



Information Center

SUBJECT

Levi's® Company

QUESTION

Levi Strauss & Co. takes actions to address allegations in Lesotho.

ANSWER

As soon as we learned about these allegations, we sent a member of our social and environmental sustainability team to Lesotho to conduct a full investigation. If any of our suppliers are violating our labour, health and safety, or environmental requirements, we will work with them as well as local and international NGOs on solutions.

Based on our initial investigation, we can confirm that untreated wastewater from our supplier's fabric mill was being discharged from a broken government sewer pipe. We understand that the pipe has now been fixed.

We also informed all our suppliers in Lesotho to immediately stop sending their solid waste to the municipal landfill until we can meet with local authorities and determine how to address the complex issues of public health, economic livelihood and waste disposal. Representatives from our social and environmental sustainability team will be meeting in Lesotho this week with our suppliers, trade union representatives, government officials and other community stakeholders to continue to understand the issues raised in the media and explore solutions. We are committed to work closely with suppliers and government leaders to help protect the community -- and particularly the children in this community -- from the risks of the landfill.

Levi Strauss & Co. is deeply committed to the health and safety of



workers making our products and to supporting the communities in which we operate. We were the first apparel company to establish global effluent guidelines for our suppliers, and we are leading industry efforts to extend these guidelines to fabric mills. We monitor our suppliers on a regular basis to ensure they are following our requirements and that they submit wastewater samples twice a year. In Lesotho, we required our local suppliers to establish wastewater treatment on-site to meet our stringent guidelines.

To be as transparent as possible, in 2005, we were one of the first apparel companies to make our global list of suppliers publicly available so that any issues such as this could be escalated to us as quickly as possible.

Our goal is to continue to support Lesotho by working with suppliers who treat their employees with dignity and respect and provide them with safe and healthy working conditions as well as supporting the community.

Background on Levi Strauss & Co. Leadership on Supplier Guidelines, Training and Education

Levi Strauss & Co. prides itself on the leadership role we play in ensuring that factories in our supply chain follow guidelines to protect the health and safety of the workers and the community. We were the first in our industry to establish and implement water quality standards for our suppliers – and we monitor our suppliers on a regular basis to ensure they are following our requirements.

In the last year, we also have been working with other major brands and retailers to extend those guidelines even farther up our supply chain to fabric mills and sundry suppliers. We have been leading efforts with Business for Social Responsibility to implement these new wastewater guidelines.

We also created comprehensive health and safety guidelines that include training on hazardous waste disposal. A copy of the Environmental Health and Safety Handbook is available publicly



and can be downloaded here:
http://www.levistrauss.com/Downloads/EHS_Handbook_Printed.pdf
<http://www.levistrauss.com/Downloads/EHS_Handbook_Printed.pdf>

We focus on the responsible use of chemicals across our product design, development, manufacturing and distribution processes. We were one of the first in our industry to establish a Restricted Substance List (RSL) identifying the chemicals we will not allow to be used in our products or in the production process due to their potential impact on consumers, workers and the environment. A copy of our restricted substances list can be found online at <http://www.levistrauss.com/downloads/rsI2008.pdf> <<http://www.levistrauss.com/downloads/rsI2008.pdf>> .

We also developed a comprehensive Terms of Engagement [a s s e s s o r t r a i n i n g](http://www.levistrauss.com/Citizenship/ProductSourcing/CodeApplication/TrainingAndTools.aspx) <<http://www.levistrauss.com/Citizenship/ProductSourcing/CodeApplication/TrainingAndTools.aspx>> program for our factory monitors and a detailed Terms of Engagement Guidebook <<http://www.levistrauss.com/Downloads/TOEGuidebook2007.pdf>> as a reference for factories, monitors and external stakeholders.

In addition, we are deeply involved with public policy that shapes the global dialogue on water safety and labor issues:

* Business for Social Responsibility (BSR): The Sustainable Water Group. This partnership of companies is committed to managing water use and wastewater discharge in global textile supply chains. Levi Strauss & Co. helped found this group and has been a leader in sharing our experiences in developing the first global effluent guidelines and advocating for greater focus on water issues.

* UN Global Compact CEO Water Mandate: Launched in July 2007, this unique public-private initiative assists companies in the development, implementation and disclosure of water sustainability policies and practices. The CEO Water Mandate covers six areas: Direct Operations; Supply Chain and Watershed Management; Collective Action; Public Policy; Community



Engagement; and Transparency.

* ILO/IFC Better Work: Levi Strauss & Co. has been actively involved in Better Work since its inception in 2006. Our participation in the Better Factories Cambodia initiative, on which Better Work is based, started in 2005. Better Work is a partnership between the International Labour Organization (ILO) and the International Finance Corporation (IFC), which seeks to improve labour practices and competitiveness in global supply chains. It has country-level projects in Cambodia and Jordan and will soon launch in Vietnam, Indonesia, Haiti and Lesotho. The country projects focus on improved labour compliance in the apparel industry through factory monitoring and remediation partnered with long-term capacity building and worker and management training programs. LS&CO. has committed to joining Better Work Lesotho, which will launch in 2010.

* MFA Forum: In 2005, Levi Strauss & Co. joined the MFA Forum, a multi-stakeholder partnership, established by representatives from major apparel brands and retailers, worker rights NGOs, trade unions, and multi-stakeholder initiatives to address the responsible competitiveness challenges faced by apparel exporting countries after the end of the Multi-Fibre Arrangement (MFA). LS&Co. has participated in the work of the MFA Forum's Lesotho Working Group since it was established.