energy footprint)	25.7%	26.8%
Other (percent of energy footprint)	2.9%	5.7%
Percent renewable electricity in all company-owned facilities	76% 82,221 MWh renewable electricity	84.8%**** 88,706 MWh renewable electricity

Metric	FY20	FY21
Total energy consumption	151,337 MWh	154,960 MWh

*mtCO_{2e} is metric tons of carbon dioxide equivalent.

**Estimated.

***We identified an error in our FY20 energy calculations, which impacted the disclosure of our energy mix. These have been corrected in this year's report. The amount of electricity used was overstated, offset by the understatement of natural gas used, by approximately 10 percentage points.

****Renewable electricity includes renewable energy from LS&Co.'s on-site projects, renewable energy certificates (RECs) and energy attribute certificates (EACs) from LS&Co. locations, as well as electricity that we receive from renewable energy generation serving the electric grids where select LS&Co. offices, factories or retail stores are located. We purchase RECs and EACs to offset electricity consumption and as an investment in renewable energy. Purchasing RECs is one of many ways we work to achieve our targets.

FY21 Total Carbon Footprint

Reporting Category	Percentage of Footprint
Direct emissions from sources owned and controlled by LS&Co.	0.3%
Purchased electricity, steam, heat and cooling	0.2%
Purchased goods and services	54.3%
Capital goods	0.2%
Fuel-and-energy-related activities	0.2%
Upstream transportation and distribution*	2.4%
Waste generated in operations*	0.4%
Business travel	<0.1%
Employee commuting	0.2%
Downstream transportation and distribution*	7.2%
Use of sold products*	31.4%
End of life treatment of sold products	2.3%

Reporting Category	Percentage of Footprint
Franchises*	0.9%

*Estimated

FY21 Scope 3, Category 1 Emissions

Reporting Category	Percentage of Footprint
Fabric production (includes weaving)	40.2%
Yarn production (includes spinning)	31.7%
Raw materials	13.3%
Garment assembly	7.4%
Indirect sourcing	7.3%

Climate Impact of Raw Materials

Material Type	% of Total Product Mix*	% of Raw Material Carbon Footprint
Cotton	89%	77%
Polyester	5%	11%
Manmade cellulose	4%	8%
Elastane	1%	3%
Other (wool, leather, hemp, etc.)	<1%	1%

*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.

Percentage of Key LS&Co. Supplier Locations Completing Higg Facility Environmental Module*

	2020	2021

Factory	25%	80%
Mill	69%	91%
Total	31%	82%

**Key suppliers cover approximately 80% of our annual product volume.*

For more information, visit [Climate Action](#).

Water Stewardship

Water Metrics			
Target	Metric	FY20	FY21
Reduce freshwater use in the manufacturing of our products by 50% in areas of high water stress by 2025 (against a 2018 base year)	Percent reduction of manufacturing water use in areas of high water stress	22% reduction in water use	Will be available following verification of Higg FEM data
100% of key fabric and garment suppliers will meet their new contextual Water<Less® targets (key suppliers cover approximately 80% of our annual product volume) by 2025	Percentage of key fabric and garment suppliers meeting Water<Less® targets due to designation as Reduce & Recycle facilities	16%	14%
N/A	Liters of recycled water used in the manufacturing of LS&Co. products	3,510,094,240 liters	2,988,420,053 liters

For more information, visit [Water Stewardship](#).

Consumption

Sustainable Fibers

Sustainable Fibers*	
Type of Fiber	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 (LWG)-rated suppliers	>35% of all leather
Recycled polyester	8% of all polyester
Fiber Use in Our Product Mix*	
Type of Fiber	FY21
Cotton (Better Cotton)	67%
Cotton (conventional)	18%
Cotton (organic)	4%
Polyester	5%
Manmade cellulose	4%
Elastane	1%

Type of Fiber	FY21
Other (wool, leather, hemp, etc.)	<1%

**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.*

For more information, visit [Sustainable Fibers](#).

