

LEVI STRAUSS & CO.

For Immediate Release

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Levi Strauss & Co. Announces New Terms of Engagement for Its Global Supply Chain

Company CEO Insists We Must Partner with Factories to Empower Workers

May 11, 2011 – San Francisco, CA – Today, Levi Strauss & Co. (LS&Co.) announced a new Terms of Engagement for its global supply chain, moving beyond compliance to help improve the lives of workers in factories around the world. Under the new approach, LS&Co. will require contract factories to help make employees' lives better by supporting programs for their workers that align with UN Millennium Development goals.

In a speech delivered today at the CERES annual conference, CEO and President John Anderson said: *"We are proposing a new apparel industry standard of social, economic, and environmental sustainability that focuses on improving workers' lives. If our ultimate goal is to improve not just factory conditions, but to make a material difference to the people and communities in our supply chain, then we need a more holistic approach and a more human perspective."*

The speech comes twenty years after Levi Strauss & Co. announced a Terms of Engagement that set a new standard of compliance for vendor factories in the apparel industry. The TOE required manufacturing factories to follow health, safety and environmental standards set by Levi Strauss & Co. This standard – considered pioneering at the time – rapidly became the norm for most companies with a global supply chain.

Anderson argued that companies need to do more to create progress and move the industry forward: *"Compliance has us focused on two things: a legalistic standard of "do no harm" and factory-level monitoring and reporting,"* said Anderson. *"While we've made progress in a number of areas over twenty years, the hard truth is that we haven't made enough progress on improving the everyday lives of the people who make our products."*

A New Terms of Engagement

The company's new approach will focus on programs that align with the UN Millennium Development Goals [link to <http://www.un.org/millenniumgoals/>] specifically: improving maternal and child health; combating HIV/AIDs, and other diseases; promoting gender equality and

empowering women; eradicating extreme poverty and hunger; and ensuring environmental sustainability.

LS& Co. committed to a nine-month advisory process with NGOs, other brands, labor unions and suppliers around the world. At the end of the process, Levi Strauss & Co. will release a white paper for public comment and then will begin implementing the new terms of engagement with suppliers in May 2012.

The company argued that a new terms of engagement is not only the right thing to do, but is good for business: *“We are sure that if companies focus not just on the minimum legal requirements, but on a broader vision of social, economic, and environmental sustainability, they will be rewarded,”* said Anderson.

Levi Strauss & Co. is a participant in the CERES Investor-Business Roundtable for a Sustainable Economy announced this morning. The company made the commitment as part of a keynote speech delivered at the 2011 CERES Conference. For more information about the Roundtable, visit: ceres.org.

For the full John Anderson speech and more background information, please visit:

<http://www.levistrauss.com/new-termsofengagement>

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 franchised and company-owned stores. As of February 27, 2011, the company operated 482 stores within 31 countries. Levi Strauss & Co.’s reported fiscal 2010 net revenues were \$4.4 billion. For more information, go to <http://levistrauss.com>.

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