

**LEVI STRAUSS & Co.**  
**GLOBAL ANTI-BRIBERY & ANTI-CORRUPTION POLICY**

	Page
<i>Introduction</i>	1
A. Policy Statement and Scope	2
B. Who is a Government Official?	
C. What are Some Examples of Bribery, Influencing a Government Official, and Improper Actions or Conduct in Favor of LS&CO?	4
D. Travel, Entertainment and Gifts: Are They Bribes?	5
E. Donations: Are They Bribes?	7
F. Facilitating Payments: What Are These and Are They Allowed?	7
G. Third Parties: Who Are They and Why Should We Care?	8
1. Due Diligence	9
2. Compensation and Payments to Third Parties	10
3. Contractual Obligations of Third Parties	10
4. Annual Certification by Third Parties	10
H. Record-Keeping	10
I. Reporting	11
J. Annual Certification of Certain LS&CO. Employees	11
K. Legal Department/Compliance Officer Contacts	11
Attachment A: Certification of Charitable Donation	
Attachment B: Due Diligence Questionnaire Form	
Attachment C: Annual Certification by Third Party	
Attachment D: Annual Certification by relevant LS&CO Employees	

## Introduction

Our success as a company is built upon a foundation of integrity – a longstanding commitment to act with the highest ethical standards and to conduct business honestly and legally. Our Worldwide Code of Business Conduct reflects this commitment, offering guidelines and standards that define how we run our business.

The Global Anti-Bribery and Anti-Corruption Policy focuses on two of the Worldwide Code of Business Conduct standards: “Compliance with Laws, Rules and Regulations” and “Government Officials”. Its purpose is to help LS&CO. employees worldwide identify and avoid situations that could potentially violate anti-bribery and anti-corruption laws.

Understanding anti-bribery and anti-corruption laws is not always easy. Employees must be familiar with the rules described in this policy and regularly refresh their understanding of these rules. If this policy does not give you enough guidance on how to proceed in a particular situation, consult your Regional Compliance Officer or the Chief Compliance Officer whose contact details are in Section K.

Bribery is illegal and will expose both you and LS&CO. to fines and other penalties including imprisonment. It is also against our company values. For these reasons, compliance with this policy is mandatory for all employees of LS&CO. worldwide.

If you are aware of any employee who is involved in acts of bribery, you must report such conduct without delay to your Regional Compliance Officer or the Chief Compliance Officer. LS&CO. strictly prohibits retaliation against anyone for raising or helping to address this type of issue.

LS&CO. is committed to complying with such laws in all countries where it operates or where its products are sold or sourced. We all share responsibility for complying with this policy. I count on your support.

Thank you,

Chip Bergh

President and  
Chief Executive Officer  
Levi Strauss & Co.

## A. Policy Statement and Scope

### 1. Overall Statement of Policy

**LS&CO. will only conduct business in compliance with the law. This means that we will not authorize, pay, promise or offer to give anything to a government official or to any private party in order to improperly influence that individual to act favorably towards LS&CO. We will not request or authorize any third party to make any such payment, promise or offer. This policy thus prohibits promising, offering, or giving anything of value to any party, including a customer, potential customer, business provider, or potential business provider, with the intention or appearance of improperly influencing its business decisions. Such behavior constitutes bribery and is unacceptable business conduct wherever LS&CO. operates or wherever its products are sold or sourced.**

**Failure to comply with any provision of this policy or other related company policy is a serious violation, and may result in disciplinary action, up to and including termination, as well as civil or criminal charges.**

### 2. Scope of the Policy

This policy defines the minimum standards that all LS&CO. employees worldwide must observe when dealing with government officials and also with private parties. If you are in a situation that may raise anti-bribery concerns or if you are uncertain about how to proceed, consult your manager, Regional Compliance Officer or the Chief Compliance Officer before acting. Additionally, if you suspect or have reason to suspect that an employee or business partner is even using his or her own funds to make improper payments, you must report your suspicions to your manager, Regional Compliance Officer or the Chief Compliance Officer. If you are uncomfortable raising the issue internally, you can also report your suspicions anonymously through the Ethics and Compliance Reportline.

