LEVI STRAUSS & CO.

Levi Strauss & Co. Response to Carbon Disclosure Project 2010

Contents

Section 1 Governance:

1.1 Where is the highest level of responsibility for climate change within your company?

[Each quarter LS&Co.'s finance organization measures progress toward its climate change and energy use reduction targets for all owned and operated facilities worldwide.]

Answer: Within Levi Strauss & Co. (LS&Co.) the accountability for issues relating to climate change lies within two groups. With regard to climate change strategy, planning and reporting, the Vice President of the global Social and Environmental Sustainability (SES) Department is accountable. The SES team works directly with the business to compile data and plan climate change abatement strategies that blend with the company's business objectives. With regard to climate change impact reduction initiatives, LS&Co.'s finance organization is accountable for funding and implementation of those projects. The regional finance leaders are ultimately accountable for ensuring that LS&Co. meets the company's climate change and energy reduction targets.

1.2 What is the mechanism by which the board committee or other executive body reviews the company's progress and status regarding climate change?

Answer: Each quarter LS&Co.'s finance organization measures progress toward its climate change and energy use reduction targets for all owned and operated facilities worldwide. Annually, executive leadership reviews corporate progress and, if needed, directs a course adjustment to meet objectives.

1.3 Not applicable.

1.4 Do you provide incentives for the management of climate change issues, including the attainment of greenhouse gas (GHG) targets?

Answer: LS&Co. climate change and energy use reduction targets are directly linked to the quarterly performance reviews of each regional finance leader.

1.5 Not applicable.

Section 2 Risks and Opportunities:

2.1 Describe your company's process for identifying significant risks and/or opportunities from climate change and assessing the degree to which they could affect your business, including the financial implications.

Answer:

At LS&Co. global and regional cross-functional teams remain current on the state of climate change impacts and monitor projections for future climate change impacts, such as water scarcity. We identify potential risks for strategic review while considering business changes on a case-by-case basis. Climate change risks inform the development of our climate and water strategies.

Section 3 Strategy:

3.1 Do current and/or anticipated regulatory requirements related to climate change present significant risks to your company?

.Answer: Because LS&Co. is an energy consumer and relatively low emitter of greenhouse gases, it is unlikely that the company will be directly exposed to risks from climate change regulations.

4.1 Do current and/or anticipated physical impacts of climate change present significant risks to your company?

Answer: Because LS&Co. is exposed to physical risks from climate change the company focuses on the following climate related issues:

Raw materials - We recognize the threats climate change poses to natural and agricultural resources that provide the material bases for production, specifically cotton. Ninety-five percent of LS&Co.'s products are made of cotton, which is produced in more than 110 countries, some of which are starting to feel the impact of climate change. Cotton, as with agricultural commodities in general, is at potential risk for crop failure or reduced yield due to climate changes or water shortages. Cotton fiber production may compete with food crops for decreasing arable land and water scarcity. A ready supply of cotton fiber is essential for our business.

Ninety-five percent of LS&Co.'s products are made of cotton, which is produced in more than 110 countries, some of which are starting to feel the impact of climate change.

Manufacturing supply chain - LS&Co. manufactures products in 45 countries, including many developing countries. Developing 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). Some supply routes are directed through freight gateways in geographic areas that may experience increased vulnerability under the effects of climate change.

Employees and consumers - LS&Co. is concerned about the health and welfare of the communities that support employees and consumers. Public health records show a recent rise in rates of respiratory and pulmonary diseases and morbidity in connection with poor air quality. Health officials have identified amplified disease vectors as a concern in connection with global warming impacts. Related health issues may reduce employee productivity and reduce the quality of lives enjoyed by the people in communities touched by our businesses. An example of this potential impact to employees was in September and October 2009 when LS&Co. employees in the Philippines were affected by a series of powerful typhoons.

5.1 Does climate change present other significant risks –current and/or anticipated – for your company?

Answer: Climate change exposes LS&Co. to other risks, including:

- *Insurance costs* – Insurers are already shaping policy terms and increasing rates in response to bigger storms, worse fires and longer droughts.

- *License to operate* – Production cotton and the location of many of our suppliers are in developing countries, which are expected to feel initial impacts of climate change. LS&Co.'s license to operate in these countries may be challenged if we are seen to be competing in poor communities for scarce resources (water, land) and/or doing business with suppliers who are seen to be contributing significant GHG emissions in their communities.

- *Stakeholder expectations* – Consumers, media and nongovernmental organizations are increasingly aware of climate change and the role business can play in reducing its emissions. As a consumer facing company, LS&Co. is at risk for negative publicity or nongovernmental organization (NGO) campaigns regarding our climate change impact.

