

LEVI'S

Case Study: Contemporary Issues in Fashion & CSR
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LEVI'S

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COMPANY OVERVIEW

One of the largest apparel manufacturers, leading particularly in denim blue pants called Levi's (Trademarked).

Founded by Levi Strauss (1829–1902), a Bavarian immigrant who arrived in San Francisco in 1850 during the Gold Rush

Strauss noticed a gap in the utility-oriented market. He hired a tailor to make pants out of canvas, later denim and added copper rivets.

In the 1960s, it was associated with 'American Cowboys'.

Company DNA includes durability, sustainability, and American culture.

Subsidiaries include Dockers, Denizen, and Signature by Levi Strauss & Co.

Publically traded, 10 major shareholders.



LEVI'S VISION

The Levi's brand has always made clear that its mission is **always to do what's right**. They hope to always keep in mind the sustainability of the products they create and the protection of the workers who create them. The brand states, "**From our products to our practices, innovation is integral, and sustainability is as essential as fabric and thread.**"

Levi's has also emphasized their focus on **Climate, Consumption & Community** and has implemented many initiatives to ensure it.

Along with their environmental efforts, they bring attention to protecting the workers that create the products with participation in the **Worker Well-being initiative** and ongoing advocacy for social and political causes.



SOCIAL COMPLIANCE

Levi's emphasises their stance on proper Social Compliance on their Levi Strauss & Co website. They practice the **seven elements of a successful compliance program** based on regulatory guidance managed by their Global Ethic & Compliance team.

- Compliance Program Oversight & Leadership
- Compliance Operations & Strategic Planning
- Policies, Procedures & Guidelines
- Investigation & Disciplinary Action
- Third-Party Compliance, Risk & Due Diligence
- Anti-bribery & Anti-corruption Auditing & Remediation
- Compliance Training & Communication



SOCIAL COMPLIANCE

They ensure the success of these measures by **conducting periodic assessments, developing annual compliance plans, and reporting relevant compliance metrics to their Board's Audit Committee for improvement & input.** Levi's is committed to managing their brand with integrity by following the Worldwide Code of Business Conduct.

They provide an **LS&Co.'s Ethics & Compliance Report-line**, available online or by phone, 24/7 for workers to report concerns or ask questions anonymously.



CSR VENTURES (2021-22)

CLIMATE

22% absolute reduction in supply chain greenhouse gas (GHG) emissions over the base year (2016)

66% absolute reduction in GHG emissions associated with all company-operated facilities over the base year (2016)

85% renewable electricity in company-operated facilities (total electricity used in FY21)

11.5+ billion litres of water recycled (2011), using their Reuse & Recycle standard and Water<Less® techniques

A preliminary biodiversity roadmap was developed (as a prelude to comprehensive biodiversity strategy by 2025)

CONSUMPTION

95% of all cotton used in products was organic, recycled or Better Cotton

100% of all down-sourced from Responsible Down Standard-certified suppliers

Added 1,300 chemicals on the LS&Co. Preferred Chemical List, encouraging suppliers to use safer alternatives during manufacturing

28,000 units of clothing reclaimed or extended

Collaborations with GANNI, Bentgablénits, Miu Miu, Sami Miro, etc. to recycle vintage denim



COMMUNITY

16,600 LS&Co. employees

62% female LS&Co. executive leadership team

80% of LS&Co. product volume sourced using the Worker Well-being initiative

\$13.5 million total charitable contributions to community partners*

Ongoing advocacy on climate change, paid family leave, gun violence prevention, voting rights, reproductive rights

CERTIFICATIONS

A- CDP 2021 Climate Score

#1 2021 Institute of Public and Environmental Affairs (IPE) Green Supply Chain CITI Evaluation

