

Task Force on Climate-related Financial Disclosures (TCFD) Index

The Task Force on Climate-related Financial Disclosures (TCFD) has developed a voluntary, consistent, climate-related financial risk disclosure framework with 11 recommended disclosures for companies to provide information to investors, lenders, insurers and other stakeholders. Our responses below are drawn from our [2023 CDP Climate Response](#), which covers our fiscal year 2022 reporting period.

DISCLOSURE	RESPONSE
TOPIC: Governance	
DISCLOSURE FOCUS AREA: Disclose the organization’s governance around climate-related risks and opportunities.	
<p>a) Describe the board’s oversight of climate-related risks and opportunities</p>	<p>Levi Strauss & Co. has multiple board committees with responsibility for oversight of climate-related issues. This includes the Nominating, Governance and Corporate Citizenship Committee and the Audit Committee.</p> <p>The Nominating, Governance and Corporate Citizenship Committee reviews the risks associated with our corporate citizenship and sustainability initiatives and reviews all public-facing climate and sustainability-related goals and targets on a quarterly basis.</p> <p>The Audit Committee reviews major financial risk exposures, and the steps management has taken to monitor and control such exposures. In this context, management engages in discussions with the Audit Committee and the Board concerning risk, both periodically and annually, during a review of the key risks to the company’s plans and strategies and mitigation plans for those risks, which include climate-related risks. Additionally, the Audit Committee assists the Board in its oversight of the integrity of our environmental, social and governance (ESG) disclosures included in external disclosures, including climate- and sustainability-related disclosures within our annual Form 10-K.</p> <p>To learn more, see our CDP Climate Response.</p>
<p>b) Describe management’s role in assessing and managing climate-related risks and opportunities.</p>	<p>The process used to determine which risks and opportunities could have a substantive financial or strategic impact on the organization is informed by our Enterprise Risk Management Committee (ERC). Every year, the ERC undergoes a robust process to identify and proactively address emerging risks to the company. The ERC consists of 12 leaders in the company, including our CFO (EVP, Chief Financial and Growth Officer); CCO (EVP, Chief Commercial Officer); COO (EVP, Chief Operating Officer); EVP, Chief Legal Officer (in 2023, this role’s title changed to “General Counsel”); CHRO (EVP, Chief Human Resources Officer); CIO (Chief Information Officer); CMO (Chief Marketing Officer); and SVP Global Controller, as well as senior leaders from sustainability, security, audit, compliance and product development and sourcing. The top identified risks are reported to the Audit Committee of the Board at least annually. In 2022, climate-related risk was in the top 10.</p> <p>Our COO and Chief Sustainability Officer report four times per year to the Board on a range of topics, which may include progress toward our climate targets. To ensure the company’s policy</p>

actions are aligned with business strategies, including our climate and energy objectives, there is a monthly leadership meeting on policy, which includes the CEO, CFO, General Counsel, Deputy General Counsel, Chief Communications Officer, COO, Chief Sustainability Officer and Head of Global Policy and Advocacy. This ensures that even in a dynamic policy environment, executives have an opportunity to confirm that the company's policy activities support all aspects of the corporate strategy, including climate issues. In addition, the COO and Chief Sustainability Officer are engaged in multiple meetings with senior leadership, and family and institutional investors on a regular basis to discuss approaches and progress toward the LS&Co. science-based targets (SBTs).

Climate-related issues are monitored through many corporate initiatives, including Better Cotton purchasing and regenerative cotton sourcing, management of our Water<Less® product line, monthly policy update meetings, absolute greenhouse gas (GHG) and energy targets and the construction of a new distribution center in the European Union. Our COO and Chief Sustainability Officer are eligible for incentive compensation for the effective management of sustainability issues. As a specific example, the COO has an absolute operational greenhouse gas emissions reductions target and a renewable energy procurement target (as a percentage of absolute operational energy use) built into their performance objectives.

To learn more, see our [CDP Climate Response](#).

