

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 more than 50,000 retail locations across 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
Reporting year	December 1 2018	November 30 2019	No	<Not Applicable>

C0.3

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

- Australia
- Austria
- Bangladesh
- Belgium
- Brazil
- Canada
- China
- China, Hong Kong Special Administrative Region
- Czechia
- Denmark
- Finland
- France
- Germany
- Greece
- Hungary
- India
- Indonesia
- Ireland
- Italy
- Japan
- Malaysia
- Mexico
- Netherlands
- New Zealand
- Norway
- Pakistan
- Philippines
- Poland
- Portugal
- Republic of Korea
- Russian Federation
- Singapore
- South Africa
- Spain
- Sweden
- Switzerland
- Taiwan, Greater China
- Turkey
- United Arab Emirates
- 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 chosen approach for consolidating your GHG 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 and targets, including climate-related issues, that may have a significant impact on the company and assist the company in appropriately addressing its responsibilities as a global corporate citizen. The Committee reviews with management the impact of the company's business operations and business practices with respect to issues such as environment, including climate change, health and safety, corporate citizenship, public policy and community involvement. 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. An important decision taken by the Board in FY2019 was to have LS&Co CFO join the U.S. chapter of 'Accounting for Sustainability (A4S)', born of a UK-based organization founded by HRH Prince Charles. A4S seeks to mobilize prominent financial leaders to promote the business case for sustainability through (1) adopting sustainable and resilient business models; (2) transforming financial decision making to enable an integrated approach, reflective of the opportunities and risks posed by environmental and social issues; and (3) scaling up action across the global finance and accounting community.

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	Scope of board-level oversight	Please explain
Scheduled – some meetings	<ul style="list-style-type: none"> <li>Reviewing and guiding major plans of action</li> <li>Monitoring implementation and performance of objectives</li> <li>Overseeing major capital expenditures, acquisitions and divestitures</li> <li>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</li> </ul>	<Not Applicable>	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 matters.

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)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Chief Supply Chain Officer)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Half-yearly
Chief Sustainability Officer (CSO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	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) holds the highest responsibility for climate related- risks and opportunities below the board level, reports to our Chief Executive Officer (CEO) and is responsible for monitoring climate-related issues. The CSCO works in conjunction with our Chief Sustainability Officer (CSO) to manage climate related risks across the organisation, and in all steps of our value chain. In 2020, the sustainability leadership function was elevated from a VP level to a C-suite level given the importance of sustainability and climate change to the LS&Co. global organisation.

Our CSCO in conjunction with our CSO are also responsible for assessing and managing product innovation as it relates to climate-related issues. These positions also have the 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 corporate initiatives, including Better Cotton purchasing, management of our Water<Less™ product line, monthly policy update meetings, and absolute greenhouse gas (GHG) and energy targets. Our CSCO and CSO report 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, CSCO, CSO and Head of Global Policy and Advocacy. This ensures that even in a dynamic policy environment, executives have an opportunity to confirm that the company's policy activities support all aspects of the corporate strategy, including climate issues. In addition, the CSCO and CSO are engaged in multiple meetings with senior leadership, and family and institutional investors on a regular basis to discuss approaches and progress toward the LS&Co. Science Based targets (SBTs).

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, these data are 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?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	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).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Other C-Suite Officer	Monetary reward	Emissions reduction target	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.
Other, please specify (Product Sustainability Manager)	Monetary reward	Emissions reduction target	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.
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction target	LS&Co. bases employee bonus allocation on company and individual performance. Individual performance is assessed against annual objectives. LS&Co.'s CSO has the accountability and responsibility for achievement of our 2020 greenhouse gas emissions reduction target, by leading the teams across the value chain focused on GHG reductions, investments and accounting.
Other, please specify (Senior Director of Facilities)	Monetary reward	Energy reduction project	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.
Other, please specify (Director of Global Operations)	Monetary reward	Other (please specify) (Formalization of Science-Based Targets implementation)	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.
Other, please specify (VP of Brand Environment (retail))	Monetary reward	Other (please specify) (Formalization of Science-Based Targets implementation)	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.
Other, please specify (VP of Supply Chain Finance)	Monetary reward	Other (please specify) (Formalization of Science-Based Targets implementation)	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) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

**C2.1a**

**(C2.1a) How does your organization define short-, medium- and long-term time 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.

**C2.1b**

**(C2.1b) How does your organization define substantive financial or strategic impact on your business?**

When identifying and assessing risks at a corporate level, a substantive financial impact to our business, is defined as an impact that could affect our business continuity or require a change in our business strategy. The incurred risk and associated substantive impact 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.

**C2.2**

**(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

**Value chain stage(s) covered**

Direct operations  
Upstream  
Downstream

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Short-term  
Medium-term  
Long-term

