

LEVI STRAUSS & CO. ANNOUNCES NEW GLOBAL WATER ACTION STRATEGY, HEIGHTENING FOCUS ON MOST WATER-STRESSED AREAS IN SUPPLY CHAIN

An Evolution in Global Resource Management, New Strategy Sets Water Targets for Global Suppliers, Aims to Significantly Reduce Overall Water Use and Fortify Watersheds through Collective Action

SAN FRANCISCO (August 22, 2019) - Levi Strauss & Co. (LS&Co.) today announced [a new water action strategy](#) that represents an evolution in thinking around water use in a global supply chain, particularly in areas already facing water stress, and a new way to define successful water stewardship in manufacturing. It leverages the latest water science and data, consultations with leading water experts, and the company's own water management experience and leadership over the past three decades to set a new standard for the company and the industry.

Recognizing that saving a liter of water where it is plentiful, while important, is not as critical as saving a liter where water is scarce, LS&Co. will shift from a singular "one-size-fits-all" approach to a more responsive, contextual approach to water management. This will allow LS&Co. to focus reduction efforts where they are needed most, with a goal of reducing its cumulative water use for manufacturing by 50 percent in water-stressed areas by 2025. Furthermore, the strategy is designed to increase access to clean, safe drinking water for communities in sourcing locations – and to drive collective action that delivers lasting change for surrounding communities and watersheds as well.

"We all know that water is perhaps the most critical resource on the planet and that many places, including countries the apparel industry sources from, are struggling with water crises," said Liz O'Neill, Executive Vice President and President of LS&Co.'s Global Product, Innovation, and Supply Chain. "This announcement is an illustration of what sustainability means to us now: innovative, responsive, scalable programs that drive impact and inspire collective action to address the most pressing social and environmental issues facing our business, industry, and planet."

This first-of-its-kind approach builds on work done in the years since the 2011 launch of LS&Co.'s open-source Water<Less[®] program, which significantly reduces the amount of water used in the finishing process. Water<Less[®] technologies were groundbreaking for their time and helped the company save 3 billion liters of water in the finishing phase through 2018, while recycling and reuse capabilities helped save another 2 billion liters.

But Water<Less[®] addressed only one phase of [LS&Co.'s product lifecycle](#) and made no distinctions based on geography. To make a broader and deeper impact, LS&Co. has developed a more evolved strategy that also addresses areas outside its direct control (akin to what the company did last year when it released its [science-based targets on climate change](#)). Data-driven and outcome-oriented, the new approach will heighten both the sustainability and resiliency of the company's supply chain, while extending that resiliency to the watersheds and communities that support it.

The core elements of the new strategy are as follows:

- **LS&Co. will work with key suppliers that represent 80 percent of total product volume to set and achieve specific water use targets** for factories where Levi's[®], Dockers[®], Signature by Levi Strauss & Co.[™], and Denizen[®] products are made or finished. The targets will be based on the water context at the local level; facilities located in more highly-stressed countries will have more stringent target levels than facilities in countries facing less water stress (although LS&Co. will continue to practice and improve sustainable water strategies in lower-stress areas).

