

## **GAP INC CODE OF VENDOR CONDUCT**

This Code of Vendor Conduct applies to all factories that produce goods for Gap Inc. or any of its subsidiaries, divisions, affiliates or agents.

While Gap Inc. recognizes that there are different legal and cultural environments in which factories operate throughout the world, this Code sets forth the basic requirements that all factories must meet in order to do business with Gap Inc. This Code is based on internationally accepted labor standards, including the International Labour Organization (ILO)'s core conventions and the Universal Declaration of Human Rights. The Code provides the foundation for Gap Inc.'s ongoing evaluation of a factory's employment practices and environmental compliance.

### **I. Compliance with Laws**

*Factories that produce goods for Gap Inc. shall operate in full compliance with the laws of their respective countries and with all other applicable laws, rules and regulations.*

- A. The factory operates in full compliance with all applicable laws, rules and regulations, including those relating to labor, worker health and safety, and the environment.
- B. The factory allows Gap Inc. and/or any of its representatives or agents unrestricted access to its facilities and to all relevant records at all times, whether or not notice is provided in advance.

### **II. Environment**

*Factories shall comply with all applicable environmental laws and regulations. Where such requirements are less stringent than Gap Inc.'s own, factories are strongly encouraged to meet the standards outlined in Gap Inc.'s statement of environmental principles attached hereto as an addendum.*

- A. The factory has an environmental management system (EMS).
- B. The factory has an environmental emergency plan (EEP) that includes procedures for notifying local community authorities in case of accidental discharge or release or any other environmental emergency.
- C. The factory stores hazardous and combustible materials in secure and ventilated areas and disposes of them in a safe and legal manner

### **III. Labor**

#### **A. Child labor**

*Factories shall employ only workers who meet the applicable minimum legal age requirement or are at least 15 years of age, whichever is greater. Factories must also comply with all other applicable child labor laws. Factories are encouraged to develop lawful workplace apprenticeship programs for the educational benefit of their workers, provided that all participants meet both Gap Inc.'s minimum age standard of 15 and the minimum legal age requirement.*

1. Every worker employed by the factory is at least 15 years of age and meets the applicable minimum legal age requirement<sup>1</sup>. If the minimum legal age is higher under local law, the higher age applies.
2. The factory complies with all applicable child labor laws, including those related to hiring, wages, hours worked, overtime and working conditions.
3. The factory encourages and allows eligible workers, especially younger workers, to attend night classes and participate in work-study programs and other government-sponsored educational programs.
4. The factory maintains official documentation for every worker that verifies the worker's date of birth. In those countries where official documents are not available to confirm exact date of birth, the factory confirms age using an appropriate and reliable assessment method.

#### **B. Contract labor requirements (if applicable)**

*Factories that recruit or employ foreign contract workers shall ensure that these workers are treated fairly and on an equal basis with its local workers.*

1. Factories that recruit or employ foreign contract workers must comply with the provisions of Gap Inc.'s Contract Labor Requirements attached hereto as an addendum.

#### **C. Discrimination**

*Factories shall employ workers on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs.*

1. The factory hires, employs, promotes, terminates, and provides access to training and retirement to workers without regard to race, color, gender, nationality, religion, age, maternity, marital status, indigenous status, social origin, disability, sexual orientation, membership in workers' organizations including unions, or political affiliation.

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<sup>1</sup> Notwithstanding the minimum age requirement of 15 years, if a country's minimum age has been set at 14 in compliance with ILO Convention 138, that minimum age shall apply. A list of countries that have applied to the ILO for an exemption according to ILO Convention 138 is available at [www.gapinc.com/socialresponsibility](http://www.gapinc.com/socialresponsibility).

2. The factory pays workers wages and provides benefits without regard to race, color, gender, nationality, religion, age, maternity, marital status, indigenous status, social origin, disability, sexual orientation, membership in workers' organizations including unions, or political affiliation.

#### **D. Forced labor**

*Factories shall not use any prison, indentured or forced labor.*

1. The factory does not use involuntary labor of any kind, including prison labor, debt bondage or forced labor by governments.

#### **E. Freedom of association and the right to collective bargaining**

*Workers are free to join associations of their own choosing. Factories shall not interfere with workers who wish to lawfully and peacefully associate, organize or bargain collectively. The decision whether or not to do so should be made solely by the workers.*

1. Workers are free to choose whether or not to lawfully organize and join associations. If freedom of association and/or the right to collective bargaining are restricted by law, workers shall be free to develop parallel means for independent and free association and collective bargaining.
2. The factory does not threaten, penalize, restrict or interfere with workers' lawful efforts to join associations of their choosing or to bargain collectively.

#### **F. Humane treatment**

*Factories shall treat all workers with respect and dignity. Factories shall not use corporal punishment or any other form of physical or psychological coercion.*

1. The factory does not engage in or permit physical acts to punish or coerce workers.
2. The factory does not engage in or permit psychological coercion or any other form of non-physical abuse, including threats of violence, sexual harassment, screaming or other verbal abuse.

#### **G. Wages & benefits**

*Factories shall pay wages and overtime premiums in compliance with all applicable laws. Workers shall be paid at least the minimum legal wage or a wage that meets local industry standards, whichever is greater. Factories are encouraged to provide wages and benefits that are sufficient to cover workers' basic needs and some discretionary income.*

1. Workers are paid at least the minimum legal wage or the local industry standard, whichever is greater.
2. The factory pays overtime and any incentive (or piece) rates that meet all legal requirements or the local industry standard, whichever is greater. Hourly wage rates for overtime must be higher than the rates for the regular work shift.

