



# Social & Environmental Responsibility in the Gap Inc. Supply Chain

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# Initial Vision of the Future

**Everyone owns compliance (vendors, factory workers, business partners, NGOs).**

**Compliance with our code of vendor conduct and local law is a matter of course – just an everyday part of how business is done.**

**The Global Compliance department has a new name – Global Partnerships.**

**Through our ongoing efforts, work environments improve to levels we can't even imagine today.**



# History

**1992 : Sourcing Guidelines**

**1996 : Global Compliance team formed – initially reporting into Sourcing**

**1999 : Reporting relationship changed – checks and balances**

**2001 : Cross-functional committee formed**

**2002 : Global Partnerships team formed  
Factory rating system developed**

**2003 : Partnership with Social Accountability International**



# History – cont'd

**2004 : Release of first CSR report**

**Partnership with the Ethical Trading Initiative**

**2005 : Partnership with Business Leaders Initiative on Human Rights**

**2006 : Social & Community Investment team formed**

**Environmental Affairs team integrated into SR team**

**Better Cotton Initiative**

**2007 : Release of third CSR report**

**2008 : Employee Relations, Diversity, and Learning & Development teams moved under CSR umbrella**



# Ethical Sourcing

- 90 employees based in 25 countries
- Over 40 languages spoken
- Locally hired and employed
- Passionate about Ethical Sourcing & Social Responsibility
- Work in close partnership with sourcing colleagues



# Ethical Sourcing – cont'd

Each year our team:

- **Monitors approximately 2000 garment factories in 50+ countries**
- **Conducts more than 4000 inspections**
- **Denies approval to about 1/5 of new factory evaluation requests**
- **Revokes factories for failure to comply with our standards**
- **Partners with suppliers to improve performance**



# Environment

## *Strategic Focus*

Energy conservation

Cotton/sustainable design

Output/waste minimization

## *Programs*

- Denim Laundry Wastewater
- Facility Environmental Management System (EMS)
- Central America Scraps Recycling Pilot
- EHS & EMS Awareness Training

## *Collaboration*

- BSR Apparel Water Quality Water Working Group
- BSR Mill Sustainability Working Group
- Better Cotton Initiative



# Key Learning over past 15+ years

- **Inspect what you expect – but monitoring alone is not the answer**
- **Ensure internal alignment among functions**
- **Don't go at it alone**
- **Measure progress**
- **Communicate, both internally and externally**
- **Demonstrate connection between social/environmental performance and business results**



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