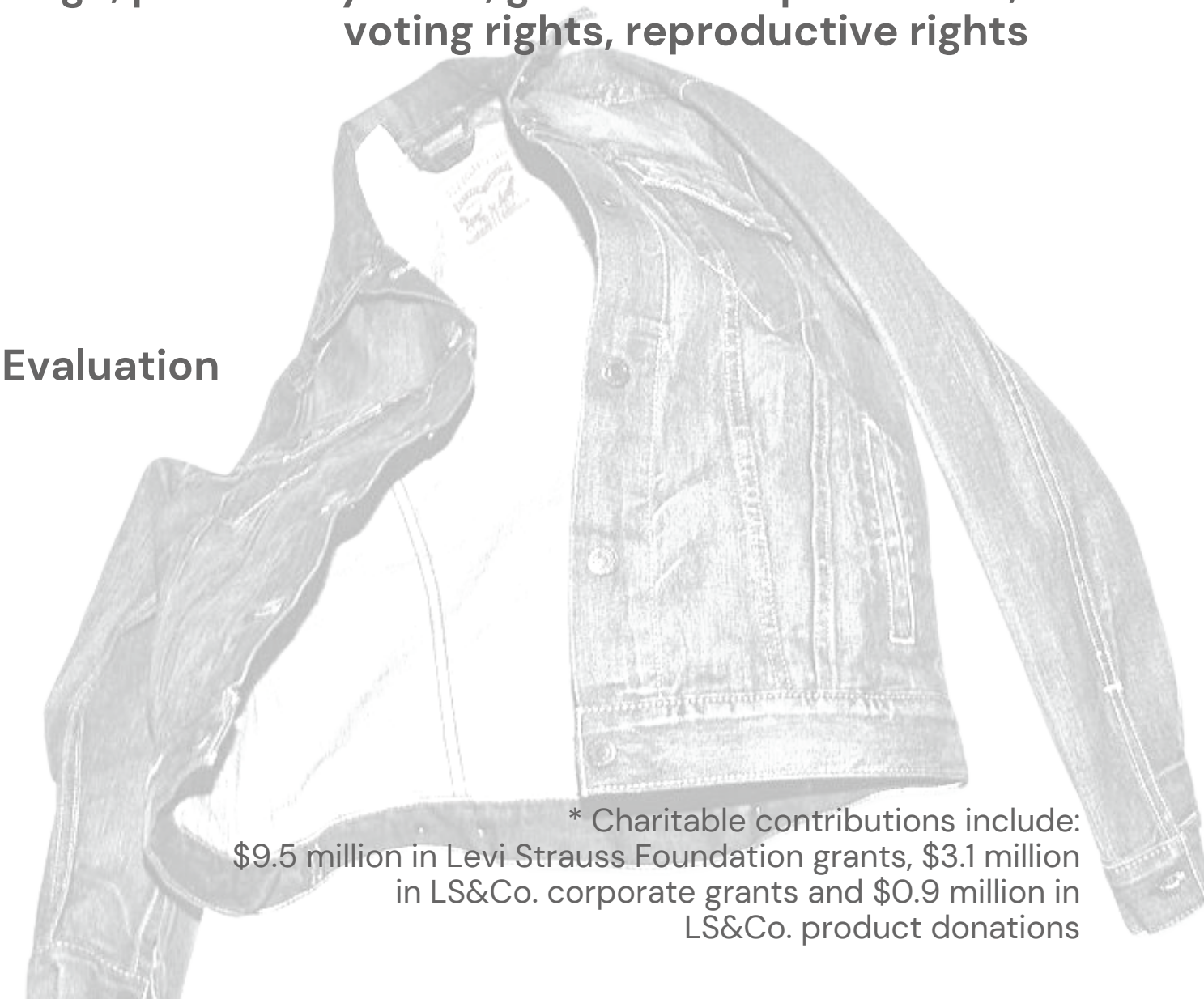
#1 Pure apparel brand IPE 2021 Corporate Climate Action Transparency Index

#3 in Business of Fashion Sustainability Index (2022)

