2018 IN REVIEW

2018 WAS A YEAR OF LIVING OUR VALUES IN DISRUPTIVE TIMES...

LSF provided a second consecutive year of support to a $1.0 million Rapid Response Fund to protect the rights and well-being of highly vulnerable groups.

- On the domestic front, LSF addressed the urgent needs of Muslims, South Asians, the transgender community, immigrants and refugees.
- Globally, LSF supported the needs of those impacted by the refugee crisis and the health of women apparel workers in Cambodia and Bangladesh.
- While groundswell of companies are taking stands on the issues of the day (e.g., Muslim travel ban, Deferred Action for Childhood Arrivals, family separation crisis), only a handful are also providing funding to support advocacy and protection of targeted communities. We encourage others to strategically pair advocacy with philanthropy in this crisis moment.

LSF social justice leaders joined forces with the Company in the wake of this tumultuous environment. As LS&Co. took stands on gun violence, voter engagement and inclusion, LSF partners helped deepen the impact of these efforts and give voice to their importance.

- Rev. Michael McBride (Live Free) championed racial equity in gun violence prevention efforts and addressed employees alongside Desmond Meade (Let My People Vote) on voting rights efforts.
- Kris Hiyashi (Transgender Law Center) addressed LS&Co. executives and employees and advised a new company policy on transgender inclusion.
- Company leaders embraced the Foundation’s responsive grants and support for pioneering nonprofit leaders as a cornerstone of LS&Co.’s “Profits Through Principles” commitment.

LSF re-affirmed its 35-year commitment to ending AIDS, ushering in a refreshed grantmaking strategy with increased focus on the drivers of the epidemic in the United States.

The Worker Well-being (WWB) initiative saw rapid scaling in LS&Co.’s supplier base, with over 190,000 workers reached, due to increased engagement by LS&Co. Global Supply Chain. LSF reviewed the initial findings of the Harvard SHINE impact study and committed to seeking greater impact in the lives of workers. LSF will work with grantees to drive solutions advancing gender equality and fostering atmospheres of trust, respect and fairness in factory workplaces.

Restructuring and growth of staff:

- A shift from regional to programmatic accountability within the Program team has given rise to greater clarity, coherence and impact – along with opportunities for professional growth and leadership.

- The Finance, Administration and Communications function was shored up with the hiring of a Grants/Finance Coordinator and transitioning the Director of Finance and Operations from half-time to fulltime. This facilitated needed improvements in the grantmaking, payment and administrative systems.

LSF Board transitions:

- Kelly McGinnis (SVP and Chief Communications Officer) and Liz O’Neill (EVP and President of Product, Innovation and Supply Chain) completed four-year terms.
- Anne Madison (SVP of Product Development and Sourcing), Marc Rosen (EVP and President of Global Direct-to-Consume) and Anna Walker (Senior Director of Global Policy and Advocacy) were elected to four-year terms.
BACKGROUND:
MISSION & PURPOSE
MISSION STATEMENT

The Levi Strauss Foundation advances the human rights and well-being of underserved people in places where the company has a business presence.

VALUE PROPOSITION

WHAT WE DO:
Drive pioneering social change that brings our values to life in communities around the world.

HOW WE DO IT:

HIV/AIDS
Raising awareness and confronting HIV/AIDS stigma and discrimination.

WORKER RIGHTS & WELL-BEING
Improving the lives of workers in the global apparel industry.

SOCIAL JUSTICE & HUMAN RIGHTS
Taking on the issues of our day and fostering access to justice.

THE VALUE WE DELIVER:

FOR COMMUNITIES
Create programs that advance justice and provide opportunities to improve the lives of disadvantaged people.

FOR EMPLOYEES
Financially support LS&Co.’s volunteer programs and deepen pride of association among employees.