TOPIC: Strategy

DISCLOSURE FOCUS AREA: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term

For the purposes of defining "substantive financial or strategic impact" when identifying or assessing climate-related risks for the CDP, climate-related matters are evaluated on a case-by-case basis over the short, medium and long term. When evaluating particular climate-related matters, we consider, among other factors, the potential impact on operations, business strategy, cost and availability of raw materials, measurable financial impact, and the potential for stakeholder or reputational impact. Any one of these elements or a combination thereof could be the basis for determination that a climate-based risk may have a substantive financial or strategic impact.

In 2022, we conducted our first quantitative physical and transition climate risk and opportunity scenario assessment to evaluate our upstream and downstream climate-related risk exposure. This assessment considered two established climate change scenario pathways of high physical impact (4°C) and rapid transition (<1.5°C) warming scenarios along a 2030 and 2050 time horizon. These two selected scenarios are in alignment with TCFD. The methodology outlines a clear approach to identifying risks and opportunities, which can be replicated at a regular cadence.

Short-Term Risk: In fiscal year 2022, LS&Co. sourced apparel products in 38 countries. Some of our factories, mills and laundries are located in countries facing high climate-related risks, including Bangladesh, Pakistan, Mexico and China. These 38 countries comprise both direct and indirect sourcing and all LS&Co. products, including footwear and accessories. Many of these countries may already be – or are expected to feel – the initial effects of climate change, including water shortage (India, China, Nicaragua, Bangladesh, Pakistan, Mexico), disease (Cambodia) and flooding (Pakistan, Mexico, China, Bangladesh). This was confirmed by our 2022 Scenario Modeling indicating that heat extremes and water shortages/droughts are expected to increase under a 4°C climate scenario. The Intergovernmental Panel on Climate Change listed Bangladesh, the Mekong Delta in Vietnam and the Nile Delta in Egypt as the world's three hot spots for potential migration because of their combination of sea-level rise, extreme weather events and existing population. All three are

important sourcing regions for LS&Co. We could be exposed to potential supply chain disruption if a factory, mill, laundry, distribution center or route were required to close due to an extreme weather event, leading to the need to identify alternative distribution and logistics providers or resulting in higher transportation costs or longer transport times. Some supply and distribution routes are in geographic areas that may experience increased vulnerability under the effects of climate change.

To identify, assess and evaluate our upstream climate-related risk exposure, we conduct physical and transition climate risk assessments in our supply chain. In 2016, we conducted our first qualitative physical climate risk assessment. In 2019, we expanded our assessment to include transition risks over five key geographic regions – representing 56% of LS&Co. supplier global factory and 59% of global mill production – Bangladesh, China, India, Mexico and Pakistan. In 2022, we further expanded this assessment to include nine regions representing a majority of our supplier and mill global production. The analysis helped to prioritize supplier engagement and management efforts and focus risk mitigation actions.

Long-Term Risk: Apparel production depends heavily on water availability – from growing cotton to manufacturing to consumer care at home. Using the World Resources Institute (WRI) Aqueduct Tool, we found that as of 2021, approximately 40% of our key suppliers are located in geographies that are considered “high water stress.” And based on a life cycle assessment (LCA), in general, we found that nearly 70% of water withdrawals occur in the fiber phase (e.g., cotton growing) while approximately 6% occur in the fabric production phase. Additionally, our 2022 completed scenario modeling indicated a similar high risk from climate change. The modeling indicated that there may be some initial short-term benefits to cotton due to warming temperatures and rising CO₂ concentrations but that these would diminish over time toward 2050, and we are likely to see an increase in acute weather events that will negatively impact cotton production. As a result, our supply chain is potentially exposed to significant physical risks from climate change, including unpredictable rain patterns, decreases in precipitation, rising temperatures, extended drought, etc. All of these risks can threaten the availability of freshwater critical to our supplier mills, laundries and factories as well as the farms that provide the material basis for our products, specifically cotton. Cotton is grown in some of the most arid regions in the world, and climate change can significantly impact cotton availability, quality and pricing. If global cotton production were to fall or water were to become more expensive as a result of climate change, the price of cotton could go up, which, in turn, could drive up our production costs.