100 points on the 2021 Human Rights Campaign Corporate Equality Index

Fashion Revolution's Fashion Transparency Index score of 41-50%

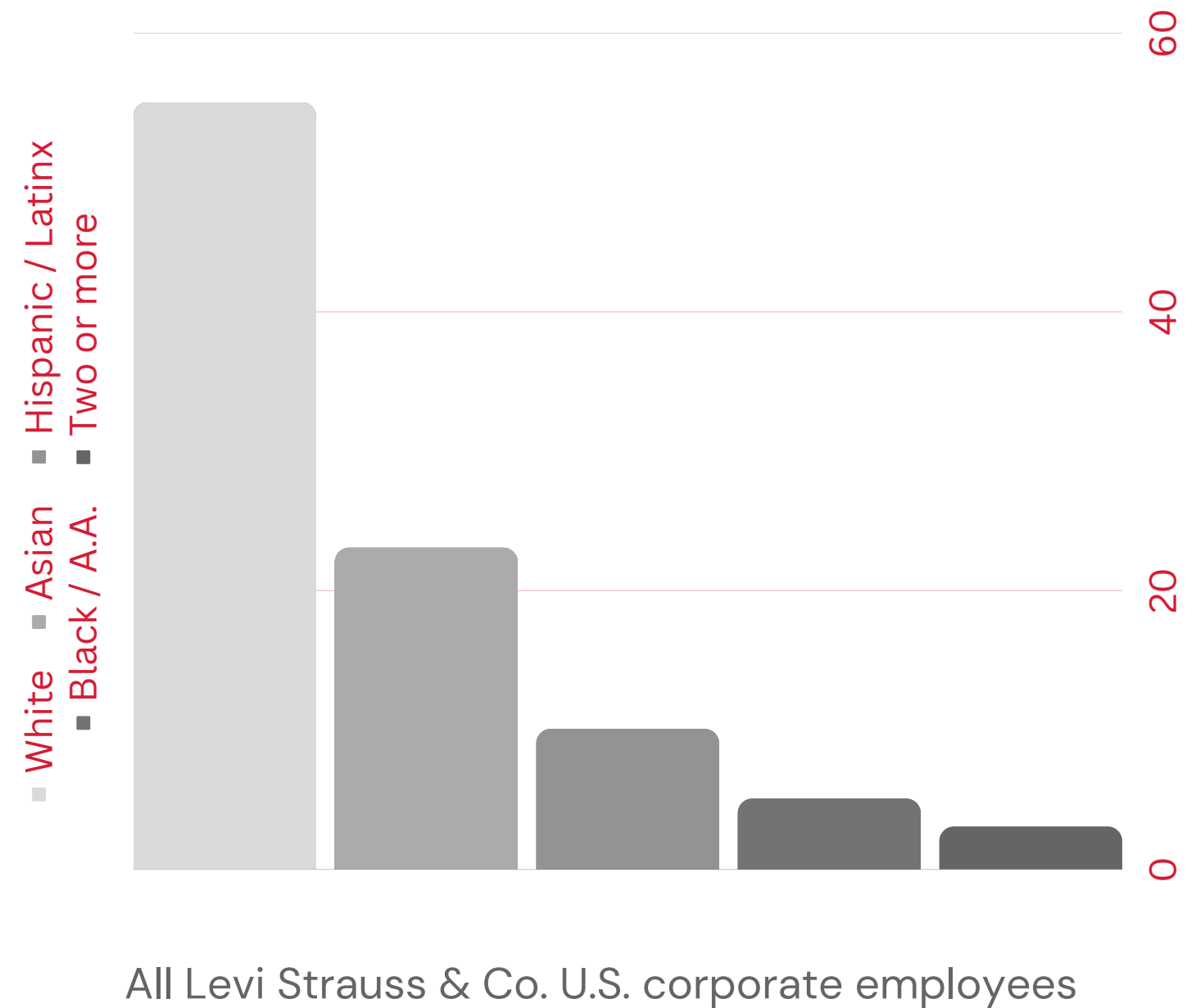
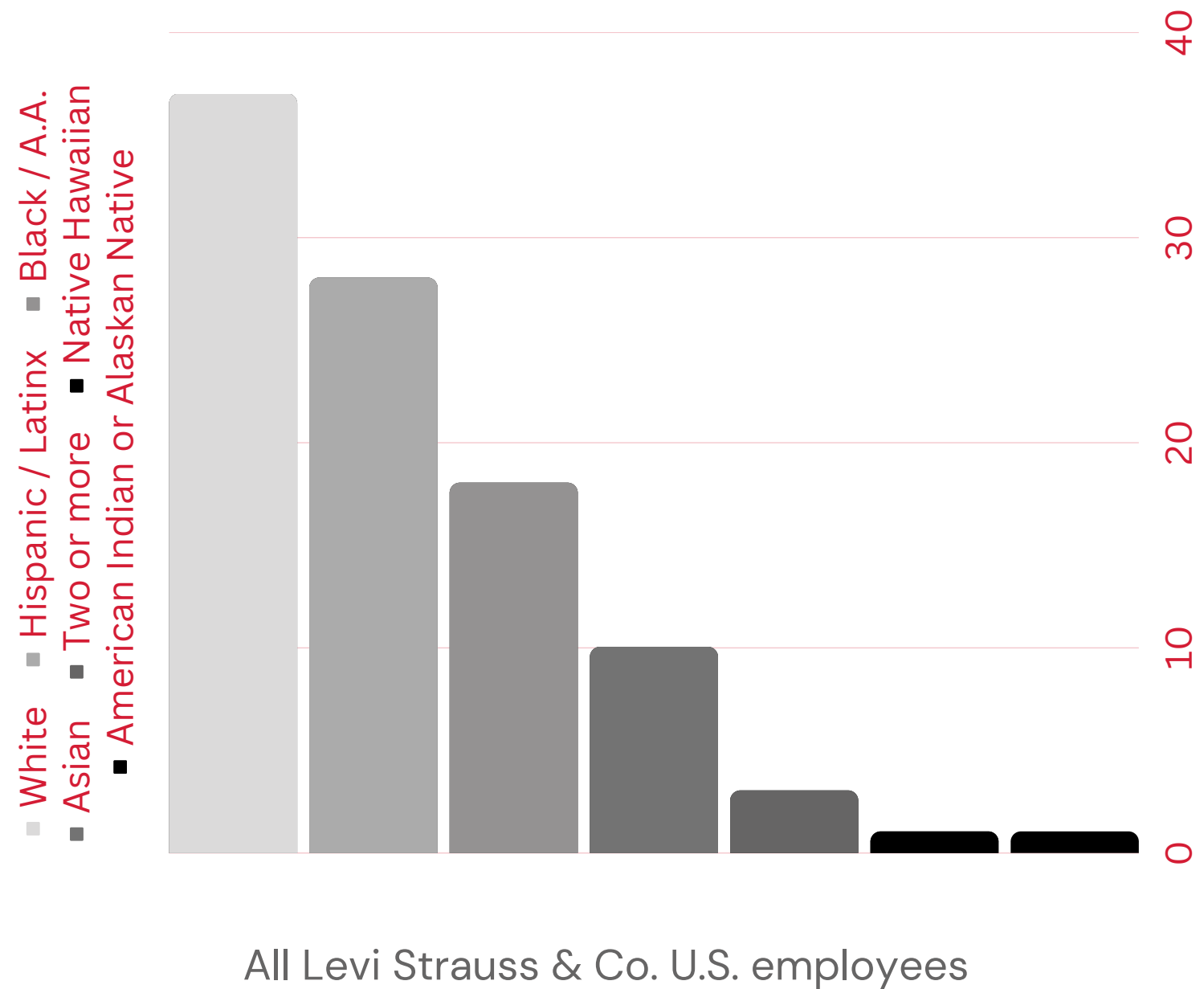
Sustainalytics ESG rating of 14.9% – Low Risk, 41 out of 192



