

GORE FABRICS GUIDELINES ON SOCIAL RESPONSIBILITY (GSR) GUIDEBOOK

GORE FABRICS' STANCE ON SUSTAINABILITY

As a key player in the apparel industry, since its foundation in 1958, Gore has always been committed to meeting the needs of customers through innovative, reliable products that enhance the quality of life as well as to improving the communities in which we work and live.

Our business approach has, ever since, also included two further key principles: treating people fairly and respecting the environment. These values are the legacy of our company founders, Bill and Vieve Gore, and deeply rooted in Gore's culture.

Gore Fabrics demonstrates responsibility in two areas:

Environmental Responsibility, which means running our business in a way that strives to continuously reduce the impact Gore Fabrics' business processes and products may have on the environment. Here we are aspiring to be **good stewards** of air, water, and energy resources, and in our management of waste.

Social Responsibility, which means acting fairly when dealing with Associates and other people who are connected with Gore Fabrics – as neighbors, as business partners, or as end-users of our products.

WHY SOCIAL RESPONSIBILITY?

Gore's value chain includes hundreds of suppliers and manufacturers spanning nearly 60 countries. Today more than a million people are directly or indirectly involved in making finished jackets and shoes with Gore fabric technologies. This brings a lot of opportunities and challenges at the same time.

According to the report "Global Estimates of Modern Slavery" issued jointly by International Labour Organisation (ILO) and Walk Free Foundation:

- about 25 million people globally are trapped in so-called modern slavery
- 15% of these victims are working across manufacturing with forced labour most prevalent in the textile industry
- 1 in 4 of these victims of modern slavery could be a child

The figures are quite alarming, especially in the background of increasing world population and consumption. Additionally, as clothing companies keep expanding their manufacturing and sourcing capabilities, these social responsibility challenges become more pressing and need to be addressed.

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We, at Gore, are strongly committed to the social compliance standards in our manufacturing, ensuring that all sorts of forced or child labor practices are prohibited. But we are aware of the fact that there is still a lot to do in our industry.

That is why in 2015 Gore launched the social compliance program – **the Gore Guidelines on Social Responsibility Program** – aimed at addressing these challenges of the textile industry. We believe that working together with our partners involved in the production of finished Gore products, we can contribute to better working conditions in the textile industry worldwide.

GORE GUIDELINES ON SOCIAL RESPONSIBILITY PROGRAM

Conducting business in a fair and ethical manner, as well as improving the communities in which we work and live is paramount for Gore. **We believe in engaging with our value chain partners to improve the lives of those workers that make finished products from our fabrics' products.**

Gore Code of Conduct: Guidelines on Social Responsibility (GSR)

Gore's standards regarding social compliance are embodied in its "Guidelines on Social Responsibility" – our "Code of Conduct". The GSR aims to provide clarity and guidance on workplace standards across the entire Gore value chain. Based on social and ethical standards commonly practiced and accepted in the industry, the GSR includes guidance on healthy and safe working conditions, fair wages and benefits, and reasonable working hours, among others.

Gore GSR is consistent with industry-specific requirements and practices, such as the Fair Labor Association Workplace Code of Conduct, and based on International Labor Organization (ILO) standards, the United Nations (UN) Universal Declaration of Human Rights, the UN Convention on Children's Rights, the UN Convention on Elimination of All Forms of Discrimination Against Women, the UN Global Compact and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

Gore (Associates') Standards of Ethical Conduct (ASEC)

Everyone in the Gore Enterprise is expected to demonstrate integrity in conducting business ethically and in compliance with the applicable laws and regulations of each country in which Gore does business. To support this goal, Gore has introduced an Associates' Standards of Ethical Conduct to establish policies and procedures for all Associates.

The Standards of Ethical Conduct for Third Parties outline these standards for third parties (collectively "Representatives") who represent Gore or are involved with Gore products. ASEC, and Standards of Ethical Conduct for Third Parties are a part of Gore's legal compliance program.