**Description of process**

LS&Co identifies, assesses and determines climate-related risks with a substantive financial impact through company-wide risk and periodic formal assessments in direct operations and across the supply chain, including materiality assessments, supply chain risk assessments, Life Cycle Analysis (LCA) and annual supplier data collection through the Sustainable Apparel Coalition's Higg Facility Environmental Module (FEM). We evaluate climate-related risks in the short-, medium- and long-term. We consider long-term risks to be those occurring 7-12 years into the future. GHG emissions and carbon reduction in our direct operations have been identified as material topics for our business. To better understand our carbon impacts and hotspots, we develop an annual greenhouse gas (GHG) inventory for our global operations, and every six months, we develop a GHG inventory for our distribution centers (representing ~40% of Scope 1 and 2 emissions). In 2017, we conducted GHG modeling using three scenarios to evaluate energy and GHG risks through 2025. This analysis informed our Science Based Target Initiative (SBTi)-approved GHG target to reduce 90% of GHGs in our direct operations including all owned-and-operated facilities. Our response to these operational risks includes increased investing in onsite renewable energy and energy efficiency upgrades. For example, we are working towards installing solar panels at our Sky Harbour distribution center in Arizona, which will help it maintain its LEED Platinum status, making it the first facility in the apparel industry and second in the country to be recognized with this certification. To identify, assess, and evaluate our upstream climate-related risk exposure, we conduct physical and transition climate risk assessments in our supply chain. In 2016, we conducted a qualitative physical climate risk assessment that we expanded in 2019 and 2020 to include transition risks for five key regions representing 56% of LS&Co. supplier global factory and 59% of global mill production: Bangladesh, China, India, Mexico, and Pakistan. Each of these regions was examined for potential risks from: (1) extreme weather events (e.g., flooding, cyclonic events, heat waves, extreme temperatures), (2) water crises (e.g., extended drought, water stress), (3) regulatory/policy, and (4) reputational. Level of risk was assessed based on likelihood of risk occurrence in combination with the magnitude of potential financial impact. The three regions most vulnerable to risks included Pakistan/India, China and Bangladesh where the likelihood and potential impacts from chronic water stress, extreme weather events, emerging regulations on supplier locations and production volume were particularly relevant. The analysis helped to prioritize supplier engagement and management efforts and risk mitigation actions. To identify and assess downstream climate-related risks, we conduct: (1) materiality assessment to understand the importance of climate change issues to our customers, and (2) product LCAs to understand energy and water impacts associated with the consumer use phase and to gain better insights into consumer behaviors by market. Consumer use comprises 34% of our Scope 3 emissions, and we maintain our current commitment to creating consumer awareness and impact reduction through our "A Care Tag 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". Transition opportunity example: We are increasingly capitalizing on market opportunities related to higher demand for sustainable products and services. For example, we conducted a scientific LCA of a pair of Levi's® 501® jeans and learned that 37 percent of the energy and 23 percent of the water used during the lifetime of jeans occur during the consumer-use phase. 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. As a result, LS&Co. launched a U.S. partnership with Goodwill® — "A Care Tag for Our Planet", which has incorporated a permanent care label on every garment of the Levi's® and Dockers® brands that reads "Wash less, wash cold, line dry, donate to Goodwill". Our aspiration is to spread the word that small changes in the way we care for our clothes can help reduce 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. Physical risk example: Through our materiality assessment, we identified that a disruption risk due to physical climate-related impacts is particularly relevant for LS&Co supply chain. In 2016, our Product Development and Sourcing team conducted a climate disruption risk and adaptation opportunity assessment which was updated in 2019 and 2020, to identify most vulnerable vendors and mills in five key regions representing 56% of global factory and 59% of global mill production: Bangladesh, China, India, Mexico, and Pakistan. As part of this assessment, we examined the impact of flooding from precipitation events, cyclonic events, heat waves, extreme temperatures, extended drought, and water stress in chosen regions. Level of risk was assessed based on likelihood of risk occurrence in combination with the magnitude of potential financial impact. Potential financial impacts varied by risk type and included: (1) increased production costs/ cost of goods sold (COGS); (2) lost revenue from delays to market or reduced production; (3) increased research and development (R&D) costs; (4) costs associated with identifying new suppliers/ relocating supplier operations. For most vulnerable regions (Pakistan/India, China and Bangladesh), we prioritized risk response and mitigation actions that included supplier redundancy to ensure active operations despite flooding or severe droughts; investments in sustainably sourced cotton and supporting the Better Cotton Initiative (investing in cotton that uses less water and chemicals); continuing to identify cotton alternatives (e.g., cottonized hemp) and increased investments in R&D and product design (e.g., circularity, recycled content); continuing to expand International Finance Corporation's (IFC) Partnership for Cleaner Textiles (PaCT) to drive investments in water-efficiency/ conservation initiatives and technology. In 2019, LS&Co signed a 4-years Memorandum of Understanding with IFC to implement the PaCT program globally. The main scope of the program in 2019 was to implement the PaCT assessment and solar pre-feasibility study in South Asia laundries and mills. In total, 11 key vendors in India, Bangladesh and Pakistan participated in the program.

**C2.2a**

**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulations are always included in our climate risk assessment because we have facilities in multiple jurisdictions that are subject to different climate-related regulations and we closely monitor their relevance to our operations. For example, our factory in Poland is subject to 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. 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. 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	Emerging regulations are always included in our climate risk assessment because we have facilities in multiple jurisdictions that are subject to different climate-related regulations and we closely monitor their relevance to our operations. For example, our factory in Poland is subject to 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. 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. 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.
Technology	Relevant, always included	Technology related risks are always included in our climate risk assessment because 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). We are also working towards installing solar panels at our distribution center at Sky Harbour, which will also help the site to maintain its LEED Platinum status, making it the first facility in the apparel industry and the second in the country to be recognized with such certification. Our failure to successfully respond to technology risks and uncertainties might damage our reputation 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	Legal risks are always included in our climate risk assessment because we assess risks from litigation claims as part of our regular materiality assessments. An example of a legal risk that we include into our climate risk assessment is a risk associated with our potential exposure to climate-related public nuisance case or shareholder litigation as a result of climate-induced water stress. However, 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.
Market	Relevant, always included	Market related risks are always included in our climate risk assessment because our business performance is largely based on the market price for raw materials that are used in principal fabrics of our products, such as cotton, blends, synthetics, and wools. The prices we pay our suppliers to manufacture 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	Reputation risks are always included in our climate risk assessment, because as a consumer facing company, LS&Co. is at risk for negative publicity or NGO and activist campaigns regarding our company's response to climate change or GHG emissions performance. To manage reputation 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, 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. We also expanded our partnership with International Finance Corporation (IFC) to reduce GHG and water usage in our supply chain across 10 countries. 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. In July 2019, we were recognized as one of only 28 companies in the world and one of only two in the U.S. that had set climate targets consistent with limited global temperature rise to 1.5 above pre-industrial levels. We assess climate-related risks to our reputation as part of our regular materiality assessments.
Acute physical	Relevant, always included	Acute physical risks are always included in our climate risk assessment because LS&Co. sources products in 37 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). For example, 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. In FY 2019, LS&Co. sourced apparel from independent contractors located in 37 countries around the world, with no single country accounting for more than 20% of our sourcing by unit volume. We assess risks from acute physical events as part of our regular materiality assessments.
Chronic physical	Relevant, always included	We always include chronic physical risks in our climate risk assessment because apparel production depends heavily on water availability—from growing cotton to manufacturing to consumer care at home – and the business continuity of our operations and supply chain will be heavily influenced by water scarcity, prolonged drought, variability in precipitation and other chronic stresses caused by rising temperatures. 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). 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.

**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?**

Upstream

**Risk type & Primary climate-related risk driver**

Market	Increased cost of raw materials
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**Primary potential financial impact**

Increased direct costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**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 percent of water withdrawals occur in the fiber phase (e.g., cotton growing) while 6 percent occur 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

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

0

**Potential financial impact figure – maximum (currency)**

24000000

**Explanation of financial impact figure**

Potential financial impacts from chronic changes in precipitation patterns and extreme variability in weather patterns are related to increased cost of raw materials, for example: increased cost of cotton due to decreased cotton supply or increased cost of water. A 2012 paper on 'The Effects of Uniform Climate Change on International Cotton Prices and Production' indicated that, on average, climate change is anticipated to increase the cost of cotton by 1.8 percent. Raw materials, such as cotton, generally represent about half of cost of goods sold (COGS) in the apparel industry, with variation driven by material, product, region and quantity purchased. Using the assumptions in the prior two sentences, to estimate the potential financial impact on LS&Co., a 1.8 percent price increase was applied to half (50 percent) of LS&Co.'s COGS as reported in our 2019 10-K report (\$2.7 B) [1.8%\*50%\*\$2.7 B = 24 M]. The resulting amount (\$24 million) provides an estimate of the potential financial impact to one year of raw material purchasing, assuming that weather variability could impact an entire cotton crop during the growing season, which occurs on an annual basis. The low-end estimate of potential financial impact (\$0) assumes that the price increase for cotton either does not occur or is not passed on to LS&Co. This estimated potential financial impact range is based on available climate science, current market trends, and the professional judgment of subject matter experts and is subsequently subject to change.

