

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

From its California Gold Rush beginnings, Levi Strauss and Co. (LS&Co.) has grown into one of the world's largest brand-name apparel companies. A history of responsible business practices, rooted in core values, has helped the company build its brands and engender consumer trust around the world. The Levi's brand has become one of the most widely recognized brands in the history of the apparel industry. We design and market jeans, casual and dress pants, tops, skirts, jackets, footwear and related accessories for men, women, and children under our Levi's, Dockers, Signature by Levi Strauss and Co. and Denizen brands around the world. We also license our trademarks in many countries throughout the world for a wide array of products, including accessories, pants, tops, footwear and other products. Levi Strauss and Co. operates its business through three geographic regions: Americas, Europe, and Asia Pacific. The company's products are sold in approximately 50,000 retail locations in more than 110 countries. These include retail stores dedicated to the company's brands and web sites that sell the company's products directly to consumers.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	December 1 2017	November 30 2018	No	<Not Applicable>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

- Australia
- Austria
- Bangladesh
- Belgium
- Brazil
- Cambodia
- Canada
- China
- China, Hong Kong Special Administrative Region
- Czechia
- Denmark
- Egypt
- Finland
- France
- Germany
- Greece
- Hungary
- India
- Indonesia
- Ireland
- Italy
- Japan
- Malaysia
- Netherlands
- New Zealand
- Norway
- Pakistan
- Philippines
- Poland
- Portugal
- Republic of Korea
- Russian Federation
- Singapore
- South Africa
- Spain
- Sweden
- Switzerland
- Taiwan, Greater China
- Turkey
- United Kingdom of Great Britain and Northern Ireland
- United States of America
- Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Nominating Government and Corporate Citizenship Committee from the Board of Directors has responsibility for climate-related issues. The Board of Directors' Nominating, Governance and Corporate Citizenship Committee assists the board in fulfilling its oversight responsibilities on corporate governance matters which includes, but is not limited to corporate citizenship and sustainability matters, including climate-related issues, that may have a significant impact on the company. Our commitment to sustainability goes far beyond regulatory compliance or minimizing the environmental impact of our business practices. Our vision is to build sustainability into everything we do, so that our profitable growth helps restore the planet.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding major plans of action Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	The Board of Directors' Nominating, Governance and Corporate Citizenship Committee assists the board in fulfilling its oversight responsibilities on corporate governance matters, which includes, but is not limited to corporate citizenship and sustainability matters, including climate-related issues, that may have a significant impact on the company. The Chief Supply Chain Officer reports to the Board two times per year on sustainability issues, including climate-related issues.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Chief Supply Chain Officer)	Both assessing and managing climate-related risks and opportunities	Half-yearly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Our Chief Supply Chain Officer (CSCO) reports to our Chief Executive Officer (CEO) and is responsible for monitoring climate-related issues. Climate-related risks and opportunities stemming from resource use in our supply chain are a major consideration for LS&Co. and for this reason our CSCO holds the highest responsibility for climate related- risks and opportunities below the board level.

Our CSCO is responsible for assessing and managing product innovation as it relates to climate-related issues. This position also has responsibility for an absolute operational greenhouse gas emissions reduction target and a renewable energy procurement target (as a percentage of absolute operational energy use) built into performance objectives.

Climate-related issues are monitored through many initiatives, including Better Cotton purchasing, management of our WaterLess product line, monthly policy update meetings, and absolute greenhouse gas (GHG) and energy targets. Our CSCO reports to the Board every 6 months on our progress toward our climate targets. To ensure the company's policy actions are aligned with business strategies, including our climate and energy objectives, there is a monthly leadership meeting on policy, which includes the CEO, CFO, Chief Counsel, Chief Communications Officer, Chief Supply Chain Officer, and Head of Global Policy and Advocacy. This ensures that even in a dynamic policy environment, executives have an opportunity to confirm the Company's policy activity supports all aspects of the company's strategy, including climate. LS&Co. collects facility level energy use data annually to calculate our Scope 1 and 2 GHG emissions. For our distribution centers, representing about 40% of our Scope 1 and Scope 2 GHG emissions, this data is gathered monthly and reported biannually to evaluate climate and energy-related risks at the facility level and track performance against emissions reduction and renewable energy targets. To assess climate-related risks in our supply chain, LS&Co. collects supplier energy use and GHG emissions data through the Sustainable Apparel Coalition's (SAC's) Higg Facility Environmental Module (FEM) annually. Data from FEM reports informs the calculation of our Scope 3 emissions and our supplier engagement strategy.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Who is entitled to benefit from these incentives?

Other C-Suite Officer

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

LS&Co. bases employee bonus allocation on company and individual performance. Individual performance is assessed against annual objectives. LS&Co.'s Chief Supply Chain 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 performance objectives.

Who is entitled to benefit from these incentives?

Other, please specify (Product Sustainability Manager)

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

LS&Co. bases employee bonus allocation on company and individual performance. Individual performance is assessed against annual objectives. LS&Co.'s Product Sustainability Manager 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 performance objectives.

Who is entitled to benefit from these incentives?

Other, please specify (VP of Sustainability)

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

LS&Co. bases employee bonus allocation on company and individual performance. Individual performance is assessed against annual objectives. LS&Co.'s VP of Sustainability has responsibility for achievement of our 2020 greenhouse gas emissions reduction target.

Who is entitled to benefit from these incentives?

Other, please specify (Senior Director of Facilities)

Types of incentives

Monetary reward

Activity incentivized

Energy reduction project

Comment

LS&Co. bases employee bonus allocation on company and individual performance. Individual performance is assessed against annual objectives. LS&Co.'s Senior Director of Facilities has responsibility for achievement of energy efficiency and reduction projects/ targets and formalization of our science-based target (SBT) implementation strategy as it relates to facilities management built into performance objectives.

Who is entitled to benefit from these incentives?

Other, please specify (Director of Global Operations)

Types of incentives

Monetary reward

Activity incentivized

Other, please specify (Formalization of SBT implementation)

Comment

LS&Co. bases employee bonus allocation on company and individual performance. Individual performance is assessed against annual objectives. LS&Co.'s Director of Global Operations has responsibility for formalization of our science-based target (SBT) implementation strategy as it relates to global operations built into performance objectives.

Who is entitled to benefit from these incentives?

Other, please specify (VP of Brand Environment (retail))

Types of incentives

Monetary reward

Activity incentivized

Other, please specify (Formalization of SBT implementation)

Comment

LS&Co. bases employee bonus allocation on company and individual performance. Individual performance is assessed against annual objectives. LS&Co.'s VP of Brand Environment has responsibility for formalization of our science-based target (SBT) implementation strategy as it relates to retail built into performance objectives.

Who is entitled to benefit from these incentives?

Other, please specify (VP of Supply Chain Finance)

Types of incentives

Monetary reward

Activity incentivized

Other, please specify (Formalization of SBT implementation)

Comment

LS&Co. bases employee bonus allocation on company and individual performance. Individual performance is assessed against annual objectives. LS&Co.'s VP of Supply Chain Finance has responsibility for formalization of our science-based target (SBT) implementation strategy as it relates to supply chain built into performance objectives.

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	1	3	LS&Co. considers short-term risks to be those occurring 1-3 years into the future.
Medium-term	3	7	LS&Co. considers medium-term risks to be those occurring 3-7 years into the future.
Long-term	7	12	LS&Co. considers long-term risks to be those occurring 7-12 years into the future.

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	>6 years	As part of a multi-disciplinary company-wide risk management process, LS&Co. identifies and assesses climate-related risks through periodic formal assessments including materiality assessments, supply chain risk assessments, LCA and annual supplier data collection through the Sustainable Apparel Coalition's Higg Facility Environmental Module (FEM). We also develop an annual greenhouse gas (GHG) inventory for our global operations. Every six months, we develop a GHG inventory for our distribution centers (representing ~40% of Scope 1 and 2 emissions) to ensure we are on track to meet our GHG reduction and renewable energy targets. We evaluate risks in the short-, medium- and long-term. We consider long-term risks to be those occurring 7-12 years into the future. For example, we recently conducted GHG modeling using three scenarios to evaluate energy and GHG risks through 2025. This information informed our new, Science Based Target Initiative (SBTI)-approved GHG targets.

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

LS&Co. identifies and assesses climate-related risks through periodic formal assessments including materiality assessments, supply chain risk assessments, and life cycle analysis (LCA), the most recent iterations of which were published in 2016 and 2017, respectively. These assessments have highlighted potential substantive climate-related risks to our operations and value chain, including: (1) acute and chronic physical risks related to rising temperatures, changes in precipitation or increasing severity and frequency of extreme weather events such as hurricanes, storm-related flooding, or extended drought and (2) reputational risks related to shifts in consumer preferences.

Operations: To identify and assess risks in our operations, we conducted a materiality assessment in 2016 which identified water and climate change as sustainability priorities. We also develop an annual greenhouse gas (GHG) inventory for global operations and publicly report our emissions. Biannually, we develop a GHG inventory for our distribution centers, representing about 40% of our Scope 1 and Scope 2 GHG emissions, to assess climate-related risks at the facility-level and track performance against GHG emissions reduction and renewable energy targets. Distribution center managers are required to assess and report on energy each month to evaluate risks related to energy use and inform emissions calculations. We recently conducted a scenario analysis to understand our current and projected GHG emissions through 2025 and the ambition necessary to prevent the worst impacts of climate change. The results of our analysis showed that even in the most severe emissions projection scenarios, LS&Co. can be on track to avoid a 1.5 degree C increase in global average temperatures by 2100. To do this, LS&Co. has set the following SBTi-approved GHG targets: reduce Scope 1 and Scope 2 (market-based) emissions by 90% by 2025 from a 2016 baseline and reduce the equivalent of 40% of our Category 1 (purchased goods and services) Scope 3 emissions by 2025 from a 2016 baseline.

Supply Chain: Through supply chain risk assessments and LCAs, we have been able to prioritize risk management efforts by identifying hot spots in our supply chain where we have the largest potential impacts. For example, based on a recent LCA, we found that nearly 70% of water withdrawals occurs in the fiber phase (e.g., cotton growing) while 6% occurs in the fabric production phase (manufacturing). As a result, we are prioritizing engagement with cotton farmers through our participation in the Better Cotton Initiative (BCI), an organization that trains farmers to adopt cotton production practices which use less water, minimize the effects of pesticides and fertilizers, preserve biodiversity, and improve soil health and labor standards. Our LCAs have also allowed us to understand the relative water impacts of garment manufacturing, much of which occurs in areas and regions that are particularly susceptible to increasing water scarcity. To further identify and assess risks, we request our high volume and strategic suppliers report annual water and energy consumption data through the Sustainable Apparel Coalition's Higg Facility Environmental Module (FEM). Data from the FEM reports informs the calculation of our Scope 3 GHG emissions and our supplier engagement strategy.

Substantive risks, defined as those risks which could impact business continuity or require a change in our business strategy, are reported to senior management within each business group. Senior management determines relative significance based on scope, scale, timing, and potential magnitude of impacts. Substantive risks are then transferred, on an as needed basis, to appropriate business units, teams or facilities for implementation of mitigation measures.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	While regulations related to carbon and climate change may have direct and indirect impacts on our business, we do not find these regulatory risks to be material. Our business is not energy intensive and nearly all of our facilities fall below threshold requirements for current regulations limiting emissions, cap and trade programs, and providing for mandatory reporting of greenhouse gas emissions. We have a factory in Poland which is our only site subject to a carbon tax, the Poland Carbon Tax, and we are required to track and report emissions from stationary and mobile combustion annually to stay in compliance. In Europe, we have begun paying a carbon tax on company cars to comply with regulations across 20 European Union (EU) countries. In Belgium, where our European headquarters are based, the deductibility under corporate tax of expenses related to the use of company cars is linked to GHG emissions. Our Policy and Advocacy team monitors current and emerging regulations that may impact business and operations. However, the expected magnitude and/or likelihood of the risks driven by regulations are sufficiently small and the timescale over which they could occur sufficiently long that we do not currently anticipate substantive changes in our business operations, revenue or expenditure. We assess risks from current regulations as part of our regular materiality assessments.
Emerging regulation	Relevant, always included	While regulations related to carbon and climate change may have direct and indirect impacts on our business, we do not find these regulatory risks to be material. Our business is not energy intensive and nearly all of our facilities fall below threshold requirements for current regulations limiting emissions, cap and trade programs, and providing for mandatory reporting of greenhouse gas emissions. Because our factory in Poland is subject to a carbon tax, the Poland Carbon Tax, and we are required to track and report emissions from stationary and mobile combustion annually to stay in compliance, we may be required to comply with additional carbon taxes or other regulations as the regulatory landscape evolves. Our Policy and Advocacy team monitors current and emerging regulations that may impact business and operations. However, the expected magnitude and/or likelihood of the risks driven by regulations are sufficiently small and the timescale over which they could occur sufficiently long that we do not currently anticipate substantive changes in our business operations, revenue or expenditure. We assess risks from emerging regulations as part of our regular materiality assessments.