6.1 Do current and/or anticipated regulatory requirements related to climate change present significant opportunities for your company?

Answer: Regulatory requirements on climate change present opportunities for LS&Co., such as:

- *GHG emissions reduction legislation (cap and trade or carbon tax)* – If the U.S. Congress passes climate change legislation, such as cap and trade or carbon tax, LS&Co. will benefit from increased business certainty about energy prices and a leveled playing field for efforts to reduce emissions. We can do more, faster and cheaper with federal legislation that incentivizes utilities to work with the company to capture efficiencies and invest in renewable energy. The business cost savings are savings LS&Co. can reinvest in the company to create jobs and grow the business

- *Renewable energy tax incentives* - The renewable energy tax incentives passed by the U.S. Congress in October 2008 create an opportunity for LS&Co. to invest in renewable energy projects. The extension of the renewable energy tax credit is essential to increasing the adoption of renewable energy technologies and investments by business. The high initial investment costs for renewable energy projects and the slow rate of return on investment can be a cost barrier to businesses seeking competitively priced green power, making renewable energy tax credits key to supporting near-term development and utilization of renewable energy.

- *Energy Efficiency Resource Standard (EERS)* – Energy efficiency is the fastest, cleanest and cheapest way for LS&Co. to reduce its GHG emissions and meet its reduction targets. The inclusion of an Energy Efficiency Resource Standard (EERS) in any energy legislation passed by the U.S. Congress creates an opportunity for LS&Co. to invest and capture more energy efficiency than we are already planning, because the energy utilities will be required to capture energy efficiency, thus they would incentivize and support consumer (LS&Co.) investments and actions to reduce energy consumption.

- *Renewable Electricity Standard (RES)* – The inclusion of a Renewable Electricity Standard (RES) in any energy legislation passed by the U.S. Congress creates an opportunity for LS&Co. to purchase renewable energy through our energy utilities, as they will be required to include energy from renewable sources in its energy mix. This will facilitate LS&Co. meeting its carbon neutrality target through the purchase of renewable energy from our energy providers.

7.1 Do current and/or anticipated physical impacts of climate change present significant opportunities for your company?

Answer: LS&Co. does not foresee opportunities from physical changes resulting from climate change.

8.1 Does climate change present other significant opportunities – current and/or anticipated – for your company?

Answer: LS&Co. does not foresee other significant opportunities resulting from climate change.

9.1 Please describe how your overall group business strategy links with actions taken on risks and opportunities (identified in questions 3 to 8), including any emissions reduction targets or achievements, public policy engagement and external communications.

Answer: LS&Co. has several initiatives that link our carbon risk and opportunity assessment to our internal energy efficiency and emissions reductions targets and planning; public policy engagement; and external communications. Some examples include:

- *Energy and transport planning* - Our current energy efficiency and emissions reductions targets for our operations and transportation programs are designed to help us achieve energy and fuel cost savings to hedge against the risk of future energy and fuel price increases.

- *Supply chain and product-related emissions* – As summarized above, LS&Co. recognizes the need to examine the emissions related to our supply chain and products and the associated license to operate and energy cost implications for our sourcing. In 2009-2010, LS&Co. has been participating in the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) GHG Protocol pilot for the Product Lifecycle Accounting and Reporting Standard and Scope 3 (Corporate Value Chain) Accounting and Reporting Standard.

- *External communications* - Addressing the risks around stakeholder expectations, LS&Co. has increased transparency by including detailed information about our energy and climate initiatives on our corporate website and reporting our GHG emissions through The Climate Registry and this CDP report.

- *Public policy engagement* – Recognizing the positive opportunities for the company from comprehensive climate and energy policy in the United States, LS&Co. became a founding member of BICEP (Business for Innovative Climate and Energy Policy) in 2008 and has been actively advocating for U.S. climate and energy legislation. More information on our public policy engagement can be found in Questions 9.10 and 9.11

9.2 Do you have a current emissions reduction target?

Answer: LS&Co. is working to reduce its carbon emissions 11 percent by 2011 (from our 2007 baseline).

9.3 – 9.5 Not applicable.

9.6

Target Type	Value of the Target	Emissions in Base Year	Emissions in Target Year	GHG's & GHG Sources to Which Target Applies	For recently completed targets, was target met?
Regional America's; Absolute	16% reduction by 2011	57892 M. Tons	48604 M. Tons	All sources and GHG's	Not completed. 8% reduction to date.
Regional Asia Pacific; Absolute	4% reduction by 2011	10676 M. Tons	10248 M. Tons	All sources and GHG's	Not completed. 4% increase to date.
Regional Europe, Middle East, North Africa; Absolute	5% reduction by 2011	24689 M. Tons	23454 M. Tons	All sources and GHG's	Not completed. 11% increase to date.

