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SUSTAINABLE BRANDS CASE STUDY

# Levi Strauss & Co: Reimagining Product Innovation for Sustainability

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*"There are all of these nodes of activities being recalibrated in response to a mess that had been made, an overzealous deployment of resources. What if we took all of these nodes of activities and strung them together, instead of doing back-end problem fixing we made them front-end non-problem-making. If we can think of a way of designing without making messes, we'll be ahead."*

*"How do we understand our role in a system, not as component recalibrators but as system reimagers? How do we create a system of design -- a methodology, not a product -- that changes the way we engage? I want to put social value and environmental stewardship as co-equal against a trend and against fashion value."*

*- Paul Dillinger, Levi Strauss & Co. Head of Global Product Innovation, at Sustainable Brands '14 San Diego*

## Executive Summary

In continuing its long tradition of sustainable product innovation through durability and quality, Levi Strauss & Co. recently [unveiled Dockers Wellthread](#), a new effort aimed at rethinking the entire apparel creation process to promote responsible design, production, and consumption. Wellthread calls for sustainable thinking at all points of garment interaction and rethinks the successful designer. Wellthread is not so much a product category or marketing campaign as it is an entirely novel business methodology, a discipline in the likes of 'lean' or 'kaizen'.

## Background

From his first task of outfitting gold miners in California, Levi Strauss approached the apparel industry from a sustainable mindset that prioritized value and functionality. He understood that the harsh mining work required pant durability and thus devised the copper rivet to ensure a lasting product. Strauss established a corporate culture based around quality clothing produced with resource awareness that continues to dominate Levi's design and decision-making.

Levi's continues to innovate its products by evaluating profitability and values alike. More than twenty years ago, Levi's led the industry in fair labor standards, establishing a Terms of Engagement to promote worker rights that has become the industry norm. Levi's has also



challenged itself environmentally. More recently, its Water<Less campaign saved 770 million liters of fresh water in three years. The company also incorporated eight to twelve recycled bottles into each pair of its Waste<Less Jeans, employing smart material reuse and conserving 360 million liters of water typically used in conventional jean production.

This history of innovation laid the framework for the brand's most recent endeavor: [Dockers Wellthread](#). First tested by Paul Dillinger, Levi's Head of Global Product Innovation, at the Aspen Institute's First Movers Fellowship and eventually moved to Levi's Eureka Innovation Lab, Wellthread calls for a new understanding of design. As the latest attempt to revolutionize the apparel industry, Wellthread is another example of Levi's approach to leadership that focuses equally on values and profitability. This commitment to sustainability continues to be a pre-competitive advantage for Levi's as a leader and norm-creator in clothing.

## Initiative Design

Dockers Wellthread focuses on changing the approach to the design process. Rather than designing for any short-lived new trend, Wellthread challenges creators to devise clothing that prioritize a sustainable vision. The Wellthread designer pays close attention to material sourcing, people, process, and environment.

As far as materials go, Wellthread stresses choosing fabrics for their production history and for reusability and versatility capabilities, rather than merely their appearance factor. Designers should select a fabric more for its social impact and recycling potential than its adherence to fashion trends.

Human impact is also considered in the creation of a Wellthread product. Wellthread uses labor from only a few select factories that boast exceptionally safe conditions and fair standards. In conjunction with Wellthread, Levi's has updated its original Terms of Engagement to further stress improvement in worker well-being and aligned with the UN Millennium Development Goals. The improved approach asks how the company can aid in creating factory communities and best serve worker needs in a way that promotes happy and healthy lifestyles for all stakeholders along the value chain.

Wellthread is further designed to innovate the process of garment production by helping consumers engage with their clothing more responsibly. As Dillinger says, this design



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methodology “resolves the challenges around responsible engagement with products.” Wellthread focuses on designing products that can be worn, cleaned, and dried more responsibly than current mainstream alternatives, leading to more long-lasting clothing.

Finally, Wellthread aims to produce clothing using less water, especially in the process of color dyeing. Designers are asked to choose pant color or t-shirt hue based on the amount of water required in production.

## Implementation

In order to fulfill its Wellthread vision, Levi's has relied on internal change. Among its designers, Wellthread requires a sustainability mindset that calls for a socially and environmentally conscious approach to product design. This mindset builds on already established clothing collections such as Waste<Less, which incorporates recycled plastic bottles into each pair of pants. In addition, anticipating a growing movement for recyclable clothing and fabric fibers, Wellthread uses cotton with long fibers that can be reused more diversely and avoid down-cycling. Levi's has also switched its dyeing process by eliminating salt from Wellthread colors, thus enabling lower temperature dyeing. Dyes are differentiated based on type of clothing, with cold-water pigments going to tops and salt-free reactive dyes for pants and outerwear. Finally, Levi's moved the dyeing process into its factories (from the mill), which allows for limited waste from design changes and more flexible production overall.