	Relevance & inclusion	Please explain
Technology	Relevant, always included	We are vulnerable to risks and uncertainties associated with changes in applicable federal and state regulations, including climate change regulations that may drive technological advances. We must keep up to date with competitive technology trends, including the use of new or improved technology to reduce our energy use through energy efficiency projects or the purchase of renewable energy. Examples of recent energy efficiency projects include lighting upgrades in retail stores and offices, installation of motion sensors, replacement of roof tiles with white surfaces to reduce cooling needs, installation of variable frequency controls, HVAC upgrades, installation of Energy Management Systems, boiler and lighting upgrades (Plock facility), and installation of an automated energy efficient conveyor belt system (Sky Harbor distribution center). Our failure to successfully respond to technology risks and uncertainties might damage our reputation and brands and prevent us from reducing operating costs through energy efficiency measures. We assess risks from technology by assessing the impacts of different technology options through product LCAs and regular materiality assessments.
Legal	Relevant, always included	We have not received any climate-related litigation claims to date and are not aware of any potential climate-related compliance issues nor any exposure to date. We assess risks from litigation claims as part of our regular materiality assessments.
Market	Relevant, always included	The principal fabrics used in our products include cotton, blends, synthetics and wools. The prices we pay our suppliers for our products are dependent in part on the market price for raw materials used to produce them, primarily cotton. The price and availability of cotton may fluctuate substantially, depending on a variety of factors, including demand, acreage devoted to cotton crops and crop yields, weather, supply conditions, transportation costs, energy prices, work stoppages, government regulation and government policy, economic climates, market speculation and other unpredictable factors. Any and all of these factors may be exacerbated by global climate change. Cotton prices suffered from unprecedented variability and uncertainty in prior years and may fluctuate significantly again in the future. Increases in raw material costs, unless sufficiently offset by our pricing actions, may cause a decrease in our profitability and negatively impact our sales volume. These factors may also have an adverse impact on our cash and working capital needs as well as those of our suppliers. We assess market risks through climate-related scenario analysis, specifically our Fashion Futures 2025 assessment, and as part of our regular materiality assessments.
Reputation	Relevant, always included	Consumers, media and nongovernmental organizations (NGOs) are increasingly aware of climate change and the role business can play in mitigating related risks. As a consumer facing company, LS&Co. is at risk for negative publicity or NGO campaigns regarding its response to climate change or GHG emissions performance. To manage reputational risks, LS&Co.'s policy and advocacy team engages policymakers and promotes initiatives that align with our business strategy, corporate values and commitment to sustainability, including climate-related issues. We take an active role discussing international trade, labor, environmental sustainability, nondiscrimination and other regulatory matters with governments around the world. We cultivate relationships with multilateral institutions such as the International Labor Organization (ILO), United Nations, World Trade Organization and World Bank, as well as with NGOs, trade associations and other stakeholders. We work with global organizations, governments, and competitors to develop the next generation of apparel industry standards for using energy, water, chemicals and materials — all with an eye to restoring the health of our planet. For example, we are partnering with NGOs to address climate change, including participation in: (1) Business for Innovative Climate and Energy Policy (BICEP) — a coalition that works for passage in the U.S. Congress of meaningful energy and climate change legislation, (2) Better Cotton Initiative (BCI) — an organization that focuses on decreasing environmental impacts of cotton, improving labor standards and increasing economic livelihood for farmers, (3) Sustainable Apparel Coalition (SAC) — apparel, footwear, and textile industry alliance for sustainable production and developer of the Higg Index, standardized supply chain measurement tools. In 2018, we published our Climate Action Strategy 2025 in which we announced new SBTi-approved and our renewable energy strategy. In 2018, we signed on to the Fashion Industry Charter for Climate Action. The charter is based on the Paris Climate Agreement and UN Climate Change guidelines and brings together leading fashion brands, retailers, supplier organizations, and others to address fashion's climate impact across its entire value chain. We assess climate-related risks to our reputation as part of our regular materiality assessments.
Acute physical	Relevant, always included	LS&Co. sources products in 34 countries and some of our factories, mills, and laundries are located in countries facing high water-related risks, including Bangladesh, Pakistan, Mexico and China. Many of these countries may already be or are expected to feel initial effects of climate change, including water shortage (India, China, Nicaragua), disease (Cambodia), and flooding (Bangladesh). The Intergovernmental Panel on Climate Change listed Bangladesh, the Mekong Delta in Vietnam, and the Nile Delta in Egypt as the world's three hot spots for potential migration because of their combination of sea-level rise and existing population. All three are important sourcing regions for LS&Co. We could be exposed to potential supply chain disruption if a factory, mill or laundry were required to close due to water scarcity or flooding. Some supply routes are directed through freight gateways in geographic areas that may experience increased vulnerability under the effects of climate change. We assess risks from acute physical events as part of our regular materiality assessments.
Chronic physical	Relevant, always included	Apparel production depends heavily on water availability—from growing cotton to manufacturing to consumer care at home. Based on a recent life cycle analysis (LCA), we found that nearly 70% of water withdrawals occurs in the fiber phase (e.g., cotton growing) while 6% occurs in the fabric production phase (manufacturing). As a result, our supply chain is potentially exposed to significant physical risks from climate change, including unpredictable rain patterns, decreases in precipitation, rising temperatures, and extended drought, etc. All of these risks can threaten the availability of freshwater critical to our mills, laundries and factories as well as the farms that provide the material basis for our products, specifically cotton. Cotton is grown in some of the most arid regions in the world, and climate change can significantly impact cotton availability, quality and pricing. If global cotton production were to fall or water were to become more expensive as a result of climate change, the price of cotton could go up, which, in turn, could drive up our production costs. Similarly, some of our apparel factories are located in countries facing high water-related risks, including Bangladesh, Pakistan, Mexico and China. We could be exposed to potential supply chain disruption if a factory, mill or laundry were required to close due to water scarcity. Additionally, LS&Co.'s license to operate in developing countries where cotton is grown may be challenged, if we are perceived to be competing in poor communities for scarce resources (e.g., water, land) and/or doing business with suppliers who are perceived as contributing to the pollution of air and local waterways. We assess risks from chronic physical changes due to climate-change as part of our regular materiality assessments.
Upstream	Relevant, always included	We import both raw materials and finished garments into all of our operating regions. Our ability to import products in a timely and cost-effective manner may be affected by conditions at ports or issues that otherwise affect transportation and warehousing providers, such as port and shipping capacity, labor disputes and work stoppages, political unrest, severe weather, or security requirements in the United States and other countries. Our existing procurement processes take many variables into consideration and continually adjusts to mitigate risks, which will include climate-related risks. In 2017, we piloted the International Finance Corporation's Partnership for Cleaner Textile (PaCT) program. With the success of this program, in 2018, we are working with 13 of our manufacturers across Bangladesh, India, Mexico, Pakistan, South Africa, Sri Lanka and Vietnam. In less than one year, we helped participating suppliers reduce GHG emissions and energy by 13% and 22%, respectively and save more than \$1 million in operating costs. In 2019, we will continue to expand PaCT to include 19 additional mills and laundries across Bangladesh, India, Mexico, Pakistan, South Africa, Sri Lanka, and Vietnam, and we will expand coverage to China. Within the next 5 years, we will engage the remainder of our wet processing suppliers. We also plan to partner with our suppliers to cover the costs of a renewable energy assessment and potentially collaborate with the IFC on a financing model. We will leverage the IFC Global Trade Supplier Finance program which enables suppliers to access competitively-priced financing based on criteria such as strong performance on our Terms of Engagement (LS&Co.'s supplier code of conduct). It provides access to capital for sustainability investments, which the supplier may otherwise not have been able to finance. Our Recycle and Reuse (R and R) standard outlines how garment manufacturing facilities can safely implement systems and equipment to recycle and reuse water within their facilities without compromising product quality or safety. We have begun to work with select manufacturers to implement- and account for the impacts of- R and R systems. We anticipate the magnitude of impact on our supply chain from climate-related risks and opportunities to be medium to high. We assess climate-related impacts to our value chain through product LCAs.
Downstream	Relevant, always included	In our scientific life cycle assessment of a pair of Levi's® 501® jeans, we learned that 37 percent of the energy and 23 percent of the water used during the lifetime of a pair of Levi's® 501® jeans occur during the consumer-use phase. As a result, in 2009, LS&Co. and Goodwill® launched a U.S. partnership — "A Care Tag for Our Planet" — to spread the word that small changes in the way we care for our clothes can help reduce our climate change impact. The Levi's® and Dockers® brands now include relevant messaging on all global product care tags encouraging us to "Wash less, wash in cold, line dry, and donate when no longer needed." We learned that by wearing jeans 10 times before washing, American consumers can reduce their water and climate change impact by 77 percent, U.K. and French consumers by 75 percent and Chinese consumers by 61 percent. Our aspiration is to help reduce the 1,100 liters of water and 60 kilowatt-hours it takes the average American consumer to wash and dry a pair of jeans. In 2011, we launched our version of an environmental "nutrition label" for our products, based on our lifecycle research to enable consumers to make smart purchasing decisions. We assess climate-related impacts to our value chain through product LCAs.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

LS&Co. identifies and assesses climate-related risks and opportunities through periodic formal assessments including materiality assessments, supply chain risk assessments, and life cycle analysis (LCA), the most recent iterations of which were published in 2016 and 2017, respectively. These assessments have highlighted potential substantive climate-related risks to our operations and value chain which require ongoing monitoring and mitigation, including: (1) acute and chronic physical risks related to rising temperatures, changes in precipitation or increasing severity and frequency of extreme weather events such as hurricanes, storm-related flooding, or extended drought and (2) reputational risks related to shifts in consumer preferences. As a result, we have been able to prioritize climate-related risks and opportunities to focus our resources on the areas that require the greatest attention. Once identified and assessed as potentially substantive, risks and opportunities are transferred to appropriate business units, teams or facilities for further evaluation and implementation of mitigation measures. We manage risks and opportunities by engaging senior managers to develop actionable strategies and innovative solutions.

Transition risk example: In 2016, we conducted a third-party materiality assessment by polling internal and external stakeholders on issues from supply chain labor to energy and water use to chemical management on factors including cost/benefit to the business, NGO activity, legal ramifications and innovation. This assessment and others have highlighted potential climate-related risks and opportunities to our public reputation, supply chain, and access to natural resources like cotton and water required for production. To manage reputational risks related to climate change, for example, our Policy and Advocacy team engages policymakers and promotes initiatives that align with our business strategy, corporate values and commitment to sustainability. We take an active role discussing international trade, labor, environmental sustainability, nondiscrimination and other regulatory matters with governments around the world. We also cultivate relationships with multilateral institutions such as the International Labor Organization (ILO), United Nations, World Trade Organization and World Bank, as well as with nongovernmental organizations (NGOs), trade associations and other stakeholders. Our Communications team helps manage risks to our reputation by amplifying our messages. Our supply chain team manages climate-related risks and opportunities through a range of initiatives including: (1) collection of annual water and energy consumption data from our high volume and strategic suppliers via Sustainable Apparel Coalition's (SAC's) Higg Facility Environmental Module (FEM), (2) a partnership with the Natural Resources Defense Council (NRDC) on the Clean by Design Program, an initiative to reduce the environmental impact of textile mills in China, (3) International Finance Corporation 2018 Partnership for Cleaner Textile (PaCT) program that gave us an opportunity to provide technical support to 13 LS&Co. manufacturers in Bangladesh, India, Mexico, Pakistan, South Africa, Sri Lanka and Vietnam to reduce energy use, GHG emissions and achieve cost savings; (4) development of our open-sourced Recycle and Reuse (R&R) standard which outlines how garment manufacturing facilities can safely implement systems and equipment to recycle and reuse water within facilities without compromising product quality or safety.

Physical risk example: In conducting a recent LCA, we discovered that nearly 70% of the water used during the lifecycle of a pair of jeans is used solely for cotton agriculture. Knowing that 90% of LS&Co. products are cotton-based, this meant re-evaluating the sustainability of our cotton supply and finding new solutions to address this raw material's impact—from irrigation and runoff to pesticides and farmer education. To manage this risk in our supply chain, we partnered with the Better Cotton Initiative (BCI) — an initiative that LS&Co. co-founded in 2005 to fundamentally change how one of the world's largest commodities is grown. BCI focuses on decreasing the environmental impact of cotton, improving labor standards and increasing the economic livelihood for farmers. The program also requires farmers to use water efficiently and care for its availability. BCI farmers use up to 18% less water than non-BCI farmers in comparable locations. In 2018, we sourced 67% of our total cotton through BCI — up from 7% in 2014. By 2020, our goal is to use 100% sustainable cotton through sources such as Better Cotton and recycled cotton, significantly reducing our total water footprint. We're also exploring innovative approaches to use recycled cotton in our garments. Jeans crafted with at least 15 percent recycled cotton save as much water as the entire manufacturing process.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Supply chain

Risk type

Physical risk

Primary climate-related risk driver

Chronic: Changes in precipitation patterns and extreme variability in weather patterns

Type of financial impact

Other, please specify (Increased production costs due to changing input prices (e.g., energy, water) and output requirements (e.g., waste treatment))

Company- specific description

Apparel production depends heavily on water availability—from growing cotton to manufacturing to consumer care at home. Based on a recent life cycle analysis (LCA), we found that nearly 70% of water withdrawals occurs in the fiber phase (e.g., cotton growing) while 6% occurs in the fabric production phase (manufacturing). As a result, our supply chain is potentially exposed to significant physical risks from climate change, including unpredictable rain patterns, decreases in precipitation, rising temperatures, and extended drought, etc. All of these risks can threaten the availability of freshwater critical to our mills, laundries and factories as well as the farms that provide the material basis for our products, specifically cotton. Cotton is grown in some of the most arid regions in the world, and climate change can significantly impact cotton availability, quality and pricing. If global cotton production were to fall or water were to become more expensive as a result of climate change, the price of cotton could go up, which, in turn, could drive up our production costs.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Potential financial impacts from chronic changes in precipitation patterns and extreme variability in weather patterns are related to increased production costs that could include: increased cost of water at our factories from a water tax or rate increase and increased cost of cotton due to decreased cotton supply or increased cost of water. We are not able to quantify potential financial impacts at this time.