9.7 – 9.8

Actions	Achieved or anticipated annual energy	Achieved or anticipated annual carbon	Investment made or planned	Achieved or anticipated annual monetary	Time scale of actions and investments

	savings	savings.		savings	
Distribution Center (several) Lighting Retrofits	5,000,000 – 7,000,000 kWh	3000-3500 Metric tons	$1.122 M	$528 k	Current through end 2011
Distribution Center (several) HVAC Maintenance Programs	2,000,000 – 2,500,0000 kWh	1000-1100 Metric Tons	$300 k	$125 k	Current through end 2010
Manufacturing facility upgrades	1,500,000 – 2,000,000 kWh	800-900 Metric Tons	$300 k	$100 k	Current through end 2010.

9.9 Not applicable.

9.10 Do you engage with policy makers on possible responses to climate change including taxation, regulation and carbon trading?

Answer: LS&Co. engages with policymakers on developing public policy to respond to climate change as members of BICEP (Business for Innovative Climate and Energy Policy), the World Resources Institute Green Power Group, and Oxfam America Sisters on the Planet. Recent examples of policy advocacy include:

- *BICEP (Business for Innovative Climate and Energy Policy)* – In November 2008, LS&Co. joined BICEP as a founding member. BICEP's members believe that climate change will impact all sectors of the economy and that various business perspectives are needed to provide a full spectrum of viewpoints for solving the climate and energy challenges facing the United States. BICEP's goal is to work directly with key allies in the business community and with members of the U.S. Congress to pass meaningful energy and climate change legislation that is consistent with our core principles. As a BICEP member, LS&Co. has been advocating on Capitol Hill and with the Obama Administration for comprehensive U.S. climate and energy legislation.
- *Oxfam America Sisters on the Planet* - In October 2009, LS&Co. joined the Oxfam America Sisters on the Planet advocacy with members of the U.S. Congress and Obama Administration to urge significant U.S. Government climate adaptation funding to promote global stability by supporting community efforts to build resilience to climate change in developing countries. LS&Co. also supported Oxfam's advocacy

at the Copenhagen Climate Summit in December 2009 where it sought international commitments to fund and address climate adaptation needs.

- *World Wildlife Fund Open Letter to the U.S. Senate* – In September 2009, LS&Co. joined with 11 other major U.S. companies in signing the World Wildlife Fund-organized letter to the U.S. Senate calling for swift action on comprehensive energy and climate legislation.

- *Copenhagen Communiqué* – LS&Co. joined with over 750 companies from around the world to sign the Copenhagen Communiqué on Climate Change which was sent to the heads of the G20 ahead of the Copenhagen Climate Summit in December 2009. The Communiqué sets out the business case for an ambitious, robust, effective and equitable UN climate framework and offers a progressive global consensus on the shape of an agreement.

- *Renewable energy tax incentives* – In 2008, LS&Co. joined with other World Resources Institute (WRI) Green Power Group companies in advocating for the renewal of the renewable energy tax incentives. We did this through meetings with the Hill staff of key U.S. Senate votes (May 2008); adding our company name to a joint company, NGO and think tank advertisement in *Roll Call*, the newspaper of Capitol Hill, supporting Congressional action on renewable energy tax incentives (July 2008); and sending a letter to the California delegation in the U.S. House of Representatives supporting Congressional action (September 2008).

- *Support for 2008 climate change legislation* – In June 2008, together with other U.S. companies and environmental nongovernmental organizations, LS&Co. added its name to an open letter to the U.S. Senate supporting passage of the Lieberman-Warner Climate Security Act (S. 3036).

Section 4 GHG Emissions Accounting, Energy and Fuel Use, and Trading:

10.1 Please indicate the category that describes the company, entities, or group for which Scope 1 and Scope 2 GHG emissions are reported.

Answer: LS&Co. calculates its GHG inventory based on the facilities over which the company has operational control, including all owned, operated or leased offices, retail stores, distribution centers, apartments and manufacturing facilities. Our GHG inventory has been calculated in this manner for all reporting years.

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

[As a founding member of BICEP (Business for Innovative Climate and Energy Policy), LS&Co. has been advocating on Capitol Hill and with the Obama Administration for comprehensive U.S. climate and energy legislation.]

Answer: No, all sources of GHG emissions are included.

