

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

From its California Gold Rush beginnings, Levi Strauss and Co. (LS&Co.) has grown into one of the world's largest brand-name apparel companies. A history of responsible business practices, rooted in core values, has helped the company build its brands and engender consumer trust around the world. The Levi's brand has become one of the most widely recognized brands in the history of the apparel industry. We design and market jeans, casual and dress pants, tops, skirts, jackets, footwear and related accessories for men, women, and children under our Levi's, Dockers, Signature by Levi Strauss and Co. and Denizen brands around the world. We also license our trademarks in many countries throughout the world for a wide array of products, including accessories, pants, tops, footwear and other products. Levi Strauss and Co. operates its business through three geographic regions: Americas, Europe, and Asia Pacific. The company's products are sold in more than 50,000 retail locations across 110 countries. These include retail stores dedicated to the company's brands and web sites that sell the company's products directly to consumers.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	December 1 2019	November 30 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Australia
Bangladesh
Belgium
Bolivia (Plurinational State of)
Brazil
Canada
Chile
China
China, Hong Kong Special Administrative Region
Czechia
Denmark
Egypt
Finland
France
Germany
Greece
Hungary
India
Indonesia
Ireland
Italy
Japan
Malaysia
Mexico
Netherlands
New Zealand
Norway
Pakistan
Peru
Philippines
Poland
Portugal
Republic of Korea
Russian Federation
Singapore
South Africa
Spain
Sweden
Switzerland
Taiwan, Greater China
Turkey
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Nominating Government and Corporate Citizenship Committee from the Board of Directors has responsibility for climate-related issues. The Board of Directors' Nominating, Governance and Corporate Citizenship Committee assists the board in fulfilling its oversight responsibilities on corporate governance matters which includes, but is not limited to corporate citizenship and sustainability matters and targets, including climate-related issues, that may have a significant impact on the company and assist the company in appropriately addressing its responsibilities as a global corporate citizen. The Committee reviews with management the impact of the company's business operations and business practices with respect to issues such as environment, including climate change, health and safety, corporate citizenship, public policy and community involvement. Our commitment to sustainability goes far beyond regulatory compliance or minimizing the environmental impact of our business practices. Our vision is to build sustainability into everything we do, so that our profitable growth helps restore the planet. An important decision taken by the Board in FY2019 was to elevate sustainability to a c-level role with the hiring of LS&Co.'s first Chief Sustainability Officer (CSO). Our CFO continues to participate in the U.S. Chapter of Accounting for Sustainability (AS4). A4S seeks to mobilize prominent financial leaders to promote the business case for sustainability through (1) adopting sustainable and resilient business models; (2) transforming financial decision making to enable an integrated approach, reflective of the opportunities and risks posed by environmental and social issues; and (3) scaling up action across the global finance and accounting community.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	<ul style="list-style-type: none"> Reviewing and guiding major plans of action Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues 	<Not Applicable>	The Board of Directors' Nominating, Governance and Corporate Citizenship Committee assists the board in fulfilling its oversight responsibilities on corporate governance matters, which includes, but is not limited to corporate citizenship and sustainability matters, including climate-related issues, that may have a significant impact on the company. The Chief Supply Chain Officer and Chief Operations Officer report to the Board four times per year on sustainability issues, including climate-related matters.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Our **Chief Executive Officer (CEO)** holds the highest responsibility for climate-related risks and opportunities below the board level (**and is a member of the Board as well**), is responsible for monitoring climate-related issues, and provides direction to the **Chief Operations Officer**. The Chief Sustainability Officer (CSO), reports to the **Chief Operations Officer** and manages climate related risks across the organization and in all steps of our value chain. In 2020, the sustainability leadership function was elevated from a VP level to an officer position given the importance of sustainability and climate change to the LS&Co. global organization.

Our **Chief Operations Officer**, in conjunction with our CSO, are also responsible for assessing and managing product innovation as it relates to climate-related issues. These positions also have the responsibility for an absolute operational greenhouse gas emissions reduction target and a renewable energy procurement target (as a percentage of absolute operational energy use). These targets are included in their annual performance objectives.

Climate-related issues are monitored through many corporate initiatives, including Better Cotton purchasing, management of our **Water<Less>** product line, monthly policy update meetings, and absolute greenhouse gas (GHG) and energy targets. Our **Chief Operations Officer** and CSO report to the Board every 6 months on our progress toward our climate targets. To ensure the company's policy actions are aligned with business strategies, including our climate and energy objectives, there is a monthly leadership meeting on policy, which includes the CEO, CFO, **General Counsel**, Chief Counsel, Chief Communications Officer, **Chief Operations Officer**, CSO and Head of Global Policy and Advocacy. This ensures that even in a dynamic policy environment, executives have an opportunity to confirm that the company's policy activities support all aspects of the corporate strategy, including climate issues. In addition, the Chief Operations Officer and CSO are engaged in multiple meetings with senior leadership, and family and institutional investors on a regular basis to discuss approaches and progress toward the LS&Co. Science Based targets (SBTs).

LS&Co. collects facility level energy use data annually to calculate our Scope 1 and 2 GHG emissions. For our distribution centers, representing about 40% of our Scope 1 and Scope 2 GHG emissions, these data are gathered monthly and reported biannually to evaluate climate and energy-related risks at the facility level and track performance against emissions reduction and renewable energy targets. To assess climate-related risks in our supply chain, LS&Co. collects supplier energy use and GHG emissions data through the Sustainable Apparel Coalition's (SAC's) Higg Facility Environmental Module (FEM) annually. Data from FEM reports informs the calculation of our Scope 3 emissions and our supplier engagement strategy.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Other, please specify (Sr. Manager, Global Sustainability Integration)	Monetary reward	Emissions reduction target	LS&Co. bases employee bonus allocation on company and individual performance. Individual performance is assessed against annual objectives. LS&Co.'s Senior Manager of Global Sustainability Integration has an absolute operational greenhouse gas emissions reductions target and a renewable energy procurement target (as a percentage of absolute operational energy use) built into their annual individual performance objectives.
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction target	LS&Co. bases employee bonus allocation on company and individual performance. Individual performance is assessed against annual objectives. LS&Co.'s CSO has the accountability and responsibility for achievement of our 2020 greenhouse gas emissions reduction target, by leading the teams across the value chain focused on GHG reductions, investments and accounting built into their annual individual performance objectives.
Other, please specify (Chief Operations Officer)	Monetary reward	Emissions reduction target	LS&Co. bases employee bonus allocation on company and individual performance. Individual performance is assessed against annual objectives. LS&Co.'s Chief Operations Officer has an absolute operational greenhouse gas emissions reductions target and a renewable energy procurement target (as a percentage of absolute operational energy use) built into the annual individual performance objectives.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	3	LS&Co. considers short-term risks to be those occurring 1-3 years into the future.
Medium-term	3	7	LS&Co. considers medium-term risks to be those occurring 3-7 years into the future.
Long-term	7	12	LS&Co. considers long-term risks to be those occurring 7-12 years into the future.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

When identifying and assessing risks at a corporate level, a substantive financial impact to our business, is defined as an impact that could affect our business continuity or require a change in our business strategy. The incurred risk and associated substantive impact are reported to senior management within each business group. Senior management determines relative significance based on scope, scale, timing, and potential magnitude of impacts. Substantive risks are then transferred, on an as needed basis, to appropriate business units, teams or facilities for implementation of mitigation measures.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

LS&Co identifies, assesses and determines climate-related risks with a substantive financial impact through both company-wide risk assessments and periodic formal assessments in direct operations and across the supply chain, including materiality assessments, supply chain risk assessments, Life Cycle Analysis (LCA) and annual supplier data collection through the Sustainable Apparel Coalition's Higg Facility Environmental Module (FEM). We evaluate climate-related risks in the short-, medium- and long-term. We consider long-term risks to be those occurring 7-12 years into the future. GHG emissions and carbon reduction in our direct operations have been identified as material topics for our business. To better understand our carbon impacts and hotspots, we develop an annual greenhouse gas (GHG) inventory for our global operations, and every six months, we develop a GHG inventory for our distribution centers (representing ~40% of Scope 1 and 2 emissions). In 2017, we conducted GHG modeling using three scenarios to evaluate energy and GHG risks through 2025. This analysis informed our Science Based Target Initiative (SBTi)-approved GHG target to reduce 90% of GHGs in our direct operations including all owned-and-operated facilities. Our response to these operational risks includes increased investing in onsite renewable energy and energy efficiency upgrades. For example, in 2020, LS&Co installed a new solar panel array at our distribution center in Henderson, Nevada that provides about 20% of the facility's electricity needs. The panels were built carport-style to provide shade for employees. The building is also certified Platinum Leadership in Energy and Design (LEED) and was the largest distribution center to receive that accreditation at the time of its initial certification. To identify, assess, and evaluate our upstream climate-related risk exposure, we conduct physical and transition climate risk assessments in our supply chain. In 2019 and 2020, we expanded on our qualitative physical climate risk assessment that we originally conducted in 2016, to include transition risks for five key geographic regions representing 56% of LS&Co. supplier global factory and 59% of global mill production: Bangladesh, China, India, Mexico, and Pakistan. The analysis helped to prioritize supplier engagement and management efforts and risk mitigation actions. To identify and assess downstream climate-related risks, we conduct: (1) materiality assessments to understand the importance of climate change issues to our customers, and (2) product life-cycle assessments (LCAs) to understand energy and water impacts associated with the consumer use phase to gain better insights into consumer behaviors by market. Consumer use comprises approximately 34% of our Scope 3 emissions, and we maintain our current commitment to creating consumer awareness and impact reduction through our "A Care Tag for the Planet" campaign, which has incorporated a permanent care label on every garment that reads "Wash less, wash cold, line dry, donate to Goodwill". Transition opportunity example: We are increasingly capitalizing on market opportunities related to higher demand for sustainable products and services. For example, we conducted a scientific LCA of a pair of Levi's® 501® jeans and learned that 37 percent of the energy and 23 percent of the water used during the lifetime of jeans occur during the consumer-use phase. We learned that by wearing jeans 10 times before washing, American consumers can reduce their water and climate change impact by 77 percent, U.K. and French consumers by 75 percent and Chinese consumers by 61 percent. As a result, LS&Co. launched a U.S. partnership with Goodwill® — "A Care Tag for Our Planet", which has incorporated a permanent care label on every garment of the Levi's® and Dockers® brands that reads "Wash less, wash cold, line dry, donate to Goodwill". Our aspiration is to spread the word that small changes in the way we care for our clothes can help reduce 1,100 liters of water and 60 kilowatt-hours it takes the average American consumer to wash and dry a pair of jeans. In 2011, we launched our version of an environmental "nutrition label" for our products, based on our lifecycle research to enable consumers to make smart purchasing decisions. Physical risk example: Through our materiality assessment, we identified that a disruption risk due to physical climate-related impacts is particularly relevant for LS&Co supply chain. In 2019 and 2020, our Product Development and Sourcing team expanded upon a climate disruption risk and adaptation opportunity assessment, which was originally conducted in 2016, to identify most vulnerable vendors and mills in five key regions representing 56% of global factory and 59% of global mill production: Bangladesh, China, India, Mexico, and Pakistan. As part of this assessment, we examined the impact of flooding from precipitation events, cyclonic events, heat waves, extreme temperatures, extended drought, and water stress in chosen regions. Level of risk was assessed based on likelihood of risk occurrence in combination with the magnitude of potential financial impact. Potential financial impacts were estimated, varied by risk type and included: (1) increased production costs and cost of goods sold (COGS); (2) lost revenue from delays to market or reduced production; (3) increased research and development (R&D) costs; (4) costs associated with identifying new suppliers or relocating supplier operations. For most vulnerable regions (Pakistan/India, China and Bangladesh), we prioritized risk response and mitigation actions that included supplier redundancy to ensure active operations despite flooding or severe droughts; investments in sustainably sourced cotton and supporting the Better Cotton Initiative (investing in cotton that uses less water and chemicals); continuing to identify cotton alternatives (e.g., cottonized hemp) and increased investments in R&D and product design (e.g., circularity, recycled content); continuing to expand International Finance Corporation's (IFC) Partnership for Cleaner Textiles (PaCT) to drive investments in water-efficiency/ conservation initiatives and technology. In 2020, LS&Co. conducted PaCT assessments in four supplier facilities (three fabric mills and one factory) in Pakistan, bringing our total number of assessments globally to 28. In 2021, we have 14 PaCT assessments planned.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulations are always included in our climate risk assessment because we have facilities in multiple jurisdictions that are subject to different climate-related regulations and we closely monitor their relevance to our operations. For example, our factory in Poland is subject to the Poland Carbon Tax, and we are required to track and report emissions from stationary and mobile combustion annually to stay in compliance. While regulations related to carbon and climate change may have direct and indirect impacts on our business, we do not find these regulatory risks to be material. Our owned or leased business operations are not energy intensive and nearly all of our facilities fall below threshold requirements for current regulations limiting emissions, cap and trade programs, and providing for mandatory reporting of greenhouse gas emissions. Our Policy and Advocacy team monitors current and emerging regulations that may impact business and operations. However, the expected magnitude and/or likelihood of the risks driven by regulations are sufficiently small and the timescale over which they could occur sufficiently long that we do not currently anticipate substantive changes in our business operations, revenue or expenditure. We assess risks from current regulations as part of our regular materiality assessments.
Emerging regulation	Relevant, always included	Emerging regulations are always included in our climate risk assessment because we have facilities in multiple jurisdictions that are subject to different climate-related regulations and we closely monitor their relevance to our operations. For example, our factory in Poland is subject to the Poland Carbon Tax, and we are required to track and report emissions from stationary and mobile combustion annually to stay in compliance. We may be required to comply with additional carbon taxes or other regulations as the regulatory landscape evolves. Our business is not energy intensive and nearly all of our facilities fall below threshold requirements for current regulations limiting emissions, cap and trade programs, and providing for mandatory reporting of greenhouse gas emissions. Our Policy and Advocacy team monitors current and emerging regulations that may impact business and operations. The expected magnitude of the risks driven by regulations are low to moderate and the likelihood is about as likely as not. We assess risks from emerging regulations as part of our regular materiality assessments.
Technology	Relevant, always included	Technology related risks are always included in our climate risk assessment because we are vulnerable to risks and uncertainties associated with changes in applicable federal and state regulations, including climate change regulations that may drive technological advances. We must keep up to date with competitive technology trends, including the use of new or improved technology to reduce our energy use through energy efficiency projects or the purchase of renewable energy. Examples of recent energy efficiency projects include lighting upgrades in retail stores and offices, installation of motion sensors, replacement of roof tiles with white surfaces to reduce cooling needs, installation of variable frequency controls, HVAC upgrades, installation of Energy Management Systems, boiler and lighting upgrades (Plock facility), and installation of an automated energy efficient conveyor belt system (Sky Harbor distribution center). In 2020, LS&Co. installed a new solar panel array at our distribution center in Henderson, Nevada that provides about 20% of the facility's electricity needs. The panels were built carport-style to provide shade for employees. The building is also certified Platinum Leadership in Energy and Design (LEED) and was the largest distribution center to receive that accreditation at the time of its initial certification. Our failure to successfully respond to technology risks and uncertainties might damage our reputation and brands and prevent us from reducing operating costs through energy efficiency measures. We assess risks from technology by assessing the impacts of different technology options through product LCAs and regular materiality assessments.
Legal	Relevant, always included	Legal risks are always included in our climate risk assessment because we assess risks from potential claims and assessments part of our regular materiality assessments. An example of a legal risk that we include into our climate risk assessment is a risk associated with our potential exposure to climate-related public nuisance case or shareholder litigation as a result of climate-induced water stress. However, we have not received any climate-related litigation claims to date and are not aware of any potential climate-related compliance issues nor any exposure to date
Market	Relevant, always included	Market related risks are always included in our climate risk assessment because our business performance is largely based on the market price for raw materials that are used in principal fabrics of our products, such as cotton, blends, synthetics, and wools. The prices we pay our suppliers to manufacture products are dependent in part on the market price for raw materials used to produce them, primarily cotton. The price and availability of cotton may fluctuate substantially, depending on a variety of factors, including demand, acreage devoted to cotton crops and crop yields, weather, supply conditions, transportation costs, energy prices, work stoppages, government regulation and government policy, economic climates, market speculation and other unpredictable factors. Any and all of these factors may be exacerbated by global climate change. Cotton prices suffered from unprecedented variability and uncertainty in prior years and may fluctuate significantly again in the future. Increases in raw material costs, unless sufficiently offset by our pricing actions, may cause a decrease in our profitability and negatively impact our sales volume. These factors may also have an adverse impact on our cash and working capital needs as well as those of our suppliers. We assess market risks through climate-related scenario analysis, specifically our Fashion Futures 2025 assessment, and as part of our regular materiality assessments.
Reputation	Relevant, always included	Reputation risks are always included in our climate risk assessment, because as a consumer facing company, LS&Co. is at risk for negative publicity or NGO and activist campaigns regarding our company's response to climate change or GHG emissions performance. To manage reputation risks, LS&Co.'s policy and advocacy team engages policymakers and promotes initiatives that align with our business strategy, corporate values and commitment to sustainability, including climate-related issues. We take an active role discussing international trade, labor, environmental sustainability, nondiscrimination and other regulatory matters with governments around the world. We cultivate relationships with multilateral institutions such as the International Labor Organization, United Nations, World Trade Organization and World Bank, as well as with NGOs, trade associations and other stakeholders. We work with global organizations, governments, and competitors to develop the next generation of apparel industry standards for using energy, water, chemicals and materials — all with an eye to restoring the health of our planet. For example, we are partnering with NGOs to address climate change, including participation in: (1) Business for Innovative Climate and Energy Policy (BICEP) - a coalition that works for passage in the U.S. Congress of meaningful energy and climate change legislation, (2) Better Cotton Initiative (BCI) - an organization that focuses on decreasing environmental impacts of cotton, improving labor standards and increasing economic livelihood for farmers, (3) Sustainable Apparel Coalition (SAC) - apparel, footwear, and textile industry alliance for sustainable production and developer of the Higg Index, standardized supply chain measurement tools. We also conducted PaCT assessments in four supplier facilities (three fabric mills and one factory) in Pakistan, bringing our total number of assessments globally to 28. We assess climate-related risks to our reputation as part of our regular materiality assessments.
Acute physical	Relevant, always included	Acute physical risks are always included in our climate risk assessment because LS&Co. sources products in 32 countries and some of our factories, mills, and laundries are located in countries facing high water-related risks, including Bangladesh, Pakistan, Mexico and China. Many of these 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). For example, the Intergovernmental Panel on Climate Change listed Bangladesh, the Mekong Delta in Vietnam, and the Nile Delta in Egypt as the world's three hot spots for potential migration because of their combination of sea-level rise and existing population. All three are important sourcing regions for LS&Co. We could be exposed to potential supply chain disruption if a factory, mill or laundry were required to close due to water scarcity or flooding. Some supply routes are directed through freight gateways in geographic areas that may experience increased vulnerability under the effects of climate change. In FY 2020, LS&Co. sourced apparel from independent contractors located in 24 countries around the world, with no single country accounting for more than 20% of our sourcing by unit volume. We assess risks from acute physical events as part of our regular materiality assessments.
Chronic physical	Relevant, always included	We always include chronic physical risks in our climate risk assessment because apparel production depends heavily on water availability—from growing cotton to manufacturing to consumer care at home — and the business continuity of our operations and supply chain will be heavily influenced by water scarcity, prolonged drought, variability in precipitation and other chronic stresses caused by rising temperatures. Based on a recent life cycle analysis (LCA), we found that nearly 70% of water withdrawals occurs in the fiber phase (e.g., cotton growing) while 6% occurs in the fabric production phase (manufacturing). All of these risks can threaten the availability of freshwater critical to our mills, laundries and factories as well as the farms that provide the material basis for our products, specifically cotton. Cotton is grown in some of the most arid regions in the world, and climate change can significantly impact cotton availability, quality and pricing. If global cotton production were to fall or water were to become more expensive as a result of climate change, the price of cotton could go up, which, in turn, could drive up our production costs. Similarly, some of our apparel factories are located in countries facing high water-related risks, including Bangladesh, Pakistan, Mexico and China. We could be exposed to potential supply chain disruption if a factory, mill or laundry were required to close due to water scarcity. Additionally, LS&Co.'s license to operate in developing countries where cotton is grown may be challenged, if we are perceived to be competing in poor communities for scarce resources (e.g., water, land) and/or doing business with suppliers who are perceived as contributing to the pollution of air and local waterways. We assess risks from chronic physical changes due to climate-change as part of our regular materiality assessments.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the fabric potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Market	Increased cost of raw materials
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Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Apparel production depends heavily on water availability—from growing cotton to manufacturing to consumer care at home. Based on a recent life cycle analysis (LCA), we found that nearly 70 percent of water withdrawals occur in the fiber phase (e.g., cotton growing) while 6 percent occur in the fabric production phase (manufacturing). As a result, our supply chain is potentially exposed to significant physical risks from climate change, including unpredictable rain patterns, decreases in precipitation, rising temperatures, and extended drought, etc. All of these risks can threaten the availability of freshwater critical to our mills, laundries and factories as well as the farms that provide the material basis for our products, specifically cotton. Cotton is grown in some of the most arid regions in the world, and climate change can significantly impact cotton availability, quality and pricing. If global cotton production were to fall or water were to become more expensive as a result of climate change, the price of cotton could go up, which, in turn, could drive up our production costs.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

135000000

Potential financial impact figure – maximum (currency)

405000000

Explanation of financial impact figure

Potential financial impacts from chronic changes in precipitation patterns and extreme variability in weather patterns are related to increased cost of raw materials, for example: increased cost of cotton due to decreased cotton supply or increased cost of water needed for cotton growing. A 2015 study from the USDA on 'Climate Change, Water Scarcity and Adaptation in the U.S. Fieldcrop Sector' found that by 2040 production-weighted price for cotton would likely increase by 10% - 30%, based on a range of modelled scenarios. Raw materials, such as cotton, generally represent about half of the cost of goods sold (COGS) in the apparel industry, with variations driven by the materials, product specifications, production regions and quantity purchased. To estimate the potential financial impact as a result of cotton price increases as the result of climate impacts, for LS&Co., a 10 percent to 30 percent cotton price increase was applied to half (50 percent) of LS&Co.'s COGS as reported in our 2019 10-K report [10%*50%*\$2.7 B = 135 M; 30%*50%*\$2.7 B = 405 M]. The resulting amount provides an estimate of the potential financial impact to one year of raw material purchasing assuming that weather variability could impact an entire cotton crop during the annual growing season. This estimated potential financial impact range is based on available climate science, current market trends, and the professional judgment of subject matter experts and is subsequently subject to change. Note that FY2019 revenue was used, as we believe it's more indicative of company value (pre-pandemic).

Cost of response to risk

0

Description of response and explanation of cost calculation

LS&Co. purchases cotton on a global scale and ensures redundancy within our supply chain to reduce all risks associated with potential supply chain disruptions, including those caused by weather variability and other climate related issues. Consistent with our overall risk mitigation strategy, the costs associated with a resilient supply chain are included in LS&Co.'s financial plans. Therefore, there are no additional costs associated with responding to this specific risk (\$0). Given that approximately 90 percent of LS&Co. products are cotton-based, the sustainability of our cotton supply and possible new solutions to address this raw material's impact- from irrigation and runoff to pesticides and farmer education- were considered. By conducting a life cycle analysis (LCA), we estimated that nearly 70 percent of the water used during the lifecycle of a pair of jeans is used solely for cotton agriculture. To further manage this risk in our supply chain, in 2020, LS&Co. partnered with US Cotton Trust Protocol (USCTP) and we are actively working to diversify our cotton sourcing. At the end of 2020, 83 percent of our cotton was sourced from Better Cotton Initiative (BCI) farmers, organic cotton farms, or recycled cotton suppliers, and we intend to reach 100 percent sustainably sourced cotton by 2025.

Comment

No additional comments.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
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Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

In FY20, LS&Co. sourced apparel products in 24 countries and some of our factories, mills, and laundries are located in countries facing high water-related risks, including Bangladesh, Pakistan, Mexico and China. Many of these 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). The Intergovernmental Panel on Climate Change listed Bangladesh, the Mekong Delta in Vietnam, and the Nile Delta in Egypt as the world's three hot spots for potential migration because of their combination of sea-level rise and existing population. All three are important sourcing regions for LS&Co. We could be exposed to potential supply chain disruption if a factory, mill or laundry were required to close due to water scarcity or flooding, leading to the need to identify alternative ports and warehouse providers or increasing transportation costs. Some supply routes are directed through freight gateways in geographic areas that may experience increased vulnerability under the effects of climate change.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

11000000

Potential financial impact figure – maximum (currency)

23000000

Explanation of financial impact figure

Potential financial impacts from increased frequency and severity of extreme weather events such as acute droughts, cyclones and floods, could result from delays in the manufacturing or importation of products, as well as incremental costs associated with locating alternative ports or warehousing providers to avoid disruption to our customers. These alternatives may not be available on short notice or could result in higher product costs, which could have an adverse impact on our business and financial condition. Assuming that over a period of one month, LS&Co. lost access to its most efficient markets and endured a 5-10% increase in COGS, the resulting cost range would be $(1/12 * 5% * 2.7B) - (1/12 * 10% * 2.7B) = \$11 \text{ M to } \$23 \text{ M}$. This provides an estimate of the potential financial impact due to reduced or delayed factory production or costs associated with rerouting of supply or distribution. Note that FY2019 revenue was used as more indicative of company value (pre-pandemic). This estimated potential financial impact range is based on available climate science, current market trends, and the professional judgment of subject matter experts and is subsequently subject to change.

Cost of response to risk

900000

Description of response and explanation of cost calculation

LS&Co. has included suppliers in its science based target (SBT) with a goal to reduce absolute Scope 3 emissions from purchased goods and services 40 percent by 2025 from a 2016 base-year. To meet our corporate sustainability objectives to reduce Greenhouse Gas (GHG) emissions and water use in our supply chain, Levi Strauss & Co. signed a \$2.3 million cooperation agreement with the International Finance Corporation (IFC), a member of the World Bank Group, last June, of which, LS&Co. is responsible for \$0.9 M. Under this agreement, which follows IFC's Partnership for Cleaner Textiles (PaCT) approach, IFC is working with 42 designated LS&Co. suppliers and mills to reduce GHG emissions by helping suppliers identify and implement appropriate renewable energy and water saving interventions across 10 countries – Pakistan, Bangladesh, Sri Lanka, India, Mexico, Lesotho, Colombia, Turkey, Egypt, and Vietnam. In 2018, we successfully worked with 13 of our manufacturers across Bangladesh, India, Mexico, Pakistan, South Africa, Sri Lanka and Vietnam. As of early 2021, participating suppliers were able reduce GHG emissions and energy by an average of 5.3% and 6.9%, respectively, and save \$2.4 million in operating costs. These initiatives serve as a key component in LS&Co.'s strategy to reduce risks associated with reduced production capacity resulting from increased storm and flood severity by reducing resource demands for engaged suppliers.

Comment

No additional comments.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Emerging regulations are included in LS&Co.'s climate risk assessment because we have facilities in multiple jurisdictions that are subject to different climate-related regulations and we closely monitor their relevance to our operations. For example, our factory in Poland is subject to the Poland Carbon Tax, and we are required to track and report emissions from stationary and mobile combustion annually to stay in compliance. We may be required to comply with additional carbon taxes or other regulations as the regulatory landscape evolves. However, our business is not energy intensive and nearly all of our office and retail facilities fall below threshold requirements for current regulations limiting emissions, cap and trade programs, and providing for mandatory reporting of greenhouse gas emissions. The expected magnitude and likelihood of the risks driven by emerging regulations are low to moderate and the likelihood is about as likely as not.

Time horizon

Short-term

Likelihood

About as likely as not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

800000

Potential financial impact figure – maximum (currency)

2400000

Explanation of financial impact figure

Potential financial impacts from emerging regulations include introduction of carbon pricing mechanisms. In the US, congress has introduced bill H.R. 2307, which would impose a carbon tax of \$15 per metric ton of CO2e in 2021, increasing annually by \$10 each year, subject to further adjustments. To estimate potential financial impact, the estimated carbon price was conservatively applied to LS&Co.'s global location-based emissions. LS&Co.'s 2019 emissions were used in place of 2020 emissions, because 2020 emissions were not representative of LS&Co. operations due to the impact of the global COVID-19 pandemic. The low-end estimate uses the carbon price in 2021 [$\$15 / \text{mt CO}_2\text{e} * 54,300 \text{ mt CO}_2\text{e} = \0.8 M] and the high-end estimate uses the carbon price in 3 years [$(\$15+\$10*3) / \text{mt CO}_2\text{e} * 54,300 \text{ mt CO}_2\text{e} = \2.4 M]. This estimated potential financial impact range is based on available carbon pricing estimates from the US, scaled to estimate global impacts, historic LS&Co. emissions data, and the assumption that all of LS&Co.'s emissions would be taxable and is subsequently subject to change as available information improves.

Cost of response to risk

2700000

Description of response and explanation of cost calculation

LS&Co. has been tracking global carbon emissions from direct fuel combustion (Scope 1) and indirect emissions from electricity and steam purchases (Scope 2) since 2007 and was the first apparel company to report global greenhouse gas emissions to The Climate Registry. Through tracking global carbon emissions and water, we're able to identify hotspots and prioritize locations for energy and water efficiency, renewable energy investments, and other energy- and water-related initiatives. LS&Co. has also conducted a scenario analysis as part of setting a Science Based Target initiative (SBTi) approved target to manage our greenhouse gas emissions and mitigate climate-related risks. The cost to realize this opportunity is based on capital cost estimates from LS&Co.'s 2017 study of renewable energy and energy efficiency projects with a payback period of less than 2.5 years (\$2.7 million). Estimated costs related to implementing our climate change strategy, purchasing renewable energy, implementing energy efficiency measures, hiring external consultants and contractors, etc. These initiatives address multiple risks and opportunities, but since we are unable to allocate across all risks and opportunities, we have reported the full estimated cost. As of 2020, LS&Co. has achieved over 75 percent of our total electricity as renewable. An update and expansion on the 2017 study is currently being conducted and we anticipate providing updated estimates for the cost of management in our 2022 CDP Response. We have targeted energy efficiency projects in our offices, retail stores, and distribution centers including lighting upgrades, integration of daylight, HVAC upgrades, deployment of energy management system upgrades to better control HVAC systems, installation of motion sensors, replacement of roof tiles with white surfaces to reduce cooling needs, and installation of variable frequency controls.

Comment

No additional comments.

C2.4**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

C2.4a**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.****Identifier**

Opp1

Where in the value chain does the opportunity occur?

Upstream

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced direct costs

Company-specific description

While we have demonstrated leadership through our efforts in our own operations, we are also aware that the apparel industry's biggest climate impact is in the supply chain. Over the last several years we have piloted innovative programs aimed at reducing our environmental impact in the supply chain and are excited by the results and the opportunity to scale those programs. In 2017, we piloted the International Finance Corporation's Partnership for Cleaner Textile (PaCT) program. In 2018, we successfully worked with 13 of our manufacturers across Bangladesh, India, Mexico, Pakistan, South Africa, Sri Lanka and Vietnam. As of early 2021, participating suppliers were able reduce GHG emissions and energy by an average of 5.3% and 6.9%, respectively, and save \$2.4 million in operating costs. LS&Co., and the apparel industry at large, source products in many developing countries where water is scarce, such as Pakistan. Apparel manufacturing, and denim manufacturing, in particular, is water intensive. With climate change promising to alter precipitation, induce more severe droughts and intensify water scarcity, there exists a clear window of opportunity to help our manufacturers reduce their dependence on threatened local water supplies by implementing systems that recycle and reuse water. This self-sufficiency at the manufacturing level diminishes water availability risks, allows for stable production and long-term cost savings

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

1000000

Potential financial impact figure – maximum (currency)

7000000

Explanation of financial impact figure

Through IFC's Partnership for Cleaner Textiles (PaCT) approach, IFC is working with 42 designated LS&Co. suppliers and mills to reduce GHG emissions by helping suppliers identify and implement appropriate renewable energy and water saving interventions across 10 countries – Pakistan, Bangladesh, Sri Lanka, India, Mexico, Lesotho, Colombia, Turkey, Egypt, and Vietnam. The project follows the success of a 2017 pilot between the two organizations. As of early 2021, participating suppliers have been able to reduce GHG emissions and energy by an average of 5.3% and 6.9%, respectively, and save \$2.4 million in operating costs. The low-end of the reported range, assumes no additional cost savings beyond the approximate savings achieved through the pilot project. The high end reported potential financial impact figure assumes that decreased operating costs from the pilot program will be representative of the cost savings achieved by the additional suppliers designated for the program. Given that this program was piloted with one-seventh of the total designated suppliers, the total estimated cost reduction would be 7x that achieved by the pilot, resulting in approximately \$7 million in savings. This estimated potential financial impact range is based on available climate science, current market trends, and the professional judgment of subject matter experts and is subsequently subject to change.

Cost to realize opportunity

900000

Strategy to realize opportunity and explanation of cost calculation

LS&Co. has included suppliers in its science based target (SBT) with a goal to reduce absolute Scope 3 emissions from purchased goods and services 40 percent by 2025 from a 2016 base-year. To meet our corporate sustainability objectives to reduce Greenhouse Gas (GHG) emissions and water use in our supply chain, Levi Strauss & Co. signed a \$2.3 million cooperation agreement with the International Finance Corporation (IFC), a member of the World Bank Group, last June, of which, LS&Co. is responsible for \$0.9 M. Under this agreement, which follows IFC's Partnership for Cleaner Textiles (PaCT) approach, IFC is working with 42 designated LS&Co. suppliers and mills to reduce GHG emissions by helping suppliers identify and implement appropriate renewable energy and water saving interventions across 10 countries – Pakistan, Bangladesh, Sri Lanka, India, Mexico, Lesotho, Colombia, Turkey, Egypt, and Vietnam. In 2018, we successfully worked with 13 of our manufacturers across Bangladesh, India, Mexico, Pakistan, South Africa, Sri Lanka and Vietnam. As of early 2021, participating suppliers were able to reduce GHG emissions and energy by an average of 5.3% and 6.9%, respectively, and save \$2.4 million in operating costs. These initiatives serve as a key component in LS&Co.'s strategy to reduce risks associated with reduced production capacity resulting from increased storm and flood severity by reducing resource demands for engaged suppliers.

Comment

No additional comments.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Other, please specify (Participation in renewable energy programs, adoption of energy- and water-efficiency measures)

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

LS&Co. recognizes that greenhouse gas (GHG) emissions are a major contributor to global climate change. If left unchecked, these emissions will trigger large-scale economic, social and environmental consequences for our business and the communities in which we operate. Within our operations globally, we are committed to reducing our energy use and related GHG emissions. Of LS&Co.'s total company carbon footprint, 75% comes from electricity bought for owned or leased properties (the balance is made up of natural gas, heating oil, and steam). Based on a 2017 assessment, we have determined we can achieve 100 percent renewable electricity in our owned and leased operations by 2025 through deployment of a combination of renewable electricity options to optimize cost, performance, and impact across regions. Our path toward 100 percent renewable electricity includes: (1) implement energy efficiency measures globally, (2) transition to renewable energy sources, including implementing onsite solar and investing in power purchase agreements (PPAs), and (3) purchase renewable energy certificates (RECs) globally. We see this as an opportunity to reduce our operating costs through energy and water efficiency measures as well as an opportunity to enhance our reputation and improve the resiliency of our operations.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

3000000

Potential financial impact figure – maximum (currency)

14000000

Explanation of financial impact figure

Potential financial impacts from implementing energy efficiency measures are related to annual savings in electricity usage across identified energy efficiency initiatives with a payback period of less than 2.5 years as identified in LS&Co.'s 2017 study of renewable energy and energy efficiency opportunities. The study looked at LS&Co.'s owned and operated plants, retail locations, distribution centers, and offices and included initiatives such as LED lighting rollouts and HVAC upgrades. The low end of the range represents two year's worth of annual savings (\$3 million) and the high-end of the range assumes these savings are continually realized for a 10-year period (\$14 million). This estimated potential financial impact range is based on available climate science, current market trends, and the professional judgment of subject matter experts and is subsequently subject to change.

Cost to realize opportunity

2700000

Strategy to realize opportunity and explanation of cost calculation

LS&Co. has been tracking global carbon emissions from direct fuel combustion (Scope 1) and indirect emissions from electricity and steam purchases (Scope 2) since 2007 and was the first apparel company to report global greenhouse gas emissions to The Climate Registry. Through tracking global carbon emissions and water, we're able to identify hotspots and prioritize locations for energy and water efficiency, renewable energy investments, and other energy- and water-related initiatives. LS&Co. has also conducted a scenario analysis as part of setting a Science Based Target initiative (SBTi) approved target to manage our greenhouse gas emissions and mitigate climate-related risks. The cost to realize this opportunity is based on capital cost estimates from LS&Co.'s 2017 study of renewable energy and energy efficiency projects with a payback period of less than 2.5 years (\$2.7 million). Estimated costs related to implement energy efficiency measures and purchase renewable energy in support of our targets includes estimated costs associated with implementing our climate change strategy, purchasing renewable energy, implementing energy efficiency measures, hiring external consultants and contractors, etc. These initiatives address multiple risks and opportunities, but since we are unable to allocate across all risks and opportunities, we have reported the full estimated cost. As of 2020, LS&Co. has achieved over 75 percent of our total electricity as renewable. An update and expansion on the 2017 study is currently being conducted and we anticipate providing updated estimates for the cost of management in our 2022 CDP Response. We have targeted energy efficiency projects in our offices, retail stores, and distribution centers including lighting upgrades, integration of daylight, HVAC upgrades, deployment of energy management system upgrades to better control HVAC systems, installation of motion sensors, replacement of roof tiles with white surfaces to reduce cooling needs, and installation of variable frequency controls.

Comment

No additional comments.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Markets

Primary climate-related opportunity driver

Access to new markets

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

Across the apparel industry and beyond, each day we are presented with an opportunity to reimagine what it means to be a good corporate citizen, driven by a new moral imperative to play a bigger role in society. LS&Co. strives to leverage our iconic brands to drive positive, sustainable change and profitable business results. By making products that last, we've taken a serious approach to sustainability — one that began more than 140 years ago when that first rivet-reinforced blue jean was crafted. And more recently we've built on that legacy with a scientific approach to making our product life cycle even more sustainable, leading to innovations like the Water

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

4500000

Potential financial impact figure – maximum (currency)

46000000

Explanation of financial impact figure

LS&Co. anticipates the benefits of this opportunity being increased brand equity and revenues among certain consumer segments. Potential financial impacts from this market opportunity are based on the estimated revenue driven solely by our products being recognized as sustainable. The low end potential financial impact is based on the percent of total products that were WaterLess in 2020 (77 percent) and the high end potential financial impact is based on LS&Co.'s goal for 80 percent of Levi's brand denim products to be WaterLess™ by 2021. While we know that sustainability impacts purchasing patterns, it is difficult to account for the causation sustainability has on final purchasing decision due to the high degree of confounding variables, it was conservatively assumed that 0.1 percent to 1 percent of these sales were driven solely by consumer preference for the WaterLess™ line having sustainable attributes. These percentages were applied to total revenue as reported in our 2019 10-K report (\$5.8 B) [low end: 77%*0.1%*5.8 B = 4.5 M; high end: 80%*1%*5.8 B = 46 M]. This estimated potential financial impact range is based on available climate science, current market trends, and the professional judgment of subject matter experts and is subsequently subject to change. Note that FY2019 revenue was used as more indicative of company value (pre-pandemic).

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

LS&Co. recently launched the "Buy Better, Wear Longer" campaign to raise awareness and speak to our shared responsibility on the environmental impacts of apparel production and consumption. "Buy Better, Wear Longer" also encapsulates LS&Co.'s ongoing efforts to drive more sustainable production practices, reduce our own natural resource footprint and help deliver a more planet-friendly apparel industry. This includes driving ambitious climate and water actions and investing in materials and technologies such as Cottonized Hemp and Organic Cotton and scaling Water

Comment

No additional comments.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	Please select	<Not Applicable>	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
2DS	To understand our current and projected greenhouse gas (GHG) emissions and to align our own emission reduction goals with the 2°C pathway outlined in the IPCC Fifth Assessment Report (IPCC 5AR), we applied a 2DS climate scenario analysis using the Sectoral Decarbonization Approach (SDA), one of the International Energy Agency's CO2 sector scenarios. LS&Co chose 2DS as the more ambitious scenario which gives the highest likelihood of staying within the global target temperature of less than 2°C by 2100, and hence, enables LS&Co to understand an upper end of potential operational costs we may incur. Inputs: We input our Scope 1, Scope 2, and Scope 3 emissions into the SDA Tool, including the service buildings model and the other industry model. LS&Co. evaluated an average growth scenario (expected) as well as no growth and doubling of revenue scenarios. The proposed target exceeds the level of ambition required by all model runs. Assumptions: The analysis was conducted using both the SDA Tool (V8.0) and the IPCC AR5 models. We followed all inherent assumptions for the low and high emissions projections. We also modeled 3 growth scenarios: no growth, average growth, and doubled growth up to the target year (2016 – 2025). Analytical Methods: LS&Co. looked at several models, each using 2016 as the baseline, that forecast global average emissions, emissions pathways factoring in current policies and Paris Agreement, and the emissions pathways to be followed to avoid a 1.5 degree or 2-degree Celsius global average temperature increase by 2020. We used this information to inform our business strategy such that, even in the worst-case scenario modeled, if all companies were able to reduce their emissions consistent with our 2025 commitments, the world would be on track to avoid a 1.5-degree C increase in global average temperatures by 2100. Scope: The scenario analysis included our whole value chain. We input 100% of GHG emissions associated with our direct operations (Scope 1 and Scope 2 emissions) as well as the supply chain (Scope 3 emissions). Time horizon: The assessment looked at scenarios 4 – 34 years into the future from the latest year of available data (2016). Our measures are using 2016 as the baseline. This timeframe was chosen, as it provides both short-, medium-, and long-term lens (covering the period of 2020-2050) and allows the scenario to reflect the significance of potential climate change impacts. Although GHG emissions from 2020 to 2050 were considered, 2025 was selected as the focus of the assessments and the basis for LS&Co.'s strategy development. Summary of Results: Our analysis showed that even in the most severe emissions projection scenarios, LS&Co. can be on track to avoid a 1.5-degree C increase in global average temperatures by 2100. Using 2016 as a baseline, LS&Co. will need to reduce Scope 1 and Scope 2 (market-based) emissions by 90% by 2025 and reduce the equivalent of 40% of LS&Co.'s Category 1 (purchased goods and services) Scope 3 emissions by 2025. Business Strategy and Case Study: The results of the scenario analysis informed our overall business strategy by enabling us to develop our Climate Action Strategy which was last updated in 2018. The Climate Action Strategy guides our brands to meet changing consumer demand driven by climate-related issues. As part of this Strategy, we have set SBTi-approved GHG emissions reduction targets, which cover not only owned-and-operated facilities, but also our global supply chain. Specifically, LS&Co. commits to reduce Scope 1 and Scope 2 (market-based) emissions by 90% by 2025 from a 2016 base year, which far exceeds the ambition required by both the SDA (under a variety of scenarios), and the IPCC (under both the low and high reduction pathway). We also committed to suppliers reducing the equivalent of 40% of LS&Co.'s Category 1 Scope 3 emissions by 2025 from a 2016 base-year.
Other, please specify (Fashion Futures 2025)	LS&Co. worked with Forum for the Future to develop four Fashion Futures 2025 scenarios. Inputs and assumptions: Inputs include demographic change, growing impacts of climate change, rising costs of key resources, societal response to resource scarcity and climate change, legislation, consumer finances, development of emerging economies, technological advancement, and consumer acceptance of sustainable consumption. It was assumed that there will be significant climate impacts by 2025 and the upper end of the 2007 IPCC estimates for the climate A1F1 was used to project impacts. For each scenario, additional assumptions included: material and resource availability, product design, global balance of wealth and power, policy direction, response to climate change, consumer behavior, and business landscape. Analytical Methods: Extensive desk research and interviews with 40 fashion industry experts including academics, business leaders, campaigners, legislators and commentators were conducted. Time horizon: The report looks to 2025, as it provides a relatively long-term lens (15 years from the report release) and it allows the scenarios to reflect the significance of potential climate change impacts. Summary of Results: The scenarios considered how climate-change impacts could be managed and mitigated. For example, the supply of raw materials such as cotton is likely to become increasingly constrained as water becomes scarcer and pesticides more expensive and regulated. The scenarios managed this risk by transitioning sustainable cotton production methods, transitioning to other fibers, encouraging reuse and recycling, and altering prices to slow demand. Business Strategy: In response to findings from the Fashion Futures 2025 study, LS&Co. has increased purchasing of Better Cotton and developed our WaterLess brand that reduces water consumption per garment by as much as 96%.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	LS&Co.'s product strategy has been influenced by climate-related risks and opportunities. Our life cycle assessments (LCAs), which are a climate-related scenario analysis we utilize, demonstrate that we have significant resource requirements and climate-related risks that impact of all phases of our product life cycles. The LCA's enable us to understand what phases, from fiber production to garment finishing and consumer use, pose the greatest environmental risks as well as opportunities to reduce harm and create positive environmental impacts. The LCAs also identify opportunities to promote climate resilience in our supply chain. Using the information from the LCAs, we increased our focus on the relative water intensity of cotton production (strategic decision informed by this climate-related scenario analysis). The most substantial strategic product-related decision to date that has been influenced by climate-related risks is to develop and invest in the WaterLess product line. Our LCAs highlighted the relative water intensity of cotton production. This highlights a climate-related risk to our brands and company, should water become increasingly scarce. As a result of this information, we developed the WaterLess process, which significantly reduces water usage in production – up to 96% for some styles. We continue to strive to have over 80% of products made using WaterLess Techniques. We have also open sourced the technology so others can use it to save water in their products as well. Additionally, another product strategy influenced by climate-related scenario analysis is our continued promotion and support for The Better Cotton Initiative (BCI) which empowers cotton farmers to increase their yields through less water and less chemical use. In 2020, we sourced 83 percent of our total cotton through BCI. Timeframe: Short- and medium term (current through 5-7 years into the future). We anticipate the magnitude of impact on products and services from climate-related risks and opportunities to be medium to high.
Supply chain and/or value chain	Yes	LS&Co.'s supply chain strategy has been influenced by climate-related risks and opportunities, because we import both raw materials and finished garments into all of our operating regions and the success of our business depends on our supplier network. Our ability to import products in a timely and cost-effective manner may be affected by extreme weather conditions that can affect transportation and warehousing providers, such as port and shipping capacity, labor disputes and work stoppages, political unrest, severe weather, or security requirements in the United States and other countries. Our existing procurement processes take many variables into consideration and continually adjusts to mitigate risks, which will include climate-related risks. Timeframe: Short- and medium term (current through 5-7 years into the future). The most substantial strategic supply chain-related decision that has been influenced by climate-related risks and opportunities is our commitment to suppliers reducing the equivalent of 40% of LS&Co.'s Category 1 Scope 3 emissions by 2025 from a 2016 base-year, which is our Science-Based target. To this end, in 2017, we piloted the International Finance Corporation's Partnership for Cleaner Textile (PaCT) program through which we provide suppliers with technical expertise and access to low-cost financing to support renewable energy and water-saving interventions. In 2019, LS&Co signed a 4-years Memorandum Of Understanding with IFC to implement the PaCT program globally. The main scope of the program in 2019 was to implement the PaCT assessment and solar pre-feasibility study in South Asia laundries and mills. As of early 2021, we have helped key participating vendors reduce GHG emissions and energy by an average of 5.3% and 6.9%, respectively, and save \$2.4 million in operating costs. Within the next 5 years, we will engage the remainder of our wet processing suppliers. We will leverage the IFC Global Trade Supplier Finance program which enables suppliers to access competitively-priced financing based on criteria such as strong performance on our Terms of Engagement (LS&Co.'s supplier code of conduct).
Investment in R&D	Yes	LS&Co.'s strategy for investment in R&D has been influenced by climate-related risks and opportunities because our collaborative approach to research and sustainable apparel design has produced a number of environmental breakthroughs for our brands, including reducing water used in the finishing process, increasing the use of cotton farmed to higher environmental, social and economic standards, and increasing the amount of recycled materials in our products. Timeframe: Short- and medium term (current through 5-7 years into the future). The most substantial strategic operations-related decision that has been influenced by climate-related risks and opportunities is to develop and invest into low-water product lines, such as Water
Operations	Yes	LS&Co.'s operations strategy has been influenced by climate-related risks and opportunities, because we see an opportunity in reducing our operating costs through energy and water efficiency measures as well as in enhancing our reputation and improving the resilience of our operations. Timeframe: Short- and medium term (current through 5-7 years into the future). The most substantial strategic operations-related decision that has been influenced by climate-related risks and opportunities is to continue to invest in improvements and initiatives that reduce emissions across operations and value chain, as measured by Science-Based targets to reduce emissions across our operations and value chain. For example, our owned-and-operated factory in Plock, Poland, is key to achieving our new, science-based GHG target, and at our Plock facility, we upgraded 50% of our lighting to LED lights. We estimate energy savings to be 600 MWh/year for the full system, and in 2018 the factory received an award from the Polish National Energy Conservation Agency for energy efficiency efforts. In 2020, LS&Co. installed a new solar panel array at our distribution center in Henderson, Nevada that provides about 20% of the facility's electricity needs. The panels were built carport-style to provide shade for employees. The building is also certified Platinum Leadership in Energy and Design (LEED) and was the largest distribution center to receive that accreditation at the time of its initial certification. . This upgrade will help the site to maintain its LEED Platinum status, making it the first facility in the apparel industry and second in the country to be recognized with such certification.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital expenditures Acquisitions and divestments	Revenues: As we work to meet the needs and shifting preferences of our customers around the world, we have an opportunity to develop new products which will give us a better competitive position and continue to solidify our position as an apparel industry leader, while driving revenues. As part of LS&Co.'s ongoing effort to reduce the impact of our source materials, we have long been investigating and innovating new fiber and fabric strategies that we believe can deliver more sustainable products. In 2020, 77% of LS&Co.'s products were made using Water

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

No additional information.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2017

Target coverage

Business division

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2016

Covered emissions in base year (metric tons CO2e)

49947

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2025

Targeted reduction from base year (%)

90

Covered emissions in target year (metric tons CO2e) [auto-calculated]

4994.7

Covered emissions in reporting year (metric tons CO2e)

21340

% of target achieved [auto-calculated]

63.6385679931839

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

SBTi approved our 2025 Science-Based Targets in July 2018. Our target includes a 90% reduction in Scope 1 and 2 emissions. We have recalculated our 2016 base year emissions to better align with our current calculation methodology.

Target reference number

Abs 2

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 3: Purchased goods & services

Base year

2016

Covered emissions in base year (metric tons CO2e)

2725861

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2025

Targeted reduction from base year (%)

40

Covered emissions in target year (metric tons CO2e) [auto-calculated]

1635516.6

Covered emissions in reporting year (metric tons CO2e)

2344071

% of target achieved [auto-calculated]

35.0155418783276

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

SBTi approved our 2025 Science-Based Targets in July 2018. LS and Co. will work with its suppliers to reduce emissions totaling 40 percent of LS&Co.'s 2016 base year Category 1 emissions under Scope 3 by 2025. We have updated our methodology for Category 1 emissions to incorporate more of our emission reduction initiatives in our supply chain and better track our progress. We have also recalculated 2016 base year emissions. While LS&Co. has made significant improvements to our emission calculation methodology, this is a continuous improvement process and we will continue refining the methodology as more information becomes available. The reductions shown are due largely to change in sourcing mix and source base, as well as impacts from COVID.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2016

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

<Not Applicable>

Base year

2016

Figure or percentage in base year

24

Target year

2025

Figure or percentage in target year

100

Figure or percentage in reporting year

76

% of target achieved [auto-calculated]

68.421052631579

Target status in reporting year

Underway

Is this target part of an emissions target?

Yes, Abs1

Is this target part of an overarching initiative?

Science-based targets initiative

Please explain (including target coverage)

SBTi approved our 2025 Science-Based Targets in July 2018. Our target includes 100% renewable energy in our owned and operated facilities by 2025.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	3	38847
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy consumption	Low-carbon electricity mix
-------------------------------	----------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

33709

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

229023

Payback period

No payback

Estimated lifetime of the initiative

<1 year

Comment

RECs purchases: 82,220 MWh across 12 countries (mix of wind, solar, and hydro)

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

1113

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

46000

Investment required (unit currency – as specified in C0.4)

390000

Payback period

4-10 years

Estimated lifetime of the initiative

16-20 years

Comment

Energy savings from upgraded HVAC at factory in Plock, Poland, due to heat recovery, recirculation, exchange of cold sources, and increased fan power.

Initiative category & Initiative type

Low-carbon energy generation	Solar PV
------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

4024

Scope(s)

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

100000

Investment required (unit currency – as specified in C0.4)

1800000

Payback period

16-20 years

Estimated lifetime of the initiative

21-30 years

Comment

Installation of solar PV system at Sky Harbor distribution center in Henderson, NV

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Internal finance mechanisms	Financial Analysis: We perform financial analysis on each of the energy or emissions reduction initiatives that are scoped for our global facilities. We have certain payback criteria for capital projects that must be achieved in order for funds to be allocated.
Other (Strategic analysis)	Strategic analysis: Some energy or emissions reduction activities are strategic in the sense that they can build brand or company ethos with consumers and stakeholders.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

Our innovative Water

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Products that use the Water<Less® process, designed to reduce the amount of water used in the finishing process, have the added benefit of reducing the energy consumption and associated emissions required to transport and manage water.)

% revenue from low carbon product(s) in the reporting year

77

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

December 1 2015

Base year end

November 30 2016

Base year emissions (metric tons CO2e)

7243

Comment

Base year emissions were recalculated using updated methodology and FY'16 activity data.

Scope 2 (location-based)

Base year start

December 1 2015

Base year end

November 30 2016

Base year emissions (metric tons CO2e)

47832

Comment

Base year emissions were recalculated using updated methodology and FY'16 activity data.

Scope 2 (market-based)

Base year start

December 1 2015

Base year end

November 30 2016

Base year emissions (metric tons CO2e)

42704

Comment

Base year emissions were recalculated using updated methodology and FY'16 activity data.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

8967

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

44301

Scope 2, market-based (if applicable)

12373

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Fleet Vehicles

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

No emissions excluded

Relevance of market-based Scope 2 emissions from this source (if applicable)

No emissions excluded

Explain why this source is excluded

Emission from LS&Co. fleet vehicles were not estimated due to incomplete and insufficient data availability at corporate level for estimation and/or extrapolation. Due to the minimal size of the company-owned or controlled fleet vehicles, the emissions associated with this activity is considered to be de minimis and thus not relevant.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

2344071

Emissions calculation methodology

Emissions were calculated using a custom hybrid life cycle assessment model and database for 100% of procured direct (fashion related materials and products) and indirect (non-fashion) goods and services over the reporting period. All values represent cradle-to-vendor-gate emissions across all GHG emissions identified in the GHG Protocol Value Chain Standard, using GWP values from the IPCC Fifth Assessment Report.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Purchased goods and services refers to all procured direct materials, material processing and manufacturing of fashion products as well as spend on all non-capital products and services not directly linked to sold products (indirect spend). Emissions estimates for this Scope 3 category were calculated using procurement and inventory data in a hybrid LCA model, using a spend based analysis for indirect spend and a bottom up, mass based unit process LCA approach, modeled at the item level, for the entire fashion inventory. While LS&Co. has made significant improvements to our emission calculation methodology, this is a continuous improvement process and we will continue refining the methodology as more information becomes available.

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO2e

8816

Emissions calculation methodology

Emissions were calculated using an economic input-output life cycle assessment approach for 100% of capital expenditures data over the reporting period. All values represent cradle-to-gate emissions across all GHG emissions identified in the GHG Protocol Value Chain Standard and GWP values from the IPCC Fifth Assessment Report.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

9720

Emissions calculation methodology

Emissions were calculated using data from the company's energy consumption across owned and operated facilities. Location- and Market- based emissions factors at the regional level were derived using regional fuel mix and T&D losses reported by multiple sources, including the latest datasets from US EPA's eGRID, the International Energy (IEA) Agency, the Canadian and Australian governments and the Association of Issuing Bodies. Values were calculated using GWP values from the IPCC Fifth Assessment Report and represent upstream emissions from the production and transportation of fuels consumed by the company in the reporting year as well as T&D losses associated with electricity use.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

63302

Emissions calculation methodology

Primary cargo mass, transport mode, and distance were provided by the company's logistics vendors for both inbound and outbound transportation. The client provided inbound data. Inbound and outbound emissions were then quantified by multiplying the provided t-km by emission factors (kg CO2e per t-km transport) provided by the logistics vendors. Area and location data for 3PL warehouses were used to estimate annual energy consumption, based on primary data provided by client's logistics team, of similar facilities in each region. Location data were also used to assign emission factors associated with the local electricity grid for each location to estimate emissions accordingly.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

13

Please explain

Waste generated in operations**Evaluation status**

Relevant, calculated

Metric tonnes CO2e

11046

Emissions calculation methodology

Emissions were calculated using an economic input-output life cycle assessment approach for 100% of waste expenditures data over the reporting period. All values represent cradle-to-gate emissions across all GHG emissions identified in the GHG Protocol Value Chain Standard and GWP values from the IPCC Fifth Assessment Report.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain**Business travel****Evaluation status**

Relevant, calculated

Metric tonnes CO2e

4842

Emissions calculation methodology

Values represent all emissions associated with purchased air travel, public transit and rental cars, as well as estimated emissions from business travel accommodations. All emission values for air travel were provided by travel vendors. Emissions from rental cars, public transit and travel accommodations were estimated using an economic input-out life cycle assessment approach. All values were calculated using GWP values from the IPCC Fifth Assessment Report.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain**Employee commuting****Evaluation status**

Relevant, calculated

Metric tonnes CO2e

5758

Emissions calculation methodology

For standard commuting, emissions were estimated using the total number of employees, an assumed breakdown of commuting patterns (mode and distance) based on American Community Survey Reports published by the U.S. Census Bureau and average emissions factors for U.S. automobiles and mass transit from WRI's GHG Protocol Calculation Tools. Teleworking was quantified using average household energy data from IEA, average household size from US Census data and assumptions about average work area in the home and hours of work to estimate electricity consumption. This figure was then multiplied by the IEA global average emission factor to quantify total emissions from telecommuting.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

It was assumed that, due to COVID, all employees worked from home starting in April of 2020.

Upstream leased assets**Evaluation status**

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Upstream leased assets are not applicable in the Company's business.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

242831

Emissions calculation methodology

Building electricity consumption per square foot of floor space for downstream retail and distribution centers was modeled using average values from owned and operating DCs and retailers. The total square footage required to house stacked products in the retail and DC buildings was estimated based on the dimensions of a representative product (pair of jeans). This value was then used to determine the overall electricity consumption for the items sold. Downstream transportation impacts were determined using estimated garment weights for items sold and an assumed distance traveled.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Primary data is not available for this category. As such, best available assumptions were used to estimate the overall magnitude of emissions from downstream transportation and distribution.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not relevant because there is no downstream processing of sold fashion.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

1077673

Emissions calculation methodology

Emissions resulting from the use of sold products were calculated for washing and drying activities associated with the use of apparel products over the average lifetime of the product. Product lifetimes were determined in accordance with peer-reviewed literature values based on average total number of wears for a product category, e.g., t-shirts, pants, etc. and the number of wears per wash. Wears per wash were derived from survey data specific to country or region in which the product was sold. Sales region also dictated the wash water temperature and drying method.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Use of sold products in apparel refer to the energy use associated with washing, drying, and other relevant activities performed on apparel products between uses.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

65530

Emissions calculation methodology

End of life treatment emissions were calculated according to the total mass of sold product in a particular region. A mix of waste management facility types, e.g., landfill, incineration, etc. were used for each country or region in which the products were sold. Primary data were not available for reuse/recycling, so an assumed 11% of sold products were either recycled or put another use.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Primary data is not available for this category. As such, best available assumptions were used to estimate the fate of sold products and associated emissions.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The space that LS&Co. subleases to external organizations is below significance threshold of 1% based on the extremely small footprint of these spaces.

Franchises

Evaluation status

Relevant, calculated

Metric tonnes CO2e

25028

Emissions calculation methodology

The reported figure represents franchise Scope 1 & 2 emissions. Primary energy data is not available for franchise facilities, so energy was estimated by using average energy per area from owned and operated facilities and then multiplied by the area of each franchise facility, as reported to the company. Emissions were then calculated by multiplying the resulting facility energy estimate by country-level emission factors from IEA.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The Company does not have significant investments as part of its core business.

Other (upstream)

Evaluation status

Please select

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00004793

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

21340

Metric denominator

unit total revenue

Metric denominator: Unit total

4452609000

Scope 2 figure used

Market-based

% change from previous year

13

Direction of change

Increased

Reason for change

While the COVID-19 pandemic resulted in a reduction in energy use and emissions at owned and operated locations (offices, retail stores, distribution centers, and plants), this was outweighed by a greater reduction in revenue. Because the metric denominator exhibited more of a decrease compared to the numerator, this caused an anomalous increase in the emissions per unit revenue for reporting year 2020.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
HFCs	1103	IPCC Fifth Assessment Report (AR5 – 100 year)
CO2	7854	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	4	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	6	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Asia, Australasia, Middle East and Africa	1562
Americas	3967
Europe	3438

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Distribution Centers	2412
Offices	1087
Plants	3280
Retail Stores	2188

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Asia, Australasia, Middle East and Africa	10483	7289	16066	5560
Americas	25318	3030	69573	57759
Europe	8500	2054	23395	18902

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Distribution Centers	15735	214
Offices	3308	942
Retail Stores	21016	9185
Plants	4242	2032

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	3863	Decreased	16	For FY'20, LS&Co. purchased 82,221 MWh of renewable energy, resulting in emission reductions of 33,709 mt CO2e. The previous year (FY'19), LS&Co.'s RE purchases reduced emissions by 29,846 mt CO2e. Thus, additional purchases for FY'20 resulted in additional emission reductions of 33709-29846 = 3863 mt CO2e [3863 / 24554 = 16%].
Other emissions reduction activities	1113	Decreased	5	Based on 1643 MWh of energy savings from upgraded HVAC at factory in Plock, Poland, due to heat recovery, recirculation, exchange of cold sources, and increased fan power. [1113 / 24554 = 5%]
Divestment	0	No change		
Acquisitions	2611	Increased	11	These emissions are from locations that were acquired as part of the acquisition of The Jeans Company [2611 / 24554 = 11%].
Mergers	0	No change		
Change in output	0	No change		
Change in methodology	0	No change		
Change in boundary	0	No change		
Change in physical operating conditions	0	No change		
Unidentified	750	Decreased	3	LS&Co.'s total emissions decreased by another 750 mt CO2e [750 / 24554 = 3%]
Other	0	No change		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	41928	41928
Consumption of purchased or acquired electricity	<Not Applicable>	82221	25547	107768
Consumption of purchased or acquired heat	<Not Applicable>	0	1267	1267
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	279	<Not Applicable>	279
Total energy consumption	<Not Applicable>	82500	68742	151242

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

38878

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.18176

Unit

kg CO2e per KWh

Emissions factor source

WRI (2015), GHG Protocol tool for stationary combustion. Version 4.7.

Comment

Fuels (excluding feedstocks)

Fuel Oil Number 2

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

3051

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.25343

Unit

kg CO2e per KWh

Emissions factor source

WRI (2015), GHG Protocol tool for stationary combustion. Version 4.7.

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	279	279	279	279
Heat	41928	41928	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type

Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United States of America

MWh consumed accounted for at a zero emission factor

55450

Comment

Sourcing method

Standard product offering by an energy supplier supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United Kingdom of Great Britain and Northern Ireland

MWh consumed accounted for at a zero emission factor

4011

Comment

100% renewable electricity purchased from Total Gas & Power for all UK locations

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Russian Federation

MWh consumed accounted for at a zero emission factor

3831

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling

China

MWh consumed accounted for at a zero emission factor

3781

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Belgium

MWh consumed accounted for at a zero emission factor

3751

Comment

Sourcing method

Standard product offering by an energy supplier supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Poland

MWh consumed accounted for at a zero emission factor

3261

Comment

100% Green Energy purchased from Energa-Obrot SA for factory in Plock, Poland

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Mexico

MWh consumed accounted for at a zero emission factor

2309

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Germany

MWh consumed accounted for at a zero emission factor

1875

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Pakistan

MWh consumed accounted for at a zero emission factor

1321

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Italy

MWh consumed accounted for at a zero emission factor

990

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Poland

MWh consumed accounted for at a zero emission factor

602

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

France

MWh consumed accounted for at a zero emission factor

581

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

India

MWh consumed accounted for at a zero emission factor

458

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Levi Strauss_EY2019_VerificationStatement_082520_s2.pdf

LSCo_EY2020_VerificationStatement_091021_s.pdf

Page/ section reference

1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Levi Strauss_EY2019_VerificationStatement_082520_s2.pdf

LSCo_EY2020_VerificationStatement_091021_s.pdf

Page/ section reference

1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Levi Strauss_EY2019_VerificationStatement_082520_s2.pdf

LSCo_EY2020_VerificationStatement_091021_s.pdf

Page/ section reference

1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Levi Strauss_EY2019_VerificationStatement_082520_s2.pdf

LSCo_EY2020_VerificationStatement_091021_s.pdf

Page/section reference

1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Energy consumption	ISO 14064-3	Page 2 of LS&Co.'s verification statement includes verification of the underlying energy by source and facility type in MWh. Levi Strauss_EY2019_VerificationStatement_082520_s2.pdf LSCo_EY2020_VerificationStatement_091021_s.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Poland carbon tax

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

Poland carbon tax

Period start date

January 1 2020

Period end date

December 31 2020

% of total Scope 1 emissions covered by tax

28

Total cost of tax paid

1215

Comment

LS&Co.'s strategy for compliance across our global portfolio is to stay aware of current and emerging regulations and ensure we have systems and processes in place to comply with energy or emissions regulations. For our owned factory in Poland, we track and report emissions from stationary and mobile combustion annually, in order to comply with the Poland Carbon Tax.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

LS&Co.'s strategy for compliance across our global portfolio is to stay aware of current and emerging regulations and ensure we have systems and processes in place to comply with energy or emissions regulations. For example, for our owned factory in Poland, we track and report emissions from stationary and mobile combustion annually, in order to comply with the Poland Carbon Tax.

We have applied this strategy by calculating emissions from our Poland factory to comply with the Poland Carbon Tax, as it is legal requirement. The factory has limits designated in a permit and these limits are met on an annual basis. While not all substances are listed in the permit (i.e. emission are not limited), there is still a fee associated with emissions from all sources. For example, carbon dioxide is not limited, but LS&Co. pays a fee for these emissions.

LS&Co. believes government leadership is essential for widespread action to address climate change and create the enabling environment for companies like ours to invest in renewable energy and achieve the greatest savings from energy efficiency. We can do more, faster and cheaper with state and federal legislation that incentivizes us to capture efficiencies, invest in renewable energy, and reduce GHG emissions. The reduced business costs from these investments are savings we can reinvest in the company to grow our business and create jobs. Put simply, we can run our business better with the certainty of a price on carbon and government policies and incentives to help us to maximize energy efficiency and draw our energy from renewable sources.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

1

% total procurement spend (direct and indirect)

84

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

We have developed a comprehensive Scope 3 greenhouse gas (GHG) inventory. Considering that 99% of our total GHG emissions come from Scope 3 categories, we are working closely with key suppliers to establish targets for emissions reductions and share best practices around energy efficiency and renewable energy procurement. In 2020, factories engaged represented 84% of production volume, which covers the vast majority of LS&Co.'s direct and indirect spend. These suppliers were selected based on factors including high volume of product sold to LS&Co., strategic abilities, and significance of improvement opportunities. For example, we have engaged a number of suppliers that use wet processing as there is significant potential to reduce their water consumption and improve efficiency.

Impact of engagement, including measures of success

We request that our key suppliers (those that represent the vast majority of our unit production) report their energy usage and efficiency activities in the Sustainable Apparel Coalition's (SAC's) Higg Index. LS&Co. plans to use the primary data collected through the Higg Facility Environmental Module (FEM) to set targets that drive supplier energy efficiency and investments in renewable energy to reduce our Scope 3 GHG emissions. Higg data will also help LS&Co. improve the quality and accuracy of our Scope 3 GHG data so we can continue to identify hot spots and prioritize suppliers for future engagements. Measures of success include number of suppliers registered in the Higg Index and the number of suppliers reporting data in the Higg Index.

Comment

In 2020 and beyond we plan to grow the breadth and depth of our engagement through the Higg Index platform to track progress toward our science-based target (reduce the equivalent of 40% of our Category 1 (purchased goods and services) Scope 3 emissions by 2025 from a 2016 baseline).

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

100

Portfolio coverage (total or outstanding)

<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement

Life Cycle Assessment studies inform our strategy for prioritizing engagements and serve as a measurement for impact. We prioritize engagements based on the results of our lifecycle assessment (LCA) studies. In 2007, we commissioned our first lifecycle assessment for two of our core products, a Levi's® 501® Medium Stonewash jean and a Dockers® Original Khaki. We learned that the greatest impact on climate change resulted from consumer use (34%). As a result, we started a "Care Tag for Our Planet" program, changing the product care tags in our clothing to include instructions about ways consumers can reduce the environmental impact of their clothes after leaving the store. We also wanted to enable consumers to make smart purchasing decisions, so in 2011, we launched our version of an environmental "nutrition label" for our products, based on our lifecycle research.

Impact of engagement, including measures of success

The tags encourage consumers to wash less, wash in cold water, line dry when possible, and donate clothing to charity when no longer needed. Measures of success include media impressions regarding our education campaigns. We also participated in an experiment in France to find the most effective ways to provide environmental impact data — including carbon dioxide emissions — to consumers on the products they purchase. The National Experiment, led by the French Ministry of Ecology, Sustainable Development, Transport and Housing, included eight jean styles on our French Levi's® website and also at our LEED certified store in Paris. The pilot ran from July 1, 2011 to June 30, 2012, and the 168 participating companies submitted evaluations of the pilot for consolidation into a recommendation to the French Parliament on next steps for environmental labeling of consumer products.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

i) LS&Co. considers organizations that it collaborates with to develop products and solutions with reduced climate impacts as other partners in the value chain.

ii) As part of LS&Co.'s ongoing effort to reduce the impact of our source materials, we have long been investigating and innovating new fiber and fabric strategies that we believe can deliver more sustainable products. And the **WellThread®** line has given us the opportunity to build a sustainable design practice through which we can substantiate these innovations, determining if they work and if they can scale. We've always followed a design methodology driven towards greater circularity and that led us to re:newcell. In 2018, we visited their facility in Sweden, and seeing their environmentally friendly pulping process solidified our commitment to working with them. When the partnership afforded us the opportunity to use some of their first commercially available fiber, our **WellThread®** team mobilized to bring the product to market in 2020. In our ongoing research and development, we strive to improve our design practices and conserve environmental resources every way we can. By incorporating sustainable innovation, we learn what's possible and work towards solving some of our biggest challenges. These jeans are a realization of a vision and a more circular design practice that can keep materials in circulation longer, therefore reducing the impact of the garments we create, while still delivering the same style and longevity Levi's are known for. By using high quality recycled denim, we save on the water, chemical and carbon dioxide footprint of our jeans. Each part of the jean – the trims, the thread, etc. – are carefully calibrated to ensure it meets recycling specifications, allowing it to have a second life when it's worn out. We've worked with our innovation partner, re:newcell, to ensure the jeans can go back into their system and be used to make new raw materials, demonstrating that this garment is fully recyclable and truly circular.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations
- Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Cap and trade	Support	Through our partnership with the sustainability nonprofit Ceres, LS&Co. was a founding member of the advocacy coalition BICEP (Business for Innovative Climate and Energy Policy), a cross-industry organization focused on making the business case to policymakers for advancing clean energy and addressing climate change. Since BICEP's 2008 inception, we have been able to speak out with a united voice to address climate concerns. LS&Co. sits on BICEP's steering committee, helping to shape the strategic direction of the coalition. LS&Co. supported the passage of California's historic cap and trade law, and in May 2019, attended the CERES-led Lawmaker Education and Advocacy Day (LEAD) on carbon pricing, advocating for federal legislative action to price carbon emissions in the United States.	LS&Co. believes government leadership is essential for widespread action to address climate change and create the enabling environment for companies like ours to invest in renewable energy and achieve the greatest savings from energy efficiency. We can do more, faster and cheaper with state and federal legislation that incentivizes us to capture efficiencies, invest in renewable energy, and reduce GHG emissions. The reduced business costs from these investments are savings we can reinvest in the company to grow our business and create jobs. Put simply, we can run our business better with the certainty of a price on carbon and government policies and incentives to help us to maximize energy efficiency and draw our energy from renewable sources.
Clean energy generation	Support	Working with other member companies in the BICEP coalition, we have advocated for policies that advance development of clean energy generation and opposed policies that would create barriers for clean energy. For example, LS&Co. advocated in Congress for maintaining funding in the Appropriations bills for extending renewable energy tax credits. We also advocated alongside other businesses opposing a rule proposed by the Department of Energy that sought to provide cost recovery assurances to electricity generators storing more than 90 days' worth of fuel on site. The rule would have effectively subsidized uneconomic coal and nuclear plants, while further inhibiting the growth of a clean energy economy. This would in turn inhibit the deployment of renewable energy in the US, even as prices of wind and solar energy continue to decrease. The Federal Energy Regulatory Commission (FERC) voted unanimously against the implementation of that plan. In California, we successfully advocated for SB 100, which increased the state's Renewable Portfolio Standard and establish a long-term vision for 100% renewable energy. We also joined other businesses operated in Nevada to support policy efforts to increase that state's renewable portfolio standards. In 2020, LS&Co. signed EDF's letter to encourage renewable energy and energy efficiency incentives for companies investing in emissions reductions to reduce cost-barriers. Solar and wind incentives were ultimately included in the year-end COVID-19 relief package.	LS&Co. believes government leadership is essential for widespread action to address climate change and create the enabling environment for companies like ours to invest in renewable energy and achieve the greatest savings from energy efficiency. We can do more, faster and cheaper with state and federal legislation that incentivizes us to capture efficiencies, invest in renewable energy, and reduce GHG emissions. The reduced business costs from these investments are savings we can reinvest in the company to grow our business and create jobs. Put simply, we can run our business better with the certainty of a price on carbon and government policies and incentives to help us to maximize energy efficiency and draw our energy from renewable sources.
Mandatory carbon reporting	Support	In partnership with BICEP and other companies with operations in Nevada, we successfully advocated for Nevada SB254 which requires statewide reporting of GHG emissions and reductions across the following sectors: (1) electricity production; (2) transportation; (3) industry; (4) commercial and residential; (5) agriculture; and (6) land use and forestry. Required reductions include zero or near-zero GHG emissions by 2050 with interim targets to achieve a 20% reduction by 2025 and 45% by 2030.	LS&Co. believes government leadership is essential for widespread action to address climate change and create the enabling environment for companies like ours to invest in renewable energy and achieve the greatest savings from energy efficiency. We can do more, faster and cheaper with state and federal legislation that drives us to capture efficiencies, invest in renewable energy, and reduce GHG emissions. The reduced business costs from these investments are savings we can reinvest in the company to grow our business and create jobs. Put simply, we can run our business better with the certainty of a price on carbon and government policies and incentives to help us to maximize energy efficiency and draw our energy from renewable sources.
Other, please specify (Emissions)	Support	In 2015, LS&Co. was among the first business voices to express support for the Paris Climate Agreement. During those negotiations, CEO Chip Bergh joined the heads of several global apparel companies in asking world leaders to sign a strong global climate deal. When President Trump stated his intent to withdraw the United States from the Paris Climate Agreement in 2017, LS&Co. stood with thousands of businesses, states, and mayors in joining the We Are Still In movement, reaffirming our continued support for climate action to meet the targets under the Paris Agreement. In 2020, the U.S. re-entered the Paris Agreement and the Administration issued several climate-related executive orders.	LS&Co. believes government leadership is essential for widespread action to address climate change and create the enabling environment for companies like ours to invest in renewable energy and achieve the greatest savings from energy efficiency. We can do more, faster and cheaper with state and federal legislation that incentivizes us to capture efficiencies, invest in renewable energy, and reduce GHG emissions. The reduced business costs from these investments are savings we can reinvest in the company to grow our business and create jobs. Put simply, we can run our business better with the certainty of a price on carbon and government policies and incentives to help us to maximize energy efficiency and draw our energy from renewable sources.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Business for Innovative Climate and Energy Policy (BICEP)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

BICEP supports three principles: increased adoption of renewable energy and energy efficiency; increased investment in a clean energy economy; and increased support for climate change resilience.

How have you influenced, or are you attempting to influence their position?

LS&Co. is a founding member of BICEP and currently sits on the steering committee.

Trade association

Sustainable Apparel Coalition (SAC)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Sustainable Apparel Coalition is the apparel, footwear, and textile industry's leading alliance for sustainable production. The Sustainable Apparel Coalition's vision is of an apparel, footwear, and textiles industry that produces no unnecessary environmental harm and has a positive impact on the people and communities associated with its activities. One of the primary metrics that it scores companies on is climate change impacts.

How have you influenced, or are you attempting to influence their position?

LS&Co. has a representative on the Board of SAC and a representative on the Policy Hub. The Policy Hub is working to provide a menu of policy options to the European Parliament to support the transition to a more circular apparel economy.

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Corporation to help advocate for more effective climate policies and practices. In December 2018, LS&Co. signed on to the Fashion Industry Charter for Climate Action. Launched in 2018 at COP24 in Katowice, Poland, the charter brings together leading fashion brands, retailers, supplier organizations, and others to address fashion's climate impact across its entire value chain. The charter contains a vision to achieve net zero GHG emissions across the industry by 2050. LS&Co. has a representative in the Manufacturing/Energy Working Group and one in the Finance and Policy Working group.

In 2019, LS&Co's CFO became the founding member of the US Chapter of The Prince's Accounting for Sustainability Project (A4S) CFO Leadership Network, launched by HRH The Prince of Wales at St James's Palace in December 2013. The Network brings together a group of leading CFOs from large organizations seeking to embed the management of environmental and social issues into strategy and business processes. The Network is looking at each area of finance function activity to identify how positive business returns can be achieved through integration of environmental, social and economic considerations.

In 2020, LS&Co. reaffirmed our commitment to mitigate climate change and support policies that align with climate science and our values. LS&Co.'s CEO, Chip Bergh, sent the same message by signing the EU CEO 2030 letter, encouraging the EU to be even more ambitious with its 2030 climate strategy. The EU Commission and representatives from all 27 member states agreed on the proposal to increase the target to at least 55% reduction in greenhouse gas emissions by 2030.

Throughout 2019, LS&Co was also engaged in the collective action project led by the CEO Water Mandate in collaboration with other apparel companies, around addressing shared water challenges in the Noyaal Bhavani River Basin in India. This initiative started in 2018 in a subset of the Cauvery River Basin in India, the Noyyal and Bhavani sub-basins, where it will pilot test the process of setting contextual water targets, taking into account the key water challenges for the selected sub-basins, to identify a vision for region's water-secure future. The initiative is centered on engaging with regional and local stakeholders, including other industry sectors, government officials, academics, NGOs, and development agencies. Collaborating with other organizations will allow the initiative to build on existing work and develop implementation projects to address WASH access, water quality, groundwater management, or other key water challenges in the basin.

Most recently, in 2020, LS&Co became a member of the Water Resilience Coalition, an industry-driven, CEO-led initiative of the United Nations Global Compact that aims to engage companies in collective action in water-stressed basins and provide them with resources to set quantifiable 2050 water-related commitments.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

LS&Co.'s organizational structure requires close collaboration across key departments. Our Sustainability function works with business leaders from across the company (including Global Policy and Advocacy) to evaluate, reassess and build alignment on the Company's Climate Action Strategy 2025, ensuring strong integration into the business. In order to ensure all of LS&Co.'s policy activities are aligned with business strategies, including our climate and energy objectives, LS&Co.'s holds monthly cross-functional policy convening, which include the Chief Executive Officer, Chief Financial Officer, Chief Counsel, Chief Communications Officer, Head of Global Policy and Advocacy, and Chief Supply Chain Officer, who oversees the sustainability function. This ensures that even in a dynamic policy environment, executives have an opportunity to confirm the Company's policy activity supports all aspects of the company's strategy, including climate.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

45362331-5cdb-478c-a5ba-64a3c9d2adfe.pdf

Page/Section reference

Strategy: page 12 Risks & opportunities: pages 3, 17, 23, and 27 Emission targets: page 12

Content elements

Strategy

Risks & opportunities

Emission targets

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

LSCO_Climate_Action_Strategy_2025.pdf

Page/Section reference

pp. 1-10

Content elements

Strategy

Risks & opportunities

Emissions figures

Emission targets

Comment

LS&CO. Climate Action Strategy: https://www.levistrauss.com/wp-content/uploads/2018/07/LSCO_Climate_Action_Strategy_2025.pdf

Publication

In voluntary communications

Status

Complete

Attach the document

Fashion Futures 2025 - LS&Co.pdf

Page/Section reference

pp. 1-11

Content elements

Strategy

Other, please specify (Product sustainability)

Comment

Executive Summary Fashion Future 2025

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

No additional context.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Financial Officer	Chief Financial Officer (CFO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company’s annual revenue for the stated reporting period?

	Annual Revenue
Row 1	4452609000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

No

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Customer base is too large and diverse to accurately track emissions to the customer level	We are not currently able to allocate our Scope 1, 2, and 3 emissions because we have both retail and wholesale components to our business. In the future, we will work to develop an allocation methodology for our Scope 1, 2, and 3 emissions. Guidance from NGOs would help us overcome these challenges.
Doing so would require we disclose business sensitive/proprietary information	In order to properly calculate Scope 3 emissions broken down by wholesale account, we would have to disclose production and sales data, which is sensitive and proprietary.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

While we would likely be able to allocate our Scope 1 and 2 emissions associated with the office administration and distribution of products to our wholesale accounts, we consider these emissions to be immaterial compared to the estimated total emissions from the manufacturing of our products. We recently completed our Scope 3 inventory, and in future years we hope to develop an initial methodology for allocating these emissions based on customer account.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?
No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?
No, I am not providing data

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms