

# GAP INC. CLIMATE POLICY



BANANA REPUBLIC

OLD NAVY

ATHLETA

INTERMIX

Gap Inc.

## GAP INC. IS COMMITTED TO REDUCING OUR IMPACT ON CLIMATE CHANGE

Climate change is a global challenge that transcends boundaries, affecting people and communities everywhere. We believe strongly in

the science of climate change, and that it is a fundamental environmental, economic and human rights issue. The consequences of a changing climate are profound and wide-ranging, from biodiversity and water resources, to public health and agricultural impacts, to increased risk to our business in the short and long term. Addressing climate change benefits our business, making us more resilient and efficient, while enhancing our connection with customers, employees and other stakeholders.

**“CHANGE IS NOT JUST POSSIBLE, BUT IMPERATIVE – OUR FUTURES ARE TIED TOGETHER, AND WE CAN'T AFFORD NOT TO ACT.”** –ART PECK, CEO, GAP INC.

## AMBITIOUS GHG REDUCTIONS REQUIRE INNOVATION AND RENEWABLE ENERGY ALTERNATIVES

We have demonstrated our commitment to addressing climate change over time by setting, and achieving, increasingly ambitious greenhouse gas (GHG) emissions reduction goals. As of 2016, we have established a science-based target of reducing absolute Scope 1 and Scope 2 GHG emissions from our owned and operated facilities by 50 percent globally by 2020 from 2015 emissions levels. This commitment will require significant operational efficiency, innovative thinking and exploration of renewable energy alternatives.

## INDUSTRY COLLABORATION IS NECESSARY TO MAKE A MEANINGFUL IMPACT

Addressing climate change requires us to act not only on our own, but also alongside others to bring about the greatest possible change. We are working to address emissions beyond our retail operations by partnering with our suppliers to improve sustainability and reduce overall environmental impact, including energy and water use. Leveraging the Sustainable Apparel Coalition's (SAC's) Higg Index, we are collecting and analyzing data within our global supply chain and actively working with

our suppliers to adopt more sustainable manufacturing practices in order to reduce their environmental impact, including in both water and GHG emissions.

Additionally, since 2007, we have been actively engaged with Ceres,

a leading nonprofit organization dedicated to mobilizing the business community to build a sustainable economy. We are also a member of Ceres' Business for Innovative Climate and Energy Policy (BICEP) coalition, a group of more than 30 public and private companies seeking to help pass meaningful energy and climate change legislation. As a member of BICEP, we are committed to promoting energy efficiency and renewable energy; increasing investment in a clean energy economy; and supporting climate change adaptation, technology transfer and forest preservation.

#### **GOVERNANCE AND IMPLEMENTATION OF THIS POLICY**

Executive oversight and responsibility for the implementation of this policy rests with Dan Henkle, President of the Gap Foundation and SVP, Global Sustainability, and is approved by our CEO, Art Peck. Progress is reported annually to the Gap Inc. Board of Directors Governance & Sustainability Committee and quarterly to the Gap Inc. Sustainability Board.

Implementation of this policy is driven by Gap Inc.'s Environmental Council, led by Shawn Curran, EVP, Global Supply Chain. The Environmental Council meets quarterly and is comprised of representatives from our brands as well as company experts across functional areas. Working as an internal think tank, the Council's mission is to improve how Gap Inc. uses resources to reduce our environmental impact with particular emphasis on our owned and operated facilities.

A specific working group within the Council made up of representatives from Strategic Sourcing, Store Development, Real Estate, Logistics and Store Operations reviews and drives actions to support our company's emissions reduction goal for our owned and operated facilities.