GSR PROGRAM STRUCTURE



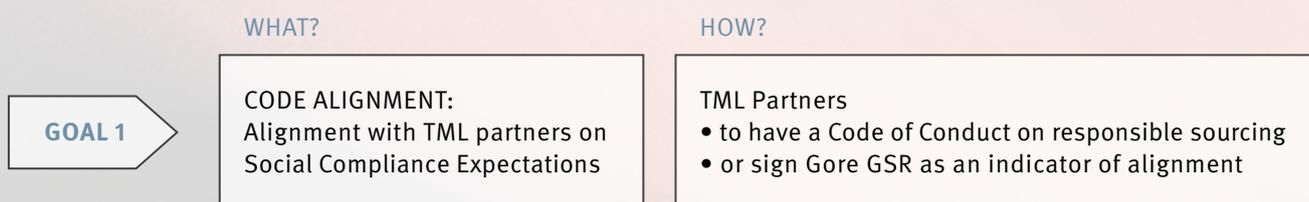
Ensuring working conditions are fair and safe within all our value chain is not a goal that we can achieve on our own. That is why Gore Fabrics developed the GSR Program, seeking **enhanced engagement** of our business partners in a progressive manner.

LEVELS OF ENGAGEMENT

The Gore GSR Program has three levels of engagement for TMLs:

1. CODE ALIGNMENT (GOAL 1)

When entering into or sustaining business relationships, it is important to Gore that we have confidence that our TML customers are aligned with our values, and maintain an equivalent set of standards for social responsibility. To verify alignment around this goal, Gore expects that all our TML customers either have a Code of Conduct (CoC) for manufacturing facilities they use or sign our GSR, if they don't hold a Company Code addressing these topics.



2. MONITORING / AUDITING OF SUPPLIERS (GOAL 2)

We are confident that all of our partners have strong ethical standards they follow within their own organizations at the headquarters level. Nonetheless, the violations of fair working conditions mostly occur in textile manufacturing facilities.

Therefore, it is important to have a system in place, through which

- The company can effectively communicate these industry standards to the manufacturers (supplier management system),
- and verify their adherence as appropriate (supplier monitoring system).

The ultimate aim of Goal 2 is to ensure that all of our TML partners have a robust system in place for monitoring the working conditions in manufacturing facilities using Gore products, be it an internal system and / or a reputable external program.

GSR PROGRAM STRUCTURE

At this level of engagement, Gore is able to facilitate TML partners' access to some industry tools. These tools provide robust guidance on establishing effective supplier monitoring systems:



SAC Higg Index is a widely used self-assessment tool for companies to measure their social and environmental performance, identify areas for improvement and share their scores with others. Sustainable Apparel Coalition (SAC) currently represents 40% of the global apparel and footwear industry. Gore is a founding member of the SAC and an active user of Higg index for assessing and sharing sustainability performance of our manufacturing units. We support Higg in becoming the primary tool to measure and share sustainability information along the value chain.



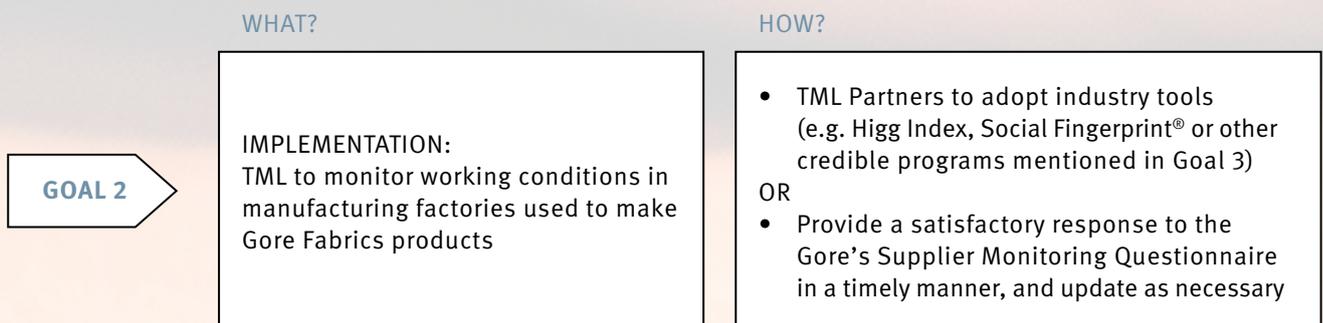
SAI Social Fingerprint® is a tool that measures management systems maturity on different Corporate Social Responsibility (CSR) categories. The program may also assist our business partners in engaging their suppliers and encouraging them to work towards adoption of SA8000®, the leading social certification standard owned by Social Accountability International (SAI).

Please note that Higg Index and Social Fingerprint® are just suggestions based on industry alignment and ease of use for effective supply chain monitoring. TML customers can use a range of monitoring schemes available in the industry.

