

LEVI STRAUSS & CO.

2005 ANNUAL FINANCIAL REPORT

LS&CO.'s BUSINESS STRATEGIES:

- ◆ Innovate and lead from the core
- ◆ Enhance brand presence through effective marketing
- ◆ Foster strong retail relationships
- ◆ Sell where people shop
- ◆ Achieve operational excellence
- ◆ Enhance our financial strength and flexibility

LETTER FROM THE CEO

2005 was a good year for Levi Strauss & Co. Importantly, we achieved our number one priority of substantially increasing the profitability of the company, giving us two consecutive years of improved financial performance. We also ended the company's eight-year sales decline with net sales up \$53 million or one percent on a reported basis – our second consecutive year of sales stability. These are good results in light of the challenging macroeconomic and retail conditions we faced during the second half of the year.

We are confident that we remain on the right strategic path. Our initiatives are working. Following is a report on our progress and our priorities moving forward.

2005 Accomplishments

Our teams focused on five key priorities in 2005. The first was **to improve the company's profitability and deliver its financial plan**. We made good progress on this front, delivering a \$228 million improvement in operating income and a \$126 million increase in net income. The significant portion of these gains came from our increased gross margin resulting from selling more premium products and lowering our cost of goods. Additionally, we successfully refinanced essentially all of our near-term bond maturities, extending them to 2012 and beyond and enabling us to lower the interest expense. We also closed 14 open U.S. tax years (1986 – 1999) in 2005. This was a tremendous accomplishment and gives the company a more typical tax audit profile.

Although net sales grew slightly in 2005, we had hoped for stronger sales in the second half of the year. High summer and fall fuel prices, combined with low overall consumer confidence, hit our core channels of distribution hard, especially in the U.S. value channel. We also experienced disappointing sales results in Europe, though the region substantially improved its profitability. In addition to managing in a very tough European economic and retail environment, leaders in the region identified operational issues in many markets that precluded them from fully implementing our business strategies. Given the success we've seen in other parts of the world when our strategies are fully executed, we remain confident that we are on the right strategic course in Europe. In November, we realigned our European management structure to focus leadership on critical aspects of execution in the region. Improving our performance in Europe is a key priority for the company, and I have every confidence that our European management team will turn the business around.

Our second priority was to **grow the Levi's® and Levi Strauss Signature® brands worldwide**. Both brands grew in 2005 on a global basis. We experienced particularly strong Levi's® growth in Asia Pacific, with many key markets registering double-digit revenue increases. In the United States, Levi's® brand net sales were stable for the first time in nine years, benefiting from new products that led the market, including men's low bootcut jeans and women's "slouch" styles, and our strong "A Style for Every Story™" marketing campaign. When we look at U.S. Levi's® brand sales on a comparable basis, measuring sales for the product categories we continued to design and sell in 2005 versus sales for those same categories in 2004, the U.S. Levi's® brand grew three percent for the year. These improved results were helped by the performance of our company-operated stores, which have generated comparable-store sales growth for three consecutive years. Our growing network of company-operated stores is an increasingly important way to reach consumers in key markets and demonstrate to our wholesale customers the most effective techniques for merchandising our products.

Since its launch in 2003, the Levi Strauss Signature® brand has expanded to 12 countries worldwide. The brand's growth in 2005 was driven by its strong performance in the United States, though sales slowed considerably in the latter part of the year as budget-constrained U.S. value consumers pulled back on apparel spending. Nonetheless, the mass channel continues to grow and the Levi Strauss Signature® brand has become an important part of Levi Strauss & Co.'s total business. Our considerable research shows that the brand is contributing incremental revenues and profits for the company without any significant consumer cannibalization of our Levi's® Red Tab™ business, demonstrating that the Levi Strauss Signature® brand serves a distinct consumer need in the marketplace.

We also focused on **revitalizing the Dockers® brand worldwide** and made significant strides on this priority. We put new brand leadership in place in the United States, Europe and Asia Pacific. We implemented more efficient operating models in Europe and Asia designed to leverage the brand’s substantial U.S. product development and marketing capabilities on a global basis. This past fall, the Dockers® brand worldwide united behind a new marketing and branding platform called “Dockers® San Francisco.” The campaign links the brand to its hometown roots and positions its marketing programs under one umbrella for both men and women. Consumers have reacted positively to this new approach.

