OUR JOURNEY TOWARDS SAFER CHEMISTRY
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OVERVIEW OF PRESENTATION

• What are we doing?
• What are the drivers for our actions?
• What is working and why?
• What will help us be successful?
• What is our vision?
LS&CO.

- One of the world’s largest apparel companies with iconic brands – Levi’s®, Dockers®, Signature and Denizen™ – sold in more than 110 countries around the world
  - FY 2012 NET REVENUES: $4.6 billion
  - EMPLOYEES: About 17,000 worldwide
  - Source from independent contract manufacturers in over 35 countries
  - No single country represents more than 12 percent of our production
  - All third-party contractors and subcontractors must comply with our code of conduct relating to supplier working conditions as well as environmental and employment practices
  - Require our licensees to ensure that their manufacturers also comply with our requirements
WHAT ARE WE DOING IN THE AREA OF CHEMISTRY?

• Building a chemical management strategy and roadmap to meet our goal of zero discharge of hazardous chemicals by 2020
  – Connecting concurrent internal work streams
  – Connecting and aligning our involvement with other apparel and footwear brands that have the same commitment to zero discharge of hazardous chemicals by 2020
WHAT ARE THE DRIVERS FOR OUR ACTIONS?

• LS&Co. has an Environmental Vision and chemicals are part of the vision
• Sustainability is a strategic pillar for the company
• Our public commitment to zero discharge of hazardous chemicals by 2020
• Our work and involvement in the ZDHC Roadmap
WHAT IS ZDHC AND THE ZDHC ROADMAP?

- Industry collaboration between 17, and growing, apparel and footwear brands to meet the goal of zero discharge of hazardous chemicals by 2020
- Roadmap with timelines and actions
- Systems approach
- Consistency of tools
- Adoption of best practices and the ability to scale
LOOKING AT HAZARD BASED FRAMEWORKS

• Within our internal roadmap, there is a work stream to look at hazard based frameworks
  – to see if it can help us achieve our public commitment of zero discharge of hazardous chemicals by 2020
• GreenScreen® has specific criteria around environmental and human health endpoints that help us meet our goal
  – May also provide a way to get better visibility into formulations
WE EVALUATED GREENSCREEN® BECAUSE

• The GreenScreen® method is public, transparent and peer reviewed
• It is being used by other sectors such as electronics
• It helps us understand what is required to do a Comparative Hazard Assessment
  – Soon to be required by states such as California
OUR APPROACH TO EVALUATING GREENSCREEN®

• We ran a small pilot with 2 chemical companies and screened textile auxiliaries, including detergents, resins, pigments and dyes
  – In many cases, each formulation contained several ingredients
  – Imperative that we respected the chemical industry IP
• We partnered with a well known GreenScreen® assessor who is an excellent problem solver and great partner
WHAT WORKED AND WHAT DID NOT WORK?

- GreenScreen® is a good tool, but has some limitations
- There is no “one size fits all” tool
- GreenScreen® allows us to make informed decisions due to better visibility into formulations
- GreenScreen® compliments other frameworks
- The IP of the chemical company was protected
- Need to bring in risk when necessary (exposure and dilution)
WHAT WILL HELP US BE SUCCESSFUL?

• A publicly available database or list of chemicals that have gone through the Greenscreen® process
• A solution for data gaps
• A better differentiation between benchmark 2 and 3
• A wider adoption of the Greenscreen® framework to help share the cost
BENEFITS OF A HAZARD BASED FRAMEWORK

• Better visibility into our formulations
• We can make informed decisions at the front of the pipe
• Encourages innovation in Green Chemistry to find safer alternatives
• Show continuous improvement in our journey towards zero discharge of hazardous chemicals
OUR VISION

• Hazardous chemicals used in the apparel and footwear industry will be replaced with non-toxic, safer alternatives
  – All chemical mixtures will be formulated from a screened list of ingredients
  – We move away from managing risk to eliminating hazard and therefore minimizing risk