

October 23, 2018

Ms. Lise Kingo
Executive Director
UN Global Compact
United Nations
New York, NY 10017

Dear Ms. Kingo:

Levi Strauss & Co. is proud to confirm our support of the ten principles of the United Nations Global Compact and share with you our 2018 UN Global Compact Communication on Progress, which outlines progress we have made on our commitment in the last year in the areas of environment, labor, human rights, and anti-corruption. Our commitment to sustainability goes far beyond regulatory compliance or addressing the social and environmental impact of our business practices. We build sustainability into everything we do so that our profitable growth is achieved through principled actions.

Since our last communication on progress, Levi Strauss & Co. has expanded our sustainability communications and continued to further our commitment to transparency. Levi Strauss & Co.'s [corporate public website](#) provides the latest information about our social and environmental sustainability strategies, policies and actions. The information found on our public website is supplemented by the sustainability portion of the [Levi Strauss & Co. 2017 Annual Financial Report](#), which outlines actions taken by the company in the 2017 fiscal year to advance our corporate responsibility objectives and operationalize the principles of the UN Global Compact.

Environment

In the last 12 months, Levi Strauss & Co. continued to take action and increase transparency and reporting on key environmental issues, including water, climate and energy, and chemicals. In addition, we continued to work to address the environmental impact of our raw materials. Specifically, we made [progress](#) against our goal of using 100 percent more sustainable cotton by 2020. Specifically, we made our 2018 interim target of procuring the equivalent of 50 percent of our global cotton volume through the [Better Cotton Initiative](#).

LS&Co. continued to lead the industry in supply chain transparency. We were one of the first apparel companies to publish a list of our manufacturing suppliers in 2005, representing 100 percent of our Tier 1 suppliers. In 2018, we expanded that commitment to transparency as one of the first apparel companies to [publish a list of the fabric mills](#) we work with around the globe, which are our Tier 2 suppliers. LS&Co. remained an industry leader in the annual [Corporate Information Transparency Index](#) (CITI), managed by the Institute of Public and Environmental Affairs, a leading environmental NGO in China. The CITI ranks brands' management of the [environmental impact of their supply chains in China](#). In 2018, we joined IPE's [Green Supply Chain Map](#), a leadership initiative dedicated to showcasing corporate commitment to supply chain transparency and environmental management. The map directly links LS&Co. supplier factories with environmental data.

Water

LS&Co. furthered our commitment to [water](#) sustainability by working across our supply chain and organization to improve water stewardship in the areas of product innovation, direct operations, supplier operations, and collective action, including consumer, community, and policy engagement. We made significant progress towards our 2020 goal to expand our Water<Less™ finishing techniques across 80 percent of our product volume, reaching 70 percent in 2018.

Climate and Energy

LS&Co. met its 2020 climate goals in 2018, which included reducing our Scope 1 and Scope 2 greenhouse gas emissions by 25 percent from a 2012 base-year and increasing our use of renewable energy to 20 percent. Having met our climate targets ahead of schedule, this year [we announced](#) our [2025 Climate Action Strategy](#), the next step in our longstanding commitment to addressing global climate change. This made us one of the first companies to establish aggressive targets for reducing our carbon footprint in not only our owned-and-operated facilities but also across our entire global supply chain.

Our targets were approved by the Science Based Targets Initiative and include a 90 percent reduction in Scope 1 and Scope 2 emissions by 2025 from a 2016 base-year. We also committed to a 40 percent reduction in Scope 3, Category 1 emissions (i.e., our global supply chain) and use 100 percent renewable energy in our owned-and-operated facilities. We further discussed our commitments at the [Global Climate Action Summit](#), the largest single climate event in the U.S., bringing together leaders from around the world. We also continued to advocate for public policies at the state, national, and international levels to reduce greenhouse gas emissions and build a low-carbon, sustainable future.

We took our commitment to addressing the apparel industry's climate impacts a step further by making climate the issue focus for our second class of the [LS&Co. Collaboratory](#). This fellowship program brings together entrepreneurs and social entrepreneurs in the apparel industry, who are committed to a profits-through-principles approach to business, for three days to collaborate with LS&Co. mentors and leaders, outside experts, and each other on social and environmental solutions for their organizations. Following a workshop weekend at LS&Co.'s Eureka Innovation Lab, fellows were invited to submit a proposal to receive up to \$50,000 in grant funding to implement an idea to reduce their organization's climate impact. LS&Co. is providing [\\$350,000 in grant funding](#) to fellows to implement their innovative business solutions to climate change.

LS&Co. has also worked with the [Climate Reality Project](#) to help educate employees on the impact of climate change and to provide outlets for employees to get involved in their own communities. Throughout 2017 and 2018, we sent groups of our employees to participate in Al Gore's Climate Reality Trainings throughout the world.