Short-Term Opportunity: LS&Co. recognizes that GHG emissions are a major contributor to global climate change. If left unchecked, these emissions will trigger large-scale economic, social and environmental consequences for our business and the communities in which we operate. Within our operations globally, we are committed to reducing our energy use and related GHG emissions. Of LS&Co.'s total company carbon footprint, 75% comes from electricity bought for owned or leased properties, of which, the Hebron, Canton and Henderson sites are the largest in terms of square feet and energy usage (the balance is made up of natural gas, heating oil and steam). Based on a 2017 assessment, we have determined we can achieve 100% renewable electricity in our owned and leased operations by 2025 through deployment of a combination of renewable electricity options to optimize cost, performance and impact across regions. As of 2022, LS&Co. has achieved 90% of our total electricity as renewable. Our path toward 100% renewable electricity includes: (1) implement energy efficiency measures globally, (2) transition to renewable energy sources, including implementing on-site solar and investing in power purchase agreements (PPAs & VPPAs) and (3) purchase renewable energy certificates (RECs). LS&Co. implemented a sizeable LED lighting replacement project in the UK distribution center that is anticipated to yield annual energy savings of almost 240 MWh.

Medium-Term Opportunity: While we have demonstrated leadership through our efforts in our own operations, we are also aware that the apparel industry's biggest climate impact is in the

supply chain. Over the last several years, we have piloted innovative programs aimed at reducing our environmental impact in the supply chain and are excited by the results and the opportunity to scale those programs. For example, in 2017, we piloted the International Finance Corporation's (IFC) Partnership for Cleaner Textile (PaCT) program. As of 2022, IFC is working with 55 designated LS&Co. suppliers and mills to reduce GHG emissions by helping suppliers identify and implement appropriate renewable energy and water saving interventions across 10 countries – Pakistan, Bangladesh, Sri Lanka, India, Mexico, Lesotho, Colombia, Turkey, Egypt and Vietnam. Between 2017 and 2021, participating suppliers have been able to reduce water and energy by an estimated annual average of 4% and 7%, respectively, and save \$4 million in operating costs. LS&Co., and the apparel industry at large, sources products in many developing countries where water is scarce. In 2022, approximately 40% of LS&Co.'s key supplier facilities were located in high water-stressed geographies per the WRI Aqueduct Tool. With climate change promising to alter precipitation, induce more severe droughts and intensify water scarcity, there exists a clear window of opportunity to help our manufacturers reduce their dependence on threatened local water supplies by implementing systems that recycle and reuse water. This self-sufficiency at the manufacturing level diminishes water availability risks, allowing for stable production and long-term cost savings.

To learn more, see our [CDP Climate Response](#).

b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning

Product Strategy: LS&Co.'s product strategy has been influenced by climate-related risks and opportunities. Our life cycle assessments (LCAs) and climate scenario modeling demonstrate that we have significant resource requirements and climate-related risks that impact all phases of our product life cycles, with specific concern on material inputs. Using this information, we increased our focus on the relative water intensity of cotton production (strategic decision informed by this climate-related scenario analysis) as well as investments in regenerative agriculture, such as the Organic Cotton Accelerator. The most substantial strategic product-related decision to date that has been influenced by climate-related risks is to develop and invest in the Water<Less® product line, which significantly reduces water usage in production. We have also open-sourced the Water<Less® techniques so others can use them to save water in their products as well.

Supply Chain Strategy: LS&Co.'s supply chain strategy has been influenced by climate-related risks and opportunities because we import both raw materials and finished garments into all of our operating regions and the success of our business depends on our supplier network. Our ability to import products in a timely and cost-effective manner may be affected by extreme weather conditions, such as heat extremes, water shortages, riverine and coastal flooding and cyclones, that can affect transportation and warehousing providers, such as port and shipping capacity, labor disputes, political unrest or additional security requirements globally. Our existing procurement processes take many variables into consideration and continually adjust to mitigate risks, which include climate-related risks. To identify, assess and evaluate our upstream climate-related risk exposure, we conducted physical and transition climate risk assessments across our supply chain in 2022. This identified that climate change impacts, such as heat extremes, were high to very high in key sourcing regions.

