

Levi's Plans to Slash Emissions in Global Supply Chain by 2025

The apparel giant aims to reduce greenhouse gas emissions at a sprawling set of factories and mills in 39 countries, starting with first-tier suppliers



Levi's will start its effort to cut greenhouse gas emissions through energy-efficiency programs at factories run by vendors in the first tier of its supply chain, such as this supplier facility in Mexico.. PHOTO: PHOTO COURTESY OF LEVI STRAUSS & CO.

By *Erica E. Phillips*

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Levi Strauss & Co. is launching an effort to slash the environmental impact of the factories world-wide that make its apparel and accessories.

By 2025, the denim brand wants to cut greenhouse gas emissions by 40% in its supply chain, a sprawling set of third-party factories and mills in 39 countries that produce the bulk of its merchandise, from its iconic jeans to T-shirts, jackets and other goods.

Levi's Vice President of Sustainability Michael Kobori said the company will start by implementing energy-efficiency programs at about 60 of the more-than 500 vendors in the first tier of its supply chain—the suppliers the company works with directly. He said those vendors represent the biggest share of both the brand's production volume as well as its carbon footprint.

Many of those factories also produce apparel for other brands and retailers, and Mr. Kobori said Levi's wants to set an example for its peers. "We really want to encourage our industry colleagues in the apparel sector to join us," he said. "We want to have an outsize impact beyond our own footprint."

Across many industries, support has been growing in recent years for broader, collective efforts to address sustainability and fair labor standards in supply chains. The Consumer Goods Forum, which counts hundreds of the top global retailers and manufacturers as members, seeks to develop and implement sustainability and labor standards worldwide. EcoVadis vets supply chains for about 150 global firms, including Johnson & Johnson, Nestlé SA and [Verizon Communications](#) Inc.

Levi Strauss is planning to follow programs developed by the International Finance Corporation's Partnership for Cleaner Textiles at its supplier factories. Levi's emissions targets were approved by the Science Based Targets initiative, a consortium of environmental groups that sets standards for corporate emissions reduction plans.

Yossi Sheffi, director of the Massachusetts Institute of Technology's Center for Transportation & Logistics, said common standards set through collaboration across supplier networks are more likely to stick than varying targets for different vendors. "You have leverage, you don't make suppliers crazy with different requirements and you can audit it," he said.

But there's still concern that having more companies participating could dilute the requirements to the "lowest common denominator," he said.

As part of the new sustainability push, Levi is also committing to use 100% renewable energy and reduce emissions by 90% in its own facilities. But Mr. Kobori said changing practices at its supplier factories will have more of an impact. "It's a bigger footprint," he said. "So there's a big opportunity."

Stand.earth, an environmental group that launched a campaign against the denim-maker last year called "Too Dirty to Wear," applauded the Levi's move as a "fantastic first step." But it said it also wants to see the company commit to reduce its greenhouse gas emissions by 60% to 70% by 2050, a target set by some other corporations.

Mr. Sheffi said it can be extremely difficult for companies to calculate their total carbon emissions because the true impact stretches beyond the factories and even fabric mills to raw materials providers and transport operations. The basic production of denim material also uses large amounts of water and produces chemical runoff.

"When they say 'supply chain,' I'd ask, 'How deep in the supply chain?'" he said. "If it's tier 1, do you even know your tier 2, 3, 4, or 5 suppliers? Would they even talk to you?"

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