For customers who prefer to engage with above external programs, we will provide threshold metrics in the near future. In the spirit of not being prescriptive in solutions, we are happy to assess equivalency with other reputable schemes.

TML partners with proven supplier monitoring systems, such as members of credible social compliance organizations mentioned under Goal 3, are considered Goal 2 compliant.

For all other TML partners, Gore will track the information on monitoring of suppliers through the [Supplier Monitoring Questionnaire](#). We expect the questionnaire to be filled out and updated as necessary in a timely manner. A satisfactory response to the Questionnaire will indicate that basic capabilities are in place to identify and mitigate violations against workplace standards.



HOW DO WE MONITOR OUR OWN PERFORMANCE AS A MANUFACTURER?

There is a cross-functional team at Gore Fabrics who works on the implementation of the GSR standards in all manufacturing units, monitor performance on an annual basis, and implement improvement plans as necessary. We use the Higg Index Social / Labor Module for assessing our performance. The self-assessment is then verified by independent third party service providers. Our operations teams would develop sustainable improvement plans based on the results of the self-assessment, and Third Party Verification.

GSR PROGRAM STRUCTURE

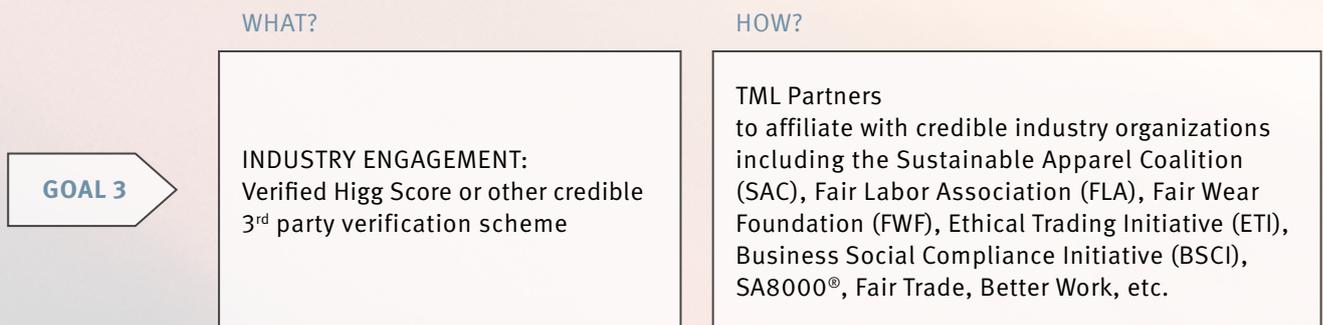
3. INDUSTRY ENGAGEMENT (GOAL 3)

The ultimate goal that we want to reach with our partners is to get to a level where we are all engaged with industry organizations focusing on these issues.

Social responsibility is a field constantly evolving in response to shifting customer expectations, government regulations, and civil society initiatives.

In such a dynamic environment, several industry platforms and organizations such as the Ethical Trading Initiative, Fair Labor Association, Fair Wear Foundation, Business Social Compliance Initiative, Sustainable Apparel Coalition (and many more) support businesses on keeping abreast of “know-how” and best practices.

We are aware that such engagement requires resources and investment, which in turn requires time. However, we will be supporting our business partners at every step of this journey.

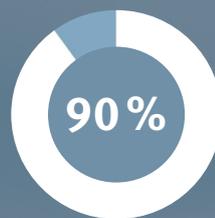


CONSUMER FACTS

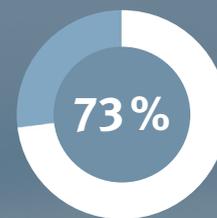
With 2.5 billion millennial consumers worldwide and \$30 trillion to spend, the demand for ethically sourced products will continue to increase.

#giveusfairfashion

Sources: 2017 Deloitte Millennial Survey.
Interbrand Best Global Brands 2017.
Nielsen 2015 – The Sustainability Imperative.



of millennials say they would switch to ethical brands



of millennials say they would pay more for ethical brands



GLOSSARY

GENERAL TERMS

ASEC – [Gore \(Associates’\) Standards of Ethical Conduct](#) – is a summary document that explains Gore’s policies and procedures and guides all Associates in conducting business with integrity, legally and ethically. The document also sets the standards for third parties who represent Gore or Gore products worldwide. ASEC, and Standards of Ethical Conduct for Third Parties are a part of Gore’s legal compliance program.