The U.S. Dockers® men’s business – our largest Dockers® segment in the world – returned to growth in 2005, behind the success of premium products, such as the Never-Iron™ Cotton Khaki, a 100 percent cotton pant that comes out of the dryer with a dry-cleaned look and permanent crease. The U.S. Dockers® business finished the year strong with sales up nine percent in the fourth quarter. We have more work to do to stabilize our U.S. women’s business and build momentum for the entire brand outside the United States. Still, I’m confident that the brand is now on its way toward profitable growth in the United States and is laying a foundation for future growth in Europe and Asia.

2005 was a year in which we continued to **build on the operational improvements and cost reductions** of the past few years. After experiencing supply chain problems that resulted in under servicing consumer demand in 2004, we went to work to improve supply chain planning and operational effectiveness. We created a global sourcing organization based in our Asia Pacific headquarters in Singapore. The result was improved retail customer fulfillment rates in 2005.

Our continued focus on cost-of-goods savings and tightly controlling the sales allowances and incentives that dilute our margins helped deliver a very strong 46 percent gross margin rate in 2005. We continued improving our financial controls and monitoring rigor in 2005, preparing the company to meet its SOX 404 requirements in 2007. Looking ahead, we will focus on continuing to improve our go-to-market processes in Europe.

One of the keys to our future success is ensuring that we continuously **invest in our people, capabilities and skills**. We have substantially increased our investment in

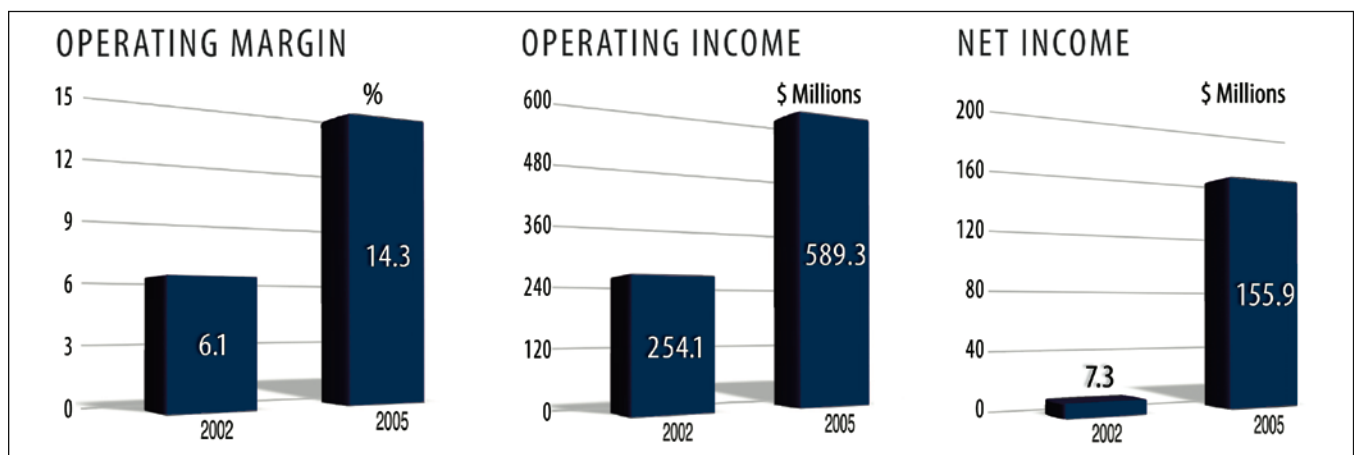
training for better operational effectiveness. Throughout 2005, we added new leadership talent in key positions around the world, including new hires and promotions across Europe aimed at stabilizing that business.