Laws prohibiting commercial bribery (*i.e.*, bribery of private individuals) also exist in many countries where LS&CO. operates or where its products are sold or sourced. This policy therefore prohibits both commercial bribery, as well as bribery of government officials. Additionally, you should consult the relevant sections of LS&CO.'s Worldwide Code of Business Conduct (see, for example, Conflicts of Interest, Family Members and Gifts), the Chief Compliance Officer or your Regional Compliance Officer. In case of doubt, you should assume that the bribery laws of the country where you work prohibit improper payments or gifts to employees of both government officials and private persons with whom LS&CO. does business.

### 3. Overview of Applicable Anti-bribery Laws

Applicable anti-bribery laws prohibit payments and offers of things of value to government officials and private persons for an improper purpose. LS&CO. complies with the requirements and restrictions of applicable anti-bribery laws. These laws apply to the worldwide conduct of LS&CO. and its officers, employees and agents, regardless of nationality. Generally, applicable anti-bribery laws prohibit LS&CO. and its officers, employees, agents, contractors and all others who perform services for or on its behalf from:

- promising, authorizing, giving, or offering payment

- of money or anything of value (including gifts, means and entertainment and non-cash gifts and other benefits, such as offers of employment, educational placement, and charitable donations to entities related to such individuals)
- or providing
- any other benefit
- directly or indirectly (i.e. through third parties)
- to a government official or to a private person
- corruptly to induce the recipient to misuse his or her position or to obtain any
- improper advantage
- to win or retain business for LS&CO., or direct business to any person.

Violations of applicable anti-bribery laws can subject both LS&CO. and individual employees to civil and criminal penalties. The penalties for violation of applicable anti-bribery laws include fines and/or imprisonment. Applicable anti-bribery laws may also prohibit a company from reimbursing a director, officer, employee, or consultant for the amount of the fine involved. Individuals may be subject to criminal liability under applicable anti-bribery laws regardless of whether the company has been found guilty or prosecuted for a violation.

In addition, applicable anti-bribery laws and other rules also contain accounting provisions that prohibit the submission of false or misleading records (e.g. misstating the number of guests at a business dinner in an employee expense report). All expenditures must be recorded with sufficient detail to accurately and fairly reflect the transaction and/or disposition of the assets.

Regardless of the customs of a particular country, you must be careful to follow LS&CO. policies, local laws, and U.S. laws regarding doing business with government officials.

## **B. Who is a Government Official?**

A government official includes anyone, regardless of rank, who holds a legislative, administrative or judicial position, whether appointed or elected or anyone who exercises a public function on behalf of any public agency or public enterprise anywhere where in the world, as well as officials or agents of public international organizations. It includes:

- An officer or employee of any local, provincial or national government; (for example, members of parliament, police officers, firefighters, members of the military, tax authorities, customs inspectors, etc.)
- A director, officer, representative, agent or employee of any government-owned or controlled business or company (meaning that the government owns at least 30% of the stock or business, or is its largest shareholder, or controls the entity through its management, board membership or other means);
- An officer or employee of a public international organization (for example, the United Nations, International Olympic Committee, International Red Cross, World Bank, etc.);
- Any person acting in an official capacity or on behalf of any government or public international organization (for example, an official advisor to a government);
- Any officer or employee of a political party;

- Any candidate for political office; and
- A close relative (for example, parent, sibling, spouse or child) of any of the above.