10.3 Not applicable.

11.1 Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions and/or describe the procedure you have used.

Answer: LS&Co. uses the GHG Protocol created by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) to calculate Scope 1 and 2 GHG emissions. We have followed this protocol for all reporting years.

11.2 Not applicable.

11.3

Gas	Reference	GWP
CO_2	The Climate Registry General Reporting Protocol.	1
CH_4	The Climate Registry General Reporting Protocol.	21
N_2O	The Climate Registry General Reporting Protocol.	310
HFC	The Climate Registry General Reporting Protocol for HFC 134a.	1300

11.4

Fuel	Emissions Factor		Reference
	Number	Unit	
Natural Gas	CO_2 - 0.0540804 CH_4 - 0.0000010 N_2O - 0.0000001	MT/MCF MT/MCF MT/MCF	The Climate Registry (all)
Heating Oil	CO_2 - 0.0025867505 CH_4 - 0.000000057	MT/L MT/L	The Climate Registry (all)

	N_2O - 0.000000064	MT/L	
Diesel Fuel	CO_2 - 0.0002492680 CH_4 - 0.0000181818 N_2O – 0.000000600	MT/kWh MT/kWh MT/kWh	The Climate Registry (all)
Steam	CO_2 - 0.0002155019 CH_4 - 0.0000000034 N_2O - 0.0000000003	MT/kWh MT/kWh MT/kWh	Self calculated
LPG	CO_2 - 0.0002155019 CH_4 - 0.0000000003 N_2O - 0.00000000003	MT/kWh MT/kWh MT/kWh	The Climate Registry (all)
Hot Water	CO_2 - 0.0002265568 CH_4 - 0.0000000003 N_2O - 0.00000000003	MT/kWh MT/kWh MT/kWh	The Climate Registry (all)

12.1 Please give your total gross global Scope 1 GHG emissions in metric tonnes of CO_2-e.

Answer:

2009 - 11,991 MT CO_2e

2008 – 13,307 MT CO_2e

2007 – 12,503 MT CO_2e

12.2 Please break down your total gross global Scope 1 emissions in metric tonnes CO_2-e by country/region.

Answer:

2009:

America’s – 4,127

Asia Pacific – 1,777

Europe, Middle East, North Africa – 6,087

2008:

America’s – 3,972

Asia Pacific – 1,777

Europe, Middle East, North Africa – 7,558

2007:

America’s – 4,186

Asia Pacific – 1,525

Europe, Middle East, North Africa – 6,792

12.3 Not applicable.

12.4 Not applicable.

12.5

Answer:

2009:

Facility Type	2009 Scope 1
Offices	1,533
Retail	1,076
DC's	3,020
Manufacturing	6,109
Fleet	252
Total LS&Co..	11,991

12.6

GHG Type	M. Tons	M Tons CO2e
CO2	11,855	11,855
CH4	1.076	22
N2O	0.369	114

12.7 Not applicable.

12.8 - 12.10

Answer:

Fuel Type	MWh
Natural Gas	38,382
Heating Oil	6,271
Diesel Fuel	50
LPG	1,076
Hot Water	1,469
Total	47,248

12.12 Please estimate the level of uncertainty of the total gross global Scope 1 figure that you have supplied in answer to question 12.1 and specify the sources of uncertainty in your data gathering, handling, and calculations.

Answer:

LS&Co. predicts the level of uncertainty in its Scope 1 emissions to be in the range of plus or minus 5 percent of total Scope 1 energy used.

The sources of uncertainty are manual data input errors, improper metering and billing.

Manual data input into LS&Co.'s data management systems is a source of uncertainty in the data gathering process. While there is a high degree of confidence in LS&Co.'s data management system, there exists a possibility of manual entry errors, as with any manual entry process. Additionally, data from energy providers may include human error associated with meter reading and the billing process.

13.1 Please give your total gross global Scope 2 GHG emissions in metric tonnes of CO2-e.

Answer:

2009 - 72,752

2008 – 68,939

2007 – 72,890

13.2 Please break down your total gross global Scope 2 emissions in metric tonnes of CO2-e by country/region.

Answer:

2009:

America's – 44,642

Asia Pacific – 8,608

Europe, Middle East, North Africa – 19,501

2008:

America's – 41,986

Asia Pacific – 8,727

Europe, Middle East, North Africa – 18,225

2007:

America's – 47,329

Asia Pacific – 8,505

Europe, Middle East, North Africa – 17,056

13.4 Not applicable.

13.5

Answer:

Facility Type	2009 Scope 2
Offices	11,451
Retail	16,133
DC's	31,744
Manufacturing	13,424
Total LS&Co.	72,752

13.6-13.7

Answer:

Energy Type	MWh
Electricity	126,889
Steam	17,790

13.8 Please estimate the level of uncertainty of the total gross global Scope 2 figure that you have supplied in answer to question 13.1 and specify the sources of uncertainty in your data gathering, handling, and calculations.