Investment in R&D Strategy: LS&Co.'s strategy for investment in R&D has been influenced by climate-related risks and opportunities because our collaborative approach to research and sustainable apparel design has produced several environmental breakthroughs for our brands, including reducing water used in the finishing process, increasing the use of cotton farmed to higher environmental, social and economic standards, and increasing the amount of recycled materials in our products and improved chemistry.

In 2022, we launched our Levi's® Circular 501® jeans. We blended certified organic cotton with

Renewcell's pioneering Circulose® fiber, a sustainably sourced viscose made in part from postconsumer recycled denim and textiles. We collaborated with Renewcell to develop a groundbreaking denim, which features organic cotton and Circulose® fiber, which is made from worn-out jeans and sustainably sourced viscose. We've taken meaningful steps, launching initiatives that use and scale more sustainable fibers, such as introducing Wellthread® jeans with recycled Circulose® fiber, increasing cottonized hemp use across our product assortment, and continuing to support development of cultivation methods that use less water, involve fewer pesticides and promote healthy soil.

Operations Strategy: LS&Co.'s operations strategy has been influenced by climate-related risks and opportunities, because we see an opportunity in reducing our operating costs through energy and water efficiency measures as well as in enhancing our reputation and improving the resilience of our operations.

In 2022, LS&Co. deployed a global energy management system increasing visibility to energy usage and costs throughout our operations. This visibility increases our ability to engage in meaningful dialogue with facility managers and develop tangible site-specific action programs to reduce energy usage. Climate-related risks, such as cooling in our operations, will be considered going forward as a result of the scenario assessment.

In the short term, we expect a slight increase in costs due to these capital expenditures related to energy efficiency, but in the long term, we expect to see a significant reduction in energy-related costs. These assumptions have been incorporated into our financial plans. The magnitude of impact on our financial plans for operating costs is low to medium.

Revenues: As we work to meet the needs and shifting preferences of our customers around the world, we have an opportunity to develop new products, which will give us a better competitive position and continue to solidify our position as an apparel industry leader, while driving revenues. As part of LS&Co.'s ongoing effort to reduce the impact of our source materials, we have long been investigating and innovating new fiber and fabric strategies that we believe can deliver more sustainable products. Case studies include: our commitment to the Ellen MacArthur Foundation's Jeans Redesign guidelines, where we deliver more sustainable products to market, which include but are not limited to maintaining water volume at less than 30 liters/meter. Additionally in 2022, we launched into the market our Levi's® Circular 501® jeans. We blended certified organic cotton with Renewcell's pioneering Circulose® fiber, a sustainably sourced viscose made in part from postconsumer recycled denim and textiles. We also maintain our SecondHand buyback and resale platform. We conduct market research to understand our consumers' preferences, which influence our product offerings and revenue forecasts.

Capital Expenditures: All major capital investments must go through a rigorous review process, including consideration of sustainability impacts of these investments. For example, in 2021, the Board authorized the investment in LS&Co.'s sixth distribution center in Europe, which will address the region's growth and capacity needs and feature responsible design features inspired by Cradle to Cradle® principles. Sustainability requirements were a key consideration in the authorization for this project that broke ground in 2022. To secure funding for smaller capital expenditure projects, we must perform financial analysis on each of the energy or emissions reduction initiatives that are scoped for our global facilities. We have certain payback criteria for capital projects that must be achieved for funds to be allocated from the total company financial plan, for example, all the following implemented initiatives required capital expenditures: HVAC upgrades, installation of energy management systems, boiler and lighting upgrades (Plock facility), and installation of an automated energy-efficient conveyor belt system and water recycling system (Henderson, Nevada distribution center). When capital projects are needed for our facilities, we look for opportunities for additional energy and water efficiency. These factors influence which projects are approved. The magnitude of impact on our financial planning for capital expenditures is medium.

To learn more, see our [CDP Climate Response](#).

c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

In 2018, LS&Co. published a climate action strategy for reducing carbon emissions by 2025. The climate action strategy serves as a roadmap for what we plan to do and how we plan to do it through achievable science-based targets across our operations and entire global supply chain, which are incorporated into our long-term financial and strategic business plans.

