



Levi Strauss & Co.

Banners: Levi's, Dockers, Levi Strauss Signature

Type of company: Private. Levi Strauss has publicly traded bonds. As well, its Japanese subsidiary is public.

Notes on Findings	Company Score	Question weighting (% of section)
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1. Governance and Risk Management

<p>1.1 Board level responsibility for ethical issues in the supply chain -There is a "Corporate Social Responsibility" board sub-committee with responsibility for ethical issues in the supply chain <i>p. 148, 2005 Levi Strauss 10-k</i></p>	100	40
<p>1.2 Reporting of labour standards issues in the supply chain as a risk factor -There is reported evidence of a systematic analysis of labour standards issues as a risk factor <i>p. 74 2004 Levi Strauss 10-K</i></p>	100	30
<p>1.3 Risk analysis of labour standards issues in the company's existing supply chain -There is reported evidence of a risk or exposure analysis in the supply chain -Country assessment Guidelines: "The Guidelines assist us in making practical and principled business decisions as we balance the potential risks and opportunities associated with conducting business in specific countries" -Includes consideration of: health and safety conditions, human rights environment, legal system, political, social and economic environment. <i>http://levistrauss.com/responsibility/toe/ourAppr_guidelines.htm</i></p>	100	30

Section total score / section weighting 100 X 10%

2. Code for Labour Standards in the Supply Chain

<p>2.1 Quality and scope of the code for labour standards in the supply chain There is a "Code of Vendor Conduct" - It addresses all issues of the ILO core conventions, but limits the company's commitment to: -Non-discrimination: "we will favour partners who share this value" and -Freedom of association: "we expect our suppliers to respect the right to free association and the right to organize and bargain collectively <i>without unlawful interference</i>" -However, the terms of Engagement Guidebook expands on both of these points and places their code inline with ILO standards (pp. 22 and 27) -Code does not meet the ILO hours of work standards -Code does not have a living wage requirement <i>Terms of Engagement Guidebook</i></p>	50	60
<p>2.2 Publication and availability of the code for labour standards in the supply chain -It is published on their website <i>http://www.levistrauss.com/responsibility/conduct/guidelines.htm</i></p>	100	20
<p>2.3 Application of the code for supply chain labour standards -Code applies to entire breadth of production (but not their own procurement) -"we will only do business with partners that adhere to the following guidelines" <i>See above link</i></p>	66.7	20

Section total score / section weighting 63.34 X 15%

3. Stakeholder Engagement

<p>3.1 Membership of multi-stakeholder processes -Member of Ethical Trading Initiative (ETI) <i>http://www.ethicaltrade.org/Z/abteti/who/memb/list.shtml#co</i></p>	100	50
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3.2 Engagement with NGOs and/or trade unions relating to labour standards in the supply chains -Some reported examples of engagement over time with NGOs and labour unions in importing countries. There are also reports of engagement with local stakeholders in countries of manufacture, but it is unclear if engagement is taking place over time. http://levistrauss.com/responsibility/toe/iss_freedom2.htm , and http://levistrauss.com/responsibility/toe/initiatives.htm	66.7	50
Section total score / section weighting		83.35 X 20%

4. Management

4.1 Resource commitment -Director, Global Code of Conduct is in charge of overseeing implementation of and compliance with LS&CO. code -This person is two reporting levels from the board <i>Global Sourcing and Operating Guidelines summary</i>	100	30
4.2 Training for buying agents - No reported evidence of training for buying agents - "LS&CO. conducts training sessions for other employees, such as merchandisers and product development managers, to provide an understanding of TOE" http://levistrauss.com/responsibility/toe/codeAppL_training.htm	0	25
4.3 Training for factory management personnel and workers - Periodically, LS&Co provides training for factory management http://levistrauss.com/responsibility/toe/codeAppL_relationship.htm	66.7	25
4.4 Rewards and incentives -No reported evidence	0	20
Section total score / section weighting		46.67 X 20%

5. Supply Chain Auditing and Reporting

5.1 Commitment to auditing labour standards in the supply chain -There is a commitment to "ensuring compliance." -There is also mention of a monitoring process http://www.levistrauss.com/responsibility/conduct/index.htm , p. 6, 2004 Annual Report	100	15
5.2 Status of the audit schedule -An auditing work plan has been scheduled and is currently being implemented -Factories are assessed before they are approved; they are audited once a year once approved http://levistrauss.com/responsibility/toe/codeAppL_assessment.htm	100	5
5.3 Public disclosure of manufacturing sites -Has disclosed the names and addresses of all "active, approved owned-and-operated, contract and licensee factories that manufacture and finish Levi's®, Dockers® and Levi Strauss Signature® products" http://levistrauss.com/responsibility/toe/iss_factoryNames.htm	100	10
5.4 Transparency of the labour standards auditing methodology -The auditing methodology is publicly available and follows generally accepted practices http://levistrauss.com/responsibility/toe/TOEGuidebook2005.pdf	100	15
5.5 External verification of labour standard audits -Some external audits are conducted by Verité -There is some reported evidence of input from local NGOs but it is unclear how systematic this third party involvement is http://levistrauss.com/responsibility/toe/codeAppL_assessment.htm	66.7	20
5.6 Reporting the results of audits of labour standards in the supply chain -No reported evidence	0	20
5.7 Dealing with non-compliance -There is a publicly available policy for handling instances of non-compliance and it includes a staged approach to dealing with violations http://levistrauss.com/responsibility/toe/ourAppr_guidelines.htm	100	15
Section total score / section weighting		73.34 X 35%

Total Score 71 /100