Business Transformation

2005 was a milestone year in Levi Strauss & Co.’s turnaround work. Our improved performance is the culmination of a series of commercial and organizational actions we’ve executed during the last five years that have transformed our business and addressed the trends and changing dynamics of the global apparel marketplace. These actions include:

- ◆ Strengthening our management team; rationalizing and revamping our core product lines; and improving our speed to market and responsiveness to consumer preferences
- ◆ Improving the economics for our Levi’s® and Dockers® retailers; launching the Levi Strauss Signature® brand for value-conscious consumers in North America, Europe and Asia; accelerating our growth in Asia; and expanding licensing activities
- ◆ Enhancing our global sourcing and product innovation capabilities, and reducing our cost of goods and related operating expenses by increasing outsourced contract production and streamlining our organization
- ◆ Implementing a new business planning and performance model that clarifies roles, responsibilities and accountabilities and improves our operational effectiveness

As a result of these and other initiatives, we have substantially improved the financial strength of the company. During the period from 2002 through 2005, our operating margin improved from 6.1 percent to 14.3 percent and the gross margin rate improved from 40.8 percent to 45.8 percent. Our operating income increased from \$254.1 million to \$589.3 million and net income has climbed from \$7.3 million to \$155.9 million. In the process, we have also improved the liquidity of the company and our credit ratings.



The Path Forward

Our transformation has been substantial. We have strong management teams worldwide that are returning the company to competitive form. We have developed breakthrough products that are setting new innovation standards in our industry. For example, in 2006 we will introduce Levi's® RedWire™ DLX Jeans, which allow consumers to plug an iPod into their jeans. The jeans feature an exterior control pad built into the Levi's® watch pocket, enabling easy operation of the iPod. Additionally, we've introduced new premium lines around the world, including Levi's® Capital E™ products in the United States, a range of finely crafted super-premium jeanswear. We have developed the capability to bring exciting new products to market quickly. Product innovations such as these are helping to drive the improved performance of the company.

There is still, however, much more work to do to achieve our goals in 2006. We will focus on several priorities. First, we will work to sustain the high profitability of the business by improving net income and generating cash flow to pay down debt. We have a high debt-to-earnings ratio and must reduce the debt. We also will build on Asia Pacific's growth momentum. The region has produced five consecutive years of double-digit revenue growth and six consecutive years of double-digit profit growth. We expect it to play an increasingly important role in the future success of the company.

To be successful in 2006 and beyond, we need to address the consolidating U.S. retail environment in ways that continue to build our brands. We plan to open more company-operated stores for all three brands in 2006 to address gaps in our retail distribution. We will also focus on being strategically aligned with our key retail customers around the world, continuously delivering market-leading products and programs that make our brands essential to our retailers. When we do this, we will realize our next priority: growing the Dockers® brand in the United States and the Levi Strauss Signature® brand worldwide. The U.S. Dockers® brand is on track to grow again and there are many untapped opportunities for the Levi Strauss Signature® brand outside the United States.

In Europe, we will focus on fully executing our strategies market-by-market with the goal of sustaining profitability and setting the stage for future growth. Company wide, we will also continue to focus on tight cost discipline and look for additional opportunities for greater productivity improvements. We have benefited from the significant cost-cutting actions we've taken during the past few years and we will remain vigilant in 2006.

Finally, we will continue to invest in building our bench strength throughout the organization through training and recruitment.

2005 marked another good year for Levi Strauss & Co. The renewal of the company continues. The business is profitable, sales are stable and we have tremendous new products in the pipeline across our brands around the world. I am confident that we have put down a strong foundation for future success.

We expect the first half of 2006 to be challenging for three primary reasons: 1) The work we have to do in Europe; 2) The expected impact of currency translations; and 3) Retail consolidation in the United States that will result in door closures during the first six

months of 2006. Still, I believe we have the right strategies in place to weather these challenges. We expect sales and profit in the second half of the year to be stronger than the first half.

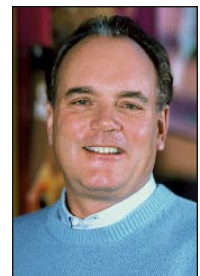
I'd like to thank our employees, who showed tremendous dedication and perseverance while delivering good results in a headwind of tough external conditions. Their energy and commitment to success are what make the difference.

I would also like to thank the Board of Directors, who have provided valuable advice and guidance during the transformation of Levi Strauss & Co. Finally, I am grateful to our shareholders and investors for their patience and support as we've strengthened the company and improved its competitiveness.

