

Consumption



Using innovation and
collaboration to
create change

Relevant frameworks in this pillar: GRI, SASB, UN SDGs

Contributing to these UN SDGs: 6, 12, 13, 15

We have long been committed to contributing to a more just society and a better world. This means using

our scale, reach and platform to advocate for positive change, address overconsumption and drive toward a more sustainable, less resource-intensive apparel industry. It also means looking past the traditional take-make-waste model toward a circular economy, where nothing is wasted in the manufacture, use and reuse of products. And it means engaging consumers, peers and industry groups in this shared journey to a sustainable future.

In 2021, LS&Co. continued to encourage innovation and broader action on the path to embracing a circular economy and reducing resource consumption. This included bringing to market our first-ever circular Levi's® 501® jean, which contains a blend of organic cotton and fiber spun from discarded denim. We also launched “Buy Better, Wear Longer” – a global marketing campaign that encourages consumers to be more intentional about purchasing decisions and emphasizes our own commitment to becoming more sustainable across our operations.

Throughout our industry, brands must establish a different relationship with the idea of consumption as it applies to consumers and to ourselves – it takes all of us to solve this challenge. That's why consumption is a key part of our broader approach to sustainability, because if we're not talking about consumption and helping to change the paradigm, we will not see the progress our business, our communities and our planet require.

Consumption Goals

Goal:

Key markets to introduce or increase resale and upcycling initiatives to extend the life of our products

Target Year:

By 2025

Goal:

Circular ready*

Target Year:

In 2026*

Goal:

Zero-waste-to-landfill from company-operated facilities and 50% waste diversion across strategic suppliers**

Target Year:

By 2030

Goal:

Eliminate single-use plastics in consumer-facing packaging by shifting to 100% reusable, recyclable or home compostable plastics

Target Year:

By 2030

Goal:

Strategic garment wet finishing manufacturing and fabric mills use 100% certified screened chemistry***

Target Year:

By 2026

Goal:

Use only third-party preferred or certified more sustainable primary materials****

Target Year:

By 2030

*Product will be considered circular ready when it meets all pillars of the Ellen MacArthur Foundation Make Fashion Circular Framework. Note that LS&Co. product will not be fully circular in 2026, but that the company is prepared to set forth a path by 2026 to bring fully circular products to market. Of note, the time horizon for this goal has shifted to 2026 due to the impact of supply chain challenges and other external factors.

**In alignment with the Zero Waste International Alliance and TRUE Zero Waste certification, facilities that reach the 90% threshold will be designated as zero waste. We are committed to sharing our waste diversion progress.

***Strategic garment wet finishing manufacturing and fabric mills cover approximately 80% of product weight.

***In this context, “preferred” is based on the Textile Exchange, which defines a preferred fiber or material “as one which results in improved environmental and/or social sustainability outcomes and impacts in comparison to conventional production.”

Consumption Highlights

95%

of all cotton was organic,
recycled or Better Cotton*

100%

of all manmade cellulosic fibers
sourced from Canopy Green
Shirt-rated suppliers*

100%

of all down sourced
from Responsible Down
Standard-certified suppliers*

1,300

chemicals on the LS&Co. Preferred
Chemical List, which encourages
our suppliers to use safer alternatives
in their manufacturing

99.94%

pass rate of suppliers in
Restricted Substances List testing

* Data is as of October 2021 and reflects product seasons H2'21 and H1'22. Together, these seasons generally correspond to the fiber sourced for LS&Co. products in FY21. In our year-over-year fiber analyses, we track the fiber used in our products for the second half of the current year and the first half of the following year.

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.



Circular Economy

UN SDGs: 12

Toward a circular apparel industry where nothing is wasted

We are committed to playing a central role in the apparel industry's journey toward a circular future – one where materials are used and reused safely, where ecosystems are protected and regenerated, and where people have good work and livelihoods. This means making products with their next use in mind. It means we no longer talk about end of life, but about end of use. And it means evolving each part of the apparel supply chain toward a circular economy – starting with our own practices as we work to become more circular ready.

Circular Economy Goals

Goal:

Key markets to introduce or increase resale and upcycling initiatives to extend the life of our products

Target Year:

2025

Goal:

Circular ready*

Target Year:

2026

*Product will be considered circular ready when it meets all pillars of the Ellen MacArthur Foundation Make Fashion Circular Framework. Note that LS&Co. product will not be fully circular in 2026, but that the company will be prepared to set forth a path by 2026 to bring fully circular products to market. Of note, the time horizon for this goal has shifted to 2026 due to the impact of supply chain challenges and other external factors.

The Business Case for Circular Apparel

Circular business models can deliver value through strategic growth and innovation. Circular products offer the potential to mitigate risks across supply chains by using more sustainable fibers and fabrics made with

safer chemicals, less water, less energy and less waste. They can support healthier workplaces for people, from farm to factory to retail store. They can reduce our company's exposure to environmental and social risks and reduce the share of garment waste in landfills. They can support growing consumer demand for more sustainable and circular apparel options. And they help to retain value for our customers by extending product life.

Circularity Challenges

Moving to a circular business model is not without its challenges. For instance, some promising new fibers that support circularity may cost more or be less durable. Safer chemicals sometimes pose scaling challenges, are not as easy for suppliers to use, or do not necessarily achieve the same outcomes as the chemical they are meant to replace. And while many suppliers are eager to partner with us on more sustainable innovations, a supply chain spread across many countries makes it harder to quickly apply new approaches everywhere. We are tackling many of these challenges through sustainable design practices, through our Eureka Innovation Lab, and through collaboration with other brands and leading organizations.

The Power of Collaboration

By participating with organizations like Fashion for Good, which funds and scales sustainable innovation, and circular apparel initiatives like the Ellen MacArthur Foundation's Jeans Redesign project, we are helping to realign the industry and create economies of scale. We are also working with industry groups such as the Policy Hub and the European Branded Clothing Alliance, to inform European Union policy that supports the transition to a more circular, less resource-intensive apparel sector.

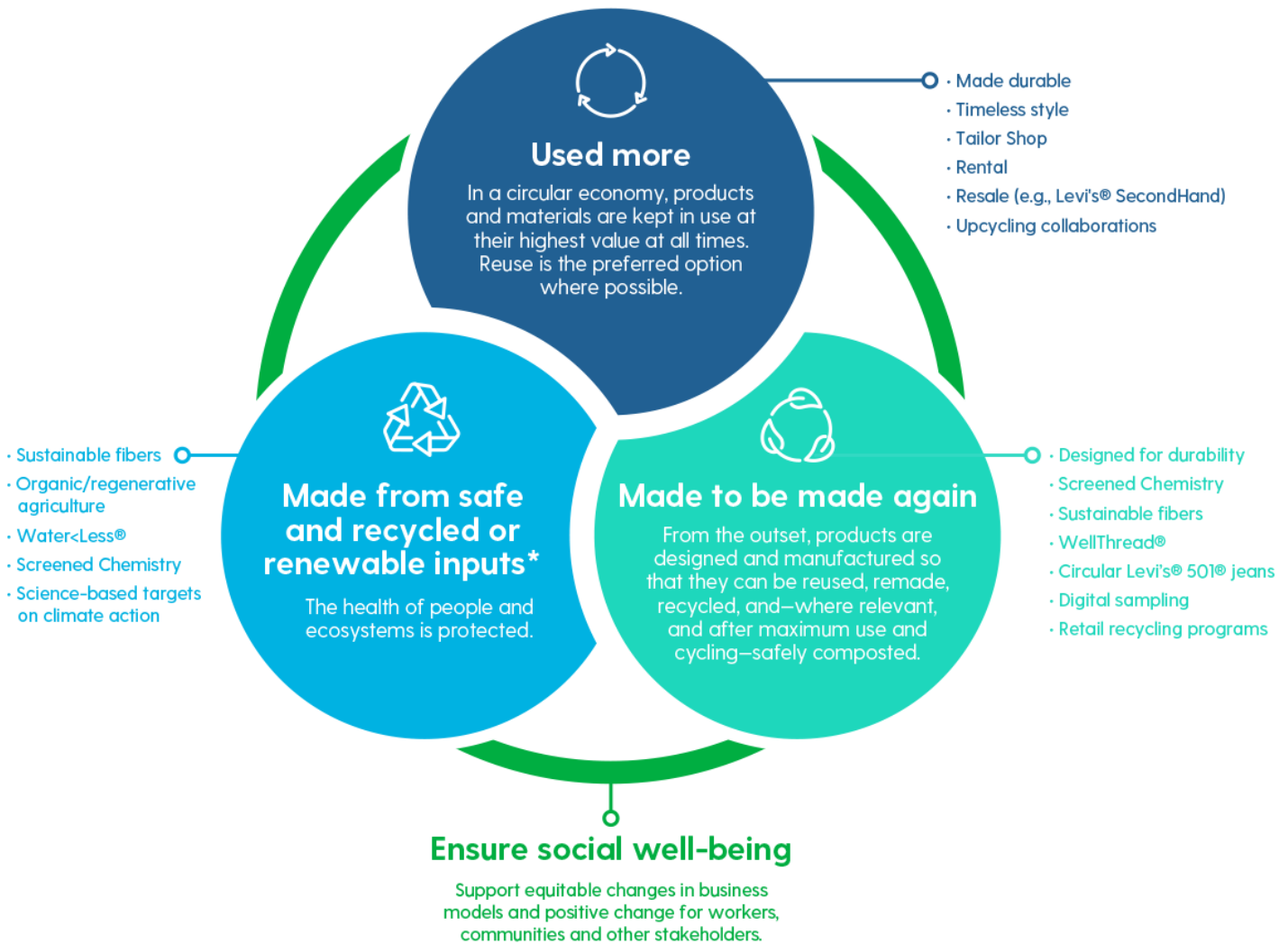
In 2021, some of our collaborative projects addressed the challenges of plastics, sorting technologies for recycling garments, fiber transparency and traceability, and the use of plant-based indigo as a substitute for synthetic dye in denim. We also continued our work with suppliers on solutions to challenges around water use, emissions and worker well-being.

Sorting Textiles for Recycling

LS&Co. is participating in the Sorting for Circularity Fashion for Good project, which aims to drive textile recycling through a new application of technology. The initiative is conducting a comprehensive textile waste analysis using improved near-infrared technology that can read fiber content to tell a recycler what's in a given fabric. The project is also mapping textile recyclers' capabilities with the aim of ultimately creating an

open digital platform to match textile waste from sorters with appropriate recyclers.

Our Approach to Circular Fashion



* Safe refers to products that pass all international product quality and safety tests and meet Zero Discharge of Hazardous Chemicals (ZDHC) wastewater standards.

