Fire Safety and Building Integrity Program in Bangladesh
April 2018

At Levi Strauss & Co. (LS&Co.) we are deeply concerned about the people who produce our clothes. We are invested in strengthening the future for workers, factories and the communities in which we do business.

Almost two decades ago, LS&Co. was the first multinational apparel company to establish a comprehensive workplace code of conduct for our manufacturing suppliers. Our Terms of Engagement (TOE) specify the requirements by which all of our contract factories and licensees must abide — including health and safety.

LS&Co. is sourcing from about 650 factories in 45 countries globally. In Bangladesh we operate in 17 factories, including subcontractor locations, licensees and fabric mills, out of the approximately 4,000 factories in Bangladesh. In October 2005, we were one of the first apparel companies to release the names and locations of all our active, approved owned-and-operated, contract and licensee factories that manufacture and finish Levi’s®, Dockers®, Denizen and Signature by Levi Strauss™ products.

The following outlines our industry-leading fire safety and building integrity program.

SUPPLY CHAIN PRACTICES

LS&Co. has been sourcing in Bangladesh for more than 20 years and is committed to maintaining our sourcing presence. Despite our small operational base, throughout the years, we have established strong business partnerships to support workers’ rights and safety in Bangladesh’s Ready-Made Garments (RMG) industry. For that reason, we require all our vendors to participate in key corporate programs like our TOE and Fire Safety and Building Integrity Program.

We have already implemented the following:

• We have a reduced and controlled number of vendors and subcontractors in Bangladesh. Currently we operate in a total of 17 factories. All of them are undergoing annual assessments under the TOE program and are included in our publicly available supplier list.

• In 2009, we implemented a sourcing policy in Bangladesh to not place production in multi-story buildings shared by several businesses.

• Every LS&Co. supplier is assigned a TOE rating based on its overall performance, change in performance over previous years, timeliness in completing corrective action plans, and occurrence of repeat violations.

• TOE performance ratings are used by our manufacturing operations team in considering which suppliers to use and how much production to allocate. Poorly performing suppliers will be given formal warning that they are in danger of having their production orders reduced unless they improve. In most cases, such notification motivates the supplier to quickly improve.

SCOPE

All vendors and subcontracting locations for all LS&Co. branded products produced in Bangladesh are under the scope of this program.
PROGRAM COMPONENTS

The foundation of LS&Co.’s Fire Safety and Building Integrity Program is built on prevention and identification of major root causes of fires and other building integrity issues. Priority focus is on the prevention of fire at source, education and awareness raising, and improving emergency preparedness. The program is structured as follows:

1. **Terms of Engagement (TOE):** LS&Co.’s TOE compliance program has specific requirements with regard to fire safety and emergency preparedness, which regional assessors periodically monitor to ensure that each facility sustains these practices.

2. **Technical audits:** All vendors and subcontractors have completed electrical safety and building audits. All suppliers have implemented corrective actions based on the electrical safety audit, while corrective action plans on building integrity programs are in progress.

3. **Training:** We have delivered workplace-based fire and building safety training programs in all facilities for workers, managers and security staff, with involvement of factory workers representatives and specialized experts. These training programs will cover basic safety procedures and precautions, as well as enable workers to voice concerns and actively participate in activities to ensure their own safety.

4. **Workers safe communication channels:**
   - Health and Safety Committees will be required in all Bangladesh factories that produce for LS&Co. They will function in accordance with Bangladesh law and LS&Co. TOE requirements, and be comprised of workers and managers from the factory. Worker members shall comprise no less than 50 percent of the committee and shall be chosen by the factory’s trade union, if present.
   - We will be working with our suppliers and other stakeholders to pilot independent and safe worker communication channels.

5. **Public policy and external engagement:** Recognizing the need for systemic change across the entire industry to protect workers, we will engage with local stakeholders, the Bangladesh government, trade unions, industry associations, and other buyers to build technical capacity in fire safety and building integrity at a country level. We will advocate for and support the necessary policy and regulatory changes to support and provide for the governance for safe workplaces.

6. **Brand collaboration:** We will partner with all the brands present in common suppliers to maximize impact, leverage resources and reduce duplication.

INSPECTION AND REMEDIATION

The assessments are carried out by skilled and qualified LS&Co. sustainability professionals supplemented by trained and qualified external monitors. Our TOE is based on internationally and nationally recognized workplace safety standards.

1. **Terms of Engagement assessments:**
   - Assessments are performed on an annual basis, and include follow-up visits to verify remediation of findings from the assessment. Within the TOE, the key areas related to fire safety are gathering information from workers, establishment of safety committees, risk assessment, emergency preparedness, inspection of aisles and exits, housekeeping, and electrical safety.

2. **Electrical safety technical inspections:**
   - As poor management of electrical safety is a major reason for fire incidents, it has been given highest priority in our fire prevention strategy.
- In 2010, LS&Co. developed an electrical safety audit covering inspections of all the critical components of electrical installation. Bangladesh National Building Code (BNBC) and National Fire Protection Association 70 E (NFPA 70 E: Electrical safety Code) are referenced to ensure compliance with international and local standards for the electrical safety installation.
- Infrared thermo graphic inspection is performed by a specialist, independent third party or competent agency.

3. Building integrity technical inspections include:
   - Permit review and verification;
   - Integration of the Building Integrity Guidelines into the TOE monitoring processes, including training and qualification of external monitors; and
   - Assessment to the Building Integrity Guidelines, which use ASCE 31 (American Society of Civil Engineers) standards which require structures to be evaluated for seismic loading conditions, in addition of gravity loading.

4. If the factory does not improve, we may reduce production orders. If TOE performance on fire safety and building integrity still does not improve after the order reduction, we will exit the supplier and end our business with them.

TRANSPARENCY AND REPORTING

LS&Co. will make publicly available and regularly update information on key aspects of the program, including:

1. Updating quarterly its public list of vendors and subcontractors.
2. Make guidelines, tools, training materials and good practices publicly available.
3. Publish biannual progress reports of the audits and corrective action plans including main findings and solutions.