<p><b>C. What Are Some Examples of Bribery, Influencing Government Officials, and Improper Actions or Conduct in Favor of LS&amp;CO.?</b></p>
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**1. Some examples of bribery include, but are not limited, to the following:**

- Cash, cash equivalents (e.g., gift checks) or loans to government officials, an employee of a client, business partner, (Making such payments to related persons, such as family members or intermediaries may also constitute bribery);
- Payments for travel or entertainment or other hospitality of any person, their family members or associates, except those allowed under Section D.1 below;
- Favors, including offers of employment or internships to any person, their family members or associates in circumstances where it might create a sense of obligation on the part of the recipient;
- Gifts (e.g. perfume, jewelry, use of club membership) to any person, their family members or associates, except those allowed under Section D.2 below;
- Donations to a charity affiliated with or sponsored by any person, his/her family members or associates; and
- Political contributions to political parties or candidates.

**2. Examples of improperly influencing a person to act favorably towards LS&CO. include, but are not limited to, offering a gift, no matter how small in value where:**

- The person would not act if you did not make the gift, and you give a gift to increase the chances that the person will take such action; and
- The person has the choice to act or not and makes a decision based on the gift.

**3. Examples of providing improper business advantage include, but are not limited to, when a government official:**

- Overlooks a violation or tolerates non-compliance with relevant laws (e.g., environmental or worker safety laws) or company policies;
- Does not perform a task that should otherwise be performed in accordance with that person's duties (e.g., does not conduct a required inspection prior to issuing a permit);
- Reduces customs duties; or
- Grants a favorable tax treatment.

**REMEMBER:**

- The mere appearance of influencing a government official or a private party may be sufficient to trigger an allegation that bribery has been committed.

- Even an attempt to bribe a government official or a private party is unacceptable. It is still illegal even if the offer is not accepted or the payment does not achieve the desired outcome.
- Even if there is no intent to exert improper influence over a government official or a private party, there is still a risk if the recipient is unduly influenced, or if the recipient perceives a gift as an attempt to influence him/her to act favorably towards LS&CO.
- Even the perception of impropriety can cause embarrassment to LS&CO., damage its reputation and force the company to pay exorbitant litigation fees in its defense.

<p><b>D. Travel, Entertainment and Gifts: Are They Bribes?</b></p>
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You should consult LS&CO's Global Gifts Policy for our policies in respect of entertainment and gifts to private person, including a customer, potential customer, business provider, or potential business provider. The remainder of this section deals with travel and entertainment in respect of Government Officials.

1. Travel and Entertainment

The nature of LS&CO.'s business makes it unlikely that travel will be required by a government official in the course of legitimate business dealings with LS&CO. In rare instances where travel may be required, you **MUST OBTAIN WRITTEN APPROVAL** of the Regional Compliance Officer or Chief Compliance Officer before such travel is authorized.

In instances where business entertainment may be required, the following guidelines **MUST** be followed:

- a. The entertainment expenses must be permitted under local government rules, regulations or policies that apply to the government official(s) in question.
- b. Entertainment must be directly related to a government official's participation in a business meeting with LS&CO.
- c. Entertainment must be reasonable, measured against (a) the prevailing market rates for similar expenditures; (b) the amount of the expenditure compared to the government official's salary; and (c) custom, both locally and within the industry. Lavish or expensive travel or entertainment is prohibited.
- d. Entertainment should be limited to no more than \$50 per event and no more than \$200 total in one calendar year to the same person. In exceptional circumstances, the Regional Compliance Officer or Chief Compliance Officer may authorize an exception to the entertainment limit.
- e. Entertainment should be reasonable and not cause embarrassment to LS&CO. or damage its reputation.
- f. Entertainment, other than routine moderately-priced meals and refreshments, must be provided in an open and transparent manner (for example, by providing the supervisor(s) of the invited party with a formal written invitation that lays out the nature of the expenses and requires a written response); otherwise, it may be viewed as an attempt to influence an official act.
- g. No entertainment can be provided to any family member of a government official.