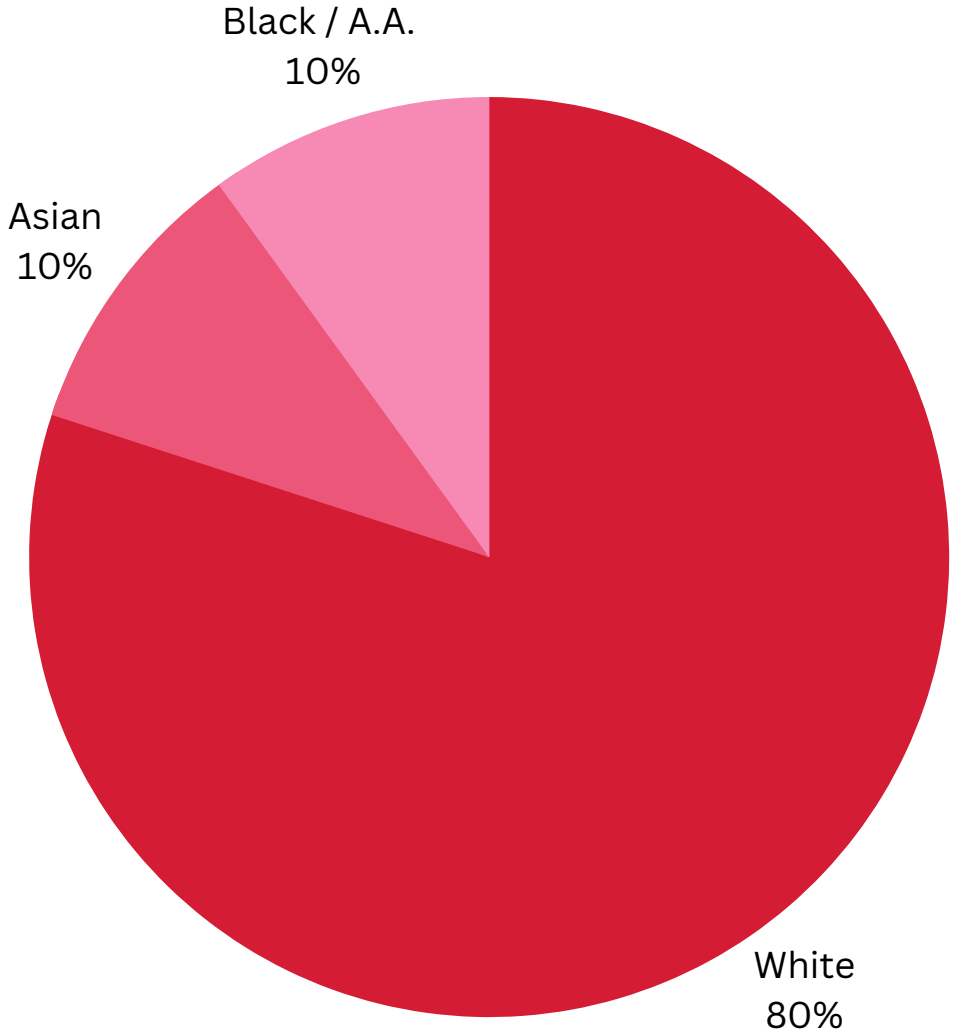
* Charitable contributions include: \$9.5 million in Levi Strauss Foundation grants, \$3.1 million in LS&Co. corporate grants and \$0.9 million in LS&Co. product donations