Our Circular Strategy

By its very nature, circular fashion is intended to create a closed loop. But it has to start somewhere. For us, circularity starts with pioneering principles and fundamental philosophies that guide our ideation and design from the earliest stages. By integrating circularity at the design stage, we can develop products that last, can be repaired if necessary and can be reused or recycled – building a more sustainable and circular system. When designed with consideration for not just their next wear, but also their next life, our products can help transition the apparel industry from the take-make-waste model to one capable of restoring resources.

Our merchandising, design, product development and marketing teams have embraced a circular mindset that aligns with the Ellen MacArthur Foundation's Make Fashion Circular vision. This shift in mindset is a critical first step to understanding the necessary changes and innovations that may be required to set forth a path forward for bringing circular products to the market after 2026.

Used more – kept at the highest value at all times

A pair of Levi's® jeans is designed to stand the test of time, to be worn for years if not decades, to be repaired or refashioned if needed, and to be passed along to new wearers, all while contributing to the owner's authentic self-expression rather than the waste stream. We are also pursuing innovation to shift from the industry's sell-what-you-make approach to a make-what-you-sell approach that optimizes resource use and minimizes excess inventory. Note that "highest value" refers to keeping materials in use, either as a product or, when that can no longer be used, as components or raw materials so nothing becomes waste and the intrinsic value of products and materials is retained.

Made to be made again – designed so they can be reused, remade, recycled and safely composted

We are designing and producing more clothes that are made to be made again, using safe, recycled and renewable inputs. We define "safe" to mean products that pass all recognized international product quality and safety tests and meet Zero Discharge of Hazardous Chemicals (ZDHC) wastewater standards in alignment with the Ellen MacArthur Foundation vision for a circular economy. This also includes working with other brands, partners, platforms and customers to scale programs and achieve lasting change.

Made from safe and recycled or renewable inputs – to protect the health of people and ecosystems

We are committed to making sure our primary materials are third-party preferred or certified more sustainable and have launched initiatives to support use of recycled or recyclable raw materials like Circulose® fiber.* At the same time, Screened Chemistry and other elements of our safer chemicals program

work towards eliminating hazardous chemicals in the manufacture of our products.

**Circulose® is a registered trademark of Re: NewCell AB.*

We have begun collaborating across design and manufacturing to codify a detailed strategy in 2026 to work towards being circular ready. This will mark the first milestone in our holistic approach to circularity, in which we advance work already underway, implement other aspects of the three pillars of the Make Fashion Circular framework and continue industry advocacy to drive policies and shifts that can catalyze progress at scale and create a more conducive environment for a truly circular economy. Concurrently, we will strive to foster positive social impacts in the supply chain designed to ensure a just transition to a circular economy.

Steps we took in 2021 included launching important product innovations like our circular 501® jeans, continuing to explore repair and recommerce options that can extend the life of our products, increasing engagement with both Fashion for Good and the Ellen MacArthur Foundation, and public discussion of our perspective and priorities in the media and other forums. We also launched our “Buy Better, Wear Longer” marketing campaign, which is continuing in 2022 and aims to engage consumers in a frank, urgent discussion of overproduction and overconsumption in the apparel industry.

Made to Be Used More

We are leveraging the durability, quality and timeless style of our products to help consumers use their garments more and longer. Our SecondHand recommerce platform allows people to find popular vintage styles. They can also repair, repurpose and customize their jeans or Trucker jackets to last a lifetime at our in-store Tailor Shops. We also partner with other organizations to support upcycling of our products.

As we push ourselves to create more sustainable products at scale, we will also encourage consumers to keep them as long as possible before passing them on to friends or relatives, returning them to a Levi's® store, updating them for a new look, upcycling them into new items, or recycling them when the time is right and the infrastructure is in place.

Durability and Reuse: Standing the Test of Time

Across our brands, we use a host of innovations and insights to help our products stand the test of time. Everything we make is rigorously tested for durability and designed to nurture the connection consumers have had with our products for more than a century and a half.

Innovation for Longer-Lasting Products

Dockers® uses a Stain Defender technology that is free from perfluorinated compounds (PFCs) commonly

used in our industry, while still allowing water-based stains to bead up and roll off. This stain defender does not dramatically change the feel of the fabric and works with the Dockers® existing 98% cotton pant. With fewer stains and fewer subsequent washes, these garments are expected to last longer.



Tailor Shop – Repair, Reimagine, Recycle

One of the unique aspects of denim is that denim is a blank canvas for the wearer to make their own. The Levi's® Tailor Shop concept was designed with that in mind. Grounded in the Levi's® brand heritage of craftsmanship and commitment to authentic self-expression, Tailor Shops allow fans to get beloved pieces repaired or updated with their own personal stamp. Tailor Shops reflect the emotional connection of the wearer to their cherished garment – and to the brand – while unlocking creativity through customized pieces. Some Levi's® stores have a Tailor Shop, and our tailors have also taken their talents to festivals to reach customers outside the retail world.

Expert tailors take well-worn or torn pieces and rework them, add embroidery, paint or patches to customize an item, turn shorts into wallets or patches, even sew non-Levi's® items like a baby blanket or other keepsake onto a Trucker jacket. Tailor Shop content is available on the Levi's® blog for DIYers who want to

learn from Levi's® master tailors how to embellish, repair or upcycle their denim. In 2021, we introduced Tailor Shop Virtual Workshops so fans could experience the benefits of repairing and repurposing garments without visiting a store.

29 Tailor Shops Across North America

2,400+ customers had products repaired in FY21

Levi's® SecondHand and SecondChance

Buying used garments instead of new saves water, reduces greenhouse gas emissions and cuts waste. The [Levi's® SecondHand](#) platform aims to help consumers do just that. Levi's® SecondHand makes vintage items available to consumers and invites them to join us in a more sustainable future. The platform gives jeans, jackets and shorts another life, while providing consumers with the confidence they're getting something that's still in great shape and that consumes a fraction of the natural resources a new garment would require.

In 2021, we expanded the program in Europe, launching [SecondChance](#) in Germany. During the year, we collected products at eight Levi's® stores in Germany, offering consumers discount vouchers on future purchases in exchange for Levi's® clothing in good condition. We began offering these items for sale through SecondChance in 2022.

In addition, if jeans are too worn or damaged to sell again, consumers can still drop them off at a Levi's® store for recycling and receive a gift card toward a future purchase. Our partner Blue Jeans Go Green then converts that used denim into insulation for buildings, a greener alternative to standard insulation.

Resale and Upcycling

Levi's® SecondHand and Levi's® SecondChance*	FY2021
Units of clothing reclaimed or extended**	28,000 (U.S.) 500 (Germany)
Units of clothing reclaimed or extended through trade-in only	19,000 (U.S.) 500 (Germany)

Levi's® SecondHand and Levi's® SecondChance*	FY2021
Number of units resold***	14,000 (U.S.)
Number of consumers purchasing secondhand items	10,000 (U.S.)
<p>*Levi's® SecondHand is available to consumers in the U.S. Levi's SecondChance is available to consumers in Germany.</p> <p>**Represents all items sent to Trove for a second life (including consumer trade-ins, vintage products and damaged returns).</p> <p>***Net items fulfilled. In 2021, as in 2020, we tried to limit in-person touchpoints for our consumers for safety during the COVID-19 pandemic.</p>	

Dockers® Vintage

This curated selection of unique, pre-loved and pre-worn Dockers® pieces from the 1980s, 1990s and beyond gives Dockers fans access to some of our historic styles. Each garment has been cleaned, restored and repaired, ready for its next life. The ongoing project is a [collaboration between Dockers® and Transnomadica](#), a vintage archive, which helps us source authentic Dockers® vintage clothing for consumers.



Levi's® Haus

Levi's® Haus, London reflects our sustainable approach to the retail experience, centering around longevity and circularity. Whether customers need a simple patch repair or want to create something entirely new from their pre-loved jeans, Levi's® Haus, London exists to help them extend the life of their denim. In 2022, we opened a Levi's® Haus in Mexico.

Made to Be Made Again

We continue advancing design and material innovations to make clothes that can be made again, using safe, recycled and renewable inputs that contribute to a more circular product cycle. This includes:

- Ensuring our suppliers adhere to the Screened Chemistry protocols designed to support the health and safety of supply chain workers, promote healthier water systems and help us work toward the goal of safe compostable materials at the end of our products' useful lives.
- Using responsibly sourced fibers like organic cotton and manmade cellulosic fibers. We also believe that third-party preferred or certified more sustainable fibers make a better quality garment.*
- Revolutionizing the use of water-saving hemp to make it soft and comfortable like cotton.
- Partnering with innovators like Re: NewCell on state-of-the-art fibers made from post-consumer recycled jeans and other responsible components.
- Extending our WellThread® design innovations to our mainline collections, such as with the circular 501® jeans. This is part of our ongoing work to reinvent the total concept-to-consumer value chain that prioritizes sustainability and circularity along the product life cycle.

**In this context, "preferred" is based on the Textile Exchange, which defines a preferred fiber or material "as one which results in improved environmental and/or social sustainability outcomes and impacts in comparison to conventional production."*

First-Ever Circular Levi's® 501® Jeans

In a step forward toward more circular practices, we took our iconic Levi's® 501® jean – the original and best-selling five-pocket jean of all time – and designed it to be made with advanced recycled materials.


By producing the 501® jean with recycled content and in a way that makes them recyclable, we demonstrated that we can deliver a more sustainable product that looks great, saves resources and meets our high quality standards. For our circular 501® jeans to have a second (and third and fourth) life after they've been worn, we chose recyclable materials, starting with the denim. We blended certified organic cotton with Re: NewCell's pioneering Circulose® fiber, a breakthrough material made from worn-out jeans and sustainably sourced viscose.

We also removed elements that would disrupt the cotton recovery process later. Pocketing and labels—typically made from synthetic fibers – are 100% cotton in our circular 501® jeans to enable efficient recycling.

We chose metal trims that are not electroplated to eliminate heavy metals and reduce water consumption. And our technique for fabric dyeing and garment finishing not only reduced water consumption, but also resulted in zero discharge of hazardous chemicals in the finishing process.

Of note, our innovation in using a blend of organic cotton and a smaller amount of post-consumer recycled cotton means that the denim still has exceptional durability and longevity. In traditional recycling processes, fibers become shorter – and weaker – with each trip through the recycling machinery, but using Circulose® fiber avoids that issue.* This is our first circular product offered through mainline Red Tab, but won't be our last. Following years of development work, we originally used this unique fiber blend in our WellThread® collection in a jean that *FastCompany* named a [“World Changing Idea in 2021.”](#)

*Circulose® is a registered trademark of Re: NewCell AB.