Chemicals

In 2018, we announced a transformative new operating model that will create a more responsible and responsive supply chain and a cleaner jean. Called Project F.L.X. (future-led execution), this new model allows us to reduce the number of chemical formulations used in the jeans finishing process from thousands to just a few dozen. This is made possible by replacing manual techniques and automating the jeans finishing process using innovative, digital tools such as lasers and advanced imaging. Traditionally, denim finishing – which creates worn, faded design elements on jeans – has been a highly manual, labor-intensive and chemical-reliant process. We found that by using laser technology in new ways and rearranging steps in our operating model, we can finish our jeans later in the process and dramatically reduce time to market, without compromising quality or authenticity — all while decreasing our environmental impact.

This new operating model is a major step forward in LS&Co.'s commitment to achieving [zero discharge of hazardous chemicals by 2020](#) and accelerates the elimination of many chemical formulations that the company's [Screened Chemistry](#) program identified as "phase outs." Among the chemicals that will be eliminated is potassium permanganate, an oxidizer that is used industrywide to replicate authentic vintage finishes. This benefits the environment and eliminates worker exposure to the chemical.

Over the last year, we have shared our progress toward meeting our chemical sustainability commitments on the [chemicals section of our corporate website](#), which also makes public our [Restricted Substances List](#), updated in 2017. We had the honor of being named to [Fortune magazine's "Change the World" list](#)—for the second year in a row—recognizing our [Screened Chemistry program](#) and continued efforts to eliminate chemicals from our finishing process through breakthrough innovations like [Project F.L.X.](#)

Labor and Human Rights

Over the last year, we updated our [Sustainability Guidebook](#) (first established in 1991 as our Terms of Engagement) which outlines labor, health and safety, and environmental requirements for our manufacturing suppliers. The update included enhancements to our expectations around monitoring for and preventing forced labor and human trafficking.

Building on our commitment to labor and human rights in the apparel supply chain, we've continued to advance implementation of our [Worker Well-being](#) initiative. Worker Well-being seeks to move beyond a "do no harm" labor compliance model and collaborate with suppliers to improve the lives of apparel workers in locations where our products are made. We work with our suppliers to design and deliver worker-focused programs in the areas of financial empowerment, health and family well-being, and equality and acceptance, often in partnership with local nonprofit organizations. Following extensive external stakeholder consultation, in 2011 we initiated pilot programs in [Bangladesh](#), [Cambodia](#), Egypt, Haiti, and Pakistan, and have since been working to scale the program across our supply chain. Since it began, the program has reached more than 170,000 workers in over 90 suppliers in 12 countries, including China, [India](#), [Sri Lanka](#), Turkey, [Mexico](#), and [Vietnam](#). Our goal is that by 2020, 80 percent of our product volume be produced in locations that have worker well-being programs in place, reaching 200,000 workers. The Levi Strauss Foundation is partnering with Harvard University's T.H. Chan School of Public Health to measure the social and business impact of Worker Well-being and initial results will be available in 2019.

We also continued to expand the [LS&Co. Service Corps](#), a program that provides employees from across the globe an opportunity to see our Worker Well-being initiative on the ground and experience what life is like for apparel workers both inside and outside of the factory. Since 2015, we've taken employees on immersion trips to Mexico, Sri Lanka, Cambodia, Haiti, and India, which gives them a unique opportunity to see our innovative programs in action and understand how the decisions they make have a direct impact on the people in our supply chain.

Cognizant of the specific issues arising around fire safety and building integrity in Bangladesh, we continued to implement an industry-leading [Fire Prevention and Building Integrity Program in Bangladesh](#). As part of this program, we disclose the results of inspections and audits annually in this [status report](#). This year, we expanded our industry-leading building integrity program and standards to our sourcing operations in Cambodia and Pakistan.

Anti-Corruption

Our success as a company is built upon a foundation of integrity – a longstanding commitment to act with the highest ethical standards and conduct business honestly and legally. We make both our [Worldwide Code of Business Conduct](#) and our [Global Anti-Bribery and Anti-Corruption Policy](#) publicly available for all stakeholders in the [corporate governance section](#) of our website. Employees are required to be trained in our Worldwide Code of Business Conduct and to familiarize themselves with our Global Anti-Bribery and Anti-Corruption Policy.

LS&Co. remains an active and committed UN Global Compact member. We look forward to the years ahead as the Global Compact's activities advance our company's sustainability commitment.

All the best,

A handwritten signature in black ink, appearing to read 'C. Bergh', written in a cursive style.

Charles V. Bergh
President and Chief Executive Officer