








FISCAL YEAR 2005 CODE VIOLATIONS

	REGION	REGION										
		Greater China	North Asia	Southeast Asia	Indian Sub-Continent	Persian Gulf	North Africa & the Middle East	Sub-Saharan Africa	Europe (including Russia)	United States & Canada	Mexico, Central America & the Caribbean	South America
No. of approved factories in 2005		367	87	519	414	20	70	69	195	133	194	50
No. of factories revoked for compliance violations		9	9	12	8	1	3	1	26	0	0	0
GENERAL PRINCIPLE												
IA Lacks full compliance with local laws		Green	Green	Green	Green	Yellow	Green	Green	Blue	Yellow	Yellow	Blue
IB Restricted access of Gap Inc. representatives		Yellow	Blue	Blue	Blue	Yellow	Blue	Blue	Blue	Yellow	Yellow	Blue
ENVIRONMENT												
IIA Lack of environmental management system or plan		Blue	Yellow	Blue	Yellow	Yellow	Yellow	Yellow	Blue	Yellow	Blue	Blue
IIB Insufficient notification procedures in case of environmental emergency		Blue	Yellow	Blue	Blue	Yellow	Yellow	Yellow	Yellow	Yellow	Blue	Yellow
DISCRIMINATION¹												
IIIA Employment		Blue/striped	Yellow/striped	Blue/striped	Blue/striped	Yellow/striped	Blue/striped	Yellow/striped	Yellow/striped	Yellow/striped	Blue/striped	Blue/striped
IIIB Wages & benefits		Blue/striped	Yellow/striped	Blue/striped	Blue/striped	Yellow/striped	Blue/striped	Yellow/striped	Yellow/striped	Yellow/striped	Blue/striped	Blue/striped
FORCED LABOR												
IVA Use of involuntary labor		Yellow	Yellow	Yellow	Yellow	Blue	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
IVB For foreign contract workers, non-payment of agency recruitment fees and/or requiring workers to remain in employment against their will		Yellow	Yellow	Yellow	Blue	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
CHILD LABOR												
VA Workers are not 14 years old or do not meet minimum legal age requirement		Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
VB Not in full compliance with child labor laws		Blue	Yellow	Blue	Blue	Yellow	Blue	Yellow	Blue	Yellow	Yellow	Yellow
VC Failure to allow eligible workers to attend night classes and/or participate in educational programs		Yellow	Yellow	Yellow	Blue	Yellow	Yellow	Yellow	Blue	Yellow	Yellow	Yellow
VD Poor age documentation		Yellow	Yellow	Yellow	Blue	Yellow	Blue	Blue	Blue	Yellow	Blue	Yellow
WAGES & HOURS												
VIA Pay is below minimum wage		Yellow	Blue	Yellow	Yellow	Blue	Blue	Yellow	Yellow	Blue	Yellow	Green
VIB Overtime rates are below legal minimum		Yellow	Blue	Blue	Yellow	Yellow	Yellow	Blue	Yellow	Blue	Blue	Blue
VIC Work week in excess of 60 hours		Blue	Blue	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Blue	Yellow
VID Workers cannot refuse overtime without threat of penalty or punishment		Blue	Yellow	Blue	Yellow	Yellow	Yellow	Blue	Blue	Yellow	Blue	Yellow
VIE Workers do not have at least 1 day off in 7		Blue	Blue	Yellow	Yellow	Blue	Yellow	Yellow	Yellow	Yellow	Blue	Blue
VIF Violation of local laws on annual leave and/or holidays		Blue	Yellow	Blue	Blue	Yellow	Yellow	Blue	Blue	Yellow	Blue	Blue
VIG Unclear wage statements		Green	Yellow	Blue	Blue	Yellow	Yellow	Blue	Blue	Blue	Blue	Yellow

LEGEND

	No code violations verified
	Violations verified in less than 1% of factories
	Violations verified in between 1% and less than 10% of factories
	Violations verified in between 10% and less than 25% of factories
	Violations verified in between 25% and less than 50% of factories
	Violations verified in more than 50% of factories

 ¹ We believe that violations in these areas are more widespread than our data suggest.

SECTION IV – FORCED LABOR

In 2005, we found one instance of a factory in Egypt that required new workers to pay a deposit to ensure that they would not leave. The factory complied when we asked it to cease this practice and returned the money to the affected workers.

In the Persian Gulf region, we uncovered a few instances where factories did not comply with our requirements regarding foreign contract workers. (For more information on foreign contract workers, please see our [case study on Saipan](#).) In two cases, the factories failed to specify wage rates or overtime expectations for workers with the recruitment agency. In another case, workers paid the recruitment agency an additional fee to return home that was not reflected in the price of their airline tickets. In all cases, we worked with the factories to resolve these issues and bring them into compliance with our standards.

