

## BUSINESS PARTNER TERMS OF ENGAGEMENT

Terms of Engagement address issues that are substantially controllable by our individual business partners.

We have defined business partners as contractors and subcontractors who manufacture or finish our products and suppliers who provide material (including fabric, sundries, chemicals and/or stones) utilized in the manufacture and finishing of our products.

### 1. ENVIRONMENTAL REQUIREMENTS

We will only do business with partners who share our commitment to the environment and who conduct their business in a way that is consistent with Levi Strauss & Co.'s Environmental Philosophy and Guiding Principles.

### 2. ETHICAL STANDARDS

We will seek to identify and utilize business partners who aspire as individuals and in the conduct of all their businesses to a set of ethical standards not incompatible with our own.

### 3. HEALTH & SAFETY

We will only utilize business partners who provide workers with a safe and healthy work environment. Business partners who provide residential facilities for their workers must provide safe and healthy facilities.

### 4. LEGAL REQUIREMENTS

We expect our business partners to be law abiding as individuals and to comply with legal requirements relevant to the conduct of all their businesses.

### 5. EMPLOYMENT PRACTICES:

We will only do business with partners whose workers are in all cases present voluntarily, not put at risk of physical harm, fairly compensated, allowed the right of free association and not exploited in any way. In addition, the following specific guidelines will be followed.

#### • WAGES AND BENEFITS

We will only do business with partners who provide wages and benefits that comply with any applicable law and match the prevailing local manufacturing or finishing industry practices.

#### • WORKING HOURS

While permitting flexibility in scheduling, we will identify prevailing local work hours and seek business partners who do not exceed them except for appropriately compensated overtime. While we favor partners who utilize less than sixty-hour work weeks, we will not use contractors who, on a regularly scheduled basis, require in excess of a sixty-hour week. Employees should be allowed at least one day off in seven.

#### • CHILD LABOR

Use of child labor is not permissible. Workers can be no less than 14 years of age and not younger than the compulsory age to be in school. We will not utilize partners who use child labor in any of their facilities. We support the development of legitimate workplace apprenticeship programs for the educational benefit of younger people.

#### • PRISON LABOR/FORCED LABOR

We will not utilize prison or forced labor in contracting relationships in the manufacture and finishing of our products. We will not utilize or purchase materials from a business partner utilizing prison or forced labor.

#### • DISCRIMINATION

While we recognize and respect cultural differences, we believe that workers should be employed on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs. We will favor business partners who share this value.

#### • DISCIPLINARY PRACTICES

We will not utilize business partners who use corporal punishment or other forms of mental or physical coercion.

### 6. COMMUNITY BETTERMENT

We will favor business partners who share our commitment to contribute to the betterment of community conditions.

## GUIDELINES FOR COUNTRY SELECTION

The following country selection criteria address issues which we believe are beyond the ability of the individual business partner to control.

### 1. BRAND IMAGE

We will not initiate or renew contractual relationships in countries where sourcing would have an adverse effect on our global brand image.

### 2. HEALTH & SAFETY

We will not initiate or renew contractual relationships in locations where there is evidence that Company employees or representatives would be exposed to unreasonable risk.

### 3. HUMAN RIGHTS

We should not initiate or renew contractual relationships in countries where there are pervasive violations of basic human rights.

### 4. LEGAL REQUIREMENTS

We will not initiate or renew contractual relationships in countries where the legal environment creates unreasonable risk to our trademarks or to other important commercial interests or seriously impedes our ability to implement these guidelines.

### 5. POLITICAL OR SOCIAL STABILITY

We will not initiate or renew contractual relationships in countries where political or social turmoil unreasonably threatens our commercial interests.

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