In 2022, LS&Co. completed our climate scenario modeling. We believe this is a critical step to identify the most significant risks and opportunities for our company that can then inform a transition plan. This assessment considered two established climate change scenario pathways of high physical impact (4°C) and rapid transition (<1.5°C) warming scenarios along a 2030 and 2050 time horizon. These two selected scenarios are in alignment with TCFD. The methodology outlines a clear approach to identifying risks and opportunities, which can be replicated at a regular cadence. The assessment further expanded upon our 2016 qualitative study of five countries to include nine countries/regions.

LS&Co. considered a rapid transition scenario characterized by stringent climate policies and major shifts to markets and technology. The timeframe evaluated was 2030 and 2050. The transition scenarios were inclusive of all our brands, across nine selected geographies, and included assessment across the value chain from raw material production, manufacturing and our own operations. Risks and opportunities were evaluated across the following risk and opportunity types: Market, Policy, Technology, Reputation, Legal, Resource efficiency, Energy source, Products and services, Markets and Resilience. Assessment was based on a range of source data, including primary data informing the scenario assessment regarding product units, sourcing and supplier base geographies, emissions, supply chain stages and revenue models. The rapid transition model was built on a range of external datasets from International Energy Agency, regional and national and sector-specific scenarios, projections and strategies, industry outlooks, scientific papers, and country-level scenario studies. Through this work, we identified 25 hotspots, which were then prioritized with senior leadership into top transition risks and opportunities.

LS&Co. considered a high physical impact climate change scenario that brings significant changes to climate and weather conditions. Developed utilizing an RCP 8.5-aligned 4°C warming by 2100. The timeframe evaluated was 2030 and 2050. The transition scenarios were inclusive of all our brands, across nine selected geographies, and included assessment across the value chain from raw material production, manufacturing and our own operations. Risks and opportunities were evaluated across the following risk and opportunity types: Market, Policy, Technology, Reputation, Legal, Resource efficiency, Energy source, Products and services, Markets and Resilience. The assessment was based on a range of source data, including primary data informing the scenario assessment regarding product units, sourcing and supplier base geographies, emissions, supply chain stages and revenue models. The rapid transition model was built on a range of external datasets from NASA's NEX-GDDP, GCM and CMIP5. Through this work, we identified 25 hotspots, which were then prioritized with senior leadership into top physical risks and opportunities.

In 2023, LS&Co. is working to develop a climate transition plan aligned to the CDP framework and reflective of the necessary actions required to align with a 1.5°C world. The CDP-aligned Climate Transition Plan will be published by the end of 2023.

To learn more, see our [CDP Climate Response](#).

<p>a) Describe the organization's processes for identifying and assessing climate-related risks</p>	<p>LS&Co. identifies, assesses and determines climate-related risks with a substantive financial and/or strategic impact at least once per year through both our company-wide enterprise risk assessments and periodic specific analysis in direct operations and across the supply chain, including our Sustainability Issue Prioritization (also known as sustainability-related "materiality assessments"), supply chain risk assessments, life cycle assessments (LCAs) and review of supplier data collected through the Sustainable Apparel Coalition's Higg Facility Environmental Module (FEM). We evaluate climate-related risks in the short, medium and long term. We consider long-term risks to be those occurring 7–12 years into the future. Carbon emissions across our value chain have been identified as a material component of climate-related risks for our business.</p> <p>To learn more, see our Sustainability Issue Prioritization and our CDP Climate Response.</p>
<p>b) Describe the organization's processes for managing climate-related risks</p>	<p>Climate-related matters are evaluated on a case-by-case basis to determine whether they have a substantive financial or strategic impact on our business over the short, medium and long term. When evaluating particular climate-related matters, we consider, among other factors, the potential impact on operations, business strategy, cost and availability of raw materials, measurable financial impact that may be one or more percentage points of our annual net revenues, and whether we are able to offset such impact, and the potential for stakeholder or reputational impact. Any one of these elements or a combination thereof could be the basis for determination that a climate-based risk may have a substantive financial or strategic impact.</p> <p>For purposes of evaluating climate-based risks, we consider the following when determining whether a climate-based risk may have a substantive financial or strategic impact: a 1% or greater impact on our annual net revenues, such as overall product cost increases or significant risk to product availability, resulting in a financial impact of 1% or greater on our annual net revenues. For fiscal year 2022, our annual net revenues were \$6.2 billion, 1% of which is \$62 million.</p>