	Greater China	North Asia	Southeast Asia	Indian Sub-Continent	Persian Gulf	North Africa & the Middle East	Sub-Saharan Africa	Europe (including Russia)	United States & Canada	Mexico, Central America & the Caribbean	South America
WORKING CONDITIONS											
VIIA Physical punishment or coercion	Orange	Orange	Light Blue	Light Blue	Orange	Orange	Blue	Orange	Orange	Orange	Orange
VIIIB Psychological coercion and/or verbal abuse	Light Green	Orange	Blue	Blue	Orange	Blue	Light Green	Blue	Orange	Blue	Blue
VIIIC Violation of local laws on working conditions	Blue	Orange	Light Green	Light Green	Light Green	Light Green	Dark Green	Light Green	Blue	Light Green	Dark Green
VIIID Insufficient lighting	Light Blue	Orange	Blue	Blue	Orange	Orange	Orange	Orange	Blue	Orange	Orange
VIIIE Poor ventilation	Blue	Orange	Blue	Blue	Blue	Blue	Blue	Blue	Orange	Blue	Blue
VIIIF Insufficient or poorly marked exits	Light Green	Light Green	Light Green	Light Green	Blue	Blue	Light Green	Blue	Blue	Light Green	Dark Green
VIIIG Obstructed aisles, exits or stairwells	Dark Green	Dark Green	Dark Green	Dark Green	Light Green	Dark Green	Dark Green	Light Green	Blue	Light Green	Dark Green
VIIIH Locked or inaccessible doors and exits	Blue	Blue	Blue	Blue	Blue	Light Green	Light Green	Blue	Light Blue	Blue	Blue
VIIII Insufficient number of and/or inadequately maintained fire extinguishers	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
VIIJJ Insufficient number of fire alarms and/or emergency lights	Light Green	Light Green	Light Green	Light Green	Light Orange	Light Green	Light Green	Blue	Blue	Light Green	Dark Green
VIIIK Not enough evacuation drills	Light Green	Dark Green	Blue	Light Green	Light Orange	Light Green	Light Green	Light Green	Light Green	Blue	Blue
VIIIL Machinery lacks some operational safety devices	Dark Green	Light Green	Dark Green	Light Green	Dark Green	Dark Green	Light Green	Blue	Blue	Dark Green	Dark Green
VIIIM Inadequate personal protective equipment	Dark Green	Blue	Light Green	Light Green	Dark Green	Light Green	Light Green	Blue	Blue	Light Green	Light Green
VIIIN Insufficient access to potable water	Light Blue	Orange	Blue	Blue	Orange	Light Green	Light Orange	Blue	Light Orange	Blue	Blue
VIIIO Inadequate first-aid kits	Dark Green	Light Green	Light Green	Light Green	Light Orange	Light Green	Dark Green	Blue	Light Green	Light Green	Light Green
VIIIP Unsanitary toilets and/or restricted access	Light Green	Blue	Blue	Blue	Blue	Light Green	Dark Green	Blue	Light Blue	Light Green	Blue
VIIIQ Inadequate storage of hazardous and combustible materials	Dark Green	Blue	Light Green	Light Green	Blue	Light Green	Light Green	Blue	Blue	Light Green	Dark Green
FREEDOM OF ASSOCIATION¹											
VIIIIA Workers are not free to choose whether or not to lawfully organize and join associations	Light Orange	Light Orange	Light Blue	Dark Blue	Light Orange	Light Orange	Light Orange	Light Blue	Light Orange	Light Orange	Light Orange
VIIIIIB Penalization or interference with workers' lawful efforts to organize	Light Orange	Light Orange	Light Orange	Light Blue	Light Orange	Light Orange	Light Orange	Light Orange	Light Orange	Light Orange	Light Orange

SECTION V – CHILD LABOR

We did not uncover any instances of factories hiring workers under the minimum legal age requirement – a violation that we take very seriously.

In many countries, special laws have been implemented to protect workers who are older than the legal minimum working age but are still considered minors. In 2005, we found several instances where factories did not comply with these applicable child labor laws regarding hiring, wages, working hours and working conditions. In addition, several factories were unable to provide us with proper age documentation for all workers. Most of these violations were relatively minor, such as a missing photograph or the lack of independent age verification. All of these issues were resolved satisfactorily according to the requirements of our Code of Vendor Conduct.

REGIONAL ISSUES

India

Our entire VCO team participated in a Social Accountability International (SAI) SA8000 training in 2004 to become more adept at detecting and addressing freedom of association violations. In 2005, our regional VCO team in India took part an additional focused SAI training session to help them better understand challenges specific to their region. Indian law requires that

factories establish several types of committees to ensure that workers' rights are protected and that they are able to negotiate collectively with factory management. The additional training provided by SAI helped our VCOs in India evaluate the effectiveness of these factory committees and identify if workers' rights to organize were being compromised. This increased focus on committees resulted in the discovery of more freedom of association and local law compliance violations relating to committee formation and implementation.