

# GAP INC. 2005-2006 SOCIAL RESPONSIBILITY REPORT FACT SHEET

Gap Inc. is committed to doing business in a socially responsible way. We believe it's good for our business, and it's the right thing to do. Throughout our 2005–2006 Social Responsibility Report, we've made an effort to present a more comprehensive view of our efforts to improve working conditions in our supply chain as well as for our own employees; reduce our impact on the environment; focus our community giving on the areas where we can have the most impact; and engage our customers in our efforts.

## SUPPLY CHAIN

### WHY DO WE STRIVE TO IMPROVE FACTORY WORKING CONDITIONS?

We're committed to improving our supply chain by monitoring the working conditions in the garment factories with which we contract. Our team of more than 90 people located around the world is dedicated to improving the lives of the garment workers who make our clothes.

- In 2006, our team conducted 4,316 inspections in 2,053 garment factories around the world, which accounts for 99.4 percent of our garment factory base.
- Sixty-one percent of our contracted garment factories are currently rated level four- and five-factories—the company's highest rating—indicating that progress is being made to improve the working conditions at many factories in our supply chain.
- In 2004, we joined the Business Leaders Initiative on Human Rights (BLIHR). Our Social Responsibility Report includes data detailing the company's use

of BLIHR's Human Rights matrix to assess the company's practices in our owned and operated facilities and across our supply chain.

- In 2006, we partnered with Women Working Worldwide (WWW) to assess our purchasing practices to understand how our decisions can have an impact on factories. As a result of the findings, we're developing training materials to help production planners and merchants make decisions that can positively influence working conditions.

## EMPLOYEES

### HOW CAN WE INSPIRE 150,000 PEOPLE?

Despite challenges in our business, we've made progress in improving workplace conditions for the company's more than 150,000 employees.

- Last year, Gap Inc. spent nearly \$318 million on U.S. employee benefit programs.
- In 2005 and 2006, we provided 1.5 million hours of training to employees worldwide.
- For the past two years in a row, Gap Inc. has been recognized as one of the "Top 30 Companies for Executive Women" by the National Association for Female Executives (NAFE).

## ENVIRONMENT

### CAN PROTECTING THE ENVIRONMENT BE GOOD FOR BUSINESS?

We're committed to operating our business in a way that is mindful of long-term environmental sustainability.

- Our new environmental strategy focuses our efforts on three key areas: Energy conservation, Cotton/sustainable design, and Output/waste reduction (ECO).
- In 2003, we joined the U.S. Environmental Protection Agency's Climate Leaders program and pledged to reduce our U.S. greenhouse gas emissions by 11 percent per square foot by 2008.
- Energy use in our U.S. stores decreased 8.7 percent between 2003 and 2006.
- In 2005, Gap Inc. joined the Better Cotton Initiative to help address the environmental impact of cotton farming. This year, Gap brand introduced new products in the U.S., U.K., France and Canada made from 100 percent organic cotton.
- Gap Inc. increased its paper and cardboard recycling in North American stores, distribution centers and headquarters from 26,000 tons in 2003 to 49,540 tons in 2006, an increase of more than 90 percent.

## COMMUNITY INVESTMENT

### HOW DO WE CREATE POSSIBILITIES IN OUR COMMUNITIES?

Last year, Gap Foundation re-examined its mission and shifted from a social funder to a social investor by committing money, time and resources more strategically to the communities where we do business. Moving forward, Gap Foundation's community investment focus will target underserved youth in developed countries, and women in developing countries.

- In 2006, \$4.3 million (60 percent) of Gap Inc. grants were aligned with these new target causes. In 2007, more than 70 percent of the company's grants will be to programs in these areas.

- In the past five years, Gap Foundation has distributed about \$60 million in grants worldwide to a wide variety of programs.
- In 2006, our employees devoted more than 200,000 hours to community projects and contributed more than \$2.6 million to non-profits.
- Last year, we expanded our program and launched Gap Global Giving, providing employees outside the U.S. the opportunity to have their charitable contributions matched by Gap Foundation.

## MARKETPLACE

### CAN CLOTHES BE FASHIONABLE AND MAKE A DIFFERENCE?

Through our experience in social and environmental issues, we believe that social responsibility can provide new ways to engage our customers. Gap (PRODUCT) RED™ is one way that we've put that belief into action.

- In 2006, Gap Inc. launched Gap (PRODUCT) RED — a limited collection of clothing and accessories designed to eliminate AIDS in Africa. Half of the profits go to The Global Fund to finance programs that help women and children in Africa affected by HIV/AIDS.
- As of January 2007, \$25 million had been generated for The Global Fund. Contributions from Gap (PRODUCT) RED can cover the annual cost of ARV treatments to over 25,000 women and children.
- Gap Inc. has partnered with ComMark Trust, Irish Aid, and Edun to help launch Apparel Lesotho Alliance to Fight Aids (ALAFAs), an innovative and comprehensive initiative that seeks to bring workplace-based treatment to HIV/AIDS positive workers.