INVESTIGATING THE CLAIMS

RACIAL DIVERSITY



INITIATIVES TO PROMOTE RACIAL EQUITY



All Levis Strauss & Co. Executive Managers
(Board Members)

\$100,000 to the ACLU

\$100,000 to LIVE FREE to curb gun violence and promote racial and economic justice

12 employee resource groups across U.S.A. and Europe (2017)

Actively recruiting from historically black universities – HBCUs (2018)

Elizabeth H. Morrison was elected as Head of Diversity, Inclusion, and Belonging – NOT executive board level, as promised.

Retail/Distribution Center to Corporate career path program

Train all leaders on anti-racism and racial equity, and offer training to all employees.

2022 ASSESSMENT BY REMAKE

NEGATIVE TAKE AWAYS

Didn't publish **Supplier List** to Tier 3 processing facilities

Did not meet **Transparency Demands**, scored 1 point – what happens to merchandise collected by take-back programs?

Did not show signs of **degrowth** or **reliance production of new products**

No evidence of paying all employees **living wages** (incl. **indirect employees** – garment & supply chain, warehouse workers, models, and drivers)

Undisclosed methodology to quantify living wage

POSITIVE TAKE AWAYS

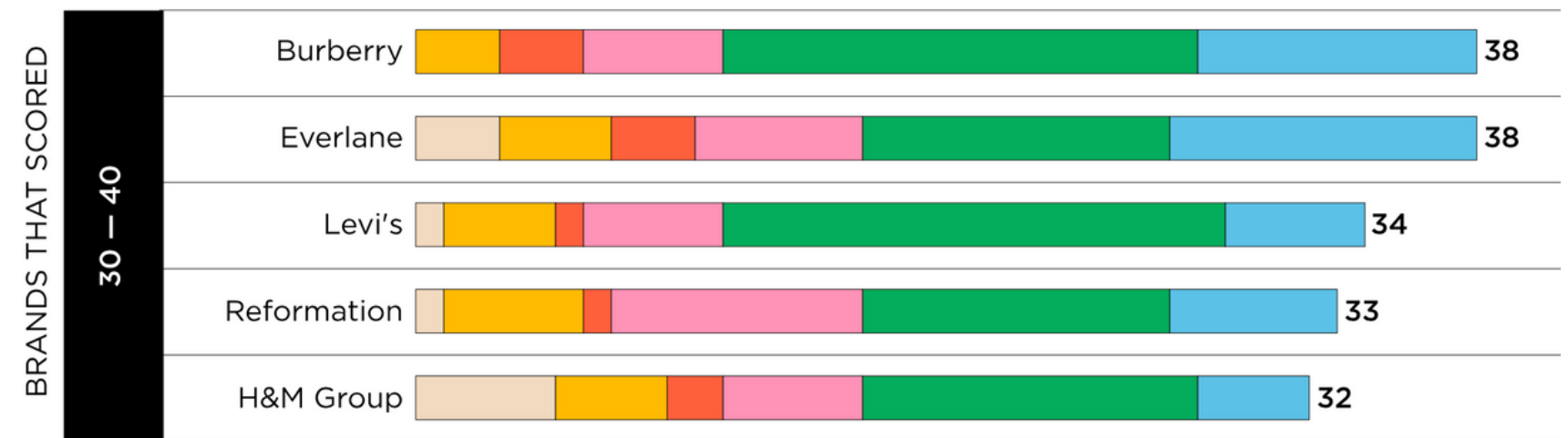
Voluntarily participation (29%)

