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LEVI STRAUSS & CO. ANNOUNCES END-TO-END DIGITAL PLATFORM THAT REDEFINES THE FUTURE OF HOW JEANS ARE DESIGNED, MADE AND SOLD

Advanced technology improves speed to market, brings final product decisions closer to the consumer and strengthens sustainability leadership

SAN FRANCISCO (February 27, 2018) – Levi Strauss & Co. (LS&Co.) today announced Project F.L.X. (future-led execution), a new operating model that ushers denim finishing into the digital era. Developed by the inventor of the blue jean, [Project F.L.X.](#) digitizes the design and development of denim finishing and enables a responsive and sustainable supply chain at an unparalleled scale. By replacing manual techniques and automating the jeans finishing process, LS&Co. is able to radically reduce time to market and eliminate thousands of chemical formulations from jeans finishing. In short, LS&Co. achieves the ultimate balance of agility and sustainability, while upholding the Levi's® standards of craftsmanship, quality and authenticity.

“Our goal was to tackle two predominant industry challenges — being able to respond quickly to changing consumer trends while making the manufacturing process more sustainable,” said Chip Bergh, president and CEO of Levi Strauss & Co. “We are addressing both agility and sustainability without compromising the authenticity our consumers expect from us. This is the future of jeans manufacturing, and LS&Co. is well-positioned to lead the way.”

Specifically, this advancement enables the global jeanswear leader to:

- **Replace manual techniques and automate the time-consuming, labor-intensive and chemical-reliant process of hand-finishing:** For more than 30 years, the apparel industry has used hand-finishing to accentuate worn, faded design elements on denim. By using lasers in new ways, finishing time is cut dramatically — from two to three pairs per hour to 90 seconds per garment, followed by a final wash cycle.
- **Create “photo-real” finished garments digitally:** By digitizing the finish design and development process, LS&Co. designers can now create finishes and final garments with a revolutionary new imaging tool. Built by LS&Co., this advanced imaging capability cuts finishing design and development time in half (from months to weeks and sometimes days) and is so accurate the digital files can be sent directly to the vendor and quickly scaled to mass manufacturing.
- **Take advantage of on-demand and even hyper-local production capabilities:** By delaying decisions on final products until much later in the process, LS&Co. can radically reduce its lead times from more than six months to as fast as weeks or days in some cases. This is made possible by staging garments that await their on-demand finish order closer to the market.
- **Eliminate thousands of chemical formulations from its supply chain:** LS&Co. plans to reduce the total number of chemical formulations used in its finishing process from thousands to a few dozen. This is a major step forward in the company's commitment to achieving [zero discharge of hazardous chemicals by 2020](#) and furthers its goal of pioneering more sustainable apparel.

LS&Co. has already begun piloting this new model with strategic vendors and has started briefing some of its key customers. Benefits to retail partners include managing core replenishment more effectively,

responding to seasonal trends with greater agility and creating greater opportunities for customer exclusives.

“One of the biggest challenges we face as an industry is ensuring we have the right products at the right time, as well as the ability to respond to our customers’ evolving needs with speed,” said Paige Thomas, executive vice president and general merchandise manager for men’s and kids at Nordstrom Inc. “The team at Levi’s is working toward this challenge by contributing to the future of the apparel industry as one that’s both agile and uncompromising on quality, while improving sustainability. We’re excited to be part of it.”

The rollout of this new digital platform will be phased over time, with a goal of being fully scaled in 2020.

“With this new model, we can deliver the authentic and iconic products we’re known for in an incredibly responsive and responsible way,” said Liz O’Neill, senior vice president and chief supply chain officer for Levi Strauss & Co. “The advanced imaging capability is a game-changer for us and something that has eluded our industry for years. Key steps in the process are now concentrated into a digital file, eliminating time and waste.”

Project F.L.X. was built in-house at LS&Co.’s Eureka Innovation Lab by a team of designers, developers, chemists and engineers who are passionate about revolutionizing the apparel industry to better meet consumer needs while also doing right by the planet and the people who work in the apparel supply chain. A number of LS&Co. team members were retrained and reskilled in software development and laser operations. Retraining will be a key tenet as this new model rolls out globally.

To help unlock the benefits of more sophisticated laser technology, LS&Co. turned to long-standing partner Jeanologia, a leader in eco-efficient solutions for fabric and garment finishing. Since 1993, Jeanologia has operated with the ambition of advancing sustainable apparel manufacturing by delivering disruptive technologies, including ozone, laser and e-flow finishing systems. The company’s like-minded focus on scalability was essential to supporting LS&Co.’s end-to-end, transformative vision.

For more information about the sustainability benefits of Project F.L.X., view the press release on LeviStrauss.com.

About Levi Strauss & Co.

Levi Strauss & Co. is one of the world's largest brand-name apparel companies and a global leader in jeanswear. The company designs and markets jeans, casual wear and related accessories for men, women and children under the Levi's®, Dockers®, Signature by Levi Strauss & Co.™, and Denizen® brands. Its products are sold in more than 110 countries worldwide through a combination of chain retailers, department stores, online sites, and a global footprint of approximately 2,900 retail stores and shop-in-shops. Levi Strauss & Co.'s reported fiscal 2017 net revenues were \$4.9 billion. For more information, go to <http://levistrauss.com>.

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