FOR LS&CO.’S REPUTATION
Serve as a key driver in helping LS&Co. to embody the energy and events of our time – ensuring its relevance in the lives of stakeholders beyond the marketplace.
**GUIDED BY THE LS&CO. LEGACY**

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<thead>
<tr>
<th>LS&amp;CO. LEGACY</th>
<th>➤</th>
<th>LSF HALLMARKS</th>
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<tbody>
<tr>
<td>166-year history of industry-leading citizenship</td>
<td>➤</td>
<td>Get in early, stay the course</td>
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<tr>
<td><strong>Icons:</strong></td>
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<td>Social pioneers</td>
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<td>Pioneers</td>
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<td>Take on the “issues and events of our time”</td>
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<td>Symbol of cultural change</td>
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<tr>
<td>Sustainability platform: Live in Levi’s®</td>
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<td>Challenge convention, push the limits of the response</td>
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<td></td>
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<td>New frontiers of possibility</td>
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<td></td>
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<td>Agile, audacious and fearless in pursuit of social change</td>
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<tr>
<td>“The value of values”: Originality, integrity, empathy, courage</td>
<td>➤</td>
<td>Bring our values to life beyond the marketplace</td>
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**BACKGROUND: MISSION & PURPOSE**

**OUR APPROACH: DRIVING SOCIAL CHANGE**

<table>
<thead>
<tr>
<th>SOCIAL CHANGE STRATEGY</th>
<th>GRANTMAKING FOCUS</th>
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<tbody>
<tr>
<td>Change laws and policies</td>
<td>» Support advocacy</td>
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<tr>
<td>Bring innovative program models to scale and sustainability</td>
<td>» Identify and build thought and action leadership</td>
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<tr>
<td>Build moral and political consensus for change agenda</td>
<td>» Identify and engage key ‘influencers’</td>
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<td>» Cultivate effective communication</td>
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**OUR APPROACH: “GOING BEYOND THE GRANT”**

<table>
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<tr>
<th>GOAL</th>
<th>“GOING BEYOND THE GRANT”</th>
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<tr>
<td>Build thought leadership and influence the field</td>
<td>» Build advocacy capacity of grantees</td>
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<tr>
<td></td>
<td>» Build communications capacity of grantees</td>
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<td></td>
<td>» Lift best practices and voices of grantees</td>
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<td>(e.g., conference presentations, awards)</td>
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<tr>
<td>Build grantee organizations</td>
<td>» Link grantees with key influencers and other funders</td>
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<tr>
<td>Tell the story of pioneering change</td>
<td>» Develop compelling blogs, case studies, videos</td>
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<td></td>
<td>» Leverage corporate communications channels</td>
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<td></td>
<td>» Frame and spotlight selected grantees as “social pioneers” reflecting the Levi Strauss values and character</td>
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2018 AND FIVE YEAR TRENDS
Worker Rights and Well-Being accounted for 31% of funding, while Social Justice accounted for 43% of funding. The vast majority of staff time was allocated to LSF’s signature initiatives: Pioneers 2020 & WWB.

LSF’s 2018 Program budget was the highest in 5 years due to the Board-approved $1.0MM increase over 2017.

Grantmaking in the U.S. increased to 56% (55% in 2017) due to the Rapid Response Fund.

Worker Rights and Well-Being accounted for 31% of funding, while Social Justice accounted for 43% of funding. The vast majority of staff time was allocated to LSF’s signature initiatives: Pioneers 2020 & WWB.
BUDGETS AND FUNDING

2018 AND FIVE YEAR TRENDS

Operating budget increased in 2018 due to the Director of Operations and Communications shifting from half-time to full-time and the addition of the Finance and Grants Coordinator.

The number of grants remained flat, while the average size increased by 11% due to two large grants ($250K each) in the HIV/AIDS and Worker Well-being portfolios.

Support from LS&Co. continues to be strong. Over the last five years it has covered 70% or more of LSF’s Program budget. In 2019, LS&Co’s support will cover 94% of LSF’s Program budget.
PROGRAM HIGHLIGHTS
2018 was about bringing to life a revised grantmaking strategy that reaffirms our commitment to help end the AIDS epidemic. This included doubling down our support for proven advocacy organizations in hard-hit middle-income countries around the globe and deploying more resources to confront key drivers of the epidemic in the United States.