OUR FIRST-EVER CIRCULAR

MADE OF RECYCLED MATERIALS & DESIGNED TO BE RECYCLED

501®

10% CIRCULOSE®
PULP FROM INDUSTRIAL TEXTILE WASTE

6% CIRCULOSE®
PULP FROM POST-CONSUMER DENIM WASTE

24% WOOD PULP
FROM SUSTAINABLY MANAGED FORESTS

60% ORGANIC COTTON




METAL TRIMS DON'T USE ELECTRICAL PLATING PROCESS

MADE WITH OUR WATERLESS® FINISHING TECHNIQUES

DESIGNED WITH ALL COTTON TRIMS, MAKING THE GARMENT EASILY RECYCLABLE

USES AWARD WINNING AND INDUSTRY RECOGNIZED INNOVATION AND DESIGN TO REDUCE ENVIRONMENTAL IMPACT WITHOUT SACRIFICING LEVI'S® QUALITY OR DURABILITY

DESIGNED FOR CIRCULAR ECONOMY

-  **MADE FROM SAFE AND RECYCLED OR RENEWABLE INPUTS**
-  **DESIGNED TO BE USED AS LONG AS POSSIBLE**
-  **MADE TO BE MADE AGAIN**

WellThread® – Research, Development and Innovation

Our continued circularity work builds on the achievements and breakthroughs of the Levi's® WellThread® collection, which is essentially a living research and development lab for sustainable design and innovation. WellThread® subscribes to four prevailing use principles:

- **Materials and processes that prioritize environmental stewardship**
- **Production in facilities that support worker well-being**
- **Design that promotes durability and celebrates timelessness**
- **Garment engineering that enables efficient material recovery and reuse**

Initially, the WellThread® collection was a way to push the sustainable boundaries of how we make our clothes. Today, it is a vehicle for continued progress with which we work through design and manufacturing challenges to create more innovative products that incorporate multiple sustainability attributes.

Recently that progress has come in the form of exciting innovations and styles, including natural indigo dye techniques, post-consumer recycled fibers, more organic and in-transition cotton and the recyclability of every WellThread® garment. WellThread® innovations are helping us make sustainably produced, fully recyclable garments a reality, and transition them into our mainline products as we have done with the circular 501® jeans. Among current and future focus areas are work with natural plant-based dyes and projects related to transitional cotton – cotton on its way to becoming organic cotton in a farming and soil management process that takes about three years.

State-of-the-Art Digital Denim Sampling

The Eureka Innovation Lab has accelerated its deep dive into digital prototyping and renderings that can minimize or eliminate sample production and the associated waste. Previously, digital rendering had not been viable for denim because it failed to accurately capture the character of the fabric on a screen. Our Eureka team developed the technological infrastructure through which new styles and finishes can be shared with buyers and consumers can see what products could look like. By coming up with a groundbreaking way to visualize a finish – or an entire product – that is photorealistic, we can virtually convey what it's like before it has to exist physically.

This new digital sampling platform is accessible to suppliers, merchandisers, third-party retailers and others, and reduces the number of physical product iterations needed. In turn, this preserves the resources that would have been required to make samples, shortens the time to market, and saves money for us and our suppliers. Coupling this approach with improved AI-based forecasting that allows us to better predict who will buy what, where and when, offers the potential to greatly cut down on waste associated with overproduction. As we continue to demonstrate the technology's adaptability and value, we hope to expand

its use significantly.

F.L.X. – Future Finish®

Project F.L.X., also launched by the team at Eureka, is a 3D digital design and laser finishing technology that enables a more responsive supply chain while vastly reducing the number of chemicals needed for the finishing process. The technology has also been incorporated into our Future Finish® customization service, which offers consumers a new level of denim personalization. Digital sampling, F.L.X. and Future Finish® together comprise a suite of digital design and manufacturing tools that are helping to change the prevailing apparel model from selling what we make to making what we sell, based on a much clearer picture of consumer tastes, with a production platform that is far more agile and much closer to the consumer. This helps us better deliver the same timeless, built-to-last products consumers want most, when they want them, saving resources and reducing waste in the process.

Recycling Levi's® Products Supports Refugees

As millions of refugees and asylum seekers continue migrating in search of better lives, LS&Co. has launched various projects to help support economic stability in certain communities. The Levi's® x Cooperative Porto Alegre is a capsule collection of handmade recycled denim products created in collaboration with the Porto Alegre Cooperative in Italy. The program not only provides refugees with training and new skills, but also donates 100% of net sales proceeds directly to the social cooperative to further support the vulnerable populations they serve.

Made from Safe and Recycled or Renewable Inputs

LS&Co. joined the Ellen MacArthur Foundation Jeans Redesign project in 2021 to help drive greater circularity in the denim world. The initiative provides guidelines for brands and suppliers to make jeans that can be used more, are designed to be made again, and are made of safe, recycled and renewable inputs – the three fundamentals of circular apparel.

The Jeans Redesign guidelines already align with LS&Co.'s minimum requirements for denim jean durability, and set additional standards for material health, recyclability and traceability to support a circular economy. The project's commitments are in step with our WellThread® collection's established design methodology – while challenging us to deliver increased unit volume and a more transparent reporting protocol. Although our circular 501® jeans were not developed as part of our work with the Jeans Redesign project, they

conform to Jeans Redesign, and we plan to develop additional jeans that comport with the Jeans Redesign standards as part of our commitment as a participant.

And while Jeans Redesign applies only to denim, our non-denim brands are doing their part to support responsible materials and product recycling when the time comes. At Dockers®, a continued embrace of recycled fibers complements our prioritization of natural fibers over synthetics.

From supporting organic cotton farming, to sourcing recycled fibers and more sustainable manmade cellulosic fibers, to incorporating next-generation fibers like Circulose®, we are working to consider the entire product life cycle in our raw material sourcing.* Read more about these innovations in [Sustainable Fibers](#).

**Circulose® is a registered trademark of Re: NewCell AB.*

We also have been working to remove hazardous chemicals from our supply chain for more than two decades. We issued a Restricted Substances List in 2000. We achieved zero discharge of hazardous chemicals for strategic wet finishing suppliers and have shared the Screened Chemistry approach with others in the industry. Read more about our leadership in [Safer Chemicals](#).

We are making progress toward our goal of 100% renewable electricity in all company-operated facilities by 2025. Read more in [Climate Action](#).

Because water is consumed throughout the apparel value chain – from cotton cultivation and garment manufacture to consumer use and recycling – a circular approach demands that we make sure production, supply chain practices and technologies all support efficient water use. The LS&Co. Water Action Strategy builds on our water Recycle & Reuse Standard for suppliers, a key piece of our Water<Less® program, which in turn drives other innovations in our products and our suppliers' processes. Read more in [Water Stewardship](#).

Consumers – Sharing the Journey to Circular

Everywhere we operate, whether in our stores or online, we aim to give our fans a connected experience. We understand their passion for our iconic brands and want to honor that passion in every interaction – whether they're buying a new pair of jeans, reworking a beloved Trucker jacket in a Tailor Shop, or looking for a soft pair of secondhand Levi's® jeans.

Buy Better, Wear Longer – an Ethos and a Call to Action

The Levi's® "Buy Better, Wear Longer" marketing campaign, launched in 2021, aims to raise awareness about overproduction and overconsumption, and to deliver a call to action – for ourselves, our consumers and our industry – to be more intentional about how we design, make, sell and buy clothes. Through "Buy Better, Wear Longer," consumers around the world can come together to rethink fashion production and

consumption. Positive social sentiment for the “Buy Better, Wear Longer” campaign in 2021 was strong, up to 87% positive on any given day, signaling that our consumers are aligned with the message and interested in contributing.

Similarly, the Dockers® [Waves for Water](#) initiative invites consumers to help fund clean water filters for communities in need. Collectively, consumer connection campaigns like these reflect our sustainability ethos, celebrate innovative products and invite consumers to participate in our shared journey to a sustainable future.

Partners in Sustainability

Our consumer surveys indicate growing concerns about sustainability issues like climate change – concerns that have increased since the beginning of the COVID-19 pandemic. The action consumers most want companies to take in order to enable sustainable living is to make more affordable products that are better for people and the planet. In the majority of countries where LS&Co. surveys consumers, they associate Levi's® with products that are durable and high quality. This recognition positions us to meet consumer expectations with products designed to last, that can be worn again and again, and can ultimately be recycled where the appropriate infrastructure exists, rather than discarded.

Additional 2021 consumer research conducted in partnership with GlobeScan and other leading companies in 31 markets showed that people around the world are open to adopting more sustainable and healthy behaviors, but often do not know where to start. A majority, 73%, indicated they want to significantly reduce their impact on the environment and 75% are very or somewhat interested in companies making products from recycled materials and/or that are fully recyclable, as well as restoring nature and the environment. LS&Co. also continues to sponsor the annual GlobeScan Healthy & Sustainable Living Study – one of many key studies from which we draw to learn more about consumer perspectives and behaviors when it comes to sustainable fashion and circular economy approaches.

Awareness and Transparency through Labeling

As the apparel industry offers more garments labeled “sustainable,” it can be harder for consumers to determine which innovations are truly making a difference. One way we enhance awareness is through labeling, including complying with applicable regulations regarding country of origin, manufacturer identification address or code, care instructions and fiber content and size, as required in certain countries.

Our products include what we call a Care Tag for the Planet – labels sewn into our products to encourage washing less frequently, using cold water, line drying and donating when no longer needed. Our e-commerce site also offers sustainable product care tips. Likewise, LS&Co. products that include cottonized hemp,

organic cotton, and innovative fibers like REFIBRA™ and Circulose® include labels identifying those environmentally friendly fibers.*

**REFIBRA™ is a trademark of Lenzing Aktiengesellschaft. Circulose® is a registered trademark of Re: NewCell AB.*

View our [“Buy Better, Wear Longer”](#) and [Water<Less® innovation](#) videos.

What’s Next – Circular Economy

As we continue our progress toward circular readiness, we are working at both a large scale, such as collaborating with Fashion for Good, and a smaller scale, as we’re doing by aiming to increase our take-back offerings and exploring partnerships to drive used products through more circular channels. Building on the strong foundations provided by WellThread®, Water<Less®, Screened Chemistry and other initiatives, we are working to identify and implement more sustainable practices – and reflect a circularity mindset – in product development. We are committed to sourcing third-party preferred or certified materials and incorporating pioneering fibers into our mainline collections, such as 501® jeans and Red Tab™. We still need to look more holistically at the entire product life cycle from agriculture and production, to packaging, shipping, consumer use and reuse.

To this end, in 2022 we will continue our participation in a Fashion for Good project that aims to understand the different textile waste streams in India, including those generated outside the country and shipped into the country, with the eventual aim of determining how to use pre- and post-consumer textile waste in India. Importantly, we plan to conduct a social impact assessment of textile recycling, which will give the apparel industry valuable information about both the environmental and social impacts of textile recycling.