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

LS&Co. purchases cotton on a global scale and ensures redundancy within our supply chain to reduce the risks associated with potential supply chain disruptions, such as those caused by weather variability. The costs associated with a resilient supply chain are included in LS&Co.'s standard cost of business and there are no additional costs associated with responding to this risk (\$0). Given that approximately 90 percent of LS&Co. products are cotton-based, the sustainability of our cotton supply and possible new solutions to address this raw material's impact- from irrigation and runoff to pesticides and farmer education- were considered. By conducting a life cycle analysis (LCA), we estimated that nearly 70 percent of the water used during the lifecycle of a pair of jeans is used solely for cotton agriculture. 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. At the end of 2019, 83 percent of our cotton was sourced from BCI farmers, organic cotton farms, or recycled cotton suppliers, and we intend to reach 100 percent in the near future.

**Comment**

No additional comments.

**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Upstream

**Risk type & Primary climate-related risk driver**

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
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**Primary potential financial impact**

Increased direct costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

In FY19, LS&Co. sourced apparel products in 37 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, leading to the need to identify alternative ports and warehouse providers or increasing transportation costs. 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?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

0

**Potential financial impact figure – maximum (currency)**

2700000

**Explanation of financial impact figure**

Potential financial impacts from increased severity of extreme weather events such as acute droughts, cyclones and floods could result from delays in the manufacturing or importation of products and 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 product costs, which could have an adverse impact on our business and financial condition. To estimate the potential financial impact on LS&Co., a 0.1 percent cost increase, based on a generally accepted estimate of the potential financial impact of short-term supply disruptions in the apparel sector, was applied to LS&Co.'s COGS as reported in our 2019 10-K report (\$2.7 B) [0.1%\*2.7 B = 2.7 M]. The resulting amount of \$2.7 million provides an estimate of the potential financial impact due to reduced or delayed factory production or costs associated with rerouting of supply or distribution. The low-end estimate of potential financial impact (\$0) assumes that LS&Co. is able to sufficiently compensate for the reduced production capacity using existing processes and infrastructure for managing supply chain resiliency and redundancy. This estimated potential financial impact range is based on available climate science, current market trends, and the professional judgment of subject matter experts and is subsequently subject to change.

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

Our wide contractor base ensures that we have redundancies in our supply chain to accommodate any potential disruptions. The costs associated with a resilient supply chain are included in LS&Co.'s standard cost of business and there are no additional costs associated with responding to this risk (\$0). LS&Co. imports 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 adjust to mitigate risks, including climate-induced risks, such as creating redundancy within our supply chain. For example, LS&Co. has implemented several water risk tools, most notably WRI Aqueduct, to evaluate water risk in our global supply chain. The results of the WRI Aqueduct tool are then used to prioritize regional engagement across LS&Co.'s supply chain. For example, 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 approximately 13 percent and 22 percent, respectively, and save more than \$1 million in operating costs.

**Comment**

No additional comments.

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**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Reputation	Shifts in consumer preferences
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**Primary potential financial impact**

Decreased revenues due to reduced demand for products and services

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**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. We take an active role discussing international trade, labor, environmental sustainability, nondiscrimination and other regulatory matters with organizations 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 the goal to restore the health of our planet.

**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. While we know that sustainability impacts purchasing patterns, it is difficult to account for the causation sustainability has on final purchasing decision due to the high degree of confounding variables.

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

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 International Labor Organization (ILO), United Nations, World Trade Organization and World Bank, as well as with nongovernmental organizations (NGOs), trade associations and other stakeholders. The costs associated with ensuring that LS&Co.'s direct operations and supply chain are sustainably operated are included in LS&Co.'s standard cost of business and there are no additional costs associated with responding to this risk (\$0). For example, we are partnering with nongovernmental organizations to address climate change within and outside our business, including participation in: (1) Business for Innovative Climate and Energy Policy (BICEP) – a business coalition that works for passage in the U.S. Congress of meaningful energy and climate change legislation, (2) the Better Cotton Initiative (BCI) - an organization that focuses on decreasing the environmental impact of cotton, improving labor standards and increasing the economic livelihood for farmers, (3) Sustainable Apparel Coalition (SAC) – the apparel, footwear, and textile industry's leading alliance for sustainable production and developer of the Higg Index, a standardized supply chain measurement suite of tools. By partnering and engaging with these organizations, LS&Co. has been able to better track, measure and manage the impacts of our supply chain purchasing decisions.

**Comment**

No additional comments.

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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

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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?**

Upstream

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Use of more efficient production and distribution processes

**Primary potential financial impact**

Reduced direct 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. In 2017, we piloted the International Finance Corporation's Partnership for Cleaner Textile (PaCT) program. With the success of this program, in 2018, we worked 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 percent and 22 percent respectively and save more than \$1 million in operating costs. LS&Co., and the apparel industry at large, source products in many developing countries where water is scarce, such as Pakistan. 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?**

Yes, an estimated range

**Potential financial impact figure (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – minimum (currency)**

1000000

**Potential financial impact figure – maximum (currency)**

7000000

**Explanation of financial impact figure**

Through IFC's Partnership for Cleaner Textiles (PaCT) approach, IFC is working with 42 designated LS&Co. suppliers and mills to reduce GHG emissions by helping suppliers identify and implement appropriate renewable energy and water saving interventions across 10 countries – Pakistan, Bangladesh, Sri Lanka, India, Mexico, Lesotho, Colombia, Turkey, Egypt, and Vietnam. The project follows the success of a 2017 pilot between the two organizations that helped six LS&Co. suppliers in four countries reduce their emissions by 19 percent and decrease their operating costs by more than \$1 million, collectively. The low-end of the reported range, assumes no additional cost savings beyond the approximate \$1 million achieved through the pilot project. The high end reported potential financial impact figure assumes that decreased operating costs from the pilot program will be representative of the cost savings achieved by the additional suppliers designated for the program. Given that this program was piloted with one-seventh of the total 42 designated suppliers, the total estimated cost reduction would be 7x that achieved by the pilot, resulting in approximately \$7 million in savings [\$1M \*7 = \$7M]. This estimated potential financial impact range is based on available climate science, current market trends, and the professional judgment of subject matter experts and is subsequently subject to change.