3. The factory provides paid annual leave and holidays as required by law or which meet the local industry standard, whichever is greater.
4. For each pay period, the factory provides workers an understandable wage statement which includes days worked, wage or piece rate earned per day, hours of overtime at each specified rate, bonuses, allowances and legal or contractual deductions.
5. The factory shall not modify or terminate workers' contracts for the sole purpose of avoiding the provision of benefits.

#### **H. Working hours**

*Factories shall set working hours in compliance with all applicable laws. While it is understood that overtime is often required in garment production, factories shall carry out operations in ways that limit overtime to a level that ensures humane and productive working conditions.*

1. The factory complies with all applicable laws, regulations and industry standards on working hours. Except in extraordinary business circumstances, the maximum allowable working hours in any week shall be the lesser of a) what is permitted by national law, or b) a regular work week of 48 hours plus overtime hours not in excess of 12 hours.
2. Workers may refuse overtime without any threat of penalty, punishment or dismissal.
3. Workers shall have at least one day off in seven.

### **IV. Working Conditions**

#### **A. Occupational health and safety**

*Factories shall comply with all applicable laws and regulations regarding working conditions and shall provide workers with a safe and healthy environment.*

1. The factory complies with all applicable laws regarding working conditions, including worker health and safety, sanitation, fire safety, risk protection, and electrical, mechanical and structural safety.
2. Work surface lighting in production areas—such as sewing, knitting, pressing and cutting—is sufficient for the safe performance of production activities.
3. The factory is well ventilated. There are windows, fans, air conditioners or heaters in all work areas for adequate circulation, ventilation and temperature control.
4. There are sufficient, clearly marked exits allowing for the orderly evacuation of workers in case of fire or other emergencies. Emergency exit routes are posted and clearly marked in all sections of the factory.

5. Aisles, exits and stairwells are kept clear at all times of work in process, finished garments, bolts of fabric, boxes and all other objects that could obstruct the orderly evacuation of workers in case of fire or other emergencies. The factory indicates with a "yellow box" or other markings that the areas in front of exits, fire fighting equipment, control panels and potential fire sources are to be kept clear.
6. Doors and other exits are kept accessible and unlocked during all working hours for orderly evacuation in case of fire or other emergencies. All main exit doors open to the outside.
7. Fire extinguishers are appropriate to the types of possible fires in the various areas of the factory, are regularly maintained and charged, display the date of their last inspection, and are mounted on walls and columns throughout the factory so they are visible and accessible to workers in all areas.
8. Fire alarms are on each floor and emergency lights are placed above exits and on stairwells.
9. Evacuation drills are conducted at least annually.
10. Machinery is equipped with operational safety devices and is inspected and serviced on a regular basis.
11. Appropriate personal protective equipment—such as masks, gloves, goggles, ear plugs and rubber boots—is made available at no cost to all workers and instruction in its use is provided.
12. The factory provides potable water for all workers and allows reasonable access to it throughout the working day.
13. The factory places at least one well-stocked first aid kit on every factory floor and trains specific staff in basic first aid. The factory has procedures for dealing with serious injuries that require medical treatment outside the factory.
14. The factory maintains throughout working hours clean and sanitary toilet areas and places no unreasonable restrictions on their use.

**B. Dormitory (if applicable)**

*Factories that provide housing for workers shall keep these facilities clean and safe.*

1. Dormitory facilities meet all applicable laws and regulations related to health and safety, including fire safety, sanitation, risk protection, and electrical, mechanical and structural safety.
2. Sleeping quarters are segregated by sex.
3. The living space per worker in the sleeping quarters meets both the minimum legal requirement and the local industry standard.
4. Workers are provided their own individual mats or beds.

5. Dormitory facilities are well ventilated. There are windows to the outside or fans and/or air conditioners and/or heaters in all sleeping areas for adequate circulation, ventilation and temperature control.
6. Workers are provided their own storage space for their clothes and personal possessions.
7. There are at least two clearly marked exits on each floor, and emergency lighting is installed in halls, stairwells and above each exit.
8. Halls and exits are kept clear of obstructions for safe and rapid evacuation in case of fire or other emergencies.
9. Directions for evacuation in case of fire or other emergencies are posted in all sleeping quarters.
10. Fire extinguishers are placed in or accessible to all sleeping quarters.
11. Hazardous and combustible materials used in the production process are not stored in the dormitory or in buildings connected to sleeping quarters.
12. Fire drills are conducted at least every six months.
13. Sleeping quarters have adequate lighting.
14. Sufficient toilets and showers or mandis are segregated by sex and provided in safe, sanitary, accessible and private areas.
15. Potable water or facilities to boil water are available to dormitory residents.
16. Dormitory residents are free to come and go during their off-hours under reasonable limitations imposed for their safety and comfort.

### **Monitoring , Enforcement and Compliance Management**

As a condition of doing business with Gap Inc., each and every factory must comply with this Code of Vendor Conduct. Gap Inc. will continue to develop monitoring systems to assess and ensure compliance.

If Gap Inc. determines that any factory has violated this Code, Gap Inc. may at its discretion either terminate its business relationship and/or require the factory to implement a corrective action plan. If corrective action is advised but not taken, Gap Inc. will suspend placement of future orders and may terminate current production.

Gap Inc. strongly encourages factories to define and implement a policy for social accountability and to adopt or establish a management system to ensure that the requirements of the Code of Vendor Conduct can be met in a consistent way.