We will work through our store network to connect directly with consumers and increase reuse and textile-to-textile recycling opportunities for used denim. Our plans for 2022 include growing our in-store program, which incentivizes customers to turn in unwanted jeans, delivering a more global program that is available to even more of our customers. We will explore programs with new recycling partners to build out our vision of circularity by creating channels for used denim to be reworn, recycled or downcycled, diverted from landfill, and recognized as a resource for a circular economy.

Other future focus areas include work with natural plant-based dyes and projects related to transitional cotton – cotton on its way to becoming organic cotton in a farming and soil management process that takes about three years. As an initial step, we reached out to a mill in our supply chain that has direct relationships with smallholder cotton farmers. We began sponsoring education on organic cotton with farmers and offered them a purchase guarantee during the transitional process.

At the same time, the Levi’s® and Dockers® brands are pursuing reliable and scalable natural dyes, some of which also save water. Additional work with partners to continue evolving our fiber portfolio includes

understanding how best to incorporate in-transition cotton. In these areas and others, we don't yet have all the solutions to the challenges of creating a truly circular apparel and less resource-intensive value chain. But we will forge ahead with our competitors, partners and customers to find them.



SASB: CG-AA-440a.3; CG-AA-440a.4

GRI: 301-1; 301-2; 301-3

UN SDGs: 12, 13, 15

The foundation of sustainable apparel

Much of the fashion industry relies on virgin fibers to produce yarns and fabrics for apparel. The Ellen MacArthur Foundation estimates that over 53 million metric tons of virgin fibers are used annually – primarily due to the lack of scale in recycled fiber technology and the economies of scale needed to create cost-effective alternatives to virgin fibers. We took meaningful steps in 2021, including establishing a new goal to use only third-party preferred or certified more sustainable primary materials by 2030. We also launched initiatives to test our ability to scale more sustainable fibers, such as introducing Levi's® circular 501® jeans made with Circulose® fiber and supporting cotton cultivation methods that use less water, involve fewer pesticides and promote healthy soil.*

Currently, sourcing more sustainable fibers has a limited impact on our climate targets, although we continue to evaluate this as a pathway to impact reduction.

*Circulose® is a registered trademark of Re:NewCell AB.

Sustainable Fiber Goals

Goal:

Use only third-party preferred or certified more sustainable primary materials by 2030*

*In this context, “preferred” is based on the Textile Exchange, which defines a preferred fiber or material “as one which results in improved environmental and/or social sustainability outcomes and impacts in comparison to conventional production.” Our “primary materials” include cotton, manmade cellulosic fibers and polyester. We define “more sustainable” materials as those that have achieved third-party certification or verification.

Fiber Metrics*

Metrics	FY21 Percentage Used in Our Products
Cotton that was organic, recycled or Better Cotton	95% of all cotton

Metrics	FY21 Percentage Used in Our Products
Manmade cellulosic fibers sourced from Canopy Green Shirt-rated suppliers	100% of all manmade cellulosic fibers
Down sourced from Responsible Down Standard-certified suppliers	100% of all down
Leather sourced from Leather Working Group (LWG)-rated suppliers	>35% of all leather
Recycled polyester	8% of all polyester

**Data is as of October 2021 and reflects product seasons H2'21 and H1'22. Together, these seasons generally correspond to the fiber sourced for LS&Co. products in FY21. In our year-over-year fiber analyses, we track the fiber used in our products for the second half of the current year and the first half of the following year.*

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



More Sustainable Cotton

Nearly 90% of the fibers used in our products are cotton-based, which makes it critically important that we find more sustainable and regenerative sources for that cotton, while continuing to investigate alternative fibers and upholding our standing prohibition on the use of any cotton from regions where there is evidence of systemic forced, child or bonded labor.

We define “more sustainable” materials as those that have achieved third-party certification or verification.

Our efforts toward more sustainable cotton intersect with many other elements of our sustainability strategy, including action on climate change and water stress. We also believe we have a responsibility to support agricultural practices that contribute to environmental stewardship and social fairness for cotton farmers.

During FY21, 95% of our cotton was organic, recycled, or Better Cotton.* We intend to reach 100% certified or preferred more sustainable cotton in 2025 while continuing to diversify our portfolio to incorporate more sustainable and less resource-intensive alternatives to conventional virgin cotton.** Our strategy to reach this goal includes supporting organic cotton agriculture, using more post-consumer recycled cotton when available and sourcing pre-consumer recycled cotton.

We also remain committed to unlocking the challenge of scaling more sustainable cotton and quantifying its environmental and social benefits. We have achieved success already in sourcing more sustainable cotton, but we want to more fully understand how sustainable cotton can limit water consumption, support biodiversity and use agricultural practices to drawdown greenhouse gas emissions. This represents an evolution in our approach to more sustainable cotton and the recognition of the role we can play in driving further progress in the global cotton industry.

**The Better Cotton Initiative (BCI) trains farmers to produce cotton in ways that respect the environment and strengthen the industry. Licensed Better Cotton farmers must adhere to principles to minimize use of pesticides, use water efficiently, safeguard soil health, protect biodiversity, preserve cotton fiber health and promote decent work. Our use of Better Cotton does not replace our commitment to organic cotton, but it contributes to achieving our goal of sourcing 100% more sustainable cotton.*

***In this context, “preferred” is based on the Textile Exchange, which defines a preferred fiber or material “as one which results in improved environmental and/or social sustainability outcomes and impacts in comparison to conventional production.”*

Organic Cotton

Organic cotton is grown without the use of toxic and persistent pesticides or fertilizers, unlike conventional cotton, which uses both. The impacts to human and environmental health associated with conventional cotton agriculture are well documented, and life cycle studies by the Textile Exchange showed that organic cotton production can save water compared to conventionally grown cotton. We are committed to supporting organic cotton production and sourcing organic cotton for our WellThread® collection, Levi's® Red Tab™ and some Dockers® products. The organic cotton we source is third-party certified to the Organic Content Standard (OCS) or Global Organic Textile Standard (GOTS).

As demand for organic cotton has grown, there have been challenges to global supply. Organic cotton

makes up a small percentage of the global cotton supply and the discovery of falsely certified organic cotton in India and of forced labor in the Chinese supply chain have limited the organic cotton supply. This situation has recently led to other developments, such as the largest certification body that certifies organic cotton in India announcing they will no longer certify, as well as our internal ban on any cotton sourced from China's Xinjiang province. LS&Co. is following a plan to incrementally increase our use of organic cotton to manage these challenges, but only with the highest level of integrity and attention to the quality of actual practices on the ground in organic cotton growing regions. We are also participating in collaborative platforms to advance the organic cotton industry, starting at the farm level.

Better Cotton

LS&Co. is a founding member of BCI and joined the initiative in 2010. BCI's vision is to transform the cotton-producing sector by enabling more sustainable agricultural practices such as reduced water consumption, chemical use at the field level and increased market access for farmers. By aligning environmental and financial sustainability, reducing market barriers through a mass balance system and working with stakeholders at every stage of the supply chain, BCI has shown an exceptional ability to scale. By the end of the 2020-2021 cotton growing season (defined by BCI as July 2020 – August 2021), Better Cotton accounted for 10% of global cotton production and 2.2 million licensed BCI farmers produced 4.7 million metric tons of Better Cotton

During the COVID-19 pandemic, BCI was able to work through its network of implementation partners and licensed farmers to provide personal protective equipment, updates on the pandemic and safety advice to remote cotton farming communities. For LS&Co., participating in BCI as a member and supporting Better Cotton demonstrates our commitment to improving cotton farming on a global scale, supporting farmers' livelihoods and driving environmental improvements at the field level.

U.S. Cotton Trust Protocol

In 2021, we joined the U.S. Cotton Trust Protocol, a farm-level, science-based program setting a new standard for more sustainably grown cotton. We also serve on the Trust Protocol Board of Directors as a representative of apparel retailers. Specifically, the Trust Protocol strives to bring quantifiable goals with verified impact to sustainable cotton production. The Trust Protocol offers several opportunities for us to drive more sustainable and transparent cotton cultivation. It supports ongoing efforts to make U.S. cotton production more sustainable, further diversifies our cotton portfolio, offers verified data in six sustainability metrics, and provides a trackable cotton supply chain for all members. These benefits promise to help us measure progress toward our water and climate targets and communicate the impact of this work publicly.

Our participation in the Trust Protocol supports greater sustainable practices in the U.S. It aligns with our global sustainable fiber priorities and our participation will allow us to further diversify our more sustainable

cotton portfolio, which is prudent given how much cotton we use. Our initial work with the Trust Protocol has included a pilot with a number of mills that support LS&Co. in the Americas. We are also participating in the pilot phase of the Protocol Credit Management System, which uses blockchain technology to record and verify the movement of U.S. cotton fiber along the entire supply chain.

Pioneering Fiber Innovations

Cottonized Hemp

Hemp requires less water and fewer pesticides to grow but had traditionally felt too coarse on the skin for unaltered use in denim. We worked with other innovators to devise a way to soften rain-fed hemp so that it feels like cotton. This advancement aligns with our commitment to safer chemicals in the apparel supply chain and to responsible stewardship of the resources required to make our products.

Both Levi's® WellThread® collections and mainline products have featured cottonized hemp, bringing the environmental benefits and comfort of soft hemp to even more consumers. Innovating and scaling the use of alternative fibers like cottonized hemp are key steps along the way to delivering more sustainable apparel. In 2021, we launched cottonized hemp in Dockers® products. While it was a small part of the 2021 Dockers® fiber makeup, we look forward to being able to incorporate more of this water-saving fiber in the future.

Recycled Fibers

While we continue to explore the use of recycled denim and other cotton fabrics such as those in t-shirts and other tops, limitations on the strength and durability of recycled cotton fibers pose challenges. Each time a cotton textile is recycled, its fibers become shorter, which reduces strength. We are trying to achieve the right balance between recycled cotton and virgin cotton in any given fabric to meet our standards for strength and durability – which are not only required to meet our quality requirements but are key tenets of our circular apparel approach.

Responsible Manmade Cellulosic Fibers

Fibers like viscose, modal and lyocell are produced using wood pulp. The sourcing of wood as well as the fiber manufacturing processes can have significant impacts on the environment, from air and water quality to biodiversity. The sustainable production of manmade cellulosic fibers provides opportunities to tackle some of the apparel industry's sustainability challenges and contribute to building resilience, accelerating regeneration and supporting a circular economy. We continue to address the impacts of wood-based fiber production by sourcing 100% of our manmade cellulosic fibers from responsible supply sources, as rated by

Canopy.