Scored 34 out of 150 possible points

Second highest scorer

Support participation of direct employees in trade unions.

Provide services to **extend the shelf life of products**– "Buy Better, Wear Longer", repair services.



Levi's sustainability rating



Overall rating: It's a start



Our ratings are based on a scale from 1 (We avoid) to 5 (Great) [How we rate](#)

2022 ASSESSMENT BY GOOD ON YOU

POSITIVE TAKE AWAYS

- Science-based target to **reduce GHG emissions**.
- Water reduction initiatives** throughout its **supply chain**
- It has a **formal animal welfare policy aligned with Five Freedoms**.

NEGATIVE TAKE AWAYS

- It **discloses policies to protect suppliers** in its supply chain from the impacts of COVID-19 but **not workers**.
- Undisclosed and Unclear mechanisms to implement the animal welfare policy**.
- Uses **leather**.
- Sources wool from **non-mulesed sheep** but **does not provide evidence** on how it is implemented..



ASSESSMENT

GOOD

Follow up with their promises – gender equality and strides in racial equality

Direct employee **benefits & support**

Active C.E.O and executive board

Waste reduction policies

Non/limited consumption of hazardous chemicals

Proactive approach towards ethical operations

BAD

Water consumption

Disclose evidence to support claims and pledges

Did not raise the Head of Diversity at an executive level

Diversity among board members (average age – 50 to 70yrs)

Recently complied with #Payup – Previously refused to reimburse Bangladeshi workers

URGENT

Support **participation of indirect employees in trade unions**

Degrowth + reduce reliance on production of new products

Disclose livable wages for ALL employees and the **wage gap**.

Implement policies to **protect workers and not just contractors**

Reject token-ism



RECOMMENDATIONS

GROW WITH DEGROWTH

Explore & expand the potential of **botanical, mineral and food-waste dyes.**

Provide **education, incentive and investment** to suppliers to transition to **natural dyes.**

Take it forward – increase investments in political activism and lobbying, to bring about meaningful change

BRAND AMBASSADORS

Support **suppliers that support employee organisations and unions.**

Adopt **Patagonia's** message of following the **Global Living Wage Coalition's** criteria.

Expand and diversify the executive board.

Expand Employee Resource groups outside of the U.S.

TRANSPARENCY

'With A Smile' campaign – all garments carry the information of the workers (direct and indirect) who contributed to the production. Customers can scan information with an **RFID tag or barcode.**

