

LEVI STRAUSS & CO.

Levi Strauss & Co. Announces New Terms of Engagement for Its Global Supply Chain

Levi Strauss & Co. is strongly committed to worker's rights and environmental stewardship across the apparel supply chain.

On the 20th anniversary of our groundbreaking Terms of Engagement, Levi Strauss & Co. is announcing a new commitment to require contract factories to help make employees' lives better by supporting programs for their workers.

LS&Co. is working to move beyond a compliance model of "do no harm" to supporting factory-based programs that will help empower workers to improve their lives.

LS&Co. will develop new requirements for our key suppliers that align with the United Nations Millennium Development Goals (MDGs). Among these will include:

- eradicating extreme poverty and hunger
- improving maternal and child health
- combating HIV/AIDs, and other diseases
- promoting gender equality and empowering women
- ensuring environmental sustainability

Levi Strauss & Co. plans to roll out this new program to our supply chain partners in the first quarter of 2012 after building the program in consultation with development experts from nonprofits, business and academia.

Examples of the types of programs that LS&Co. has some experience with are:

- HIV/AIDs education and testing
- Maternal health care
- Financial literacy and asset building

When and how will LS& Co. implement the new approach?

Levi Strauss & Co. is committed to an advisory process with NGOs, other companies, labor unions and suppliers around the world. At the end of the process, Levi Strauss & Co. will release a white paper and then will begin implementing the new terms of engagement with suppliers by May 2012.

Will LS&Co. address wage issues in the updated TOE?

We recognize that you can't talk about improving workers lives without talking about wages.

Levi Strauss & Co. supports the concept of a living wage--- and we are committed to working with stakeholders to seeing how it can be addressed. But this is one issue where we just can't do this alone. In a globally competitive economy, we cannot unilaterally raise wages.

We have to work closely with governments, unions, industry associations, and other stakeholders to figure out how we can raise wages across the industry.

We look forward to a robust dialogue with our stakeholder group on this topic to find potential solutions we can pilot in the new Terms of Engagement.

Will LS&Co. make changes to the current compliance and monitoring program?

We have no intention of stepping back from our compliance requirements. Following the rules and conditions of labor rights, workplace safety and health will continue to be an embedded part of the way we operate. We will continue to assess and monitor our factories on a regular basis. But we strongly believe that by embedding new programs in factories, we will empower workers and build a stronger business.

How is this approach different than other great work done by companies and foundations around the globe?

Worker empowerment programs like this are happening on various scales with companies and foundations around the world. But we'd like to be the first major company to build them into our business model and contracts with business partners around the world.

Further information:

Levi Strauss & Co.: levistrauss.com/new-termsofengagement

Levi Strauss Foundation: levistrauss.com/about/foundations/levi-strauss-foundation

Give to Colombia: givetocolombia.org

HER project: herproject.org