Still, dyeing comprises only 7 percent of water usage associated with clothing. Hoping to reduce water consumption further, Levi's devised strategies to affect change in areas deeply embedded in, or even far outside, its supply chain. Levi's headed the Better Cotton Initiative with industry competitors like Nike and H&M to rethink cotton farming practices with fewer pesticides and better irrigation. Even further beyond its business-as-usual direct control, Levi's is hoping to extend its mission to customers and encourage responsible laundering. Wellthread clothing is designed for easy sustainable treatment by ensuring it can be cold-water washed and hang dried. Dillinger and his team made simple changes to clothing like adding locker loops on khakis and overlapping fabric at the seams of t-shirts to prevent wrinkles, in order to make responsible treatment relatively effortless. In a related move, Levi's launched the “Care Tag for Our Planet” campaign, urging consumers to wash cold and line dry their clothing as well as donate used apparel.

Wellthread collaborated directly with Dockers on design. Instead of excluding its supplier, Dillinger and his team found it crucial to include Dockers in the conversation surrounding improved implementation of sustainability priorities.

In all steps of the implementation process, Dillinger made it a point to base difficult decisions on values, above all. Instead of focusing solely on profit impact concerns when faced with complex options or obstacles, his team consistently asked, “Is this the right thing to do?” This proactive ‘corporate idealist’ approach, and the resulting forward-looking partner mindset, ensured a successful and authentic Wellthread collection.

## Obstacles

In designing and implementing Wellthread, Levi’s faced challenges around complex supply chains and factory considerations. In attempting to reform apparel production, in terms of both labor standards and production practices, Wellthread faced obstacles in how to approach the entire supply chain for apparel. Wellthread was forced to creatively devise strategies that tackled the complex networks often outside of Levi’s direct control, like moving dyeing to factories and joining the Better Cotton Initiative. In addition, designers faced textile restrictions that threatened creativity in their creations. Yet Dillinger found that these sustainability-driven challenges inspired more than constrained designers. Wellthread also narrowed its use of factories to a select few in Bangladesh, though after the tragic Rana Plaza collapse Dillinger contemplated whether Bangladesh was the best location to continue Wellthread production. However, what seemed like a bad choice is, on the flip side, showing strong potential to thrive as a region of improving factory standards and worker well-being considerations.

## Communications

Levi’s marketed Wellthread clothing to customers with advertising emphasizing innovation and durability. On its “Unzipped” blog, Levi’s explained its new campaign and approach to clothing production. In addition, the brand also reached consumers through cold washing and line dry instructions detailed on clothing tags.

## Results

Levi's has seen significant, meaningful success from its various efforts to decrease water consumption. Its Waste<Less collection alone is responsible for more than 360 million saved liters of water. By asserting changes made in the Waste<Less campaign, evolved dyeing procedures found in Wellthread have noted 60 percent less energy and 30 percent less water usage compared to what was formerly required.

Further, Levi's sustainability efforts have generated substantial savings in overall costs. Expense burdens on water and energy have been significantly alleviated, and the respective savings have been passed on to consumers. Wellthread khakis, for instance, are 30 percent cheaper than equivalent business-as-usual products. Levi's has thus proven that a sustainability-powered vision can generate meaningful profit levels that benefit both the company and its customers.

In addition, the plastic content in Waste<Less products allows the company to hedge against increasingly unpredictable fluctuations in the supply of cotton. As James Curly, [President of the Levi's brand](#), puts it, "Cotton is the single most volatile commodity in the apparel industry. Never mind sustainability for a minute. If I could come up with a way to put 20 percent of something else that is cost-neutral and has a reliable source, I would probably take it anyway."

The economic benefits aren't enjoyed just by Levi's and its customers, they extend all the way to cotton farms. Cotton grown as part of the Better Cotton Initiative uses less water, energy, chemicals, and time, resulting in 20% higher profits for farmers, and the resulting [products have been shown to sell faster](#) than regular Levi's.

While Levi's doesn't disclose sales figures for individual product lines, there is little doubt that the company has seen considerable returns on its sustainable product innovation efforts. Following the launch of its Waste<Less line, annual [profits soared 135%](#) over the previous year.





## What's Next

Wellthread is still in its early stages, seeing as it launched only in Spring 2014. Going forward, Levi's will have to consider how it can scale the Wellthread vision throughout the rest of its product portfolio. The company has shown that it intends to translate these initiatives from stand-alone "capsule" product lines and integrate the learnings and processes into the rest of its business -- 100% of its products, in fact, [according to Michael Kobori](#), VP of Sustainability. For now, these innovative product lines appear poised to continue to grow, with Water<Less expanding from 1.4m units at launch to over 62m units at the time of this writing, and products from "better cotton" expanding from 5 percent to 20 percent of all products, with plans to [continue to expand aggressively](#).

The company's leadership position in innovation for sustainability leaves plenty of hope for continued values-driven decisions that go beyond profit considerations. If savings and success continue, Wellthread could be the latest Levi's innovation soon to become a common set of industry practices.