Sincerely,



Philip A. Marineau
President and Chief Executive Officer



LETTER FROM THE CHAIRMAN OF THE BOARD

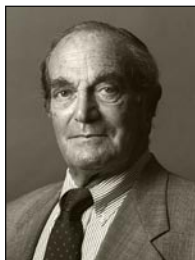
On behalf of the Board of Directors, I would like to thank our CEO, Phil Marineau, and his management team for the solid results in 2005 and our continued turnaround progress. While a substantial amount of work remains to be accomplished, I am confident that we have the talent, products and programs to achieve our goals.

I would also like to thank the LS&CO. Board of Directors for their ongoing wise counsel during our company transformation. They have been an invaluable resource as we have navigated through many challenges in recent years. I want to take this opportunity to extend a special thanks to Craig Sullivan, who retired from the board at the end of 2005. Craig, a former chairman and chief executive officer of The Clorox Company, was a member of the LS&CO. board for seven years and provided us with thoughtful, tough-minded insights and constructive advice during a significant period of renewal. I greatly appreciate his many contributions.

At the same time, I am pleased to welcome Leon J. Level, vice president and a director of Computer Sciences Corporation, to the Board of Directors. Lee is a seasoned financial leader whose broad and deep financial background adds tremendous value to our board. He sits on the board finance committee and is chairman of the audit committee.

2005 closed on a sad note for the company, employees and our family shareholders. In December, we lost our former chairman and my uncle, Peter E. Haas, Sr., who passed away at the age of 86. Peter was a highly respected businessman who, working closely with my father Walter A. Haas, Jr., helped build the Levi's® brand into one of the most famous and admired brands in history and turn LS&CO. into a major multinational corporation. He also was a philanthropist and a visionary civic leader who cared deeply about the social problems of his day.

Among his most lasting legacies, Peter played a critical role in the racial integration of apparel factories in the United States before the U.S. Civil Rights movement. His courage, generosity and wonderful sense of humor will be greatly missed.



Peter E. Haas, Sr.
1918-2005

Peter's strongly held values of corporate citizenship and "doing the right thing" remain embedded in the foundation of the company — a legacy that continues to define Levi Strauss & Co. today. The Corporate Citizenship summary that follows this letter describes our history and commitment to responsible business practices in greater detail.

In this spirit, our Levi Strauss Foundation and Community Affairs team was very busy in 2005 carrying out their mission to address difficult social issues and help empower people to solve their own problems and those of their communities.

The foundation took action last year when two tragic natural disasters struck in different parts of the world. When the catastrophic tsunami hit South Asia in January, devastating the region and leaving tens of thousands homeless and in desperate need of help, the Levi Strauss Foundation responded by providing \$698,000 to tsunami relief efforts and engaging employees in the effort by creating an unprecedented \$2 match for every \$1 that employees contributed.

Unfortunately, mother nature struck again in September when destructive hurricanes hit the Gulf Coast region of the United States. The foundation joined forces with our Levi Strauss Signature® brand to provide urgently needed relief and supplies. The brand donated approximately 230,000 pieces of new clothing valued at nearly \$3 million and the company and foundation together contributed \$478,000 in direct grants to hurricane relief organizations, such as the Salvation Army and the American Red Cross.

Reflecting our employees' ongoing concern for the well-being of others, employee contributions to the tsunami and Katrina relief efforts totaled more than \$197,000.

During the year, the Levi Strauss Foundation and the company also continued our strategic philanthropic mission to address poverty among women and youth in communities around the world where we have a business presence. The foundation pursues this mission through three interrelated strategies: preventing the spread of HIV/AIDS, helping women and youth build assets and strengthening workers' rights.

In 2005, the Levi Strauss Foundation completed its sixth year funding a project through the Asia Foundation that is improving the lives of migrant women workers in China's Pearl River Delta. The project provides education and counseling on basic health care, life skills and financial literacy; workers' rights training and legal aid programs; and workplace peer education on HIV/AIDS prevention. As a result of our funding, China's first legal aid program serving migrant women workers was established. To date more than 250,000 women have been directly served by all of these programs, which were recently recognized with an "Excellence in Social Responsibility Award" by the American Apparel & Footwear Association.