Back in 2019, LS&Co. completed the shift of all manmade cellulosic fibers – viscose (rayon), modal, and lyocell – to suppliers earning a Canopy “Green Shirt” rating with a minimum of 25 buttons in Canopy’s Hot Button Ranking, which requires eliminating sourcing from Ancient and Endangered Forests. In this move, we transitioned away from generic viscose to traceable viscose and expanded our use of lyocell, such as Lenzing’s Tencel™ fiber, which continually recycles the chemical solvents used to produce the fiber and requires less energy and less water than generic viscose.* In FY21, we accepted manmade cellulosic fibers from the companies Lenzing, Birla, Tangshan Sanyou (for Circulose® fiber) and Kelheim.** All manmade cellulosic fiber suppliers to LS&Co. must be Canopy Green Shirt-rated and committed to responsible manufacturing.

We source sustainable wood-based fibers consistent with our CanopyStyle commitment to work with suppliers to prevent wood-based materials from the world’s Ancient and Endangered Forests from entering our supply chain. Our work to address the impacts of manmade cellulosic fiber manufacturing is consistent with our Commitment to Zero Discharge of Hazardous Chemicals. It is also aligned with the Changing Markets Roadmap.

**Tencel™ is a trademark of Lenzing Aktiengesellschaft.*

***Circulose® is a registered trademark of Re: NewCell AB.*

Next-Generation Fibers

About two-thirds of the manmade cellulosic fibers used in our products are lyocell fibers, created with closed-loop manufacturing processes that recover and reuse chemicals and water. This drastically reduces the environmental impacts and natural resources required for production. We are also incorporating the pioneering REFIBRA™ technology, which involves upcycling cotton scraps from garment production into our products.* These cotton scraps are transformed into cotton pulp and added to wood pulp, with the combined raw material resulting in new Tencel™ Lyocell fibers to make fabrics.

**REFIBRA™ is a trademark of Lenzing Aktiengesellschaft.*

To further advance progress toward next-generation manmade cellulosic fibers, we participate in the Vision for the Future of Manmade Cellulosic Fibers initiative, a collaborative venture of the Forum for the Future and Textile Exchange. This multi-stakeholder program lays out five interdependent components for regenerating ecosystems, producing fibers with zero harm, enabling circular systems, creating prosperity and upholding rights in the value chain. We see participation in visionary collaborations like this one as important building blocks in our industry’s journey to next-generation fibers that not only eliminate harm, but also offer the potential to regenerate ecosystems and strengthen biodiversity.

Animal Welfare

As detailed in our [Animal Welfare Policy](#), updated in 2021, LS&Co. aims to ensure that wherever materials derived from animals are used in the production of our products, their health and welfare is protected. Our suppliers are expected to use the international industry best practices known as the Five Domains for Animal Welfare. Additionally, we prohibit the use of animal-derived products and materials from any endangered species as identified by the International Union for Conservation of Nature (IUCN) Red List. We do not accept wool from mulesed sheep and we are working to ensure all virgin wool in new LS&Co. products will be Responsible Wool Standard-certified by 2025.

We are committed to the principles of the Responsible Down Standard (RDS) and 100% of our down products are certified to the standard. In 2021, we joined the Leather Working Group (LWG) to support responsible leather processed using best practices by environmentally certified leather suppliers. That same year we began using some leather for footwear and accessories from Leather Working Group-certified sources. In FY21, more than 35% of the leather we sourced came from LWG-rated suppliers for footwear and accessories, a number we are working to expand over time. With many supplier partners along the chain of custody, it can be difficult to determine the exact origin of leather. We have evaluated the use of leather in our backpatches to see how we might further increase our visibility into the leather supply chain. In 2022, we will work with our suppliers to assess the animal welfare of cattle in our supply chain using the Royal Society for the Prevention of Cruelty to Animals (RSPCA) beef cattle welfare standard.

Synthetic Fibers

Synthetic fibers like polyester can help to enhance product performance. And while they are a small portion of the LS&Co. fiber portfolio, we are committed to reducing our use of virgin synthetics through recycled fibers. For instance, Dockers® continues to use recycled polyester and is also working to shift away from synthetics by collaborating with suppliers to bring sustainability attributes into other performance fibers.

Dockers® incorporates polyester for moisture wicking, strength and other performance properties. The brand launched its new Dockers® Rec collection with a variety of products – tops, shorts and pants– featuring recycled fibers. For instance, REPREVE®, a recycled polyester made from plastic bottles and traceable through the UTRUST certification program, was used in the Dockers® Rec collection for men's hiking shorts and utility pants.*

**REPREVE® is a registered trademark of Unifi, Inc.*

Certification

Certification is the last step in the process of traceability and assuring the integrity of more sustainable fibers. It reflects third-party verification of fiber content, chain of custody, social and environmental practices, and other attributes. Certifications align definitions of certain characteristics, such as organic content, recycled content, safer chemical use and others. LS&Co. uses the Textile Exchange Certifications – Organic Content Standard, Global Recycled Standard, Recycled Claim Standard, Responsible Down Standard, Responsible Wool Standard and others – and the [Preferred Fibers and Materials](#) list to define our “more sustainable materials.” We define “more sustainable” materials as those that have achieved the related third-party certification or verification.

One exception is hemp. Still considered an innovative fiber, hemp is not yet certifiable, but its significant sustainability potential is gaining recognition. We worked with third parties to substantiate water and chemical use reductions associated with hemp cultivation and the process we use for our cottonization, or softening, of hemp. We are working with industry associations such as the Sustainable Apparel Coalition to recognize hemp as a more sustainable material.

During 2021, we worked extensively to substantiate water and chemical use considerations associated with innovative fibers, materials and input for dye processes. This included making sure the bio-based fibers we source are not food turned into textiles and are grown with responsible land-use practices. We engaged a third party to identify ways to substantiate our claims regarding water and chemical use with a high degree of confidence. During the year, we began pursuing brand-level certification to the Organic Content Standard (OCS), the Recycled Claim Standard (RCS) and the Global Recycled Standard (GRS). These certifications would be in addition to the existing Responsible Down Standard (RDS) certification we rely on for responsibly sourced down. Already, our company-operated factory in Plock, Poland, is certified to develop products under the OCS.

What’s Next – Sustainable Fibers

Today, more sustainable, next-generation fiber solutions are still emerging. Through collaborations enabled by the Organic Cotton Accelerator, U.S. Cotton Trust Protocol and other organizations, we are joining forces with likeminded brands, with nonprofits and with farmers to create the positive change the cotton industry needs. We plan to participate in the Better Cotton Initiative’s new work to provide physical traceability of Better Cotton in an emerging program that seeks to revise the current chain of custody practices, standardize data collection, adopt innovative cotton integrity checks and meet other objectives. And we will keep driving on our key focus areas – sourcing fibers responsibly, engaging suppliers to address textile manufacturing impacts, and using next-generation fibers that are less resource-intensive – as we continue our work to deliver more sustainable products at scale.

Resources

Animal Welfare Policy

Commitment to Source Sustainable Wood-Based Fibers



Safer Chemicals

SASB: CG-AA-250a.1; CG-AA-250a.2; CG-AA-430a.1

GRI: 303-2

UN SDGs: 6

A hazard-based approach to safer apparel chemistry

We are committed to providing products that are safe for both people and the environment. This includes not only designing LS&Co. products to be manufactured without hazardous chemicals, but also instituting processes in the supply chain to prevent hazardous chemicals from entering the environment in the first place. We require that all materials, chemicals and other goods provided by suppliers and their sources are screened. We ban the use of certain chemicals in our products and specify limits for other chemicals in our finished products. To ensure that the finished products meet these stringent requirements, our suppliers must implement regular testing and quality assurance programs subject to our review.

By addressing both chemical input and output, our holistic approach not only ensures that our products are made with safer chemicals to protect human health and the environment, but our program also supports product reuse or recycling later in life.

Controlling Both Inputs and Outputs for Safer Chemistry Overall

Textile mills use some 20,000 chemicals and are estimated to generate about 20% of the world's industrial water pollution. In 2000, we were one of the first apparel companies to establish a Restricted Substances List (RSL), identifying chemicals that are restricted in the manufacturing of our products due to their potential effects on consumers, workers and the environment.

In 2012, we joined the Joint Roadmap Toward Zero Discharge of Hazardous Chemicals (ZDHC), pledging to reach zero discharge of hazardous chemicals by 2020 for strategic wet finishing suppliers – a set of goals we met and a major milestone for our chemical management program. Screened Chemistry is designed to understand the potential human and environmental hazards of chemicals before they enter the supply chain, and to help us find safer and more sustainable alternatives. We continue evolving our approach to identify the safest chemicals for use in manufacturing our products.

In 2021, we set a goal that all strategic garment wet finishing manufacturing and fabric mills will use 100% certified Screened Chemistry by 2026.* After aligning with the AFIRM Group (Apparel Footwear Industry RSL Management Group) RSL for many years, we formally adopted the AFIRM RSL in 2022. Using the AFIRM RSL enhances our ability to manage restricted substances to further reduce the use of any potentially harmful substances in factories where our products are manufactured.

**Strategic garment wet finishing manufacturing and fabric mills cover approximately 80% of product weight.*

Along this journey to sustainable chemical management, we have tried to play a central role in helping shift the apparel industry from a reactive state focused on products and RSL testing, to a more proactive

approach that manages input chemistry through Screened Chemistry and the ZDHC Manufacturing Restricted Substances List (MRSL). Focusing on chemical inputs allows us to select the safest chemical options for the supply chain. This eliminates hazardous chemicals from consideration before they even get to manufacturing facilities.

With our suppliers, we have established an effective system to monitor chemicals going into our production processes. We have moved from a risk-based evaluation of chemicals to one based on specific hazards, and we measure and report chemical output through factory wastewater testing. We believe controlling chemical inputs is the best approach to ensuring more robust chemical management in the apparel supply chain, in order to continue delivering safe products to our consumers, keep our workers safe and manage wastewater outputs.