- h. Do not provide cash allowances or per diems; pay vendors directly for entertainment expenses. In the exceptional circumstance where a person needs to be reimbursed for such expenses, obtain original receipts which should contain itemized descriptions of the expenses incurred; this will ensure that s/he is not also seeking reimbursement from the government.
- i. Book all expenditures accurately in LS&CO. books and maintain records pursuant to section H below.
- j. Do not use personal funds to do something that would be prohibited under this Policy.

Examples of reasonable entertainment	Examples of prohibited entertainment
<ul style="list-style-type: none"> <li>• Moderately-priced meals or tickets to events (no more than \$50 USD per event/meal and not more than \$200 total per calendar year to the same government official) during which an LS&amp;CO employee is present and substantial legitimate business matters are discussed. If no LS&amp;CO. employee is present at the event or meal, such entertainment is NOT allowed.</li> <li>• This limit includes entertainment such as karaoke, concerts, or sporting events, as well as coffee, tea, snacks and meals.</li> <li>• For example, if an employee took a government official to a baseball game and later that evening decided to take the same official to dinner, the baseball game and dinner would be considered one "entertainment event". Therefore, the total cost for both dinner and baseball game should not exceed \$50 USD for that person.</li> </ul>	<ul style="list-style-type: none"> <li>• Lavish and costly dinners</li> <li>• Adult entertainment</li> <li>• Frequent entertainment</li> </ul>

2. Gifts

Gifts to government officials and private parties are acceptable as long as they comply with the following guidelines:

- Gifts must conform with local laws.
- Gifts must be of nominal value (maximum value U.S.\$50 or local equivalent), and the maximum amount for giving gifts to the same government official per

calendar year is U.S.\$200. In exceptional circumstances, the Regional Compliance Officer or Chief Compliance Officer may authorize a gift exceeding this limit, provided it is reasonable in value.

- Gifts must be given in an open and transparent manner and not to influence a government official's or a private person's action or conduct.
- Gifts must be infrequent and exclude family members of persons.
- All gifts must be properly recorded in LS&CO.'s books and records pursuant to Section H below.
- Gifts must never be in cash or in cash equivalents.
- Examples of gifts that typically meet the above requirements and are normally unproblematic include:
  - o Small mementos and sales promotional items (e.g., mugs, pens or calendars) bearing LS&CO.' s trademarks.
  - o Customary or seasonal gifts of modest value not exceeding U.S. \$50 and applicable under local law (e.g., congratulatory flowers or fruit baskets).

<b>E. Charitable Donations: Are They Bribes?</b>
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*Bona fide* donations made pursuant to LS&CO.'s policies on donations are not bribes because they are made for a purely charitable purpose.

To ensure that no donation is used to camouflage a bribe, and that no donation can be misconstrued as a bribe, any donation given on behalf of LS&CO. should comply with the following guidelines:

- Any request for a donation must be made in writing and must sufficiently describe the charitable purpose of the donation, any business reason for the donation, and all details about the recipient.
- The recipient must be screened to ascertain that it is an organization capable of receiving charitable donations under local law.
- The recipient must be screened to determine that it has no connection to a government official or private person who is in a position to act or make a decision in favor of LS&CO.
- In case of doubt, a local lawyer of good standing approved in advance by the Legal Department should confirm that the donation is lawful under the written laws and regulations of the country where the donation will be made.
- The donation must be approved in writing and in advance by the general/country manager or finance director.
- The recipient must issue a written receipt of the donation specifying the amount and certifying that the donation will not benefit, directly or indirectly, any government official or private person. See Attachment A for the certification form to be signed by the recipient charitable organization.
- The donation must be accurately recorded in the company's books and records pursuant to Section H below.



## **E. Facilitating Payments: What Are These and Are They Allowed?**

In some countries, it may be the local practice for businesses to make payments of small amounts to low-level government officials in order to expedite or “facilitate” routine government actions over which such officials have no discretion. Examples of routine, non-discretionary actions include providing police protection, granting visas or utility services, or clearing customs. Such payments are called “facilitating payments”.