We take great pride in our employees' active involvement in their communities. I'm pleased to report that our employees continued to demonstrate their deep personal commitment to the community in 2005. Through our 75 employee-run Community Involvement Teams, LS&CO. employees donated more than 8,200 hours of their time and directed grants through the Levi Strauss Foundation totaling \$206,500.

2005 was the first year in which every region around the world participated in the company's "Community Day" effort, a day in which LS&CO. employees put their work aside to go out into their local communities and tackle volunteer projects for nonprofit organizations and donate money to those organizations on behalf of the company and the Levi Strauss Foundation. This program began in North America in 2000 and our Asia Pacific business followed suit in 2002. With Europe joining the program in 2005, it is now a global effort resulting in more than 12,000 hours volunteered and \$120,000 in corporate and foundation grants donated to these local nonprofit groups last year.



In total, the company, through our foundation and our business units worldwide, gave more than \$13 million in grants and in-kind donations to nonprofit organizations around the world in 2005.

For LS&CO. employees, supporting our communities also means helping our own employees during times of need. The Red Tab Foundation (RTF) is a unique nonprofit organization – founded by a former LS&CO. employee – that allows employees and retirees to donate money to assist other employees and retirees who are unable to pay for basic necessities because of unexpected emergencies. In 2005, the RTF made \$633,000 in grants to retirees living on fixed incomes and employees who faced such emergencies as natural disasters or family crises that temporarily impacted their households' financial stability. The foundation helps retirees in need with items such as hearing aids, eyeglasses and critical home repairs. For employees, the grants help with short-term living expenses such as food, rent and utilities. It is gratifying to know that our employees demonstrate care and compassion for each other and those who came before them – all of whom share a common thread through LS&CO.

We also continued to lead the way last year in advocating responsible public policies that address workers' rights and trade, which have become important issues in the new quota-free trade environment. In 2005, LS&CO. was named by the International Labor Organization (ILO) to represent U.S. business during its meeting on promoting fair globalization in textiles and clothing. This honor reflects the company's experience and recognized leadership in advocating for responsible trade liberalization.

Last year, we worked closely with governments, nongovernmental organizations, industry associations and other stakeholders on initiatives such as the ILO Better Factories Cambodia

project and Multi-Fiber Agreement Forum to address corporate citizenship issues and strengthen implementation and enforcement of labor laws in countries that may be adversely affected by the elimination of apparel trade quotas.

As the first multinational apparel company to enact a global code of conduct for suppliers, we continued to demonstrate our leadership in this aspect of our supply chain and sourcing practices. In October, we published a list of all our active owned-and-operated and contract factories producing our branded products. This level of transparency is uncommon in our industry because of the belief that supply sources are competitive information, but we believe that this approach will foster greater collaboration among apparel brands to improve working conditions in factories worldwide.

In addition, we updated our corporate Web site to provide substantially more information about our responsible sourcing practices, including publishing LS&CO.'s detailed guidebook that defines factory-level practices and policies, provides examples of code violations, and sets forth specific remediation steps and time frames. Our hope is that other companies will use these materials to adopt similar guidelines.

It is clear that The LS&CO. Way of doing business, which emanates from our historic core values of empathy, originality, integrity and courage, is alive and an integral part of the distinctive way we manage the company.

I want to express my appreciation for the support of our shareholders and investors while we have strengthened and revitalized the company.

Finally, I will close by thanking our employees for their personal commitment to our business success and our strong belief in corporate citizenship. They carry on the legacy that began with Levi Strauss and is stronger than ever in 2006.

Sincerely,

Robert D. Haas
Chairman of the Board



CORPORATE CITIZENSHIP AT LEVI STRAUSS & CO.

Our Approach

We believe that great brands and businesses are built by consistently providing quality products and services, and by earning the trust of consumers, investors, employees and communities through responsible business practices. In other words, we firmly believe that our commercial success and corporate citizenship are intertwined.

We measure our business success by growth in stockholder value, the quality of our reputation and stakeholder relationships, and our commitment to corporate citizenship. This principle of responsible commercial success is embedded in our 153-year experience as a company, and it continues to anchor how we operate today.

