

LEVI STRAUSS & CO.

Brands: Levi's, Dockers, Denizen, Signature by Levi Strauss & Co.

Please note: This company did not respond to the questions in our survey and this profile has been written using publicly available information.



COMPANY POSITION ON THE LIVING WAGE:

“Levi Strauss & Co. (LS & Co.) believe everyone who works has the right to wages ensuring a standard of living adequate for the health and well-being of themselves and of their family, including food, clothing, housing and medical care and necessary social services.”

Referring to wages, LS & Co.'s Terms of Engagement state that it “will only do business with partners who provide wages and benefits that comply with any applicable law and match the prevailing local manufacturing or industry standards.”

WHAT WE SAY:

Levi Strauss & Co.'s new strategy on, among other things, ‘economic empowerment’ lacks any real commitment to increase wages – the thing that workers need the most. Healthcare, maths classes and meal programmes are all very well, but these needs could be met by paying a living wage. LS & Co. need to re-evaluate and get back on track.



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IN MORE DETAIL:

Has living-wage benchmarks?

No

Worker empowerment:

LS&CO. says: “[We] strongly support the worker’s right to establish and join organizations of his or her own choosing, including unions.”

LS & Co. cites successful work in Cambodia, Haiti and Mexico, working with NGOs and trade unions to address violations of freedom of association and issues with factory management. Worker education on issues including freedom of association is provided in some cases by LS & Co. assessors and in others by the Levi Strauss Foundation funding local NGOs. Supplier meetings and trainings are held to discuss topics including freedom of association.

LS & Co. has a complaints mechanism, advertised by auditors during assessments, who share their contact details with workers and/or union representatives. Auditors and direct managers are responsible for handling over worker complaints.

Commitment and practices:

LS & Co. says it is working to “Improve our business practices that may impact suppliers’ social performance and implement programs that provide mutual benefits to Levi Strauss & Co. and our suppliers.” This includes, in the main, “supplier productivity programs to improve issues related to work hours and wages”.

Collaborative approach:

LS & Co. says: “In a globally competitive economy, we cannot unilaterally raise wages. We have to work closely with governments, unions, industry associations, and other stakeholders to figure out how we can raise wages across the industry. We look forward to a robust dialogue with our stakeholder group on this topic to find potential solutions we can pilot in the new Terms of Engagement.” It was not clear how LS & Co. is using these engagements to raise wages.

LS & Co. is not a member of a multi-stakeholder initiative developing work on living wage. It participates in Better Factories Cambodia and supports the International Labour Organization’s Better Work Programmes in Haiti, Indonesia, Lesotho, Nicaragua and Vietnam.

Strategy:

LS & Co. launched a new approach entitled ‘Improving workers well-being’ in 2011 and started to implement it in 2012 through pilots in Cambodia, Bangladesh, Egypt, Haiti and Pakistan. The strategy, based on the UN Millennium Development goals, focuses on five areas: “Economic empowerment; Good health and family well-being; Equality and acceptance; Education and professional development; and Access to a safe and healthy environment.”

The economic empowerment aspect of the strategy is still being developed. The first step has been to identify worker priority needs. A related survey in 2013 revealed fair wages were top of the list. LS & Co. says that the next step of its strategy is to set indicators for progress; to develop programmes in factories, together with its suppliers, to address worker needs; and to team up with industry stakeholders, local NGOs and other retail customers at these pilot sites. No more info was available about the detail of this.

Production overview:

Number of suppliers: 619 suppliers in 40 countries

Main production countries listed as: China (34%), India (9%), Argentina (5%), Italy (5%), Vietnam (5%), Sri Lanka (4%), Mexico (4%), Turkey (4%), Portugal (3%), Thailand (3%), Cambodia (2%), Japan (2%), Republic of Korea (2%), Bangladesh (2%), Dominican Republic (2%), United States (2%)

LS & Co. publishes a full public list of the names and addresses of its supplier factories.

COMMENTS:

LS & Co. is doing very little to directly combat wage issues in its supply chain, which is disappointing. The limited work the company is promoting with suppliers, aiming to improve “worker well-being”, is based on a ‘return on investment’ approach and looks mostly for results in terms of productivity increases. This can be a good incentive for supplier involvement in such programmes but current work does not seem to have direct impact on worker wages. No concrete figures showing if wages are being improved by this initiative are documented.

The focus of LS & Co.’s new well-being strategy seems to miss the point. Companies are welcome to undertake charitable work in countries where they source their goods, but this does not remove the responsibility they have to ensure that core human rights are upheld. It seems that effort is being poured into health provision, maths classes and free meals, which workers do need – but work is needed first to address freedom of association and the right to a living wage.

Many of the programmes listed in this profile were developed and funded through the Levi Strauss Foundation, which the company says leads “pioneer” work for LS & Co. It seems to us that this foundation, in return, avoids raising questions about the core business practice of the company by separating off ethical practice from business decisions. We do not see corporate social responsibility as the work of charitable foundations, but rather as something that should be ingrained in a business model. There was little evidence found of work to address purchasing practices.

LS & Co., despite supporting the concept of a living wage, is unable to demonstrate any work to define or deliver this figure, it seems. The company says that because there is a lack of an internationally recognised benchmark or consensus between brands, it is not possible to move forward. To this, we say that the debate has moved on. The Asia Floor Wage set a figure defining what a living wage means in terms of purchasing power in 2009, and since then a number of nuanced systems have emerged that allow companies to compare the wages paid to their suppliers against a ladder of benchmarks and thus measure progress. This excuse for not engaging in proactive work to assess a living wage and move towards its payment is no longer valid. We hope that LS & Co. can take this on board and start monitoring progress against real benchmarking.

We would like to see more evidence of LS & Co. taking responsibility for its own business practices, including pricing, taking practical steps to support freedom of association in its supplier factories and working with others to design and implement programmes that aim to deliver real, measurable changes for workers producing Levi Strauss goods.