**Cost to realize opportunity**

2300000

**Strategy to realize opportunity and explanation of cost calculation**

LS&Co. has included suppliers in its science based target (SBT) with a goal to reduce absolute Scope 3 emissions from purchased goods and services 40 percent by 2025 from a 2016 base-year. To meet our corporate sustainability objectives to reduce Greenhouse Gas (GHG) emissions and water use in our supply chain, Levi Strauss & Co. signed a \$2.3 million cooperation agreement with the International Finance Corporation (IFC), a member of the World Bank Group, last June. Under this agreement, which follows IFC's Partnership for Cleaner Textiles (PaCT) approach, IFC is working with 42 designated LS&Co. suppliers and mills to reduce GHG emissions by helping suppliers identify and implement appropriate renewable energy and water saving interventions across 10 countries – Pakistan, Bangladesh, Sri Lanka, India, Mexico, Lesotho, Colombia, Turkey, Egypt, and Vietnam. With the success of this program, in 2018, we worked 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 percent and 22 percent respectively and save more than \$1 million in operating costs. These initiatives serve as a key component in LS&Co.'s strategy to reduce risks associated with reduced production capacity resulting from increased storm and flood severity by reducing resource demands for engaged suppliers.

**Comment**

No additional comments.

**Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

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

**Primary potential financial impact**

Reduced indirect (operating) costs

**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. Of LS&Co.'s total company carbon footprint, 75 percent comes from electricity bought for owned or leased properties (the balance is made up of natural gas, heating oil, and steam). Based on a 2017 assessment, we have determined we can achieve 100 percent renewable electricity in our owned/leased operations by 2025 through deployment of a combination of renewable electricity options to optimize cost, performance, and impact across regions. Our path toward 100 percent renewable electricity includes: (1) implement energy efficiency measures globally, (2) implement onsite solar globally, purchase utility green products in Europe, potentially establish power purchase agreements (PPAs) in the United States, and (3) 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?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

1400000

**Potential financial impact figure – maximum (currency)**

7000000

**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 with a payback period of less than 2.5 years as identified in LS&Co.'s 2017 study of renewable energy and energy efficiency opportunities. The study looked at LS&Co.'s owned and operated plants, retail locations, distribution centers, and offices and included initiatives such as LED lighting rollouts and HVAC upgrades. The low end of the range represents one year's worth of annual savings (\$1.4 million) and the high-end of the range assumes these savings are continually realized for a 5-year period (\$7 million). This estimated potential financial impact range is based on available climate science, current market trends, and the professional judgment of subject matter experts and is subsequently subject to change.

**Cost to realize opportunity**

2700000

**Strategy to realize opportunity and explanation of cost calculation**

LS&Co. has been tracking global carbon emissions from direct fuel combustion (Scope 1) and indirect emissions from electricity and steam purchases (Scope 2) since 2007 and was the first apparel company to report global greenhouse gas emissions to The Climate Registry. Through tracking global carbon emissions and water, we're able to identify hotspots and prioritize locations for energy and water efficiency, renewable energy investments, and other energy- and water-related initiatives. LS&Co. has also conducted a scenario analysis as part of setting a Science Based Target initiative (SBTi) approved target to manage our greenhouse gas emissions and mitigate climate-related risks. The cost to realize this opportunity is based on capital cost estimates from LS&Co.'s 2017 study of renewable energy and energy efficiency projects with a payback period of less than 2.5 years (\$2.7 million). Estimated costs related to implement energy efficiency measures and purchase renewable energy in support of our targets includes estimated costs associated with implementing our climate change strategy, purchasing renewable energy, implementing energy efficiency measures, hiring external consultants and contractors, etc. As of 2019, LS&Co. has achieved over 70 percent of our total electricity as renewable. We have targeted energy efficiency projects in our offices, retail stores, and distribution centers including lighting upgrades, integration of daylight, HVAC upgrades, deployment of energy management system upgrades to better control HVAC systems, installation of motion sensors, replacement of roof tiles with white surfaces to reduce cooling needs, and installation of variable frequency controls.

**Comment**

No additional comments.

**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Markets

**Primary climate-related opportunity driver**

Access to new markets

**Primary potential financial impact**

Increased revenues through access to new and emerging markets

**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. LS&Co. strives 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, a set of more than 20 techniques used to reduce the amount of water it takes to finish a pair of jeans, 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

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

3700000

**Potential financial impact figure – maximum (currency)**

4600000

**Explanation of financial impact figure**

LS&Co. anticipates the benefits of this opportunity being increased brand equity and revenues among certain consumer segments. Potential financial impacts from this market opportunity are based on the estimated revenue driven solely by our products being perceived as sustainable. The low end potential financial impact is based on the percent of total products that were WaterLess in 2019 (65 percent) and the high end potential financial impact is based on LS&Co.'s goal for 80 percent of Levi's brand denim products to be WaterLess™ by 2021. It was conservatively assumed that 0.1 percent of these sales were driven solely by consumer preference for the WaterLess™ line having sustainable attributes due to the difficulty of accounting for the causation sustainability has on final purchasing decision. These percentages were applied to total revenue as reported in our 2019 10-K report (\$5.8 B) [low end: 65%\*0.1%\*5.8 B = 3.7 M; high end: 80%\*0.1%\*5.8 B = 4.6 M]. This estimated potential financial impact range is based on available climate science, current market trends, and the professional judgment of subject matter experts and is subsequently subject to change.

**Cost to realize opportunity**

0

**Strategy to realize opportunity and explanation of cost calculation**

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 WaterLess line does not cost more to produce on average than comparable other product lines due to cost savings associated with the dyeing process for WaterLess products. Given that there are no additional costs associated with producing the WaterLess line, costs from sustainable products are assumed to be included in standard cost of business and there are no additional costs associated with realizing this opportunity (\$0). 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. So far, we've saved more than 3 billion liters and recycled more than 1.5 billion liters of water through our Water

**Comment**

No additional comments.