Safer Chemicals Goals

Goal:

All strategic garment wet finishing manufacturing and fabric mill factories will use 100% certified Screened Chemistry*

Target Year:

2026

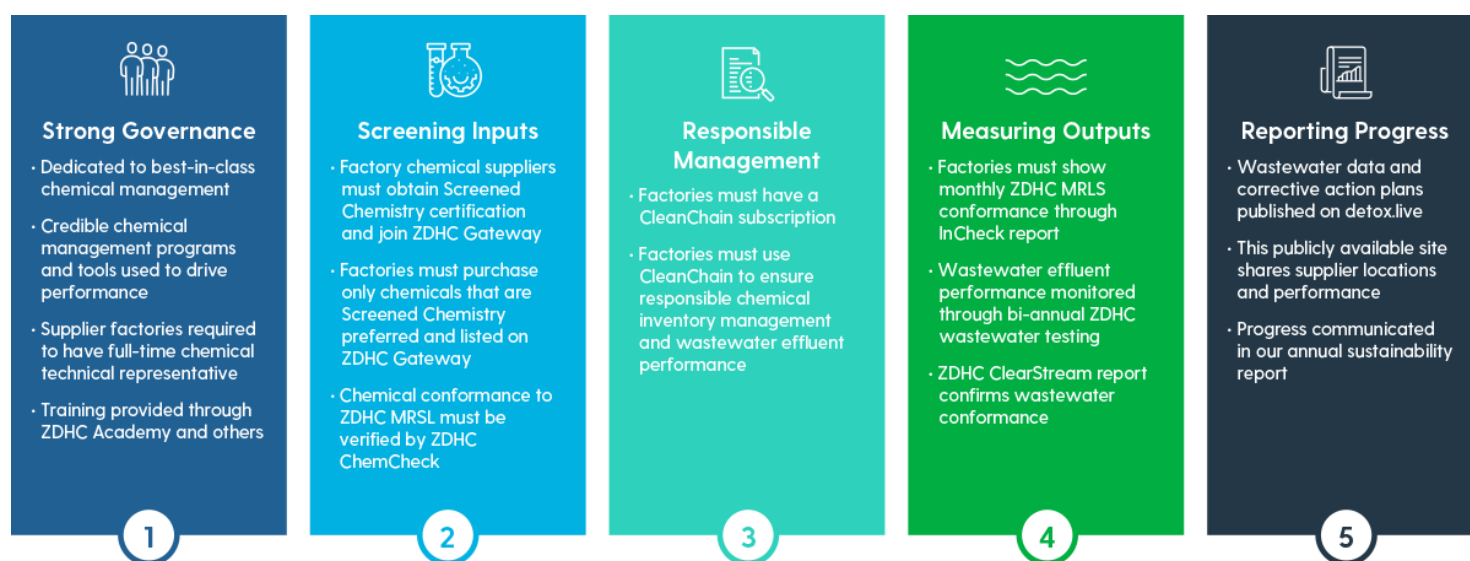
**Strategic garment wet finishing manufacturing and fabric mills cover approximately 80% of product weight.*

Chemical Metrics

Metric	FY21
Number of chemicals on the LS&Co. Preferred Chemical List, which encourages our suppliers to use safer alternatives in their manufacturing	~1,300
Number of factories using LS&Co.'s Preferred Chemical List and reporting chemical use to the CleanChain tool	~100

Metric	FY21
Pass rate of suppliers in Restricted Substances List testing	99.94%
Pass rate of suppliers in random product testing (at 80% of Tier 1 factories)	100%
For more data see Our Performance: Data Tables	

Our Approach to Safer Chemicals



Safer Chemical Recognition

ZDHC Leadership – Aspirational Level: We were one of just five apparel companies to earn this designation in 2021. The Aspirational Level is the highest category of success, recognizing our many

achievements in the Roadmap to Zero Program and other work on safer chemicals in our supply chain.

Natural Resources Defense Council (NRDC): LS&Co. received an A+ from NRDC in 2022 due to our longstanding commitment to phasing out all per- and polyfluoroalkyl substances (PFAS) chemicals, the highest ranking among 30 top U.S. apparel brands surveyed and the only company to receive an A for our early adoption of a PFAS elimination policy to remove PFAS from our supply chain.

Safer Chemicals, Safer Products

As of January 1, 2016, LS&Co. stopped producing products with any perfluorinated chemicals (PFCs) – that have unique properties to make materials waterproof and stain resistant. We extended our use ban to cover all per- and polyfluoroalkyl substances (PFAS) in 2018. Our ban on PFCs and per- and PFAS is significant, considering there are currently no equally effective water- and stain-repelling alternatives.

The LS&Co. RSL prohibits the use of priority chemicals identified by Greenpeace and ZDHC, including alkyl phenol ethoxylates, phthalates, short- and medium-chained chlorinated paraffins, flame retardants and others. We take measures to fully enforce our ban on alkyl phenol ethoxylates (APEOs) – chemicals used in some detergents and surfactants. Suppliers are not allowed to intentionally use these banned chemicals in LS&Co. products.

In addition to ensuring suppliers adhere to Screened Chemistry, monitoring supplier wastewater quality and encouraging them to use chemicals from our preferred list, we also conduct testing on finished garments. This includes product testing for chemicals as well as mechanical and construction characteristics, such as flammability and various product safety requirements for children's wear.

During 2021, we achieved a product testing pass rate of 99.94% in both development and production testing against our RSL. Additionally, periodic and random product testing at 80% of Tier 1 factories demonstrated a 100% pass rate, indicating that our products consistently meet our strict requirements globally. In 2022, we hope to extend our random testing to footwear and accessories as well. Globally, LS&Co. is consistent in demonstrating the utmost product safety compliance with regulatory requirements. Several of the countries in which we operate, including the U.S., have either a national product liability reporting system or participate in a regional reporting system that provides publicly available data. No LS&Co. products were reported as recalled in any of those national or regional reporting systems in 2021.

Adopting the AFIRM RSL

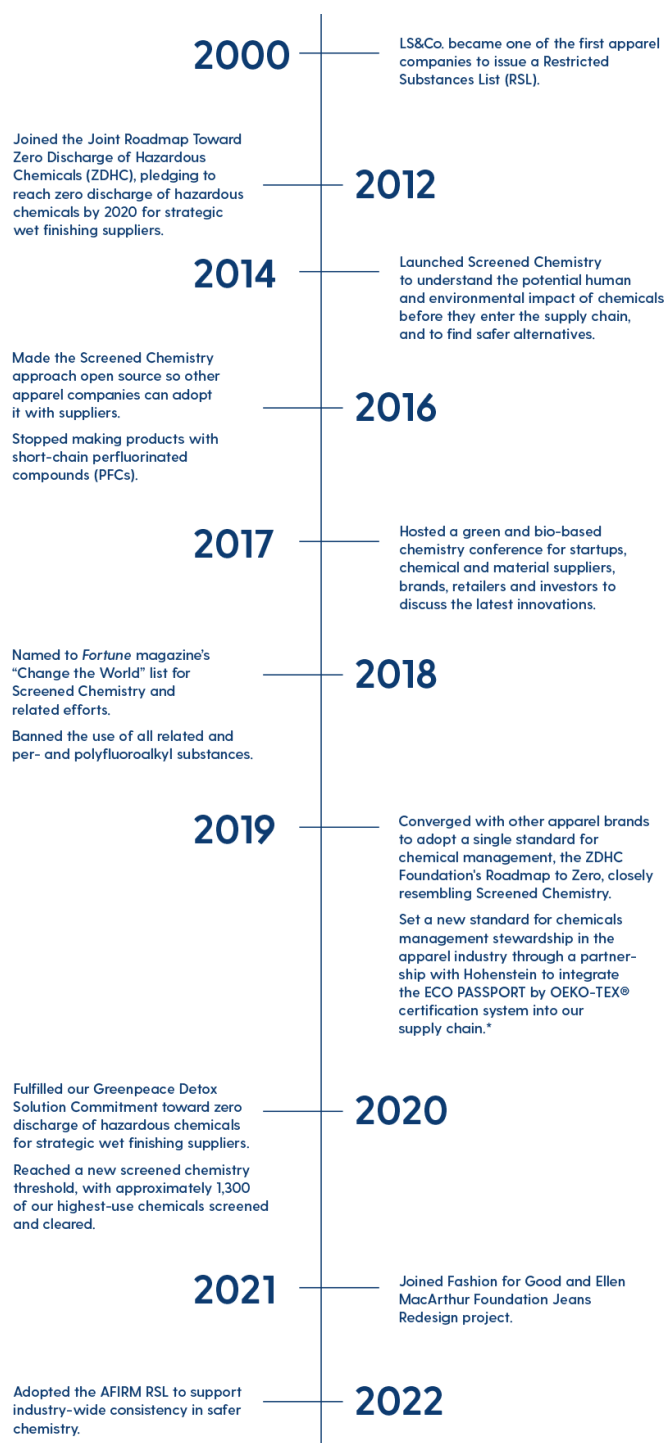
In 2004, LS&Co. was one of the founding members of the AFIRM Group and has aligned with the AFIRM Group RSL for many years. In 2022, we formally adopted the AFIRM Group RSL and AFIRM Packaging RSL as part of our ongoing commitment to supporting greater industry collaboration and consistency.

Comprehensive New Guidance and Standards

The [2022 LS&Co. Product Safety by Design Framework for RSL](#) document introduces supplier requirements for various emerging issues in safer chemicals – such as antimicrobials, flame-retardant chemicals and priority chemicals to phase out from our finished products. The new framework is also intended to promote better understanding of the contents of chemical formulations and enable suppliers to substitute safer alternatives.

Some of our requirements exceed those of the AFIRM RSL, including certain priority chemicals that we ban; Supplier Code of Conduct requirements; emerging issues policies for carcinogens, mutagens, reproductive toxins (CMR); skin sensitizers; endocrine disruptors; and persistent, bioaccumulative, toxic (PBT) chemicals. The LS&Co.-specific requirements above the AFIRM RSL apply to all materials, parts, chemicals, components, packaging and other items, including sundries – small items like buttons and buckles – that are intended for use in our products without exception.

Our Safer Chemicals Timeline, 2000 to 2022



*OEKO-TEX® is a registered trademark of OTI - Institut Für Ökologie, Technik und Innovation GmbH.

Restricted Substances Stewardship Program

We launched the Restricted Substances Stewardship Program (RSSP) in 2014 to ensure conformance with the ZDHC Roadmap and the successful elimination of priority chemicals as identified by Greenpeace and ZDHC. The program provides guidance and a plan to eliminate priority chemical use and discharge, while supporting safe and responsible chemicals management.

Through the RSSP, we require manufacturing suppliers to prioritize responsible chemicals management. They are required to work closely with chemical suppliers and analytical laboratories to ensure that responsible management extends throughout the supply chain. This provides us with transparency into program implementation and promotes accountability. LS&Co. monitors RSSP performance and compliance status monthly. We have focused on implementing the program with suppliers and aligning the RSSP with the ZDHC MRSL, as well as on other tools and training developed within the ZDHC Roadmap.

From Chemical Risk to Chemical Hazard

Although the words are sometimes used synonymously, *hazard* refers to a substance's inherent properties that make it capable of causing harm to human health or the environment. *Risk*, on the other hand, is the possibility or likelihood of a harmful event coming from exposure to a substance. That's why we see preventing hazards as the right approach to chemical management.