For us, corporate citizenship includes a strong belief that we have a duty to help shape society through responsible, progressive and accountable business practices. This includes responsible sourcing and workplace practices, generous philanthropy and broad community involvement, ethical conduct, environmental stewardship, proactive stakeholder engagement and transparency.

At an operating level, our “profits through principles” business approach manifests itself in how we develop our business strategies and policies and make everyday decisions. The company’s four core values of empathy, originality, integrity and courage inform and guide our behaviors, decisions and actions. This includes being attentive to the needs and concerns of our stakeholders, and always striving to “do the right thing” collectively for our brands, company and numerous constituencies.

LS&CO’s corporate citizenship agenda focuses on areas that build on the company’s legacy, and are relevant today to our business and the communities where we operate.

Supply Chain Practices

In 1991, we became the first multinational apparel company to develop a comprehensive code of conduct designed to ensure that individuals making our products anywhere in the world would do so in safe and healthy working conditions and be treated with dignity and respect.

Our contractor terms of engagement cover business practices of our suppliers, such as fair employment, worker health and safety, and environmental standards, among others. In the years since implementing the program, we have taken several measures to enhance it, including:

- ◆ Extending our contractor terms of engagement to licensees
- ◆ Strengthening the freedom of association provisions in it
- ◆ Developing specialized monitoring methods to improve information accuracy
- ◆ Adding wastewater effluent requirements for contract laundries
- ◆ Integrating monitoring results into sourcing and other business decisions
- ◆ Disclosing the names and locations of our suppliers to encourage collaboration among apparel companies in factory monitoring and improvement

Our support for workers’ rights continues strongly today in close collaboration with suppliers, trade unions, nongovernmental organizations (NGOs), governments, apparel companies, industry working groups and others. Our primary goal is to continue to source our products worldwide in ways that respect the workers who make our products and their communities. To accomplish this, we take a three-pronged approach designed to drive positive changes at the factory, community and government levels.

First, we reach factories directly through our robust supplier code of conduct and monitoring program. Our vision of success is when our business partners – suppliers, agents and licensees – embrace, own and effectively implement our standards themselves.

Second, at the community level, both the company and the Levi Strauss Foundation provide financial support to organizations where we source products, assisting groups that educate workers about their legal rights, health issues and financial matters. They also provide resources to build the capacity of local government agencies and other organizations to enforce local labor laws.

Third, we work closely with governments, NGOs, industry associations and others to strengthen the implementation and enforcement of labor laws in countries where we have a business presence. We firmly believe that labor provisions with effective enforcement measures should be an integral part of all bilateral, regional or multilateral trade negotiations in order to protect workers’ rights in an environment of increasing globalization. Since 2001, we have been a leader in publicly and effectively advocating this position.

Philanthropy and Community Involvement

Levi Strauss was both a merchant and a philanthropist – a civic-minded leader who believed deeply in community service. Company leaders continued this commitment

in numerous ways in the decades that followed, including the creation of the Levi Strauss Foundation in 1952 and Community Involvement Teams in 1968. The company's long-standing traditions of community engagement and employee volunteerism continue today, helping to create positive social change and contributing to our commercial success.

Strategic Grant Making

The Levi Strauss Foundation focuses its grant making on alleviating poverty for women and youth through three interrelated strategies. The first, as described in the supply chain practices section above, is to strengthen workers' rights and improve working and living conditions in communities where the company's products are manufactured and throughout the developing world. We pay special attention to the needs of women in the apparel-factory setting and attempt to influence business practices as well as the underlying social systems, including local and national governments, in particular communities and countries.

The second area of focus is on the fight against HIV/AIDS. For LS&CO., it started in 1982 when several employees approached company leaders about a then-unnamed disease that was killing gay men in San Francisco. Leaders joined these employees in handing out educational flyers to alert their colleagues to this mysterious disease. As we learned more about the causes of HIV/AIDS and the impact it could have on our business, we developed policies and programs to educate our workforce and help infected employees around the world. We also banded together with several other companies to sponsor what we believe were the first corporate initiatives to raise awareness and educate employees about AIDS in the workplace.