**C3. Business Strategy**

**C3.1**

**(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?**

Yes

**C3.1a**

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

Yes, qualitative and quantitative

**C3.1b**

**(C3.1b) Provide details of your organization's use of climate-related scenario analysis.**

Climate-related scenarios and models applied	Details
2DS	To understand our current and projected greenhouse gas (GHG) emissions and to align our own emission reduction goals with the 2°C pathway outlined in the IPCC Fifth Assessment Report (IPCC 5AR), we applied a 2DS climate scenario analysis using the Sectoral Decarbonization Approach (SDA), one of the International Energy Agency's CO2 sector scenarios. LS&Co chose 2DS as the more ambitious scenario which gives the highest likelihood of staying within the global target temperature of less than 2°C by 2100, and hence, enables LS&Co to understand an upper end of potential operational costs we may incur. Inputs: We input our Scope 1, Scope 2, and Scope 3 emissions into 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. We also modeled 3 growth scenarios: no growth, average growth, and doubled growth up to the target year (2016 – 2025). Analytical Methods: LS&Co. looked at several models that forecast global average emissions, emissions pathways factoring in current policies and Paris Agreement, 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. Scope: The scenario analysis included our whole value chain. We input 100% of GHG emissions associated with our direct operations (Scope 1 and Scope 2 emissions) as well as the supply chain (Scope 3 emissions). Time horizon: The assessment looked at scenarios 4 – 34 years into the future from the latest year of available data (2016). This timeframe was chosen, as it provides both short-, medium-, and long-term lens (covering the period of 2020-2050) and allows the scenario to reflect the significance of potential climate change impacts. Although GHG emissions from 2020 to 2050 were considered, 2025 was selected as the focus of the assessments and the basis for LS&Co.'s strategy development. Summary of Results: 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 and Case Study: The results of the scenario analysis informed our overall business strategy by enabling us to develop our Climate Action Strategy, updated in 2018. The Climate Action Strategy guides our brands to meet changing consumer demand driven by climate-related issues. As part of this Strategy, we have set SBTi-approved GHG emissions reduction targets, which cover not only owned-and-operated facilities, but also our global supply chain. Specifically, LS&Co. commits 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.
Other, please specify (Fashion Futures 2025)	LS&Co. worked with Forum for the Future to develop four Fashion Futures 2025 scenarios. Inputs and assumptions: Inputs include 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. It was assumed that there will be significant climate impacts by 2025 and the upper end of the 2007 IPCC estimates for the climate A1F1 was used to project impacts. For each scenario, additional assumptions included: 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: Extensive desk research and interviews with 40 fashion industry experts including academics, business leaders, campaigners, legislators and commentators were conducted. Time horizon: The report looks to 2025, as it provides a relatively long-term lens (15 years from the report release) and it allows the scenarios to reflect the significance of potential climate change impacts. Summary of Results: The scenarios 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 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%.

**C3.1d**

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>LS&amp;Co.'s product strategy has been influenced by climate-related risks and opportunities because as demonstrated by our life cycle assessments (LCAs), we have significant 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 resilience 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. Timeframe: Short- and medium term (current through 5-7 years into the future). It also reaffirms the opportunity to drive climate resilience 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 less chemical use. In 2019, we sourced 80 percent of our total cotton through BCI. 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. The most substantial strategic product-related decision to date that has been influenced by climate-related risks is to develop and invest in the WaterLess product line. To address the climate-related risks posed by water, LS&amp;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 3 billion liters of water, including 5 billion liters of fresh water saved through reuse and recycling. In 2019, 65 percent of LS&amp;Co.'s products are made using WaterLess techniques. 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.</p>
Supply chain and/or value chain	Yes	<p>LS&amp;Co.'s supply chain strategy has been influenced by climate-related risks and opportunities, because we import both raw materials and finished garments into all of our operating regions and the success of our business depends on our supplier network. Our ability to import products in a timely and cost-effective manner may be affected by extreme weather conditions that can 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. Timeframe: Short- and medium term (current through 5-7 years into the future). The most substantial strategic supply chain-related decision that has been influenced by climate-related risks and opportunities is our commitment to suppliers reducing the equivalent of 40% of LS&amp;Co.'s Category 1 Scope 3 emissions by 2025 from a 2016 base-year, which is our Science-Based target. To this end, in 2017, we piloted the International Finance Corporation's Partnership for Cleaner Textile (PaCT) program through which we provide suppliers with technical expertise and access to low-cost financing to support renewable energy and water-saving interventions. In 2019, LS&amp;Co signed a 4-years Memorandum Of Understanding with IFC to implement the PaCT program globally. The main scope of the program in 2019 was to implement the PaCT assessment and solar pre-feasibility study in South Asia laundries and mills. participated in the program. We helped 11 key participating vendors in India, Bangladesh and Pakistan reduce their GHG emissions and energy by 13% and 22%, respectively, and save more than \$1 million in operating costs. Within the next 5 years, we will engage the remainder of our wet processing suppliers. 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&amp;Co.'s supplier code of conduct).</p>
Investment in R&D	Yes	<p>LS&amp;Co.'s strategy for investment in R&amp;D has been influenced by climate-related risks and opportunities because our collaborative approach to research and 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. Timeframe: Short- and medium term (current through 5-7 years into the future). The most substantial strategic operations-related decision that has been influenced by climate-related risks and opportunities is to develop and invest into low-water product lines, such as WaterLess and our latest Levi's® Wellthread™ line. 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 water at LS&amp;Co., including 30 million liters of fresh water saved through reuse and recycling. . Our Levi's® WaterLess™ collection features fabric and the first-ever commercialized use of "cottonized hemp," which 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 2019, our theme is climate change. Program fellows participate in a three-day LS&amp;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&amp;D from climate-related risks and opportunities to be medium to high.</p>
Operations	Yes	<p>LS&amp;Co.'s operations strategy has been influenced by climate-related risks and opportunities, because we see an opportunity in reducing our operating costs through energy and water efficiency measures as well as in enhancing our reputation and improving the resilience of our operations. Timeframe: Short- and medium term (current through 5-7 years into the future). The most substantial strategic operations-related decision that has been influenced by climate-related risks and opportunities is to set Science-Based targets to reduce emissions across our operations and value chain. For example, our owned-and-operated factory in Plock, Poland, is key to achieving our new, science-based GHG target, and at our Plock facility, we upgraded 50% of our lighting to LED lights. We estimate energy savings to be 600 MWh/year for the full system, and in 2018 the factory received an award from the Polish National Energy Conservation Agency for energy efficiency efforts. In 2019, we continued to increase our purchases of renewable energy to meet our 2020 and 2025 targets. For example, in FY2019, we started a low-carbon project at our distribution center at Sky Harbor, Arizona, where we are working towards installing solar panels. This upgrade will help the site to maintain its LEED Platinum status, making it the first facility in the apparel industry and second in the country to be recognized with such certification. 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 are estimated to reduce process water withdrawals by half. In addition, in response to the Day Zero in Cape Town, South Africa in 2019, LS&amp;Co. collaborated with the City of Cape Town's Department of Water and Sanitation to ensure our manufacturing facility uses only recycled water. It followed a call by public officials in Cape Town for businesses in the city to use treated effluent for operational and irrigation purposes, instead of drinking water, to drive water conservation. LS&amp;Co has a corporate office in Cape Town, retail operations across South Africa, and an owned-and operated manufacturing facility and distribution center in Epping, Cape Town, and through this initiative, we are now able to use 100% recycled water in our jeans production process.</p>