As part of our continued evolution in sourcing the safest possible chemicals in our supply chain, the Screened Chemistry system was designed to shift us and our suppliers from a risk-based to a hazard-based chemical management approach. Since 2014, we have been evaluating chemical formulations from a hazard lens with the help of third-party toxicology experts. This includes looking at the full material disclosure of chemical compounds in a given substance to make the right selection. Screened Chemistry allows us to validate all incoming chemicals through hazard assessment to ensure they contain no chemicals of concern, regardless of percentage within the formulation. This is in contrast to a risk-based approach, which does not require full disclosure and can only reduce the likelihood of negative outcomes and unsafe outputs at the end of the pipeline.

Our RSL and the ZDHC MRSL indicate chemicals that are banned or limited to a certain threshold in our products and in our manufacturing processes, respectively. However, for the effective elimination of harmful chemicals beyond what is currently restricted and regulated, Screened Chemistry – with full chemical formulation disclosure – allows us to identify chemicals of concern in advance of regulations.

Screened Chemistry

The pioneering [Screened Chemistry](#) approach examines chemicals used to manufacture our products against specific health and environmental impacts, allowing us to identify better alternatives and areas for innovation. The aim is for all LS&Co. suppliers to use our Preferred Chemical List, which represents safer alternatives for manufacturing. This is a much more proactive approach to sustainable chemicals management in the industry, and one that we open sourced to benefit the entire supply chain.

To date, we have screened and cleared approximately 1,300 of our highest-use chemicals. Screening was performed by a toxicologist, validating RSL and ZDHC MRSL compliance as well as ensuring full material disclosure of the chemical formulation. We have shared the Screened Chemistry program with others in the industry and with the ZDHC Foundation, which is working on adopting the program as part of the ZDHC Aspirational Chemical Management level.

Importantly, the Screened Chemistry approach exceeds legal requirements for chemical safety. Under Screened Chemistry, any impurity or addition to a chemical must be disclosed and meet the ZDHC MRSL. To this end, Screened Chemistry has also included a pilot on commodity chemicals – the bulk chemicals that serve as building blocks in chemical processes and are the largest volume of chemicals used in apparel supply chains. Including commodity chemicals in the Screened Chemistry approach is a breakthrough for our supply chain. The commodity chemicals used in the apparel industry sometimes come from other industries, such as pharmaceuticals, and can contain impurities, residuals or contaminants from those other industrial uses. Commodities are difficult to address, but we are up for the challenge. We know that meeting our safer chemical ambitions requires us and the industry to address these chemicals.

On the Way to 100% Screened Chemistry at Strategic Facilities

Our goal is to implement certified Screened Chemistry at 100% of strategic garment wet finishing manufacturing and fabric mills as part of upholding our ZDHC commitment. Impurities screened by the program are measured down to 100 parts per million.* Our Preferred Chemical List, along with the corresponding hazard scores, are available through the ZDHC Gateway. This gives suppliers the resources they need to select safer chemicals.

We also continue focusing efforts on Tier 2 suppliers, including encouraging our Tier 1 suppliers to engage more of their vendors that have adopted the Screened Chemistry program.

**Strategic garment wet finishing manufacturing and fabric mills cover approximately 80% of product weight.*

CleanChain Tool

Third-party toxicologists upload Screened Chemistry certificates to the CleanChain tool, where they can be accessed by our key suppliers. As of the close of 2021, more than 100 facilities, including factories, mills and laundries are uploading their chemical purchases and deliveries. This allows us to see the chemicals used, by weight or volume, in those factories on a monthly basis. This tool allows us to have an outsized impact on safer chemical management beyond our own products, as our shared suppliers apply many of these preferred chemicals to the garments they produce for other, non-LS&Co. brands.

We actively monitor chemical usage and wastewater impacts at Tier 1 and 2 facilities through both the CleanChain tool and ZDHC Gateway web application. Supplier chemical use is also cross-checked through bi-annual wastewater testing. The monthly chemical use report is publicly available on the ZDHC Gateway and the wastewater data is available on the ZDHC detox.live platform. The latter provides year-over-year wastewater quality data. Finally, any factory demonstrating an issue with wastewater quality is subject to a corrective action plan, which also must be uploaded to the [ZDHC detox.live](#) site.

Monitoring Our Supply Chain

We monitor for substances of concern by tracking our suppliers' testing of chemicals and through wastewater testing. We maintain specific performance standards by product category and conduct RSL testing based on hazards at both development and manufacturing stages against applicable standards in our Product Integrity Portal.

By closely monitoring chemical safety standards and usage across the supply chain, we are better able to identify and eliminate potential RSL non-compliances at early stages of product development, preventing further wastewater contamination. Both Tier 1 and Tier 2 factories are encouraged to participate in the [ZDHC Supplier to Zero program](#), through which suppliers can connect to the ZDHC Gateway database and implement ZDHC's sustainable chemical management system.

Substances of Concern Declarations

Since its inception, our approach to safer chemicals has been designed to make sure that no intentional use of substances of concern occurs in the manufacturing of our products. Today, our priority chemicals list as well as our usage ban for PFAS, antimicrobials, flame retardants and other substances of concern are clearly documented in the LS&Co. Product Safety by Design Framework for RSL. We also regularly provide product declarations to various customer inquiries. This includes adhering to REACH requirements for responding in a timely fashion to external inquiries about use of any substances of very high concern. To continue ensuring

product safety, we regularly review and update our RSL document, while also seeking to add chemicals to our Preferred Chemical List and phase out emerging chemicals of concern.

Progress Toward Scalable Plant-Based Indigo

Over the years, LS&Co. has tested a variety of botanical dyes, but we have generally found they produce variations in color that customers don't like, in part because there is no non-chemical color fixing agent available to lock in a desired level of color saturation. We believe plant-based indigo dye shows promise for widespread use.

As part of our work with Fashion for Good, in 2021 we forged a collaboration with Stony Creek Colors to pilot the use of plant-based, pre-reduced indigo at scale, part of our ongoing efforts to reduce the number of potentially harmful chemicals in the denim supply chain. This is a new program for us with the Fashion for Good partnership, but it continues an existing collaboration with Stony Creek Colors. The Levi's® brand has worked with Stony Creek Colors' plant-based dyes for several seasons of its WellThread® collections, infusing their plant-based indigos into the line's various denim pieces.

The program is running performance trials on IndiGold™ indigo dye at selected denim mills using different dyeing systems.* The goal is to unlock learnings around shade application and other efficiencies. The project aims to have additional garments dyed with IndiGold™ on the market by late 2022 and early 2023. As an added benefit, Stony Creek Colors grows its indigo on former tobacco farms providing income to farmers shifting their operations to different crops.

**IndiGold™ is a trademark of Stony Creek Colors.*

Partnerships and Certifications for Progress

We believe in industry collaboration to bring scale and scope to our commitment to zero discharge of hazardous chemicals. Over the past two years, we announced key partnerships to strengthen the program:

- We have two key partnerships to advance sustainable chemicals management with Scivera and NimkarTek Laboratory to pioneer cutting-edge approaches for screening and tracking bulk commodity chemicals in apparel supply chains.
- We partnered with the Hohenstein Institute to use the ECO PASSPORT by OEKO-TEX® certification system for enhanced testing, verification and transparency to chemical suppliers.
- We encouraged Scivera and Jeanologia to develop an Environmental Impact Measurement (EIM) tool for chemicals certification, and the resulting system is being piloted. We are exploring the possibility of implementing EIM for chemicals, in addition to the energy and water EIM, which we already use.

In addition, our [LS&Co. Product Safety by Design Framework for RSL document](#) highlights LS&Co.'s preferred fiber and apparel certification schemes, including the Global Organic Textile Standard (GOTS), Global Recycled Standard (GRS), and several OEKO-TEX® standards – ECO PASSPORT, STANDARD 100, MADE IN GREEN, LEATHER STANDARD and STEP.

What's Next – Safer Chemicals

We remain as committed as ever to advancing the use of safer chemicals. Above and beyond our 2026 commitment that strategic garment wet finishing manufacturing and fabric mills use 100% certified Screened Chemistry, we will continue to advance strategies, programs and collaborative efforts with key partners to develop and scale sustainable chemicals management strategies across the apparel sector.*

This includes continuing to partner with ZDHC, AFIRM, Fashion for Good and others to create more sustainable change at scale, eliminate hazardous chemical use and improve wastewater treatment practices across the industry. In 2022, we plan to conduct an OEKO-TEX® pilot for chemical commodities at selected factories in support of future OEKO-TEX® STANDARD 100 product certification. We will also continue our collaboration with the Hohenstein Institute to use the ECO PASSPORT by OEKO-TEX® certification system to better implement our chemicals management processes and create a template for the apparel industry.**

*Strategic garment wet finishing manufacturing and fabric mills cover approximately 80% of product weight.

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Resources

Product Safety by Design Framework for Restricted Substances List

Screened Chemistry



SASB: CG-MR-410a.3

UN SDGs: 12, 15

Optimizing resources in our operations and supply chain

To achieve a circular economy in fashion, the challenges related to waste must be addressed at significant

scale and in collaboration across the industry. The Ellen MacArthur Foundation estimates that a garbage truck of textiles is landfilled or incinerated every second somewhere in the world. It is estimated that aggregate textile waste will increase by about 57 million additional tons of waste annually by 2030.

At LS&Co., we are committed to doing our part to address these challenges by reducing waste in our supply chain and our own operations; making it more convenient for consumers to change their own consumption and recycling patterns; working with the industry to solve the challenges that currently limit the scale of collection, sorting and recycling technologies; and minimizing the use of plastics. This also includes our focus on developing more circular product designs that use recycled inputs and are recyclable, while using recycled and recyclable packaging for our e-commerce shipments and product packaging. These and other strategies will move us closer to our vision of zero waste.

In 2021, we continued this journey by developing detailed roadmaps to achieve two new zero-waste goals.

Zero Waste Goals

Goal:

Zero-waste-to-landfill from company-operated facilities and 50% waste diversion across strategic suppliers*

Target Year:

2030

Goal:

Eliminate single-use plastics in consumer-facing packaging by shifting to 100% reusable, recyclable or home compostable plastics

Target Year:

2030

*In alignment with the Zero Waste International Alliance and TRUE Zero Waste certification, facilities that reach the 90% threshold will be designated as zero waste. We are committed to sharing our waste diversion progress.

Our Products

We are working to make even more products with safe, recycled and renewable inputs that contribute to circularity. This includes making sure suppliers adhere to Screened Chemistry protocols, an important step in ensuring safely compostable materials at the end of our products' useful lives. We use responsibly sourced fibers like organic cotton and responsible manmade cellulosic fibers as recognized by Canopy. We have incorporated state-of-the-art fibers made from post-consumer recycled jeans and other responsible components, and we have extended some of our WellThread® design innovations to our mainline collections, such as with the circular Levi's® 501® jeans.

For more about our use of recycled and renewable raw materials, read [Sustainable Fibers](#).

For more about the ways we are becoming circular ready, read [Circular Economy](#).