LSF’s grantees stand on the frontlines of advocacy and social change. Their ‘wins’ demonstrate the efficacy of investing our limited resources as ‘patient capital’ with proven grantees.

**A “Blended Approach” for the United States**

Since the decision was made to increase funding for the United States, we actively explored opportunities for investment in 2018. Given the array of unmet needs in various regions of the country, LSF implemented a “blended approach” for the domestic portfolio, accounting for 60% of the $1.8MM HIV/AIDS budget. This allowed us to put some stakes in geographic areas and populations of great need and build out a hometown strategy in the San Francisco Bay Area to help “get to zero”.

**IMPACT:** The epidemic continues to have significant impact in the East Bay region of California (including Oakland), particularly among black and brown communities and women. Launched in 2017, East Bay Getting to Zero is a city-wide initiative engaging local government, health providers and community partners such as Get Screened Oakland to forge solutions that address the impact of HIV in these communities.

**IMPACT:** Throughout the United States, the opioid crisis has sparked outbreaks and increased infection rates for HIV/AIDS and hepatitis C due to needle-sharing. The Syringe Access Fund is working to change federal and state policies hampering efforts to address the crisis with a proven solution. These advocacy efforts influenced the passing of syringe access laws and overdose prevention laws in six states in 2018. The Foundation stepped up its investment in AIDS United’s Syringe Access Fund with a $250,000 grant to deepen its important work.

**Staying the Course Internationally**

The international portfolio, accounting for 40% of the $1.8MM HIV/AIDS budget, supports a slate of ‘tried-and-true’ advocacy organizations in middle-income countries where stigma and discrimination remain pervasive. 2018 affirmed we have the right partners in priority countries, and we plan to stay the course for the next five years.

**IMPACT:** After a 17-year legal battle, India’s Supreme Court overturned Section 377 of the Penal Code, which criminalizes sexual activities “against the order of nature.” Not only has Section 377 been used to promote homophobia and criminalize consensual sex, it has also obstructed efforts to address the HIV/AIDS epidemic. The fight to repeal this measure began in 2001 with Naz Foundation and was carried forward by the Lawyers Collective to this landmark victory.

**IMPACT:** Since 2011, Action for Health Initiatives (ACHIEVE) has led the civil society movement to amend the Philippine AIDS Prevention and Control Act. The amendment corrected the inadequacies of the existing law by updating it with evidence-informed, gender sensitive and human rights-based preventive measures, especially among vulnerable communities. Persevering through several administration changes and forced restarts, the amendment was ratified by Congress in October 2018 and ultimately signed into law by President Duterte in December 2018.
2018 was a pivotal year for the Worker Well-being (WWB) initiative. The three-year Harvard SHINE partnership, which focuses on measuring changes in worker well-being and business performance as well as influencing management in factory workplaces, released its preliminary findings. Assessing their implications, LSF and LS&Co. laid the foundation for a deeper approach that meets our aspirations for greater impact on the lives of workers.

In 2018 WWB programs reached over 100 factories in the company’s supply chain, touching the lives of over 190,000 apparel workers. Over half of these factories self-funded worker empowerment programs addressing key health, financial or workplace needs identified through surveys; this pace of uptake by vendors exceeded projections (LSF co-funded WWB programs in the remaining factories).

Honoring our WWB approach

Halfway through the Harvard impact partnership, the preliminary findings offer a snapshot of worker health and well-being in our supply chain – and demonstrate that the most meaningful way to improve apparel workers’ well-being is to foster a positive environment of safety, respect and fairness on the factory floor. Harvard’s research also points to gender equality as a significant driver of WWB, with many upside opportunities.

The insights are informing the future course of the initiative, which will focus on new workplace solutions to improve the lives of women and men making our products.

IMPACT: The Harvard SHINE team is advising three suppliers participating in the study to retool management practices and demonstrate to workers how they are valued in the workplace. This begins with the fundamental act of listening to workers. At a Mexican factory, managers are building their capacity to solicit and understand worker feedback—as well as devise responsive solutions. Survey data indicated that 50% of workers did not feel that they were paid fairly and many line supervisors were manually and arbitrarily clocking people in and out. In response, management invested in an electronic system to ensure the accuracy of time records. This change led to meaningful increases in workers’ sense of fairness and being respected at the factory.

Activating grantees as “WWB Champions”

In June LSF convened its network of “WWB Champions” in Bangkok.

This partner network both carries out worker empowerment initiatives in factory workplaces and aims to positively influence management policies and practices. In 2018 grantee partners led management training workshops in India, Sri Lanka, Egypt and Mexico.

IMPACT: Swasti, a grantee based in India, implements WWB at several factories in India and Sri Lanka. In 2018 Swasti held workshops among workers and supervisors to take on challenges that impact worker well-being, such as high stress levels on the factory floor. Line supervisors identified that they feel immense pressure from production teams, while workers experienced the effects of this stress. Based on these insights, Swasti is building the skills of supervisors to support and engage workers, and improve workplace cultures.
2018 marked the third year of the Pioneers 2020 initiative (2016 to 2020). LSF is partnering with seven next-generation social justice leaders in the San Francisco Bay area as they seek greater impact in their work. Through grants, convenings and trainings, LSF supports these leaders to collaborate in new ways, leverage technology and emerge as the mouthpieces of today’s movements.

The Pioneers understand that this disruptive political moment calls for new playbooks as their communities face barrages of attacks and new coalitions emerge. Many are seizing “opportunity in crisis” as they build bridges with new constituencies – whether expanding into different geographies (e.g., as constituents are displaced from San Francisco neighborhoods) or broadening reach on the national stage.

Fostering peer learning and LSF Support

The Pioneers continued their “breakthrough projects” in 2018. These projects spur new kinds of progress: converting a new generation of activists, becoming evangelists of values, engaging unlikely allies and influencers, bridging across sectors.

These leaders took the lead in designing and setting the agenda of Pioneer Forums – full-day peer learning sessions focused on movement building strategies and organizational change management.

Rev. Michael McBride (Live Free) and Kris Hiyashi (Transgender Law Center) collaborated on company initiatives and engaged employees on issues of gun violence and transgender inclusion.

The Foundation provided support to strengthen the communications capacity of the Pioneers and also facilitated speaking opportunities for leaders to reach new audiences.

Influencing the field

In April, the Foundation launched a collection of narratives by members of the first phase of Pioneers in Justice (2010 to 2015), called “Voices: Pioneers in Justice.” Participants shared perspectives on the tools, strategies and ways of working needed to create stronger and more effective social justice movements – and how philanthropy can serve these ends. Some shared “lightbulb” moments when they saw the need to develop and unleash their own voices to help shape the course of social movements.

➤ IMPACT: Pioneer Zach Norris is featured in a Fast Company article titled “Creating A Service Economy that Actually Serves People, And a Justice System That Is Actually Just.” It chronicles the Ella Baker Center’s aspirations to create a new community hub, Restore Oakland, pairing restorative justice – an alternative to incarceration – with restaurant job training to address the root causes of inequity and crime. Restore Oakland will house programs of three additional LSF grantees: Restaurant Opportunities Centers, Just Cause/Causa Justa and La Cocina.

➤ IMPACT: Just Cause/Causa Justa led landmark campaigns to expand eviction protections in Oakland to protect all renters from displacement regardless of the size of the dwelling.

➤ IMPACT: Power California registered or mobilized 106,000 immigrant millennial voters in the November 2018 election in 29 counties throughout California. The organization’s goal by 2024 is to turn out 300,000 young voters of color (5 percent of California’s estimated electorate of 12 million)
The current political environment is rife with disruptive change and tension that serve as a high-stakes backdrop for LS&Co. and the Levi Strauss Foundation to live our values of courage, empathy, integrity and originality.

Few corporate funders are lending both their voice and resources to take a stand on the issues of the day. The Rapid Response Fund has helped the Foundation and Company to live our values in this “unequal time” and punch above our weight in terms of voice and moral influence.

In 2018, legal and policy changes continued at a breakneck speed, rolling back many hard-fought gains in the areas of diversity and inclusion. In response, for the second year in a row, the Foundation has allocated $1.0 million to the Fund to support nonprofit partners that are protecting the civil liberties of highly vulnerable communities – including immigrants, refugees, the transgender community and ethnic and religious minorities – across the United States and abroad.

The Foundation is proud to support the outstanding organizations selected for this year’s $1.0 million fund. These pioneering organizations recognize that strong democracies are built upon inclusion and they represent the freedom to dare to do what’s right. See next page for a list of organizations supported through the Fund.

While separate from the Rapid Response Fund, staff also mobilized $410,000 from the Foundation’s strategic grants portfolio to respond to the urgency of this moment. These grants focused on #MeToo and #TimesUp mobilization, protection of LGBTQ communities, women’s health clinics for apparel workers and economic integration for refugees in Europe.

→ IMPACT: Saru Jayaraman, from Restaurant Opportunities Centers United, is spearheading a campaign called “One Fair Wage,” which has been featured in Washington Post, New York Times and interviews on Real Time with Bill Maher, 20/20 and 60 Minutes Overtime. It aims to eliminate the subminimum wage for tipped workers – both as a measure to reduce poverty among restaurant workers and address the endemic sexual harassment in the industry.

→ IMPACT: Live Free has partnered with the producer of Oprah Winfrey’s film “Building A Dream” on a new documentary “Let My People Vote.” The film raised awareness about voter suppression in the US – including a landmark referendum campaign, Proposition 4, to re-enfranchise 1.5 million people with felony convictions in Florida – and encouraged youth to vote in the upcoming midterm elections. LSF supported the campaign and film. Proposition 4 passed with 64 percent of the vote in November 2018.

→ IMPACT: Meryl Streep walked the red carpet at the Golden Globe Awards with Ai-jen Poo of the National Domestic Workers Alliance – one of six pairings of Hollywood luminaries with women’s rights advocates at the event. All wore black as part of the #TimesUp initiative, confronting sexual harassment and abuse in Hollywood and across all industries.
2018 RAPID RESPONSE GRANTS

National

Transgender Law Center $60,000
Extends legal services nationwide to meet the needs of the transgender community and mobilizes advocates against discriminatory legislation at local and state levels.

United We Dream $100,000
Offers legal support, rights education and community mobilization to protect the rights of immigrant students across the U.S.

Live Free $140,000
Organizes faith-based leaders and trains law enforcement to protect the rights of vulnerable communities in cities across the U.S.

Define American $50,000
Mobilizes the power of media and culture to shift the conversation about immigrants, identity and citizenship in the U.S.

Undocublack $25,000
Provides access to resources, fosters community and works with a nationwide network to transform the lives of current and formerly undocumented black people.

National Immigration Law Center $125,000
Defends and advances the rights of immigrants with low income across the U.S.

Asylum Seeker Assistance Project $50,000
Protects the rights of asylum-seekers and their families and prevents wrongful deportations at the southern U.S. border.

Young Center for Immigrant Children’s Rights $50,000
Advocates for the well-being and rights of unaccompanied children and families at the southern U.S. border.

San Francisco Bay Area

Advancing Justice – Asian Law Caucus $75,000
Provides legal defense, rights education and community mobilization for Muslims, South Asians and immigrant youth in the San Francisco Bay Area.

Council for American-Islamic Relations $75,000
Offers legal defense and rights education among Muslims in the San Francisco Bay Area.

Pangea Legal Services $50,000
Provides legal defense and community mobilization for the benefit of vulnerable immigrants in the San Francisco Bay Area.

International

International Refugee Assistance Project $75,000
Protects the human rights of refugees globally through legal services and advocacy.

International Rescue Committee $100,000
Addresses the urgent needs of refugees in the Middle East and Europe.