C3.1e

**(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital expenditures Acquisitions and divestments Access to capital Assets	<p>Revenues: 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, while driving revenues. In 2019, 65% of LS&amp;Co.'s products were made using WaterLess techniques and had a sizeable revenue. WaterLess™ products are made using less water than conventional products, reducing the water consumption by an average of 28% and up to 96% for some new products in the line. LS&amp;Co is continuing to pursue additional business opportunities in this sector by conducting market research and understanding our customers' preferences and behavior around product use. The magnitude of impact on our financial planning process for revenues is medium to high. Time horizon: Current (up to 1 year). Indirect costs: Direct costs are influenced through improved water efficiencies in production processes. WaterLess™ products are made using less water than conventional products, reducing the water consumption by an average of 28% and up to 96% for some new products in the line. We also performed a water audit to identify opportunities to reduce water withdrawals in direct operations. As of 2019, we will have 6 machines equipped with water conservation features which we estimate will reduce process water withdrawals by half. The management of monitoring this development will increase because water-related risks have a high likelihood of occurrence and is medium in terms of magnitude. In addition, we see an opportunity to reduce our direct operating costs by improving energy efficiency. Case Study: 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. In the short-term, we expect our operating costs to rise as we implement water and 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. Time horizon: Current (up to 1 year). Capital expenditures: 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. Time horizon: Current (up to 1 year). Acquisitions &amp; Divestments: LS&amp;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&amp;Co.'s values and commitment to serving as 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. Time horizon: Current (up to 1 year). Access to capital: LS&amp;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 and a key focus of our value proposition as a brand that mitigates the short and long-term risk of climate change to our business. The magnitude of impact on our financial planning process for access to capital is low. Time horizon: Current (up to 1 year). Assets: LS&amp;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. Time horizon: Current (up to 1 year).</p>

**C3.1f**

**(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

**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

**Year target was set**

2017

**Target coverage**

Business division

**Scope(s) (or Scope 3 category)**

Scope 1+2 (market-based)

**Base year**

2016

**Covered emissions in base year (metric tons CO2e)**

56046

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2025

**Targeted reduction from base year (%)**

90

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

5604.6

**Covered emissions in reporting year (metric tons CO2e)**

24454

**% of target achieved [auto-calculated]**

62.631092713525

**Target status in reporting year**

Underway

**Is this a science-based target?**

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

**Please explain (including target coverage)**

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

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**Target reference number**

Abs 2

**Year target was set**

2017

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 3: Purchased goods & services

**Base year**

2016

**Covered emissions in base year (metric tons CO2e)**

3039813

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2025

**Targeted reduction from base year (%)**

40

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

1823887.8

**Covered emissions in reporting year (metric tons CO2e)**

3437487

**% of target achieved [auto-calculated]**

-32.705465763848

**Target status in reporting year**

Underway

**Is this a science-based target?**

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

**Please explain (including target coverage)**

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. We are currently in the process of updating our methodology for Category 1 emissions to incorporate emission reduction initiatives in our supply chain and better track our progress, and will provide updated 2016 baseline emissions in next year's response.

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## C4.2

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**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Target(s) to increase low-carbon energy consumption or production

## C4.2a

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**(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.**

**Target reference number**

Low 1

**Year target was set**

2016

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Metric (target numerator if reporting an intensity target)**

Percentage

**Target denominator (intensity targets only)**

<Not Applicable>

**Base year**

2016

**Figure or percentage in base year**

24

**Target year**

2025

**Figure or percentage in target year**

100

**Figure or percentage in reporting year**

71

**% of target achieved [auto-calculated]**

61.8421052631579

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

Yes, Abs1

**Is this target part of an overarching initiative?**

Science-based targets initiative

**Please explain (including target coverage)**

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.

**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	1	
To be implemented*	0	0
Implementation commenced*	2	932
Implemented*	5	27368
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 category & Initiative type**

Low-carbon energy consumption	Wind
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**Estimated annual CO2e savings (metric tonnes CO2e)**

25755

**Scope(s)**

Scope 2 (market-based)

**Voluntary/Mandatory**

Please select

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

0

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

50000

**Payback period**

No payback

**Estimated lifetime of the initiative**

<1 year

**Comment**

RECs purchase: 63,291 MWh of Texas wind energy

**Initiative category & Initiative type**

Energy efficiency in buildings	Lighting
--------------------------------	----------

**Estimated annual CO2e savings (metric tonnes CO2e)**

434

**Scope(s)**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

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

83781

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

110592

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

3-5 years

**Comment**

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

**Initiative category & Initiative type**

Energy efficiency in production processes	Reuse of steam
---	----------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

651

**Scope(s)**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

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

25480

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

22678

**Payback period**

<1 year

**Estimated lifetime of the initiative**

6-10 years

**Comment**

Insulation of steam and hot water installations at the factory in Plock, Poland

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**Initiative category & Initiative type**

Energy efficiency in production processes	Compressed air
---	----------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

506

**Scope(s)**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

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

38680

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

48737

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

3-5 years

**Comment**

Modernization of compressed air system at the factory in Plock, Poland

---

**Initiative category & Initiative type**

Energy efficiency in buildings	Lighting
--------------------------------	----------

**Estimated annual CO2e savings (metric tonnes CO2e)**

22

**Scope(s)**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

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

24472

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

126859

**Payback period**

4-10 years

**Estimated lifetime of the initiative**

21-30 years

**Comment**

Installation of LED lighting system at the distribution center in Toronto, Canada

---

**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.

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**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

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**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 3 billion liters of water in the manufacturing of LS and Co. products, including 5 billion liters of fresh water saved through reuse and recycling.

**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 (Products that use the "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.)

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

67

**% of total portfolio value**

<Not Applicable>

**Asset classes/ product types**

<Not Applicable>

**Comment**

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## C5. Emissions methodology

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### C5.1

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(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

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

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

## C6. Emissions data

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### C6.1

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(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)  
8191

Start date  
<Not Applicable>

End date  
<Not Applicable>

Comment

### C6.2

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(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

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

Reporting year

Scope 2, location-based  
46109

Scope 2, market-based (if applicable)  
16263

Start date  
<Not Applicable>

End date  
<Not Applicable>

Comment

### C6.4

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(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

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

## Purchased goods and services

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

3437487

### 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). 2016 data scaled by change in production, and scaled down based on supplier participation in emission reduction programs. A new calculation methodology for this Scope 3 category is underway in 2020 and will be updated in the 2021 response.