Safer Chemicals

Safer Chemicals	
Safer Chemicals	FY21
Number of chemicals on the LS&Co. Preferred Chemical List, which encourages our suppliers to use safer alternatives in their manufacturing	~1,300
Number of factories using LS&Co.'s Preferred Chemical List and reporting chemical use to the CleanChain tool	~100
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%

For more information, visit [Safer Chemicals](#).

Community

Diversity, Equity and Inclusion

Gender*	
Metric	2021

Executive Leadership Team	61.5% women; 38.5% men
Top Management**	42.6% women; 57.4% men
Corporate Employees	55.4% women; 44.6% men
Frontline Workers	58.2% women; 41.8% men

Race and Ethnicity*

Metric	2021
Executive Leadership Team	84.6% White 7.7% Asian 7.7% Latinx
Top Management**	64.9% White 15.7% Asian 9.4% Latinx 4.7% Black 2.1% Other BIPOC*** 3.2% no data
Corporate Employees	50.7% White 23.3% Asian 11.5% Latinx 7.3% Black 4.5% Other BIPOC 2.7% no data
Frontline Workers	31.1% White 36.8% Latinx 20.5% Black 5.2% Other BIPOC 5.3% Asian 1.1% no data

Diversity Training

Metric	2021
Number of workshops and learning sessions offered	75
Number of active global learners across our corporate and retail populations	12,926
Number of translated languages for training	20+
Global completion rate achieved	87%

University and Diversity Recruiting

Metric	2021
Number of formalized partnerships with organizations working to develop diverse talent pipelines in areas most relevant to LS&Co.	13
Number of established partnership programs	10
Number of hosted branding and recruiting events	12
Number of converted diverse applicants	1,578
Number of strategic partnerships of our key business functions: Design and Brand, Technology and our Digital Enterprise	3

*Gender and race/ethnicity data reflects the workforce including frontline workers and corporate employees from 1/1/2021 to 12/31/21. Frontline workers includes retail, distribution center and plant workers; gender data is global; race/ethnicity data is U.S. only.

**Top management is defined as the top ~250 leaders in the company.

***BIPOC refers to Black, Indigenous and People of Color.

For more data, visit the [2021 DE&I Impact Report](#).

Employee Health and Safety

Employee Health and Safety

Metric	2020*	2021*	Industry Average (U.S. Bureau of Labor Statistics)
Total Recordable Incident Rate (TRIR)** at distribution centers	3.54	2.52	4.80
Incidents resulting in Days Away / Restricted Time (DART)** at distribution centers	2.43	1.88	3.90
Percent decrease in U.S. retail store worker's comp claims between 2019-2021	N/A	36%	N/A

*Data is for the calendar year. It includes our company-operated distribution centers in Mexico, Brazil and Canada, as well as three in the U.S.

**TRIR: Number of work-related injuries per 100 full-time workers during a one-year period. DART: Number of recordable injuries and illnesses per 100 full-time employees that resulted in days away from work, restricted work activity, and/or job transfer.

For more information, visit [Employee Health and Safety](#).

LS&Co. Employee Support Development**LS&Co. Employee Support Development**

Metric	FY21
Number of employees	~16,600
Number of employees per country/location	7,700 Americas 4,600 in Europe 4,300 in Asia

Metric	FY21
Number of employees in manufacturing and procurement	1,600
Number of employees in retail, including seasonal employees	8,700
Number of employees in distribution	1,500
Number of employees in non-production roles	4,800
New hires (global corporate)*	900+ new hires in FY21 53.4% women 59.6% BIPOC (U.S.)
Percent employees participating in July 2021 employee engagement survey	63%
Employee engagement score	79%
*Data for the period of 1/1/2021 to 12/31/2021	

For more information, visit [Employee Support and Development](#).

