



Levi Strauss & Co.

**UPDATED  
JAN. 2007**

**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

<b>1.1 Board level responsibility for ethical issues in the supply chain</b> -The "Corporate Citizenship" board sub-committee is responsible for ethical issues in the supply chain <i>(2006 10-k, p. 126)</i>	100	40
<b>1.2 Reporting of labour standards issues in the supply chain as a risk factor</b> -There is reported evidence of a systematic analysis of labour standards issues as a risk factor <i>(2006 10-k, p. 17)</i>	100	30
<b>1.3 Risk analysis of labour standards issues in the company's existing supply chain</b> -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/Downloads/GSOG.pdf</i>	100	30
<b>Section total score / section weighting</b>	100	X 10%

### 2. Code for Labour Standards in the Supply Chain

<b>2.1 Quality and scope of the code for labour standards in the supply chain</b> - 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 in line 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, http://levistrauss.com/Downloads/TOEGuidebook2005.pdf</i>	50	60
<b>2.2 Publication and availability of the code for labour standards in the supply chain</b> -It is published on their website <i>http://levistrauss.com/Downloads/GSOG.pdf</i>	100	20
<b>2.3 Application of the code for supply chain labour standards</b> -Code applies to entire breadth of production and to licensees <i>10-K (Feb 14, 2006), p. 9</i>	100	20
<b>Section total score / section weighting</b>	70	X 15%

### 3. Stakeholder Engagement

<b>3.1 Membership of multi-stakeholder processes</b> -Suspended from Ethical Trading Initiative (ETI) December 2006	0	30
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<b>3.2 Engagement with NGOs and/or trade unions relating to labour standards in the supply chains</b> -Some reported examples of engagement over time with NGOs and labour unions in importing countries. Engagement with NGOs and trade unions through MFA Forum, Better Factories Cambodia Project, Bulgaria Apparel Project. Also Business for Social Responsibility and Centre for Corporate Citizenship. <a href="http://levistrauss.com/Citizenship/ProductSourcing/InitiativesAndWorkingGroups.aspx">http://levistrauss.com/Citizenship/ProductSourcing/InitiativesAndWorkingGroups.aspx</a>	75	30
<b>3.3 Worker and third party complaints</b> - workers are provided no-cost contact information for local Levis assessors in their own language. <a href="http://www.levistrauss.com/Citizenship/ProductSourcing/CodeApplication/FactoryAssessment.aspx">http://www.levistrauss.com/Citizenship/ProductSourcing/CodeApplication/FactoryAssessment.aspx</a>	33.3	40
<b>Section total score / section weighting</b>	<b>35.8</b>	<b>X 20%</b>

#### 4. Management

<b>4.1 Resource commitment</b> - has a Vice President for the Global Code of Conduct, two reporting levels from the Board <a href="http://www.levistrauss.com/Citizenship/ProductSourcing/CodeApplication/FactoryAssessment.aspx">http://www.levistrauss.com/Citizenship/ProductSourcing/CodeApplication/FactoryAssessment.aspx</a>	100	25
<b>4.2 Training for buying agents</b> - conducts training sessions for buying agents, merchandisers and product development managers <a href="http://levistrauss.com/Citizenship/ProductSourcing/CodeApplication/TrainingAndTools.aspx">http://levistrauss.com/Citizenship/ProductSourcing/CodeApplication/TrainingAndTools.aspx</a>	100	25
<b>4.3 Training for factory management personnel and workers</b> - LS&Co provides training for factory management and either directly or through NGOs, provides training for factory workers. Has also established a two-day training program and guidebook for factory management on managing to meet the company's labour standards. It's not clear if this is ongoing and scheduled. ( <a href="http://levistrauss.com/Citizenship/ProductSourcing/Issues/SupplierOwnership.aspx">http://levistrauss.com/Citizenship/ProductSourcing/Issues/SupplierOwnership.aspx</a> ) ( <a href="http://levistrauss.com/Citizenship/ProductSourcing/CodeApplication/FactoryRelationship.aspx">http://levistrauss.com/Citizenship/ProductSourcing/CodeApplication/FactoryRelationship.aspx</a> )	66.7	25
<b>4.4 Rewards and incentives</b> -Suppliers performance on labour standards is an explicit factor in decisions about where to place orders but there are no positive incentives for meeting or exceeding standards. <a href="http://levistrauss.com/Citizenship/ProductSourcing/Issues/IntegratingTOE.aspx">http://levistrauss.com/Citizenship/ProductSourcing/Issues/IntegratingTOE.aspx</a>	50	25
<b>Section total score / section weighting</b>	<b>79.2</b>	<b>X 20%</b>

#### 5. Supply Chain Auditing and Reporting

<b>5.1 Commitment to auditing labour standards in the supply chain</b> -Annual assessments of all contract factories. <a href="http://levistrauss.com/Citizenship/ProductSourcing/CodeApplication/FactoryAssessment.aspx">http://levistrauss.com/Citizenship/ProductSourcing/CodeApplication/FactoryAssessment.aspx</a>	100	15
<b>5.2 Status of the audit schedule</b> -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 <a href="http://levistrauss.com/Citizenship/ProductSourcing/CodeApplication/FactoryRelationship.aspx">http://levistrauss.com/Citizenship/ProductSourcing/CodeApplication/FactoryRelationship.aspx</a>	100	5
<b>5.3 Public disclosure of manufacturing sites</b> -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" <a href="http://levistrauss.com/Citizenship/ProductSourcing/Issues/FactoryNamesAndLocations.aspx">http://levistrauss.com/Citizenship/ProductSourcing/Issues/FactoryNamesAndLocations.aspx</a>	100	10
<b>5.4 Transparency of the labour standards auditing methodology</b> -The auditing methodology is publicly available and follows generally accepted practices <a href="http://levistrauss.com/Citizenship/ProductSourcing/CodeApplication/FactoryAssessment.aspx">http://levistrauss.com/Citizenship/ProductSourcing/CodeApplication/FactoryAssessment.aspx</a>	100	15
<b>5.5 External verification of labour standard audits</b> -Some external audits are conducted by Verité and 70 individual third-party monitors. -There is some reported evidence of input from local NGOs but it is unclear how systematic this involvement is. <a href="http://levistrauss.com/Citizenship/ProductSourcing/CodeApplication/FactoryAssessment.aspx">http://levistrauss.com/Citizenship/ProductSourcing/CodeApplication/FactoryAssessment.aspx</a> <a href="http://www.verite.org/services/main.html">http://www.verite.org/services/main.html</a>	66.7	20
<b>5.6 Reporting the results of audits of labour standards in the supply chain</b> -Some case studies available but no ongoing presentation of audit results	0	20
<b>5.7 Dealing with non-compliance</b> -There is a publicly available policy for handling instances of non-compliance and it includes a staged approach to dealing with violations <a href="http://levistrauss.com/Citizenship/ProductSourcing/CodeApplication/PerformanceAndRemediation.aspx">http://levistrauss.com/Citizenship/ProductSourcing/CodeApplication/PerformanceAndRemediation.aspx</a> p. 4, TOE Guidebook: <a href="http://levistrauss.com/Downloads/TOEGuidebook2005.pdf">http://levistrauss.com/Downloads/TOEGuidebook2005.pdf</a>	100	15
<b>Section total score / section weighting</b>	<b>73.3</b>	<b>X 35%</b>

**Total Score** 69 /100