Management method

By conducting a life cycle analysis (LCA), we discovered that nearly 70 percent of the water used during the lifecycle of a pair of jeans is used solely for cotton agriculture. Knowing that 90 percent of LS&Co. products are cotton-based, this meant re-evaluating the sustainability of our cotton supply and finding new solutions to address this raw material's impact—from irrigation and runoff to pesticides and farmer education. To manage this risk in our supply chain, we partnered with the Better Cotton Initiative (BCI) – an initiative that LS&Co. co-founded in 2005 to fundamentally change how one of the world's largest commodities is grown. BCI focuses on decreasing the environmental impact of cotton, improving labor standards and increasing the economic livelihood for farmers. In 2018, we sourced 67 percent of our total cotton through BCI – up from 7 percent in 2014. By 2020, our goal is to use 100 percent sustainable cotton. We're also exploring innovative approaches to use recycled cotton in our garments. Jeans crafted with at least 15 percent recycled cotton could save as much water as the entire manufacturing process consumes. We're also working with the World Wildlife Fund to assess supply chain operations and identify hot-spot locations facing water pollution, scarcity and ecosystem damage. At this time, we are not able to provide costs of management; however this total includes our annual BCI investment.

Cost of management**Comment**

At this time, we are not able to provide costs of management; however this total includes our annual BCI investment.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Supply chain

Risk type

Physical risk

Primary climate-related risk driver

Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact

Reduced revenue from decreased production capacity (e.g., delayed planning approvals, supply chain interruptions)

Company- specific description

LS&Co. sources products in 34 countries and some of our factories, mills, and laundries are located in countries facing high water-related risks, including Bangladesh, Pakistan, Mexico and China. Many of these countries may already be or are expected to feel initial effects of climate change, including water shortage (India, China, Nicaragua), disease (Cambodia), and flooding (Bangladesh). The Intergovernmental Panel on Climate Change listed Bangladesh, the Mekong Delta in Vietnam, and the Nile Delta in Egypt as the world's three hot spots for potential migration because of their combination of sea-level rise and existing population. All three are important sourcing regions for LS&Co. We could be exposed to potential supply chain disruption if a factory, mill or laundry were required to close due to water scarcity or flooding. Some supply routes are directed through freight gateways in geographic areas that may experience increased vulnerability under the effects of climate change.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Potential financial impacts from increased severity of extreme weather events such as cyclones and floods could result from delays in the importation of products, costs associated with locating alternative ports or warehousing providers to avoid disruption to our customers. These alternatives may not be available on short notice or could result in higher transportation costs, which could have an adverse impact on our business and financial condition. We are not able to quantify potential financial impacts at this time.

Management method

Our wide contractor base ensures that we have redundancies in our supply chain to accommodate any potential disruptions. We import both raw materials and finished garments into all of our operating regions. Our ability to import products in a timely and cost-effective manner may be affected by conditions at ports or issues that otherwise

affect transportation and warehousing providers, such as port and shipping capacity, labor disputes and work stoppages, political unrest, severe weather, or security requirements in the United States and other countries. Our existing procurement processes take many variables into consideration and continually adjusts to mitigate risks, including climate-induced risks. LS&Co. has also implemented several water risk tools, most notably WRI Aqueduct, to evaluate water stress in our global supply chain, and in 2014, we commissioned WWF to conduct a study on water risk to our supply chain, regionally. Costs related to managing impacts from increased severity of extreme weather events such as cyclones and floods include costs to source recycled water sustainably. At this time, we are not able to quantify costs of management.

Cost of management

Comment

At this time, we are not able to quantify costs of management.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Reputation: Shifts in consumer preferences

Type of financial impact

Reduced revenue from decreased demand for goods/services

Company- specific description

Consumers, media and nongovernmental organizations are increasingly aware of climate change and the role business can play in mitigating related risks. As a consumer facing company, LS&Co. is at risk for negative publicity or nongovernmental organization (NGO) campaigns regarding its response to climate change or greenhouse gas (GHG) emissions performance.

Time horizon

Short-term

Likelihood

Exceptionally unlikely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Potential financial impacts from reputational risks could include loss of revenue related to reduced sales, particularly in Europe where our customers are most concerned about corporate responsibility. We are not able to quantify potential financial impacts at this time.

Management method

To manage reputational risks, LS&Co.'s policy and advocacy team engages policymakers and promotes initiatives that align with our business strategy, corporate values and commitment to sustainability, including climate-related issues. We take an active role discussing international trade, labor, environmental sustainability, nondiscrimination and other regulatory matters with governments around the world. We also cultivate relationships with multilateral institutions such as the ILO, UN, WTO and World Bank, as well as with NGOs, trade associations and other stakeholders. For example, we are partnering with NGOs to address climate change within and outside our business, including participation in: (1) BICEP– a business coalition that works for passage in the U.S. Congress of meaningful energy and climate change legislation, (2) BCI - an organization that focuses on decreasing the environmental impact of cotton, improving labor standards and increasing the economic livelihood for farmers, (3) SAC – the apparel, footwear, and textile industry's alliance for sustainable production and Higg Index developer. Costs related to managing impacts from reputational risks include the cost of our involvement with BCI and external sustainability consultants that supported a renewable energy assessment, development of science-based targets, CDP response development, a water risk assessment, and product life cycle analyses. At this time, we are not able to quantify costs of management.

Cost of management

Comment

At this time, we are not able to quantify costs of management.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Supply Chain

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Type of financial impact

Other, please specify (Reduced production costs)

Company-specific description

While we have demonstrated leadership through our efforts in our own operations, we are also aware that the apparel industry's biggest climate impact is in the supply chain. Over the last several years we have piloted innovative programs aimed at reducing our environmental impact in the supply chain and are excited by the results and the opportunity to scale those programs. LS&Co., and the apparel industry at large, source products in many developing countries where water is scarce. Apparel manufacturing, and denim manufacturing in particular is water intensive. With climate change promising to alter precipitation, induce more severe droughts and intensify water scarcity, there exists a clear window of opportunity to help our manufacturers reduce their dependence on threatened local water supplies by implementing systems that recycle and reuse water. This self-sufficiency at the manufacturing level diminishes water availability risks, allows for stable production and long-term cost savings.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Potential financial impacts related to more efficient production processes are related to reduced production costs associated with implementation of the International Finance Corporation's Partnership for Cleaner Textile (PaCT) program. We are not able to quantify potential financial impacts at this time.

Strategy to realize opportunity

We are working with our suppliers to measure and reduce environmental impacts, including water use, energy use and GHG emissions. Initiatives include: (1) collection of annual water and energy consumption data from our high volume and strategic suppliers via SAC's Higg Index, a standardized supply chain measurement suite of tools; as of June 2018, we asked almost 200 suppliers submit data and 95% have registered to date, indicating they will provide the requested data, (2) a partnership with the NRDC on the Clean by Design Program, an initiative to reduce the environmental impact of textile mills in China; six textile mills in China that supply fabric to LS&Co. participated in this program, achieving a total savings of 57,465 tons of steam and 2.62 million kilowatt hours (kWh) per year over the five-year period, (3) the IFC's Partnership for Cleaner Textile (PaCT) program in 2018 which involves working with 13 of our manufacturers in Bangladesh, India, Sri Lanka and Vietnam to reduce their GHG emissions and energy use. In less than one year, they reduced GHG emissions and energy by 13% and 22%, respectively and save more than \$1 million in operating costs. In 2019, we will continue to expand PaCT to include 19 additional mills and laundries, and we will expand coverage to China. At this time, we are not able to provide the cost to realize this opportunity.

Cost to realize opportunity**Comment**

At this time, we are not able to provide the cost to realize this opportunity.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Other

Type of financial impact

Other, please specify (Participation in renewable energy programs, adoption of energy- and water-efficiency measures)

Primary climate-related opportunity driver: Resilience: Other - participation in renewable energy programs, adoption of energy- and water-efficiency measures

Company-specific description

LS&Co. recognizes that greenhouse gas (GHG) emissions are a major contributor to global climate change. If left unchecked, these emissions will trigger large- scale economic, social and environmental consequences for our business and the communities in which we operate. Within our operations globally, we are committed to reducing our energy use and related GHG emissions. Roughly 75% of our GHG emissions results from electricity purchases at our operated locations. Based on a 2017 assessment, we have determined we can achieve 100% renewable electricity through deployment of a combination of renewable electricity options to optimize cost, performance, and impact across regions. Our path toward 100% renewable electricity includes: (1) implement energy efficiency measures globally, (2) implement onsite solar globally, purchase utility green products in Europe, establish power purchase agreements (PPAs) in the United States, and (5) purchase renewable energy certificates (RECs) globally. We see this as an opportunity to reduce our operating costs through energy and water efficiency measures as well as an opportunity to enhance our reputation

and improve the resiliency of our operations.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Potential financial impacts from implementing energy efficiency measures are related to annual savings in electricity usage across identified energy efficiency initiatives. We are not able to quantify potential financial impacts at this time.

Strategy to realize opportunity

We have been tracking global carbon emissions from direct fuel combustion (Scope 1) and indirect emissions from electricity and steam purchases (Scope 2) since 2007. Roughly 75% of our GHG emissions results from electricity purchases at our operated locations. LS&Co. was the first apparel company to report global greenhouse gas emissions to The Climate Registry. As part of our new Climate Action Strategy, published in 2018, we have set the following new SBTi-approved GHG emissions reduction targets, which cover not only owned-and-operated facilities, but also our global supply chain. Specifically, LS&Co. intends to achieve the following by 2025 (from a 2016 base year): 90% absolute reduction in GHG emissions on all owned and operated facilities, 100% renewable electricity in all owned and operated facilities, 40% absolute reduction in GHG emissions across our global supply chain. We are on track to exceed our climate goals in our owned-and-operated facilities. In 2018, we achieved a 59 percent reduction in emissions and are currently using 51 percent renewable energy. We have targeted energy efficiency projects in our offices, retail stores, and distribution centers including lighting and HVAC upgrades. At this time, we are not able to provide the cost to realize this opportunity.

Cost to realize opportunity

Comment

At this time, we are not able to provide the cost to realize this opportunity.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Markets

Primary climate-related opportunity driver

Other

Type of financial impact

Other, please specify (Shift in consumer preferences: Better competitive position to reflect shifting consumer preferences, resulting in increased revenues)

Company-specific description

Across the apparel industry and beyond, each day we are presented with an opportunity to reimagine what it means to be a good corporate citizen, driven by a new moral imperative to play a bigger role in society. We strive to leverage our iconic brands to drive positive, sustainable change and profitable business results. By making products that last, we've taken a serious approach to sustainability — one that began more than 140 years ago when that first rivet-reinforced blue jean was crafted. And more recently we've built on that legacy with a scientific approach to making our product life cycle even more sustainable, leading to innovations like the WaterLess™ process, the (now retired) WasteLess™ collection, and the Wellthread product line. As we work to meet the needs and shifting preferences of our customers, around the world, we have an opportunity to develop new products which will give us a better competitive position and continue to solidify our position as an apparel industry leader.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Potential financial impacts are related to estimated annual production COGS savings from our WaterLess program, which increases our company's revenue. In 2018, over half of LS&Co.'s global product volume was WaterLess®. We have also begun to rollout on-product hang tags that indicate to consumers which products were made with WaterLess techniques. Although it is hard to quantify, we expect that this retail and online marketing opportunity will increase brand equity and revenues among certain

consumer segments. We are not able to quantify potential financial impacts at this time.

Strategy to realize opportunity

Our collaborative approach to sustainable apparel design has produced a number of important environmental breakthroughs for our enduring brands, including reducing the amount of water used in the finishing process, increasing the use of cotton farmed to higher environmental, social and economic standards, and increasing the amount of recycled materials in our products. Our innovative WaterLess™ process approaches the decisions made in the design process in a different way, reducing the amount of water used in the finishing process. For instance, by simply removing water from stone washes or combining multiple wet cycle processes, we can significantly reduce water usage — up to 96 percent for some styles. Since launching the WaterLess™ process in 2011, we have saved more than 1 billion liters of water in the manufacturing of LS&Co. products, including 30 million liters of fresh water saved through reuse and recycling. By 2020, the Levi's brand aims to make 80 percent of its products using WaterLess™ techniques, up from nearly 67 percent in 2018. To date, we've used 11.9 million recycled bottles for products such as Levi's® 511™ Skinny jeans, Levi's® Trucker jackets and the women's Levi's® Boyfriend Skinny jeans. In 2018, the costs associated with re-envisioning our apparel design, sourcing and production processes to reduce environmental impacts, include investments in research and development which fall within the normal course of business and incur zero additional costs.

