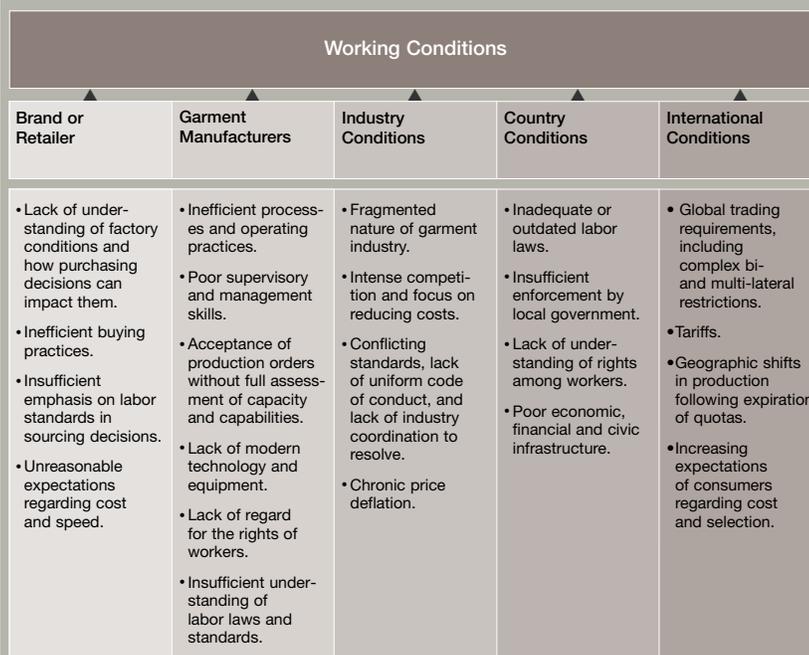


Factors Contributing to Poor Working Conditions in Garment Factories

We first introduced this chart in our 2004 Social Responsibility Report. As we noted then, one of the biggest challenges we face is that the root causes of poor working conditions in supply chains are very complex. Inefficiencies in our own buying practices—and those of other companies in our industry—can have a negative downstream impact on working conditions. Even the most conscientious garment manufacturers may unwittingly contribute to problems on the factory floor through weak management skills, outdated operations or equipment, or a tendency to take on too many production orders. In addition, systemic national and global problems—such as corruption, economic underdevelopment, and weak or nonexistent law enforcement—chronically undermine efforts to protect the rights of garment workers.

As we emphasized in our 2004 Report, the magnitude and complexity of the challenges we face are not an excuse for inaction. We recognize and embrace our responsibility to take a leadership role in improving the world's garment factories. We are constantly working to ensure that our strategy takes into account the realities of our industry and broader operating environment so that our efforts continue to drive positive change.



Gap Inc. Level of Influence	Significant Influence	Some Influence	Some Influence	Some Influence	Less Influence
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