Shrinking Care Labels and Hangtags

In 2021, we reduced the width of our care labels by 25%. For care labels on our tops, we switched to using recycled raw materials. Our primary supplier estimates that the smaller labels reduce related fabric waste by about 30% for bottoms and by about 70% for tops. We also reduced the size of a number of the paper hangtags on Levi's® bottoms. As just one example, moving away from our large matchbook-style tag to a much smaller tag on Levi's® 541 jeans reduced the overall size by 62%.

Predictive Forecasting, Smart Buying

Most apparel companies – and we are no exception – carry more units of apparel than they end up selling to be prepared to satisfy consumer demand across a variety of styles, colors and sizes. With this practice comes waste in the form of excess and obsolete inventory. Optimizing this inventory could reduce environmental impacts, from production, to shipping, to energy use in distribution.

Driving higher accuracy in our demand forecasting process by digitizing and infusing artificial intelligence predictions is a priority in addressing this opportunity. We have opportunities to use digitization for product prototyping, eliminating the need to manufacture physical prototypes and samples. We will continue working toward a digitally powered organization to increase efficiency and eliminate waste wherever possible.



E-Commerce and Third-Party Retail

Shipping packages to our customers and receiving returned packages generates a lot of waste. From paper to polybags, we are working to reduce the amount of packaging our online customers receive. Over the last two years, we have collaborated with a variety of third-party retailers to reduce or eliminate the polybags used to protect our garments during transport to their distribution centers and stores.

Read about how our [Henderson, Nevada, distribution center](#) is optimizing efficiency and reducing waste by going omnichannel.

Retail Stores

The LS&Co. Retail Sustainability Playbook includes operational guidelines for reducing waste generated in our retail stores. It provides guidance for reducing our environmental footprint by minimizing store waste and increasing recycling and reuse rates at all LS&Co. store locations. Among other guidance, the playbook advises retail store managers to:

- Partner with waste haulers to ensure all waste is sent to the proper location, such as a recycling center.
- Ensure all waste is separated at the store level for proper recycling, including cardboard boxes and polybags from shipments.
- Implement a recycle or reuse program for common store items, including clothes hangers, display features and other recyclable materials.
- Establish in-store recycling programs for customer clothing, along with a local partner for proper donation or recycling of all used clothing.

Pre-fabricated fitting room walls allow us to take the walls with us should we move to a new location, eliminating the waste associated with disposing of the old ones and using resources to build new ones. In 2021, we began implementing this approach at our stores in India, and we aim to expand use of pre-fabricated fitting room walls to other regions in 2022.

All company-operated U.S. and Canadian Levi's® retail locations and all U.S. wholesale locations use 100% post-consumer waste stock for their print materials. What's more, the newest mannequins we use are made from 100% recycled base stock that blends both post-industrial and post-consumer materials. The material has an unlimited shelf life and the mannequins themselves use a universal base, which means stores will not have to discard a base because it doesn't fit. Printed imagery is made from upcycled plastics that can be recycled again into more graphics.

Other features include wallpaper made of plant-based reed fiber and cotton paper pulp applied to the walls with glue that has a potato or rice starch base. Wool rugs have been made from sustainably and humanely raised sheep, the wool has been colored with natural dyes, and rug backings are made of sisal, a plant material. In 2021, we applied these and other innovative features to Levi's® store upgrades, including stores designed to our "indigo concept," which reflects a unique brand experience through ambient lighting, an open and airy feel, and sustainability attributes throughout the store and its fixtures.

Reducing Waste in Construction

To improve efficiency and reduce waste in building out our retail stores, we have begun using a master set of plans and specifications for construction that incorporates sustainability features from our Retail Sustainability Playbook. The set includes metadata and dashboards to make it as easy as possible for construction teams to use, with the aim of minimizing change orders that are inherently inefficient and potentially wasteful. We anticipate the new plans and specs, as well as a new digital collaboration platform, will cut construction waste once fully implemented.

Company-Operated Factories

Our manufacturing facility in Plock, Poland, is working toward zero waste to landfill through a waste segregation and recycling program – including a waste management and recycling campaign for employees – and collection of denim material scraps for reuse in the household industry. During 2021, an estimated 400 metric tons of fabric scraps were collected and sent for recycling or recovery. The facility has

also provided employees with reusable water bottles, eliminating the use of plastic cups.

Our plant in Epping, South Africa, aims to achieve zero waste to landfill through a robust waste segregation and recycling program for paper and plastic, along with denim material waste collection for reuse in the automotive industry. In 2021, the facility began repurposing some fabric waste into products for use by charitable organizations.

Eliminating Pumice Stone Waste in the Apparel Supply Chain

Pumice has been used for many years in processes commonly referred to as stone washing to give denim garments a worn-in, authentic look. And while pumice is natural, it also creates a lot of waste, both from upstream mining and from its use in factories, which then ultimately ends up in landfills. In fact, each pumice stone can be used just two or three times before it degrades into sand. We've been encouraging some of our suppliers to switch to enzyme-based softening powders and synthetic stones to reduce waste.

Shifting away from pumice avoids the water pollution impacts from mining and the climate impacts associated with shipping pumice from Turkey and Indonesia, the two countries that export it. Synthetic stones can be used about 3,000 times before they are ultimately recycled and replaced and so they also offer cost savings to our suppliers.

As of early 2022, more than 5,400 metric tons of pumice stone waste have been avoided by LS&Co. suppliers who have switched to non-pumice fabric softening methods. This is equivalent to approximately half the weight of the Eiffel Tower.

Distribution Centers

Our 12 company-operated distribution centers handle about 65% of our total volume globally and about 5% of our global e-commerce volume. We have opportunities to make efficiency changes that reduce waste in logistics and shipping at these locations. To gain even more control over efficiency and waste, we have brought some e-commerce operations in-house, including bringing our U.S. e-commerce logistics operations to our LEED Platinum-certified distribution center in Henderson, Nevada. A new system in Henderson eliminates the addition of polybags and saves other plastic packaging, while also reducing transportation needs – all of which will add up to environmental improvements. Our company-operated distribution centers have recycling programs that allow them to reduce waste.

Eliminating Poly Liners and Reusing Cartons

Before being placed into a shipping container, our garments are packed into boxes of various sizes. Different boxes are used across the world, which reduces loading efficiency and leaves wasted space inside the containers. Our shipping experts continue working hard to optimize the size of boxes and match box size and durability to the product, but we have not yet resolved the issue of multiple box sizes being used around the world.

We have strengthened the boxes in which our products ship so they can remain intact when they reach distribution centers. This has included improving their moisture-resistant coatings to eliminate some of the polybags used by suppliers to protect our products during shipment and to eliminate the internal poly liners that used to be necessary to protect our products from humidity and wet weather. The stronger, coated boxes also allow our distribution centers to reuse a majority of the cartons that come into the facilities from suppliers, repack them and ship products out to large retail customers.

Eliminating Single-Use Plastics

Soft plastic packaging bags, or polybags, and other plastics are ubiquitous in the apparel industry, with an estimated 180 billion polybags produced for the industry every year and a small percentage collected for recycling. Polybags are the clear plastic bags commonly used to protect garments, footwear, and accessories during storage and shipping. Other forms of plastics used in the apparel industry include a range of items, from small hooks, clips and shirt collar supports to large shipping carton liners – which we have begun eliminating in concert with suppliers. Polyvinyl chloride, or PVC, has been banned from use with any LS&Co. products, so all polybags used for our products are non-PVC, industrially compostable or made with recycled content. Even so, we are working to find ways to reduce their use in our supply chain, distribution centers and stores. To meet our goal of eliminating single-use plastics in consumer-facing packaging by 2030, we are working to shift to 100% reusable, recyclable or home compostable plastics.

Reducing Polybags

In the LS&Co. value chain, our suppliers wrap light-colored t-shirts, tops and bottoms in polybags to keep them clean and folded. Over the past few years, we have carefully examined our polybag use practices to determine whether we can replace them with biodegradable options and use different folding techniques to minimize the need for a polybag. In 2021, we began collecting data to establish a polybag use baseline for

our products associated with Tier 1 and Tier 2 suppliers, representing the majority of our product volume. This cross-functional step is fundamental to tracking future polybag reduction progress.

Once our North American e-commerce operations moved to the LS&Co. Henderson, Nevada, distribution center, we began eliminating polybags from e-commerce shipments departing that facility. If a product arrives in a polybag, it stays in one, but we do not add polybags to products that arrive without one. We have begun discussions with third-party retailers about ways they can remove polybags from their e-commerce shipments of our products as well, especially with products like dark blue or black jeans. In 2021, our company-operated distribution centers tested the use of paper bags instead of polybags with some WellThread® products and discovered that the paper's brittleness made them unsuitable for use with conveyor belts, so our search for sustainable polybag alternatives continues.

Pre-Packing Our Products to Eliminate Polybags

Simply eliminating a polybag can cause a product to un-fold and the hangtag to tangle, so we are exploring reduction alternatives like pre-packing. This would allow us to have suppliers pack a specific size range and quantity of garments into a box that does not get opened until it has reached its retail store destination. In 2021, we began collecting data to better understand how many of our products are already getting pre-packed and where the additional opportunities lie.

Ongoing Challenges

There is a reason polybags are so common in our industry – they work well to protect folds and keep clothing clean. Finding alternatives that work as well is a challenge. Some of our third-party retail partners require product shipments from us to be pre-packed. This means these items do not get opened and repackaged at a distribution center and must be in a polybag to protect them.

What's Next – Toward Zero Waste

In 2021, we began accelerating our waste strategy, setting two new goals and identifying immediate and longer-term actions to meet them. Although we are making progress, we want to do much more, especially when it comes to addressing the systemic issue of polybags. In our own operations, we have begun developing a waste sampling approach for our company-operated retail stores to identify and begin quantifying our waste streams and the existence of infrastructure that would allow our stores to recycle. We plan to pilot polybag takeback for recycling at retail locations. As part of our commitment to become circular

ready and support the emerging concept of extended producer responsibility, we also aim to upgrade in-store takeback of used garments globally, targeting our company-operated stores in all major markets. And of course, we will continue seeking ways to incorporate more recycled fibers into our products, as we have done with our circular Levi's® 501® jeans.

In the supply chain, we plan to develop and implement Higg FEM training for key suppliers to better equip them to report waste using the FEM tool. We are participating in a Fashion for Good circularity sorting project in Europe that aims to create solutions to match textile waste with recyclers, as well as a sorting project in India to research the volume and use of pre- and post-consumer textile waste. We will also participate in a Fashion for Good project to test bio-based polybag alternatives, and will continue working with industrially compostable bags and recyclable polybags made from recycled content. And a baseline for waste in our supply chain, which we anticipate will be in place before the end of 2022, will support monitoring and accountability going forward.