Cost to realize opportunity

0

Comment

In 2018, the costs associated with re-envisioning our apparel design, sourcing and production processes to reduce environmental impacts, include investments in research and development which fall within the normal course of business and incur zero additional costs.

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Impacted	Our life cycle assessments (LCAs) demonstrate the relative resource requirements and impacts of all phases of our product life cycles. This enables us to understand what phases, from fiber production to garment finishing and consumer use, pose the greatest environmental risks as well as opportunities to reduce harm and create positive environmental impacts. They have also identified opportunities to promote climate resiliency in our supply chain. For example, our LCAs highlighted the relative water intensity of cotton production. This highlights a climate-related risk to our brands and company as a whole, should water become increasingly scarce. It also reaffirms the opportunity to drive climate resiliency and meaningful system change by promoting and sourcing Better Cotton. We participate in The Better Cotton Initiative (BCI) which empowers cotton farmers to increase their yields through less water and chemical practices. We are actively increasing the use of Better Cotton in our products every year. In 2018, we sourced 67 percent of our total cotton through BCI, and we have a goal to use 95 percent by 2020. Our LCAs have also allowed us to understand the relative water impacts of garment manufacturing, much of which occurs in areas and regions that are particularly susceptible to increasing water scarcity. To address the climate-related risks posed by water, LS&Co. has developed the WaterLess process, which significantly reduces water usage in production – up to 96% for some styles. Since launching the WaterLess process in 2011, we have saved more than 1 billion liters of water, including 30 million liters of fresh water saved through reuse and recycling. In 2018, 67% of LS&Co.'s products are made using WaterLess techniques and we plan to make 80% of our products using WaterLess techniques by 2020. We have also open sourced the technology so others can use it to save water in their products as well. We anticipate the magnitude of impact on products and services from climate-related risks and opportunities to be medium to high.
Supply chain and/or value chain	Impacted	We import both raw materials and finished garments into all of our operating regions. Our ability to import products in a timely and cost-effective manner may be affected by conditions at ports or issues that otherwise affect transportation and warehousing providers, such as port and shipping capacity, labor disputes and work stoppages, political unrest, severe weather, or security requirements in the United States and other countries. Our existing procurement processes take many variables into consideration and continually adjusts to mitigate risks, which will include climate-related risks. In 2017, we piloted the International Finance Corporation's Partnership for Cleaner Textile (PaCT) program. With the success of this program, in 2018, we are working with 13 of our manufacturers across Bangladesh, India, Mexico, Pakistan, South Africa, Sri Lanka and Vietnam. In less than one year, we helped participating suppliers reduce their GHG emissions and energy by 13% and 22%, respectively and save more than \$1 million in operating costs. In 2019, we will continue to expand PaCT to include 19 additional mills and laundries across Bangladesh, India, Mexico, Pakistan, South Africa, Sri Lanka, and Vietnam, and we will expand coverage to China. Within the next 5 years, we will engage the remainder of our wet processing suppliers. We plan to partner with our suppliers to cover the costs of a renewable energy assessment and potentially collaborate with the IFC on a financing model. We will leverage the IFC Global Trade Supplier Finance program which enables suppliers to access competitively-priced financing based on criteria such as strong performance on our Terms of Engagement (LS&Co.'s supplier code of conduct). It provides access to capital for sustainability investments, which the supplier may otherwise not have been able to finance. Our Recycle and Reuse (R and R) standard outlines how garment manufacturing facilities can safely implement systems and equipment to recycle and reuse water within their facilities without compromising product quality or safety. While we have not set formal targets around R and R to date, we have begun to work with select manufacturers to implement- and account for the impacts of- R and R systems. We anticipate the magnitude of impact on our supply chain from climate-related risks and opportunities to be medium to high.
Adaptation and mitigation activities	Not yet impacted	Insurers are already shaping policy terms and increasing rates in response to bigger storms, worse fires and longer droughts. Various functions within our team, including Real Estate and Supply Chain, will likely need to manage the risk from any increased capital cost due to insurance. This may take the form of extra insurance premiums, adaptive measures, or evaluating other locations. Increased insurance premiums have not yet generated a substantial impact on our business, but we anticipate that impacts on adaptation and mitigation activities from climate-related risks and opportunities may occur over a short-term timeline, impacting our business in the next 1-3 years.
Investment in R&D	Impacted	We are breaking down the silos of design, sourcing and production to develop more sustainable practices. Our collaborative approach to sustainable apparel design has produced a number of environmental breakthroughs for our brands, including reducing water used in the finishing process, increasing the use of cotton farmed to higher environmental, social and economic standards, and increasing the amount of recycled materials in our products. For example, our innovative WaterLess™ process reduces the amount of water used in finishing by removing water from stone washes or combining multiple wet cycle processes. We can significantly reduce water usage — up to 96 percent for some product styles. Since launching the WaterLess™ process in 2011, we have saved more than 1 billion liters of waterLS&Co., including 30 million liters of fresh water saved through reuse and recycling. By 2020, we aim to make 80 percent of our products using WaterLess™ techniques, up from 67 percent in 2018. As another example of how investments in R&D have benefited our business, our latest Levi's® Wellthread™ Collection represents a fundamental reinvention of the design process to incorporate sustainability into every stage of the development process. This collection features our Levi's® WaterLess™ fabric and the first-ever commercialized use of "cottonized hemp," which feels like cotton but uses far less water and land to grow. A pair of jeans and a trucker jacket from our Levi's® Wellthread™ x Outerknown Spring/Summer collection, for example, are made with a 70/30 cotton-to-cottonized hemp blend. The hemp was sourced from a rain-fed hemp crop and thereby reduced the water used in fiber cultivation by roughly 30 percent. The fabric, thread, pocketing, and labels are all designed for recyclability, with a future state of closed loop recycling in mind. We also invest in small innovative companies to drive research and development related to environmental concerns, including climate change, through our 'Collaboratory' program. In 2018, our theme is climate change. Program fellows participate in a three-day LS&Co.workshop and can apply for up to \$50,000 in grant funding to pursue solutions to reduce their organization's, or the apparel industry's, climate impacts. We anticipate the magnitude of impact on investments in R&D from climate-related risks and opportunities to be medium to high.
Operations	Impacted	LS&Co. recognizes that greenhouse gas (GHG) emissions are a major contributor to global climate change. If left unchecked, these emissions will trigger large- scale economic, social and environmental consequences for our business and the communities in which we operate. Within our operations globally, we are committed to reducing our energy use and related GHG emissions. We see this as an opportunity to reduce our operating costs through energy and water efficiency measures as well as an opportunity to enhance our reputation and improve the resiliency of our operations. In 2018, we joined more than 500 global companies in setting science-based targets to reduce emissions across our operations and value chain. In 2018, we achieved a 59 percent reduction in emissions in our offices, retail stores, and distribution centers and are currently using 51 percent renewable energy. For example, our owned-and-operated factory in Plock, Poland, is key to achieving our new, science-based GHG target, and in 2018 the factory received an award from the Polish National Energy Conservation Agency for energy efficiency efforts. We conducted an energy audit at the Plock factory in 2017 and follow-up assessments in 2018. We successfully upgraded 50% of our lighting to LED lights, and in 2019, we plan to upgrade all remaining lighting. The upgraded lighting system includes a central control panel to help manage energy use; we estimate energy savings to be 600 MWh/year for the full system. We also performed a water audit to identify opportunities to reduce water withdrawals. As of 2019, we will have 6 machines equipped with water conservation features which we estimate will reduce process water withdrawals by half. In 2018, we continued to increase our purchases of renewable energy to meet our 2020 and 2025 targets. Severe weather events and changing temperatures due to climate change also have the potential to impact our operations. In 2017, for example, Hurricanes Harvey and Irma impacted retail operations and sales in Texas and Florida, respectively. We anticipate the magnitude of impact on our operations from climate-related risks and opportunities to be medium.
Other, please specify	Please select	

C2.6

(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.

	Relevance	Description
Revenues	Impacted	Across the apparel industry and beyond, each day we are presented with an opportunity to reimagine what it means to be a good corporate citizen, driven by a new moral imperative to play a bigger role in society. We like to say that our company and our products are Made of Progress. We strive to leverage our iconic brands to drive positive, sustainable change and profitable business results. By making products that last, we've taken a serious approach to sustainability — one that began more than 140 years ago when that first rivet-reinforced blue jean was crafted. And more recently we've built on that legacy with a scientific approach to making our product life cycle even more sustainable, leading to innovations like the WaterLess™ process and the WasteLess™ collection. As we work to meet the needs and shifting preferences of our customers, around the world, we have an opportunity to develop new products which will give us a better competitive position and continue to solidify our position as an apparel industry leader. In 2018, 67% of LS&Co.'s products are made using WaterLess techniques and we plan to make 80% of our products using WaterLess techniques by 2020. We have also open sourced the technology so others can use it to save water in their products as well.LS&Co. The magnitude of impact on our financial planning process for revenues is medium to high.
Operating costs	Impacted	LS&Co. recognizes that greenhouse gas (GHG) emissions are a major contributor to global climate change. If left unchecked, these emissions will trigger large- scale economic, social and environmental consequences for our business and the communities in which we operate. Within our operations globally, we are committed to reducing our energy use and related GHG emissions. We see this as an opportunity to reduce our operating costs through energy and water efficiency measures as well as an opportunity to enhance our reputation and improve the resiliency of our operations. For example, our owned-and-operated factory in Plock, Poland, is key to achieving our new, science-based GHG target, and in 2018 the factory received an award from the Polish National Energy Conservation Agency for energy efficiency efforts. We conducted an energy audit at the Plock factory in 2017 and follow-up assessments in 2018. We successfully upgraded 50% of our lighting to LED lights, and in 2019, we plan to upgrade all remaining lighting. The upgraded lighting system includes a central control panel to help manage energy use; we estimate energy savings to be 600 MWh/year for the full system. We also performed a water audit to identify opportunities to reduce water withdrawals. As of 2019, we will have 6 machines equipped with water conservation features which we estimate will reduce process water withdrawals by half. In the short-term, we expect our operating costs to rise as we implement energy efficiency measures; however, in the long-term, we expect to see a significant reduction in energy-related costs. The magnitude of impact on our financial planning process for operating costs is low to medium.
Capital expenditures / capital allocation	Impacted	LS&Co. recognizes that greenhouse gas (GHG) emissions are a major contributor to global climate change. If left unchecked, these emissions will trigger large- scale economic, social and environmental consequences for our business and the communities in which we operate. Within our operations globally, we are committed to reducing our energy use and related GHG emissions. We see this as an opportunity to reduce our operating costs through energy and water efficiency measures as well as an opportunity to enhance our reputation and improve the resiliency of our operations. We perform financial analysis on each of the energy or emissions reduction initiatives that are scoped for our global facilities. We have certain payback criteria for capital projects that must be achieved in order for funds to be allocated, for example, all of the following implemented initiatives required capital expenditures: HVAC upgrades, installation of Energy Management Systems, boiler and lighting upgrades (Plock facility), and installation of an automated energy efficient conveyor belt system and water recycling system (Sky Harbor distribution center). The magnitude of impact on our financial planning process for capital expenditures is low to medium.
Acquisitions and divestments	Impacted	LS&Co. has not had any recent acquisitions or divestitures and no upcoming acquisitions or divestitures are planned. However, sustainability issues, including a potential acquisition's response to climate change, would influence our decision as any potential acquisition would need to be in alignment with LS&Co.'s values and commitment to being a good corporate citizen. The magnitude of impact on our financial planning process for acquisitions and divestments is low as we do not anticipate any impacts to be substantive in the short- or long-term.
Access to capital	Impacted	LS&Co. is privately held by the descendants of the family of Levi Strauss. Shares of company stock are not publicly traded; however, we have publicly traded bonds and bond investors often request sustainability information so we have included this information in our pitch decks. The magnitude of impact on our financial planning process for access to capital is low.
Assets	Impacted	LS&Co. recognizes that greenhouse gas (GHG) emissions are a major contributor to global climate change. If left unchecked, these emissions will trigger large- scale economic, social and environmental consequences for our business and the communities in which we operate. Within our operations globally, including owned facilities, we are committed to reducing our energy use and related GHG emissions. We see this as an opportunity to reduce our operating costs through energy and water efficiency measures as well as an opportunity to enhance our reputation and improve the resiliency of our operations and assets. We perform financial analysis on each of the energy or emissions reduction initiatives that are scoped for our global facilities. We have certain payback criteria for capital projects that must be achieved in order for funds to be allocated, for example, all of the following implemented initiatives required capital expenditures: HVAC upgrades, installation of Energy Management Systems, boiler and lighting upgrades (Plock facility), and installation of an automated energy efficient conveyor belt system and water recycling system (Sky Harbor distribution center). The magnitude of impact on our financial planning process for assets is low.
Liabilities	Not yet impacted	LS&Co. does not currently have climate-related liabilities; however, we will be implementing onsite solar over the next several years and will have associated long-term liabilities. The magnitude of impact on our financial planning process for liabilities is low.
Other	Please select	

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

Yes, qualitative and quantitative

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

i) Climate change is integrated into LS&Co.'s business strategy. Across the apparel industry and beyond, each day we are presented with an opportunity to reimagine what it means to be a good corporate citizen, driven by a new moral imperative to play a bigger role in society. We like to say that our company and our products are Made of Progress. We strive to leverage our iconic brands to drive positive, sustainable change and profitable business results. By making products that last, we've taken a serious approach to sustainability — one that began more than 140 years ago when that first rivet-reinforced blue jean was crafted. And more recently we've built on that legacy with a scientific approach to making our product life cycle even more sustainable, leading to innovations like the WaterLess™ process and the WasteLess™ collection. As water scarcity increases, global temperatures rise, and rainfall becomes unpredictable, we are seeing shifts in consumer preferences for more sustainable apparel (e.g., clothing made with more recycled materials or less water). As we work to meet the needs of our customers, around the world, we are investing in R&D to develop new, more sustainable products which will give us a better competitive position and continue to solidify our position as an apparel industry leader. As part of our business strategy, we have recognized that true innovation is best achieved by rethinking the entire apparel making process, and we are breaking down the silos of design, sourcing and production to develop more sustainable practices. Our collaborative approach to sustainable apparel design has produced a number of important environmental breakthroughs, including reducing the amount of water used in the finishing process, increasing the use of cotton farmed to higher environmental, social and economic standards, and increasing the amount of recycled materials in our products. Our innovative WaterLess™ process reduces the amount of water used in the finishing process. For instance, by simply removing water from stone washes or combining multiple wet cycle processes, we can significantly reduce water usage — up to 96 percent for some styles. Since launching the WaterLess™ process in 2011, we have saved more than 1 billion liters of water in the manufacturing of LS&Co. products, including 30 million liters of fresh water saved through reuse and recycling. By 2020, we aim to make 80 percent of our products using WaterLess™ techniques, up from 67 percent in 2018. Our Levi's® Wellthread™ Collection features our innovative Levi's® WaterLess™ fabric. For this collection, WaterLess™ finishes use up to 50 percent less water than traditional finishing. Also integral to the Wellthread approach, is the first-ever commercialized use of "cottonized hemp," which feels like cotton but uses far less water and land to grow. A pair of jeans made with a 70/30 cotton-to-cottonized hemp blend sourced from a rain-fed hemp crop reduced the water used in fiber cultivation by roughly 30 percent. The fabric, thread, pocketing, and labels are all designed for recyclability, with a future state of closed loop recycling in mind. Our Levi's® WasteLess™ collection of products are made of 20 percent post-consumer waste- specifically, recycled plastic bottles, which works out to an average of three to eight plastic bottles per pair of jeans. To date, we've used 11.9 million recycled bottles for products such as Levi's® 511™ Skinny jeans, Levi's® Trucker jackets and the women's Levi's® Boyfriend Skinny jeans.

ii) In 2018, we published our Climate Action Strategy 2025 to outline our efforts to reduce GHG emissions by maximizing energy efficiency and using 100% renewable energy — first in our operations and then throughout the supply chain. As part of our new strategy, we have set the following new SBTi-approved GHG emissions reduction targets, which cover not only owned-and-operated facilities, but also our global supply chain. Specifically, LS&Co. intends to achieve the following by 2025 (from a 2016 base year): 90% absolute reduction in GHG emissions on all owned and operated facilities, 100% renewable electricity in all owned and operated facilities, 40% absolute reduction in GHG emissions across our global supply chain. In 2018, we achieved a 59 percent reduction in emissions in our offices, retail stores, and distribution centers and are currently using 51 percent renewable energy. We have targeted energy efficiency projects in our offices, retail stores, and distribution centers, e.g., lighting, HVAC, energy management system upgrades, integration of daylight, and installation of motion sensors. In 2018, we continued to increase our purchases of renewable energy to meet our 2020 and 2025 targets.

iii) In 2018, we made a number of substantial business decisions as a result of the integration of climate-related issues into our business strategy, including:

1. Developed and published our Climate Action Strategy 2025 and committed to new SBTi-approved GHG targets (as listed above)
2. Implemented Credit 360 software – our new tool enables efficient collection of energy data and quantification of related Scope 1 and 2 GHG emissions, reduces reporting error, and gives us increased confidence in our data. The tool includes emission factors and global warming potentials that are regularly updated to reflect the most up-to-date information available.
3. Increased purchases of renewable energy – in 2018, we made the decision to invest in solar power at two locations in North America. Our first photovoltaic (PV) system will be installed in 2019 and the second in 2020. We are ahead of schedule for renewable energy purchasing to meet our 2020 and 2025 targets. In 2018, 51 percent of our energy came from renewable sources.
4. Expanded global supplier engagement on climate-related issues through the International Finance Corporation (IFC)'s Partnership for Cleaner Textiles (PaCT) - with the success of our 2017 pilot program, in 2018, we expanded the program to include 13 of our manufacturers across Bangladesh, India, Mexico, Pakistan, South Africa, Sri Lanka and Vietnam. In less than one year, we helped participating suppliers reduce their GHG emissions and energy by 13% and 22%, respectively and save more than \$1 million in operating costs.
5. Signed on to the Fashion Industry Charter for Climate Action – launched in 2018 at COP24, the charter brings together leading fashion brands, retailers, supplier organizations, and others to address fashion's climate impact across its entire value chain and contains a vision to achieve net zero GHG emissions across the industry by 2050.

The aspects of climate change that have influenced these decisions include: supply chain resilience, license to operate, increasing cost of electricity, increasing unpredictability of rainfall, increasing water stress, reputation, and shifting customer preferences for sustainable products.

C3.1d

(C3.1d) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios	Details
ZDS	<p>LS&Co. knows that transitioning to a low-carbon future is vital to the health and well-being of the people who make and wear our iconic products. That’s why we committed to setting science-based targets to reduce our own emissions as well as emissions throughout our value chain. To understand our current and project emissions and the ambition necessary to prevent the worst impacts of climate change, we conducted a scenario analysis using the Sectoral Decarbonization Approach (SDA) and the IPCC Fifth Assessment Report (IPCC AR5). Inputs: We input our Scope 1, Scope 2, and Scope 3 emissions into several versions of the SDA Tool, including the service buildings model and the other industry model. LS&Co. evaluated an average growth scenario (expected) as well as no growth and doubling of revenue scenarios. The proposed target exceeds the level of ambition required by all model runs. Assumptions: The analysis was conducted using both the SDA Tool (V8.0) and the IPCC AR5 models. We followed all inherent assumptions for the low and high emissions projections in the models. In addition, we modeled 3 growth scenarios: no growth, average growth, and doubled growth through the target year (2016 – 2025). Analytical Methods: LS&Co. looked at several models that forecast global average emissions, resultant emissions pathways, emissions pathways factoring in current policies and Paris commitments, and the emissions pathways to be followed to avoid a 1.5 degree or 2 degree Celsius global average temperature increase by 2020. We used this information to inform our business strategy such that, even in the worst-case scenario modeled, if all companies were able to reduce their emissions consistent with our 2025 commitments, the world would be on track to avoid a 1.5 degree C increase in global average temperatures by 2100. Time horizon: The assessment looked at scenarios 4 – 34 years into the future from the latest year of available data (2016). Emissions from 2020 to 2050 were considered, but 2025 was ultimately selected as the focus of the assessments and the basis for LS&Co.’s strategy development. Scope: To align with recommendations from the Science-Based Targets initiative, we included 100% of our Scope 1, Scope 2, and Scope 3 emissions. Although LS&Co. is not required to address use phase emissions (Category 11), it was included as it comprises 34% of our Scope 3 emissions. Summary of Results: The results of our analysis showed that even in the most severe emissions projection scenarios, LS&Co. can be on track to avoid a 1.5 degree C increase in global average temperatures by 2100. To do this, LS&Co. will need to reduce Scope 1 and Scope 2 (market-based) emissions by 90% by 2025 from a 2016 baseline and Reduce the equivalent of 40% of LS&Co.’s Category 1 (purchased goods and services) Scope 3 emissions by 2025 from a 2016 baseline. Business Strategy: LS&Co.’s proposed an SBT to reduce Scope 1 and Scope 2 (market-based) emissions by 90% by 2025 from a 2016 base year, which far exceeds the ambition required by both the SDA (under a variety of scenarios), and the IPCC (under both the low and high reduction pathway). We also committed to suppliers reducing the equivalent of 40% of LS&Co.’s Category 1 Scope 3 emissions by 2025 from a 2016 base-year. Recent apparel and footwear sector guidance suggests that including indirect consumer use phase in the scope of our target is optional. Although LS&Co. is not required to set an indirect consumer use phase goal, we recognize that consumer use (category 11) comprises 34% of our Scope 3 emissions. As such, we intend to maintain our current commitment to creating consumer awareness and impact reduction through our Caretag for the Planet campaign, which has incorporated a permanent care label on every garment that reads “Wash less, wash cold, line dry, donate to Goodwill”.</p>
Other, please specify (Fashion Futures 2025)	<p>LS&Co. worked with Forum for the Future to develop global scenarios for a sustainable fashion industry. The resulting product, Fashion Futures 2025, projects four scenarios for the fashion industry to 2025. Each scenario was designed as a tool to challenge companies’ strategies, inspire them with new opportunities and help them plan for the future. Inputs: From an initial list of 170 future factors, the list was narrowed through extensive desk research and stakeholder interviews to the following key inputs: demographic change, growing impacts of climate change, rising costs of key resources, societal response to resource scarcity and climate change, legislation, consumer finances, development of emerging economies, technological advancement, and consumer acceptance of sustainable consumption. Assumptions: The model is based on the underlying assumption that there will be significant climate impacts by 2025 and uses the upper end of the 2007 IPCC estimates for the climate A1F1) to project impacts. For each scenario, additional assumptions were made around material and resource availability, product design, global balance of wealth and power, policy direction, response to climate change, consumer behavior, and business landscape. Analytical Methods: In order to pull out the key factors shaping the future. Extensive desk research was completed and over 40 fashion industry experts including academics, business leaders, campaigners, legislators and commentators were interviewed to help answer two key questions: what is likely to be important in shaping the future of global fashion? And how certain are those key trends. Time horizon: The report looks to 2025, because it provides a relatively long-term lens (15 years from the report release) and because it allows the scenarios to reflect the significance of potential climate change impacts. By 2025 there are expected to be 1 billion more people than there were in 2010, climate change will have major impacts on agriculture and patterns of global use, and many communities will change radically. Scope: The analysis considered all areas of our organization, including direct operations and our value chain. It also took into consideration our position in the fashion industry and global economy. Summary of Results: The scenarios addressed a wide array of factors and considered how climate-change impacts could be managed and mitigated. For example, the supply of raw materials such as cotton is likely to become increasingly constrained as water gradually becomes scarcer and pesticides more expensive and regulated. The scenarios managed this risk by transitioning sustainable cotton production methods, transitioning to other fibers, encouraging reuse and recycling, and altering prices to slow demand. Business Strategy: In response to findings from the Fashion Futures 2025 study, LS&Co. has increased purchasing of Better Cotton and developed our WaterLess brand that reduces water consumption per garment by as much as 96%. As of 2018, 67% of our products are made using WaterLess technologies. We have also strengthened our commitments to reduce greenhouse gas emissions in our direct operations and supply chain.</p>
Other, please specify (Company-specific risk model)	<p>LS&Co. has incorporated data from several water risk tools, most notably WRI Aqueduct, into a company-specific risk model to illustrate the water stress to our operations and supply chain. By using the scenario analysis embedded in this model, we can identify our potential to mitigate risk globally and in water-stressed sourcing regions. Inputs: Inputs include total water and fiber demand for LS&Co. products across all life cycle stages, impact reduction potential from water reuse and recycling, impact reduction potential of WaterLess finishing, solutions or alternative processes and materials that can further reduce life cycle water use, and climate change and cost impacts associated with conventional and alternative approaches. Assumptions: The model follows assumptions from our individual product life cycle assessments (LCAs), using industry standards combined with LS&Co. data to estimate potential impacts across impact categories. The model also has assumptions for garment weights included. Analytical Methods: Potential strategies are analyzed based on their potential to impact reduction of water use and other climate-related risks. Solutions are considered based on their ability to scale or their expected value. Time horizon: A 2025 time horizon has been applied in order to inform LS&Co.’s 2025 strategy development. Forecasting potential impacts 7 years into the future touches on the long-term view of potential risks, while still generating a need for action. Scope: The analysis considered all areas of our organization, including direct operations and our value chain. Summary of Results: The model and strategy development work is ongoing and we are unable to share the results or a case study at this time. Results indicate impacts at a garment and product-line level and include water and other resource impacts as they relate to climate change. Business Strategy: The modelling will be used to enable us to align the next iteration of our sustainable business strategies by identifying where in our product life cycle water and resource savings can be achieved. The model also takes into account financial cost and potential trade-offs between impact categories, which will help the business make an informed decision based on impacts across categories and feasibility.</p>

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Scope

Scope 1 +2 (market-based)

% emissions in Scope

70

Targeted % reduction from base year

25

Base year

2007

Start year

2007

Base year emissions covered by target (metric tons CO2e)

65919

Target year

2020

Is this a science-based target?