**Facilitating payments, whether legal or not in a country, are prohibited under this policy.**

In extremely limited circumstances, however, LS&CO. may permit facilitating payments. You must consult the Regional Compliance Officer or Chief Compliance Officer **BEFORE** making or authorizing such a payment. Specific approval for each payment is required. If any such payments are approved, they must be accurately documented in the company’s books and records.

LS&CO. recognizes that its personnel operating outside of the U.S. may confront situations where payment is demanded to avoid physical harm. In these very limited circumstances, “Personal Safety Payments” may be made. Examples of such circumstances include:

- Being stopped by persons claiming to be police, military, or paramilitary personnel, who demand payment as a condition of passage of persons;
- Being threatened with imprisonment for a routine traffic or visa violation unless a payment is made; and
- Being asked by persons claiming to be security personnel, immigration control, or health inspectors to pay for (or to avoid) an allegedly required inoculation or similar procedure.

Only under these or similar circumstances, and only where there is an imminent threat to the health or safety of LS&CO. personnel, may a Personal Safety Payment be made without prior approval.

If the need for a Personal Safety Payment can be anticipated, or if circumstances permit, the Regional Compliance Officer should be consulted before making any payment.

After a Personal Safety Payment is made, and as soon as possible (but no more than seven days) after the danger has passed, the payment must be reported to the Regional Compliance Officer, and on an expense report, reflecting accurately the amount paid, the recipient, the means of payment, and the circumstances under which the payment was made. The Regional Compliance Officer will investigate and document the circumstances surrounding the Personal Safety payment and work with LS&CO. finance department to ensure that the payment is promptly and accurately recorded in LS&CO.’s books and records. A copy of the report documenting the investigation will be provided to the Chief Compliance Officer by the Regional Compliance Officer.

## **G. Third Parties: Who Are They and Why Should We Care?**

Bribery problems often involve third parties. In this policy, any individual or entity acting on behalf of or under the control of LS&CO. (such as agents, distributors, consultants or joint venture partners) is referred to as a "Third Party".

Because anti-bribery laws prohibit "indirect" as well as direct payments and offers, LS&CO. and you may be held liable for the conduct of a Third Party when we know or reasonably should have known of such party's unlawful conduct. Turning a "blind eye" or ignoring "red flags" that something may be wrong does not exonerate LS&CO. or you from criminal liability.

Authorizing a Third Party to do something that you cannot do directly is a violation of this policy.

LS&CO is responsible for the actions of third parties where we know, or consciously disregard a high probability, that the third party will offer or make a corrupt payment. Willful blindness (such as by ignoring or failing to investigate warning signs) is no defense. LS&CO is obligated to take adequate steps to prevent bribery when hiring agents and could be liable for any bribe paid by any person "associated" with LS&CO in order to obtain or retain business for LS&CO., or to obtain or retain an advantage in the conduct of business for LS&CO. This includes anyone who "performs a service" for LS&CO., not just official LS&CO "employees".

Thus, LS&CO and you as an individual can be held criminally liable for payments by third party agents, joint venture partners, contractors, consultants, and representatives. For this reason, you must pay special attention to all dealings with such parties.

#### 1. Due Diligence

Under certain circumstances, you must conduct a reasonable investigation, called due diligence, into the background, reputation, and business capabilities of a Third Party before entering into a contract. If your contract involves a Third Party representing LS&CO. with government officials, the Due Diligence Questionnaire Form (Attachment B) must be completed.

Examples of a Third Party representing LS&CO with government officials include but are not limited to the following:

- Obtaining required permits, licenses or other official documents (operating license, tax certificate, etc.) on behalf of LS&CO.
- Managing import or export requirements or deals directly with Customs Office
- Communicating with any municipal agencies on behalf of LS&CO. (tax office, water department, etc.)
- Overseeing tax and accounting related services for LS&CO.
- Processing governmental papers, such as visas and work permits for LS&CO.