Supply Chain

Number of LS&Co. Supplier Locations*		
	2020	2021
Factory	484	439
Mill	75	65
Total	559	504
*As of the end of the calendar year. Supplier assessment data corresponds to the 2021 calendar year, not to the LS&Co. 2021 fiscal year. While we previously conducted assessments and aggregated findings data according to the LS&Co. fiscal year, in 2021, we moved to a calendar year cycle. This was done to ensure consistency with major assessment programs in the apparel industry, such as SLCP and Better Work, both of which use a calendar year. As we continue shifting from our proprietary compliance		

program based on our Supplier Code of Conduct to converged industry platforms, other small adjustments may be necessary.

Facilities Assessed Against Our Supplier Code of Conduct

Tier	# facilities assessed - 2020	Total # facilities - 2020	% facilities assessed - 2020	# facilities assessed - 2021	Total # facilities - 2021	% facilities assessed - 2021
Tier 1	449	484	93%	430	439	98%
Tier 2	70	75	93%	65	65	100%

Facilities Assessed Against Our Supplier Code of Conduct, Better Work or SLCP

Direct Supplier or Licensee	# facilities assessed - 2020	Total # facilities - 2020	% facilities assessed - 2020	# facilities assessed - 2021	Total # facilities - 2021	% facilities assessed - 2021
Direct	255	282	90%	253	262	97%
Licensee	194	202	96%	177	177	100%

2021 Supplier Facility Assessments by Assessment Tool

Tier	# of facilities assessed	# of facilities assessed against Code of Conduct	# of facilities assessed against Better Work	# of facilities assessed against Better Work	# of facilities assessed against SLCP
Tier 1	430	325 (76%)	48 (11%)	48 (11%)	57 (13%)
Tier 2	65	40 (62%)	0	0	25 (38%)

Corrective Action Completion Rates, Tier 1 and Tier 2

Issues	2020 Completion	2021 Completion
Environment	89%	85%
Health and Safety	61%	79%
Wages and Benefits	71%	61%

Issues	2020 Completion	2021 Completion
Legal Permits	94%	62%
Working Hours	68%	32%

For more information, visit [Supply Chain](#).

Philanthropy

Giving	
Metric	2021
Value of Levi Strauss Foundation grants	\$9.5 million
Value of LS&Co. Direct Corporate grants*	\$3.1 million
Value of LS&Co. product donations	\$0.9 million in LS&Co. product donations**
Value of Red Tab Foundation grants	\$2.2 million in cash grants***
Number of Red Tab Foundation grants	1,880 grants

*Corporate and brands
**Estimated fair market value
***The Red Tab Foundation is supported by donations from LS&Co. employees and retirees. Its 2021 fiscal year is June 2021 – May 2022.

For more information, visit [Using Our Platform](#).

Governance

Economic Contributions

LS&Co. Economic Contributions		
Metric	FY20	FY21
Net revenue	\$4.5 billion	\$5.8 billion

Metric	FY20	FY21
One-year change in net revenue	-23%	+29%
Net revenues from our global digital footprint*	23%	22%
Capital returned to shareholders**	\$120 million	~\$200 million
Number of employees	~14,800	~16,600
Number of retail locations where our products are sold***	~50,000	~50,000
Number of brand-dedicated stores and shop-in-shops	~3,100	~3,100
Number of new company-operated stores, net of closures	137****	41
Number of workers in our supply chain*****	~457,000	~509,000

*Our global digital business includes our company-operated e-commerce sites as well as the online businesses of our wholesale customers, including those of traditional wholesalers as well as pure-play (online-only) wholesalers.

**Capital returned to shareholders includes cash dividends paid and the repurchase of common stock.

***Our brand-dedicated stores include 1,083 stores operated by us, with the remainder operated by independent third parties such as franchisees.

****Includes the acquisition of 78 stores.

*****Excludes Beyond Yoga®. FY20 number of workers in our supply chain as of mid-2021. FY21 number of workers 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.

For more information, visit [Governance](#).