No, but we are reporting another target that is science-based

% of target achieved

100

Target status

Replaced

Please explain

Non-manufacturing: Offices, Retail Stores, Distribution Centers. We hit our 2020 target two years early and are now progressing towards new 2025 Science-Based Targets that have been approved by SBTi.

Target reference number

Abs 2

Scope

Scope 1 +2 (market-based)

% emissions in Scope

100

Targeted % reduction from base year

90

Base year

2016

Start year

2017

Base year emissions covered by target (metric tons CO2e)

56046

Target year

2025

Is this a science-based target?

Yes, this target has been approved as science-based by the Science-Based Targets initiative

% of target achieved

58

Target status

Underway

Please explain

SBTi approved our new 2025 Science-Based Targets in July 2018. Our target includes a 90% reduction in Scope 1 and 2 emissions.

Target reference number

Abs 3

Scope

Scope 3: Purchased goods & services

% emissions in Scope

100

Targeted % reduction from base year

40

Base year

2016

Start year

2017

Base year emissions covered by target (metric tons CO2e)

3039813

Target year

2025

Is this a science-based target?

Yes, this target has been approved as science-based by the Science-Based Targets initiative

% of target achieved

0

Target status

Underway

Please explain

SBTi approved our new 2025 Science-Based Targets in July 2018. LS and Co. will work with its suppliers to reduce emissions totaling 40 percent of LS and Co.'s 2016 base year Category 1 emissions under Scope 3 by 2025.

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

Target

Renewable electricity consumption

KPI – Metric numerator

Renewable electricity (kWh)

KPI – Metric denominator (intensity targets only)

Total energy consumption (kWh)

Base year

2016

Start year

2017

Target year

2025

KPI in baseline year

24

KPI in target year

100

% achieved in reporting year

51

Target Status

Underway

Please explain

SBTi approved our new 2025 Science-Based Targets in July 2018. Our target includes 100% renewable energy in our owned and operated facilities by 2025.

Part of emissions target

Yes, Abs2

Is this target part of an overarching initiative?

Science-based targets initiative

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	3	506
Implementation commenced*	2	651
Implemented*	3	24971
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative type

Low-carbon energy purchase

Description of initiative

Wind

Estimated annual CO2e savings (metric tonnes CO2e)

22505

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

Payback period

No payback

Estimated lifetime of the initiative

<1 year

Comment

RECs purchase: 51,671 MWh of wind energy from Texas

Initiative type

Low-carbon energy purchase

Description of initiative

Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)

2249

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

Payback period

No payback

Estimated lifetime of the initiative

<1 year

Comment

RECs purchase: 5,164 MWh of solar energy from North Carolina

Initiative type

Energy efficiency: Building services

Description of initiative

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

217

Scope

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Installation of LED lighting and upgraded energy control panel at the factory in Plock, Poland

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Internal finance mechanisms	Financial Analysis: We perform financial analysis on each of the energy or emissions reduction initiatives that are scoped for our global facilities. We have certain payback criteria for capital projects that must be achieved in order for funds to be allocated.
Other (Strategic analysis)	Strategic analysis: Some energy or emissions reduction activities are strategic in the sense that they can build brand or company ethos with consumers and stakeholders.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

Our innovative WaterLess™ process approaches the decisions made in the design process in a different way, reducing the amount of water used in the finishing process. For instance, by simply removing water from stone washes or combining multiple wet cycle processes, we can significantly reduce water usage — up to 96 percent for some styles. Since launching the WaterLess™ process in 2011, we have saved more than 1 billion liters of water in the manufacturing of LS and Co. products, including 30 million liters of fresh water saved through reuse and recycling. By 2020, the Levi's brand aims to make 80 percent of its products using WaterLess™ techniques, up from 67 percent in 2018.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (LCA and internal calculations)

% revenue from low carbon product(s) in the reporting year

67

Comment

Products that use "WaterLess" process, designed to reduce the amount of water used in the finishing process, have the added benefit of reducing the energy consumption and associated emissions required to transport and manage water.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

December 1 2015

Base year end

November 30 2016

Base year emissions (metric tons CO2e)

9484

Comment

Scope 2 (location-based)

Base year start

December 1 2015

Base year end

November 30 2016

Base year emissions (metric tons CO2e)

46551

Comment

Scope 2 (market-based)

Base year start

December 1 2015

Base year end

November 30 2016

Base year emissions (metric tons CO2e)

46563

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

10140

Start date

December 1 2017

End date

November 30 2018

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

45856

Scope 2, market-based (if applicable)

16537

Start date

December 1 2017

End date

November 30 2018

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

3039813

Emissions calculation methodology

Cradle-to-gate emissions from LS&Co. purchased goods and services are calculated using three methods: 1. For purchased goods and services related to LS&Co bottoms and tops products, the number of Levi's, Dockers, Signature, and Denizen units produced is obtained from LS&Co.'s product and sales team. Cradle to gate emissions factors per bottom unit are taken from the previously conducted Life Cycle Assessment (LCA) and multiplied by the number of bottom units produced. Cradle to gate emissions factors per top unit are taken from the previously conducted Life Cycle Assessment (LCA) from Cotton Inc. and multiplied by the number of top units produced. 2. For purchased goods and services related to products purchased from LS&Co. licensee vendors and LS&Co. footwear and accessories, FY16 emissions results from the previously conducted LCA on behalf of LS&Co. is obtained and used. It is conservatively assumed that all accessories products produced by licensee vendors are purchased directly by LS&Co. for sale in LS&Co. operated retail stores. 3. For all other purchased goods and services, total spend data is aggregated into standard product categories. The spend in each category is multiplied by sector-specific cradle-to-gate emission factors. Emissions factors are from UK Defra, Table 13 - Indirect emissions from the supply chain, March 2014. GWPs are IPCC Second Assessment Report (SAR - 100 year).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

12138

Emissions calculation methodology

Cradle-to-gate emissions from LS&Co. purchased capital goods are calculated by aggregating total spend data into standard product categories. The spend in each category is multiplied by sector-specific cradle-to-gate emission factors. Emissions factors are from UK Defra, Table 13 - Indirect emissions from the supply chain, March 2014. GWPs are IPCC Second Assessment Report (SAR - 100 year).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

9648

Emissions calculation methodology

The activity data used to quantify these activities' emissions are the quantity consumed of each energy type, such as electricity or natural gas. Consumption by fuel type is then multiplied by emission factors for each of the three activities included in this category. Emission factors for upstream emissions of purchased fuels are based on life-cycle analysis software. Emission factors for upstream emissions of purchased electricity are based on life-cycle analysis software for the US, and on UK Defra Guidelines for other countries. Emission factors for T and D losses are location-based and taken from EPA's eGRID database for the US, and on UK Defra Guidelines for other countries. GWPs are IPCC Fourth Assessment Report (AR4 - 100 year).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

156332

Emissions calculation methodology

This figure encompasses emissions from inbound and outbound transportation of goods purchased and products sold by LS&Co. Activity data for this category are obtained from LS&Co.'s transportation logistics team. Shipments of purchased goods and sold products by origin-destination, mode of transport, and mass are used to calculate emissions. Emissions are calculated using EPA Emission Factors for Greenhouse Gas Inventories for product transport. Energy consumption from LS&Co. operations in third party distribution centers is estimated by multiplying the square footage of LS&Co. occupied space by the average electricity intensity of LS&Co owned and operated distribution centers. Emissions are calculated using country/subregion emission factors from the EPA and the International Energy Agency (IEA). GWPs are IPCC Fourth Assessment Report (AR4 - 100 year).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

7129

Emissions calculation methodology

This figure represents emissions associated with waste disposed of via landfilling. Avoided emissions from recycling or composting are not included. Data on waste quantity, composition, and disposal method are obtained from several LS&Co. facilities. For the remaining sites, waste is estimated using assumptions for waste generation per ft2 based on sites that provided primary data. Emissions from waste are calculated using methodologies and emission factors from the EPA's Waste Reduction Model (WARM). This model calculates emissions based on a life-cycle analysis, including emissions from the long-term decomposition of waste in a landfill or from upstream sources/sinks. GWPs are IPCC Fourth Assessment Report (AR4 - 100 year).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

27

Explanation

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

18013

Emissions calculation methodology

Business travel includes business air and rail travel by LS&Co. employees. Air and rail travel activity data and emissions totals are obtained from LS&Co.'s travel agency. Emissions are calculated using emission factors and methodologies from the 2011 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting. GWPs are IPCC Second Assessment Report (SAR - 100 year).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

25775

Emissions calculation methodology

The number of commuting trips per week by travel mode is obtained from a survey of employees at LS&Co.'s Sky Harbor site. The distance traveled per commuting trip and number of commuting days per year is based on typical patterns for office employees and those on flexible and remote work schedules, and adjusting for time off and travel days. The result is a calculation of annual commuting miles by travel mode. Total emissions for each mode of transportation are calculated using emission factors and methodologies from EPA Emission Factors for Greenhouse Gas Inventories. GWPs are IPCC Fourth Assessment Report (AR4 - 100 year).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

LS&Co. upstream leased assets are included in the Scope 1 and 2 GHG inventory.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

5630

Emissions calculation methodology

This figure encompasses emissions from outbound transportation of products sold by LS&Co. and not paid for by LS&Co. Activity data for this category are obtained from LS&Co.'s transportation logistics team. Shipments of sold products by origin-destination, mode of transport, and mass are used to calculate emissions. Emissions are calculated using EPA Emission Factors for Greenhouse Gas Inventories for product transport. GWPs are IPCC Fourth Assessment Report (AR4 - 100 year).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

There is no processing of LS&Co. sold products.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1761603

Emissions calculation methodology

This figure represents indirect emissions associated with washing, drying, and ironing of clothes during the customer use phase. The number of Levi's, Dockers, Signature, and Denizen units sold is obtained from LS&Co.'s product and sales team. Use phase emissions factors per bottom unit sold are taken from the previously conducted Life Cycle Assessment (LCA) and multiplied by the units sold. Use phase emissions factors per top unit sold are taken from the previously conducted Life Cycle Assessment (LCA) from Cotton Inc. and multiplied by the units sold.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

121467

Emissions calculation methodology

The number of Levi's, Dockers, Signature, and Denizen units sold is obtained from LS&Co.'s product and sales team. End of life emissions factors per bottom unit sold are taken from the previously conducted Life Cycle Assessment (LCA) and multiplied by the units sold. End of life emissions factors per top unit sold are taken from the previously conducted Life Cycle Assessment (LCA) from Cotton Inc. and multiplied by the units sold.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

LS&Co. does not have any downstream leased assets not included in the Scope 1 and 2 inventory.

Franchises

Evaluation status

Relevant, calculated

Metric tonnes CO2e

27686

Emissions calculation methodology

This figure includes emissions from purchased electricity in LS&Co.'s Commissionaire, Concession, and Franchise stores worldwide. Square footage of franchise store space is obtained from LS&Co.'s retail stores management database. For stores where square footage is unavailable, the average of stores with available square footage is used. Electricity consumption is estimated by multiplying square footage by average country specific electric intensities used in the Scope 1 and 2 inventory. Emissions are calculated by multiplying electricity consumption by grid average emissions factors from the EPA and the International Energy Agency. GWPs are IPCC Fourth Assessment Report (AR4 - 100 year).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

LS&Co. does not have any investments where LS&Co. ownership exceeds 1% of that company's value.

Other (upstream)

Evaluation status

Please select

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Other (downstream)

Evaluation status

Please select

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00000479

Metric numerator (Gross global combined Scope 1 and 2 emissions)

26677

Metric denominator

unit total revenue

Metric denominator: Unit total

5575000000

Scope 2 figure used

Market-based

% change from previous year

51

Direction of change

Decreased

Reason for change

We have decoupled CO2 from company revenue growth by both growing the business and implementing emission reduction activities. We have done this via a mixture of LED lighting upgrades in our retail stores plus process upgrades and building envelope upgrades in our distribution centers. Additionally, as our business grew in 2018, much of the new extra distribution capacity was routed through our LEED-Platinum distribution center in Las Vegas, Nevada.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
HFCs	2959	IPCC Second Assessment Report (SAR - 100 year)
CO2	7181	IPCC Fifth Assessment Report (AR5 - 100 year)
CH4	0.04	IPCC Fifth Assessment Report (AR5 - 100 year)
N2O	0.01	IPCC Fifth Assessment Report (AR5 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Asia, Australasia, Middle East and Africa	1344
Americas	5025
Europe	3771

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Distribution Centers	4310
Offices	769
Plants	3920
Retail Stores	1141

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Asia, Australasia, Middle East and Africa	7938	7938	12014	0
Americas	30211	5456	71010	56835
Europe	7707	3143	18415	14840

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Distribution Centers	20465	908
Offices	4542	2289
Retail Stores	15466	11327
Plants	5383	2013

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	24754	Decreased	45	LS and Co. purchased 56,835 MWh of RECs as part of our commitment to the Science-Based Targets Initiative. The resulting reduction in GHG emissions is 24,754 MT, or 45% of previous year's Scope 1 and 2 (Market-based) emissions. (24754 / 55281 = 45%)
Other emissions reduction activities	3850	Decreased	7	LS and Co. made a mixture of LED lighting upgrades in our retail stores plus process upgrades and building envelope upgrades in our distribution centers. The resulting reduction in GHG emissions is 3,850 MT, or 7% of previous year's Scope 1 and 2 (Market-based) emissions. (3850 / 55281 = 7%)
Divestment		<Not Applicable >		
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output		<Not Applicable >		
Change in methodology		<Not Applicable >		
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified		<Not Applicable >		
Other		<Not Applicable >		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	38324	38324
Consumption of purchased or acquired electricity	<Not Applicable>	71675	28427	100102
Consumption of purchased or acquired heat	<Not Applicable>	0	1337	1337
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	71675	68088	139763

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

3

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Comment

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

33809

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Comment

Fuels (excluding feedstocks)

Fuel Oil Number 2

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

4512

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Comment

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Diesel

Emission factor

0.25

Unit

metric tons CO2e per MWh

Emission factor source

The Climate Registry (2014)

Comment

Fuel Oil Number 2

Emission factor

10.21

Unit

kg CO2e per gallon

Emission factor source

Source: EPA Climate Leaders (2015). Distillate Fuel Oil No. 2 https://www.epa.gov/sites/production/files/2015-12/documents/emission-factors_nov_2015.pdf

Comment

Natural Gas

Emission factor

53.06

Unit

kg CO2e per million Btu

Emission factor source

North American Climate Registry (2014)

Comment

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor

Contract with suppliers or utilities (e.g. green tariff), supported by energy attribute certificates

Low-carbon technology type

Wind

Hydropower

Region of consumption of low-carbon electricity, heat, steam or cooling

Europe

MWh consumed associated with low-carbon electricity, heat, steam or cooling

14840

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

European facilities source energy from renewable energy suppliers, verified through Guarantees of Origin.