The Due Diligence Questionnaire Form consists of 2 parts. Part I contains the recommendation from the relevant LS&CO. employee and the approval of the relevant manager to engage the prospective Third Party. Part II is a Due Diligence Questionnaire to be completed by the prospective Third Party which will help identify potential red flags that may warrant further investigation.

If the Due Diligence Questionnaire Form is required, Parts I and II of the Due Diligence Form should be submitted to the Legal Department or Regional Compliance Officer as part of the contract review and risk management consultation process before a contract is signed. No applicable contract with a

Third Party should be concluded until the Legal Department or Regional Compliance Officer has confirmed that the due diligence has been completed and is satisfactory for purposes of this policy.

A copy of the due diligence file shall be maintained in the Legal Department for each party/entity with whom LS&CO. ultimately enters into a contract.

If you have any doubt whether the Due Diligence Questionnaire Form is required, please contact the Legal Department for assistance.

## 2. Compensation and Payments to Third Parties

Compensation to Third Parties must be commercially reasonable and commensurate with the tasks that they actually undertake. Contracts should generally provide fixed compensation for specific, identified tasks and should avoid large percentage-based commissions and success fees.

Payments to Third Parties must be made in accordance with the terms of their contracts; in particular, it is a violation of this policy to honor requests by Third Parties to vary the terms of contracts by:

- Increasing or decreasing agreed amounts on any invoice if there is no factual, documented basis; or
- Submitting multiple invoices if you suspect such invoices may be used in a manner contrary to LS&CO. standards, procedures or applicable laws or otherwise used improperly.

Contracts that provide for payments to parties other than the contracting party, or payments to countries other than the home country of the contracting party, must be approved in advance by the Regional Compliance Officer.

## 3. Contractual Obligations of Third Parties

Contracts must contain provisions requiring Third Parties to make certain representations and warranties and to comply with all relevant anti-bribery laws. Signed originals of contracts should be filed in accordance with LS&CO.'s Global Contract Policy. Contact the Legal Department to ensure that these provisions are contained in your contracts.

## 4. Annual Certification by Third Parties

Annual certifications should be obtained from Third Parties in the Form of Attachment C and submitted to the Regional Compliance Officer no later than March 31<sup>st</sup> of each year. The addresses for the Regional Compliance Officers are listed in Section K of this policy.

# H. Record-Keeping

## 1. What type of records must be kept?

LS&CO. is required to accurately record information regarding all payments the company makes or receives in reasonable detail, including the amount of the payment, the recipient, and the purpose for the expenditure. You must ensure that LS&CO. has accurate and timely information with respect to the amount and ultimate recipient of contract payments, commissions, and other payments. You

must also document the purpose, and maintain all necessary approvals for the transaction. Records must be complete and truthful and financial accounting recorded in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

Any LS&CO. employee who creates a false or misleading entry, or fails to disclose payments or assets will be subject to immediate disciplinary action. If you learn of any false or misleading entries, or unrecorded payments, you should report it immediately to the Regional or Chief Compliance Officer.

## 2. Restrictions on reimbursements and use of cash

LS&CO. will only pay reimbursements for goods, services, or other expenditures that are fully and properly supported by third party invoices or receipts. With the exception of normal and customary petty cash requirements, cash transactions in connection with LS&CO. business are to be avoided.

### **I. Reporting**

If you are aware that any employee is involved in acts which violate this policy, you must report such conduct without delay to the Chief Compliance Officer or your Regional Compliance Office. LS&CO. strictly prohibits retaliation against anyone for raising or helping to address this type of issue. Additionally, if you have questions about this policy or an issue, please ask before you act by speaking with your supervisor or with your Regional Compliance Officer.

### **J. Annual Certification**

Corporate officers, general/country managers, finance directors/managers, plant managers and plant finance managers must sign an annual compliance certification in the Form of Attachment D and submit it to the Compliance Department no later than January 31<sup>st</sup> of each year.

### **K. Legal Department/Compliance Officer Contacts**

#### **The Americas and Global**

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