Today, the Levi Strauss Foundation continues its mission to deter the spread of HIV and AIDS disease by providing grant support for prevention and education programs targeting women and youth, especially in areas where social bias, stigma and discrimination about HIV/AIDS remain strong. For example, the foundation recently helped create the Syringe Access Fund, which supports organizations that provide access to sterile syringes for injection drug users in an effort to slow the spread of the disease.

LS&CO. also addresses HIV/AIDS through initiatives designed to influence workplace practices and employee benefits among our suppliers throughout the world, including HIV education and prevention in high-risk areas such as China, India, Southern Africa and Latin America.

The third area of philanthropic focus is on breaking the cycle of intergenerational poverty among women and youth. Our Building Assets program seeks to help women and youth build, own and have access to financial and social assets that will enable them to exert control over their lives and participate in the economy and society in a meaningful way.

We fund programs that extend critical financial services to the working poor including matched-savings and other products, microfinance opportunities and life-skills education for girls in developing countries. We also advance public policies that will eliminate asset-building and wealth-creation barriers faced by women and youth. And we help the working poor and others living in poverty to protect their assets by promoting anti-predatory lending legislation and sharing best practices from all parts of the world.

Employee Volunteerism

Our employees have the opportunity to contribute in communities where they live and work by donating their time, talent and money toward the issues and organizations they care about. Individual and team-based volunteerism are at the heart of the program. For example, employees can take five hours per month away from work to volunteer at organizations of their choice, and apply for Levi Strauss Foundation grants for organizations where they volunteer significantly or participate in the organization's board or governing body.

Additionally, the company supports 75 Community Involvement Teams (CITs) worldwide comprised of employees who come together to organize volunteer efforts in their local communities that address issues such as homelessness, environmental protection and elder care. LS&CO. also conducts an annual Community Day, when employees worldwide donate time to complete much-needed projects for nonprofit organizations. Both the CIT work and Community Day are supported with grants to community organizations from the company and the Levi Strauss Foundation.

Stakeholder Engagement

Community involvement for us also includes listening to and talking with community leaders to better understand society's expectations of us and the impact of our business operations and decisions upon communities. This proactive, collaborative approach contributes to a deeper understanding by communities of the company's motives, interests, operations and resources, which ultimately leads to valuable stakeholder partnerships.

Our chairman, Bob Haas, provides an update on our 2005 philanthropic and community involvement initiatives and results in his annual letter in this report.

Progressive Employment Practices

LS&CO. has a distinguished history of progressive employment policies and workplace practices. Our commitment to equal employment opportunity and diversity predates the U.S. Civil Rights movement and federally mandated desegregation. We integrated factories in California in the 1940s. And when we opened manufacturing plants in the American South in 1960, we insisted that they be integrated. In 1992, we became the first major U.S. company to extend full medical benefits to domestic partners of employees — paving the way for widespread acceptance of this benefit in corporate America.

Inclusiveness

Today we operate in more than 110 countries. We bring our brands to consumers of all ages and lifestyles. Like most multi-national companies, we face fierce competition around the world. To be successful, it is imperative that we reflect the diverse world we serve through the range and relevancy of our products, our marketing and our way of doing business. Within the company, our workforce mirrors the marketplace in its diversity, helping us to understand and address differing consumer needs. We value ethnic, cultural and lifestyle diversity, and we depend and draw upon the varying backgrounds, knowledge, points of view and talents of each other.

The company's leadership principles and behaviors — the way leaders at every level of the organization work together — are highly inclusive and collaborative. Leaders are expected

to be attentive, respect differences, interpret openly and make decisions responsibly, carefully considering the consequences for our brands and multiple stakeholders.

The Red Tab Foundation



The Red Tab Foundation is a unique nonprofit organization created by employees to offer financial assistance to other LS&CO. employees and retirees who are unable to afford life's basic necessities. Funded in large part by employees and retirees, the foundation responds with immediate assistance when applicants experience major disasters such as a fire, flood, or other immediate challenges that threaten health and safety. The foundation is also a resource to help retirees living on modest pensions with the most basic personal needs such as eyeglasses, hearing aids and dental work. The generosity of current and former employees enables the Red Tab Foundation to make a substantive difference in the lives of individuals who share a common thread as part of the past and present LS&CO. workforce.

You can learn much more about our corporate citizenship practices and initiatives at:

www.levistrauss.com