CoC – Code of Conduct – a document that outlines the standards of workplace conduct for the factories that manufacture a brand’s product. (Source: REI’s Product Sustainability Guidebook). When we say CoC we always mean a manufacturing Code of Conduct (other names: Vendor CoC, Supplier CoC).

CSR – Corporate Social Responsibility – is a corporation’s initiatives to assess and take responsibility for the company’s effects on environmental and social wellbeing. Read more: Corporate Social Responsibility (Source: <https://www.investopedia.com/terms/c/corp-social-responsibility.asp#ixzz5ArT6l7VF>).

GSR – [Guidelines on Social Responsibility](#) is a code of ethics used by Gore to clarify its expectations of labor standards that business partners along the value chain should adhere to. They include guidance for healthy and safe working conditions, fair wages and benefits, and reasonable working hours, among others.

INSTITUTIONS



Better Work – a collaboration between the United Nation’s International Labour Organization (ILO) and the International Finance Corporation (IFC), a member of the World Bank Group – is a comprehensive program bringing together all levels of the garment industry to improve working conditions and respect of labor rights for workers, and boost the competitiveness of apparel businesses. (For more information please visit <https://betterwork.org>)



BSCI – The Business Social Compliance Initiative – is a supply chain management system that supports companies to drive social compliance and improvements within the factories and farms in their global supply chains. (For more information please visit <http://www.amfori.org/content/amfori-bsci>)



EOG – an association that exists to represent the common interests of the European outdoor industry. (For more information please visit <https://europeanoutdoorgroup.com>)



ETI – is an alliance of companies, trade unions and NGOs that promotes respect for workers’ rights around the globe. (For more information please visit <https://www.ethicaltrade.org>)



Fairtrade – is a social movement whose stated goal is to help producers in developing countries achieve better trading conditions. (For more information please visit <https://www.fairtrade.net>)



FLA – Fair Labor Association – is an international organization bringing together universities, civil society organizations and socially responsible companies dedicated to protecting workers’ rights around the world. (For more information please visit <http://www.fairlabor.org>)



FWF – Fair Wear Foundation – is a non-profit organization that works with brands, factories, trade unions, NGOs and sometimes governments to verify and improve workplace conditions in 11 production countries in Asia, Europe and Africa. (For more information please visit <https://www.fairwear.org>)

GLOSSARY



Higg Index – a suite of tools developed by SAC that enables brands, retailers, and facilities of all sizes to accurately measure and score a company or product’s sustainability performance. The tools measure environmental and social & labor impacts across the supply chain. (For more information please visit <https://apparelcoalition.org/the-higg-index/>)



ILO – International Labour Organisation – a UN agency devoted to promoting social justice and internationally recognized human and labor rights, pursuing its founding mission that social justice is essential to universal and lasting peace. ILO sets labor standards, develops policies and devises programmes promoting decent work for all women and men. (For more information please visit <http://www.ilo.org>)



OECD – is an intergovernmental economic organization with 37 member countries, founded in 1961 to stimulate economic progress and world trade. (For more information please visit <http://www.oecd.org>)



OIA – is an association for the outdoor industry. OIA is serving more than 1200 manufacturers, retailers distributors, suppliers, sales representatives and non-profit organizations. For more information please visit <https://outdoorindustry.org>



SA8000® – is the leading social certification standard for factories and organizations across the globe SA8000® measures social performance in eight areas important to social accountability in workplaces, anchored by a management system element that drives continuous improvement in all areas of the Standard. (For more information please visit <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=1689>)



SAC – Sustainable Apparel Coalition – apparel, footwear, and textile industry’s alliance for sustainable production. (For more information please visit <https://apparelcoalition.org/the-sac/>)



SAI – Social Accountability International – is a global non-governmental organization advancing human rights at work. SAI empowers workers and managers at all levels of businesses and supply chains, using its multi-industry SA8000® Standard, as well as Social Fingerprint® and other training and capacity building programs. (For more information please visit <http://www.sa-intl.org>)



UN – the United Nations – an international organization that takes action on the issues confronting humanity in the 21st century, such as peace and security, climate change, sustainable development, human rights, disarmament, terrorism, humanitarian and health emergencies, gender equality, governance, food production, and more. (For more information please visit <http://www.un.org>)