- **The Water<Less® designation on our products will enhance its meaning.** To date, it has signified that a given product was made with Water<Less® techniques or recycled water. Going forward, factories and mills that meet the targets that LS&Co. issues will qualify as Water<Less®, as will the fabric or products coming from those facilities.
- **LS&Co. will help all its key suppliers achieve the Water<Less® designation by 2025** utilizing tools and programs such as existing Water<Less® techniques, LS&Co.’s collaboration with the Apparel Impact Institute’s Clean by Design program, and its partnership with the International Finance Corporation’s Partnership for Cleaner Textiles (PaCT), which provides expert guidance on water management and low-cost financing for upgrades that improve efficiency and performance.
- Moving “beyond the fence line,” **LS&Co. will collaborate with suppliers, other brands, NGOs and others at the local level to develop programs that improve the long-term health of watersheds in key sourcing locations.** One such project is underway in the Ravi River basin outside Lahore, Pakistan, where LS&Co. is working with World Wildlife Fund (WWF), Earth Genome and Arizona State University to map and diagnose sources of water stress, engage local stakeholders and develop and implement targeted solutions. The goal here is to help ensure a healthy Ravi River that can support local communities and industry. The ultimate goal, everywhere we source, is to only use as much water as replenishes in the area naturally.
- To address needs in places where safe, clean drinking water is hard to find, **LS&Co. will partner with suppliers to promote greater access to water for surrounding communities;** several supplier facilities, for example, have already installed freshwater faucets that make potable water available to the community.
- **LS&Co. will continue to reduce the amount of water required for cotton cultivation** by collaborating with organizations like the Better Cotton Initiative to implement better farming methods, while simultaneously continuing to explore the use of alternative raw materials such as hemp and regenerated fibers that can reduce the amount of water used in the cultivation phase.
- **LS&Co. will continue its industry-leading work on chemicals,** which includes not only the Zero Discharge of Hazardous Chemicals commitment for 2020, but also its own open-source [Screened Chemistry protocols](#), which prevent hazardous chemicals from entering the apparel supply chain. Water pollution contributes to water stress, so ensuring that the water that gets put back into the environment is clean and safe is as important as addressing water consumption at earlier stages.

“For years WWF and Levi Strauss & Co. have worked together to improve decision making in priority basins, targeting the right actions to the right places for maximum impact. Levi’s’ new water strategy continues that ambition, moving the company beyond efficiency targets toward holistic watershed conservation,” said Sheila Bonini, World Wildlife Fund’s senior vice president of private sector engagement. “Levi Strauss & Co. is answering an urgent call for companies to embrace water stewardship – not just for business interests, but to protect water resources for everyone.”

"By considering water at each step of the value chain and bringing suppliers, customers, and investors into its strategy, Levi Strauss & Co. is taking a truly smart approach to integrating water risks and issues into its business," said Ceres CEO and President Mindy Lubber. "With critical water shortages and degradation across the globe, we need more companies to follow Levi Strauss & Co.'s lead in implementing context-based management strategies that are good for communities and good for business."

In areas of high-water stress, many suppliers are already making significant capital expenditures (at times with PaCT funding) to install water efficient machinery and recycle water, recognizing it as a necessary investment for their business. LS&Co. wants to support and advance these efforts because building resilience to water stress is ultimately far less costly than responding to shortages, and because water efficiency has the potential to reduce costs.

When suppliers use less water, they use less energy, and save money on both. LS&Co.'s Water<Less® techniques have saved up to five cents per unit and millions of dollars globally for some suppliers, and the PaCT approach helped four suppliers that participated in a pilot program cut collective costs by more than \$1 million and reduce their carbon footprint by nearly 20 percent by becoming more efficient with water and energy use. (LS&Co. recently announced that it was [expanding the PaCT work](#) to its 42 top suppliers).

“We believe this is the future for our company and our industry when it comes to managing water use and conserving water,” says Michael Kabori, VP of Sustainability at LS&Co. “Given the water context in many countries, we have to act quickly and wisely. We feel this strategy does both, while delivering benefits to numerous stakeholders in our business and in supply chain communities around the world.”

About Levi Strauss & Co.

Levi Strauss & Co. is one of the world's largest brand-name apparel companies and a global leader in jeanswear. The company designs and markets jeans, casual wear and related accessories for men, women and children under the Levi's®, Dockers®, Signature by Levi Strauss & Co.™ and Denizen® brands. Its products are sold in more than 110 countries worldwide through a combination of chain retailers, department stores, online sites, and a global footprint of approximately 3,000 retail stores and shop-in-shops. Levi Strauss & Co.'s reported fiscal 2018 net revenues were \$5.6 billion. For more information, go to <http://levistrauss.com>.

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