

# **GAP INC.**

# **CLIMATE POLICY**

Updated June 2020



BANANA REPUBLIC



ATHLETA

INTERMIX

HILL CITY

JANIE AND JACK

# Gap Inc.

## GAP INC. CLIMATE POLICY

### 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.

### 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. In 2016, we established a target to reduce absolute Scope 1 and Scope 2 GHG emissions from our owned and operated facilities by 50 percent globally by 2020 compared to 2015 emissions levels. This commitment led to additional investment in operational efficiency, and the implementation of onsite and offsite renewable energy projects to meet our goal. As of the beginning of 2020, we are on track to achieve this target.

In 2019, we took an important step to strengthen our climate commitment with a [Science Based Target](#) to reduce Scope 3 supply chain emissions 30 percent by 2030 from a 2018 baseline and committing to 100% renewable energy in our owned and operated facilities by 2030. The goal was formally approved in 2020 by the Science Based Target initiative, an organization that brings together over 300



BANANA REPUBLIC



ATHLETA

INTERMIX

HILL CITY

JANIE AND JACK

companies, CDP, the World Resources Initiative (WRI), the World Wildlife Fund (WWF), and the UN Global Compact to align corporate climate goal setting with the latest science and research.

## 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. 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. Gap Inc. is a founding member of the [Apparel Impact Institute](#) focused on implementing supply chain environmental improvement programs at scale.

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 55 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 our Chief Legal, Compliance and Sustainability Officer. This policy is approved by our CEO. Progress is reported annually to the Gap Inc. Board of Directors Governance and Sustainability Committee and quarterly to the Gap Inc. Foundation and Sustainability Board of Trustees.

Implementation of this policy is driven by Gap Inc.'s Global Sustainability department, in partnership with functional leaders from our Brands, Supply Chain, Strategic Sourcing, Store Development, Real Estate, Logistics and Store Operations.



BANANA REPUBLIC



ATHLETA

INTERMIX

HILL CITY

JANIE AND JACK