Answer:

LS&Co. predicts the level of uncertainty in its scope two emissions to be in the range of plus or minus 10 percent of total Scope 2 energy used.

The sources of the estimated error are data input errors, improper metering, billing and estimation of optional Scope 2 emissions for non-metered facilities.

There is a higher degree of uncertainty in reporting of Scope 2 emissions than the reporting of Scope 1 emissions. In addition to manual data entry and inaccurate metering and billing, uncertainty in Scope 2 reporting exists due to estimation of optional secondary emissions sources. These estimations account for approximately 10 percent of total Scope 2 emissions.

14.1 Do you consider that the grid average factors used to report Scope 2 emissions in question 13 reflect the contractual arrangements you have with electricity suppliers?

Answer: Yes. LS&Co. uses grid electricity emissions factors unless otherwise stated.

14.2 Not applicable.

14.3 Not applicable.

14.4 Not applicable.

14.5 Not applicable.

15.1-15.2 Please provide data on sources of Scope 3 emissions that are relevant to your organization.

Answer:

Source of Scope Three Emissions	Emissions (M Tons CO2e)	Methodology	If you cannot provide a figure for a relevant source of Scope 3 emissions, please describe the emissions.
Employee business related air travel.	6,946	DEFRA long and short haul calculations figures.	
Business related rental car use.	158	WRI Transport calculator.	
Emissions from production of product at contract manufacturing facilities. (all contract facilities for all brands throughout the entire supply chain)	-	-	The emissions for these contract manufacturing facilities will be their GHG emissions from the production of LS&Co.'s product. The majority of LS&Co.'s production is conducted by contractors manufacturing facilities. With respect to significance, we estimate that total emissions from all contractors will be significantly larger than those from LS&Co. owned and operated facilities.
Emissions from global logistics.	-	-	These GHG emissions are due to the global transport of LS&Co.'s products via contracted carriers.
Emissions from growing cotton.	-	-	Cotton is the main raw material used in LS&Co. products.

			GHG emissions from cotton agriculture include activities such as energy needed to pump irrigation water and manufacture chemical inputs, as well as the operation of mechanical farming equipment and the logistics network that surrounds production and transportation of the crop.
Emissions from consumer use of our product.	-	-	These GHG emissions are associated with the consumers' care of LS&Co.'s products, primarily consisting of emissions from washing, drying and ironing .

16.1 Not applicable.

16.2 Not applicable.

17.1 Not applicable.

18.1 Please describe a financial and an activity-related intensity measurement for the reporting year for your gross combined Scope 1 and Scope 2 emissions.

Answer:

Financial: MT CO2e/million dollars of revenue = 22.40

Activity: MT CO2e/sq ft = 0.0120

19.1 Do the absolute emissions (Scope 1 and Scope 2 combined) for the reporting year vary significantly compared to the previous year?

Answer: No, LS&Co.'s emissions compared are similar compared to the previous year. In fact, the number of retail stores doubled in the past year, increasing retail store contribution to

LS&Co.'s overall emissions. However this increase was more than offset by emission reductions in other parts of the business.

19.2 Not applicable.

20.1 Please complete the following table indicating the percentage of reported emissions that have been verified/assured and attach the relevant statement.

Answer: LS&Co.'s 2009 GHG emissions are yet to be verified. However, as in past years (since 2006), the 2009 emissions will be verified by an ISO 14001 approved external verification body by the end of 2010..

21.1 Do you participate in any emission trading schemes?

Answer: LS&Co. does not participate in any emission trading schemes.

21.2 Not applicable.

21.3 Not applicable.

21.4 Not applicable.

21.5 Not applicable.

Section 5 Climate Change Communications:

22.1 Have you published information about your company's response to climate change/GHG emissions in other places than in your CDP response?

Answer: LS&Co. is a Climate Registered member of The Climate Registry. The company has not only reported its GHG emissions annually since 2006, but all emission reports are third-party verified according to The Climate Registry's requirements. In addition, there are a number of other communications outlets where LS&Co.'s publishes information about the company's actions concerning climate change, for example on the company's website (www.levistrauss.com), the annual financial report, and through the company's various public policy advocacy communications.

22.2 & 22.3 Attach financial report.

For questions or comments please email:

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