Basis for applying a low-carbon emission factor

Energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type

Solar PV

Wind

Region of consumption of low-carbon electricity, heat, steam or cooling

North America

MWh consumed associated with low-carbon electricity, heat, steam or cooling

56835

Emission factor (in units of metric tons CO2e per MWh)

0

Comment

All U.S. RECs are Green-e certified. As part of our commitment to the Science-Based Targets Initiative, we are applying RECs towards both our Renewable Energy targets and our CO2 targets.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope

Scope 1

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Verification_Report_LS&Co_EY2018.pdf

Page/ section reference

Entire document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Verification_Report_LS&Co_EY2018.pdf

Page/ section reference

Entire document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Verification_Report_LS&Co_EY2018.pdf

Page/ section reference

Entire document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C5. Emissions performance	Year on year change in emissions (Scope 1)	ISO14064-3	2017 = 9,301 MT 2018 = 10,140 MT Year on year change = +9%
C5. Emissions performance	Year on year change in emissions (Scope 2)	ISO14064-3	2017 = 45,980 MT 2018 = 16,537 MT Year on year change = -64%
C5. Emissions performance	Year on year change in emissions (Scope 1 and 2)	ISO14064-3	2017 = 55,281 MT 2018 = 26,677 MT Year on year change = -52%
C8. Energy	Renewable energy products	ISO14064-3	71,675 MWh

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Poland carbon tax

C11.1c

(C11.1c) Complete the following table for each of the tax systems in which you participate.

Poland carbon tax

Period start date

January 1 2018

Period end date

December 31 2018

% of emissions covered by tax

5

Total cost of tax paid

1291

Comment

LS&Co.'s strategy for compliance across our global portfolio is to stay aware of current and emerging regulations and ensure we have systems and processes in place to comply with energy or emissions regulations. For our owned factory in Poland, we track and report emissions from stationary and mobile combustion annually, in order to comply with the Poland Carbon Tax.

C11.1d

(C11.1d) What is your strategy for complying with the systems in which you participate or anticipate participating?

LS&Co.'s strategy for compliance across our global portfolio is to stay aware of current and emerging regulations and ensure we have systems and processes in place to comply with energy or emissions regulations. For example, for our owned factory in Poland, we track and report emissions from stationary and mobile combustion annually, in order to comply with the Poland Carbon Tax.

We have applied this strategy by calculating emissions from our Poland factory to comply with the Poland Carbon Tax, as it is legal requirement. The factory has limits designated in a permit and these limits are met on an annual basis. While not all substances are listed in the permit (i.e. emission are not limited), there is still a fee associated with emissions from all sources. For example, carbon dioxide is not limited, but LS and Co. pays a fee for these emissions.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?
No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

- Yes, our suppliers
- Yes, our customers
- Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

1

% total procurement spend (direct and indirect)

0

% Scope 3 emissions as reported in C6.5

77

Rationale for the coverage of your engagement

We have developed a comprehensive Scope 3 greenhouse gas (GHG) inventory. Considering that 99% of our total GHG emissions come from Scope 3 categories, we are working closely with key suppliers to establish targets for emissions reductions and share best practices around energy efficiency and renewable energy procurement. In 2018, we engaged 25% of our factories, representing 80% of production volume. These suppliers were selected based on factors including high volume of product sold to LS&Co., strategic abilities, and significance of improvement opportunities. For example, we have engaged a number of suppliers that use wet processing as there is significant potential to reduce their water consumption and improve efficiency.

Impact of engagement, including measures of success

We request that our key suppliers (those that represent the vast majority of our unit production) report their energy usage and efficiency activities in the Sustainable Apparel Coalition's (SAC's) Higg Index. LS&Co. plans to use the primary data collected through the Higg Facility Environmental Module (FEM) to set targets that drive supplier energy efficiency and investments in renewable energy to reduce our Scope 3 GHG emissions. Higg data will also help LS&Co. improve the quality and accuracy of our Scope 3 GHG data so we can continue to identify hot spots and prioritize suppliers for future engagements. Measures of success include: number of suppliers registered in the Higg Index; number of suppliers reporting data in the Higg Index.

Comment

In 2019 and beyond we plan to grow the breadth and depth of our engagement through the Higg Index platform to track progress toward our science-based target (reduce the equivalent of 40% of our Category 1 (purchased goods and services) Scope 3 emissions by 2025 from a 2016 baseline).

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Offer financial incentives for suppliers who reduce your upstream emissions (Scopes 3)

% of suppliers by number

1

% total procurement spend (direct and indirect)

0

% Scope 3 emissions as reported in C6.5

5

Rationale for the coverage of your engagement

Over the last several years, we have collaborated with the International Finance Corporation (IFC), the financing arm of the World Bank, on the Partnership for Cleaner Textiles (PaCT). This innovative public-private partnership provides access to advisory services as well as low-cost financing to suppliers who wish to invest in reducing their energy, GHG, and water footprint, but need technical support and/or the upfront capital to do so. In 2017, we piloted the program at six of our suppliers' manufacturing sites in Bangladesh, India, Sri Lanka and Vietnam. In 2018, we expanded PaCT to include seven additional manufacturing sites across India, Pakistan, Mexico and South Africa, bringing the total number of sites engaged in PaCT to 13. Manufacturers were selected for participation in PaCT program based on geography (diversity of location) and type of vendor (laundry or mill) to optimize the breadth and depth of impact. LS&Co. also targeted vendors based on their desire to scale and willingness to invest.

Impact of engagement, including measures of success

Through PaCT in 2018, we are working with 13 of our manufacturers in Bangladesh, India, Pakistan, South Africa, Sri Lanka, and Vietnam to implement energy efficiency measures to reduce their energy use, GHG emissions, and operating costs. As part of this program, LS&Co. is also covering the costs for eligible suppliers to undergo a renewable energy assessment. For suppliers for whom onsite renewable investment is feasible, LS&Co. will collaborate with the IFC on a financing model. As a starting point, we will leverage the IFC Global Trade Supplier Finance program, in which LS&Co. has been involved since 2014. This program enables suppliers to access competitively-priced financing based on criteria such as strong performance on our Terms of Engagement (LS&Co.'s supplier code of conduct). It provides access to capital for sustainability investments, which the supplier may otherwise not have been able to finance. In 2017, participating suppliers reduced their GHG emissions and energy use by an average of 13 percent and 22 percent, respectively. In addition to reducing their GHG footprint, these initiatives helped participating suppliers save more than \$1 million in operating costs in total. We hope to see up to 70% of actions recommended by the program adopted by our PaCT vendors. Given these promising results, our plan is to expand the PaCT program to more factories and to fabric mills, which have a larger GHG footprint than our contract manufacturing facilities. Measures of success include: number and type of suppliers participating in PaCT, amount of energy reduced, amount of GHG emissions avoided, amount of cost savings, number of recommended actions implemented, number of countries covered through PaCT engagement, number of United Nation Sustainable Development Goals (UN SDGs) supported by PaCT.

Comment

In 2019, we will continue to expand PaCT program engagement to include 19 additional mills and laundries across Bangladesh, India, Mexico, Pakistan, South Africa, Sri Lanka, and Vietnam, and we will be expanding geographic coverage to China. Within the next 5 years, we plan to engage the remainder of our wet processing suppliers globally.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% Scope 3 emissions as reported in C6.5

34

Please explain the rationale for selecting this group of customers and scope of engagement

We are in the process of completing a life cycle assessment to measure the GHG emissions of our key products. This will update our understanding of consumer care impact. These studies inform our strategy for prioritizing engagements and serve as a measurement for impact. We prioritize engagements based on the results of our lifecycle assessment (LCA) studies. In 2007, we commissioned our first lifecycle assessment for two of our core products, a Levi's® 501® Medium Stonewash jean and a Dockers® Original Khaki. We learned that the greatest impact on climate change resulted from consumer use (34%). As a result, we started a "Care Tag for Our Planet" program, changing the product care tags in our clothing to include instructions about ways consumers can reduce the environmental impact of their clothes after leaving the store. We also wanted to enable consumers to make smart purchasing decisions, so in 2011, we launched our version of an environmental "nutrition label" for our products, based on our lifecycle research.

Impact of engagement, including measures of success

The tags encourage consumers to wash less, wash in cold water, line dry when possible, and donate clothing to charity when no longer needed. Measures of success include media impressions regarding our education campaigns. We also participated in an experiment in France to find the most effective ways to provide environmental impact data — including carbon dioxide emissions — to consumers on the products they purchase. The National Experiment, led by the French Ministry of Ecology, Sustainable Development, Transport and Housing, included eight jean styles on our French Levi's® website and also at our LEED certified store in Paris. The pilot ran from July 1, 2011 to June 30, 2012, and the 168 participating companies submitted evaluations of the pilot for consolidation into a recommendation to the French Parliament on next steps for environmental labeling of consumer products.

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

Through our Collaboratory program, LS&Co. invests in small innovative companies, referred to as "Fellows", to drive apparel sector research and development related to environmental concerns, including climate change. In 2017, the first year of the program, our theme was water conservation, and in 2018, our theme is climate change. Program fellows (other partners in our value chain) participate in a three-day Workshop Weekend at LS&CO.'s Eureka Innovation Lab and have the opportunity to apply for up to \$50,000 in grant funding to pursue bold solutions to reduce their organization's, or the apparel industry's, climate impacts.

At LS&Co., we believe that climate change is one of the most important issues of our time. Mitigating climate change and transitioning to a low-carbon future are vital to the health and well-being of the people who make and wear our products, and to the future supply of raw materials needed to make those products. We're on track to meet the goals outlined in our Climate Action Strategy 2025 and have developed SBTI-approved GHG targets to further drive our emissions reductions. We're also working to significantly decrease our water footprint by increasing the percentage of our products made with our WaterLess finishing techniques. However, we know that one organization alone cannot stem climate change. We need collaborative innovators who are ready to work with like-minded players, including LS&Co., which is why we started the Collaboratory program. We want to empower a rising generation of entrepreneurs to do more than any of us could do alone. We're rooting for them not only because we see ourselves in these change-makers but because we believe that a more sustainable future will take all of us.

Fellows of the program are entrepreneurial leaders and start-ups from a variety of backgrounds and areas of expertise coming together around a shared mission — to learn, innovate and refine ideas for reducing the climate impact of the apparel industry. In 2018, a sample of LS&Co. Collaboratory Fellows include entrepreneurs who founded:

- Reverse Resources, a data platform for garment factories that allows them to share production leftover information with next best users.

- LimeLoop, a full-circle shipper solution and sensor-driven platform.

- The R Collective, a line of luxury upcycled apparel founded in collaboration with Redress, a non-profit that promotes circular fashion.

- Novabori, which works to develop eco-friendly fabrics from recycled materials such as cotton, polyester, wool, and acrylics.

- Circular Systems, a new materials startup developing innovative circular and regenerative technologies.

- Chakr Innovation, a technology to capture particulate matter emissions from diesel generators and convert it into inks and paints.