c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management

The process used to determine which risks and opportunities could have a substantive financial or strategic impact on the organization is informed by our ERC. The top 15 entity-wide risks identified are presented to the Audit Committee of the Board on an annual basis. In 2022, climate-related risk was in the top 10. The ERC and risk management process enables LS&Co. to identify and manage risks entity-wide, improve resource deployment and enhance our enterprise resilience. The Enterprise Risk department surveys our top leaders (~140) annually to identify and characterize risks to estimate the potential impact and likelihood of each risk and assign a score accordingly. These risk scores allow LS&Co. to determine the relative significance of each risk in relation to the other risks. Special attention is made to align with the COSO and MSCI Index Frameworks to integrate ESG themes into this process. The ERC identifies ongoing work to mitigate and prevent, to the extent possible, the risk from having an impact on our business. This includes scenario planning, risk forecasting, and testing crisis and business continuity plans. The top identified risks are reported to the Audit Committee of the board at least annually. Climate-related matters are also separately reviewed on a case-by-case basis by our sustainability and supply chain functions, and other internal and external stakeholders, to understand the level of importance and potential direct, upstream and downstream impacts, including risks with a potential for substantial financial impact. This review includes understanding potential climate-related impacts related to brand reputation, operational disruption, supply availability and cost, consumer awareness and regulatory activity. The findings are reviewed with the Executive Leadership Team (ELT), as well as the Board of Directors' Nominating, Governance and Corporate Citizenship Committee at least annually.

To learn more, see our [CDP Climate Response](#).

TOPIC: Metrics

DISCLOSURE FOCUS AREA: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.

a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

We set science-based targets to reduce absolute emissions by 90% in our company-operated facilities,¹ shift to 100% renewable electricity in those facilities, and reduce absolute emissions by 40% across our supply chain² – all by 2025. We are working to reduce the Scope 1 and 2 emissions in our own operations as well as Scope 3 emissions associated with our supply chain – which makes up the biggest part of our footprint. In addition, we are working to reduce our own water use and supporting suppliers in reducing theirs, while also addressing biodiversity and reducing waste, especially single-use plastics, all of which are related to mitigating climate change. To learn more, see our [CDP Climate Response](#).

1. Against a 2016 base year. This goal refers to Scope 1 and 2 emissions and is consistent with limiting temperature rise to 1.5°C compared to pre-industrial levels.

2 Against a 2016 base year. Supply chain GHG emissions refer to Scope 3, Category 1 (Purchased Goods and Services). This Scope 3 target is expected to be revised in fiscal year 2023 to align with the SBTi Net-Zero Standard. LS&Co. will publish a revised science-based target and any change in timeline for achievement in 2024.

b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

Please see details on our Scope 1, 2 and 3 GHG emissions in the Climate section of our 2022 Sustainability Goals & Progress Update and in our [CDP Climate Response](#).

<p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</p>	<p>We have set and received SBTi approval for the following science-based climate targets we aim to meet by 2025:</p> <ul style="list-style-type: none"> • 90% absolute reduction in GHG emissions³ and 100% renewable electricity in all company-operated facilities (Scope 1 and 2) • 40% absolute reduction in GHG emissions across our global supply chain (Scope 3, Category 1)³ <p>We also began the net-zero goal setting process with SBTi.</p> <p><i>3. Against a 2016 base year.</i></p>
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Forward-Looking Statements

This resource and related links 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 Form 10-K and may be updated from time to time via additional filings on Forms 10-Q or 8-K. Other unknown or unpredictable factors also could have material effects on our future results, performance or achievements. All information in this resource and related links was current only as of the date originally presented and we disclaim any obligation to update this information.