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

0

### Please explain

## Capital goods

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

15449

### 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). 2016 data scaled by change in spend.

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

0

### Please explain

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

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

10545

### 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

### Please explain

## Upstream transportation and distribution

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

69014

### 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. GWPs are IPCC Fourth Assessment Report (AR4 - 100 year).

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

100

### Please explain

## Waste generated in operations

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

8387

### 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). 2016 data scaled by change in headcount.

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

27

### Please explain

## Business travel

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

21521

### Emissions calculation methodology

Business travel includes business air and rail travel by LS&Co. employees. Air travel activity data and emissions totals are obtained from LS&Co.'s travel agency.

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

100

### Please explain

## 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). 2016 data scaled by change in headcount.

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

0

### Please explain

## 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>

### Please explain

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

6791

### 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). 2016 data scaled by change in production. 2016 data scaled by change in production.

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

100

### Please explain

## Processing of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

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

## Use of sold products

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

2125015

### 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. 2016 data scaled by change in production.

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

0

### Please explain

## End of life treatment of sold products

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

146525

### 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. 2016 data scaled by change in production.

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

0

### Please explain

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO<sub>2</sub>e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

### Please explain

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 CO<sub>2</sub>e

30060

### 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). 2016 data scaled by change in franchise square footage.

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

0

### Please explain

## 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>

### Please explain

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

## Other (upstream)

### Evaluation status

### 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>

### Please explain

## Other (downstream)

### Evaluation status

### 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>

### Please explain

## C6.7

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### (C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

## C6.10

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### (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

0.000004243

#### Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

24454

#### Metric denominator

unit total revenue

#### Metric denominator: Unit total

5763087000

#### Scope 2 figure used

Market-based

#### % change from previous year

11

#### 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 2019, much of the new extra distribution capacity was routed through our LEED-Platinum distribution center in Las Vegas, Nevada.

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## 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	1032	IPCC Fifth Assessment Report (AR5 – 100 year)
CO2	7150	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	3	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	6	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	1089
Americas	3599
Europe	3503

### 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	2701
Offices	919
Plants	3536
Retail Stores	1035

### 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 for in Scope 2 market-based approach (MWh)
Asia, Australasia, Middle East and Africa	9648	9648	14442	0
Americas	28701	2946	71872	63291
Europe	7760	3669	19420	10769

### 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 (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Distribution Centers	18355	874
Offices	4807	1891
Retail Stores	17973	11335
Plants	4975	2163

## 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	527	Decreased	2	LS and Co. purchased 63,291 MWh of RECs as part of our commitment to the Science-Based Targets Initiative, an increase from the previous year's purchase. The resulting reduction in GHG emissions from the increase in renewable energy purchases is 527 MT, or 2% of previous year's Scope 1 and 2 (market-based) emissions. (527 / 26677 = 2%)
Other emissions reduction activities	1396	Decreased	5	LS and Co. implemented several efficiency measures at our Plock, Poland factory (including insulation of steam and hot water installations and installation of LED lighting) as well as our distribution center in Toronto, Canada. The resulting reduction in GHG emissions from the efficiency measures is 1,396 MT, or 5% of previous year's Scope 1 and 2 (market-based) emissions. (1396 / 26677 = 5%)
Divestment		<Not Applicable >		
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output	1682	Increased	6	As a result of increased sales in 2019, LS and Co. experienced growth in owned and operated facilities (specifically retail stores) as well as overall energy use, resulting in an increase of 1,681 MT, or 6% of previous year's Scope 1 and 2 (market-based) emissions. (1682 / 26677 = 6%)
Change in methodology	1982	Decreased	7	HFC emission calculations were updated based on the EPA HFC Emissions Accounting Tool v1.0, resulting in a decrease of 1,982 MT, or 7% of previous year's Scope 1 and 2 (market-based) emissions. (1982 / 26677 = 7%)
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 undertook this energy-related activity in the reporting year
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 (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	38035	38035
Consumption of purchased or acquired electricity	<Not Applicable>	74060	30391	104451
Consumption of purchased or acquired heat	<Not Applicable>	0	1283	1283
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>	74060	69709	143769

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)**

Natural Gas

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

34596

**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>

**Emission factor**

53.06

**Unit**

kg CO2e per million Btu

**Emissions factor source**

North American Climate Registry (2014)

**Comment**

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**Fuels (excluding feedstocks)**

Fuel Oil Number 2

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

3439

**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>

**Emission factor**

10.21

**Unit**

kg CO2 per gallon

**Emissions 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](https://www.epa.gov/sites/production/files/2015-12/documents/emission-factors_nov_2015.pdf)

**Comment**

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**C8.2e**

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

**Sourcing method**

Unbundled energy attribute certificates, Guarantees of Origin

**Low-carbon technology type**

Wind

**Country/region of consumption of low-carbon electricity, heat, steam or cooling**

Europe

**MWh consumed accounted for at a zero emission factor**

10769

**Comment**

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

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**Sourcing method**

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

**Low-carbon technology type**

Wind

**Country/region of consumption of low-carbon electricity, heat, steam or cooling**

United States of America

**MWh consumed accounted for at a zero emission factor**

63291

**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.

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C9. Additional metrics

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C9.1

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

C10. Verification

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C10.1

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(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	Third-party verification or assurance process in place

C10.1a

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

**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**

Levi Strauss\_EY2019\_VerificationStatement\_082520\_s2.pdf

**Page/ section reference**

Entire document

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

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C10.1b

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

**Scope 2 approach**

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**

Levi Strauss\_EY2019\_VerificationStatement\_082520\_s2.pdf

**Page/ section reference**

Entire document

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

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**Scope 2 approach**

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**

Levi Strauss\_EY2019\_VerificationStatement\_082520\_s2.pdf

**Page/ section reference**

Entire document

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

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C10.1c

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**(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

**Scope 3 category**

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

**Verification or assurance cycle in place**

Triennial process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Levi Strauss\_EY2019\_VerificationStatement\_082520\_s2.pdf

**Page/section reference**

Entire document

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

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**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

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**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
C8. Energy	Energy consumption	ISO 14064-3: 2006	Total energy consumption by source was verified in addition to LS&Co.'s GHG emissions for 2019. The entire attached document references this verification. Energy by source is included on page 2. Levi Strauss_EY2019_VerificationStatement_082520_s2.pdf

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**C11. Carbon pricing**

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**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

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**C11.1a**

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

Poland carbon tax

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**C11.1c**

**(C11.1c) Complete the following table for each of the tax systems you are regulated by.**

**Poland carbon tax**

**Period start date**

January 1 2019

**Period end date**

December 31 2019

**% of total Scope 1 emissions covered by tax**

27

**Total cost of tax paid**

1144

**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**

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**(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

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&Co. pays a fee for these emissions.

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.

**C11.2**

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

No

**C11.3**

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**(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**

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**C12.1**

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**(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**

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**(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**

69

**% total procurement spend (direct and indirect)**

48

**% of supplier-related Scope 3 emissions as reported in C6.5**

14

**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 2019, factories engaged represented 77% 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 and the 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**

6

**% total procurement spend (direct and indirect)**

18

**% of supplier-related Scope 3 emissions as reported in C6.5**

2

**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 2019, we expanded our pilot and engaged our suppliers' manufacturing sites in Bangladesh, India, and Pakistan. The main scope of the program in 2019 was to implement the PaCT Assessment and Solar pre-feasibility study in South Asia laundries and mills. 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 2019, we are working with 11 of our manufacturers in Bangladesh, India, and Pakistan to implement energy efficiency measures to reduce their energy use, GHG emissions, and operating costs. The main scope of the program in 2019 was to implement the PaCT Assessment and Solar pre-feasibility study in South Asia laundries and mills. 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 expanded will continue to expand PaCT program engagement to include 11 mills and laundries across Bangladesh, India, and Pakistan. 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

**% of customer - related Scope 3 emissions as reported in C6.5**

100

**Portfolio coverage (total or outstanding)**

<Not Applicable>

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

Life Cycle Assessment 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.

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**C12.1d**

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**(C12.1d) 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 2019, the class focused on 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 2019, a sample of LS&Co. Collaboratory Fellows include entrepreneurs who founded:

- The R Collective (Hong Kong), an upcycled fashion brand that rescues brands' excess fabrics to create beautiful clothes designed by award-winning sustainable designers to raise funds for Redress
- UpChoose (San Francisco, CA), a sustainable consumption platform that designs smarter services for key life moments, starting with a circular baby wardrobe solution through which new parents receive curated sets of organic clothing essentials at each phase of a baby's growth and send them back after use.
- LimeLoop (Emeryville, CA), a full-circle shipper solution and sensor-driven platform.
- Make It Black (New York, NY), an over-dye re-manufacturer that collaborates with brands to transform pre- and post-consumer waste clothing into new by making it black. Make It Black is developing a circular garment over-dye technology.
- Novabori (Txacala, Mexico), a B2B company that works with brands to develop eco-friendly fabrics from recycled materials such as cotton, polyester, wool, and acrylics.
- The Industrial Commons/Opportunity Threads (Morganton, NC), a provider of educational tools for frontline textile workers responsible for implementing the local circular economy. This project is calling special attention to the importance of workers' role in the circular economy and engaging them in the tool development process.
- GetKno (London, England), the world's first real-time transparency platform – for brands, factories and workers – verifying worker happiness and pay and giving workers a voice 24/7.
- Huston Textile Company (Mather, CA), a family-owned and operated business since 2013, Huston Textile makes high-quality fabrics sourced from domestic sustainable, organic, and climate beneficial fibers
- Circular Systems (Los Angeles, CA), a new materials startup that is developing innovative circular and regenerative technologies.
- Reverse Resources (Tallinn, Estonia), a software-as-a-service platform for garment factories and textile waste recyclers to trade and trace waste end-to-end.
- Chakr Innovation (Gurgaon, India), a three-year old startup that developed a technology to capture particulate matter emissions from diesel generators and convert it into inks and paints.

**C12.3**

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**(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**

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**(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.

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**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.

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**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."

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## C12.3e

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

LS&Co partners with Ceres, the Sustainable Apparel Coalition, and the International Finance Corporation to help advocate for more effective climate policies and practices. 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 2019, LS&Co's CFO became the founding member of the US Chapter of The Prince's Accounting for Sustainability Project (A4S) CFO Leadership Network, launched by HRH The Prince of Wales at St James's Palace in December 2013. The Network brings together a group of leading CFOs from large organizations seeking to embed the management of environmental and social issues into strategy and business processes. The Network is looking at each area of finance function activity to identify how positive business returns can be achieved through integration of environmental, social and economic considerations.

In October 2019, LS&Co was present at the New York Climate Week held annually in conjunction with the UN General Assembly when leaders from the worlds of government, business, and civil society converge.

Throughout 2019, LS&Co was also engaged in the collective action project led by the CEO Water Mandate in collaboration with other apparel companies, around addressing shared water challenges in the Noyaal Bhavani River Basin in India. This initiative started in 2018 in a subset of the Cauvery River Basin in India, the Noyyal and Bhavani sub-basins, where it will pilot test the process of setting contextual water targets, taking into account the key water challenges for the selected sub-basins, to identify a vision for region's water-secure future. The initiative is centered on engaging with regional and local stakeholders, including other industry sectors, government officials, academics, NGOs, and development agencies. Collaborating with other organizations will allow the initiative to build on existing work and develop implementation projects to address WASH access, water quality, groundwater management, or other key water challenges in the basin.

Most recently, in 2020, LS&Co became a member of the Water Resilience Coalition, an industry-driven, CEO-led initiative of the United Nations Global Compact that aims to engage companies in collective action in water-stressed basins and provide them with resources to set quantifiable 2050 water-related commitments.

## C12.3f

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**(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.

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**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**

LS&Co 2019 Annual Report.pdf

**Page/Section reference**

pp. 16-19; pp. 25-29

**Content elements**

Risks & opportunities

Emissions figures

Other metrics

Other, please specify (Commitment to Paris Climate Agreement)

**Comment**

LS&Co. Annual Report 2019: [https://s23.q4cdn.com/172692177/files/doc\\_financials/2019/ar/873914\\_007\\_BMK\\_WEB\\_V2-\(1\).pdf](https://s23.q4cdn.com/172692177/files/doc_financials/2019/ar/873914_007_BMK_WEB_V2-(1).pdf)

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

LS&Co Climate Action Strategy.pdf

**Page/Section reference**

pp. 1-10

**Content elements**

Strategy

Risks & opportunities

Emissions figures

Emission targets

**Comment**

LS&CO. Climate Action Strategy: [https://www.levistrauss.com/wp-content/uploads/2018/07/LSCO\\_Climate\\_Action\\_Strategy\\_2025.pdf](https://www.levistrauss.com/wp-content/uploads/2018/07/LSCO_Climate_Action_Strategy_2025.pdf)

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

Fashion Futures 2025 - LS&Co.pdf

**Page/Section reference**

pp. 1-11

**Content elements**

Strategy

Other, please specify (Product sustainability)

**Comment**

Executive Summary Fashion Future 2025

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**C15. 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.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Financial Officer	Chief Financial Officer (CFO)

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	5763087000

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

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**(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

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

SC2.2

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

No

SC3.1

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**(SC3.1) Do you want to enroll in the 2020-2021 CDP Action Exchange initiative?**

No

SC3.2

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**(SC3.2) Is your company a participating supplier in CDP's 2019-2020 Action Exchange initiative?**

No

SC4.1

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

No, I am not providing data

Submit your response

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**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

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

**Please confirm below**

I have read and accept the applicable Terms