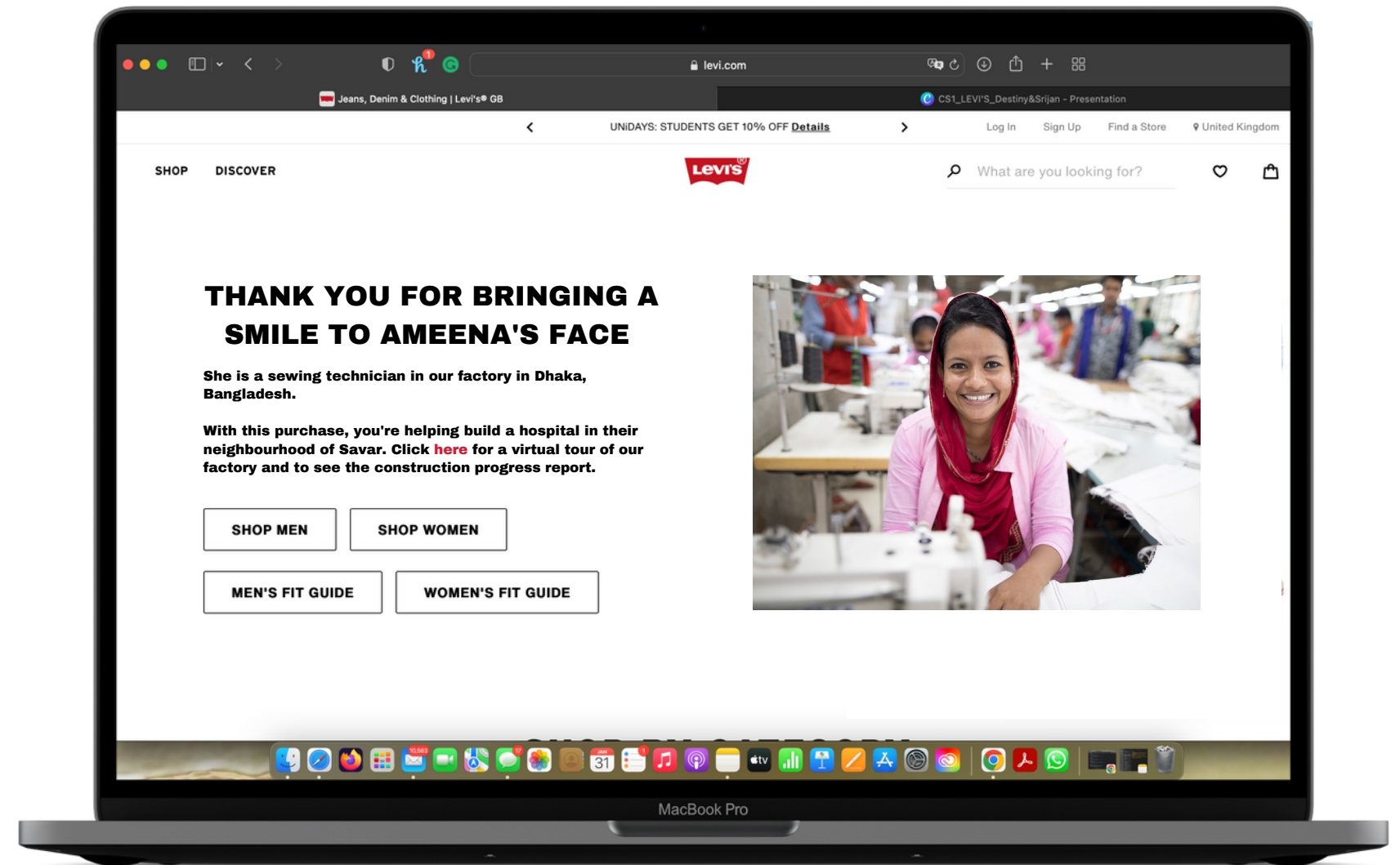
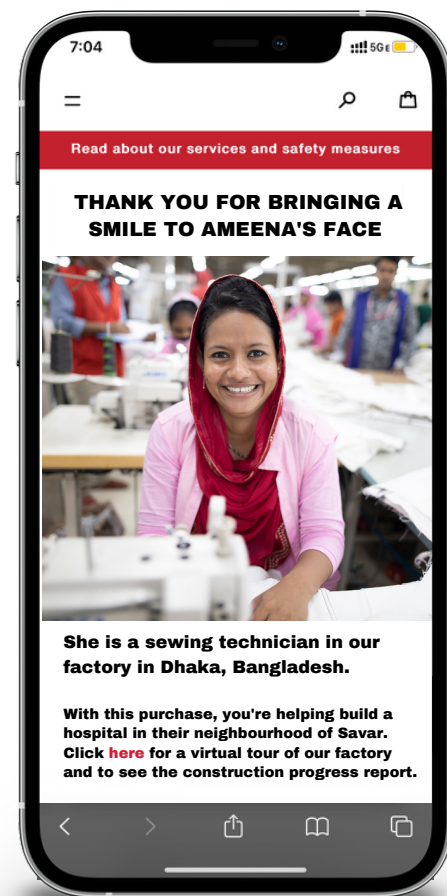
Employees of the **best-performing factory** or unit in developing countries will have a **social infrastructure of their choice sponsored by Levi's.**



WITH A SMILE - MOCKUP



Garments are tagged with Q.R. Codes. When scanned, the link names the workers, the factory location, and how Levi's sponsored projects are faring.



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