- Knowlabel, a smart devices company providing real-time data on ethical and sustainable practices across supply chains.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations
- Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Cap and trade	Support	Through our partnership with the sustainability nonprofit Ceres, LS&Co. was a founding member of the advocacy coalition BICEP (Business for Innovative Climate and Energy Policy), a cross-industry organization focused on making the business case to policymakers for advancing clean energy and addressing climate change. Since BICEP's 2008 inception, we have been able to speak out with a united voice to address climate concerns. LS&Co. sits on BICEP's steering committee, helping to shape the strategic direction of the coalition. LS&Co. supported the passage of California's historic cap and trade law, and in May 2019, attended the CERES-led Lawmaker Education and Advocacy Day (LEAD) on carbon pricing, advocating for federal legislative action to price carbon emissions in the United States.	LS&Co. believes government leadership is essential for widespread action to address climate change and create the enabling environment for companies like ours to invest in renewable energy and achieve the greatest savings from energy efficiency. We can do more, faster and cheaper with state and federal legislation that incentivizes us to capture efficiencies, invest in renewable energy, and reduce GHG emissions. The reduced business costs from these investments are savings we can reinvest in the company to grow our business and create jobs. Put simply, we can run our business better with the certainty of a price on carbon and government policies and incentives to help us to maximize energy efficiency and draw our energy from renewable sources.
Clean energy generation	Support	Working with other member companies in the BICEP coalition, we have advocated for policies that advance development of clean energy generation and opposed policies that would create barriers for clean energy. For example, LS&Co. advocated in Congress for maintaining funding in the Appropriations bills for extending renewable energy tax credits. We also advocated alongside other businesses opposing a rule proposed by the Department of Energy that sought to provide cost recovery assurances to electricity generators storing more than 90 days' worth of fuel on site. The rule would have effectively subsidized uneconomic coal and nuclear plants, while further inhibiting the growth of a clean energy economy. This would in turn inhibit the deployment of renewable energy in the US, even as prices of wind and solar energy continue to decrease. The Federal Energy Regulatory Commission (FERC) voted unanimously against the implementation of that plan. In California, we successfully advocated for SB 100, which increased the state's Renewable Portfolio Standard and establish a long-term vision for 100% renewable energy. We also joined other businesses operated in Nevada to support policy efforts to increase that state's renewable portfolio standards. LS&Co. has also advocated for the state of Nevada, where we have a distribution center, to transition to clean energy generation. In 2019, LS&Co. advocated for the passage of Nevada's SB 254, which passed. SB 254 requires Nevada's Department of Conservation and Natural Resources to issue an annual statewide emissions report, and develop recommendations on policies to achieve zero or near-zero GHG emissions by 2050 with interim targets to achieve a 28% reduction by 2025 and 45% by 2030.	LS&Co. believes government leadership is essential for widespread action to address climate change and create the enabling environment for companies like ours to invest in renewable energy and achieve the greatest savings from energy efficiency. We can do more, faster and cheaper with state and federal legislation that incentivizes us to capture efficiencies, invest in renewable energy, and reduce GHG emissions. The reduced business costs from these investments are savings we can reinvest in the company to grow our business and create jobs. Put simply, we can run our business better with the certainty of a price on carbon and government policies and incentives to help us to maximize energy efficiency and draw our energy from renewable sources.
Mandatory carbon reporting	Support	In partnership with BICEP and other companies with operations in Nevada, we successfully advocated for Nevada SB254 which requires statewide reporting of GHG emissions and reductions across the following sectors: (1) electricity production; (2) transportation; (3) industry;(4) commercial and residential; (5) agriculture; and (6) land use and forestry. Required reductions include zero or near-zero GHG emissions by 2050 with interim targets to achieve a 20% reduction by 2025 and 45% by 2030.	LS&Co. believes government leadership is essential for widespread action to address climate change and create the enabling environment for companies like ours to invest in renewable energy and achieve the greatest savings from energy efficiency. We can do more, faster and cheaper with state and federal legislation that drives us to capture efficiencies, invest in renewable energy, and reduce GHG emissions. The reduced business costs from these investments are savings we can reinvest in the company to grow our business and create jobs. Put simply, we can run our business better with the certainty of a price on carbon and government policies and incentives to help us to maximize energy efficiency and draw our energy from renewable sources.
Other, please specify (Emissions)	Support	In 2015, LS&Co. was among the first business voices to express support for the Paris Climate Agreement. During those negotiations, CEO Chip Bergh joined the heads of several global apparel companies in asking world leaders to sign a strong global climate deal. When President Trump stated his intent to withdraw the United States from the Paris Climate Agreement in 2017, LS&Co. stood with thousands of businesses, states, and mayors in joining the We Are Still In movement, reaffirming our continued support for climate action to meet the targets under the Paris Agreement. 2019 marks the two-year anniversary of We Are Still In with 3,800 signatories, representing over 150M Americans and \$9.45 trillion of the U.S. economy. LS&Co. advocated in Congress opposing the weakening of fuel economy standards for both passenger vehicles and heavy-duty trucks. The U.S. government had indicated intent to remove California's authority to set its own vehicle standards under the Clean Air Act (CAA), as well as the authority of the twelve states that have adopted California's standards. In addition, the Fuel Economy Harmonization Act (S.1273 in the Senate and H.R.4011 in the House) introduced in 2017 would effectively weaken the standards in a variety of ways, which LS&Co. has opposed. Nevada's SB254, which LS&Co. successfully advocated for, establishes an annual emissions inventory for the state. In May 2019, LS&Co. attended the CERES-led Lawmaker Education and Advocacy Day (LEAD) on carbon pricing, advocating for federal legislative action to price carbon emissions in the United States.	LS&Co. believes government leadership is essential for widespread action to address climate change and create the enabling environment for companies like ours to invest in renewable energy and achieve the greatest savings from energy efficiency. We can do more, faster and cheaper with state and federal legislation that incentivizes us to capture efficiencies, invest in renewable energy, and reduce GHG emissions. The reduced business costs from these investments are savings we can reinvest in the company to grow our business and create jobs. Put simply, we can run our business better with the certainty of a price on carbon and government policies and incentives to help us to maximize energy efficiency and draw our energy from renewable sources.
Other, please specify (carbon pricing)	Support	In May 2019, LS&Co. attended the CERES-led Lawmaker Education and Advocacy Day (LEAD) on carbon pricing, advocating for strong federal legislative to address the climate crisis, including pricing carbon emissions in the United States.	LS&Co. believes government leadership is essential for widespread action to address climate change and create the enabling environment for companies like ours to invest in renewable energy and achieve the greatest savings from energy efficiency. We can do more, faster and cheaper with state and federal legislation that incentivizes us to capture efficiencies, invest in renewable energy, and reduce GHG emissions. The reduced business costs from these investments are savings we can reinvest in the company to grow our business and create jobs. Put simply, we can run our business better with the certainty of a price on carbon and government policies and incentives to help us to maximize energy efficiency and draw our energy from renewable sources.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Business for Innovative Climate and Energy Policy (BICEP)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

BICEP supports three principles: increased adoption of renewable energy and energy efficiency; increased investment in a clean energy economy; and increased support for climate change resilience.

How have you influenced, or are you attempting to influence their position?

LS&Co. is a founding member of BICEP and currently sits on the steering committee.

Trade association

Sustainable Apparel Coalition (SAC)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Sustainable Apparel Coalition is the apparel, footwear, and textile industry's leading alliance for sustainable production. The Sustainable Apparel Coalition's vision is of an apparel, footwear, and textiles industry that produces no unnecessary environmental harm and has a positive impact on the people and communities associated with its activities. One of the primary metrics that it scores companies on is climate change impacts.

How have you influenced, or are you attempting to influence their position?

LS&Co. has a representative on the Board of SAC and a representative on the Policy Hub. The Policy Hub is working to provide a menu of policy options to the European Parliament to support the transition to a more circular apparel economy.

Trade association

Better Cotton Initiative (BCI)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

LS&Co. is a founding member of the Better Cotton Initiative (BCI), having joined the initiative in 2010. BCI exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future, by developing Better Cotton as a sustainable mainstream commodity. BCI holds the position that climate change poses a real and growing threat for the world's cotton farmers, many of whom cultivate their crops in countries that are particularly vulnerable to climate risks. Irregular rainfall, in particular, creates a steep challenge, with farmers under pressure to use less water to grow a traditionally water-intensive crop. Beyond water, cotton production often puts unnecessary stress on the environment through pesticide use, soil depletion and disruption to local habitats. BCI is moving to encourage farmers to adapt to the effects of climate change, build resilience and reduce their own carbon footprint. Our enhanced Better Cotton Standard System (BCSS) will be central to helping farmers navigate extreme and evolving weather patterns.

How have you influenced, or are you attempting to influence their position?

LS&Co. has a representative on the Brand Investor committee and LS&Co.'s Vice President of Social and Environmental Sustainability is on the board. From the BCI website, the board's role "is to ensure that BCI has a clear strategic direction and adequate policy to successfully fulfill its mission."

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

In December 2018, LS&Co. signed on to the Fashion Industry Charter for Climate Action. Launched in 2018 at COP24 in Katowice, Poland, the charter brings together leading fashion brands, retailers, supplier organizations, and others to address fashion's climate impact across its entire value chain. The charter contains a vision to achieve net zero GHG emissions across the industry by 2050. LS&Co. has a representative in the Manufacturing/Energy Working Group and one in the Finance and Policy Working group.

In June 2017, LS&Co. signed the We Are Still In declaration "as a promise to world leaders that Americans would not retreat from the global pact to reduce emissions and stem the causes of climate change. 2019 marks the two-year anniversary of We Are Still in, and the bipartisan coalition has since doubled in size, expanding to include over 3,800 representatives from all 50 states, spanning large and small businesses, mayors and governors, university presidents, faith leaders, tribal leaders, and cultural institutions. We Are Still In signatories represent a constituency of more than 150 million Americans, and taken together, they represent \$9.45 trillion, a bigger economy than any nation other than the U.S. or China. We Are Still In is an effort coordinated by The American Sustainable Business Council, B Team, Bloomberg Philanthropies, Center for American Progress, Ceres, CDP, Climate Mayors, Climate Nexus, C40, C2ES, Environmental Defense Fund, Environmental Entrepreneurs, Georgetown Climate Center, ICLEI, National League of Cities, Rocky Mountain Institute, Second Nature, Sierra Club, Sustainable Museums, The Climate Group, We Mean Business, World Resources Institute (WRI), and World Wildlife Fund (WWF)." (Source: <https://www.wearestillin.com/about>)

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

LS&Co.'s organizational structure requires close collaboration across key departments. Our Sustainability function works with business leaders from across the company (including Global Policy and Advocacy) to evaluate, reassess and build alignment on the Company's Climate Action Strategy 2025, ensuring strong integration into the business. In order to ensure all of LS&Co.'s policy activities are aligned with business strategies, including our climate and energy objectives, LS&Co.'s holds monthly cross-functional policy convening, which include the Chief Executive Officer, Chief Financial Officer, Chief Counsel, Chief Communications Officer, Head of Global Policy and Advocacy, and Chief Supply Chain Officer, who oversees the sustainability function. This ensures that even in a dynamic policy environment, executives have an opportunity to confirm the Company's policy activity supports all aspects of the company's strategy, including climate.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

LSCO_AR_2018_Download_v04.pdf

Page/Section reference

pp. 4, 14, 21-25

Content elements

Risks & opportunities

Emissions figures

Other metrics

Other, please specify (Commitment to Paris Climate Agreement)

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

LSCO_Climate_Action_Strategy_2025.pdf

Page/Section reference

pp. 1-10

Content elements

Strategy

Risks & opportunities

Emissions figures

Emission targets

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

Levi Strauss & Co Fashion Charter for CC.pdf

Page/Section reference

pp.1-2

Content elements

Strategy

Risks & opportunities

Emission targets

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

Levi Strauss & Co Ramps Up Climate Commitments.pdf

Page/Section reference

pp. 1-2

Content elements

Risks & opportunities
Emission targets
Other metrics
Other, please specify (policy and advocacy)

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

2025-Sustainable-Cotton-Challenge-Report_2018-1.pdf

Page/Section reference

pp. 8, 27

Content elements

Other metrics
Other, please specify (product sustainability)

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

We Are Still In Declaration.pdf

Page/Section reference

pp. 1-3

Content elements

Strategy
Emission targets
Other, please specify (Commitment to Paris Climate Agreement)

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

exec-summary-ff2025-online-version.pdf

Page/Section reference

pp. 1-11

Content elements

Strategy
Other, please specify (product sustainability)

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

2018-Preferred-Fiber-Materials-Market-Report.pdf

Page/Section reference

pp. 17, 57, 80

Content elements

Strategy
Emission targets
Other metrics
Other, please specify (product sustainability)

Comment

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Supply Chain Officer	Other C-Suite Officer

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	5575000000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

No

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Customer base is too large and diverse to accurately track emissions to the customer level	We are not currently able to allocate our Scope 1, 2, and 3 emissions because we have both retail and wholesale components to our business. In the future, we will work to develop an allocation methodology for our Scope 1, 2, and 3 emissions. Guidance from NGOs would help us overcome these challenges.
Doing so would require we disclose business sensitive/proprietary information	In order to properly calculate Scope 3 emissions broken down by wholesale account, we would have to disclose production and sales data, which is sensitive and proprietary.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

While we would likely be able to allocate our Scope 1 and 2 emissions associated with the office administration and distribution of products to our wholesale accounts, we consider these emissions to be immaterial compared to the estimated total emissions from the manufacturing of our products. We recently completed our first Scope 3 inventory, and next year we hope to have developed an initial methodology for allocating these emissions based on customer account.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC3.1

(SC3.1) Do you want to enroll in the 2019-2020 CDP Action Exchange initiative?

No

SC3.2

(SC3.2) Is your company a participating supplier in CDP's 2018-2019 Action Exchange initiative?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Public	Investors Customers	Yes, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms