

Community



Relevant frameworks in this pillar: GRI; SASB; UNGC

Contributing to these UN SDGs: 3, 5, 8, 10, 11, 13, 16

Our value chain includes many people who contribute to the success of our business: Farmers who grow our raw materials. Mill workers who produce our fabrics. Those who sew our clothes, footwear and accessories.

Dedicated employees in stores, distribution centers and corporate offices. Millions of consumers around the world. And the people who live and work in the areas where we operate.

Together, they make up our global community. And we are committed to doing what we can to help make sure everyone in the LS&Co. value chain has access to safe and supportive work environments where they can bring their whole selves and experience dignity and respect. This includes fostering a culture that is diverse, equitable and inclusive – in our own operations and those of our suppliers and vendors. And it includes using our voice and our philanthropy to foster well-being, equality and resiliency in ways that consistently put people first.

Our actions and ambitions within this community framework include employee programs for health and safety, wellness and development; diversity, equity and inclusion work; our supply chain standards and Worker Well-being initiatives; our social issue advocacy; and our giving and volunteering programs. Together, these are cornerstones of the “profit through principles” approach that guides our business.

Community Goals

Goal:

Continually improve apparel worker health, satisfaction and engagement

Goal:

Ensure competitiveness and equity in total rewards

Goal:

Ensure that LS&Co. remains a dynamic and inclusive career destination

Goal:

Leverage the leadership of the Levi Strauss Foundation and invest in our communities to advance pioneering social change

Goal:

Drive societal impact in communities where LS&Co. operates through advocacy, grantmaking, employee giving and volunteerism

2021 Community Highlights

100 points

– a perfect score – on the Human Rights Campaign (HRC) Corporate Equality Index in 2021, our 18th year in a row

~\$893M

in early payments directed to LS&Co. suppliers through an International Finance Corporation program in 2020 and 2021

~80%

of LS&Co. product volume sourced from factories using Worker Well-being initiative in FY21

\$13.5M

donated to communities through direct corporate grants, Levi Strauss Foundation grants and products

33%

increase in women among our global executive leadership team, FY20 to FY21

Forward-Looking Statements

This Sustainability Report and related website contain forward-looking statements, including statements related to our sustainability strategies, initiatives and targets. We based these forward-looking statements on our current assumptions, expectations and projections. These forward-looking statements are estimates and involve a number of risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties are detailed in our filings with the U.S. Securities and Exchange Commission, including our Forms 10-K and 10-Q. Other unknown or unpredictable factors also could have material effects on our future results, performance or achievements. All information in this Sustainability Report and related website was current only as of the date originally presented and we disclaim any obligation to update this information.



SASB: CG-MR-330a.1

GRI: 2-7

UN SDGs: 5, 8, 16

UNGC: Principle 6

Cultivating a diverse and inclusive workplace

At LS&Co., we're committed to creating a workplace where people from all backgrounds feel confident that their voices will be heard and their contributions welcomed. It's not just the right thing to do – it's a business imperative. We know that companies are stronger and more successful when they are diverse and inclusive.

Key Diversity, Equity and Inclusion Metrics

Gender*	
Metric	2021
Executive Leadership Team	61.5% women; 38.5% men
Top Management**	42.6% women; 57.4% men
Corporate Employees	55.4% women; 44.6% men
Frontline Workers	58.2% women; 41.8% men
Race and Ethnicity*	
Metric	2021
Executive Leadership Team	84.6% White 7.7% Asian 7.7% Latinx
Top Management**	64.9% White 15.7% Asian 9.4% Latinx 4.7% Black 2.1% Other BIPOC*** 3.2% no data
Corporate Employees	50.7% White 23.3% Asian 11.5% Latinx 7.3% Black 4.5% Other BIPOC 2.7% no data

Metric	2021
Frontline Workers	31.1% White 36.8% Latinx 20.5% Black 5.2% Other BIPOC 5.3% Asian 1.1% no data

*Gender and race/ethnicity data reflects the workforce, including frontline workers and corporate employees, from 1/1/2021 to 12/31/21. Frontline workers includes retail, distribution center and plant workers; gender data is global; race/ethnicity data is U.S. only.

**Top management is defined as the top ~250 leaders in the company.

***BIPOC refers to Black, Indigenous and People of Color.

Diversity Training

Metric	2021
Number of workshops and learning sessions offered	75
Number of active global learners across our corporate and retail populations	12,926
Number of translated languages for training	20+
Global completion rate achieved	87%

University and Diversity Recruiting

Metric	2021
Number of formalized partnerships with organizations working to develop diverse talent pipelines in areas most relevant to LS&Co.	13
Number of established partnership programs	10
Number of hosted branding and recruiting events	12
Number of converted diverse applicants	1,578

Metric	2021
Number of strategic partnerships of our keybusiness functions: Design and Brand, Technologyand our Digital Enterprise	3
Corporate Grantmaking	
Metric	2021
Percent of organizations LS&Co. supported that were BIPOC-led	51%
Percent of LS&Co.'s giving that advanced racial equity goals	53%

Diversity, Equity & Inclusion Impact Report

In 2022, we launched our first-ever annual Diversity, Equity & Inclusion Impact report. The report reflects our commitment to fully and transparently communicate our progress in making our company more diverse and inclusive. It includes details on our progress, including our hiring and retaining of talented professionals from underrepresented groups and our continued efforts to understand the identities, intersectionalities and experiences of our people across our corporate, retail, distribution centers and plants worldwide.

Please see our [2021 DE&I Impact Report](#) for more information.

Global DE&I Strategy

Defining a clear, multi-faceted, global strategy was an imperative first step for us as we doubled down on our commitment to DE&I. Please see our [2021 DE&I Impact Report](#) for more about our global DE&I strategy.

Representation

In 2021, we experienced growth across our corporate, distribution and retail populations. Although we saw a decrease in the overall percentage of representation for women, we made notable increases in their representation across our executive and top management levels. In the U.S., we're also more diverse than a year ago, led by notable increases in our Black and Latinx populations.

Please see our [2021 DE&I Impact Report](#) for more information on representation at LS&Co.

Read more about how we support employees in [Employee Support and Development](#), which covers benefits, pay equity, employee resource groups and learning and development.

Global Training Initiative

In 2021, we introduced #thepledge, our global DE&I training initiative. #thepledge included targeted training efforts from our retail stores to our C-Suite.

Please see our [2021 DE&I Impact Report](#) for more information on our global training initiative.

Diversity and University Recruiting

We formed a Diversity and University Recruiting team to focus on collaborating with our talent acquisition and DE&I teams to augment our hiring and ensure that we're intentionally recruiting diverse talent and providing them with dynamic career growth opportunities.

To enable inclusive recruiting at LS&Co., our priority in 2021 was to lay the foundation for advancing our diversity hiring practices.

Please see our [2021 DE&I Impact Report](#) for more about our recruiting practices.

Diversity Programs

In 2021, we focused our DE&I programs on three key areas:

- Building our capabilities
- Investing in our talent
- Driving equity

Please see our [2021 DE&I Impact Report](#) for more about our programs.

What's Next – Diversity, Equity and Inclusion

Moving into 2022 and beyond, we are committed to:

- Ensuring employees of all backgrounds, and with all types of experiences, have meaningful career opportunities at LS&Co., feel supported and see a path forward for growth.
- Improving how we track and measure impact, with an emphasis on better data and increased transparency.
- Developing stronger leaders with essential capabilities – including inclusive leadership, anti-bias and anti-racism practices.
- Growing as an industry leader in employee well-being by fostering a culture of empathy and implementing policies that support the diverse, holistic needs of all employees – so they can prioritize their wellness and well-being both inside and outside of work.
- Launching Diversity Action Plans – data-driven operational plans created to focus and shape action to drive DE&I, talent and culture on functional – and collectively on global – levels. Their purpose is to enable functional executives, their leadership teams and human resources partners to:
 - Better understand their workforce and culture via analytics and insights
 - Correlate and connect gaps and needs to strategy and action, driving action and improvement
 - Empower and activate them with specific plans customized to meet their DE&I, talent and culture needs
 - Establish ownership of their DE&I, talent and culture realities and goals

Please see our [2021 DE&I Impact Report](#) for more about our continued commitment.



GRI: 403-5; 403-6

Committed to workplace protections

Our [Worldwide Code of Business Conduct](#) details health and safety standards for all LS&Co. employees, including full-time and part-time employees as well as contractors. It also details the requirements to report

accidents, injuries, unsafe conditions and any concerns about potential workplace violence. Our approach is to meet and exceed applicable regulatory requirements, and we have implemented workplace-specific injury and illness prevention programs to meet these laws and protect employees.

Our two company-operated factories maintain certification to the ISO 45001 occupational health and safety management standard. Both factories implement programs designed to manage health and safety risks, reduce accidents and near misses, and adhere to the safety standards outlined in our [Supplier Sustainability Guidebook](#). Worldwide, we work to maintain strong, locally relevant programs that meet, at a minimum, ISO and OSHA requirements. We have also begun a global self-assessment to determine how to better apply country-level regulations as we expand our program.

Employee Health and Safety Metrics

Metric	2019*	2020*	2021*	Industry Average (U.S. Bureau of Labor Statistics)
Total Recordable Incident Rate (TRIR) at Distribution Centers**	3.04	3.54	2.52	4.80
Incidents resulting in: Days Away / Restricted Time (DART) at Distribution Centers***	2.48	2.43	1.88	3.90

*Data reflects calendar years. It includes our company-operated distribution centers in Mexico, Brazil and Canada, as well as three in the U.S.

**TRIR: Number of recordable work-related injuries per 100 full-time workers during a one-year period.

***DART: Number of recordable injuries and illnesses per 100 full-time employees that resulted in days away from work, restricted work activity, and/or job transfer.

Safety at Our Distribution Centers and Stores

We maintain a health and safety management system that includes injury and illness reporting as well as claim case management and reporting. We track the total recordable incident rate (TRIR) and days away from work/restricted time (DART) for our company-operated distribution centers in Mexico, Brazil and

Canada, as well as three distribution centers in the U.S. These key safety metrics have shown improvement, reflecting strong safety practices and outcomes and beating industry averages each year.

From the 2019 through 2021 calendar years, we achieved a 36% decrease in U.S. retail store worker's comp claims.

At three of our company-operated distribution centers in the U.S., we opened free onsite clinics in 2021 as part of our continued focus on employee health and well-being. The clinics – at our facilities in Nevada, Kentucky and Mississippi – are staffed by doctors and nurse practitioners. We are also exploring the feasibility of opening a clinic at another distribution center and at our global headquarters in San Francisco.

At our retail stores, we implemented a third-party assurance audit to ensure compliance with our COVID-19 and customary safety protocol, followed by a digital platform to train retail associates and monitor completion of required OSHA training for our U.S. retail stores. Store managers also hold safety meetings that cover topics such as training, audit results, safety tips and others.

Safe Motion Dynamics

Our ergonomics program focuses on six principles of safe motion dynamics, with videos to demonstrate each principle. The program is available at our company-operated facilities to help employees avoid strains and injuries associated with repetitive motions, posture and other issues.

What's Next – Employee Health & Safety

In addition to completing our global self-assessment toward a consistent global health & safety program, we will continue evolving our employee wellness programs, health care benefits and other offerings that support comprehensive employee well-being.

For more about these programs and benefits, see [Employee Support and Development](#).



Employee Support and Development

SASB: CG-EC-330a.1

GRI: 2-7; 2-27

UN SDGs: 3, 5, 8

UNGC: Principle 3

Helping employees be their best at any stage of life and career

LS&Co. has approximately 16,600 employees, united in a shared commitment to grow and shape our company through creativity, innovation and teamwork. Wherever they are in life or in their career, we want our employees to feel that we provide the support they and their families need to stay healthy, meet their financial goals, protect their income, and balance their work and personal lives.

Employee Support and Development Goals

Goal:

Ensure competitiveness and equity in total rewards

Goal:

Ensure that LS&Co. remains a dynamic and inclusive career

LS&Co. Employee Metrics

Metric	FY21
Number of employees	~16,600
Number of employees per country/location	7,700 Americas 4,600 in Europe 4,300 in Asia
Number of employees in manufacturing and procurement	1,600
Number of employees in retail, including seasonal employees	8,700
Number of employees in distribution	1,500
Number of employees in non-production roles	4,800

Metric	FY21
New hires in 2021 (global corporate)*	900+ new hires in FY21 53.4% women 59.6% BIPOC (U.S.)
Percent employees participating in July 2021 employee engagement survey	63%
Employee engagement score	79%
<p>*Data for the period of 1/1/2021 to 12/31/2021. See more metrics in our Diversity, Equity & Inclusion Impact Report.</p> <p>For more data see Our Performance: Data Tables.</p>	

Employee Well-being

Because people are critical to our success as a business, we aim to support our employees and communities in ways that promote their well-being and allow them to flourish. Over the years, we've been a leader in several key areas. Decades ago, for example, we were the first American company to provide benefits to same-sex partners. We have extended paid sick leave to all part-time employees – and we continue to build on those foundations for a more diverse and equitable workplace and to provide strong benefits and learning and development opportunities.

In keeping with our values, particularly empathy, courage and integrity, we are committed to providing employees with a supportive work environment that is free of discrimination and harassment based on any protected characteristics. Our Respectful Workplace Policy, updated in 2021, prohibits sexual harassment and other forms of discrimination so that each person can perform their workplace responsibilities and fully contribute to the company.

Leading Benefits

We are fueled by passion, drive and a commitment to doing great work, but the work can't happen without putting employee well-being first. We support employees in their physical, financial, emotional and social well-being through a variety of benefits and programs. While benefits vary by position, location, and eligibility, LS&Co. employees have access to competitive compensation, innovative well-being programs, and best-practice benefits. Depending on location, comprehensive benefits are generally available to full-time employees working in our offices, our retail stores and our distribution centers. In addition, all LS&Co.

employees around the world, whether part-time or full-time, can take advantage of several important base benefits:

- Travel and accident insurance
- Global life insurance
- Employee Assistance Program, known as **WorkLife**
- Global mental well-being program, THRIVE
- Counseling, work/life referral services, critical incident support through Optum, a new resource in 2021

In 2021, we made several changes to provide even better resources, including more generous health benefits coverage for employees and family members, easier access to mental health and well-being support, an expanded network of providers, and enhanced concierge support personalized to an employee's unique health care needs. We also extended benefit coverage to employee family members, enhanced gym rewards, and added more emotional well-being benefits like access to online therapy and stress management resources. As part of our ongoing commitment to making LS&Co. a place where women can thrive, in 2021 we made sure that all LS&Co.-provided insurance plans in the U.S. include access to comprehensive reproductive healthcare. We also provide travel expense reimbursement for healthcare services not available in a U.S. employee's home state, including those related to reproductive healthcare and abortion.



Work/Life Flexibility and Support for the Whole Self

Throughout 2021, the ongoing COVID-19 pandemic continued to ask a lot of employees, and we responded with resources and programs to make things easier. In mid-2021, we announced our new workplace framework for corporate employees. **SEAM(less): Work Tailored for Us** is a hybrid model that will enable us to drive our business forward, stay connected and provide flexibility to seamlessly integrate work and life. Rooted in both flexibility and connection, **SEAM(less): Work Tailored for Us** has been guiding how we work, whenever offices can safely remain open, which varies around the world.

Mental Health

We expanded our wellness and mental health programs to support resiliency and well-being, offering a spectrum of support. We made it easier to access the suite of integrated **WorkLife** well-being benefits, adding 24/7/365 access to a personal coach, offering enhanced mental health benefits, and connecting employees with the Thrive Global app to support mental, physical, financial, family and social well-being. Our partnership with Thrive will continue beyond the pandemic.

We also added access to **Talkspace**, a digital platform offering an alternative to face-to-face therapy with a licensed behavioral health clinician, providing greater flexibility to improve health. And we offered the **Grief Warrior** program to help employees and teams process grief through guidance, workshops and training. We expanded the program in 2021 to provide more support to global regions being deeply affected by the pandemic.

Physical Wellness

In addition to our existing **live wellth** program, which offers opportunities to complete well-being-related activities to earn incentives throughout the year, we began offering new workshops on yoga, Pilates, and dealing with isolation – provided around the world in local languages. Some locations, like our factory in Plock, Poland, also offer on-site wellness options, such as daily gymnastics sessions.

We also have a no-meeting-Friday policy and provide corporate employees with the last Friday off each month to encourage self-care and time with loved ones.

To help parents juggling remote work and parenting during the pandemic, we upgraded our childcare and parent support benefits and made them available to full-time retail employees. The new benefit includes support with childcare and eldercare, access to a network of 6 million caregivers, full-time nanny placement services, an online curriculum of classes and parent support webinars and tutoring services.

Paid Family Leave

Our Paid Parental Leave program offers eight weeks of paid leave for hourly and salaried LS&Co. employees, regardless of gender, at the time of a child's birth, adoption, or entry into a family from foster care. In 2020, we took another step, offering up to eight weeks of paid family leave to help ease the strain on U.S.-based employees caring for an immediate family member with a serious medical condition. Since then, we have advocated for national paid leave policies so employees of other companies have access to

support when illness or caregiving needs affect their family.

This policy is an important part of our commitment to building a best-in-class workplace that supports well-being and enables our employees to take care of themselves and their family members in the moments they need it most. In 2021, we expanded employee leave for bereavement, which also includes pregnancy loss leave up to two weeks. In Europe, where a country-by-country approach is required, we set minimum standards to best support employees consistently and inclusively across Europe.



Safety Nets for Part-Time Retail Employees

While many U.S.-based companies provide safety net provisions to full-time employees, most part-time workers go without these benefits. At LS&Co, part-time employees – including the many hourly retail employees who make up the majority of our retail team members – may participate in the 401(K) retirement savings program. To help employees save for the future, we match \$1.25 for every \$1 contributed by employees to our 401(K) up to the first 6% of each paycheck, as well as a 15% discount on LEVI shares purchased through our Employee Stock Purchase Plan.

Paid sick leave also extends to all U.S. part-time hourly retail employees, making them eligible for paid sick time based on their average hours worked. An investment in the future of our workforce and our business, this benefit will continue after the pandemic subsidies because we never want employees to feel they have to choose between their health and their income.

Additionally, the Red Tab Foundation, our employee-funded hardship assistance initiative, runs the [Red Tab Savers](#) program. Available to employees in the U.S. and Canada, the Savers program helps hourly LS&Co. employees build a short-term emergency fund and a habit of savings. The 6-month matched savings program allows employees to build a safety net and receive a dollar-for-dollar match, up to \$260, from the

Red Tab Foundation. The program also provides financial literacy support to help employees get started. In 2021, the program hit \$1 million saved by participants since its launch in 2015 – quite an accomplishment for our participating retail employees.

Total Rewards Compensation

As detailed in our annual proxy statements, we structure our compensation so that approximately 90% of our CEO's total compensation and approximately 70% of our other named executive officers' total compensation is linked to company performance, which in fiscal year 2021 included net revenues, earnings, share price, total shareholder return and DE&I goals, among other results. Additional compensation details for fiscal year 2021 are available in our [2022 Notice of Annual Meeting of Shareholders and Proxy Statement](#).

In 2022, we held a shareholder advisory vote on executive compensation, commonly referred to as a “say-on-pay vote,” which received shareholder approval. We take the views of our shareholders seriously and believe that the principles of our executive compensation program are strongly supported by our shareholders and aligned with their interests. Each year, the Compensation and Human Capital Committee conducts a review of our compensation and benefits programs to assess whether the programs are aligned with our business strategies, the competitive practices of our peer companies and our shareholders' interests. Full-time corporate employees have an incentive component to their overall pay, as do our employees at our company-operated distribution centers.

Pay Equity

To help fulfill our commitment to fair and equitable compensation, LS&Co. conducts an independent pay equity audit every other year, with the most recent audit completed in 2020. We use the data to identify potential adjustments to be incorporated into our annual performance review process for different groups in the U.S. population, including corporate and retail employees as well as distribution center management. The study considered job level, performance, experience, and other factors such as promotions and location of jobs. Our audit confirmed that we do not have any systemic pay differences across gender and ethnicity. We are expanding our pay equity audits to include new markets. We're also focused on eliminating bias and increasing transparency in pay practices and salary ranges and ensuring objectivity around compensation rewards.



Engagement

At LS&Co., the voice of our employees matters, and we strive to empower them to make a difference. They are instrumental in how we hold ourselves accountable to our commitments, inform our talent priorities and drive a culture in alignment with our core purpose, brand identity and values. To this end, we conduct regular employee engagement surveys to understand and enhance the employee experience across many dimensions.

In July 2021, we launched our engagement survey on a new platform. A total of 63% of employees from around the world participated in the survey, resulting in an engagement score of 79%. This is about 6

percentage points higher than the global average, an external benchmark of other best-in-class companies compiled by Qualtrics. Our people leaders used the aggregate results to create specific action plans to address the top opportunities identified for their teams.

We also shifted from a single annual survey to a continuous and integrated approach to comprehensively understand and act on feedback and insights across the full employee life cycle. This new approach includes pulse surveys in addition to the annual employee engagement survey to measure and track progress and take real-time action on employee sentiment.

What Employees Are Saying: FY21 Engagement Survey Results

- 88% I am proud to work for LS&Co.
- 85% Overall, I am extremely satisfied with LS&Co. as a place to work.
- 84% I would recommend this company as a great place to work.
- 76% I trust the senior leadership of this company.
- 72% This company does a good job of helping me understand how changes will affect my work.
- 71% There is open and honest communication at this company.

Listening and Learning

True Blue, our new annual global listening and learning tour launched in 2021, allows us to delve into the nuances of our employees' experiences. True Blue provides opportunities for employees to have honest conversations about what's important to them and for the company to learn more about how they experience culture, inclusion and belonging at LS&Co.

Representative groups of employees from 16 functions and 33 global offices took part in True Blue. They universally expressed their deep appreciation for our culture, an overall sense of belonging at LS&Co. and connections to their colleagues. We heard that employees want us to focus on becoming a more globally focused and connected workplace, provide greater clarity on career growth and development, increase access to tools to support mental health, and support workload balance, especially in retail stores and distribution centers.

Our Plock, Poland, factory began using the ping app to stay in touch with employees in 2021, providing a monthly newsletter and two-way communication. And our Epping, South Africa, factory launched various communication platforms to engage with employees who do not have technology access, such as monthly

newsletters, town hall meetings, and televisions placed throughout the plant to share information with employees.

Recognizing Excellence and Dedication

When employees truly go above and beyond, we recognize their contributions through several awards:

- **Exceptional business results – Impact Award**
- **Substantial impacts that set a new global standard for our business – Koshland Award**
- **Innovative achievement in commercial, social and environmental sustainability – Haas Award**
- **Leadership in amplifying the voices of women – Meeta Award**

In 2021, we honored more than 13,000 frontline employees in our two factories, distribution centers, and retail stores with the Impact Award and a financial bonus. It was an expression of our gratitude for those who safely addressed customer needs under extraordinary circumstances.

Learning and Development

We are working to sustain a culture of high performance and continuous learning, underpinned by clear role expectations and opportunities for growth. We start by listening to employees – who made it clear through engagement surveys they wanted a better way to discover and grow their careers. Our learning and development approach zeroes in on these desires by offering development opportunities based on current and future skill gaps that support healthy careers and a strong business. We are also committed to ensuring equitable access and opportunity to learning, and to delivering tailored learning pathways, anchored in individual needs and learning preferences. In addition, our learning and professional development approach sustains a strong leadership bench through tailored programs for high-potential talent. Above all, we strive to build a continuous learning culture.

Convenient and Personalized Learning

In October 2021, we launched a new learning management system, Workday Learning, to make it even more convenient for employees to access the training they seek. The new learning management system also enables better reporting, access to development content and systems consolidation. The platform covers more than 5,000 employees as well as some contractors. By the end of fiscal year 2021, more than 1,100

enrollments and 86 courses had been created. Overall, between our previous platform and the new learning management system, approximately 24,000 completions were tracked across approximately 20 internally developed courses.

Internal career development content is accessible to employees who can build their own learning paths using personalized learning recommendations. The platform will also integrate compliance training in 2022, creating a single hub for learning content. In addition to the internally created content on Workday Learning, employees still have access to the LinkedIn Learning content library, which is being migrated into the learning management system. In 2021, more than 95,000 LinkedIn Learning videos were viewed by more than 1,800 unique learners. Also during 2021, we offered live workshops attended by nearly 3,000 employees in the Americas, Asia-Pacific and Europe.

Development Days

Learning-focused Developments Days launched for the first time in July 2021 to create a dedicated month of learning. A total of 2,250 employees from all regions globally attended 17 live workshops. This month of curated learning events also featured eight e-learning courses, which were completed by approximately 1,000 employees over one month. Throughout the month, employees completed more than 3,000 courses in total, a testament to our continuous learning culture.

Continuous Learning in Our Factories

Some of the 2021 learning and development programs at our Plock, Poland, factory included training on 5S implementation, project management, DE&I, first aid and CPR, and internal audits for the plant's two ISO standard certifications. At the same time, our Epping, South Africa, factory re-introduced its successful in-house learning program, Epping Academy in 2021.

Employees Helping Employees

As the COVID-19 pandemic affects people around the globe, the role of hardship funds has never been more critical. Widely considered to be the first corporate employee-funded hardship fund, the [Red Tab Foundation](#) is a public, nonprofit foundation that assists LS&Co. employees, retirees and their families during times of unexpected financial hardship. The Red Tab Foundation serves as a valuable connecting point between

employee giving and employee grants, and since March 2020, has disbursed more than \$1.15 million in COVID-specific hardship relief.

Assistance to Departing Employees

The impact of the pandemic, coupled with a restructuring initiative, resulted in workforce reductions occurring in 2020 and 2021. These difficult steps were necessary to provide us with a path forward to be the strongest possible business and employer over the long term. In all instances, we sought to treat our employees with empathy and respect, providing additional support where possible. Most departing employees received severance packages and were allowed to retain company-issued computers and phones. Most remained eligible for Red Tab Foundation support and our Employee Assistance Program for an additional year.

Ongoing Support During COVID-19

Although 2021 presented moments when it seemed the world was returning to normal, the pandemic continued to present challenges to LS&Co. employees worldwide. We continued to prioritize the safety and well-being of our people, launching a suite of initiatives in offices and stores to support physical, psychological and financial well-being.

Thousands of our retail, distribution center and manufacturing employees were on the front lines during the worst of the COVID-19 pandemic. We updated and adapted our policies to ensure that their working environment was as safe as it could be and that we were following all applicable health guidelines – or exceeding them in circumstances where we believed they did not go far enough.

At our two company-operated factories, we launched a suite of initiatives to help keep employees safe. At our Epping, South Africa, facility, a dedicated nurse oversees our COVID-19 measures and tracks employee recovery; we have a COVID-19 isolation room; we issued masks, hand sanitizer and multi-vitamins; we introduced gate screening; we provided support and training to employees on coping mechanisms; and we held a wellness week.

At our Plock, Poland, factory, our 2021 COVID-19 safety measures included on-site vaccination, remote or hybrid work arrangements, masks, work station distancing, temperature checks, hand disinfection resources, limits on meetings and other measures.

And in our retail stores, we developed a detailed guide and handbook explaining the protocols for COVID-19 safety, created COVID-19 prevention plans that included a hazard assessment and online training, put in place a process for reporting, and established contact tracing and case management processes for COVID-19.

Due to continued business disruptions and store closures, we did have to furlough some retail employees in 2021. In those instances, we provided regular pay for several months, continued offering benefits and invited employees back as stores reopened. Around the world, we worked through a network of state and LS&Co. supplemental pay programs to take care of employees while stores were closed. Once stores were able to reopen, we adapted store policies to prioritize the safety of our staff and consumers alike, and we continue to adapt our retail and distribution center practices to support employee well-being.

What's Next – Employee Support and Development

There's no doubt that 2021 was a year of listening and learning at LS&Co. Our employees spoke up, sharing their hopes, concerns and ideas for a brighter future. Many of the programs initiated during the pandemic to give employees extra support – paid sick leave for part-time retail employees, for example – will continue going forward, even when the pandemic threat diminishes. We will also continue to make sure employees know they have a voice, whether through our regular surveys, through town halls during which anyone can ask questions of our CEO, or through employee resource groups.

Building out our training and competencies, expanding our new learning management system to include more courses, leaning into integrated talent management, and making even stronger connections to culture in ways that help everyone feel valued, appreciated and included are all part of our outlook for 2022 and beyond. Our focus on making LS&Co. a dynamic and inclusive career destination goal will continue through multiple channels, including social media, campus tours, talent events, DE&I action plans for our retail stores and other initiatives.

We also anticipate continuing our progress on global corporate compensation structures and benefits toward development of a global paid leave policy. We are concurrently working toward a model retail compensation program that could include new incentives for store managers and associates in certain countries to make our retail network an even more attractive place to build a career.

Resources

[2022 Notice of Annual Meeting of Shareholders and Proxy Statement](#)

[Red Tab Foundation](#)

Red Tab Savers



Protecting and Honoring Human Rights

GRI: 2-27

UNGC: Principles 1, 2, 3, 4, 5, 6

Dignity and respect for all

At LS&Co., we are focused on ensuring that all people who are touched by our company are treated with

dignity and respect. We invest time, energy and resources in making sure that fundamental human rights are upheld for the workers in the mills and manufacturing factories in our supply chain and that their well-being is fostered to create an engaged and productive working community. We forbid any sourcing from regions where there is evidence of systemic forced, child or bonded labor.

Suppliers are required to sign a Master Supply Agreement (MSA), which contains the requirement to comply with our [Supplier Code of Conduct](#) and related policies. Our MSA requires that any supplier contracted to produce branded products comply with all rules, regulations and policies of the greater LS&Co. network, including human rights practices and procedures. In addition, our Supplier Code of Conduct has been informed by globally recognized human rights standards and conventions, including but not limited to the:

- **International Labour Organization (ILO) Protection of Wages Convention, 1949**
- **ILO Forced Labour Convention, 1930 and Abolition of Forced Labour Convention, 1957**
- **Palermo Protocol, 2000**
- **Universal Declaration of Human Rights, 1948**
- **UN High Commissioner for Human Rights Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, 1984**

Our Supplier Code of Conduct bans the use of child labor, prison labor, indentured labor, bonded labor and trafficked labor. In addition, because female and migrant workers often face additional vulnerabilities, the Supplier Code of Conduct has a specific section dedicated to anti-discrimination and several provisions to support gender equity in the supply chain. It also covers foreign migrant workers and their rights, including rights in recruitment, employment contracts, remuneration and benefits, worker communication, accommodations and food, social activities, religious practices and repatriation.

We actively support the Better Work Program, a partnership between ILO and IFC focused on protecting human rights and improving working conditions in the apparel industry. Better Work makes targeted investments in our suppliers' workers, training apparel workers and factory management on their rights and responsibilities in the workplace. In countries where Better Work operates, our suppliers are subject to Better Work assessments to ensure compliance and monitor improvement. Along with national constituents and brand partners, Better Work also engages in national advocacy efforts to influence policies related to workers' rights and safety in different target countries for long-term sustainable impact.

LS&Co. suppliers must have clear and established company policies to protect workers' rights and well-being. These company policies must be made publicly available to all workers, in a language they understand, and applied in a standardized fashion throughout the facility. Discrimination in any form is prohibited. All policies must prohibit discrimination based on age, caste, color, disability, gender, gender identity and expression,

sexual orientation, health status (including HIV and hepatitis B), marital status, pregnancy status, parenthood, nationality, social, national or ethnic origin, migrant worker status, political opinion, race, religion or union affiliation.

Full-time LS&Co. staff located in various countries monitor suppliers' sustainability and human rights practices and provide capacity building support where needed. To supplement our own monitoring efforts, we use third-party monitors to conduct regular assessments of every factory, key fabric mills and our product licensee suppliers. All third-party monitors understand the scope of our labor, environment, and health and safety standards and know the local languages, laws, culture and business context of each country in which they operate. We are also continuing to shift away from supplier assessments against our own Supplier Code of Conduct to embrace the Social & Labor Convergence Program (SLCP) Converged Assessment Framework, which provides greater assessment consistency across the industry.

Within our own operations, we maintain and enforce accountability procedures for employees and contractors regarding company standards on human rights. Our Worldwide Code of Business Conduct establishes the expectations we have of our employees. LS&Co. does not tolerate workplace violence, discrimination or harassment of any kind by any employee. We also promote a safe working environment, and our employees share responsibility to obey health and safety rules and policies, report accidents and raise any unsafe working conditions to supervisors immediately.



Supply Chain: Going Beyond Compliance

SASB: CG-AA-430b.1; CG-AA-430b.2; CG-AA-430b.3; CG-AA-000.A

GRI: 2-8; 2-27; 414-1; 414-2; 308-1; 308-2; 409-1; 408-1; 403-5; 403-6 UN

UN SDGs: 3, 5, 8, 10, 11, 16

UNGC: Principles 1, 2, 3, 4, 5, 6, 10

Collaborating for holistic worker health and well-being

In fiscal year 2021, we sourced apparel, accessories and footwear from more than 500 supplier facilities located in approximately 40 countries around the world. Since 2005, LS&Co. has publicly disclosed our Tier 1 suppliers. Today we publish Tier 1 and 2 suppliers and partner with the Open Apparel Registry (OAR) to open source our list and unique factory identifiers for better stakeholder engagement.* We believe that this degree of transparency leads to accountability and a better-performing supply chain, and we are conducting traceability pilots to get greater visibility into Tier 3 and Tier 4 – those suppliers providing raw materials to Tier 3 facilities.

**The list covers 99.5% of Tier 1 supplier factories (those providing sundries are not included) and 94% of Tier 2 factories. Beyond Yoga® data is excluded. The list represents all sourcing countries, including those where we source from just one or two factories.*

In 2021, approximately 428,000 people worked in our suppliers' Tier 1 facilities, while another 81,000 worked in Tier 2 facilities supporting LS&Co. products for our brands. Continued partnership with our suppliers with a focus on worker well-being has been at the heart of our historical success. To make sure we have the most resilient approach to our supply chain, we continually evaluate where and with whom we partner to produce our products based on a variety of factors, including supplier performance, country level risk, quality, capacity and time to market. Through regular factory assessments, supplier training and our Worker Well-being initiative, we collaborate with suppliers to drive improvement on the key social and environmental issues common to the apparel supply chain.

We have renewed our focus on overall program governance through a series of improvements started in 2021, including new country-level risk-based assessments, human rights due diligence and gap analysis, continued migration to converged industry-wide supplier monitoring programs, evolving our data management platform, and nearly doubling our Sustainability Team in six countries to work even more closely with suppliers on capacity building, with the aim of resolving common and systemic issues in the apparel supply chain.

Note that supplier assessment data throughout this section corresponds to the 2021 calendar year, not to the LS&Co. 2021 fiscal year.

Supply Chain Goals

Goal:

Continually improve apparel worker health, satisfaction and engagement

Supply Chain Metrics

Metric	2021
Tier 1 supplier factories assessed in 2021	98%
Tier 2 supplier factories assessed in 2021	100%
Percentage of LS&Co. products from factories using Worker Well-being initiatives	~80%
Number of supplier factories participating in Worker Well-being program	104

For more data see [Our Performance: Data Tables](#).

Supplier Code of Conduct and Supplier Sustainability Guidebook

In 1991, we pioneered a comprehensive workplace code of conduct for our suppliers, known as the Global Terms of Engagement (TOE). Based on international standards, such as the UN Universal Declaration of Human Rights and International Labour Organization (ILO) core conventions, the TOE was designed to help us improve the lives of the people manufacturing our products by requiring they be treated with dignity, respect and fairness within safe and environmentally responsible factories. While the TOE was innovative and pioneering 30 years ago, supplier codes of conduct have since become standard for responsible sourcing across the industry.

Today, the supply chain social and environmental requirements codified in the LS&Co. TOE have been migrated to a new [Supplier Code of Conduct](#), and have been incorporated into our comprehensive [Supplier Sustainability Guidebook](#). The Guidebook is updated regularly, following internal review and input from external stakeholders. For instance, in 2020 we updated the Supplier Sustainability Guidebook to incorporate more comprehensive guidance on pandemic safety, gender equity, migrant worker protections, digital wage payments, freedom of association and collective bargaining, and more robust health and safety guidance to address multi-story building risks. Suppliers were assessed against these new provisions beginning in April 2021.

Overall, our approach emphasizes the need for workers to be treated fairly and equitably by managing compliance as a foundational element. The Supplier Code of Conduct requirements are applicable to every

factory, subcontractor, licensee, agent or affiliate that manufactures or finishes products for LS&Co., including our company-operated factories. In 2021, following our acquisition of Beyond Yoga®, their suppliers became subject to regular assessments for compliance with our Supplier Code of Conduct.

Assessments for Risk Management, Improvement, Transparency

Companies with strong supply chain standards, monitoring and engagement are better positioned to manage risks. The Supplier Code of Conduct assessments conducted at our suppliers' factories annually help us identify any business, social or environmental risks that could be posed by non-compliance and enable us to work with suppliers to improve their performance. All initial, annual and follow-up Supplier Code of Conduct assessments take place unannounced to give monitors a realistic view of daily practices at assessed factories.

Supplier Code of Conduct Assessment Approach

Assessments are conducted by LS&Co.-approved third-party monitors when a new supplier is onboarded and annually thereafter, or more frequently if needed to evaluate corrective action compliance. To verify quality and integrity, we review and approve all third-party monitors and require them to go through training on our Supplier Code of Conduct requirements, assessment process, gathering information from workers' process, procedures and legal requirements, followed by examinations to check a monitor's level of competence and readiness to perform onsite assessments.

The last step in the approval process is a shadow assessment, where we review the monitor's knowledge, skills, behavioral attributes and level of competences to perform an assessment. Every year approved third-party monitors are shadowed by LS&Co. Sustainability Responsible Sourcing team members to ensure that all approved monitors meet our assessment performance quality parameters.

Supplier violations found during the assessments are categorized by three levels of severity:

- **Zero tolerance violation** – a serious breach of the Supplier Code of Conduct that LS&Co. believes could result in severe impact to individual rights, safety, and/or LS&Co.'s corporate reputation. Zero tolerance violations must be remediated immediately.
- **Immediate action item** – a breach of the Supplier Code of Conduct that LS&Co. believes would result in negative impact to individual rights and safety and/or LS&Co.'s corporate reputation. Immediate action items must be remediated fully within two months.
- **Continuous improvement item** – a labor, health and safety, or environmental issue that LS&Co. believes the factory should address to enhance the well-being of its workers and/or improve the factory's reputation or management practice.

Supply Chain: Zero Tolerance Violations

- Underage workers
- Corporal punishment
- Violation of ethical standards
- Falsification of records
- Failure to provide adequate emergency exits
- Failure to complete zero tolerance or immediate corrective actions within the agreed-upon timeframe
- Forced labor
- Sexual harrassment
- Infringements on freedom of association
- Inadequate fire prevention
- Unauthorized subcontracting

Tier 1 and 2 Supplier Facilities Assessed Against Our Supplier Code of Conduct

	Number of facilities assessed - 2019*	Total number of facilities - 2019*	Number of facilities assessed - 2020*	Total number of facilities - 2020*	Number of facilities assessed - 2021**	Total number of facilities - 2021**
Tier 1 Suppliers	420	453	449	484	430	439
Tier 2 Suppliers	62	66	70	75	65	65

*The following categories of factories were exempt from assessments in 2019 and 2020:

- Better Work high-performance factories are assessed on a 2-year cycle, per criteria set by Better Work.
- Low-volume suppliers were exempt from the 2020 annual assessment cycle in Europe due to the COVID-19 pandemic.

**While we previously conducted assessments and aggregated findings data according to the LS&Co. fiscal year, in 2021, we moved to a calendar year cycle. This was done to ensure consistency with major assessment programs in the apparel industry, such as SLCP and Better Work, both of which use a calendar year. As we continue shifting from our proprietary compliance program based on our Supplier Code of Conduct to converged industry platforms, other small adjustments may be necessary.

Percentage of Tier 1 and 2 Supplier Facilities Assessed Against Our Supplier Code of Conduct



* The following categories of factories were exempt from assessments in 2019 and 2020:

- Better Work high-performance factories are assessed on a 2-year cycle, per criteria set by Better Work.
- Low-volume suppliers were exempt from the 2020 annual assessment cycle in Europe due to the COVID-19 pandemic.

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Direct Supplier Facilities and Licensee Facilities Assessed Against Our Supplier Code of Conduct, Better Work or SLCP

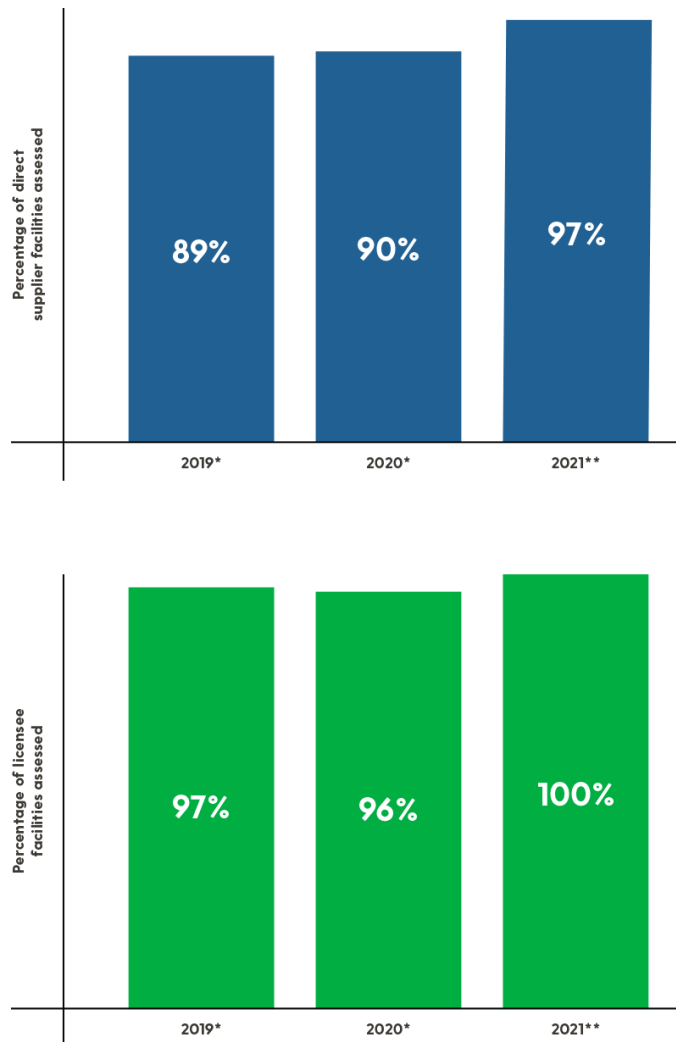
	Number of facilities assessed - 2019*	Total number of facilities - 2019*	Number of facilities assessed - 2020*	Total number of facilities - 2020*	Number of facilities assessed - 2021**	Total number of facilities - 2021**
Direct	237	265	255	282	253	262
Licensee	183	188	194	202	177	177

*The following categories of factories were exempt from assessments in 2019 and 2020:

- Better Work high-performance factories are assessed on a 2-year cycle, per criteria set by Better Work.
- Low-volume suppliers were exempt from the 2020 annual assessment cycle in Europe due to the COVID-19 pandemic.

**While we previously conducted assessments and aggregated findings data according to the LS&Co. fiscal year, in 2021, we moved to a calendar year cycle. This was done to ensure consistency with major assessment programs in the apparel industry, such as SLCP and Better Work, both of which use a calendar year. As we continue shifting from our proprietary compliance program based on our Supplier Code of Conduct to converged industry platforms, other small adjustments may be necessary.

Percentage of Direct Supplier Facilities and Licensee Facilities Assessed Against Our Supplier Code of Conduct, Better Work or SLCP



* The following categories of factories were exempt from assessments in 2019 and 2020:

- Better Work high-performance factories are assessed on a 2-year cycle, per criteria set by Better Work.
- Low-volume suppliers were exempt from the 2020 annual assessment cycle in Europe due to the COVID-19 pandemic.

**While we previously conducted assessments and aggregated findings data according to the LS&Co. fiscal year, in 2021, we moved to a calendar year cycle. This was done to ensure consistency with major assessment programs in the apparel industry, such as SLCP and Better Work, both of which use a calendar year. As we continue shifting from our proprietary compliance program based on our Supplier Code of Conduct to converged industry platforms, other small adjustments may be necessary.

In 2021, 98% of our Tier 1 supplier factories were audited and 100% of Tier 2 supplier factories were audited by LS&Co.-approved third-party monitors, Better Work monitors or SLCP-approved verifiers. A small number were done by LS&Co. Responsible Sourcing team members, such as when we identify critical non-compliance issues or do not have a network of approved external monitors in a given market.

Tier 1 and Tier 2 Facilities Assessed Against Our Supplier Code of Conduct, Better Work or SLCP

Tier	# of facilities assessed	# of facilities assessed against Code of Conduct	# of facilities assessed against Better Work	# of facilities assessed against SLCP
Tier 1	430	325 (76%)	48 (11%)	57 (13%)
Tier 2	65	40 (62%)	0	25 (38%)

Better Work Assessments

Better Work is an International Labour Organization (ILO) and International Finance Corporation (IFC) program bringing together various levels of the global garment industry to improve working conditions and respect labor rights for workers, while boosting the competitiveness of apparel businesses. We were one of the first to join Better Work when it was formed in 2001 and remain committed to its principles. By the close of 2021, 11% of our Tier 1 suppliers were covered under the Better Work program. In the countries where Better Work has a presence, LS&Co. suppliers are subject to assessments by Better Work. While this represented just 11% of Tier 1 supplier facilities in 2021, it accounted for 69% of our product volume.

Social & Labor Convergence Program

The Social & Labor Convergence Program (SLCP) is designed to help suppliers and brands move away from brand-specific factory assessments to a holistic industry approach through the Converged Assessment Framework. Under current protocols, many suppliers experience assessments from multiple brands. The SLCP approach is designed to reduce duplication, enhance industry-wide consistency and strengthen accountability. In addition, the assessment framework supports joint remediation and shared responsibilities among brands in the same supplier factories.

In 2021, we continued advancing the transition from our Supplier Code of Conduct assessments to the SLCP

Assessment Framework. By the close of the calendar year, approximately 13% of Tier 1 factories and 38% of Tier 2 factories supporting LS&Co. were being assessed using the SLCP converged framework. We are committed to SLCP and believe in the value of consistency across supply chain assessments. SLCP is not yet active in many of the countries where our suppliers are located, however. In addition, while a converged approach is beneficial when a factory serves multiple brands, for small suppliers that work exclusively for LS&Co., the Supplier Code of Conduct-based assessment approach may continue to be most effective.

Read more about the [Social & Labor Convergence Program](#).



2021 Assessment Approach – A Transition Year

During 2021, for direct supplier and licensee facilities, we continued shifting to SLCP and Better Work assessments.

LS&Co. Supplier Code of Conduct

- 76% of Tier 1 factories were assessed against our Supplier Code of Conduct
- 62% of Tier 2 factories were assessed against our Supplier Code of Conduct

SLCP Framework

- 13% of Tier 1 factories were assessed using the SLCP framework
- 38% of Tier 2 factories were assessed using the SLCP framework

Better Work

- 11% of Tier 1 factories were assessed through Better Work

Overcoming Assessment Challenges

Although factory assessments are commonplace in the apparel industry, the process comes with challenges and limits. The multi-year Worker Well-being Impact Study conducted by The Sustainability and Health Initiative (SHINE) at Harvard University's T.H. Chan School of Public Health illustrated how the assessment mechanism is not a suitable tool for understanding issues related to worker satisfaction, health and engagement.

The partnership with SHINE, which was funded and developed by the Levi Strauss Foundation, underscores the value of hearing directly from workers about their experiences and perceptions of the workplace. Our updated Worker Well-being approach, which will be rolled out in 2022, intends to bring greater visibility to worker experiences. For instance, implementing worker voice programs and empowering workers to speak up, whether through committees, grievance mechanisms or other platforms, can be an effective way to uncover concerns and begin addressing them.

Supplier Code of Conduct Assessment Ratings

Every LS&Co. supplier is assigned a rating from 1 to 10, with 10 being the best rating, based on overall performance, past record and timeliness in completing corrective action plans when necessary. These ratings are used by our manufacturing operations team when considering which suppliers to use and how much production to allocate.

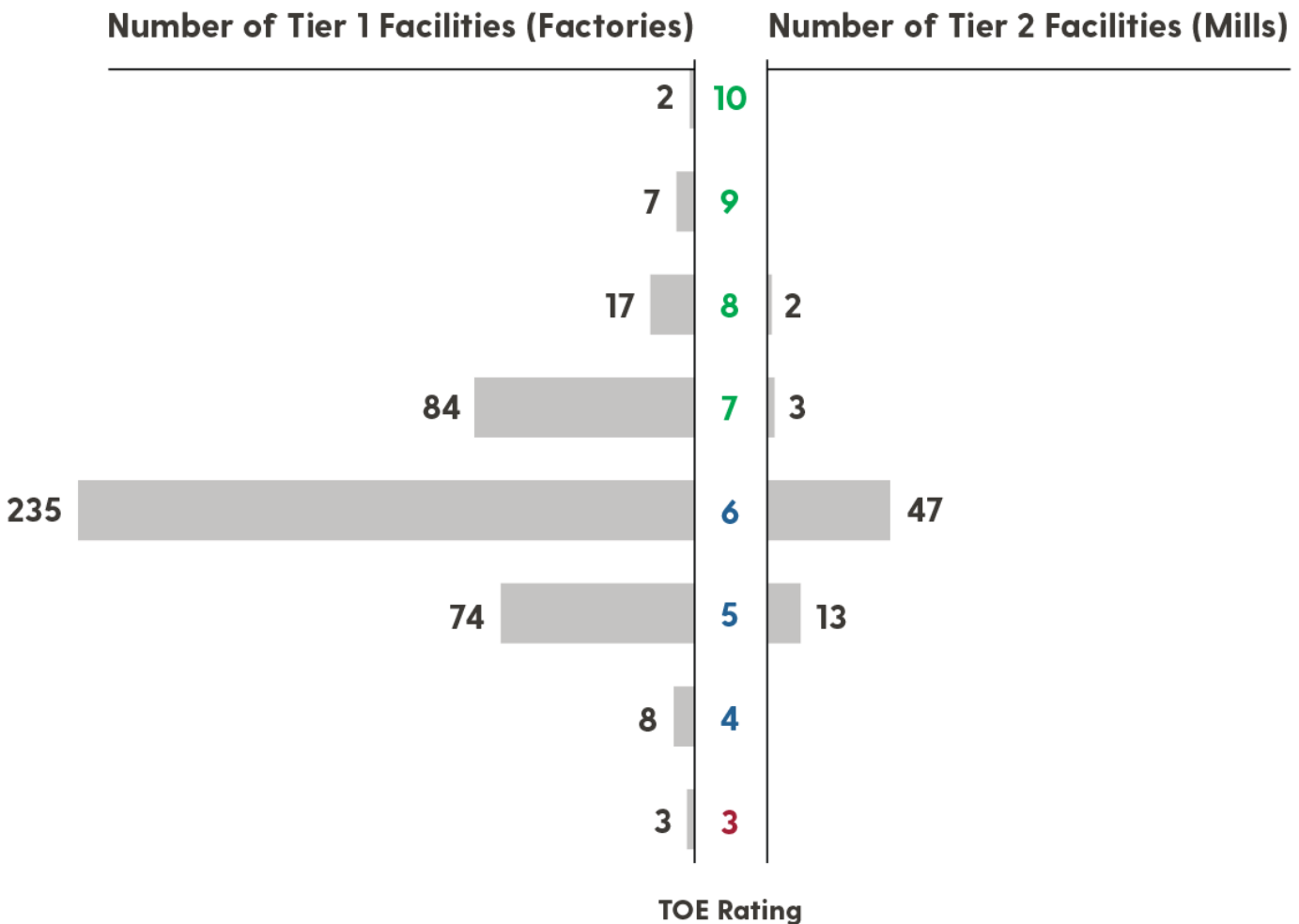
Top performers are those with no Supplier Code of Conduct violations, a good management system and consistently high performance meeting our requirements. Poor performing suppliers are those with zero tolerance violations and/or repeat violations, slow follow-up or lack of willingness to improve. These suppliers will be given formal warning that they are in danger of having their production orders reduced unless they improve by the required timeframe. In most cases, such notification motivates the supplier to quickly improve.

Suppliers can enhance their ratings by establishing a strong record on compliance and systemic issues. Our expectations are high – we do not increase scores until issues have been resolved. If a supplier receives a rating of 6 or below, we work with them and in collaboration with other brands sourcing from the same facility to improve performance. The hope is always that the issues can be addressed because pulling out of a factory can have long-term impacts on the workers in those facilities, potentially leading to job loss. Being part of the solution is the preferred way forward whenever feasible.

The COVID-19 pandemic affected supplier performance in 2021 to some degree. Delays in remittance of social security benefits, severance payments to workers, delays in permits renewal and other issues

associated with the pandemic were reported during the assessments. We worked with suppliers during 2020 and 2021 to make sure they met their legal obligations to pay their workers during the pandemic as part of our continued efforts to minimize negative impacts on workers in the face of supply chain disruptions and uncertainty.

Assessment Scores of Tier 1 and Tier 2 Facilities



Number of Violations Found

Tier 1 Suppliers			
	2019	2020	2021
Continuous improvement	54	66	1,286
Immediate Action	365	383	3,370
Zero Tolerance Violation	1	0	43
Tier 2 Suppliers			
	2019	2020	2021
Continuous Improvement	2	4	245
Immediate Action	60	66	986
Zero Tolerance Violation	0	0	10

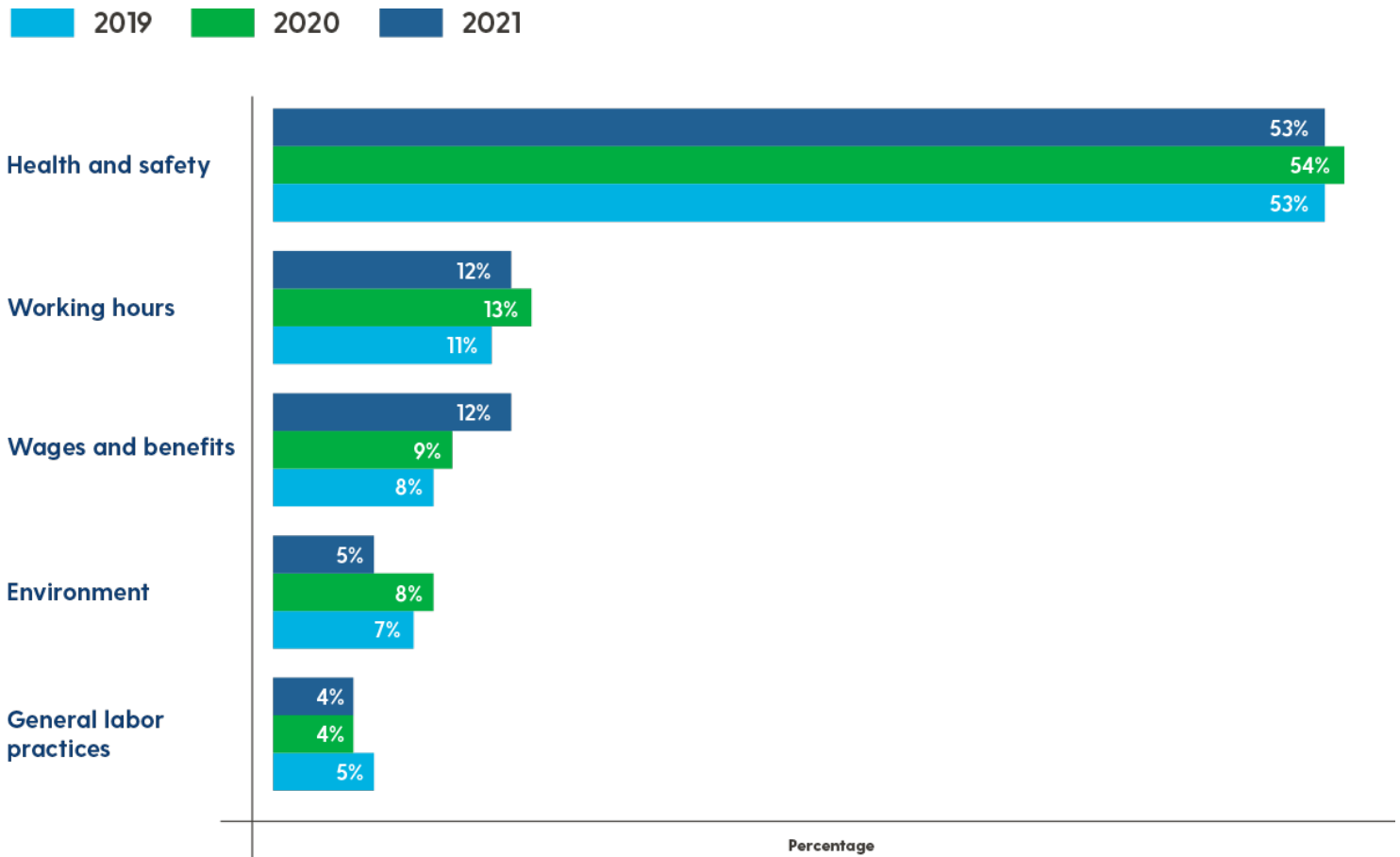
Zero tolerance violations, continuous improvement findings and immediate action findings all require the supplier to implement a corrective action plan. Our Supplier Code of Conduct requires compliance on more immediate action issues than any other compliance categories and includes detailed safety requirements for laundering and finishing garments. For these reasons, our assessments find more immediate action issues, most of which have to do with health and safety. Our suppliers are also expected to fully adhere to applicable health and safety management laws, industry best practices and international standards.

In 2021, we returned to visiting factories more often after the impact of pandemic-related closures and limited travel in 2020. Many apparel and footwear suppliers' cash flows were impacted by the pandemic, which resulted in higher violations related to issues such as making timely wage payments. In addition to the pandemic-related issues, the 2021 assessments identified cases where suppliers had not yet met the new requirements of our adoption of an industry tool, the Social & Labor Convergence Program's (SLCP) Converged Assessment Framework, and those introduced in our Supplier Sustainability Guidebook – which had been updated and expanded with new requirements in 2020.

We also noted an increase in zero tolerance violations in calendar year 2021. We terminated two supplier relationships for non-compliance, another is undergoing verification in September 2022 and the remaining

zero tolerance violations have been successfully remediated.

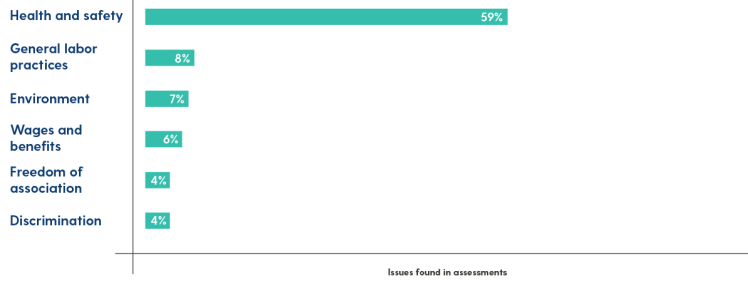
Top Issues Found – Tier 1 and Tier 2 Facilities*



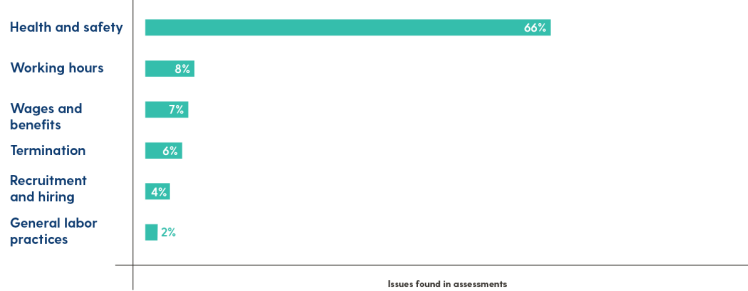
* Since these represent the top issues, not all issues, percentages do not add up to 100.

Top Issues Found – Tier 1 Facilities by Region (2021)*

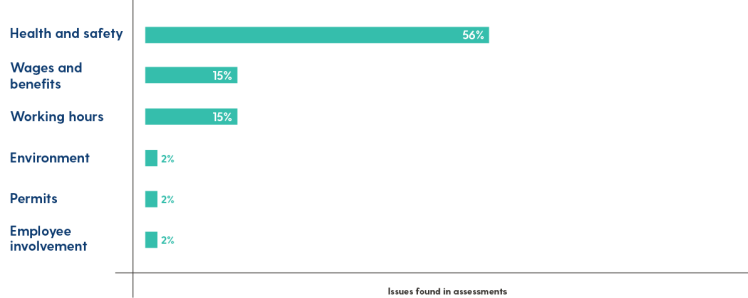
Americas



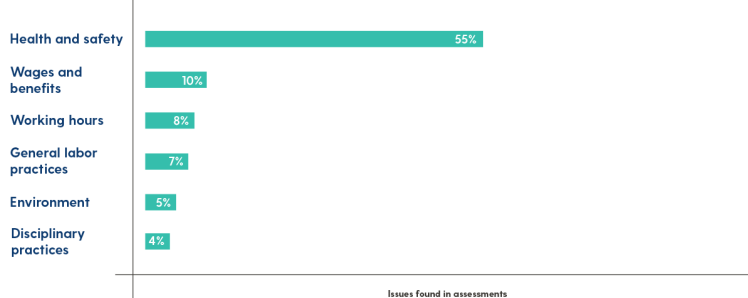
Europe, Middle East, North Africa



North Asia



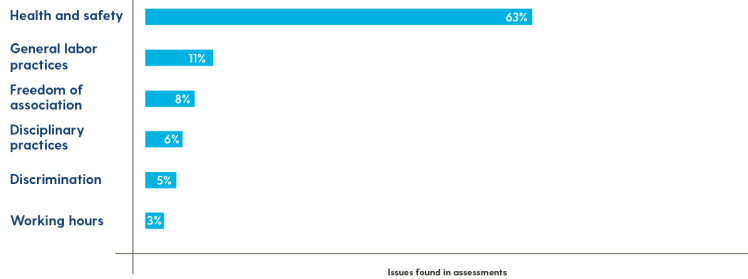
South Asia



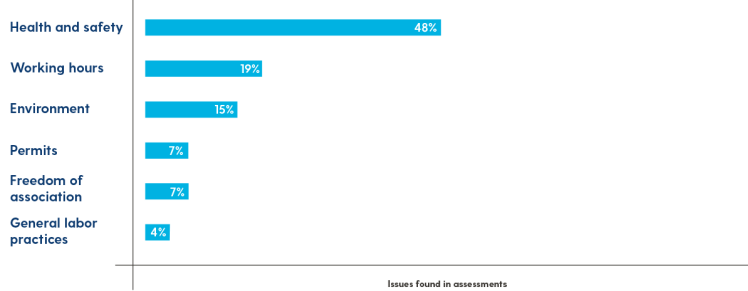
* Since these represent the top issues, not all issues, percentages do not add up to 100.

Top Issues Found – Tier 2 Facilities by Region (2021)*

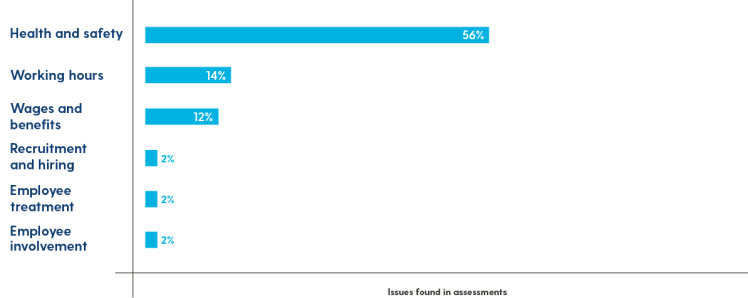
Americas



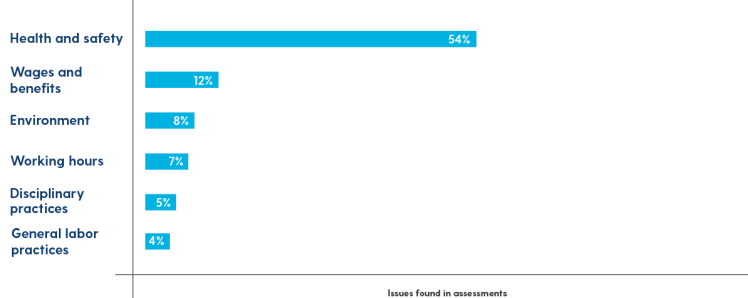
Europe, Middle East, North Africa



North Asia



South Asia



* Since these represent the top issues, not all issues, percentages do not add up to 100.

Closing Corrective Action Plans (CAPs)

In 2021, we doubled down on closing CAPs by providing training, resources and capacity building to suppliers to help them address systemic issues in the supply chain. This included a special focus on licensees – many of whom were harder hit by the COVID-19 pandemic than our direct suppliers – to help make sure they have the necessary knowledge, capacity and resources to meet our Supplier Code of Conduct requirements. We are also adjusting our scoring methodology and rating system to more closely align them with industry practices and to fast-track remediation and closure of CAPs.

We are aware that our practice of offering suppliers six to eight months to demonstrate substantial improvement – longer than some other brands – can make CAPs appear incomplete in our reporting data, particularly with respect to health and safety and environmental findings. However, we remain dedicated to driving our suppliers to resolve systemic issues that affect the apparel industry even though this can take longer and keep some CAPs open over extended periods.

Addressing Priority Labor Issues

Our expectations and requirements of every supplier are detailed in the LS&Co. Supplier Sustainability Guidebook, which incorporates the principles and high-level requirements of our Supplier Code of Conduct. We update these requirements as needed to address any new identified risks, such as health and safety concerns associated with the COVID-19 pandemic, and to align with new regulations. This includes providing suppliers with training and resources to make sure they understand and can comply. Although we provide a grace period before the new requirements are rated during assessments, we sometimes find that the addition of new requirements results in non-compliance assessment findings as suppliers work to adjust their procedures.

Like many apparel brands, our work with suppliers over the years has especially focused on three issues that appear in assessment findings:

1. **Health and safety (detected in 57% of Tier 1 assessments and 55% of Tier 2 assessments in 2021)**
2. **Wages and benefits (detected in 11% of Tier 1 and Tier 2 assessments in 2021)**
3. **Working hours (detected in 10% of Tier 1 and Tier 2 assessments in 2021)**

In 2021, as in previous years, we focused on helping our suppliers address these common issues. We terminated two supplier relationships for non-compliance.

Strengthening Our Responsible Sourcing Strategy

We recognize that our purchasing practices directly affect suppliers and in turn, their employees. For instance, insights from Harvard SHINE have made clear that the order placement process, trust and transparency in our relationships with suppliers, and reliance on long-term partnerships all enhance factories' ability to manage their businesses, the work environment and the overall worker experience. On the other hand, order inconsistency – such as that caused by COVID-19 pandemic-related disruptions – can lead to stress on factory managers and supervisors, which in turn can lead to decreased worker productivity and negative impacts to worker health and well-being.

We have taken a hard look at our own actions to determine how – or whether – we are enabling an environment that brings about the improvements we want to see. In turn, this enables us to better understand the downstream impacts of our sourcing and supplier relationship management practices on worker well-being. For instance, we recognize that our factory-level interventions and corrective actions can affect our relationships with factory managers, leading to uncertainty or tension that can trickle down to workers. We see opportunities to change purchasing practices that can inadvertently affect factory pay systems, and ultimately, worker well-being.

Working with ELEVATE, we reviewed our responsible sourcing program in 2021, from strategy and governance to transparency, monitoring, engagement and worker voice programs. We then developed a three-year roadmap for a sourcing strategy that aims to go deeper into the supply chain – beyond Tier 1 and 2 suppliers – and include more robust mechanisms for worker grievance, stronger monitoring in high-risk countries and greater transparency.



Health and Safety

The ability to work in a factory that is clean and safe is a basic worker right. All LS&Co. suppliers are required to provide safe buildings, secure work environments and appropriate personal protective equipment. Our Supplier Code of Conduct includes detailed requirements in more than 20 categories for ensuring worker health and safety, including safety committees, training, hazard assessments and controls, emergency preparedness, building integrity, aisles and exits, lighting, electrical safety, machine guarding, product finishing, and many others. Notably, the Supplier Code of Conduct and Supplier Sustainability Guidebook provide extensive guidance on safety while finishing garments. This includes hand scraping, laser engraving,

screen printing, abrasive blasting and other finishing activities.

Because our health and safety requirements are so extensive, it is not uncommon for assessments to uncover a violation, sometimes due to workplace conditions or procedures, and sometimes due to worker non-compliance, such as removal of gloves or a mask. Frequently, health and safety assessment findings are related to paperwork management non-conformances, rather than issues that could threaten worker safety. We regularly remind suppliers how important it is to provide ongoing safety training so workers understand and abide by requirements designed to protect them from harm.

Building Integrity and Electrical Safety

In 2013, when the Rana Plaza garment factory in Dhaka, Bangladesh, collapsed, the tragedy highlighted the unsafe conditions present at some apparel factories in the country. LS&Co. products were not made at Rana Plaza and the number of factories producing our products in Bangladesh remains low. Even so, we took stronger action in the aftermath of the Rana Plaza collapse to assess health and safety practices and building integrity of our suppliers and to publicly disclose this information. This led to continued supply chain health and safety improvements.

Factories supplying to LS&Co. in Bangladesh are assessed annually with additional emphasis on fire safety and electrical and building stability. When new suppliers are brought on board in Bangladesh, we have a building assessment conducted to make sure supplier building safety requirements are in place. Any findings not compliant with our Supplier Code of Conduct leads to a corrective action plan and follow-up assessment.

In 2021, we completed a detailed assessment of seismic risk for 105 facilities in the LS&Co. supply chain across 12 countries. The assessment, which included relative seismic hazards and local building codes and construction quality, helps us to better understand earthquake risk at these locations, with the aim of informing suppliers so they can take steps to better protect their workers. We have begun publishing building integrity information based on our assessments in Bangladesh, Cambodia and Pakistan, including the names of suppliers we assessed and their locations. We plan to extend these assessments to other key suppliers globally and expand the hazard factors assessed to include not only seismic vulnerabilities, but also general building and electrical integrity.

Read our [commitment to building integrity and fire safety](#).

Read our [2021 building integrity and electrical safety assessment findings](#).

Fair Compensation

We will do business only with supply partners that provide wages and benefits that comply with applicable

law and match the prevailing local manufacturing or finishing industry practices. Non-compliance triggers immediate corrective action, usually including a demand for payment to workers in arrears and according to legal requirements.

Requiring Digital Payments

Digital payments to workers provide greater transparency, ensuring workers are paid the right amount and on time. Electronic payments are also better for families by protecting funds from being stolen or spent impulsively. Our Supplier Code of Conduct stipulates that suppliers must pay their workers electronically and that workers be allowed to open bank accounts. The Worker Well-being initiative has played a key role in providing financial literacy training to assist with this process. In FY21, about 94% of workers in our supply chain were covered by digital payments.

Prohibiting Homework

Homeworkers are those workers, usually women, who do jobs that need to be finished by hand, such as cutting off threads, sewing on buttons or doing embroidery. They generally receive extremely low pay, are not covered by benefits and are often paid irregularly or late. Homework is expressly prohibited in the LS&Co. supply chain and if found, is an issue on which a supplier must take immediate action.

Compensation During the Pandemic

The impact of market fluctuations, changing government health regulations, and unpredictable conditions during the pandemic has in some cases affected the ability of suppliers to retain and pay workers. We have been in continual communication with suppliers to make sure they compensated employees in accordance with local legal regulations, making it extremely clear that a condition for continuing to work for LS&Co. was complying with all our requirements.

In 2020 and 2021, to provide additional assistance to workers, the Levi Strauss Foundation committed \$2.2 million in grants to support organizations providing critical community services and direct relief in the form of food, cash and housing assistance, personal protective equipment and medical care. During the 2020-2021 and 2021-2022 grant periods, funds were distributed to a variety of grantees, who aimed to assist over 650,000 apparel workers and family members. Additionally, grantees trained at least 3,400 healthcare and frontline workers on hygiene and safety practices to help protect workers, families and communities.

Toward Compensation Benchmarks

We have subscribed to the Fair Labor Association's (FLA's) Fair Compensation Toolkit as a common

methodology for measuring and driving industry-wide progress on fair compensation. LS&Co. aims to understand our supplier's current situations within the context of various wage benchmarks, including the Global Living Wage Coalition estimates, and evaluate opportunities for impact in our source base. As part of our initial work, 30 factories in our supply chain have completed the comprehensive wage data collection tool.

Promoting fair compensation among our suppliers supports our commitments to worker well-being since economic well-being is central to worker health, satisfaction and engagement – tenets of our Worker Well-being program. Together, our wage analysis and Worker Well-being program will inform our strategy to help ensure that supply chain workers are fairly compensated according to country-level and industry-wide benchmarks.

Working Hours

Excessive overtime is a prevalent issue in the apparel industry due to fluctuations in product orders and seasonal demands, delays receiving raw materials, inconsistent government enforcement of working hours laws and other factors. We understand that suppliers find it difficult to deal with these challenges without resorting to overtime. However, excessive overtime hours affect worker well-being and productivity. Our Supplier Code of Conduct makes it clear that we favor partners who use fewer than 60-hour work weeks and that we will not use suppliers who regularly require more than a 60-hour week. Employees also must be allowed at least one day off in seven. Where a country's legal code requirements are more stringent on overtime hours, suppliers must meet the legal requirements.

The discovery of working hour non-compliance during an LS&Co. assessment is cause for immediate action and requires a corrective action plan. We are aware that this remains a systemic issue in the apparel industry and needs constant attention by our teams and monitors. The impacts of the COVID-19 pandemic exacerbated the issue, as factories closed and reopened intermittently in response to changing government mandates, demand fluctuation, and unpredictable timetables. As a result, the factory-level corrective action plans we mandate tend to remain open, reflecting the ongoing nature of the issue, and affecting the annual percentage of closed corrective action plans.

Regular, Long-Term Employment Contracts

Our Supplier Code of Conduct and sourcing contracts require suppliers to offer permanent and/or long-term regular employment contracts for all non-seasonal workers, regardless of whether such contracts are legally required in each jurisdiction. We anticipate that all workers in the LS&Co. supply chain will have long-term employment contracts by the end of 2022.

Protecting Foreign Migrant Workers

In 2020, we updated our Supplier Sustainability Guidebook's section on foreign migrant workers to address areas for improvement identified through our assessment process. We have defined supplier requirements regarding foreign migrant workers, from hiring through the end of employment. The Guidebook also includes best practices in the employment of foreign migrant workers and requirements for suppliers to make sure these workers are aware of their rights. Approximately 1,250 foreign migrant workers were employed in factories and mills in the LS&Co. supply chain during 2021, less than 1% of all workers in the factories and mills supporting our products.

Our 2021 assessments uncovered a small number of compliance issues with respect to foreign migrant workers. These included issues associated with the payment of recruitment and documentation fees, expired work permits, and use of unapproved agents for recruitment. We make clear our expectations for protecting these workers, who are vulnerable to exploitation by unscrupulous recruiters and others.

Preserving Freedom of Movement

We prohibit suppliers from controlling their workers' legal documents – including passports or other documents that could restrict their movement. Any finding that a supplier is holding or otherwise controlling an employee's legal paperwork against their will constitutes an immediate action finding, with specific corrective action steps required immediately.

Prohibiting Forced Labor and Child Labor

LS&Co. is committed to human rights and labor rights wherever we operate and throughout our supply chain. Consistent with international labor conventions and the Universal Declaration of Human Rights, our Supplier Code of Conduct governs the conduct of the vendors and suppliers we work with around the globe and expressly forbids any forced, prison, indentured, bonded or trafficked labor in the supply chain. These requirements are clearly detailed in our Supplier Code of Conduct, as well as our [U.K. Modern Slavery Statement](#) and [Australia Modern Slavery Statement](#).

As a partner in the multi-stakeholder Better Work program, we contribute to industry-wide efforts focused on eradicating forced labor and human trafficking. Before entering into a contract with a new supplier, we evaluate the risk of forced labor and other issues through initial assessment, and suppliers are required to pledge their adherence to our Supplier Code of Conduct requirements as part of their Master Supply Agreements with us.

We will not contract with any entity that uses forced labor, whether prison, indentured, bonded or trafficked, nor will we utilize or purchase materials from a business partner using prison, indentured, bonded or trafficked labor. These forms of forced labor are defined as follows:

- **Prison Labor:** Work performed by individuals incarcerated by either the state or military that is a requirement of their sentence and usually without compensation.
- **Indentured Labor:** Work performed by an individual contractually bound to an employer for a specific time period, which is usually in return for payment of travel and living expenses.
- **Bonded Labor:** An illegal practice in which employers give high-interest loans to workers who either individually or as an entire family then work at low wages to pay off the debt.
- **Trafficked Labor:** A practice where a person is recruited, harbored, obtained, transported, or transferred with a view to that person being exploited.

All forms of prison or forced labor are considered zero tolerance violations of our Supplier Code of Conduct requirements. Likewise, all use of trafficked labor – whether the contractor is using labor that has been trafficked or facilitating the trafficking of individuals for the purposes of their exploitation by another party – constitutes a zero-tolerance violation. Subcontracting with prisons is also a prohibited zero tolerance violation. Our assessments did not find any such zero tolerance violations in calendar year 2021.

The use of child labor is not permissible at any facility in the LS&Co. supply chain. Workers can be no less than 15 years of age and not younger than the compulsory age to be in school.* We will not use any suppliers that have child labor in any of their facilities. These are considered zero tolerance violations that result in immediate corrective action and the potential termination of the supplier relationship. Our assessments did not find any such zero tolerance violations in calendar year 2021.

**LS&Co. defines a child as anyone under the age of 15, and a juvenile as anyone between the ages of 15 and 18. In regions or countries where the legal definition of a child includes persons older than 15, the local definition will apply.*

Preventing Sexual Harassment and Abuse

Sexual abuse and harassment are zero tolerance violations of our Supplier Code of Conduct and our company values. To comply with our standards, our suppliers' factories must have clear employment policies on harassment, abuse and coercion that are uniformly applied and made available to all workers in their local languages. If we learn of issues of abuse and harassment, it is incumbent on us to respond quickly and thoughtfully. Our assessment identified one incident of sexual harassment in calendar year 2021 that has been remediated.

In 2018, after we received the Worker Rights Consortium (WRC) report on harassment and abuse in supplier facilities in Lesotho, we took immediate action. We informed the CEO of the supplier that the abuse alleged in the report would not be tolerated and required remediation regarding employment contracts, reporting systems and grievances raised by workers. To support the remediation process, we collaborated with local and international labor rights NGOs and unions to design a program to address the issues that were found and provide greater protection for women working in these facilities.

We recognize these issues are difficult to detect and remediate through assessments alone. We have enhanced our assessment program to conduct off-site interviews and now require that assessment teams have female monitors to help create a safe environment, free of the possibility of retaliation.

As we have learned by listening to workers, a culture of trust and respect is essential to any workplace. Often, harassment and abuse are symptoms of underlying gender inequities that can be mitigated by creating more gender-equal environments. These were among the primary themes of the [Gender Equality Report](#) published by the Levi Strauss Foundation, which outlined practices for enhancing gender equity at factories and building cultures in which workers feel safe. We have been working to put these learnings into practice throughout our operations. We also believe it is crucial that we seek to understand the root causes of sexual harassment and identify policies and partnerships that can address it at a systemic level. We will continue striving to ensure safe, productive working environments across our supply chain and to improve worker well-being.

Prohibiting the Sumangali Scheme

LS&Co. condemns and prohibits the Sumangali scheme, an illegal bonded or forced labor scenario involving girls and young women workers in the textile industry in the Indian state of Tamil Nadu. Under Sumangali, young women accept multi-year work contracts to earn money for a wedding dowry. However, their employers hold back a significant portion of their wages and do not pay them until after the contract term is completed – if at all. The women are not allowed to leave or change jobs and are forced to accept all work and conditions, which are generally exploitative and even abusive.

Both national and global efforts have attempted to address the issue, and apparel companies, including LS&Co., have taken steps to eradicate the Sumangali scheme. Some of our actions over the years have included participating in the Tirupur Stakeholders Forum guidelines development, making grants to local NGOs focused on community intervention and women's empowerment, consolidating the supplier base, implementing additional due diligence measures, establishing a grievance management system, and advocating for a minimum wage on behalf of spinning mill workers in Tamil Nadu.

We continue to monitor our supply chain to determine whether any supplier has links to forced, prison, indentured, or bonded labor, or to human trafficking. Based on what we find, we are prepared to take appropriate actions to address the situation in accordance with our values, our code of conduct and international human rights standards to ensure our supply chain is free of forced labor. We continue to work with industry peers and partners to engage stakeholders on collective solutions to protect human rights and ensure the integrity of global supply chains.

Capacity and Capability Building

We expect a lot of suppliers and understand that many of them simultaneously try to meet our expectations as well as those of other brands. That's why our capacity building support is specific and based on need. It follows the Better Work approach to needs assessment and draws from factory assessment findings, worker voice initiatives and our own Worker Well-being initiative. The LS&Co. sourcing team is key to the needs assessment and to helping suppliers implement and improve their social and environmental performance, whether for compliance or to begin using innovative sustainable materials and new technologies. We are leveraging four primary ways to share learning and develop skills among suppliers:

Engagement – We engage directly with our suppliers through focused webinars to discuss and align on shared objectives. A total of 186 direct suppliers and fabric mills, as well as 19 licensees, engaged in these valuable dialogues with us in early fiscal year 2022 and we aim to meet with additional suppliers in the future.

Holistic workforce investments – In addition to complying with our requirements, suppliers must go beyond, investing in their workforce and ensuring the safety and holistic well-being of their employees. Through collaboration, training and initiatives like our Worker Well-being initiative, we support suppliers in making the transition from a strictly compliance-based approach to one that embraces comprehensive well-being for the people who make our products.

Digital tools – We are developing video-based training tools to educate suppliers on key compliance concepts and our approach to the Worker Well-being program.

Better Work – This program also provides training to suppliers on key issues like the worker-management relationship, worker dialogue, communication for supervisors and other soft skills that can make a difference in the workplace experience. All LS&Co. suppliers in Better Work countries participate in this training. During calendar year 2021, 31 factories with more than 92,000 workers participated in on-site and virtual training sessions. The trainings covered a wide array of topics, including:

- Occupational safety and health
- Compensation and benefits

- Workplace communication
- Gender equity
- Productivity skills
- Leadership skills for middle managers
- Sexual harassment prevention
- HIV and AIDS awareness
- Financial literacy
- Chemical management

We are also exploring use of a ZDHC Academy module offered by the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation on sustainable chemical management. We offer suppliers ZDHC tokens they can use to participate in the ZDHC Supplier to Zero program for certification and for ZDHC Academy training free of charge. Through calendar year 2021, more than 100 factories in our supply chain have achieved the ZDHC foundational certificate and others have used tokens for ZDHC Academy training.

Mekong Sustainable Manufacturing Alliance

We are participating in a three-year program funded by USAID in cooperation with the Institute for Sustainable Communities, ELEVATE and the Asian Institute of Technology, to enhance environmental, social and governance (ESG) supply chain standards in the Mekong Region of Cambodia, Thailand and Vietnam. The Mekong Sustainable Manufacturing Alliance program aims to improve the health, livelihoods and well-being of vulnerable populations, while fostering sustainable economic growth and greater development outcomes.

The program is expected to cover as many as 250 factories working in apparel, footwear, food processing and other sectors. Since it began in 2021, we have identified 13 factories in the LS&Co. supply chain to participate. Collectively, the factories employ approximately 40,000 workers in Cambodia and Vietnam. We collaborated with other companies to develop the program strategy, emphasizing ESG topics that resonate with our supply chain in the region. We have since begun engaging suppliers to participate in capacity building initiatives and technical assistance covering:

- Respectful workplace, focusing on non-discrimination and grievance mechanisms
- Protecting foreign migrant workers, focusing on equal opportunities for migrant workers
- GHG emissions, focusing on renewable energy
- Waste management

Enabling Worker Voice

We are striving to improve worker voice and grievance programs in the supply chain. We have developed guidelines for gathering information from workers during the assessment process, which helps to make worker interviews central to our assessments. While some suppliers are implementing worker voice channels, we do not yet have a unified program to help make sure workers have dialogue with factory management. We will continue encouraging suppliers to evolve their existing grievance approaches into more unified systems.

One of our first steps in this direction was the recent Harvard SHINE study, which provided valuable input from apparel workers about their mental, emotional and physical health. The newest version of our Worker Well-being initiative builds on this research and provides guidance to factories on ways to improve workplace culture and communication channels between workers and managers. To gain further insight, we will administer an adapted version of the Harvard SHINE survey in select sourcing locations in 2022 and beyond.

The responsible sourcing assessment we completed in 2021, as well as learnings from the gender-based violence and harassment remediation project in Lesotho, pointed to the need for more worker voice channels where workers can report their grievances or share their needs and suggestions. As a result, we are implementing independent workers' grievance hotlines at selected supplier facilities in three major sourcing countries – Bangladesh, Pakistan and India – in partnership with Ulula, a worker engagement service provider. An initial worker survey is being conducted at every site to define a baseline and identify any current systemic issues. The new grievance management platforms enable workers to share concerns 24/7 in multiple languages and through multiple online and offline channels. The intent is to support systems development and build capacity for suppliers to gradually take ownership of the platforms and case management after the first year, and we plan to scale the program in more markets.

Worker Well-being Initiative

The Worker Well-being initiative, introduced by LS&Co. in partnership with the Levi Strauss Foundation in 2011, is designed to go beyond compliance to improve the lives of the people who make our products. It

reflects our understanding that what is good for workers is good for business, and that when we elevate trust, respect and fairness in partnership with suppliers, we are all more innovative and resilient. The Worker Well-being initiative operates on the premise that if workers are healthy, satisfied and engaged, then business performance also improves. Our suppliers believe in this premise, and we have launched well-being programs in 113 supplier factories over the past decade.

At each participating factory, the Worker Well-being initiative surveys workers about their well-being needs, rolls out responsive empowerment programs and builds the capability of factory management to sustain progress through lasting improvements that improve worker experience – training, worker communication channels, cooperation between managers and employees, gender equity, and a comfortable physical workspace, among others.

The original 2011 [Worker Well-being Guidebook](#) outlines the criteria for supplier selection into the initiative, implementation standards and requirements for validating supplier programs. Then, nonprofit grantees of the Foundation partner with factories, providing guidance, resources and training to help address worker needs in economic empowerment and financial literacy, good health and family well-being, and gender equity.

Evolving the Initiative for Worker Health, Satisfaction, Engagement

To more closely examine the status of worker well-being throughout our broad supply chain, in 2017 we set up a multi-year partnership with Harvard SHINE. Their research – which initially reflected data from more than 13,300 workers in 15 factories concentrated in five countries collected over several years – has demonstrated that high levels of well-being at work require trust, respect and fairness. In line with our commitment to sharing our learnings with the field, the [Harvard SHINE study results](#) are publicly available to others in the industry.

In 2021, with a decade of implementation experience and learnings from our partnership with Harvard SHINE, we identified opportunities to deepen the impact of the Worker Well-being initiative. We updated our strategy and set new goals for even greater reach and impact, emphasizing improvements to the worker experience in health, satisfaction and engagement. LS&Co.'s refreshed Worker Well-being strategy, outlined in the [2022 Worker Well-being Guidebook](#), offers suppliers a self-directed, collaborative approach designed to help them identify locally relevant improvements to well-being and business performance. Our updated strategy focuses on:

- **Well-being in the workplace.** The way work is planned and distributed and how employees feel on the production floor not only affects well-being, but can also have ripple effects in households and communities as well. Data shows the industry has a long way to go to build caring workplaces where workers and managers share a sense of trust, respect and fairness.

- **Worker-manager cooperation and communication.** Understanding and elevating worker well-being requires collecting their perceptions. Listening to workers' insights and concerns goes deeper than compliance audits and highlights opportunities over risks.
- **Programs and investments within gender equity, workplace environment, and policies and systems.** Evidence and experience show that these three areas contribute most directly to well-being at work.

Improving the work experiences and lives of the women and men who make our products is a continuous process, so we established several principles and milestones we will strive to achieve along the way:

- **LS&Co.:** Review, re-assess and improve our purchasing practices because we know these can impact worker health and well-being.
- **LS&Co.:** Support suppliers in improving worker compensation. While laws that determine wages vary by country, financial security is critical to worker well-being.
- **Suppliers:** Improve cooperation between workers and managers by enabling collaborative teams that identify needs and develop solutions for well-being at work.
- **Suppliers:** Make investments in gender equity, the workplace environment, and factory policies and systems, and will monitor and measure progress.

Measuring Progress and Impact

Thanks to the Harvard SHINE partnership, we know the key indicators for well-being and have created the tools to measure them. The Levi Strauss Foundation led the development of a streamlined version of Harvard SHINE's worker survey, which provides a tool for LS&Co. and suppliers to assess the long-term impact of Worker Well-being initiative investments, including measures of health, job satisfaction, engagement and financial well-being.

In addition to the survey, the Levi Strauss Foundation also developed an accompanying tool for factory management teams to assess incremental progress against key milestones in the Worker Well-being roadmap, known as the Operational Framework. It represents a process of communication and collaboration where team members come together to diagnose challenges, design solutions and drive continuous workplace improvement. While many industry tools focus on traditional communication mechanisms like worker-management committees, the Operational Framework Tool explores other channels to assess whether suppliers are "building the muscle" for decision-making.

Measuring What Really Matters

Tracking the total number of workers with access to the program remains important, but it does not measure positive impacts. As we roll out our refreshed Worker Well-being approach, we will focus on measuring positive outcomes in health, satisfaction and engagement – key ingredients to well-being. We have developed baselines and metrics to track these, and LS&Co. and the Levi Strauss Foundation developed a Well-being Impact Survey with core indicators that suppliers can use to assess well-being in the workplace. This represents a shift in how apparel brands track worker well-being progress that we hope will catch on beyond our supply chain.

Worker Well-Being Impacts

Metric	FY21
Percentage of LS&Co. products represented by factories using Worker Well-being initiatives	~80%
Number of participating supplier factories	104
Number of participating countries	14

Reaching Apparel Workers with the Support They Need

In 2019, the Worker Well-being initiative surpassed our 2020 goal of reaching 200,000 workers – almost a year ahead of schedule. What's more, 60% of suppliers now self-fund their own Worker Well-being initiatives, rather than relying on the Levi Strauss Foundation for support. Three quarters of participating factories reported improvements in worker engagement, and over half reported improved satisfaction and lower absenteeism.

Some Worker Well-being factory initiatives were temporarily halted in 2020 and 2021 due to lockdowns, business disruptions and safety concerns, reducing the number of workers we could reach through these initiatives. And although the pandemic continued to negatively affect the supply chain in 2021, with some suppliers going out of business, we added more than 6,500 workers to the initiative in 2021. By the end of the year, LS&Co. suppliers had active Worker Well-being offerings at 104 sites covering more than 180,000 workers. Going forward, all LS&Co. suppliers are expected to adopt the renewed Worker Well-being approach and start making progress immediately. We will assist them as they adopt the new approach and set achievable timelines.

Improved Vision Improves Quality of Life

Since 2017, VisionSpring has been a trusted partner of LS&Co. and the Levi Strauss Foundation, providing workers with access to affordable corrective eyewear and referrals to local optometrists. When garment industry workers lack the eyeglasses they need for clear vision, it affects their ability to continue working, earn an income, and care for themselves and their families. In 2021, VisionSpring screened nearly 20,000 workers in the LS&Co. supply chain across Bangladesh and Vietnam and provided corrective eyewear to almost 6,000 people, reducing error rates in garment production and improving quality of life.

Gender Equity and Women's Empowerment

Women are the driving force of the LS&Co. supply chain. In fact, at the factories participating in the Harvard SHINE study, women represent 60% to 80% of the workforce. Women in the apparel industry have both different lived and work experiences than their male counterparts. Women are more likely to work in sewing areas, which tend to offer lower wages than the areas dominated by men, such as cutting, laundry and finishing. Women also have fewer opportunities to move out of their initial jobs, while men are more likely to receive promotions. As a result, women's well-being at work is often less than that of men.

We are committed to changing this. Already, the Worker Well-being initiative and the Levi Strauss Foundation focus on gender equity through a variety of initiatives. The Worker Well-being initiative has also demonstrated to many of our suppliers that an empowered workforce is essential to their success, giving them footing they can build on to implement the systemic changes needed for gender equity. The new version of our Worker Well-being strategy puts even greater focus on gender equity. Among other tactics, it aims to establish gender promotion targets and hiring ratios in supplier facilities and make progress toward mixed-gender, diverse departments.

Tailored Training for Women in the Bangladesh Garment Sector

In Bangladesh, a program to boost technical knowledge, develop leadership skills and provide on-the-job practice eases the way for women in ready-made garment factories to advance their careers. The project aspires to increase productivity and reduce gender imbalances. The garment industry in Bangladesh supports the livelihoods of more than 4 million Bangladeshis, and while women make up the majority of the industry's workforce – around 80% of sewing line operators – few line supervisors are women. Since 2020, the Gender

Equality and Returns (GEAR) program, a special initiative of Better Work designed by IFC and jointly implemented with ILO, has been delivered in nine LS&Co. supplier factories with support from the Levi Strauss Foundation.

The program has trained women to master the skills required for supervisory roles. GEAR has also worked with factory managers on systemic changes to create a more empowering environment for women's career progression. From March 2021 to March 2022, nearly 65% of the GEAR trainees in LS&Co. supplier facilities were promoted to supervisor after completing their training. Before GEAR began in these nine factories, 93% of line supervisors on average were men and about 7% were women. After the GEAR program was implemented, the number of female supervisors more than tripled – up to 24%.

Supplier Inclusion

We are developing an inclusion program to increase our engagement with a diverse cohort of indirect suppliers – those providing the goods and services we use in everyday operations, such as office furniture, computers, cleaning services and many others – and to ensure we work with those that not only have high environmental and ethical standards, but also prioritize inclusion in their businesses.

In the U.S., our first step was to get a better understanding of our indirect suppliers, including determining whether they are owned by underrepresented groups and the value of the contracts in place. This helped us establish a 2021 base year for assessing ongoing progress. Globally, we are developing a broader program to provide transparency around the inclusion practices of our indirect suppliers because inclusion is how we can drive overall improvement for the communities where we operate.

In 2021, we accelerated our efforts in four key areas:

- We engaged some of our largest suppliers in completing a full EcoVadis assessment to evaluate their performance in areas like gender equity, anti-bullying programs and inclusive business practices. Going forward, we plan to require the EcoVadis assessment of all new indirect suppliers over a certain financial threshold to begin measuring inclusion in our supply network.
- We began updating our Supplier Code of Conduct to include requirements relevant not only to suppliers making fabrics and sewing garments, but also to our indirect business partners.
- We began taking a close look at our contracting process to see how we can make our contracts and insurance requirements more accessible to small businesses and streamline their onboarding and break down barriers to doing business with us.
- We set internal targets to drive progress and accountability toward increased engagements with

under-represented, inclusive suppliers.

Our efforts also include collaborating with the National Minority Supplier Diversity Council, the Women's Business Enterprise National Council, the National LGBT Chamber of Commerce and other organizations to build out our supplier inclusion program. We will start rolling out the program more broadly in 2022.

Supplier Support During the Pandemic

Our suppliers faced unprecedented challenges in 2020, continuing through 2021, given the volatility and unpredictability in the industry. In line with our history of collaborative supplier relationships and commitments to worker well-being, we worked closely with suppliers to find the best way through the global COVID-19 pandemic.

We updated our Supplier Sustainability Guidebook with pandemic-specific health and safety guidelines. This ensured the additional health and safety procedures were in place then and in the future, should they be needed. We continue to use these practices in all LS&Co. sourcing countries through the different stages of the pandemic, including the emergence of new Coronavirus variants.

Additionally, when the pandemic first hit, we took full responsibility for all outstanding finished, ready-to-ship and in-progress orders. While we extended our payment terms, we believe our current terms are consistent with industry practice, and we have not asked for any discounts on payments. We made sure suppliers have access to working capital financing through programs like our ongoing partnership with the International Finance Corporation (IFC), which provides suppliers with early payments at discounted rates through its Global Trade Supplier Finance (GTSF) program.

Supply Chain Financing Program

In 2021, we expanded our supply chain financing program with IFC GTSF to provide discounted financing rates to suppliers that have already begun implementing low-carbon investment plans and have conducted Partnership for Cleaner Textile (PaCT) cleaner production assessments. The suppliers receive early payment for their LS&Co invoices, up to a maximum outstanding \$145 million for the program (as of first quarter 2022). As of the end of FY21, 33 LS&Co. suppliers have participated in the IFC program. Collectively in 2020 and 2021, these suppliers have received in aggregate approximately \$893 million in earlier payments to support their working capital and business operations needs. On average, participating LS&Co. suppliers in 2021 received payment approximately 60 days earlier than they would have without the program.

Supply Chain Financing Program

~\$893M

in early payments through IFC
GTSF program in 2020 and 2021

33

participating
LS&Co. suppliers

60

days earlier
payment on
average

We have also launched new early payment, low-cost financing programs to support suppliers in locations not covered by the IFC GTSF and to provide additional funding when GTSF reaches its limit, especially during peak shipment seasons. For instance, in 2021 we began a global collaboration with HSBC on the Sustainability Supply Chain Finance (SSCF) program. In FY21, 21 of our participating suppliers received \$142.4 million in early payments – out of an available \$150 million – made on average about 71 days earlier than our customary schedule.

Supplier interest rates for both the IFC and HSBC payments can be linked to their performance against our Supplier Code of Conduct, providing incentives for suppliers to improve social and environmental performance. In 2021, 16 of the 21 LS&Co. suppliers participating in the HSBC Sustainability Supply Chain Finance program received competitively priced financing based on their strong sustainability performance.

What's Next – Supply Chain

As we look to the remainder of 2022 and beyond, capacity building – both among our suppliers and our own team members – will remain a priority. We are forming a new internal team focused on worker well-being and supplier capacity building, which we plan to expand as our business grows. Our refreshed Worker Well-being program also includes robust provisions for supplier training.

We also remain committed to fostering a supply chain ecosystem that drives improvements in both environmental and social priority areas, including purchasing practices and wages. We plan to complete a comprehensive review of our purchasing practices, with the understanding that purchasing practices are key

to strong relationships with our suppliers, and that good relationships contribute to better worker health and well-being. We will also continue examining wage practices in the supply chain with the aim of ensuring that the people making our products receive fair and equitable wages.

Going forward, we will continue to update our compliance and assessment systems in line with changes in our operating environment, the nature of the pandemic, evolving industry best practice and convergence tools. We will work in partnership with our supply partners, many of which have been with us for more than a decade, to address shared environmental, social and operational challenges. And where possible, we will refine and offer access to financing mechanisms that can help our suppliers get the capital they need to fulfill their obligations under our Supplier Code of Conduct and make investments to improve sustainability performance.

We will share the updated Worker Well-being Guidebook with suppliers and other stakeholders so they can begin shifting toward programming focused on these better work experiences and impact-driven metrics of success. And just as we did with our original Worker Well-being Guidebook, we plan to make the updated guidelines and tools publicly available.

Resources

2021 Building Integrity and Electrical Safety Assessment Findings

Commitment to Building Integrity and Fire Safety

Conflict Minerals Disclosure

Harvard SHINE Worker Well-being Study

Supplier Code of Conduct

Supplier Sustainability Guidebook

Supplier Map

Support to Suppliers with the International Finance Corporation

Worker Well-being Initiative



Map of Supplier Facilities

Publishing our source base

LS&Co. publishes the names and addresses of the factories and mills in our supply chain using an interactive map designed to make it easy for interested stakeholders to see where our products are made. We update our factories quarterly and our mills semi-annually to reflect changes to our source base.



UN SDGs: 3, 11, 13, 16

**Addressing the pressing issues of our time through advocacy,
philanthropy and volunteering**

Using Our Platform Goals

Goal:

Leverage the leadership of Levi Strauss Foundation and invest in our communities to advance pioneering societal change

Goal:

Drive societal impact in communities where LS&Co. operates through advocacy, grantmaking, employee giving and volunteerism

Nearly 170 years of business has helped us build a platform to drive for meaningful social change and environmental action. When we advocate for public policies, we do so by outlining the business, and sometimes moral, case for corporate and policy action. Over the years we have taken stands on issues such as gun violence prevention, equitable access to voting, the rights of LGBTQIA+ people, paid family leave, and science-based climate policy, along with many other issues important to our business, our customers and the communities we serve.

The Levi Strauss Foundation and LS&Co. underpin these efforts with grants to organizations working for lasting changes on the important issues of our time. We have been sharing our profits with the community since Levi Strauss founded the company in 1853. Today, we invest about 2% of our annual earnings back into communities we serve through our contributions to the Levi Strauss Foundation and direct corporate grants, with an emphasis on addressing the issues important to us as a company, to our employees and to the communities where we work. We amplify our impact by further supporting nonprofit organizations through employee volunteering and giving.

Advocacy on the Issues of Our Time

Throughout our history, we have made changes to our own operations, from integrating our factories in the southern U.S. before it became law, to extending health benefits to unmarried domestic partners – the first Fortune 500 company to do so. We will continue advocating for social change and encouraging others to do the same in contributing to a more just, safe and inclusive society.

LS&Co. leaders regularly speak publicly about our top advocacy issues, and we use our platforms to amplify those messages whenever we can. Our CEO Chip Bergh regularly discusses these issues during interviews and has become known as a leader in the broader push toward a form of stakeholder capitalism that

considers the role a company plays in society, not just the revenue it generates.

Just a few 2021 examples include:

- Our CEO Chip Bergh published an op-ed with CNN Business calling for a national paid family leave policy, “Failing to Mandate Paid Family Leave is Inexcusable.”
- Our Chief Sustainability Officer Jeffrey Hogue published an essay on LinkedIn, “Why We Need to Talk About Consumption.”
- Chief Operations Officer Liz O’Neill published an op-ed in *Fortune*, “Congress Must Act Against Climate Change to Keep America Competitive.”

Voting Rights and Engagement

At a time when voting rights are under attack in the U.S., we believe that the critical avenue for employees to engage civically is their vote. Every year we make sure our U.S. employees have access to the information and tools they need to vote in their local elections. In the face of continued infringements on the right to vote in various U.S. states, we believe it is especially critical to provide safe, accessible and secure voting to all eligible voters and to inform employees about the changes on election dates, vote by mail specifics and evolving rules in their locations. In 2021, we developed and executed a plan to support voting rights through our own advocacy as well as grant support to organizations working to preserve fair access to voting.

Early in 2022 we advocated at the U.S. federal level for passage of the John Lewis Voting Rights Advancement Act and signed statements in opposition to anti-voter legislation. We monitored legislation in four states that have large LS&Co. employee populations and restrictive voting laws that disproportionately affect communities of color. LS&Co. provided more than \$500,000 in grants to organizations in those states, as well as to national organizations building awareness of legislation, educating young people on the importance of voting rights, and engaging eligible voters in local elections. We also kept voting top of mind for employees, encouraging them to participate in local elections and reminding them of our policies allowing time off to vote. Other activities included:

- We joined a business amicus brief to the U.S. Supreme Court addressing the *Brnovich v. Democratic National Committee* case, which could substantially further weaken the Voting Rights Act and make it easier for local and state governments to discriminate against voters of color.
- We signed on to the Civic Alliance’s joint statement for an orderly and peaceful transition of power following the January 6, 2021, insurrection at the U.S. Capitol and the joint statement on protecting voting access.
- We joined other companies in signing a statement to oppose discriminatory voting rights legislation.
- We signed a letter organized by Fair Elections Texas to support reforms that make democracy more

accessible and oppose any changes that would restrict eligible voters' access.

Gun Violence Prevention

In 2021, gun violence in the U.S. claimed the lives of almost 45,000 people in a worsening gun violence epidemic that disproportionately affects Black and Brown communities. LS&Co. has pledged ongoing support for gun violence prevention by rallying the business community on the issue, advocating for gun safety measures and providing philanthropic support to organizations on the frontlines of the epidemic.

Our advocacy work also included reaching out to elected officials to pass common-sense gun safety legislation. For instance, in 2021, LS&Co. joined Giffords' Impact Network as a founding member, lending our support for increased and coordinated corporate engagement to prevent gun violence and pass meaningful gun safety legislation. Throughout the year, we continued support of organizations that are born from and work closely with communities of color disproportionately affected by gun violence, as laid out in our Gun Violence Prevention Plan.

Safer Tomorrow Fund

In 2018, we established the Safer Tomorrow Fund to support nonprofits working to address gun violence in the U.S. In 2021, the Safer Tomorrow Fund supported organizations that work closely with communities of color disproportionately affected by gun violence, providing direct support to community violence intervention programs and youth advocates working to make communities safer.

Work from our Safer Tomorrow Fund grantee partners is designed to bridge the following gaps:

- **Community Building:** advocacy and community violence intervention methodologies in disproportionately impacted Black and Brown communities.
- **Youth Leadership:** training and leadership development for young people of color committed to lending their voice and advocating for action on gun violence prevention.
- **Storytelling:** storytelling programs or initiatives that help maintain and strengthen broad interest in and coverage of the gun violence issue, centering the conversation around the everyday violence in Black and Brown communities.

In 2021, we provided \$475,000 to organizations working in these three pillars, most of which are led by people of color. Our 2021 grantee partners included LIVE FREE, Giffords, Cities United, Youth Over Guns, Community Justice Action Fund, Generation Progress and The Trace.



LBGTQIA+ Equality

LS&Co. has long been, and will continue to be, a vocal supporter of equality and non-discrimination. We were the first Fortune 500 company to extend health benefits to domestic partners and have continued to use our voice to advocate for an equitable society for all. We were the only California business in 2007 to file an amicus brief with the California Supreme Court in support of same-sex marriage, and we have proudly supported the Equality Act since the bill's introduction in 2015. In 2021 we rejoined a Texas Competes business statement in support of the inclusion of common-sense LGBTQIA+ protections in Texas' nondiscrimination laws.

In recognition of our many ongoing efforts in support of full equality, we have received a perfect score of 100 points on the Human Rights Campaign (HRC) Corporate Equality Index for 18 years. We have awarded grants to fund the HRC Foundation Youth Ambassador Program, which tackles multiple issues around sexual orientation, gender identity, race, immigration and discrimination.

We achieved a perfect score – 100 points – on the HRC Corporate Equality Index in 2021, our 18th year

Paid Family Leave

We believe that no one should have to choose between a paycheck and taking care of themselves or their family in moments of need. We continue to improve benefits for our employees and advocate for national paid leave for America's workers. In 2020, we implemented a new paid family leave benefit that provides U.S. corporate and retail benefits-eligible employees with up to eight weeks of paid time off per year to care for an immediate family member with a serious health condition.

National paid leave would make it possible for working people to take paid time off to take care of themselves and their loved ones under job protection guarantees, no matter in which state they live or for whom they work. LS&Co. has been a leading business advocate for national paid leave since 2018, and in 2020 and 2021, we stepped up our efforts, advocating for national paid leave legislation as part of building back better after the COVID-19 pandemic. In addition to our CEO's op-ed with CNN Business calling for a national paid family leave policy, he also appeared in a CEO advocacy ad with Melinda Gates and gave an interview on [LinkedIn Live](#). Our Chief Human Resources Officer Tracy Layney spoke at a [business roundtable](#) hosted by the U.S. Secretary of Labor, and appeared on Facebook Live in a [conversation](#) with a White House representative. LS&Co. also joined more than 350 businesses in a letter to Congress organized by PL+US.

Over the years, LS&Co. has conducted outreach to the U.S. Congress advocating for the bill, and our Rivet Women's Employee Resource Group has organized phone-banking sessions in support of paid leave during Women's History Month. In a related initiative, back in 2019 we were one of eight companies to first endorse the Pregnant Workers Fairness Act, which now has more than 30 corporate endorsers who re-issued a letter of support in February 2022.

Advocating for Dreamers

We have been advocating for a permanent legislative solution for Dreamers – undocumented immigrants brought to the U.S. as children – since 2017, when more than 600,000 young people were put in legal uncertainty about their status. Dreamers are members of our workforce, they are our consumers, and they are members of the communities where we live and work, and they deserve their shot at the American dream. In 2021, some of our actions included:

- Our CEO signed a letter to U.S. Congressional leaders organized by the Coalition for the American Dream urging Congress to pass the Dream Act.
- LS&Co. signed onto comments to the U.S. Department of Homeland Security urging the administration to codify Dreamer policy through a proposed rule.
- We participated in meetings with key U.S. senators as part of the corporate delegation of the National Immigration Forum.

Climate Advocacy

Climate change is the issue of our time. We embrace responsible environmental practices across the company – including limiting emissions toward our goal of net-zero emissions by 2050 – and collaborate with others who share our commitment to limiting global temperature rise to no more than 1.5°C compared to pre-industrial levels. LS&Co. has been advocating for meaningful policy to mitigate climate change for

over a decade. Read more about our climate advocacy in [Climate Action](#).

Environmental Policy Approach

Our environmental policies are determined through a consultative process customarily led by our Sustainability Team, frequently in partnership with the Corporate Affairs team, and with input and review from functions across the organization. Members of our Executive Leadership Team approve these policies, and the Board of Directors is updated regularly. Our present policies – most notably our targets around climate, water and waste – are designed to create environmental awareness, reduce emissions and waste, shape and monitor the company's performance against our key metrics, report on our progress, and use resources more efficiently and in ways that allow them to be reused. In all these policies and goals, our imperative is to find ways to use less water, reduce emissions, better support workers, drive safer chemistry, further reduce waste, and become more circular in our approach and our products.

Philanthropy

For nearly 170 years, we have endured by staying true to our values: empathy, originality, integrity and courage. These values were instilled by our founder, Levi Strauss, who donated some of his first profits to a local children's organization. Today, our philanthropic work is bolstered by:

- The Levi Strauss Foundation
- The Red Tab Foundation
- Direct corporate grants
- Product donations

2021 Giving	
Type of Giving	Amount Provided
Levi Strauss Foundation grants	\$9.5 million
LS&Co. Direct Corporate grants*	\$3.1 million
LS&Co. product donations	\$0.9 million in LS&Co. product donations**
Red Tab Foundation grants	\$2.2 million in grants***

*Corporate and brands

**Estimated fair market value

***The Red Tab Foundation is supported by donations from LS&Co. employees and retirees. This report covers the Red Tab Foundation's 2022 fiscal year, June 2021 – May 2022.

Levi Strauss Foundation

Formed in 1952, the Levi Strauss Foundation advances pioneering social change on the issues and events of our time. The Foundation aims to take courageous risks in service of these values and strives for meaningful impact over the course of decades – with core program areas focused on advancing social justice, improving the lives of apparel workers and ending the HIV/AIDS epidemic.

The Foundation combines a long-term focus with a commitment to working for social change now. Its grants are intended to bolster advocacy, leadership and engagement. The Foundation goes “beyond the grant” to build grantee capacity, link grantees with influencers and other funders, and tell the story of pioneering change. LS&Co. contributed \$11 million to the Foundation during the first quarter of FY22. While we never wish to make reporting burdensome, we do ask beneficiary organizations for brief annual impact reports, which provide an overview of progress and aid in future decision making about grants.

Worker Well-being

The Foundation supports organizations devoted to advancing apparel worker rights and well-being in the countries where we operate. This commitment includes sharing learnings with industry peers to influence their giving as well. A network of nonprofit organizations partners with factories in the LS&Co. supply chain to implement programs designed to improve worker health, satisfaction and engagement as part of the Worker Well-being initiative. They also advocate for more cooperative relationships between workers and factory management, providing workers with much-needed avenues to share their needs and concerns for improvements.

Over the past two years, approximately, \$4.5 million in donations went to pandemic relief directed toward supply chain communities and to nonprofit partners in the U.S. struggling to stay afloat during the pandemic. Beyond the pandemic, the Foundation grants funds to organizations dedicated to improving the long-term rights of apparel workers. Some of these include facilitating “know your rights” workshops, building grassroots labor rights group capacity, engaging in dispute resolution with factories and brands, and working to strengthen labor laws. Collectively, these actions have affected hundreds of thousands of apparel workers.

The Levi Strauss Foundation is also supporting reproductive health organizations. This includes the Center for Reproductive Rights, which has been leading legal efforts to preserve reproductive rights in the U.S., and organizations assisting the most affected communities, including ARC-Southeast and Groundswell Fund.

Internationally, the Foundation supports organizations providing comprehensive reproductive healthcare for apparel workers, such as International Planned Parenthood Federation and MSI Reproductive Choices.

Gender Equity and Empowerment

Some of the Foundation's grantmaking is designed to directly support gender equity issues, such as reproductive justice, women's leadership, transgender rights and apparel worker rights. For instance, the Foundation supports the Texas-based Afiya Center, which works to transform the lives and well-being of Black womxn and girls through reproductive freedom, maternal health programming, HIV/AIDS resources and others. The Foundation also supports Fondo Semillas, a women's fund that works to improve women's lives in Mexico and empower them to fight against gender-based discrimination and unfair labor conditions. By providing financial support and guidance to women's organizations, Fondo Semillas has directly reached more than half a million women in the country.

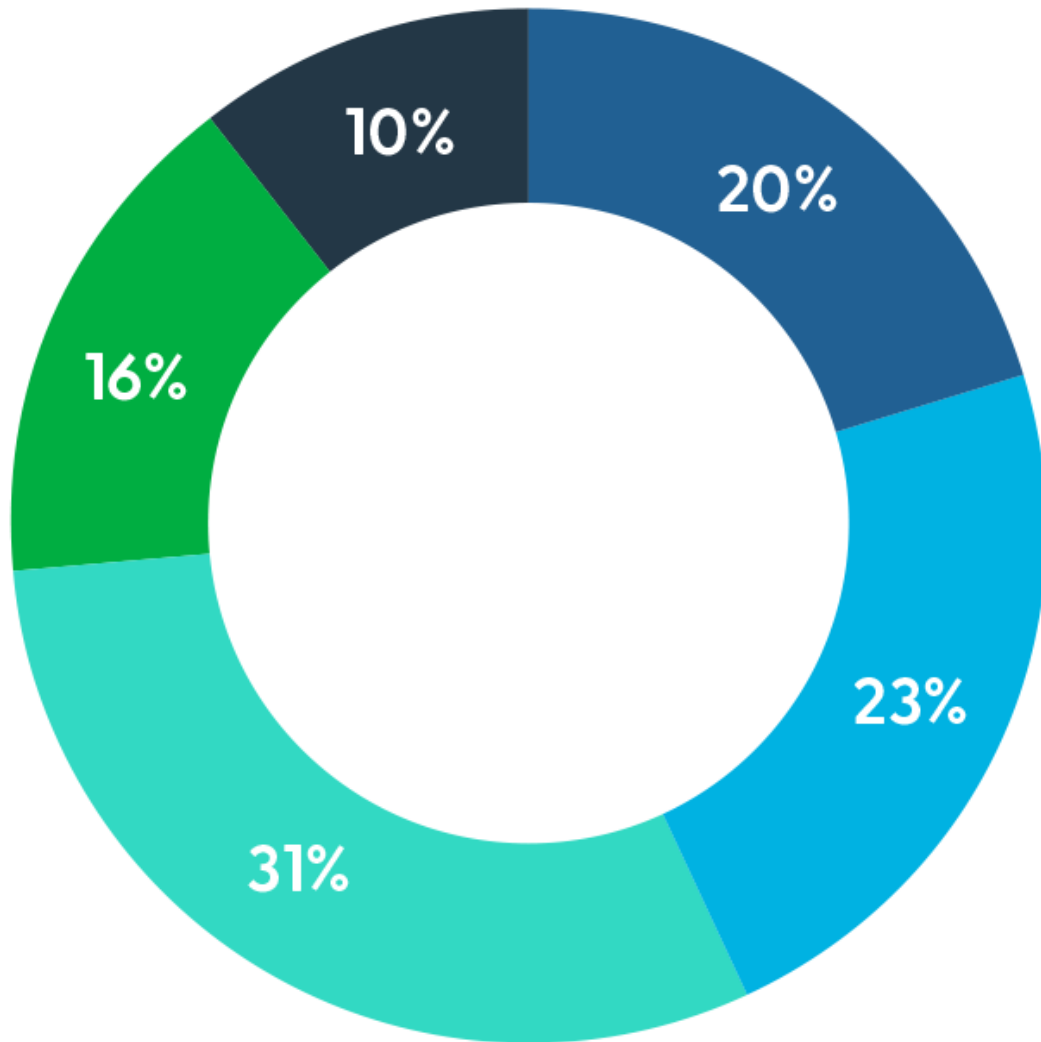
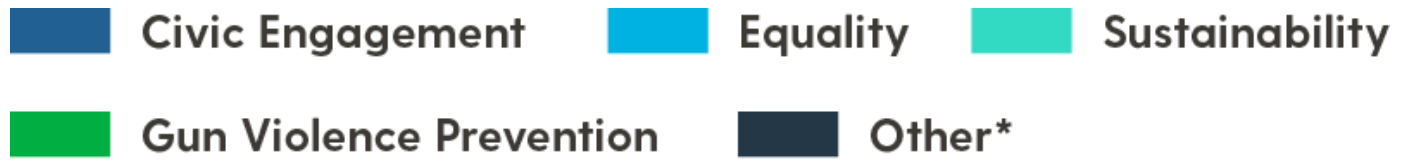
During 2021, the Foundation completed the Pioneers in Justice initiative, which worked for 11 years to empower and support next-generation BIPOC social justice leaders in the Bay Area of California. The program evolved to connect grassroots leaders working on systemic change in gender equity, climate change, criminal justice, LGBTQIA+ rights, racial equity, immigrant rights and gun violence. The Foundation remains committed to supporting the issues represented by the Pioneers in Justice initiative.

Company Giving

LS&Co. and our brands aim to create a values-aligned societal impact in communities where we operate. To do this, we make the most of grantmaking, employee giving and volunteerism, with a focus on sustainability, voting rights, equality and racial justice. Key initiatives in 2021 included:

- Advancing racial justice commitments through corporate grantmaking and advocacy on voting, gun violence prevention, environmental justice and other issues.
- Developing an environmental justice grantmaking portfolio that empowers young leaders in communities of color to be a voice for effective solutions.
- Helping to repair democracy by funding voter rights organizations and advocating to expand voting rights and access.
- Creating localized grantmaking on core racial justice issues in ten U.S. retail markets.

Percentage of Corporate and Brand Philanthropic Giving Focus Areas



* Event sponsorships, employee memberships and miscellaneous

Of LS&Co.'s FY21 racial justice grantmaking, 51% of grants were to organizations led by people of color, and 53% toward addressing racial equity goals.

Red Tab Foundation

The Red Tab Foundation, which celebrated its 40th anniversary in 2021, is a public, nonprofit foundation set up to help LS&Co. employees, retirees and their families who face unexpected financial hardship. Widely thought to be the first employee-funded corporate hardship fund, it provides financial assistance, education and preventive programs to help these individuals in their own efforts to maintain their financial, physical and emotional health. A valuable safety net contributed to by employees for other employees, it serves as the connecting point between people needing help and those providing it. Current employees are eligible for support from their first day of employment and funds are distributed as grants or short-term, no-interest loans.

Red Tab Foundation by the Numbers*

\$2.2_M

in services delivered

1,880

grants given

253

referrals to other resources
when Red Tab Foundation
could not support

97%

employee grants
to frontline employees**

102%

grant growth vs. 2019
(pre-pandemic) fiscal year

*The Red Tab Foundation's 2022 fiscal year is June 2021 – May 2022.

**Includes active retail, distribution and plant workers.

\$2.2 Million in 2022

During the Red Tab Foundation's 2022 fiscal year (June 2021-May 2022), the Foundation provided \$2.2 million in cash grants, helping to alleviate 1,880 hardships. The Red Tab Foundation raised the most money from employees and retirees in the Foundation's history – \$2.1. million – that went directly to people in need. Since its founding in 1981, the Red Tab Foundation has helped more than 27,000 grantees, providing assistance of

about \$28.7 million.

Meeting Employee Needs

Five case managers in the U.S. and in our company-operated factories in South Africa and Poland provided empathetic support and rapid access to funds, with assistance from human resources partners around the globe. As in 2020, the Red Tab Foundation provided substantially higher levels of support to employees and retirees – roughly double that of a pre-pandemic year and the second-highest grant giving in the Foundation’s history. The Red Tab Foundation continues to address the impacts of today’s global challenges on employees, including more frequent extreme weather events, rising fuel prices and ongoing pandemic impacts.

Run for Red Tab Raises Almost \$140,000 for Employees and Retirees

The annual (Run) For Red Tab was held virtually in 2021, with employees running, walking, biking, swimming, jump-roping and hula-hooping to raise money for the Red Tab Foundation. Across the company, more than 500 employees across 38 countries selected an activity and set up a fundraiser in their networks, collected donations for the Foundation – a total of almost \$140,000 to support LS&Co. employees and retirees facing hardship.

Sharing Our Learnings

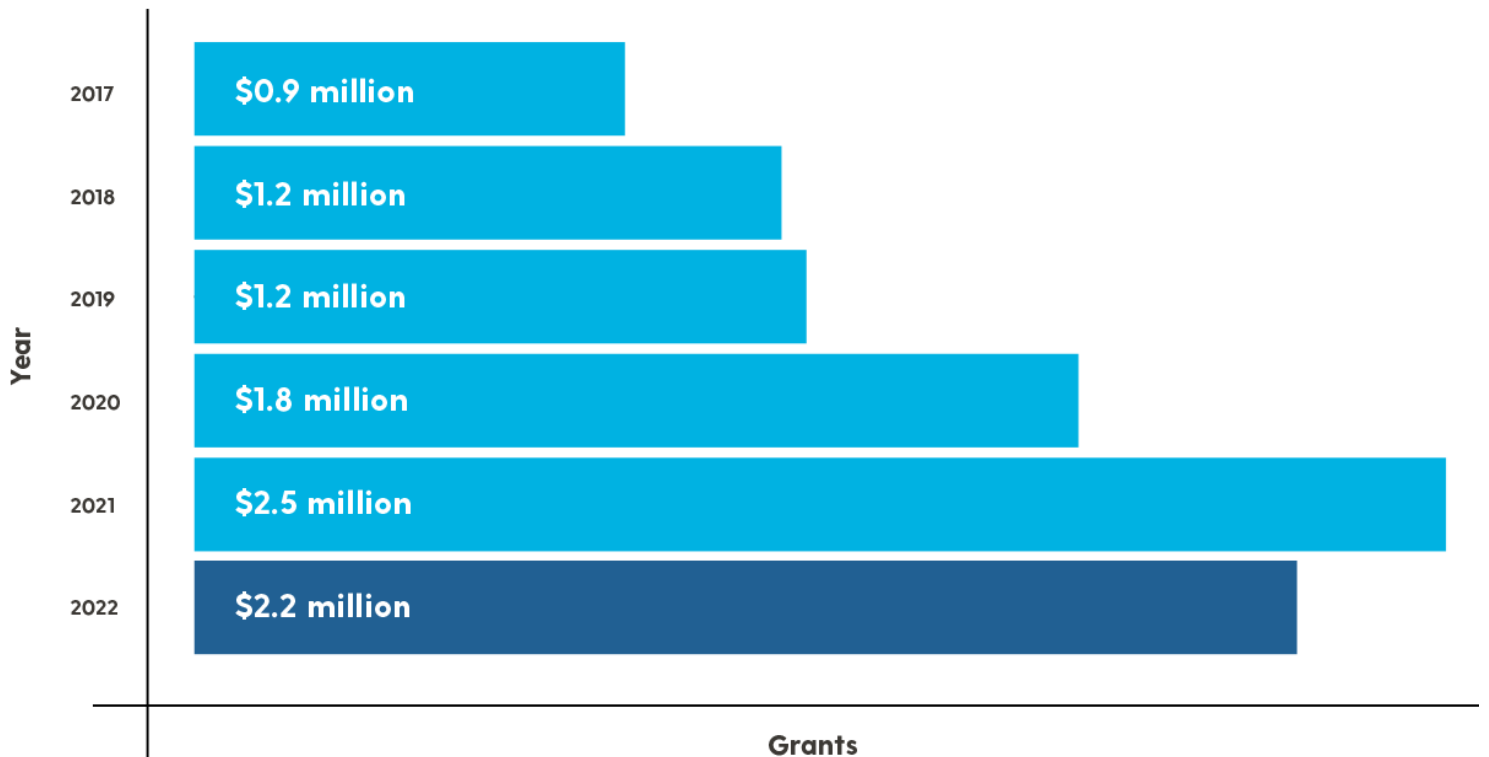
The Red Tab Foundation created and shares the [Hardship Fund Playbook](#), open sourcing its learnings from four decades of operations for others to use. The playbook had been downloaded nearly 1,000 times by global public institutions, Fortune 500 companies, nonprofits and small businesses alike, reflecting the unique leadership of our program in the industry. The Foundation also advises other companies, such as by hosting calls and information-sharing sessions for those that want to start new hardship funds or strengthen existing programs.

Red Tab Savers Helps Build a Rainy Day Fund

The [Red Tab Savers](#) program is available to hourly employees in the U.S. and Canada to help them build a

short-term emergency fund and a habit of savings. The 6-month matched savings fund also provides a dollar-for-dollar match from the Red Tab Foundation. During the Red Tab Foundation's 2022 fiscal year, more than 1,900 frontline retail store and distribution center employees have taken part, and participants hit an impressive milestone of collectively saving \$1 million of their own money since the program launched.

Red Tab Foundation Grants by Year*



* The Red Tab Foundation's fiscal year is June – May.

Employee Giving

Each year, employees across the company give both time and money to the causes they care about. In 2021, employees in 36 countries either made donations or volunteered to support 1,234 causes. Their donations totaled almost \$1 million, a total that climbed to nearly \$1.7 million given matching donations from LS&Co. A total of 18% of LS&Co. employees either donated money, volunteered or both in calendar year 2021, which is 4 percentage points higher than industry peers according to benchmarks compiled by Benevity, a charitable donation management platform. Notably, participation increased among our retail store employees by almost 6%.

Volunteering

We provide employees with tools and resources to become informed on issues and make a difference in their own communities. Our company culture empowers them to use their voice and volunteer their time to make a difference on the issues that matter most to them. We connect them with opportunities to get involved and provide 5 paid hours per month for civic engagement and volunteering with causes important to them. Their charitable giving impact is doubled up to \$2,000 per year with a match from the Levi Strauss Foundation. And in keeping with our commitment to voting, encouraging all eligible voters to participate in their democracy, we provide U.S.-based employees with paid time off to vote.

In 2021, the COVID-19 pandemic continued to create obstacles for volunteers to engage in person. For instance, LS&Co. reinvented our traditional global Community Day, our company-wide volunteer event that takes place in more than 100 cities on the same day, to include remote and individual options over 60 days. Collectively, corporate, retail and distribution employees clocked almost 13,000 hours of volunteer service in calendar year 2021. Overall participation of LS&Co. employees, whether giving or volunteering, continued to be ahead of retail industry average.

152 team volunteer grants were awarded in 2021, supporting 122 nonprofits

1,917 causes supported by individual employees globally

What's Next – Using Our Platform

The past two years have emphasized just how important our advocacy, grantmaking and volunteering tools are in helping us to address pressing social issues, enable employees to engage on issues important to them, uphold our obligations to communities, and build a workplace that truly lives its values. We will continue on all these fronts, seeing them as key elements to delivering profits through principles.

This includes continuing our efforts to protect voting rights and enable voter participation. We will also continue monitoring the public policy landscape and seeking opportunities for advocacy to promote gun safety. This includes supporting organizations aligned with the Safer Tomorrow Fund's objectives and increasing awareness of the gun violence happening in communities across the U.S. For example, in June 2022, we led an effort to get business leaders to sign a CEO Letter to the U.S. Senate calling for gun violence prevention legislation – a letter that had more than 420 signatories just days after it was first launched. We anticipate advancing our environmental justice grantmaking portfolio through 2022 and beyond.

We will also continue to make the business case for sound, comprehensive federal climate policy in the U.S. This includes partnering with the Ceres Business for Innovative Climate and Energy Policy (BICEP) network and America is All In coalition to advocate for legislation that prioritizes investments in clean energy and modernizing electrical, water and transportation infrastructure.

As in the past, we will leverage the leadership of the Levi Strauss Foundation to advance pioneering social change by investing in our communities on the issues and events of our time, such as by supporting causes that support inclusive democracy. The Red Tab Foundation team will continue working toward its 2024 strategic plan, which aims to expand program awareness and access around the globe, with a particular focus on Latin America, and serving as a connection point for the LS&Co. community.

Resources

[Levi Strauss Foundation](#)

[Red Tab Foundation](#)

[Safer Tomorrow Fund](#)
