

2022 ESG REPORT

Gap Inc.



CONTENTS

3 THE BIG PICTURE

17 EMPOWERING WOMEN & HUMAN RIGHTS

- 3 About Gap Inc.
- About This Report
- 4 Our Commitment to ESG: CEO Message
- 5 Our Value Creation Model
- 6 Product Life Cycle
- 7 Company Overview
- 8 2022 Highlights
- 9 Gap Inc. Goals and Progress
- 11 Our Purpose-Led Brands: Brand Goals and Progress
- About Our Brands
- 15 Equality & Belonging

28 ENABLING OPPORTUNITY

- 19 Human Rights
- 21 Assessment and Remediation
- 22 Gap Inc. P.A.C.E./RISE
- 24 Capability Building
- 27 Stories

37 ENRICHING COMMUNITIES

- 30 Opportunity Hiring
- 31 This Way ONward
- 33 Stories
- 34 Talent Development
- 36 Employee Engagement and Corporate Giving

- 39 Water Stewardship
- 40 Access: Community Water Resilience
- 42 Reduce and Replenish: Tackling Water Consumption
- 43 Chemicals Management
- 44 Climate Stewardship
- 46 Raw Materials and Product
- 48 Circularity
- 49 Waste

50 GOVERNANCE

- 51 ESG Oversight
- 52 Risk Management
- 53 Responsible Business Practices
- 54 Stakeholder and Political Engagement
- 55 ESG Appendix
- 56 Materiality
- 57 United Nations SDGs Alignment
- 58 GRI Index
- 65 SASB Index
- 74 TCFD Index
- 75 Social Data



ABOUT GAP INC.

Founded in San Francisco in 1969, Gap Inc. is a collection of purpose-led lifestyle brands offering apparel, accessories, and personal care products for women, men, and children under the Old Navy, Gap, Banana Republic, and Athleta brands.

Gap Inc. is an omni-channel retailer, with sales to customers both in stores and online, through company-operated and franchise stores, company-owned websites, and third-party arrangements.

Since 2018, our Athleta brand has been certified as a B Corp, furthering its commitment to using the business as a force for good to drive social and environmental impact. With this accreditation, Gap Inc. is one of the largest publicly-traded retail companies with a B Corp-certified subsidiary apparel brand.

Learn more

[» Annual Filings](#)

ABOUT THIS REPORT

This report covers Gap Inc.'s global operations for fiscal 2022, which ended on January 28, 2023, unless otherwise noted. Our last report covered fiscal 2021 and is available on our website, alongside our past Environment, Social, and Governance (ESG) reports. This report focuses on developments and actions for our key programs, progress toward our corporate and brand goals during the 2022 fiscal year, preparations for activities in 2023, and an analysis of trends and business impacts where available. For our many programs, we provide detailed information on objectives, operations, and our management approach which can be accessed via links in each section.

Throughout this report, we define 'sustainability' as a priority that guides our

efforts to operate responsibly and ensure the future health of the planet and society, led by our Global Sustainability team. ESG is used throughout this report to refer to the work related to the ESG issues impacting the company's performance and longevity.

We sought to prepare this report in reference to the Global Reporting Initiative (GRI) Standards and in alignment with the Sustainable Accounting Standards Board (SASB) Standards and the Task Force on Climate-Related Financial Disclosures (TCFD). Gap Inc. is committed to the United Nations Global Compact (UNG) Ten Principles, and this report serves as our Communication on Progress. We have not obtained external assurance for this report, but its contents have been confirmed by an internal quality review.

The inclusion of information contained in this report is being made in good faith based on information that is available and is valid to Gap Inc. as of January 28, 2023 (unless otherwise specified). The scope of these disclosures does not include our licensing business. Given the inherent uncertainty in predicting and modeling future conditions, caution should be exercised when interpreting the information provided in this report. In addition, the controls, processes, practices, and infrastructures described in this report are not intended to constitute any representation, warranty, or other assurance that such controls, processes, practices, and infrastructures will result in any specific outcome, result, or achievement of a stated target or goal. For questions regarding Gap Inc.'s sustainability efforts or the content of this report, please contact sustainability@gap.com.

OUR COMMITMENT TO ESG: CEO MESSAGE



**BOB L. MARTIN,
INTERIM CHIEF EXECUTIVE OFFICER
AND EXECUTIVE CHAIR OF THE
BOARD, GAP INC.**

As a global company that reaches millions of people around the world, Gap Inc. drives change by working with our partners to create a more sustainable business and equitable industry. Our customers demand – and our purpose-driven brands deliver – products that leave a lighter impact on our planet while uplifting our communities. Global sustainability challenges – from climate change and resource scarcity to racism and sexism – are complex and interconnected. That's why we see sustainability through an inclusion lens.

In this report, we provide transparent updates on the company's progress toward building a more resilient and inclusive business through our Equality & Belonging approach. As a signatory of the UN Global Compact, this report also serves as our Communication on Progress.

In 2022, we made progress on issues critical to our evolving business, while navigating macroeconomic challenges posed to our industry, by focusing on the initiatives with the potential for the greatest impact. Our initiatives are driven by innovation, industry and expert partnerships, supplier and stakeholder engagement, and collaboration with the communities in which we operate. By working together, we have been enabled to scale our impact.

Guided by our robust sustainability framework, we have set science-based targets for climate and context-based targets for water to fulfill our commitment to growing our business in a way that helps protect biodiversity and support healthy communities for generations to come. We also continue to make progress on our Equality & Belonging commitments within our organization and beyond.

FACING CHALLENGES WITH AN EVOLVED ESG APPROACH

Gap Inc. has long valued the importance of creating net-positive impacts by integrating sustainability, inclusion, and ethical governance deeper into our business strategy.

This approach has helped support the broader business strategy through changes that optimize profitability and reduce operating costs.

For example, by driving lighting, renewable, and heating, ventilation, and air conditioning (HVAC) energy-efficiency initiatives and package-reduction innovations, Gap Inc. has saved tens of millions of dollars while decreasing operational emissions and waste since 2020.

Sustainability is deeply integrated at Gap Inc. – through the design and creation of our products to our operations and how we engage with everyone from suppliers to investors and customers. Our sustainability focus prioritizes three pillars that are material to our business: Empowering Women – how we make investments to help empower women, who form the majority of our community and our customer base, to reach their full potential; Enabling Opportunity – how we create more sustainable local economies and a culture of equality and belonging in the communities where we operate; and Enriching Communities – how we protect the natural resources critical to sustaining our operations and ensure healthy communities for generations to come.

KEY ACCOMPLISHMENTS IN 2022

Empowering Women & Human Rights:

- In December of 2022, we were awarded the Secretary of State's Award for Corporate Excellence (ACE) for Responsible Business Operations for our human rights work in the supply chain.
- Gap Inc.'s P.A.C.E. Workplace program has evolved to RISE (formerly Empower@Work), which recently launched operations in Q1 2023, with more than 20 industry peers signed up to deploy the new program in their supply chains.

Enabling Opportunity:

- Along with 13 other companies, we committed to hire 2,275 refugees at Tent U.S. Business summit in September.
- This Way ONward hires now represent 4 percent of Old Navy's entry-level store employees, on track to meet its goal of 5 percent by 2025.

Enriching Communities:

- In 2022, we exceeded our goal to facilitate improved access to clean water and sanitation for 2 million people in India, a critical supply chain country, through the U.S. Agency for International Development (USAID) and Gap Inc. Women + Water Alliance.
- We launched our net-zero commitment and new 2030 water strategy and goals. With challenges as large-scale as climate change and access to clean water and sanitation, we continue to partner with other companies and industries who share our interest in helping to build climate and water resilience in high-risk water basins. In addition, we set two new goals to achieve by 2030:

1. Empower 5 million people touched by the apparel industry to improve their access to clean water and sanitation.
2. Reduce water use and replenish water to nature, equivalent to all the water used in manufacturing apparel and in our company-operated facilities.

LOOKING AHEAD: CREATE FOR ALL, WITH ALL

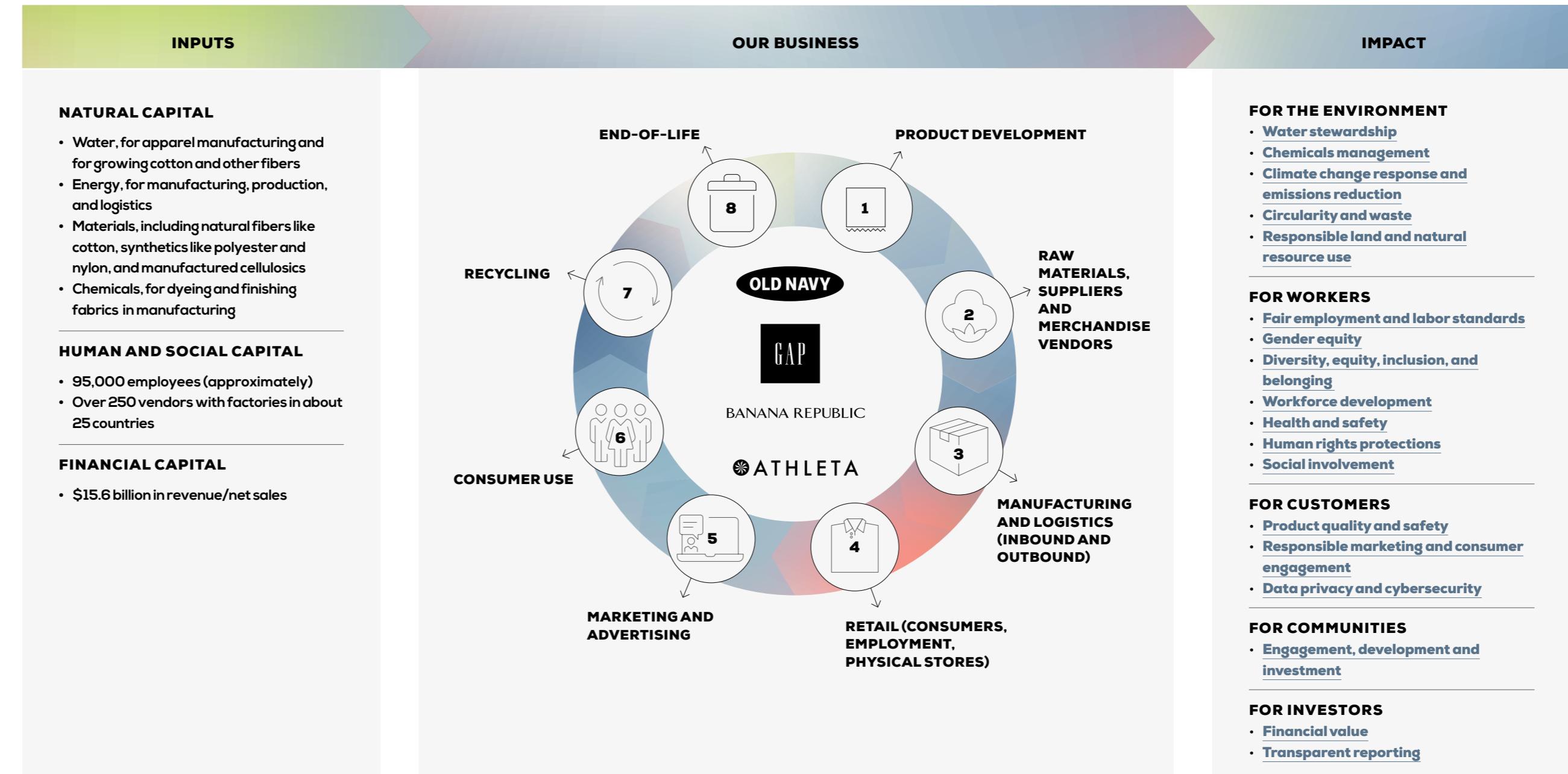
As a global leader in our sector, we have the power to unlock the potential of growing segments of the workforce and bridge access to opportunities that were not previously inclusive of underrepresented groups. Diversity and inclusion must be fundamental in everything we do and be met with increased speed and accountability. Our promise to our employees, customers, and communities is that Gap Inc. will continue to do its part to bridge the gaps between us.

To advance Equality & Belonging, our brands will continue to invest in programs that support diversity, inclusion, and representation for all. There is much more work to do, but we are making progress and remain positive that our commitments are the foundation for a more sustainable way of working.

We are prioritizing the most important and impactful work while thinking long term to build resilience and invest in the future. By driving work with a sustainability mindset, long-term business value can be created alongside social and environmental benefits for people and the planet. It's all part of being Inclusive, By Design.

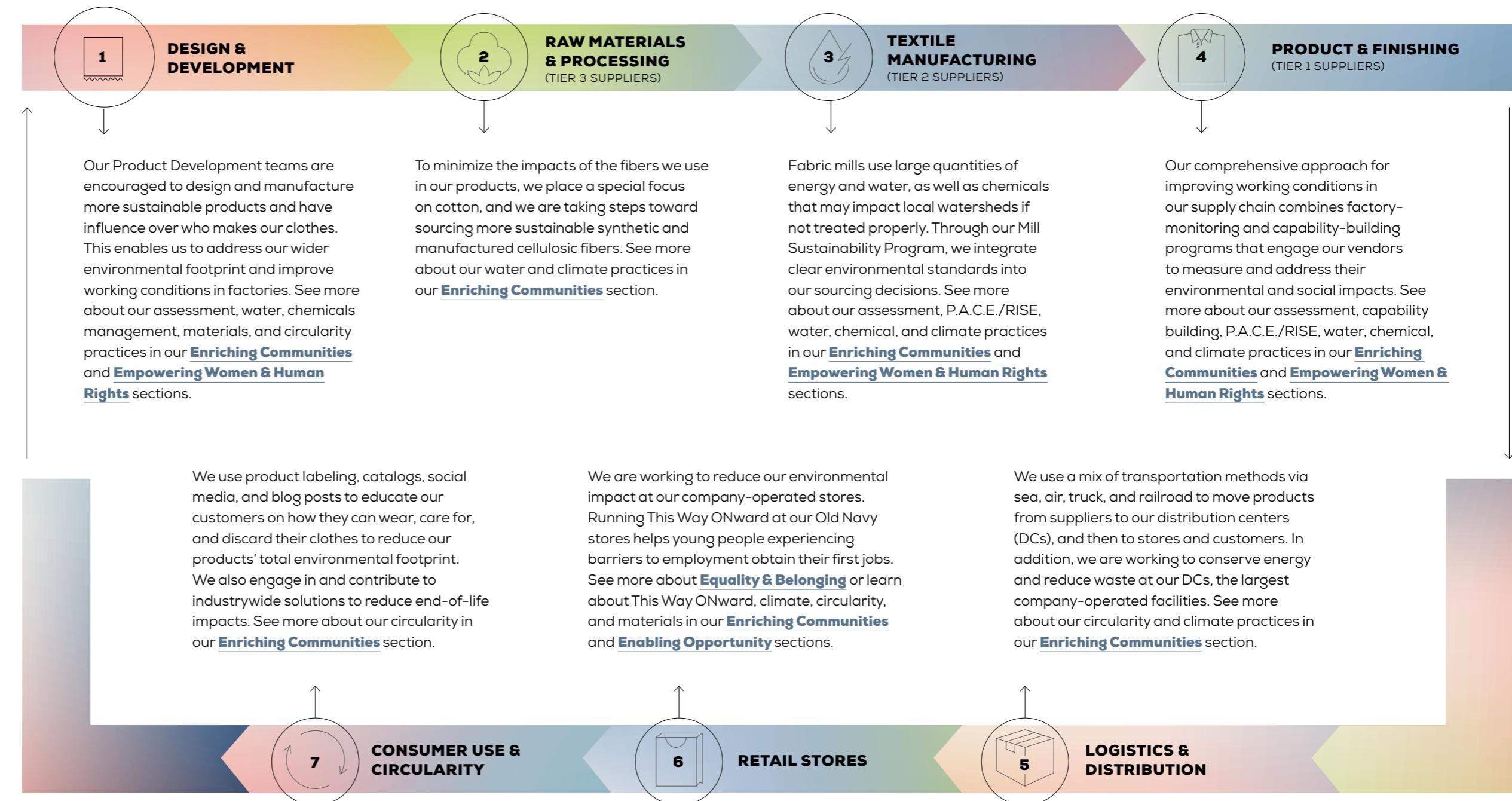
OUR VALUE CREATION MODEL

We consider ESG factors as part of our end-to-end business strategy, through the creation of our products and through all our operations. We create accountability for our ESG strategy by setting goals across Gap Inc. that are shared with the relevant business units. Our ESG team is integrated into our brands and operations to enable sustainability outcomes.



PRODUCT LIFE CYCLE

A key aspect of product design is that we seek to improve the sustainability performance of our business at every stage of a product's life, from the very first design concepts through materials sourcing, manufacture, and distribution to sale, use, and end-of-life.



COMPANY OVERVIEW

BUSINESS HIGHLIGHTS



\$15.6B
revenue/net sales

40M+
active loyalty program members

38% (\$6 billion)
share of revenue
generated online

Licensing and new business activities

[Gap Home](#)

[B2B branded apparel](#)

[Gap on Amazon](#)

95,000
employees (approximately)

[Logistics and fulfilment via GPS Platform Services](#)

2022 AWARDS



Bloomberg **Gender-Equality Index**

CDP **A List for Water** and CDP **Climate Supplier Engagement Leaderboard**

Dow Jones Sustainability Indices (DJSI) **constituent for the 10th year in a row**

Forbes List – **America's Best Employers for Diversity**

Forbes List – **Canada's Best Employers for Diversity**

Forbes List – **World's Top Female-Friendly Companies**

Fortune **500 List**

Human Rights Campaign **Best Places to Work**

Newsweek **America's Most Responsible Companies**

Secretary of State's **Award for Corporate Excellence (ACE) for Responsible Business Operations**

SIGNATORIES/COMMITMENTS/ MEMBERSHIPS



• [15 Percent Pledge](#)

• [Better Than Cash Alliance](#)

• [Black in Fashion Council](#)

• [Boys and Girls Club of America](#)

• [Business for Social Responsibility \(BSR\)](#)

• [CEO Water Mandate](#)

• [Fashion Pact](#)

• [Industry Summit](#)

• [International Labour Organization \(ILO\) and International Finance Corporation \(IFC\) Better Work](#)

• [Open to All](#)

• [RISE \(Reimagining Industry to Support Equality; formerly Empower@Work\)](#)

• [Sustainable Apparel Coalition \(SAC\)/Higg Co.](#)

• [Tent Partnership for Refugees](#)

• [Textile Exchange](#)

• [ThredUP](#)

• [UN Free & Equal](#)

• [UN Global Compact \(UNG\)](#)

• [UNFCCC Fashion Charter](#)

• [Water Resilience Coalition](#)

• [YWCA USA](#)

2022 HIGHLIGHTS

EMPOWERING WOMEN



78%
of our sourcing went to green-rated¹ facilities, on track to reach **80% by 2025**

79%
of our sourcing factories have grievance mechanisms for employee complaints and suggestions

99%
of our Tier 1 factories are participating in **ILO Better Work and/or SLCP** (Social and Labor Convergence Program)

1.3 MILLION

women and girls reached by **P.A.C.E./RISE** since 2007, surpassing our 2022 goal

ENABLING OPPORTUNITY



15,000+

youth hired by This Way Onward since 2007, on track to reach the program's goal **of 20,000 by 2025**. This Way Onward hires represent 4% of Old Navy's entry-level store employees, on track to meet its **goal of 5% by 2025**

LAUNCHED

Opportunity Hiring pilots for refugees, English Language Learners (ELLs), and the Fair Chance community

39%

of employees volunteered

\$26.9M

Gap Inc. and Gap Foundation cash and in-kind donations

ENRICHING COMMUNITIES



100%
of fabrics with PFC-based finishes were successfully converted or exited²

81%

of cotton sourced from more sustainable sources³

16%

of polyester sourced from recycled sources (rPET)

64%

reduction in our Scope 1 and 2 emissions in 2021 from a 2017 baseline⁴

SET NEW GOALS

to launch our updated water strategy

¹ Green-rated indicates high-performing facilities with few violations, none of which were critical.

² PFC-based finishes (which we define as those based on PFAS, or per- and polyfluoroalkyl substances) are no longer being used intentionally in production. Most products available for purchase as of January 1, 2023 are produced without PFC-based finishes, but due to transportation and store inventory timelines and strategies, some styles available for purchase will still have a PFC-based finish.

³ Defined as Better Cotton (formerly BCI), verified U.S.-grown cotton (USCTP), organic, in-conversion (to verified organic), recycled, or regenerative.

⁴ 2022 data will be available on our website later this year.

GAP INC. GOALS AND PROGRESS

Achieved

On track

New goal

Needs attention

Goal	Target Year ⁵	Status	Progress
Empowering Women			
Reach 1 million women and girls through P.A.C.E./RISE	2022	◆	Nearly 1.3 million women and girls have been reached through P.A.C.E./RISE since 2007
100% of our in-scope Tier 1 factories will participate in industrywide efforts by the end of 2023, including SLCP and/or ILO-IFC Better Work, and 100% of Tier 2 strategic mills will participate by 2025	2023/2025	●	99% of in-scope Tier 1 factories are participating 97% of Tier 2 strategic mills are participating
100% of workers employed in our strategic factories ⁶ will have their voices heard through representative workplace committees	2025	●	84% of strategic factories have representative workplace committees (defined as meeting at least 70% of relevant Better Work Academy Social Dialogue Indicators (SDIs) and minimum requirement indicators (SDI 9, SDI 17, and SDI 18))
100% of our strategic factories are investing in women's empowerment through participation in P.A.C.E./RISE	2025	●	35% of strategic factories have at least 50% of their female workers enrolled in or completed the P.A.C.E./RISE curriculum 94% of strategic factories have institutionalized P.A.C.E./RISE as part of their HR management systems
100% of our strategic factories will have achieved gender parity at the supervisor level	2025	●	18% of strategic factories have achieved gender parity at the supervisor level 49% of supervisors in our suppliers' strategic factories are women, globally
100% of our factories will have prevention and response management systems and trainings in place to address gender-based violence	2025	●	46% of factories have prevention and response management systems and trainings in place to address gender-based violence 79% of factories have functioning grievance mechanisms for complaints and suggestions, including gender-based violence and harassment; and 53% of factories have 100% of employees trained on gender-based violence prevention and response each fiscal year
80% of Gap Inc. sourcing will be allocated to green-rated factories	2025	●	78% of our business spend was allocated to green-rated factories
100% of vendors comprising 90% ⁷ of Gap Inc.'s business spend are invited to participate in Better Buying, with scores isolated across brands, working toward annual public reporting on purchasing practices improvements	2025	●	100% of vendors comprising 90% of our business spend have been invited to participate in Better Buying. We continue working toward annual public reporting on purchasing practices improvements
Enabling Opportunity			
Opportunity Hiring			
Hire 5% of Old Navy entry-level store employees from This Way ONward annually	2025	●	4% of Old Navy entry-level store employees were hired through This Way ONward
Reach 20,000 youth through This Way ONward	2025	●	Over 15,000 youth have participated since the program launched in 2007
Equality & Belonging			
Double the representation of Black and Latinx employees at all levels in our U.S. HQ offices, relative to a June 2020 baseline (4% Black, 10% Latinx)	2025	●	5% of our U.S. HQ employees identify as Black (2025 goal: 8%) 9% of our U.S. HQ employees identify as Latinx (2025 goal: 20%)
Increase representation of Black employees by 50% in our store leader roles in the U.S., relative to a June 2020 baseline (9%)	2025	●	10% of our store leaders (defined as General Managers) in the U.S. identify as Black (2025 goal: 13%)

⁵ All target years reference the end of fiscal year, unless otherwise stated.⁶ "Strategic factories" are those representing 80% of our total business spend (defined as: Purchase Order first cost).⁷ Our previous goal applied to 100% of Gap Inc. vendors. In 2021, we revised the goal to apply to the vendors comprising the top 90% of our business spend in order to focus on the vendors where we have the greatest influence and impact.

Gap Inc. Goals and Progress – continued

◆ Achieved

● On track

● New goal

● Needs attention

Goal	Target Year	Status	Progress
Enriching Communities			
Water and Chemicals			
Eliminate PFC-based finishes from our supply chain by 2023, in line with our work toward zero discharge of hazardous chemicals in our supply chain	2023	◆	100% of fabrics with PFC-based finishes ⁸ were successfully converted or exited. At the Gap Inc. level, 95% of apparel and accessories units with water repellent or stain resistant performance were produced without PFCs (up from 38% in 2021, and 7% in 2020). About 1% of apparel and accessories units at the Gap Inc. level had a water repellent or stain resistant finish, down from 1.5% in 2021
Empower 2 million people – including 1 million women – to improve their access to clean drinking water and sanitation	2023	◆	Reached over 2.4 million people
Empower 5 million people touched by the apparel industry to improve their access to clean water and sanitation	2030	●	Developed new partnerships to expand upon water access impact made to date
Reduce water use and replenish water to nature, equivalent to the water used in manufacturing apparel and in our company-operated facilities	2030	●	Establishing baselines and context-based targets
Support a water-resilient supply chain	2050	●	Set 2030 goals (see above) as intermediary milestones
Achieve net-positive water impact in water-stressed regions	2050	●	Set 2030 goals (see above) as intermediary milestones
Climate			
Reduce Scope 1 and 2 greenhouse gas (GHG) emissions by 90% from a 2017 baseline	2030	●	In 2021, Scope 1 and 2 emissions were reduced 64% from a 2017 baseline. 2022 data will be available on our website later this year
Reduce Scope 3 GHG emissions from purchased goods and services by 30% from a 2017 baseline	2030	●	In 2021, Scope 3 emissions from purchased goods and services were reduced 25% ⁹ from a 2017 baseline. 2022 data will be available on our website later this year
Source 100% renewable electricity for our company-operated facilities globally	2030	●	In 2021, 37% of our electricity use at company-operated facilities was from renewable sources. 2022 data will be available on our website later this year
Achieve net-zero emissions across our value chain	2050	●	Transitioned goal from carbon neutral to net zero
Product			
Source 100% of cotton from more sustainable sources ¹⁰	2025	●	81% of cotton was sourced from more sustainable sources
Source at least 45% of polyester from recycled sources (rPET) (some brands have higher goals)	2025	●	16% of polyester was sourced from recycled sources
Waste and Circularity			
Eliminate unnecessary or problematic plastics in packaging to consumers by 2025 and in packaging to businesses by 2030, in line with our Fashion Pact commitments ¹¹	2025/2030	●	49% of Gap, Old Navy, and Banana Republic shopper bags (which represent the main source of our identified unnecessary or problematic plastics) have been transitioned to paper. 100% of Athleta's bags are reusable and were not included in this calculation
Ensure at least half of all plastic packaging is 100% recycled content, for packaging to consumers by 2025 and in packaging to businesses by 2030, in line with our Fashion Pact commitments	2025/2030	●	50% of the content in our polymailers sent to consumers is from recycled sources and 100% of the content in our polybags used in logistics is from recycled sources. We are continuing to expand our measurement of plastic packaging used for consumers and businesses

⁸ PFC-based finishes (which we define as those based on PFAS, or per- and polyfluoroalkyl substances) are no longer being used intentionally in production. Most products available for purchase as of January 1, 2023 are produced without PFC-based finishes, but due to transportation and store inventory timelines and strategies, some styles available for purchase will still have a PFC-based finish.

⁹ Data is subject to change retrospectively each year as we gain better visibility into our respective share of emissions with each of our suppliers.

¹⁰ Defined as: Better Cotton (formerly BCI), verified U.S.-grown cotton (USCTP), organic, in conversion (to verified organic), recycled, or regenerative.

¹¹ In line with our commitment to The Fashion Pact's Ocean Pillar, we use the Ellen MacArthur Foundation's definition of unnecessary and problematic plastic that consists of five criteria.

OUR PURPOSE-LED BRANDS

Our brands are built to have a lasting positive impact on people and the planet. While Gap Inc. develops and manages one shared sustainability strategy and program, each of our four brands contribute to our impact in uniquely positioned ways.

OLD NAVY

GAP

BANANA REPUBLIC

ATHLETA

Mission
Old Navy is on a mission to ensure the world runs right by creating a better tomorrow for future generations through its Imagine Mission's three pillars: inclusivity, opportunity, and sustainability.
Old Navy is imagining a place where everyone feels like they belong, and all the clothes are made with love, not just for Mother Earth, but for our kids, and their kids too.

Gap believes it should be a force for good – for people and our planet. Gap's purpose is to create more sustainable change, enrich communities, and be better for this generation and the next. From water to wash, fiber to factory, Gap's goal is to make the clothes you live in – but to do it responsibly with respect for the planet we all share. Sustainability is an imperfect journey. Gap promises to lead, not react. To use less, not more.

Banana Republic is committed to making better decisions about its products through its legacy of upcycling, conservation efforts, more sustainable styles, and initiatives to make the world better, one garment at a time.

As a certified B Corp, Athleta lives its mission to empower women and girls through its core values of community, inclusivity, and business as a force for good.

Mission

Presence¹²

Do Good Customer Loyalty Rewards Partners

1,238 stores;
\$8.2B revenue

[Imagine Mission Fund](#)

725 stores;
\$3.8B revenue

[DoSomething.org](#)

465 stores;
\$2.1B revenue

[BR x World Wildlife Fund](#)

257 stores;
\$1.5B revenue

[Power of She Fund](#)

¹² Revenue/net sales are for fiscal 2022 which ended January 28, 2023. Store counts are as of January 28, 2023 and do not include franchise stores.

Our Purpose-Led Brands – continued

→ Brand Goals and Progress

BRAND GOALS AND PROGRESS


OLD NAVY
Goals and Progress¹³

100% of eligible U.S. and Canadian stores to participate in a hanger recycling program | Target Year: 2022¹⁴

→ **Progress: 100% achieved**

100% of flip flops made with partially bio-based materials
Target Year: Spring 2023

→ **Progress: 100% achieved**

100% of plastic shoppers transitioned to paper shoppers in U.S. and Canadian stores | Target Year: 2023

→ **Progress: 45% of plastic shoppers have been transitioned to paper**

100% of eligible denim products made using water-saving techniques | Target Year: 2022

→ **Progress: 100% achieved**

100% of cotton sourced from more sustainable sources
Target Year: 2022

→ **Progress: 75% more sustainable sources. Exiting 2022, Old Navy reached 100% more sustainable cotton and will aim to continue at 100%**

60% recycled polyester | Target Year: 2025
→ **Progress: 10% recycled polyester**

85% of fibers in our products made with more sustainable fibers | Target Year: 2025

→ **Progress: 59% more sustainable fibers**


GAP

BANANA REPUBLIC

ATHLETA

100% of strategic factories are investing in women's empowerment through participation in RISE
Target Year: 2025

→ **Progress: 35% of Gap brand's strategic factories are participating**

100% of plastic shoppers transitioned to paper shoppers in U.S. and Canadian stores | Target Year: 2025

→ **Gap Specialty in North America ceased purchasing plastic shoppers and should only have recycled paper shoppers in inventory as of Spring 2023. In 2022, 56% of Gap and Gap Outlet's plastic shoppers were transitioned to paper**

100% of eligible denim and woven bottoms made using Washwell techniques | Target Year: 2025

→ **Progress: 77% made with Washwell techniques**

100% of cotton sourced from more sustainable sources
Target Year: 2025

→ **Progress: 91% more sustainable sources**

45% recycled polyester | Target Year: 2025
→ **Progress: 25% recycled polyester**

50% of fibers in our products made with more sustainable fibers | Target Year: 2030

→ **Progress: 70% more sustainable fibers achieved**

100% of strategic factories are investing in women's empowerment through participation in RISE
Target Year: 2025

→ **Progress: 25% of Gap Inc. strategic factories producing for Athleta are participating**

Gap Inc. Goal: 100% of plastic shoppers transitioned to paper shoppers in U.S. and Canadian stores
Target Year: 2025

→ **100% of Athleta's bags are already reusable and made with recycled materials**

Contribute \$2 million to the Power of She Fund to improve the lives of women and girls in U.S. and Canadian stores
Target Year: 2023

→ **Progress: \$2 million achieved**

45% recycled polyester | Target Year: 2025

90% recycled polyester | Target Year: 2030

→ **Progress: 62% recycled polyester**

¹³ Banana Republic is pushing forward with the creation of a new suite of goals through 2030. Focus will be on biodiversity, circularity, and labor. These are planned to be announced in 2023.

¹⁴ All target years reference the end of fiscal year unless otherwise stated.

ABOUT OUR BRANDS

OLD NAVY

IMAGINING A BETTER FUTURE FOR FUTURE GENERATIONS

Old Navy celebrates the democracy of style and service for all through on-trend, playfully optimistic, affordable, and high-quality products.

The brand has supported Gap Inc.'s ESG strategy through its ambitious programs such as This Way Onward, Old Navy's pioneering platform to develop early-career talent that inspired and built the foundation for Gap Inc.'s Opportunity Hiring programs.

Old Navy also supports Gap Inc.'s environmental goals. Since 2019, Old Navy has saved over 3 billion liters of water using water-reduction technologies such as Washwell, and the brand is lowering the environmental impact of Old Navy products, packaging, and stores through strategies to increase the use of recycled materials and reduce plastic waste.

2022 HIGHLIGHTS

Old Navy donated \$2.5 million to support This Way Onward, helping fuel the next generation of leaders with the skills and confidence they need to succeed in the workplace. By the end of 2022, over 15,000 young people had participated in the program, putting Old Navy more than halfway to its goal of providing 20,000 job opportunities to youth from underrepresented communities.

On the environmental side, Old Navy is proud to show that products can be more sustainable and affordable. In 2022, the brand reached its goal of making 100 percent of Old Navy denim with water-saving techniques. To reduce the use of unnecessary plastic, Old Navy has also successfully implemented hanger recycling in all eligible stores.

When it comes to philanthropic efforts, Old Navy teams celebrated a key milestone in April 2022, reaching 1 million volunteering hours carried out since the Imagine Mission program was launched in 2016.



A FORCE FOR GOOD – FOR PEOPLE AND OUR PLANET

Gap's purpose is to create more sustainable change, enrich communities, and be better for this generation and the next.

The brand contributes to Gap Inc.'s ESG strategy by committing to reduce its environmental impacts in everything from the sourcing of cotton – the most-used fiber in Gap's beloved products – to the use of less water in manufacturing through its innovative Washwell program, which the brand launched in 2016. These strategies shrink the brand's environmental footprint and benefit the well-being of the farming and manufacturing communities across Gap's supply chain.



2022 HIGHLIGHTS

Gap introduced Gap Specialty Men's Oxford Shirt as its first product using cotton sourced from in-conversion farms. As farms convert to organic cotton, farmers begin using organic practices, but can't sell under the organic label for two to three years. While farms are in this in-transition period, Gap extends support and financial assistance, helping these farmers during their transition from conventional to organic farming practices – a critical step to support the growth of the global organic cotton supply. These farms also participated in the USAID Gap Inc. Women + Water Alliance.

Gap supports innovation in product circularity. Through its participation in the Ellen MacArthur Foundation (EMF) Jeans Redesign project, Gap has created responsibly produced denim that's made to be reused and recycled. The brand also participates in a circularity-focused partnership with thredUP® that allows customers to trade-in

gently used apparel. And in North America, Gap Specialty is decreasing plastic waste by replacing all plastic shoppers with recycled paper.

To advance social progress, Gap celebrated International Women's Day by donating \$25,000 to Empower@Work (now called RISE), a collaborative apparel-industry initiative to support factory-based women's empowerment training programs.

As part of the brand's partnership with Dapper Dan on Gap's DAP hoodies, Gap, Dapper Dan, and the Harlem-based social justice and youth development nonprofit The Brotherhood Sister Sol (BroSis) launched the Gap House Sessions, featuring inspirational discussions for an audience of Black and Latinx youth. Gap also donated \$100,000 to support the arts, education, and community work led by BroSis.

BANANA REPUBLIC

**MAKING THE WORLD BETTER,
ONE GARMENT AT A TIME**

Banana Republic is committed to making better decisions about its products – building on its legacy of upcycling, conservation, quality, and more sustainable styles.

The brand creates quality products through more sustainable practices that promote circularity, animal welfare, and responsible sourcing of luxury fabrics like wool, cashmere, and leather. One of the brand's biggest contributions to the Gap Inc. ESG strategy is its innovative approach to product circularity – which makes sustainability synonymous with quality and class.

2022 HIGHLIGHTS

Banana Republic advanced product circularity in different ways in 2022, including launching circular denim through the Ellen MacArthur Foundation (EMF) Jeans Redesign project. Through its partnership with thredUP®, Banana Republic facilitated the sale of 318,000 units of gently used items. Banana Republic has also created new experiences for customers to recycle and resell clothes through a variety of platforms: customers can explore classic styles through

BR Vintage and BR Reissue; and customers can sell clothes through thredUP®. The brand also has a new BR Archive collection that celebrates Banana Republic's heritage of travel and innovation, and offers quality, collectible clothing crafted to last with the finest natural fibers.

The brand invested in employee education by launching an internal sustainability newsletter and offering training for all production functions on how to design for circularity.

To champion inclusion, Banana Republic celebrated Pride by commissioning four LGBTQIA+ artists to create one-of-a-kind pieces incorporating the brand's vintage garments. These works of art were exhibited in stores in San Francisco, New York, Los Angeles, Miami, and Chicago. The brand complemented this collection with a \$25,000 donation to the youth-led **GenderCool Project**, which celebrates transgender and non-binary young people.

Furthering its commitment to the **15 Percent Pledge**, Banana Republic donated \$75,000 to advance the organization's mission – to create supportive ecosystems for Black-owned businesses to succeed. Through the Do Good program, customer donations and Gap Inc. matches totaled \$114,000 for the World Wildlife Fund (WWF), Banana Republic's selected partner. The brand's art launch in November also promised 5 percent of sales to WWF for the next year.

ATHLETA

IGNITING THE LIMITLESS POTENTIAL OF ALL WOMEN AND GIRLS

As a certified B Corp, Athleta lives its mission to empower women and girls through its core values of community, inclusivity, and business as a force for good.

As a brand dedicated to empowering women and girls, Athleta contributes to Gap Inc.'s ESG strategy by increasing women's access to resources, promoting women's agency, and supporting their well-being. Athleta is also helping meet Gap Inc.'s climate goals through its Fern Solar investment in renewable electricity, which offsets 100 percent of the brand's consumption in U.S. and Canadian company-operated stores.

2022 HIGHLIGHTS

Since Athleta launched the Power of She Fund in 2020, the brand has donated \$2 million to support grants for organizations that are focused on women's and girls' empowerment. In 2022, the fund provided grants across three program areas: Move Together, which supports organizations that foster multigenerational connection in their communities through sport, fitness, and

movement-based programming for girls and women; Child Care Grants, a program inspired by Allyson Felix that provides mom-athletes with child-care resources; and Wellbeing for All, which supports women of color entrepreneurs and organizations committed to making wellness and fitness more accessible and inclusive.

In 2022, Athleta partnered with the YWCA – an organization with wide reach among the brand's target population of women – to develop a pilot initiative to support self-care and well-being for underserved women caregivers. The program pilot began in September 2022 and runs through June 2023 in the San Francisco Bay Area and Houston. Athleta will use the pilot to potentially scale up in 2023 those program offerings that are most impactful and feasible in supporting the communities Athleta seeks to impact.

Athleta also supported women's empowerment and well-being in the supply chain through its participation in RISE and Fair Trade™. In 2022, 25 percent of Athleta's strategic factories had met the Gap Inc. 2025 goal to participate in RISE, a new industrywide women's empowerment training program that was created in partnership with BSR's HERproject™, CARE, ILO Better Work, and Gap Inc.'s P.A.C.E. program. To date, Athleta has contributed over \$2.3 million in community development funds directly to factory workers of four Fair Trade Certified™ factories.

As an environmentally conscious brand, Athleta continued to promote circularity efforts and waste reduction. In 2022, Athleta held three employee sample sales that diverted products from landfill. The sales' proceeds, totaling \$162,000, went to the Gap Inc. Selvage Fund, which supports employees in need. In support of circularity, Athleta launched a branded resale shop, Athleta Preloved, with thredUP®. The shop quickly became the largest online resale shop within thredUP®. Since 2020, Athleta customer Clean Out Kits have contributed to reselling 1.5 million garments with thredUP®.

Athleta recertified as a B Corp in the U.S. and Canada in April of 2022.

EQUALITY & BELONGING

Since Doris and Don Fisher opened the first Gap store in 1969, equity and inclusion have been part of our approach to business. From the outset they wanted to make a difference in the lives of employees and customers, and in the communities where they worked and lived. This commitment to diversity and inclusion now shines through in the way we empower our employees and help build the next generation of leaders. Inclusion is also vital to a successful, thriving business and aligns with the fundamental rights that Gap Inc. believes in.

STRATEGY AND COMMITMENTS

Our mission is to harness our people, brand, and voice to drive systemic change. A dedicated Equality & Belonging team ensures we remain focused on

GOALS BY 2025

DOUBLE

the representation of Black and Latinx employees at all levels in our U.S. HQ offices, relative to a June 2020 baseline (4% Black, 10% Latinx)

50% INCREASE

in the representation of our Black employee store leader roles in the U.S., relative to a June 2020 baseline (9%)

PROGRESS

5%

of U.S. HQ employees identify as Black (2025 goal: 8%)

● Needs attention

10%

of our store leaders (defined as General Managers) in the U.S. identify as Black (2025 goal: 13%)

● Needs attention

9%

of U.S. HQ employees identify as Latinx (2025 goal: 20%)

● Needs attention

our goals, embedding equality and belonging into every aspect of our business. Our approach agenda is supported by our initiatives and commitments across three critical areas.

Employee Belonging: Create a culture of inclusion where everyone feels they belong and can reach their potential.

- **Transparency commitment:** Increase transparency, accelerate progress, and contribute to industry learning.

- **Representation commitments:** Double representation of Black and Latinx employees in our U.S. headquarters by 2025. Increase representation of Black employees by 50 percent in U.S. store leader roles by 2025.

- **Gender and pay equity commitment:** Complete independent assessments to measure disparities in race/ethnicity and gender pay.

Community Belonging: Create collective understanding, shared responsibility, and amplify positive impact for vulnerable and underserved communities.

- **Civic engagement commitment:** Invest in education and awareness initiatives to help employees and customers register and exercise their right to vote.

- **Access and pipeline commitment:** Achieve and retain diverse representation in our pipeline and entry-level programs, including creating new pipelines to increase Black representation.

Customer Belonging: Offer products and experiences that make all customers feel seen and welcome.

- **Create for all, with all commitment:** Ensure diverse voices and inclusive practices throughout our brands' creative pipeline.

- **Amplify Black voices commitment:** Amplify diverse voices in creative and marketing.

- **Online and store experiences commitment:** Foster belonging and allyship among employees to ensure inclusive service and stores that are Open to All.

2022 PROGRAM HIGHLIGHTS

OUR PEOPLE – EMPLOYEES

Coast-to-Coast Tour: Creating a deep sense of belonging for all our teams means shifting our approach to how we reach employees across our organization. At the beginning of 2022, we launched an eight-city coast-to-coast tour of our stores in the U.S. to create awareness of the company's Equality & Belonging goals and drive better connectivity between our Headquarters, Store, and Distribution Center teams. We kicked off with our first stop in Atlanta to recognize and celebrate Black History Month, and ended in New York City to honor Latinx Heritage Month. From fostering our employee communities to unlocking access and opportunity for underrepresented talent, the tour helped further build a sense of belonging across the organization.

Equality & Belonging Groups (EBGs): Our EBGs create community and connectivity for our employees, with current EBGs including API@Gap Inc., BLACK@Gap Inc., HOL@Gap Inc., PARENTS@Gap Inc., PRIDE@Gap Inc., VETERANS@Gap Inc., and WOMEN@Gap Inc.

OUR VOICE – COMMUNITY

The GenderCool Project: To kick off Pride Month in June 2022, Gap Inc. and youth-led movement **The GenderCool Project** teamed up for a one-year partnership, with its champions helping to replace misinformed opinions with positive experiences of transgender and non-binary youth. We also gave a combined donation from Gap Inc, Gap, Old Navy,

Banana Republic, and Athleta of nearly \$100,000. Through our one-time "The Denim Divas" drag show Pride Event, all proceeds from the live event and telethon were donated to GenderCool.

Providing Access to Fashion Careers: In 2022, in partnership with **ICON360**, our **Closing the Gap** Initiative awarded nine Historically Black Colleges and Universities (HBCUs) with more than \$500,000 to boost their fashion programs.

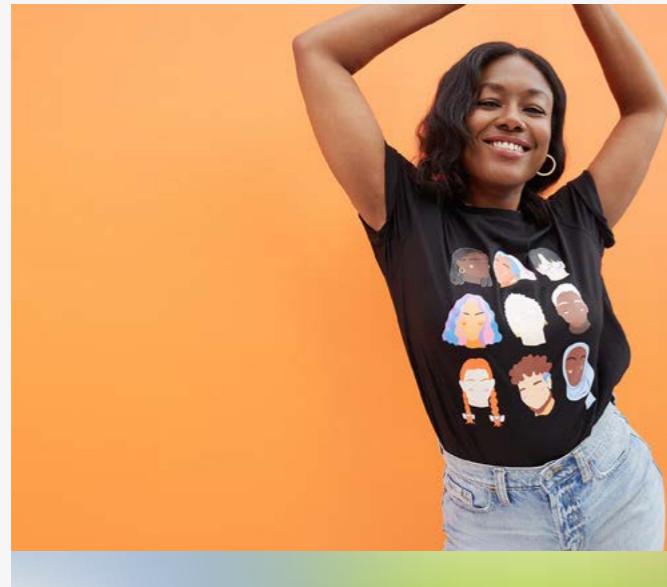
Our brand-new **Design Apprenticeship Program** embeds thoughtful and divergent new designers into our design teams, bringing new energy and diverse perspectives. The goal is to fuel our talent pipeline and ultimately expand our capacity to create. Our inaugural apprentices are fully immersed in several design teams across our brands. They'll spend one year learning from our designers and evolving their skills, offering new insights, supporting critical design processes, receiving specialized training and development, and building lasting career connections.

Lower Eastside Girls Club: Continuing our year-round partnership with **The Lower Eastside Girls Club**, we were excited to celebrate Latinx Heritage Month with the organization. We hosted a **Design Sprint** in partnership with designers from our Create With Audacity initiative, where each participant upcycled products from across our brands to create their own unique designs. Additionally, we invited **Latinas in Tech** to host a "Hackathon" where the participants worked in teams to develop ideas for La Tiendita, the LESGC's retail store in Essex Market.

OUR BRANDS - CUSTOMER BELONGING

Old Navy: Project WE x Fifteen Percent Pledge

In August 2022, The Project WE x Fifteen Percent Pledge launched its first product collaboration supporting diverse artists breaking into the national retail industry. To celebrate the initiative, Old Navy donated \$500,000 to the nonprofit to support the rise of Black creative entrepreneurs. Through the collection, Old Navy provided a platform for artists to grow their businesses and expand their audience, providing a focus for the Pledge's Business Equity Community.



Gap: Dapper Dan

On Giving Tuesday, Gap and Dapper Dan dropped new DAP hoodies featuring Dap's signature designs. We also donated \$100,000 and hosted a Gap House Sessions series with [The Brotherhood Sister Sol](#), a Black-led social justice youth development nonprofit organization in Harlem, where Black and Latinx youth claim the power of their history, identity, and community to build the future they want to see.



Banana Republic: Pride 2022

As part of Pride Month 2022, Banana Republic invited four LGBTQ+ artists to create unique pieces leveraging garments from the brand's archives. The four artists – Serge Gay Jr., Andy Bellomo, Parisa Parnian, and Marcos Chin – used fashion as a form of expression, with style playing an important role in each artist's life, both professionally and personally. To bring the project to life beyond the storefront, each store window display included a QR code directing viewers to a post on Banana Republic's online blog [The Journal](#), featuring conversations with each of the artists.



Athleta: Allyson Felix x Mother Partnership and Fourth Athleta Collection

In 2022, Athleta and Allyson Felix worked to empower mom athletes by providing free, accessible child care, in partnership with nonprofit organization & Mother, for select track and field events. The accessible child-care program kicked off during Allyson's last championship race in Oregon in June 2022. As part of Athleta's continued advocacy to create more equity for women, the brand's Power of She Fund, Felix and the Women's Sports Foundation (WSF) have opened a third round of child-care grants to provide female athletes with \$10,000 grants for necessary child-care resources around training and competing.



EMPOWERING WOMEN & HUMAN RIGHTS

We are dedicated to investing in women, who make up the majority of our customers, leaders, employees, and supply chain workers. We embrace a collaborative approach to our programs that unlocks new possibilities for women and girls. This starts with our commitment to respect the human rights of workers, especially the women who make our business possible.

OUR MATERIAL TOPICS

Gender equity	Purchasing practices
Fair employment and labor standards	Product quality and safety
Supply chain labor standards	Production volume management

IN THIS SECTION

- Human Rights
- Assessment and Remediation
- Gap Inc. P.A.C.E./RISE
- Capability Building
- Stories

For more than a dozen years, we have led and participated in initiatives designed to protect human rights, improve labor standards, remove barriers, and enhance empowerment for workers, and we have endeavored to conduct all of this work through a gender lens.

Workers in the global apparel supply chain, especially those in developing countries, may face labor rights abuse and health and safety issues, which are exacerbated by gender and power imbalances and economic precarity. Beyond the ethical imperative to address such issues, violations can disrupt business and create compliance, regulatory, and reputational risks for our company.

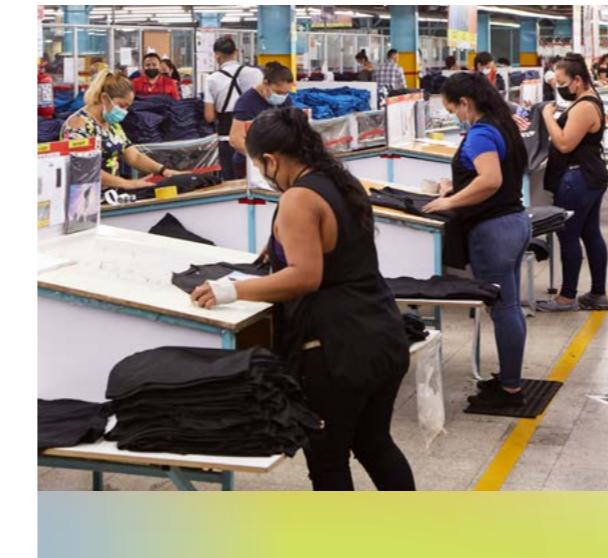
We take a collaborative approach with suppliers, industry peers and partners, government organizations, educational institutions, unions, and NGOs. Our programs work together to support our business continuity and the resiliency of our supply chain.

Empowering Women & Human Rights – continued



HUMAN RIGHTS

We uphold our commitment to respect human rights and cultivate social dialogue across our supply chain through key policies, our Code of Vendor Conduct (COVC), and programs that are based on internationally recognized labor standards and account for local labor laws.



ASSESSMENT AND REMEDIATION

We monitor factories for compliance with laws, management systems, environmental, labor, and occupational health and safety (OHS) standards, including the Gap Inc. COVC and the Sustainable Apparel Coalition's (SAC) Higg Index Facility Environment Module (FEM).



GAP INC. P.A.C.E./RISE

Our Gap Inc. Personal Advancement & Career Enhancement (P.A.C.E.) program provides women and girls with foundational life skills, technical training, and support to advance at work, at home, and in their communities. We are also driving collaboration by integrating P.A.C.E. Workplace into a broader industry collaboration called RISE (Reimagining Industry to Support Equality). Through RISE, factory-based women's empowerment programs will be scaled further and deeper across the apparel industry and beyond.



CAPABILITY BUILDING

We partner with suppliers and stakeholders on a suite of culture-specific programs that give factories and their employees the training and tools they need to improve labor standards and benefit workers, particularly women.

HUMAN RIGHTS

We uphold our commitment to respecting human rights and cultivating social dialogue across our supply chain through our Assessment and Remediation and capability-building programs, and through meaningful engagement with relevant stakeholders.

OUR KEY HUMAN RIGHTS ISSUES

- [Child Labor and Young Workers](#)
- [Discrimination and Harassment](#)
- [Wages and Benefits](#)
- [Fire, Building and Electrical Safety](#)
- [Grievance Mechanisms](#)
- [Short-Term Contracts](#)
- [Human Trafficking and Forced Labor](#)
- [Working Hours](#)
- [Humane Treatment](#)
- [Freedom of Association](#)
- [Foreign Contract Workers and Recruitment](#)
- [Unauthorized Subcontracting](#)

CHALLENGE

Workers in global apparel supply chains may experience unjust or unsafe work environments. Women, who comprise the majority of apparel workers globally, are more likely to be impacted by workplace discrimination, financial challenges, and may also face pervasive gender-based violence and harassment. For Gap Inc., human rights and labor issues have the potential to disrupt our supply chain.

STRATEGY

Our Human Rights Policy, approach to key issues listed to the left, and Code of Vendor Conduct (COVC) form the foundation of our holistic human rights and social dialogue strategy. All are based on internationally recognized Nations (UN) Guiding Principles on Business and Human Rights, UN Global Compact (UNG), Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the International Labour Organization's (ILO) Core Conventions. Our policies also account for local labor laws in each country where we do business.

To uphold these policies and improve supply chain working conditions, we focus on two areas:

- **Risk mitigation:** We use our Assessment and Remediation program to monitor factories for compliance with our COVC and applicable laws, then partner with suppliers to remediate any issues.
- **Value creation:** We partner with suppliers and key stakeholders on a suite of capability-building programs that engage factories with the training and tools they need to improve labor standards and benefit their workers, particularly women. We create business value by deepening strategic partnerships between Gap Inc. and our suppliers.

Participation in these programs, and compliance with international labor standards and laws, is a requirement of doing business with Gap Inc. We incentivize supplier performance by incorporating our COVC assessment scores and capability-building program participation into our vendor scorecard, which drives our sourcing decisions and allows us to prioritize business with suppliers with the highest social and environmental compliance.

Looking ahead, we will be piloting select wage tools within our supply chain to help us analyze more detailed wage data. This will be a key input for future work with relevant stakeholders helping us address relevant wage issues within our supply chain.

IMPACT

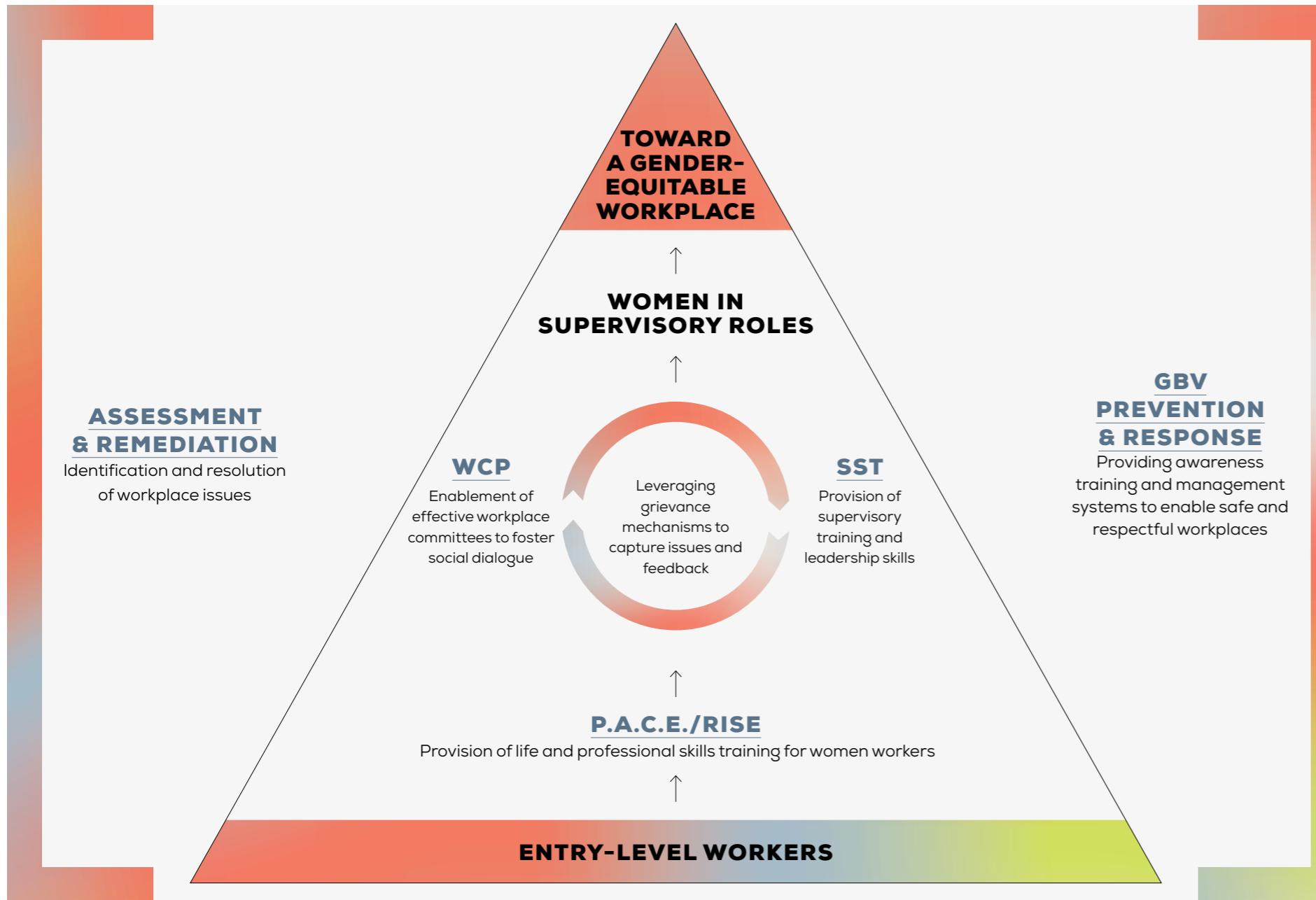
By proactively mitigating and addressing human rights issues through our Assessment and Remediation program and addressing the root cause of issues through our capability building, we are seeking to create an ecosystem that protects the safety and well-being of workers while enabling their opportunities to advance personally and professionally. A critical element and outcome of our Assessment and Remediation program is engaging workers and relevant stakeholders to understand how labor practices are implemented in the factories in which they work. More so, our experience in delivering capability-building programs has shown us that when employees receive relevant training and advancement opportunities, they feel more empowered to advocate for better conditions at their factories. For Gap Inc., these programs help us build a more empowered supply chain by identifying and mitigating risks.

Detailed information on our human rights policies, management approach, and resolution actions for our key human rights issues is available on [our website](#).

TAKING CARE OF PEOPLE

The U.S. Department of State honored Gap Inc. with the Secretary of State's Award for Corporate Excellence (ACE) for Responsible Business Operations for promoting human rights in our supply chain. Gap Inc. was recognized for our work with industry partners and human rights NGOs to lead industrywide action ensuring that workers in the southern Indian state of Karnataka were paid owed wages, allowances, and arrears, despite legal challenges from local industry. Leveraging our scale and influence, our team played a key role in achieving a landmark victory for workers, not just in Gap Inc.'s supply chain, but in the larger apparel sector of Karnataka, which employs over 400,000 people.

CREATING AN ECOSYSTEM FOR EMPOWERING WOMEN



PURCHASING PRACTICES/BETTER BUYING

Purchasing practices of global companies can affect what happens in the supply chain, including excessive overtime, issues related to wages and benefits, and unauthorized subcontracting to factories with poor or unsafe working conditions. Using feedback collected from our vendors through Better Buying, an initiative which promotes responsible labor practices and the protection of human rights in the supply chain, we can reduce these issues and improve our purchasing decisions and practices.

We also integrate sustainability as a component of our vendor scorecard, which influences our purchasing decisions. The sustainability score is informed by each vendor's COVC compliance, Higg FEM, and P.A.C.E./RISE participation.

By aligning sourcing decisions and accountability with our social sustainability goals, we have improved supplier adherence to international labor standards, confirmed by [an independent 2019 study](#) by researchers at the University of Oxford and the University of Toronto.

GOAL BY 2025

100%

of vendors comprising 90%¹⁵ of Gap Inc.'s business spend are invited to participate in Better Buying, with scores isolated across brands, working toward annual public reporting on purchasing practices improvements

PROGRESS

100%

of vendors comprising 90% of our business spend have been invited to participate in Better Buying. We continue working toward annual public reporting on purchasing practices improvements

● On track

ASSESSMENT AND REMEDIATION

Our Assessment and Remediation program monitors our factories for compliance with international labor standards and laws; management systems; and environmental, labor, and OHS standards, including the Gap Inc. Code of Vendor Conduct (COVC) and the SAC Higg FEM. Our Supplier Sustainability Assessment Manual outlines the protocols we use to assess and remediate labor and working conditions issues.

CHALLENGE

While our COVC has been in place since 1996, we continue to actively engage with suppliers to address violations relating to worker safety, labor standards, and environmental compliance. Additionally, because different companies sourcing from the same factory have slightly different compliance processes, suppliers may experience “audit fatigue” by spending time and resources on company-specific audits and remediation plans that could otherwise be used to address the root cause of issues.

GOAL BY 2025

80%

of Gap Inc. sourcing will be allocated to green-rated factories

PROGRESS

78%

of our business spend was allocated to green-rated factories

● On track

GOAL BY 2023/2025

100% of our in-scope Tier 1 factories will participate in industrywide efforts by the end of 2023, including SLCP and/or ILO-IFC Better Work, and 100% of Tier 2 strategic mills will participate by 2025

PROGRESS

99%

of in-scope Tier 1 factories are participating

● On track

97%

of Tier 2 strategic mills are participating

● On track

STRATEGY

We work closely with suppliers to support their compliance with all applicable laws, environment and labor standards, OHS requirements, and management systems. Our approach is two-fold, starting with assessments:

1. We conduct three types of assessments: (1) initial assessments for approval into our supplier base; (2) full assessments on our complete COVC, which typically happen annually and include interviews, visual observations, and document reviews; and (3) follow-up assessments, which look at progress on corrective action plans identified during the initial or full assessment.

2. After initial and full assessments, we assign suppliers a color-coded rating based on their performance: green for high-performing factories with fewer violations; yellow for average performers; and red for factories that need to address one or more serious issues. Our approval process prevents red-rated factories from entering our sourcing base and, should a factory or vendor fail to address persistent, serious non-compliances, we create a responsible exit plan and continue to monitor the factory to address pending issues during deactivation.

We immediately work to remediate any serious issues or allegations through the following steps: (1) notify relevant parties of the issue’s status; (2) assess the risk to determine the responsible party or parties and conduct further investigations and due diligence; (3) conduct a root cause analysis and

assess factory-management systems by working with the complainant(s), the factory and vendor, local and international stakeholder groups, and other brands sourcing from the same factory; and (4) have the factory immediately stop all actions related to the alleged violation.

If the issue is a violation of our COVC or a breach of our Human Rights Policy, the parties are informed of the results of any investigation, and corrective action plans are developed. The corrective action plan submitted by each factory must include a plan to address findings noted in the assessment report from Gap Inc.; specific corrective actions to eliminate the root cause of the finding; information on who is accountable at the factory; and a deadline for completing each corrective action. We consider the grievance or complaint closed when the issue is resolved and we have determined through our Assessment and Remediation framework that the appropriate remedy has been provided in accordance with our COVC and Human Rights Policy expectations.

IMPACT

Through transparency and partnerships across our supply chain, we aim to improve worker well-being, respect human rights, reduce environmental impacts, and improve business performance – while helping our suppliers and their factories uncover efficiencies from streamlined industry tools and processes. We aim to reduce the challenge of audit fatigue and the duplication of industry efforts, leveraging industry initiatives and tools such as

Social & Labor Convergence Program (SLCP), Higg FEM, and ILO-IFC Better Work.

As a signatory to the SLCP, we support ways to improve working conditions in global supply chains by encouraging the wider adoption of the SLCP tool, which helps assess the social and labor performance of manufacturing facilities while reducing the duplication of industry efforts.

2022 PROGRESS

At the end of 2022, 74 percent of suppliers were rated green, 25 percent yellow, and less than 1 percent red; 78 percent of our business spend was with green-rated factories, putting us on track to reach our goal of sourcing at least 80 percent from green-rated factories by 2025. Also, 81 percent of COVC issues open at the start of 2022 were resolved by the end of the year.

We expanded the use of SLCP in our Tier 1 supply chain and with our strategic factories in Tier 2. We also worked with ILO-IFC Better Work to support its use of the SLCP tool going forward. This harmonization allows us to allocate more resources toward remediation and capability building.

In 2022, 12 percent of assessments were conducted by Gap Inc., 32 percent by ILO-IFC Better Work, and 50 percent through SLCP.

PROGRAM SPOTLIGHT

P.A.C.E./RISE

Pioneered in 2007, the Gap Inc. Personal Advancement & Career Enhancement (P.A.C.E.) program provides women and girls with foundational life skills, technical training, and support to advance at work, at home, and in their communities. We are also driving collaboration by integrating P.A.C.E. Workplace into a broader industry collaboration called RISE (Reimagining Industry to Support Equality).

GOAL BY 2022**1 MILLION**

women and girls reached through P.A.C.E./RISE

PROGRESS**1.3 MILLION**

women and girls (approximately) have been reached through P.A.C.E./RISE since 2007

**GOAL BY 2025****100%**

of our strategic factories are investing in women's empowerment through participation in P.A.C.E./RISE

PROGRESS**35%**

of strategic factories have at least 50% of their female workers enrolled in P.A.C.E./RISE

94%

of strategic factories have institutionalized P.A.C.E./RISE as part of their HR management systems

**CHALLENGE**

Gender inequality is a persistent global issue which significantly impacts women and girls, from gender-based violence and discrimination to lack of representation and voice in positions of power. All these factors create workplace barriers and economic disadvantages for women, who make up the vast majority of the apparel industry's supply chain workforce. This can create human rights and labor risks in our supply chain and subsequent reputational and supply chain resiliency risks for the company. Gender inequality also stymies broader economic progress, and as a signatory to the UNGC, we have a responsibility to support the [UN Sustainable Development Goals](#), including Goal 5 on gender equality.

and expand reach and impact. The organization will support gender equality efforts through partnerships with local civil society organizations to improve workplace systems and practices, and encourage and influence leadership from brands, buyers, suppliers, and worker representatives. Our original program partners with suppliers to deliver P.A.C.E./RISE curriculum to workers in apparel factories, using a trainer-led model with tailored courses on topics such as communication, time and stress management, financial literacy, women's health and hygiene, and more. P.A.C.E. Workplace/RISE is integrated into our Supplier Sustainability program through our vendor scorecard, signaling to vendors that the program is a strategic priority and an expectation of our partnership with them.

P.A.C.E. Community: We expanded P.A.C.E. in 2013 by forming strategic partnerships with government, educational, and other institutions to support women in communities in our top sourcing regions. In 2016, we introduced programming for girls aged 11-13 and 14-17 to create a generational impact. We also developed a program for men and boys, offering them existing curriculum on topics like finance and adding new curriculum to help them understand the experiences of women and girls and the role men and boys play in achieving gender equality. A 2021 Global Communities study analyzing these programs in Tanzania reported changed attitudes and behaviors for men and boys when it came to traditional gender norms as well as improvements across multiple areas including communication, WASH (water access, sanitation, and hygiene) practices, problem-solving, decision-making, and

time and stress management. Since gender inequality intersects with environmental issues like the water crisis, we created a WASH curriculum to address water issues through the lens of people and human rights. Since 2017, we have leveraged the P.A.C.E. curriculum with an emphasis on WASH modules to support the [Women + Water Alliance](#).

Inspired by P.A.C.E: Athleta is partnering with the YWCA – an organization with wide reach among the brand's target population of women – to develop a pilot initiative to support self-care and well-being for underserved women caregivers. Supporting Athleta's mission to empower women and girls, the pilot contributes to the brand's overall commitment to B Corp certification.



P.A.C.E.
Gap Inc.

Program Spotlight: Gap Inc. P.A.C.E./RISE – continued

PROGRAM SPOTLIGHT – CONTINUED

IMPACT

P.A.C.E./RISE benefits our business through increased efficiency, productivity, performance, and retention in participating factories. A 2019 study in India reported a 20 percent increase in productivity among P.A.C.E./RISE participants. In [International Center for Research on Women \(ICRW\)](#) evaluations, P.A.C.E./RISE participants reported improved efficacy, and other self-reported data from factories suggests that timely work output is greater and turnover is lower among P.A.C.E./RISE participants.

Our aim is to create a world where women and girls can improve their quality of life by realizing their full economic and social potential. This benefits both society and the economy, as women tend to reinvest more of their earnings back into their families and communities.¹⁶

Third-party research and participants' self-reported improvements demonstrate the social and business impacts of P.A.C.E./RISE:

A 2021 [CARE study](#) of P.A.C.E. Community programs in Bangladesh found that participants experienced a 70–75 percent improvement in communication, problem-solving, decision-making, and time and stress management. The same study found that, compared to peers, P.A.C.E. participants reported much greater satisfaction when it

came to their achievement in life, their feeling of belonging to the community, their future security in life, and their satisfaction with their standard of living.

A 2021 [Global Communities study](#) of P.A.C.E. Community programs in Tanzania found that participants reported improvements in many areas, including communication, WASH practices, problem-solving, decision-making, and time and stress management. This program, aimed at men and women, also helped participants address the division of household labor and improved spousal relationships. Since the program for men and boys aims to change attitudes and behaviors that perpetuate gender inequality, it's notable that both male and female participants reported a shift in traditional gender norms.

2022 PROGRESS

In 2021, a year ahead of schedule, we achieved our goal of reaching 1 million women and girls who directly participated in P.A.C.E./RISE. These women and girls accessed programs across 19 countries.

2022 highlights include:

- P.A.C.E. Workplace/RISE:** With P.A.C.E./RISE considered in our vendor scorecard, business volume placed with participating factories increased from 76 percent in April 2022 to 86 percent in January 2023.

- P.A.C.E. Community:** Through our partnership with India's Ministry of Rural Development, we helped customize the curriculum and create a student handbook. We're also expanding P.A.C.E. Community in India in partnership with the Self-Employed Women's Association (SEWA). P.A.C.E. is now offered in 10 states after we expanded into six new states in 2022 (Jammu and Kashmir, Kerala, Manipur, Nagaland, Telangana, and Tripura), and in 2023, we plan to reach three more states and add two new countries (Sri Lanka and Nepal).

In Cambodia, we continued our partnership with Kampuchea Action to Promote Education to integrate P.A.C.E. education into 50 government schools to date. In partnership with CARE in Indonesia, we have finished integrating P.A.C.E. 11–13 training into all junior schools' counseling curriculum. Looking ahead, we will be working with Plan International to expand girls-specific programming to other political districts and geographies.

As part of our new partnerships, we're exploring new curriculum offerings, and have piloted a learning module on environmental issues to educate people to champion recycling, clean water, renewable energy, and other environmental practices within their communities. We're also exploring community radio as a means to share P.A.C.E. curriculum with remote communities. As we further develop P.A.C.E. Community, our aim is to bring these programs closer to our supply chain communities to increase regional impact.

KEY METRICS

1,290,000+
total women and girls reached

674
facilities participating

133
vendors

35
community partners

19
countries

250%
ROI for vendors after nine months

6%
turnover rate for P.A.C.E./RISE women

9%
turnover rate for non-P.A.C.E./RISE women

CAPABILITY BUILDING

Our capability-building programs address different opportunities to create a better working environment for factory employees, with a focus on protecting women's safety and rights and advancing their leadership potential. These programs give factories the tools to train supervisors effectively, facilitate conversation between workers and management, offer digital wages, and educate all employees on how to prevent and address gender-based violence.

GOAL BY 2025

100%

of workers employed in our strategic factories¹⁷ will have their voices heard through representative workplace committees

PROGRESS

84%

of strategic factories have representative workplace committees, (defined as meeting at least 70% of relevant Better Work Academy Social Dialogue Indicators (SDIs) and minimum requirement indicators (SDI 9, SDI 17, and SDI 18))

On track

¹⁷ "Strategic factories" are those representing 80% of our total business spend (defined as: Purchase Order first cost).

¹⁸ Betterwork.org

CHALLENGE

Factory-assessment programs alone do not resolve complex workplace issues such as worker-management relationships, social dialogue, and gender-based violence. Issues related to these more complex topics may go undetected through a factory assessment, and even if they are identified, they can be difficult to resolve through traditional compliance approaches.

STRATEGY

Assessing factories and remediating issues form the foundation of our strategy to respect human rights in our supply chain, while our six capability-building programs – Workplace Cooperation Program (WCP), Supervisory Skills Training (SST), Gender-Based Violence (GBV) Prevention and Response, Digital Wages, Workforce Engagement Program (WEP), and P.A.C.E. Workplace/RISE – work to engage suppliers more deeply, giving them the tools, training, and resources needed to address different challenges related to labor, human rights, and gender equality.

ILO-IFC Better Work – which supported the development of our WCP, SST, and GBV Prevention and Response – helps implement these programs through the Better Work Academy, which Gap Inc. helped establish in 2018. We also support our suppliers in running these programs, and our ultimate mission is to build factories' capacity to sustain these programs on their own.

IMPACT

Our programs aim to help suppliers create an equitable, empowering work environment that helps their employees, especially women, thrive in their jobs. This helps our suppliers become preferred places to work, and it reduces their costs by improving employee loyalty, reducing turnover, and increasing productivity. Consequently, we benefit from improved compliance, reduced labor and human rights risks, and a stronger, more resilient supply chain. We also reap reputational benefits by operating programs that create social impact aligned with the values of our purpose-led brands.

WORKPLACE COOPERATION PROGRAM (WCP)

We adopted WCP in 2016 to provide training to worker and management representatives in factory bipartite committees, to enable constructive dialogue, build harmonized industrial relations, and facilitate issue resolution.

While workers on the factory floor have the most visibility into challenges, they are not always empowered to share their grievances and ideas for solutions with managers or communicate effectively. This issue can be exacerbated by gender dynamics when the majority of managers are men, and most workers are women.

Our strategy to address this problem is to implement WCP in our strategic factories to improve the effectiveness of their bipartite committees – which include elected representatives from management and line employees. Our training sessions cover a

variety of topics from workplace communication, roles and responsibilities of bipartite committees, risk assessment, problem-solving, health and safety to guidance on how to respect and abide by workers' fundamental rights at work (as outlined in the ILO's Core Conventions). In some factories, we offer a train-the-trainer workshop so that onsite trainers can continue to carry out WCP on their own.

At the start of the program, we conduct a baseline survey, and conclude with an endline survey as well as a graduation ceremony to recognize participants. The survey data shows that once functioning bipartite committees are in place, workers feel more empowered to raise concerns, and that these concerns are more quickly addressed. A 2019 evaluation of the program¹⁸ by York University and Better Work underscored our findings. Our quarterly data-collection tool for factories measures business performance indicators such as absenteeism, number of grievances, and productivity. For factories, WCP helps mitigate problems before they start impacting business operations. When factories resolve issues internally, this also reduces the number of issues that we need to address through traditional assessment and remediation processes.

Since 2016, WCP has been implemented in 287 factories across 12 countries, and 31% of strategic factories have gender-equitable committees.

Capability Building – continued**SUPERVISORY SKILLS TRAINING (SST)**

This three-day training program was launched in 2018 to help middle managers and supervisors improve their leadership skills, build good relationships, and communicate with workers more effectively.

When supervisors don't receive formal training on people management and leadership, it can lead to workplace challenges such as aggressive behavior and harassment, low employee morale, high labor

turnover, and absenteeism – all of which can have adverse effects on the wider company. Gender imbalances, such as male leadership teams, can further impede women's growth and development.

Our strategy to address these challenges is to provide training to existing and prospective supervisors on how to be more effective in soft skills like listening, fairness, time management, and conflict resolution. SST also helps supervisors learn about stereotypes so they can recognize their own biases and practice

more inclusive management styles. We encourage our strategic factories to prioritize the inclusion of women in SST to support our goal for gender parity in supervisory roles.

As a result of training, supervisors are more respectful, treat workers better, and are well equipped to respond to workers' grievances, which can improve workplace culture and working conditions. Our pre- and post-training data for lines managed by trained supervisors also shows improved production efficiency by an average of 7 percent.

We maintain a zero-tolerance policy for physical, psychological, and sexual harassment. But it's not enough to rely solely on assessments to detect and address these challenges – GBV prevention and response training plays a central role in raising awareness among employees at all levels in the factory – from line workers to top management – on this important issue. For Gap Inc., these programs help reduce labor and human rights risks in our supply chain.

Our strategy focuses on three areas: raising awareness of GBV, why it happens and what can be done about it; investing in preventing and addressing the issue in the workplace; and using our prevention and response spectrum to identify, address, and remediate issues immediately.

GOAL BY 2025**100%**

of our strategic factories will have achieved gender parity at supervisor level

PROGRESS**18%**

of strategic factories have achieved gender parity at the supervisor level, and 49% of supervisors in our suppliers' strategic factories are women, globally

- On track

100%

of our factories will have prevention and response management systems and trainings in place to address gender-based violence

46%

of our factories have prevention and response management systems in place to address gender-based violence. 79% of factories have functioning grievance mechanisms for complaints and suggestions, including gender-based violence and harassment

- On track

Since 2018, SST has been rolled out in 356 factories, and a total of 11,800+ supervisors (47% women) and 748 prospective supervisors (52% women) have received training by Gap Inc. teams, Better Work, or factory trainers. At 80 factories, at least 90% of their currently employed supervisors have been trained.

As of the end of 2022, 491 facilities are participating in our GBV Prevention and Response program.

GENDER-BASED VIOLENCE PREVENTION AND RESPONSE

Launched in 2018, our GBV Prevention and Response program prepares factories to lead annual trainings for employees. We also review and improve our factories' GBV policies and grievance mechanisms, support government policies that address this issue, and tailor our training programs to align with such legislation.



Capability Building – continued**DIGITAL WAGES**

In 2017, we began working with partners, such as the UN Better Than Cash Alliance, to help our Tier 1 factories transition from cash-based wage payments to digital wage payment systems, including mobile wallets, bank accounts, and debit cards.

In the apparel sector, cash wages are common, which increases the risk of income loss or theft and makes it difficult for workers to access formal financial services such as savings, credit, and insurance. This challenge extends globally: nearly 30 percent of adults in developing economies do not have a bank account, with even higher rates among women.¹⁹ Workers may also have limited knowledge of the banking system, lack trust in the financial services industry, or have lower literacy rates.

Our strategy is to implement digital wage payment systems to support financial inclusion, improve supply chain transparency and efficiency, ensure workers are paid, and increase their financial control through safe options to save, spend, and invest. We do this by addressing different barriers to digital wages and engaging with individuals (by providing financial literacy workshops through P.A.C.E./RISE), factories (by making the case that digital wages can improve efficiency, reduce time spent on payroll, and save money), and banks and governments (by addressing regulatory and infrastructure constraints to create affordable and accessible financial products and services).

Since 2017, we have increased the share of our Tier 1 suppliers that offer digital wage payment systems from 68% to 99%.

We recognize that we cannot solve challenges across the banking ecosystem alone (for example, some banks argue that it's not profitable to offer payroll services to the garment industry), and we partner with a broad set of stakeholders, including nonprofit organizations and other international buyers, to identify solutions that can help us address the systemic barriers to wage digitization. In Egypt, Cambodia, and Bangladesh, for instance, we initially faced resistance from suppliers and employees. In Cambodia, we worked to overcome this by holding Cluster Digital Wage Workshops with factory managers, bringing suppliers together with those already using digital wages as well as local bank officials to share practical experience and payroll product options.

WORKFORCE ENGAGEMENT PROGRAM (WEP)

Launched in 2017, WEP allows workers to provide direct feedback to management using mobile technology.

Workers have valuable insights to share, but they don't always feel it's safe or convenient to do so, sometimes leading to unsolved factory safety hazards or harmful relationship dynamics. Our strategy is to make it anonymous, safe, easy, and efficient for workers and managers to give and receive information with increased use of WEP tools leading to improved working conditions and more engaged workers. Over the years, we have learned of factors that contribute to WEP's success: the program is more effective in areas with higher mobile phone use, in factories that have dedicated staff to respond to feedback and create improvement plans, and in factories that tailor the tool with bespoke content or integrate WEP with popular apps such as WeChat. Factories are also more likely to value and use this tool when they have ownership over the program, so we aim to play an advisory role while factories manage their own programs.

By the end of 2022, WEP was active in approximately 40 factories.



▲ WEP allows workers in our supply chain to provide their feedback anytime, anywhere, from their mobile device.

¹⁹ [Worldbank.org](#)

STORIES**P.A.C.E./RISE STORY:
THE LIFE-CHANGING POWER
OF TIME MANAGEMENT**

Luyen wasn't expecting her job to change her personal life. A lot of factories have opportunities for workers, but she said fate brought her to the folding department at the Yakjin Vietnam Co., Ltd., where she joined the P.A.C.E./RISE program. In addition to learning job skills like communication and problem-solving, she learned time management – and it transformed her.

Before P.A.C.E./RISE, Luyen and her husband, who also works away from home, had little time to spend with their son, age seven, and daughter, age three. Although they had a babysitter during the day, Luyen was exhausted when she returned from the factory and still had to do housework. "I cannot keep calm," she recalled. Everyday hardships – like her kids getting sick and needing care at night – caused marital tension. She worried she might have to quit her job.

But after participating in P.A.C.E./RISE, she applied her new time-management skills at home. "I set up a daily schedule so that the work is no longer messy, I have more time to take care of the children, teach them to study, and take them out to play," she said. "I have realized that my family's life has become happier, and filled with more laughter and less stress and fatigue."

**WCP STORY:
USING BETTER COMMUNICATIONS
TO FIX A FACTORY LEAK**

Xiu'en, a sewing worker in China, always felt a little uncomfortable talking with her team leader about problems in her job. Then she learned a new communications approach through her factory's WCP program.

One day, she applied this technique to tell her manager about a leak near her job site. Her boss got it fixed that day. "I think that timely and effective communication is super important and brings convenience for everyone," she said. Now she models the approach for fellow workers, and she feels comfortable raising issues with management.



▲ Mo Xiu'en with dark blue mask and her teammates. (Photograph by Guangzhou JF for Gap Inc.)

**SST STORY:
A SOFTER MANAGEMENT STYLE
INCREASES PRODUCTIVITY**

When Thi Tuoi became a sewing-line leader in Vietnam, she had already been working at the factory for 12 years. She had great technical skills, but she had yet to learn how to manage people, and the 30 workers on her line were afraid of her tough leadership style. Morale was low, and so was her line's productivity. In 2021, her line averaged an output of 50–60 percent.

That December, Thi Tuoi attended the SST training and learned how to improve her approach. She learned to listen, set goals, create a workplan, and proactively ask if her line needs help. Today, she's more respectful and respected, and by January 2022, productivity at her line reached 80–90 percent.

**HUMAN RIGHTS CASE STUDY:
GAP INC. EXPANDS GENDER-BASED VIOLENCE
PREVENTION PROGRAMS IN TAMIL NADU**

In 2022, Gap Inc. signed a three-year agreement with Tamil Nadu Textile and Common Workers Union (TTCU), Asia Floor Wage Alliance (AFWA), Global Labor Justice-International Labor Rights Forum (GLJ-IRLF) along with other global apparel brands, to jointly develop a new program to help prevent and remediate gender-based violence and harassment (GBVH) at Natchi Apparel, a factory and spinning mill operated by Eastman Exports in India. The effort builds on Gap Inc.'s financial support for GBVH prevention programs in its supply chain and its commitments to use the company's industry partnerships and commercial leverage to incentivize good faith performance.

The organizations participating in this agreement will provide regular GBVH training for the workforce and establish a new grievance process where issues are investigated by independent experts. Workers will serve as trained peer educators and shop floor monitors trained to detect and report incidents of GBVH. The program is expected to reach 5,000 workers in spinning mills and sewing facilities in the first year.

The agreement is one element of Gap Inc.'s broader strategy to empower and respect the rights of workers in its supply chain and honors the loss of a garment worker, Jeyasre Kathrivel, who was a member of TTCU and an employee at Natchi Apparel. Gap Inc. has never sourced products from Natchi Apparel but has relationships with other factories operated by its parent company, Eastman Exports.

Gap Inc. has experience collaborating with suppliers through our Gender-Based Violence Prevention and Response program to build awareness, strengthen policy, and improve grievance mechanisms. We aim to ensure 100 percent of our factories have GBVH training, prevention, and response systems in place by 2025. The majority of our approved factories have conducted manager training on GBVH in partnership with ILO Better Work in the countries in which it operates.

ENABLING OPPORTUNITY

We use the assets and scale of our business to enable economic mobility for our focus communities. Our programs and partnerships open doors to underrepresented talent across gender, race, nationality, language, age, and more. In addition to developing skills, we aim to create a sense of belonging for everyone who interacts with our business.

OUR MATERIAL TOPICS

- Health and safety
- Talent attraction and workforce development
- Diversity, equity, inclusion, and belonging
- Community engagement

IN THIS SECTION

- Opportunity Hiring
- This Way ONward
- Stories
- Talent Development
- Employee Engagement and Corporate Giving

People from underrepresented communities often have limited access to opportunities, especially jobs. This constricts business, the economy, and society.

We aim to help more people fulfill their potential, position our company for growth and success, and contribute to more sustainable economies that enable opportunity for all through a strategic approach in four areas.



OPPORTUNITY HIRING

We facilitate access to job opportunities and career advancement, continuing with our decades-long work with opportunity youth,²⁰ and are expanding efforts to work with refugees, English Language Learners (ELLs) and people impacted by the justice system. This supports economic mobility for these groups and helps us develop new talent pipelines to fill critical frontline jobs.



THIS WAY ONWARD

This Way Onward provides personalized employment training to young adults, especially those from Black and Latinx communities. Through one-on-one mentorship, coaching, and on-the-job skill building, This Way Onward helps provide a meaningful employment experience that allows young adults to develop skills they can build upon.



TALENT DEVELOPMENT

Through our talent-development programs, we aim to build workplace equity, offer learning and development opportunities, and provide secure benefits that satisfy our employees' evolving needs within a flexible working environment.



EMPLOYEE ENGAGEMENT AND CORPORATE GIVING

We aim to be a force for good in the world by making a difference on key social and environmental issues and improving the lives of our employees, customers, and the communities we reach.

²⁰ Opportunity youth are young people who are between the ages of 16 to 24 years old and are disconnected from school and work. This developmental time period, also referred to as emerging adulthood, has great potential for individual growth through exploring independence and life opportunities.

OPPORTUNITY HIRING

Our Opportunity Hiring programs – which began in 2007 with our early-career talent program This Way ONward – focus on helping underrepresented groups gain access to job opportunities and advancement. By supporting opportunity youth and expanding our reach to refugees, English Language Learners (ELLs), and those impacted by the justice system, Gap Inc. benefits with new talent recruitment and filling essential frontline roles in its stores and DCs.

CHALLENGE

The populations we target in our Opportunity Hiring programs face significant barriers to employment and economic mobility, from degree requirements for certain jobs to systemic factors such as racism and discrimination; access to transportation; limited English language skills; knowledge about American work culture, processes, and networks; and more.

Over 12 million U.S. adults have limited English proficiency – the majority of which are Spanish speakers²¹ – which can create barriers to employment.²² Since 2021, the U.S. has experienced a massive influx of refugees, which includes refugees from Afghanistan and Ukraine.²³ As many as 100 million Americans – a disproportionate percentage of whom come from Black and Latinx communities – have a criminal record.²⁴ These individuals rarely get a fair shot at employment, facing hurdles such as aggressive background checks by employers, bias and discrimination, and lack of knowledge about job application protocols and modern work technologies.

As a business, we face a competitive market for hiring alongside a limited talent pool. Our DCs have high labor needs due to an increase in online sales as well as turnover rates in these jobs. By strategically addressing the barriers people who are marginalized by workforce development systems face in getting a job, we create opportunities to tap into these populations and fill our talent needs.

STRATEGY

As a major employer, one of our largest corporate assets is jobs, and our strategy for Opportunity Hiring programs is to leverage the scale of our business and influence to expand economic mobility for underrepresented communities. We do this by providing a:

- **Way In:** We build robust local hiring pipelines while removing barriers to employment.
- **Way Up:** We define clear, transparent, and equitable advancement pathways.
- **Way for All:** We lead by example and influence other employers to create pathways for economic mobility.

While still in the early stages, we envision Opportunity Hiring becoming a key strategy for our DC labor model. While our goal is to expand programs, we start small at specific campuses to test hiring and advancement practices. Our people-first approach prioritizes societal impact and meaningful partnerships with organizations, collaboratives, and other employers.

IMPACT

By creating equal access to jobs and opportunities for advancement, we can improve our access to a diverse, talented, and loyal workforce that reflects the diversity of our customers. These programs increase our hiring rates with strong talent pipelines, reduce turnover, build talent engagement and loyalty, and support our [Equality & Belonging](#) commitments. The economic mobility catalyzed by these programs also helps build a community of future customers with discretionary income. At the societal level, these programs help these populations in different ways, reducing recidivism for those impacted by the justice system,²⁴ helping refugees feel more connected to their new home,²⁵ and increasing economic mobility for all groups.

Our DC pilot programs have shown that these populations of new hires remain employed up to four times longer than their peers, demonstrating that it's possible for programming to create positive societal impact and address our business's labor needs.

2022 PROGRESS

In 2021, we began to expand our Opportunity Hiring programs beyond This Way ONward to reach additional underrepresented groups and support hiring needs in our DCs. In 2022, we enhanced and expanded these programs. Engaging new community and national partners has been critical to our success by helping us identify and recruit talent, support the unique needs of new hires, and develop solutions for two of the biggest

hurdles in job retention among these groups: access to transportation and language barriers. Partners also provide advice on how to tailor our recruiting, onboarding processes, and create inclusivity training.

Spanish Language Pilot in Fishkill, New York: In 2021, we launched a pilot at our DC in Fishkill, New York, to build a pipeline for Spanish-speaking people by translating recruiting and onboarding materials and offering Spanish-language orientation sessions for new hires. We also match Spanish-speaking employees with bilingual managers.

Since 2021, this program has resulted in 246 new hires, with a retention rate of 77% (compared to 46% of other new hires).

Looking ahead, we plan to expand this program to more DCs, applying lessons learned about community outreach, and exploring how to offer more support with language classes and tailored training for internal advancement.

Refugee Employment in Groveport, Ohio: Having joined the Tent Coalition for Refugees in 2021,^{26,27} we further amplified our partnership in September 2022 to announce a commitment alongside 13 other companies to hire 2,275 refugees by 2025. An anchor of this commitment has been our partnership with Jewish Family Services Columbus to identify and place 103 refugees in jobs at our Groveport, Ohio, DC. In addition to helping with recruitment, Jewish Family Services supports our program by

providing translation services, cultural sensitivity training, and consulting on how to address issues like transportation. We also joined the [Welcome.US](#) CEO Council to amplify our support and commitments to the refugee community, specifically providing subject matter expertise on the Employment and Training working group, which will enable us to reach significantly more refugee hires going forward.

Fair Chance Employment: In 2022, we partnered with Honest Jobs to hire 24 individuals who have been impacted by the justice system at four of our DCs and will further expand the partnership in 2023. We also continued our participation in the Second Chance Business Coalition, and support the Ban the Box campaign, which encourages companies to eliminate restrictions on hiring justice-impacted people. By instituting fair hiring practices that remove discriminatory barriers, more companies can open the doors for the underrepresented Fair Chance community of jobseekers. Looking ahead, we plan to build a strategy for Gap Inc. to become an employer of choice for this population.

²¹ [U.S. Census Bureau](#)

²² [AmericanProgress.org](#)

²³ [U.S. Department of State](#)

²⁴ [Sentencing Project](#)

²⁵ [U.S. Chamber of Commerce](#)

²⁶ [Tent.org](#)

²⁷ [Tent.org](#)

PROGRAM SPOTLIGHT

THIS WAY ONWARD

In 2007, we pioneered This Way ONward, our original and award-winning Opportunity Hiring program. This Way ONward's mission is to tackle systemic barriers to employment and unlock potential for underrepresented early-career talent between the ages of 16 and 24, with a focus on Black and Latinx youth.

Powered by Old Navy's [Imagine Mission Fund](#), This Way ONward provides a valuable talent pool for our Old Navy stores. Through longstanding partnerships with community-based organizations across the U.S. and Canada, This Way ONward has supported more than 15,000 participants with skills training, mentorship, and work experience, providing a springboard for young people to find their first job and access a more secure future.

CHALLENGE

Our next generation of Black and Latinx leaders is budding with potential. At the same time, rising inequality and barriers to economic mobility²⁸ make it difficult for young people from underrepresented groups to access jobs.²⁹ As much as 80 percent of jobs today are filled through networking,³⁰ putting young adults with limited access to social capital at a disadvantage. By relying on traditional hiring practices, companies like Gap Inc. may not reach this critical segment of our future workforce.

Not only are first jobs hard to get, but many entry-level jobs are also not providing opportunities or clear pathways for career development and advancement,³¹ which hampers young adults' economic mobility and makes them more likely to leave. This affects the retail sector's labor market: workers are quitting at higher rates,³² driving instability and higher turnover costs.

STRATEGY

This Way ONward's strategy aligns with Gap Inc.'s approach to Opportunity Hiring: we facilitate a **Way In**, with robust local hiring pipelines through partnerships with community organizations; a **Way Up**, with preparation for advancement, including career development and wraparound supports; and a **Way for All**, with Gap Inc. providing a leadership example, influencing other employers to create pathways for economic mobility.

**GOALS BY 2025****HIRE 5%**

of Old Navy entry-level store employees from This Way ONward annually

PROGRESS**4%**

of Old Navy entry-level store employees were hired through This Way ONward

● On track

REACH 20,000

youth through This Way ONward

15,000+

youth have participated since the program launched in 2007

● On track

²⁸ National Bureau of Economic Research

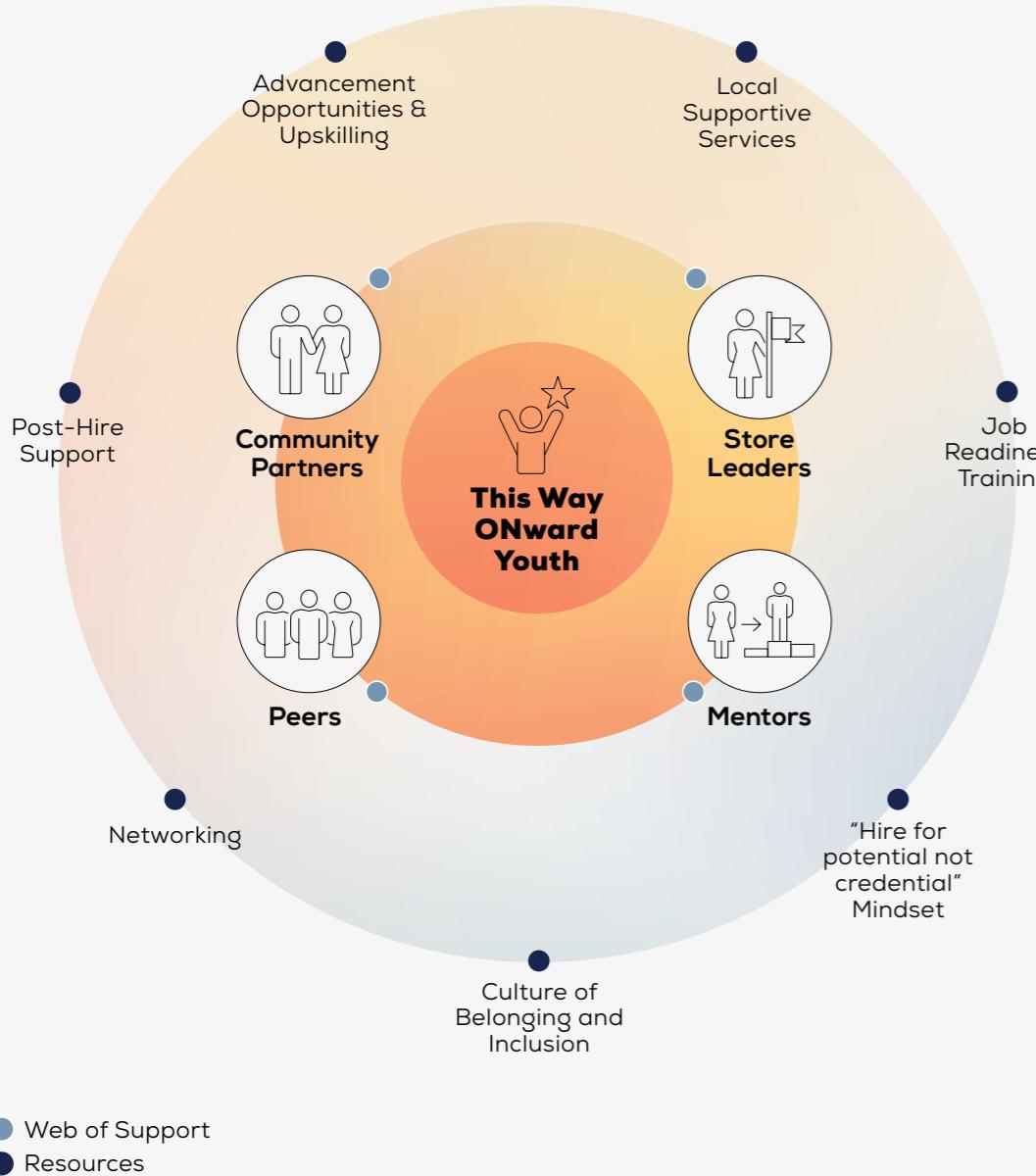
²⁹ JFF

³⁰ JFF

³¹ McKinsey & Company

³² McKinsey & Company

THIS WAY ONWARD UNLOCKS CAREER POTENTIAL FOR OUR NEXT GENERATION OF LEADERS THROUGH A POWERFUL WEB OF SUPPORT AND NETWORK OF RESOURCES.



IMPACT

This Way ONward supports our business goals. With 75% percent of alumni identifying as People of Color, we're building a talent pipeline that brings diverse perspectives and representation to our business – improving creativity and connection in our operations. Through the cultivation of trusted partnerships with local community-based organizations, This Way ONward helps build connections and deepen relationships between Old Navy stores and the communities they serve. Finally, This Way ONward provides financial benefit to Gap Inc. including through reduced turnover costs and tax benefits like the Work Opportunity Tax Credit (WOTC), overall delivering Old Navy 130 percent return³³ on its investment in This Way ONward in one year.

According to surveys from our third-party evaluation partner, This Way ONward consistently demonstrates social and business benefits. Over half of those surveyed expressed direct interest in pursuing growth and advancement opportunities at Old Navy or Gap Inc., representing a promising internal talent pool. This population of employees also stay in their jobs twice as long as their peers, and have higher engagement scores.

In 2022, This Way ONward participants confirmed results consistent with prior evaluations:

- **81%** said they feel a sense of belonging at Old Navy, attributed to the meaningful relationships developed with managers and coworkers, as well as the inclusive and supportive environment Old Navy provides
- **80%** reported gains in work-ready skills
- **76%** feel like they know what they need to do to advance at Old Navy and/or Gap Inc.
- **69%** reported gains in soft skills
- **63%** said their confidence increased

2022 PROGRESS

Way In: In partnership with 17 local and national community-based organizations, This Way ONward forged a **Way In** for 4,400 youth across the U.S. and Canada in 2022, including 1,630 early career hires at Old Navy. The top reasons participants reported wanting to work at Old Navy were to build skills for the future (73 percent) and to earn money (70 percent). This Way ONward provides participants with skills and career growth, paid employment, and work experience in addition to a web of support from peers, store leaders, and coaches from a community partner. In recognition of our partnership,

This Way ONward was highlighted at the [Boys & Girls Clubs of America](#) annual Keystone Conference, where teen participants had the opportunity to learn more about the program from Old Navy leaders and visit Old Navy's recruitment booth at the event's job fair.

Way Up: Building on our foundational work with CoLabL, we partnered with [Jobs for the Future \(JFF\)](#) to refine a **Way Up** strategy, reimagining the employer's role and responsibility in promoting the inclusive economic advancement of frontline talent, with a focus on supporting Black and Latinx youth to shape their own professional journeys. In partnership with [CoLabL](#), we continued to test and refine career-development and advancement programming for alumni, expanding alumni engagement, support, networks, and skills to accelerate their growth. As part of that work, we launched a training series to help store leaders retain and advance alumni. We also provided personal storytelling coaching to a new cohort of This Way ONward alumni, unlocking the power and impact of their stories.

Way for All: We also joined the [JFF Action Collaborative Network](#) to share insights and best practices and encourage industry peers to support opportunity youth and equitable economic advancement. Finally, we launched a partnership with the [National Retail Federation Foundation](#), expanding the reach of This Way ONward to 110 new training partners across the U.S.

³³ As measured in 2018.

STORIES

THIS WAY ONWARD:

A STEPPING STONE TO BUILDING YOUR FUTURE

At 16, Kyle Persaud and his mother left Guyana and moved to the Bronx, New York. Shy and introverted, Kyle also had a lot of drive. His mother, who works at a café at Fordham University, sacrificed a lot to raise him on her own in a new country, and he wanted to make her proud. He worked hard



▲ KYLE PERSAUD

to adapt to the fast pace of New York City, trying to "learn everything for two" so he could support his mother, just as she supported him.

During his junior year of high school, Kyle learned about This Way Onward and decided to sign up. He wanted to challenge himself and working in retail would force him to break out of his shell. It would also be his first real job in the U.S. – a chance to learn about working in this country and build relationships with people from different backgrounds.

At the end of the training program, he was hired at Old Navy on 125th Street in Harlem. At first, every week was a challenge, but gradually the work felt natural. "I took my time, and whenever they had feedback for me, I took it as motivation to do better," Kyle recalled. "Over time, I learned how to be more extroverted and talk to people." Now, Kyle said, "I can't stop talking. I'm a bubbly person, bringing positivity to the store."

Today, Kyle is working at the same Old Navy store, where he has been promoted to senior lead, in charge of customer operations. In the fall of 2022, after participating in This Way Onward alumni advancement programming, he was asked to step in as acting assistant manager for his store. His shyness has been replaced with confidence. He reflected, "I have a bigger title now, but I'm still able to be me. To be in a leadership role and inspire other people – that's my goal."

Kyle also spent time as his store's [Community Leader](#), giving talks to new This Way Onward participants at the Boys & Girls Club. He always gives them the advice he once gave himself: take the risk and join the program. "This is a stepping stone to build your career and future," he tells them. "Remember, your future is all based on what you want in life. You're in control of your future."

FINDING EMPLOYMENT AND INDEPENDENCE WITH HONEST JOBS

"TO THE EMPLOYERS, I WOULD JUST SAY, JUST THINK ABOUT IF IT WAS YOU, OR IF IT WAS YOUR BROTHER, YOUR MOTHER, YOUR SON, OR YOUR COUSIN – OR IF IT WAS ONE OF YOUR FAMILY MEMBERS WHO GOT OUT AND NEEDED HELP.

And when you are in the position to help them, you would want them to be self-sufficient, you would want them to be independent and to get back on their feet. So, I just say try to put yourself in our shoes. It's bad enough that we gotta carry that stigma around with us – that's bad enough. And then there's a lot of hard workers that's coming out of prison who really want to have the opportunity to work. Just give it a shot, you know. Give it a shot!"

Willie Hudson was incarcerated for 14 years, from the age of 17. He found a job at as a merchandise handler at a Gap Inc. DC through our partnership with [Honest Jobs](#).

[Watch Willie's Full Interview](#)

CREATING A MORE INVITING ENVIRONMENT FOR SPANISH SPEAKERS

"IT'S GOING VERY WELL. IT'S NO LONGER A PILOT; IT'S A PROGRAM. AND WE'RE JUST GOING TO CONTINUE TO BUILD OFF OF THAT AND MAYBE SPREAD IT TO OTHER DISTRIBUTION CENTERS.

From beginning to end, we made sure that everything was 100 percent made available in Spanish. We started to get public and make it very clear to say, 'Hey, if Spanish is your first language and English is your second, we'll take you.'

Richard Nunez,
Operations Manager,
Fishkill, New York, DC

[Watch Richard's Full Interview](#)

Talent Development

→ Learning and Development

TALENT DEVELOPMENT

At Gap Inc., we put people first because engaged employees are more productive, happy, and loyal.

Through our talent-development programs, we aim to build workplace equity, offer all employees learning and development opportunities, and secure benefits that satisfy evolving needs within a flexible working environment.

We also integrate strong talent-retention programs that help our company remain an employer of choice in an increasingly competitive talent market.

EQUALITY

Gap Inc. is an equal opportunity employer and committed to recruiting, hiring, training, and promoting qualified people of all backgrounds, and makes decisions without regard to any protected status. We are committed to creating a workplace free from harassment and discrimination.

Equal Pay: Gap Inc. pays women and men – globally, dollar for dollar – equal pay for equal work. In 2014, Gap Inc. was the first Fortune 500 company to announce equal pay for equal work and, since then, we have conducted internal pay equality reviews using a leading third-party firm.

LEARNING AND DEVELOPMENT

Our tiered focus meets individual contributors and leaders where they are on their professional journey:

- **Retail Academy** combines classroom sessions, rotational training, and business simulations, as well as sustainability courses. It is a comprehensive suite of programs to onboard new hires, develop early talent, and provide functional and technical training for product, tech, and digital teams.
- **Rotational Management Program (RMP)** supports emerging and diverse talent in becoming future company leaders across a range of Brand and Product functions, including an introductory ESG course. In turn, this apprenticeship program provides Gap Inc. with a diverse talent pipeline.

The participants in the 2022 RMP cohort were 68% People of Color and 81% female.

- **Gap Tech Rotational Program (GRP)** is our new 18-month early-talent program launched in 2022. It aims to develop well-rounded, high-performing, full-stack engineer leaders who embrace the DevSecOps model to drive process, value, and speed.

The participants in the 2022 GRP cohort were 81% People of Color and 40% female.

- **Leadership Essentials Program** provides first-time, mid-level leaders with coaching programs.
- **Mid-level manager coaching** prepares mid-level managers for senior leadership roles in a variety of ways, including one-on-one coaching.
- **Field to HQ** promotes opportunities for store employees to transition into entry-level headquarters roles.
- **Great Bosses** develops our leaders' ability to connect, receive feedback from our biannual Great Boss Survey, and continuously improve.

- **Inclusion and equity training** helps employees build inclusive habits and practices. We include mandatory racial equity and unconscious bias training, employee onboarding and new leader workshops, inclusive design courses, and our Be One. Get One. mentoring program focused on cross-cultural mentorship.

• **Sustainability Product Claims training:** Our Global Sustainability team developed a virtual training in 2022, available to all employees, which 400+ people have completed.

We also use our GPS (Goals, Performance, Success) system to ensure that all full-time employees receive annual performance reviews and quarterly feedback. The GPS cycle begins with setting goals, moving to performance discussions, and ending with an assessment of results determining performance rewards for each employee based on that fiscal year. Our ESG goals can be embedded in employees' goal plan with bonuses allocated based on individual performance toward goals, as well as company financial performance.

To learn from our employees, we use pulse surveys from representative samples of employees, aiming to have employees participate in the survey quarterly.

In 2022, 93% of employees who participated in our survey demonstrated satisfaction by answering, "Yes," to the question, "I am proud to work here."

In 2022, as part of our employee-retention strategy, we introduced new awards to celebrate employees who uphold the values of performance, creativity, purpose, and innovation that help our company succeed:

- **Donald G. Fisher Award for Store Excellence:** Awarded to the general store manager who most demonstrates Gap Inc. cofounder Donald G. Fisher's passion for creating an exceptional store experience for our customers and delivering business results.
- **Doris Fisher Award for Commitment to Purpose:** Awarded to an employee from one of our hubs, upper-field, or DCs who embodies cofounder Doris Fisher's spirit of inclusivity and doing good.
- **Gap Inc. Award for Game-Changing Innovation:** Awarded to an employee from one of our hubs, upper-field, or DCs who has created a new product or process that delivers game-changing business impact.
- **Robert J. Fisher Award for Creative Excellence:** Awarded to an employee from the Gap Inc. creative community who has paved the way for creative innovation through their bold work.

BENEFITS AND WORK-LIFE INTEGRATION

Our financial incentives and health, well-being, and leave benefits help our employees make the most of their professional and personal lives. Our strategy aims to:

- Modernize:** Ensuring we offer market prevalent and relevant benefits to best attract and retain while having select programs leading the market for a competitive advantage. These programs are strategically selected for ROI.

- Be inclusive:** Removing unintentional barriers in our benefits programs and continuously expanding access to programs that support the holistic well-being of all our employees (including part time).

To support our employee's financial well-being, and help them build a strong financial foundation for their future we offer the following programs and benefits:

- GapShare 401(k) retirement plan:** We help our employees build long-term wealth through this program that matches employees' contributions dollar for dollar up to 4 percent of base pay, with 100 percent immediate vesting if full-time or meeting minimum service hours.

- Employee stock purchase plan (ESPP):** This program allows all employees to purchase Gap Inc. stock at a 15 percent discount quarterly.

- Employee merchandise discount program:** This program offers all U.S. employees up to 50 percent off regular-priced merchandise in-store at Gap, Banana Republic, Old Navy, and Athleta.

- Education:** To allow for continuing education, we offer tuition reimbursement and tuition-free higher-education options for full-time employees and provide student loan refinancing resources to all employees.

- Commuter benefits:** Administered by WageWorks, our employees are able to save money on eligible commuting costs through automatic, pre-tax payroll deductions.

- Ayco financial consulting:** If our full-time employees are looking for financial planning, investment management, and family office services, they can work with Ayco through digital and phone financial coaching .

- Financial risk protection:** We offer all full-time employees company-paid life and disability insurance.

- Legal Service Plan:** To plan for the unknown, our full-time employees can pay a nominal fee per paycheck to receive unlimited access to a network of attorneys for legal counsel.

Health, well-being, and leave benefits:

- Health and well-being:** We offer comprehensive medical, dental, and vision coverage for full-time employees, provide access to free mental well-being resources via EAP, and select fitness/meditation classes.

Leave and flexible work:

- **Paid time off (PTO):** We provide PTO, including sick days, which increase with promotion and seniority, ranging from 20 to 30 days for full-time employees.

- **Parental leave:** For U.S. employees, we provide 12 weeks of paid parental leave (six weeks at 100 percent pay and six weeks at 50 percent pay). This is available to full-time employees after six months of service and to part-time employees who have worked at least 24 hours a week for the six months prior to parental leave.

Adoption assistance and surrogacy support:

- To help employees in their effort to adopt a child or start a family via a surrogate, Gap Inc. offers the Adoption/Surrogacy Assistance Reimbursement Plan for full-time employees, providing financial support with the high cost of public, private, or international adoptions of children under 18 years of age, or if building a family via a surrogate.

- **Phase in/phase out:** Eligible employees can temporarily reduce their work hours before, during, or after parental or family leave of absence.

Talent Development – continued

- Benefits and Work-Life Integration
- Occupational Health and Safety

- Caregiver assistance:** U.S. full and part-time employees have online access to child, elder, and pet-care resources. All U.S. employees also benefit from back-up child care and priority access to nationwide child-care centers. We offer easy access to care providers for employees and their families through Bright Horizon and the opportunity to enroll in a Dependent (Day) Care Flexible Spending Account (FSA) to save tax-free dollars to pay for child or adult dependents.

- Scheduling and wages:** At Gap Inc. we offer competitive wages reflective of the cost of labor in each local market and comply with all pay transparency laws, requiring the posting or disclosure of pay ranges and benefits to employees. We actively benchmark and adjust pay ranges annually to ensure competitiveness and have established a model to review pay equity internally, validating our results with an external consultant on a periodic basis. We have taken steps to improve scheduling practices, including eliminating on-call scheduling and providing employees with at least 10 to 14 days' notice for their schedules.

Learn more

[Gap Inc. Benefits](#)

OCCUPATIONAL HEALTH AND SAFETY (OHS)

We operate in line with the national and state-level **OSHA standards** and are committed to eliminating risks, implementing sound engineering controls, and championing health and safety to prevent and promptly address injuries throughout our global operations, using an integrated approach:

- Hazard identification, prevention, and awareness:** We include safety criteria in the design and layout of our stores and warehouses, as well as in contracts as needed to limit risk and liabilities associated with vendor and contractor services and projects. We train employees on safe work practices, and they gain procedural knowledge through on-the-job training programs that are aligned to industry and OHS standards.

- Assessments and audits:** Gap Inc.'s internal Safety and Claims teams analyze risks, collaborating with operational leaders to adjust business practices in line with emerging incident trends. Our independent Internal Audit department completes reviews of our global DCs and stores to gauge procedural compliance. During audits, we ask questions, listen, and solicit feedback from business partners to understand their needs. We also use independent, third-party firms to perform operational audits and survey our DCs, corporate offices, and data centers to understand ways to improve.

- Incident response and oversight:** Leaders and associates are accountable for following our investigation and reporting processes following an incident. We analyze all information from a centralized, online reporting and management system to assess risks and develop preventive measures. The Store Compliance Audit team provides regular updates (which include results of safety controls) to the Audit and Finance Committee of the Board of Directors.

EMPLOYEE ENGAGEMENT AND CORPORATE GIVING

To operate at our best, we want to source from, employ from, and sell to communities that are empowered to be their best.

As a company with a legacy of community impact, we use our corporate-giving and employee-engagement programs as a force for good in the world. We aim to make a difference on key social and environmental issues and improve the lives of our employees, customers, and the communities we reach through our business.

In 2022, 39% of employees volunteered for a total of 250,000 hours. Gap Inc. also matched over 3,300 employee donations for a total of \$1 million³⁴.

In 2022, our corporate giving, which includes Gap Inc. cash and in-kind donations, and Gap Foundation cash giving, totaled \$26.9 million. Our in-kind donations totaled more than 490,000+ units worth \$14.6 million.

³⁴ Gap Inc. Donates More Than \$1.5M Worth of Clothing To Aid Ukrainian Refugees

EMPLOYEE ENGAGEMENT

We provide opportunities for employees to learn and connect with each other and their local communities, and to support social and environmental issues that are meaningful to them and our company. With stores across North America, we are uniquely positioned to reach into local communities nationwide. We encourage our employees to get involved through company-, brand-, and employee-led activities, from attending fund-raising events to volunteering opportunities, and more.

Our strategy to encourage engagement includes:

- **Community Leader program:** Community Leaders rally their teams – whether by participating in companywide initiatives or working with local nonprofit organizations to harness employees' talents and skills.
- **Take Five volunteering:** We encourage our exempt employees to volunteer for five "on-the-clock" hours per month, empowering our people to support the causes they care about in ways that work best for them.
- **Field Team Grants:** For every 25 hours a store or DC team volunteers to support an eligible organization, they can request a \$250 grant for the community organization.
- **Money for Time:** For every 15 hours that an employee volunteers within a calendar year with an eligible nonprofit, we'll donate \$150 to the organization.

In 2022, employees spent time participating in a variety of different campaigns to give back and support their communities:

- **Volunteer Rally and Doris Day of Service:** We honor our co-founder, Doris Fisher, and her impact through the Volunteer Rally, a yearly program in which districts, regions, and teams from Gap Inc. headquarters compete to achieve the highest employee participation through various volunteer activities. In 2022, over 10,500 global employees participated.
- **Walk for Water:** Every March, for World Water Day, our employees raise awareness and funding to address the challenges women face accessing water globally. Thousands of our employees around the world complete a 1.2-mile walk, representing the average distance women around the world walk every day for water. In 2022, nearly 8,000 employees participated, generating a \$12,000 grant to WaterAid from Gap Foundation, (meeting our maximum donation match).
- **Get Out the Vote postcards:** Through a partnership with Rock the Vote, our corporate offices in San Francisco and New York set up stations for employees to write postcards encouraging citizens to vote in U.S. elections. In total, we mailed over 700 postcards to young voters in battleground states.
- **Earth Day:** We launched an Earth Day campaign encouraging employees to learn more about how Gap Inc. is protecting the environment and celebrating the everyday environmental practices of global employees. Through the campaign, we collected employees' different ideas to incorporate more sustainable practices into their lives, work, and travel, with 118 people sharing their Earth Day commitments.

CORPORATE GIVING

We know we can't solve large-scale problems alone, so we partner with nonprofit organizations and other funders to combine resources and invest in initiatives that promote system-level changes across Gap Inc.'s three sustainability pillars: Empowering Women, Enabling Opportunity, and Enriching Communities. This supports our social license to operate and strengthens our connections with employees, customers, and communities.

In 2022, our corporate giving, which includes Gap Inc. cash and in-kind donations, and Gap Foundation cash giving, totaled \$26.9 million. Examples of our giving in 2022 include:

- **Employee Giving:** We match financial charitable donations, volunteerism, and nonprofit Board service of eligible employees up to \$1,000 for part-time employees and \$15,000 for full-time employees each year.
- **Clothing donations for refugees:** We donated apparel worth more than \$1.5 million to GiveBackBox and USA for UNHCR to support Ukrainian refugees.³⁴ These donations complement the work of our Opportunity Hiring and Circularity and Waste teams, by allowing our brands to create social impact and responsibly reduce excess inventory without contributing to waste. Also in 2022, through our ongoing partnership with UNHCR, Gap Inc. donated essential clothing for refugees around the world, including warm clothes for Venezuelans crossing the Andes to Chile, shawls and ponchos for Rohingya refugees experiencing monsoon rains in Bangladesh, and more clothing for children and families in exile in Central and East Africa.
- **UN Foundation's Resilience Fund for Women in Global Value Chains:** Gap Foundation made our third annual grant to the United Nations Foundation for \$250,000 (reaching a total of \$750,000) supporting a philanthropic collaborative to support communities that are historically unreached by corporate funds.
- **Selvage Fund disaster relief:** The Fund distributed nearly \$80,000 to employees facing hardship following Hurricanes Ian, Fiona, and Nicole.

ENRICHING COMMUNITIES

A clean and healthy planet is a fundamental human right, and we're committed to protecting natural resources and ensuring healthy communities for generations to come. We take steps every day to achieve our goals and partner with suppliers, other companies, nonprofits, governments, and community organizations to do our part in sustaining a thriving planet.

OUR MATERIAL TOPICS

Water stewardship

Chemicals management

Climate change response

Emissions reduction

Land and natural resource use

Biodiversity

Animal welfare

Circularity

Waste management

Plastic reduction

IN THIS SECTION

[Water Stewardship](#)

[Access: Community Water Resilience](#)

[Reduce and Replenish: Tackling Water Consumption](#)

[Chemicals Management](#)

[Climate Stewardship](#)

[Raw Materials and Product](#)

[Circularity](#)

[Waste](#)

Protecting the planet is central to the future of our company and the communities across our value chain, so we take a holistic approach to enriching communities by minimizing our environmental impacts and contributing to healthy ecosystems.

Climate change, water scarcity, and threats to ecosystems and biodiversity are global challenges that transcend geographic and industry boundaries. Across our supply chain, many communities have experienced the devastating effects of droughts, floods, heat waves, and more.



WATER

We strengthen water resilience with three priorities: improving access to clean drinking water and sanitation in communities touched by our supply chain; reducing water use in manufacturing; and replenishing and restoring water in natural ecosystems.



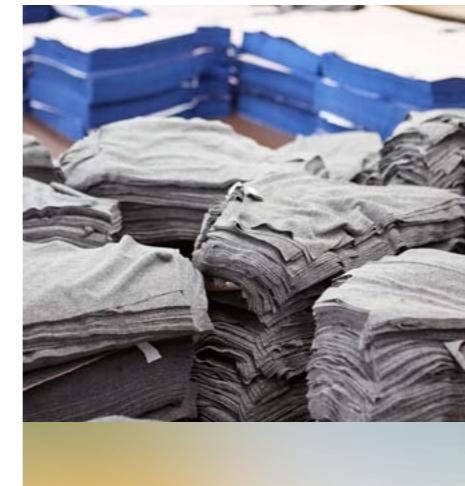
CHEMICALS MANAGEMENT

We work with our brands, suppliers, and the broader industry to responsibly manage chemicals, eliminate the discharge of hazardous chemicals, phase out chemicals of concern, and expand the use of safe chemicals.



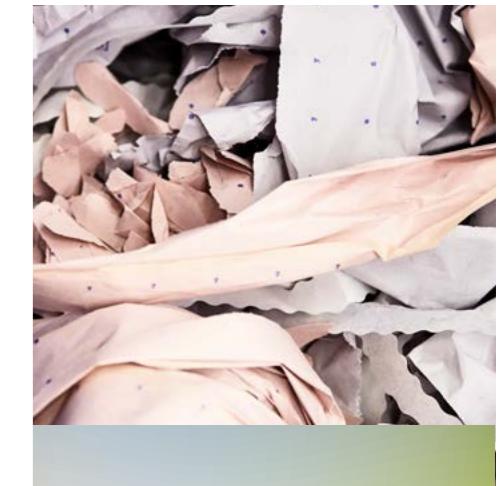
CLIMATE

We address climate change by aligning our goals and strategies with the Science Based Targets initiative (SBTi) and industrywide commitments. Working across our direct operations and supply chain, we aim to reduce energy use, phase out coal and convert to low-carbon alternatives, and invest in offsite projects that advance the use of renewables.



RAW MATERIALS AND PRODUCT

We collaborate internally, with suppliers and through industry partnerships, to reduce the environmental and social impacts of our products. We develop tools to enable product teams to make better decisions in sourcing raw materials, maintain robust approaches to product sustainability claims that are clear and substantiated, and partner to drive materials traceability to support change across the industry.



CIRCULARITY AND WASTE

Alongside our brands and through industry partnerships, we further circularity and waste programs to address the full life-cycle impacts of our products and help shift the apparel industry to more circular business models.

WATER STEWARDSHIP

We aim to create positive impact by strengthening water resilience along our value chain. We recently launched our new 2030 water strategy to reduce freshwater use in manufacturing and company operations and to create a positive impact in nature and communities.

As a founding member of the Water Resilience Coalition, these goals are an essential milestone on our path to achieve a water-resilient value chain by 2050.

CHALLENGE

Access to water is a human right, and yet the decreasing availability of clean water is a significant challenge. Almost half the world's population will face severe water scarcity by 2030 without urgent action, with two-thirds of people already facing water shortages for at least one month each year.³⁵ The water crisis is acute in many of the apparel industry's key sourcing countries and cotton-growing communities. Women especially face barriers to safely access water, sanitation, and hygiene (WASH) services, causing increased water stress. Water challenges also impact biodiversity, destroy natural wetlands, and threaten multiple freshwater species with extinction.

Water is essential for our business as a critical resource for apparel manufacturing and for growing cotton – a thirsty crop that we use in many products. Without reliable precipitation patterns and accessible, clean water in our sourcing regions, we face operational and financial risks that could also impede our ability to meet customer demands.

STRATEGY

Our water strategy tackles different water challenges, mobilizes business action, and raises awareness by focusing on three interconnected areas:

- **Access:** We aim to improve access to clean drinking water and sanitation in communities touched by the apparel industry. In 2022, we surpassed our goal to empower 2 million people to improve their access to drinking water and sanitation in India through the USAID Gap Inc. Women + Water Alliance. Building on this strong foundation, we are collaborating with the Water Resilience Coalition (WRC) to develop our next phase of community water resilience work through collective action with other companies and partner, the Women + Water Collaborative.

- **Reduce:** We aim to reduce water use in manufacturing processes and thus minimize our freshwater footprint by reducing or recycling water in manufacturing, improving wastewater quality and sourcing more sustainable cotton, which incorporates water stewardship into farming practices. We are mapping our supply chain further upstream to better understand our water impacts at the beginning of the product life cycle, developing a framework for long-term context-based water targets, and engaging our suppliers to help them implement industry and Gap Inc. programs such as our Mill Sustainability and Water Quality programs to improve water quality and efficiency.

- **Replenish:** We aim to replenish and restore water, focusing on natural ecosystems in priority water-stressed basins where cotton is grown, where our clothing is manufactured, and where customers and employees live. We are working with the WWF to identify water-stressed regions along our value chain where we can be most impactful.

IMPACT

Our water strategy delivers important social, environmental, and business benefits. For communities, it improves access to clean drinking water, supporting human health and hygiene. For raw materials producers, suppliers, and Gap Inc., it supports business continuity, reduces operating costs, and increases the reliability of raw materials. Ultimately, this work is essential to future-proofing our business by reducing our water risk; building resilience; and meeting our commitments as well as growing investor, customer, and community expectations around water.



PARTNERSHIPS

We collaborate to address water scarcity, improve access to water and sanitation, and support water-saving innovation in manufacturing, with multiple partners such as the UNGC's CEO Water Mandate, Water Resilience Coalition, and WASH4Work. Highlights of additional engagements include:

- **World Water Week:** In August 2022, we participated in multiple SIWI World Water Week panels, including a virtual panel with the President and Chief Executive Officer of Gap brand, Mark Breitbard, and implementing partners on lessons learned from six years of work on the USAID Gap Inc. Women + Water Alliance.

- **Ceres Valuing Water Finance Initiative (VWFI):** As one of many companies engaged, we are proud to take part in this investor-led effort to value and act on water.

◀ A woman proudly collects water outside her home as a result of the USAID Gap Inc. Women + Water Alliance's community-led water action planning in Madhya Pradesh, India.

³⁵ [World Wide Fund For Nature](#)

PROGRAM SPOTLIGHT

ACCESS: COMMUNITY WATER RESILIENCE

Through the USAID Gap Inc. Women + Water Alliance, a public-private partnership running from 2017 to 2023, we collaborated with CARE, Water.org, WaterAid, and the Institute for Sustainable Communities (ISC) to empower women to become advocates for their water needs, improve access to water and sanitation at village and household levels, and advance water stewardship best practices for cotton farming.

GOAL BY 2023**EMPOWER 2 MILLION PEOPLE**

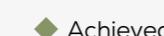
– including 1 million women – to improve their access to clean water and sanitation

GOAL BY 2030**EMPOWER 5 MILLION PEOPLE**

touched by the apparel industry to improve their access to clean water and sanitation

PROGRESS**2.4 MILLION+**

people reached

**PROGRESS****DEVELOPED NEW PARTNERSHIPS**

to expand upon water access impact made to date

**CHALLENGE**

A functioning supply chain, which is a critical component of our business, requires healthy farmers and workers with access to clean, safe water. Yet, over half of the population in India – an important location to Gap Inc. for growing cotton and making textiles – experiences high water stress. Access to and affordability of water access, sanitation, and hygiene (WASH) services is a particular burden for women, who are largely responsible for household duties such as cooking, cleaning, and collecting water. According to the Women + Water baseline assessment conducted by The Institute For Development Impact (I4DI), households spend an average of 1.5 hours fetching water each day.

STRATEGY

The USAID Gap Inc. Women + Water Alliance enacted a four-part strategy to improve and sustain the health and well-being of women and communities touched by the apparel supply chain. We focused our efforts on the water-stressed Ganges, Godavari, and Narmada river basins in Madhya Pradesh and Maharashtra, India. Collective action has been key to our approach, leveraging the complementary strengths of partners and working with local women's networks and government to create lasting solutions:

1. Empower women for WASH decisions: CARE

[CARE](#) trains women on Gap Inc. P.A.C.E. curriculum with WASH education and identifies community-level water champions.

2. Strengthen local water governance: WaterAid

[WaterAid](#) develops community-led water action plans for water access and enables communities to conduct their own water-quality testing.

3. Catalyze water and sanitation financing:

[Water.org](#) catalyzes financing for water and sanitation, pilots community solutions for WASH entrepreneurship, and builds the ecosystem for financing solutions.

4. Advance water stewardship best practices:

[ISC](#) trains cotton farmers on water stewardship best practices to improve water quality and quantity, and supports women entrepreneurs to sell farmers bio-based fertilizers and pesticides. Our evaluation partners [ICRW](#) and [I4DI](#) support the Women + Water Alliance through program design and evaluation.

Women attend a P.A.C.E. training to build self-efficacy and skills to raise their voices for their water and sanitation needs. ▼



IMPACT

Studies³⁶ show that when women have improved access to water, they use the time saved from collecting water on income-increasing activities, bolstering their community's economy.

Strengthening the resilience of communities touched by our industry strengthens our business resilience. I4DI's Endline Evaluation of the Women + Water Alliance found a substantial gain in access to an improved water source in Madhya Pradesh, growing from 79 percent at baseline to 91 percent in the intervention villages, and 83 percent in the comparison villages at endline. Water sources in Madhya Pradesh were substantially more likely to be in the respondent's dwelling or yard at endline than at baseline, leading to a substantial decline in households that had to fetch water off the premises (decreasing from 79 percent at baseline to 38 percent and 37 percent among the intervention and comparison villages at endline, respectively). Improving access to water and sanitation has additional benefits across our value chain by increasing climate resilience, health, gender equity, and financial livelihoods for women and communities.

2022 PROGRESS

In 2022, we exceeded our goal to empower 2 million people to improve their access to clean water and sanitation. Since this initiative began in 2017, we have also provided P.A.C.E. training with a WASH focus to over 200,000 women in communities.

We also engaged customers and wider audiences in unique ways. In 2022, Gap brand introduced its first products made with cotton grown in villages where the Women + Water Alliance programs are based. The Women + Water Alliance also won USAID's 2022 Collaborating, Learning, and Adapting (CLA) case competition,³⁷ which helped raise awareness about the initiative and the CLA program management approach we have used since the inception.

In 2023, we plan to leverage our learnings to launch the Women + Water Collaborative, a new initiative with the Water Resilience Coalition which will invite new corporate funders and partners to join us in expanding our water access programs into new geographies in India and beyond.

Since 2017, the Women + Water Alliance has:

**Reached
2.4 MILLION**
people (517,000+ in 2022)

**Trained
200,000+ WOMEN**
in cotton-growing communities on WASH through PACE (49,000+ in 2022)

**Catalyzed
\$27+ MILLION**
in local institutions' WASH financing through our partner Water.org's in-field activities (\$13 million in 2022)

**Supported
156,000+**
microloans (79,000+ in 2022)

**Reached
4,100 FARMERS**
by adopting water stewardship best practices

**Supported nearly
2,500**
village action plans prepared for water access in India

**STORY:
HOW PRAMILA IS HELPING HER VILLAGE ACCESS CLEAN WATER**



“ WHILE WATER IS ACCESSIBLE IN OUR VILLAGE, WE NEED ACCESS TO CLEAN WATER TOO. MY DREAM AND GOAL IS TO PROVIDE CLEAN WATER TO THOSE WHO DON’T HAVE ACCESS TO IT. ”

Pramila, a cotton farmer who participated in the USAID Gap Inc. Women + Water Alliance, took the initiative to get involved in village planning for clean water access and is also learning organic farming practices to help improve water quality in her community.

[Watch Pramila's Video](#)

³⁶ IPSOS

³⁷ USAID Learning Lab

REDUCE AND REPLENISH: TACKLING WATER CONSUMPTION

Our supply chain capability-building programs help us drive compliance, understand our suppliers' environmental impacts, and work with them on goals and strategies to reduce water used in the manufacturing process. Water reduction activities will only take us so far, therefore for our new 2030 goals, we aim to replenish the remaining water from our manufacturing process that cannot be addressed by reduction efforts.

CHALLENGE

Water scarcity threatens many of our key supplier regions, negatively impacting ecosystems, biodiversity, food security, human health, and more. The apparel industry relies on water in garment production, so we have a responsibility to address our impacts on this precious resource. Moreover, this puts our business at risk, as water scarcity leads to lower availability of raw materials, higher demand, and higher prices.

STRATEGY AND 2022 PROGRESS

We partner with suppliers through Gap Inc. programs and industry efforts to ensure compliance and performance management on water issues, increased efficiency, and innovation to reduce water impacts. We have conducted a basin risk assessment and mapped all strategic wet-processing factories – representing 100 percent of our business for Tier 1 and about 65 percent for Tier 2 – against the WWF Water Risk Filter to help us prioritize focus areas. Much of our water stewardship work in manufacturing focuses on high-volume suppliers operating in countries with higher levels of water risk, including China, India, Indonesia, Pakistan, and Vietnam.

The following programs and partnerships support our strategy to reduce water and [emissions](#) in manufacturing.

GOALS BY 2050

ACHIEVE NET- POSITIVE

water impact in water-stressed regions

● On track

Support a

WATER-RESILIENT SUPPLY CHAIN

● On track

GOAL BY 2030

REDUCE WATER USE AND REPLENISH WATER TO NATURE

equivalent to all the water used in manufacturing clothing and in our company-operated facilities

● New goal

Mill Sustainability Program (MSP): The Mill Sustainability Program incorporates industry-aligned tools including Higg Index Facility Environmental Module (FEM), the Social Labor Convergence Project (SLCP), also known as Higg Index Facility Social Labor Module (FSLM), and robust wastewater testing and chemical management expectations. We expect all of our strategic mills to participate in the three components of the MSP. We find that participation in these industry tools helps drive performance improvement, including water use and emissions reduction.

Sustainable Apparel Coalition's (SAC) Higg Facility Environmental Module (FEM): As a founding member of SAC, we use the Higg Index to evaluate suppliers' environmental performance and engage them to meet our goals. Since 2017, we have expanded our use of the Higg FEM to collect data from Tier 1 and Tier 2 supplier self-assessments. Increasingly, these self-assessments are verified by a third party. In 2022, 100 percent (589) of Tier 1 suppliers completed and 75 percent (441) verified their responses; and 73 percent (152) of Tier 2 completed and 64 percent (133) verified.

Institute of Public Environmental Affairs Engagement (IPE): We use the IPE's platform and tools to ensure environmental compliance and monitor pollution data from our Tier 1 and Tier 2 suppliers in China. This platform also provides a mechanism for us to work with suppliers on corrective action if any environmental violations are found. As of the end of 2022, 128 Tier 1 and 41 Tier 2 suppliers registered to the IPE platform for monitoring.

Apparel Impact Institute (Aii): Gap Inc. is a founding member of Aii and has been working with the initiative's predecessor, Clean by Design (now part of Aii), since 2013. Aii supports our work by recruiting suppliers, funding programs, providing training, and monitoring and collecting water data. Over 45 of our factories have completed programs with Aii.

Washwell: Our brands use this process, pioneered by Gap brand in 2016, to reduce water use in denim garment finishing by at least 20 percent compared to conventional wash methods. To date, the program has saved nearly 4 billion liters of water across our brands.

Arvind Water Partnership: Through this innovative partnership, Gap Inc. supported our India-based supplier Arvind Limited to replace over a billion liters of freshwater annually by launching a treatment facility cleaning reclaimed wastewater from Ahmedabad to use in its denim mill. This helps preserve the local community's water supply and supports sustainability

WATER SAVINGS

Metric	FY 2020	FY 2021	FY 2022
Total liters of water saved since 2014	10.1 billion	13.2 billion	17.4 billion
Total liters of water saved in fiscal year	3.1 billion	3.1 billion	4.2 billion
Liters of water saved by Washwell in fiscal year	673 million	1.1 billion	1.4 billion
Liters of water saved by Arvind in fiscal year	587 million	1.8 billion	1.3 billion
Liters of water saved by supply chain efficiency programs (like Aii) in fiscal year	1.8 billion	193 million	1.4 billion

by using a bioreactor membrane treatment method to clean the wastewater. Together, we are also building a 18,000-square-foot Water Innovation Center in India. The center, due to open in Q2 2023, will showcase water-management best practices and recycling technologies.

Many of our resource efficiency programs and partnerships conjunctly address [climate impacts](#).

IMPACT

Collectively, these programs have saved 17.4 billion liters of water since 2014, helping water-stressed communities preserve a critical resource. Reducing water in manufacturing also helps our suppliers and company to mitigate business costs, risks, and meet stakeholder expectations for the apparel industry to address water impacts.

CHEMICALS MANAGEMENT

Customer safety is a priority at Gap Inc., and responsible chemicals management is critical for delivering safe products to market. We maintain robust standards for finished product and have worked to phase out chemicals of concern – like PFCs – to mitigate discharge of hazardous chemicals in the supply chain.

CHALLENGE

Chemicals are an essential and unavoidable component of manufacturing and are used throughout the supply chain. We also recognize that chemical discharge can impact water and air quality and the health of ecosystems and people.

GOAL BY 2023

ELIMINATE PFC-BASED FINISHES FROM OUR SUPPLY CHAIN

in line with our work toward zero discharge of hazardous chemicals in our supply chain

PROGRESS

100%

of fabrics with PFC-based finishes³⁸ were successfully converted or exited. At the Gap Inc. level, 95% of apparel and accessories units with water repellent or stain resistant performance were produced without PFCs (up from 38% in 2021, and 7% in 2020). About 1% of apparel and accessories units at the Gap Inc. level had a water repellent or stain resistant finish, down from 1.5% in 2021



³⁸ PFC-based finishes (which we define as those based on PFAS, or per- and polyfluoroalkyl substances) are no longer being used intentionally in production. Most products available for purchase as of January 1, 2023 are produced without PFC-based finishes, but due to transportation and store inventory timelines and strategies, some styles available for purchase will still have a PFC-based finish.

It is difficult to obtain robust information on chemicals used across the supply chain and identifying and using better chemicals requires coordination across Research and Development, Quality, Sourcing, and external stakeholders, sometimes leading to other trade-offs. Even when robust manufacturing controls are in place, finished product can still contain low levels of unintentional chemicals resulting from environmental contamination, use of recycled materials, or other sources.

STRATEGY

Our approach to managing chemicals responsibly consists of three parts:

1. Maintain robust standards for production and finished product. We expect suppliers to comply with industry guidelines, including the Apparel and Footwear International RSL Management (AFIRM) Group Restricted Substances List (RSL), the ZDHC Manufacturing Restricted Substances List (MRSList), and the ZDHC Wastewater Guidelines. We also track emerging chemical issues to continually evolve and refine our approach, for example when we committed in 2020 to eliminate PFC-based finishes and materials from our supply chain.

2. Evaluate performance of suppliers using third-party testing, verification, audits, and other means. We expect suppliers to complete and verify the SAC Higg FEM, which assesses chemicals management practices. We also evaluate strategic suppliers' conformance to the ZDHC Wastewater Guidelines and ZDHC MRSList and audit products for RSL compliance.

3. Build supply chain capacity and remediate nonconformances. Through our Mill Sustainability Program (MSP) and Water Quality Program (WQP), we educate and support our strategic suppliers to identify and implement corrective actions and improve performance.

IMPACT

Our chemicals management approach is a key component of delivering safe products to our customers and reducing our impact on communities and ecosystems across our supply chain. Our proactive approach to addressing PFCs

and other chemicals of concern helps our company comply with current legislation and prepare for future regulation.

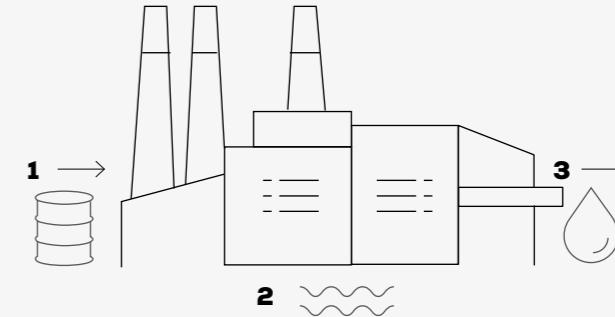
2022 PROGRESS

We achieved our goal to eliminate PFC-based finishes from our supply chain by 2023. Our brands are no longer sourcing fabrics that are intentionally treated with PFCs, and a majority of 2022 water-repellent or stain-resistant apparel and accessories

units were produced without PFCs. Because of our transportation and store inventory timelines and strategy, some products with PFC-based finishes will continue to be available for sale in some locations during 2023.

For over 15 years, we have required our denim laundries to participate in our WQP. In 2022, we doubled the size of WQP to include woven laundries, now totaling 100 participants (47 denim and 53 woven laundries). In 2023, we will expand the program to knits and sweaters laundries.

HOW WE MANAGE CHEMICALS



1

INPUT MANAGEMENT

The selection of better chemical inputs and starting materials is essential to reducing the use and discharge of hazardous chemicals.

2

PROCESS MANAGEMENT

Adherence to chemical management best practices during manufacturing is critical for reducing both human and environmental risks.

3

OUTPUT MANAGEMENT

The outputs of apparel and footwear manufacturing include finished products and wastewater.

CLIMATE STEWARDSHIP

Our climate initiatives reduce our emissions across Scope 1 (direct emissions from company facilities), Scope 2 (primarily purchased electricity at our company-operated facilities), and Scope 3 (primarily supply chain activities from production of goods, transportation, and franchise emissions). Our Scope 1 and 2 goals are aligned with the Paris Agreement to limit global temperature rise to less than 1.5°C and are approved science-based targets (SBTs).

GOALS BY 2030

REDUCE SCOPE 1 AND 2

greenhouse gas (GHG) emissions by 90% from a 2017 baseline

REDUCE SCOPE 3

GHG emissions from purchased goods and services by 30% from a 2017 baseline

SOURCE 100%

renewable electricity for our company-operated facilities globally

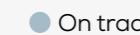
CHALLENGE

Climate change is an environmental, human rights, and business issue. Global warming impacts people and communities everywhere, causing water scarcity, more frequent and severe weather-related natural disasters, sickness and displacement, food insecurity, biodiversity disruptions, and mass species extinction – with increased risk for marginalized communities.

PROGRESS 2021³⁹

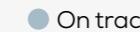
64%

reduction of Scope 1 and 2 emissions from a 2017 baseline



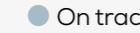
25%⁴⁰

reduction of Scope 3 GHG emissions from purchased goods and services from a 2017 baseline



37%

of our electricity use at company-operated facilities was from renewable sources



Extreme weather events affect our key sourcing regions, impacting the availability and production of critical raw materials such as cotton, which has the potential to drive up prices by 60 percent.⁴¹ Increasingly frequent drought, floods, fires, and heatwaves can also impact our operations by damaging stores, causing us to close our doors to customers and lose tens of thousands in revenue per day.⁴²

Moreover, our company, the apparel industry, and business at large contribute to climate change. Without urgent action, business-as-usual will increase the average global temperature 4.8°C by 2100⁴³ – putting clear pressure on businesses to address the issue.

STRATEGY

We have a three-part strategy to address emissions, achieve our new net-zero goal, and mitigate climate-related risks:

1. Reduction: Reduce energy use by converting to lower-carbon materials and identifying energy-efficiency opportunities across stores, DCs, and our supply chain.

2. Conversion: Identify opportunities to phase out coal in our supply chain and advance avenues for onsite solar in DCs, factories, and mills.

3. Offsite projects: Invest in virtual power purchase agreements (VPPAs) for our operations and supply chain. Explore investments in nature-based solutions, including carbon credits and agriculture.

As part of our strategy, we prioritize partnerships, measurement, verification, and energy management. Since most of our climate impact stems from our Scope 3 supply chain emissions, we work closely with our strategic suppliers and industry organizations on programs to increase energy efficiency, supporting suppliers to set their own carbon-reduction strategies and science-based targets. Many of our supply chain environmental capability-building programs address water and climate impacts simultaneously.

To support transparency and accountability, we verify Scope 1, 2, and partial Scope 3 emissions categories. To track and manage Scope 3 emissions, we request all active Tier 1 factories to complete the SAC Higg FEM and encourage them to verify FEM annually.

We report to both the CDP (formerly the Carbon Disclosure Project) and the [Task Force on Climate-Related Financial Disclosures \(TCFD\)](#). The Governance and Sustainability Committee of Gap Inc.'s Board of Directors oversees the company's climate stewardship efforts, and reviews and evaluates our climate targets, policies, and programs.

IMPACT

By reaching our climate goals, we can reduce our negative impacts on the environment, while managing risks related to resource scarcity, physical infrastructure damage, and brand and regulatory risks, building resilience for our business, suppliers, and communities across our value chain. Finally, the transition to a low-carbon economy presents financial opportunity with investments in energy efficiency and renewable electricity reducing operational expenses and helping us secure the long-term future of our operations.

2022 PROGRESS

In 2022, we completed our first climate scenario analysis to understand the financial impact of climate-related risks and opportunities under four different global warming scenarios. Through this analysis, we identified legal, technological, market, and reputational risks, as well as opportunities linked to resource efficiency, energy sources, products, markets, and business resilience.

In line with our commitment to the SBTi, UNFCCC, and Fashion Pact, we are ensuring our science-based targets on Scope 1, 2 and 3 meet all expectations within 24 months. We have also set a new commitment to achieve net zero emissions by 2050.

³⁹ FY 2022 will be available on our website later in 2023.

⁴⁰ Data is subject to change retrospectively each year as we gain better visibility into our respective share of emissions with each of our suppliers.

⁴¹ [CDP Climate, page 17](#)

⁴² [CDP Climate, page 20](#)

⁴³ [Our World in Data](#)

SCOPE 1 AND 2 PROGRESS

Reduction: Based on a 2022 internal assessment of sustainability initiatives at a sample of Gap Inc. stores, we identified better ways for store leaders to reduce energy impact, including energy-efficient lighting practices, adjusting HVAC thermostats, repairing water fixtures, and improving store recycling practices – which could also save us millions in operating expenses.

Conversion: Since launching in 2020 at our DC in Fresno, California, the 3-megawatt solar project has been generating 400–500 megawatt hours of electricity per year, accounting for 38 percent of the facility's annual electricity usage in 2021 and saving approximately \$3 million since 2020.

Offsite Projects: While we continue to explore additional renewable electricity projects and VPPAs to meet our science-based targets, changes in international markets in 2022 increased the price and decreased the availability of these opportunities. Our existing VPPA projects are Aurora Wind, a 90-megawatt offsite wind farm in North Dakota, and Fern Solar, a 7.5-megawatt offsite solar project in North Carolina that offsets 100 percent of electricity used at Athleta's company-operated stores in North America.

SCOPE 3 PROGRESS

Reduction: In 2022, we continued our focus on reducing Scope 3 emissions in transportation and our supply chain.

To reduce transportation impacts, we continued to abide by the Ocean Conservancy's Arctic Corporate Shipping Pledge to never intentionally send ships through the Arctic's fragile ecosystem. We also continued our partnership with Environmental Protection Agency's (EPA) SmartWay, which we joined in 2011 to improve freight transportation efficiency.

For supply chain emissions, we tailor our sustainability programs to meet suppliers where they're at, engaging high-ranking suppliers on more ambitious programs, such as setting science-based targets, and working with lower-ranking suppliers to assess their carbon footprint. We ensure suppliers' environmental compliance through our Code of Vendor Conduct (COVC) assessments and in China, we partner on assessments of Tier 1 and 2 factories with IPE.

For a decade, a key part of our approach has been to engage suppliers in resource-efficiency programs run by different organizations:

- Apparel Impact Institute(Aii):** As a founding member of Aii, we have used this program as our primary engagement opportunity for supplier efficiency projects. In 2022, we engaged 56 suppliers in projects that, together, avoided 119,000+ metric tons of CO₂e, for a total of 310,000+ metric tons saved since 2014. We also worked with Aii on how to set science-based targets for our top six suppliers. Since 2020, we have participated in Aii's Carbon Leadership Program (CLP), which promotes

brand collaboration to standardize approaches to reducing supply chain emissions. In 2022, we engaged over 30 facilities with CLP's Carbon Tech Assessment, which helps us understand each facility's emissions and their suitability for setting goals through CLP.

- cKinetics:** We have been working with cKinetics to increase accuracy of factory-level data for calculating purchased goods and services emissions and identifying top mills and vendors to clarify their emissions-reduction targets and strategies.

Conversion: To phase out supplier reliance on coal, we are participating in the UNFCCC's working group on coal phase-out and renewable energy. In 2022, we also engaged Tier 1 and Tier 2 suppliers to participate in climate action training, helping us identify challenges in phasing out coal. Some of the biggest impediments are cost, limited supply of lower-impact alternatives, sources for supplier financial assistance, and country-level engagement to support the shift to low-carbon sources.

Offsite Projects: In partnership with Schneider Electric, we are continuing to explore renewable energy opportunities in different supplier locations. In Vietnam, governmental changes rendered our VPPA with Crystal Apparel project cost prohibitive and, in India, each state has a different legal model, complicating accessibility and boundaries for potential projects.

COMPANY EMISSIONS (METRIC TONS CO₂E) BY SCOPE

Metric ⁴⁴	FY 2019 ^{45,46}	FY 2020 ^{45,46}	FY 2021 ⁴⁷
Scope 1	27,485	26,244	27,762
Scope 2 (location-based)	327,883	252,600	247,925
Scope 2 (market-based)	325,044	222,148	111,138
Scope 1 and Scope 2 (location-based) total	355,367	278,844	275,686
Scope 1 and Scope 2 (market-based) total	352,529	248,392	138,899
Scope 3: Purchased goods and services	5,652,029	4,429,550	4,786,266
Scope 3: Upstream transportation and distribution	527,081	527,081	670,820⁴⁸
Scope 3: Downstream transportation and distribution	39,413	105,309 ⁴⁸	117,670⁴⁸

⁴⁴ The scopes listed here represent approximately 75–80% of Gap Inc.'s total emissions (market-based). Additional Scope 3 category emissions are available through our annual CDP Climate response.

⁴⁵ Recalculated in 2021 to account for divestments and changes to business.

⁴⁶ FY 2022 data will be available on our website later in 2023.

⁴⁷ Our Scope 1, 2, and Business Travel emissions have been verified by Lloyd's Register Quality Assurance. See our [Assurance Statement](#).

⁴⁸ In 2022, we received more accurate data representing our Scope 3 upstream transportation emissions from FY 2021, as well as downstream transportation data from FY 2020 and FY 2021. These figures have been updated in this report accordingly.

RAW MATERIALS AND PRODUCT

We work internally, with suppliers, and through industry partnerships to increase use of preferred fibers by evaluating how different raw materials impact climate, water, biodiversity, and human and animal welfare; certifying the origin and sustainability attributes of materials; and building confidence in our sustainability claims through traceability programs.

GOALS BY 2025

SOURCE 100%

of cotton from more sustainable sources⁴⁹

PROGRESS

81%

of cotton was sourced from more sustainable sources

● On track

SOURCE 45%

(at least) of polyester from recycled sources (rPET) (some brands have higher goals)

16%

of polyester was sourced from recycled sources

● On track

CHALLENGE

All fibers have social and environmental impacts. Cotton – the fiber most commonly used in our products – affects land use, soil health, water consumption, biodiversity, and climate change. Cotton also has opaque and complex global supply chains, posing labor and human rights risks. Synthetics, most commonly derived from nonrenewable, petroleum-based sources, have fewer end-of-life solutions than natural fibers. Textiles such as rayon, modal, viscose, and lyocell typically stem from wood, with tree harvesting for these fibers affecting critical forest ecosystems.

Not only do fibers contribute to environmental impact, but also global fiber production systems are affected by environmental changes such as floods, droughts, and heatwaves, which threaten supply, put workers at risk, and augment raw materials costs.

We depend on stable fiber supply, and we face business and reputational risks if we fail to address products' impacts.

STRATEGY

Our product sustainability strategy enables our brands to embed more sustainable materials into product design and helps suppliers integrate more sustainable practices into manufacturing. We focus on three areas:

1. Raw materials: Our approach emphasizes materials that account for approximately 97 percent of our fiber consumption (natural fibers, synthetics, and manufactured cellulosics). We use holistic impact measurements to encourage product teams to make more environmentally focused decisions. Our brands set their own goals and integrate preferred materials into product development.

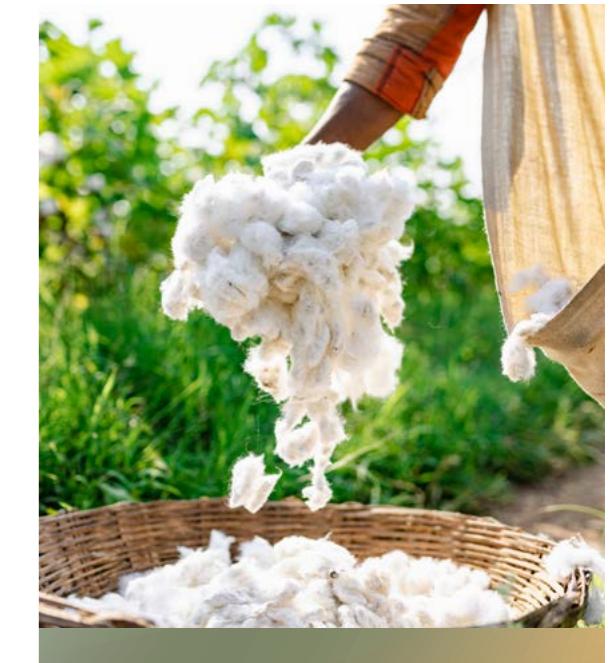
To identify preferred fibers, we use life-cycle assessment data on indicators, including global warming potential, water use, and eutrophication, as well as considering biodiversity, potential for circularity, chemistry, land-use change, and social conditions within production. Industry tools such as the SAC Higg Materials Sustainability Index (MSI) and Textile Exchange's Preferred Fiber and Material Matrix support our evaluation of this data, and participation in the UNFCCC's Raw Materials Working Group facilitates further dialogue. We also collaborate with suppliers to increase the supply of preferred raw materials, such as farm-level programs for in-conversion organic cotton.

2. Traceability: We collaborate internally and across our industry to drive traceability of materials and help strengthen certified standards that govern the production of preferred fibers. We work closely with Textile Exchange in pilots for the dTrackit and eTrackit systems. We have begun to trace our preferred fiber usage at a purchase order level using a blockchain traceability platform. We are also active participants in the Better Cotton traceability panel. Supply chain visibility underpins our traceability efforts. To support global supply chain visibility, we report transparently via the Open Supply Hub (previously Open Apparel Registry) on all Tier 1 suppliers and are working to establish full upstream visibility.

3. Product impact measurement and claims: Our product claims process supports marketing and communications that are clear, accurate, and substantiated. We have a suite of resources to support informed decisions and accurate claims for our teams. These include recorded training sessions, an internal Product Claims Toolkit, fiber consumption reports, and a calculator to estimate how different fibers affect a product's carbon footprint.

IMPACT

Through this work, we aim to reduce impacts on global warming, water, biodiversity, and human and animal health, and secure a more sustainable fiber supply. This work also supports Gap Inc.'s ambitions to achieve net-zero emissions and net-positive water impact by 2050 – as well as our external commitments to The Fashion Pact and the UNFCCC Fashion Industry Charter for Climate Action. Increasing our use of preferred materials through traceability helps establish relationships with our suppliers as key partners in this strategy. By validating our sustainability claims, we avoid greenwashing while also building trust with customers.



⁴⁹ Defined as: Better Cotton (formerly BCI), verified U.S.-grown cotton (USCTP), organic, in conversion (to verified organic), recycled, or regenerative.

2022 PROGRESS

RAW MATERIALS

Natural Fibers: Gap inc. takes a diversified portfolio approach to sourcing natural materials to develop and scale fiber security. Gap brand has a 2030 goal to source 100 percent regenerative, organic, in conversion to organic, recycled, or U.S. cotton, as verified by the Trust Protocol. Banana Republic and Gap partner with Arvind Limited to support an Indian farm transitioning to grow certified organic cotton. Banana Republic is part of the Good Cashmere Standard® and Leather Working Group and the Responsible Wool Standard. Athleta uses the Responsible Down Standard.

Synthetics: All our brands are increasing their sourcing of recycled polyester to at least 45 percent of polyester used by 2025. We are also a member of Textile Exchange's rPET Round Table and Biosynthetics Working Group, supporting fiber innovation. We are especially interested in identifying solutions for lower-impact nylon and elastane, two critical performance fibers with few alternative options. As partially biobased synthetics are emerging in the market, we continue to encourage adoption as part of a long-term shift away from fossil fuel-derived materials. As a member of The Microfibre Consortium (TMC), we monitor issues related to microfiber and microplastics shedding in garments and incorporate the latest insights into our preferred fiber strategy.

Manufactured Cellulosics: We also work with our suppliers and CanopyStyle to encourage global suppliers to set policies and complete assessments to prevent sourcing from ancient and endangered forests. We committed to work only with suppliers that receive Canopy's highest "green shirt" or "dark-green shirt" ranking from the Canopy Hot Button report, indicating their adherence to the criteria for best practices in protecting forests. We're also partnering with Canopy on next-generation fiber sourcing, which prioritizes alternative inputs such as recycled textiles and waste materials.

TRACEABILITY AND INDUSTRY COLLABORATION

Enhancing Traceability: In 2020, we were the first brand to sign up to the U.S. Cotton Trust Protocol (USCTP), and in 2022 we continued working with the program to scale traceability solutions in Central and South America. For this, we have expanded our pilot with technology provider TextileGenesis™, which supports not only USCTP but also traceability of many other preferred fibers. In 2021, we began a partnership with Oritain that chemically tests and verifies the origin of materials. We deploy a risk-based approach to testing across our fabric portfolio. By becoming one of several brands to pilot TextileGenesis™ and Textile Exchange's eTrackit program, we are helping to steer Textile Exchange's Content Claim Standard (CCS) into a digital domain.

Incorporating Sustainability Attributes Into Our Product Line Management System: By incorporating sustainability related attributes into our Product Line Management (PLM) system, we're improving our data integrity and ability to measure stronger key performance indicators that improve our reporting and goal management for product sustainability and brand targets.

PRODUCT IMPACT MEASUREMENT AND CLAIMS

Internal Claims Guidance To Avoid Greenwashing: We require claims on sustainability attributes to be accurate, supported by documentation, and not misleading. To help ensure that our Product and Marketing teams and external partners communicate accurately with the public, we developed employee trainings in 2022 to supplement our Product Claims Toolkit, outlining how to source certified preferred fibers, and how to substantiate external language.

Updates to Product Impact Calculator: After launching this calculator in 2021, we improved internal data quality and continued updates in 2022. This strengthens tracking and reporting on our brand fiber goals, helping our company advance our raw materials portion of our Scope 3 climate goal.

Product Transparency Through QR Codes: In partnership with the technology platform atma.io and the packaging and labeling company Avery Dennison, we are internally piloting product tags that allow customers to scan a QR code to learn more about the sustainability attributes of products.

BIODIVERSITY AND LAND USE

In 2023, we are undertaking a land-use footprinting process that will allow us to better understand our impacts on nature. This process is an initial step in our exploration of a strategy to address biodiversity. We are also working to expand our [Wood-Derived Fabric Policy](#) to address land use, forest conservation, and deforestation risks.

CIRCULARITY

We work with our brands and through cross-brand partnerships to address the full life cycle of our garments and help shift our industry to a circular model of business, where nothing is wasted and more value is created from fewer resources.

CHALLENGE

Clothing waste is a significant global issue, with ever-increasing garment production and more frequent clothing disposal by consumers. Globally, one truckload of clothing is thrown away every second, and in the U.S., 85 percent of clothing is destined for landfill or incineration,⁵⁰ contributing to carbon emissions, threatening biodiversity, and polluting the oceans and air. Overproduction leading to excess product also impacts our bottom line, requiring additional discounting and eroding our margin.

STRATEGY

We work with our brand teams on circularity initiatives and goals, and all our brands have embraced work aligning with at least one of the four pillars in our strategy.

1. Design for Circularity: Our design teams make choices that can positively impact product longevity, reuse, and recyclability (read about our [sourcing approach](#)).

2. Materials and Manufacturing: Increase the use of safe, renewable, and recycled materials, and support innovation in circular manufacturing.

3. Advanced Resource Recovery: Support systems for collecting, sorting, and recycling worn textiles into new materials for the fashion industry.

4. Circular Business Models: Decouple profits from the use of natural resources, resulting in new value propositions for the customer and our brands.

IMPACT

Circular fashion strategies have lower impacts on planetary systems and protect the environment, including natural resources, ecosystems, and biodiversity.

Gap Inc. benefits from circular approaches in multiple ways and addressing waste proactively prepares us for future regulation on extended producer responsibility (EPR). Prioritizing quality of product reduces production costs while increasing brand reputation among environmentally conscious customers. Redirecting textile waste from landfill helps us manage excess inventory in a socially and environmentally responsible way.

These strategies also help us engage customers. As customers become more aware of apparel's environmental impacts, we can tap into new markets by creating clothing made with recycled fibers and by offering opportunities for customers to buy, sell, or donate gently worn clothes. For example, our brands' partnerships with thredUP® have generated \$11 million in Gap Inc. gift cards, creating new revenue for our brands by encouraging customers to extend the life of their clothing through resale.

2022 PROGRESS

1. Design for Circularity: Our Gap brand continued its participation in the Ellen MacArthur Foundation's (EMF) Jeans Redesign, incorporating EMF's principles of circularity. Our brands continued to increase their use of recycled cotton, primarily in denim, and moved away from virgin sources of polyester used in fabric and outerwear insulation.

2. Materials and Manufacturing: Through our continued partnership with The Hong Kong Research Institute of Textiles and Apparel Limited (HKRITA), we are driving innovation in textile-to-textile recycling. We continued trials on two workstreams that support advanced recycling: extraction of indigo dye from denim with Arvind Limited, and separation of spandex from mixed-fiber fabrics, with Artistic Milliners. Both trials moved from lab scale into commercial exploration this year and our supply chain partners have continuously provided feedback to bring these innovations into the real world. The HKRITA project supports our circularity strategy to find alternative fibers for our fiber portfolio. Our work is focused on cotton as our primary fiber.

3. Advanced Resource Recovery: As part of our ongoing partnership with [Accelerating Circular](#), Banana Republic and Old Navy participated in a collaborative industry program to design and create products with post-consumer recycled content. Together with Fashion for Good, we are also contributing to Sorting for Circular India, a project to collect textile manufacturing scraps for recycling.

Old Navy held a denim collection led by store associates, sending over 7,000 pounds of worn denim for recycling. Old Navy also worked with recyclers in the U.S. and Canada to recycle a test load of 37,000 pounds of defective product, and with Goodwill of South Florida to process garments for recycling.

4. Circular Business Models: In partnership with thredUP®, Athleta piloted its first resale platform, Athleta Preloved, giving a selection of Athleta.com customers access to shop gently used Athleta products. Our Athleta, Banana Republic, and Gap brands also have existing Clean Out partnerships with thredUP®, which helped customers collect and sell more than 2.4 million units of apparel since 2020.

In 2022, Athleta also continued its sample sales, preventing nearly 14,000 units from landfill and raising \$162,000 for the Selvage Fund, which supports Gap Inc. employees during times of need. To date, the sales have raised \$319,000.

In work that extends across these four strategies, we are exploring how to build a fully closed-loop apparel recycling system in California. After cofounding a collaborative initiative with Patagonia, Allbirds, and Waste Management in 2021, in 2022, we contributed to a [McKinsey & Company report](#) on increasing fashion circularity in California. We also publicly supported SB1187, a California Senate bill to promote recycling in the fashion industry that was passed in 2022.

WASTE

We work with brand packaging designers, stores, DCs, and our Strategic Sourcing teams to right-size packaging, eliminate unnecessary and problematic plastic packaging, divert waste from landfills, and use alternative materials.

GOALS BY 2025/2030

ELIMINATE

unnecessary or problematic plastics in packaging to consumers by 2025 and in packaging to businesses by 2030, in line with our Fashion Pact commitments⁵³

PROGRESS

49%

of Gap, Old Navy, and Banana Republic shopper bags have been transitioned to paper. 100% of Athleta's bags are reusable and were not included in this calculation. We continue to expand our measurement of plastic packaging



ENSURE

at least half of all plastic packaging is 100% recycled content, for packaging to consumers by 2025, and in packaging to businesses by 2030, in line with our Fashion Pact commitments

50%

of the content in our polymailers sent to consumers is from recycled sources

100%

of the content in our polybags used in logistics is from recycled sources



We prioritize addressing plastic waste in hangers, polybags, shopping bags, and e-commerce mailers.

CHALLENGE

Plastic waste pollutes oceans and other waterways, contributing to health problems in humans and animals. An estimated 8 million tons of plastic waste enters the oceans annually,⁵¹ killing millions of animals, ruining their habitats, and changing natural processes, including the ability of ecosystems to adapt to global warming.⁵²

While the fashion industry relies on flexible plastics to protect garments throughout our supply chains, these plastics typically end up in landfills because only a handful of U.S. municipalities can recycle soft plastics.

STRATEGY

We use a three-pronged strategy to address unnecessary and problematic plastic packaging waste.⁵³

1. Elimination: We work to eliminate and replace unnecessary and problematic plastics with non-plastic material alternatives.

2. Diversion: Wherever possible and where we have control over packaging's end-of-life, we divert problematic plastic from landfill through recycling.

3. Conversion: We work to convert our use of necessary plastics to non-virgin material alternatives.

IMPACT

Our efforts to address plastic waste support environmental health, particularly ocean health, as well as our environmental commitments. These efforts also reduce business risks by proactively establishing systems to reduce and recycle plastic waste, helping us in the event of new regulations. By right-sizing packaging and implementing new folding standards, we have saved money and increased efficiency in shipping. If our brands add just one additional unit in a carton, we can save \$16 million. We are also getting a rebate from materials recycled at our Gallatin, Tennessee, DC.

2022 PROGRESS

1. Elimination: Old Navy announced a new goal to eliminate plastic shoppers by the end of 2023 spurred by the release of The Fashion Pact's packaging guidelines that identified shopping bags as unnecessary plastic packaging. It has begun making the transition to paper shoppers in certain geographies and intends to roll out the new bags over the course of 2023.

2. Diversion: In 2022, we invested in two recycling pilots. Since launching a program at our Gallatin DC in March 2021, we've diverted over 121,000 pounds of plastic film in partnership with PreZero. We're now seeking additional recycling partners to expand the pilot to our other factories. At the Roosevelt Field Mall in Garden City, New York, our Gap and Banana Republic stores joined a pilot program with Simon Properties to recycle plastic film. We're hopeful that Simon Properties will expand the program to other mall locations.

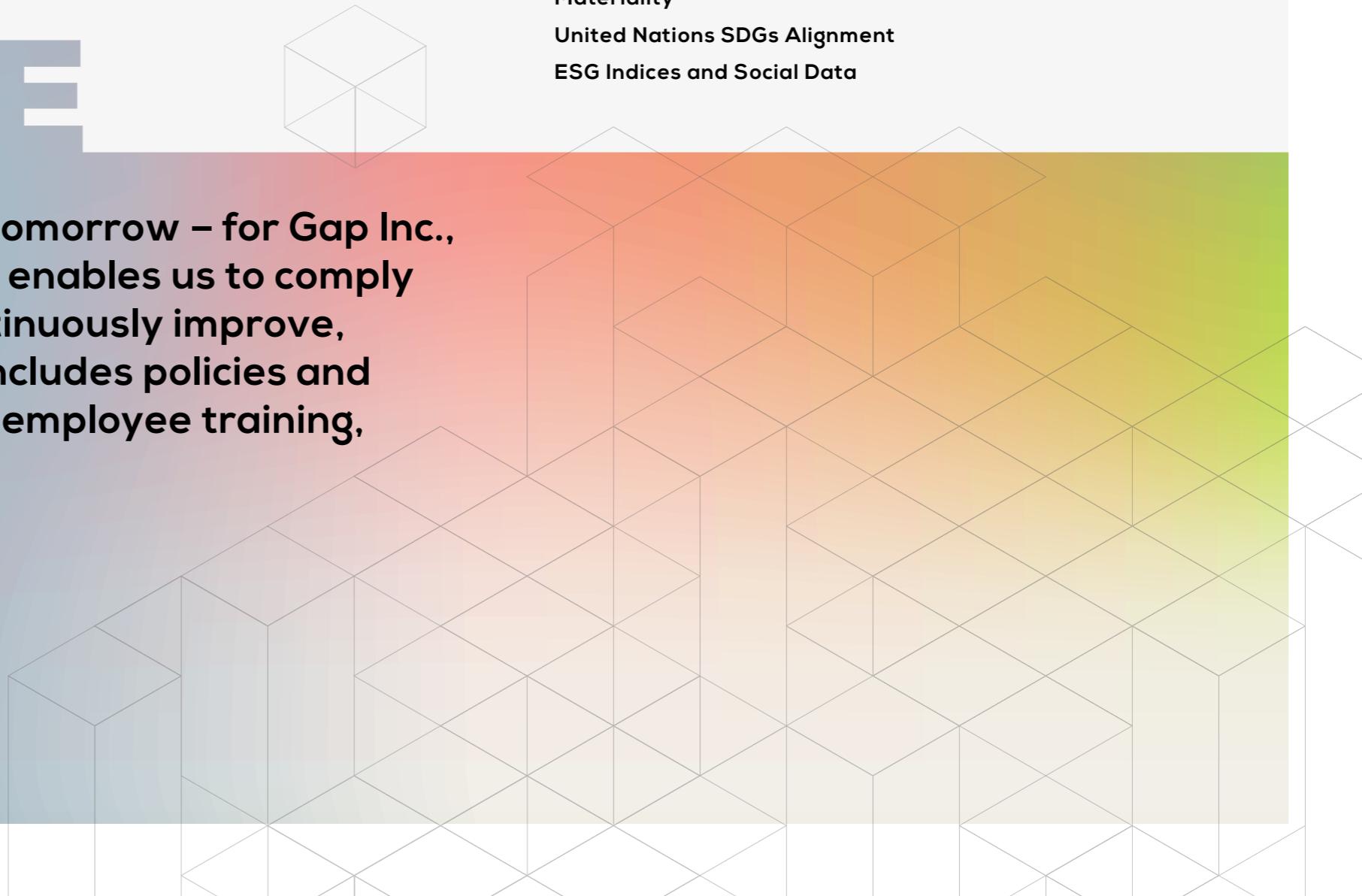
3. Conversion: After applying our elimination strategy and testing paper polybags, we found that the bags ripped along the DC conveyor belts. Establishing polybags as a necessary plastic, we shifted our strategy toward conversion. We now use 100 percent recycled plastic content for our e-commerce polybags. We continue to participate in The Fashion Pact's Ocean Pillar R&D project for paper polybags, which tests different combinations of additives and paper substrates to create a paper polybag replacement that can withstand the mechanical and weather-resistance needs of our customers.

⁵¹ National Geographic

⁵² UN Environment Programme

⁵³ In line with our commitment to The Fashion Pact's Ocean Pillar, we use the Ellen MacArthur Foundation's definition of unnecessary and problematic plastic that consists of five criteria.

GOVERNANCE



Operating ethically today means creating resilience for tomorrow – for Gap Inc., and our planet and communities. Corporate governance enables us to comply with applicable laws and regulations, allowing us to continuously improve, act with integrity, and ensure longevity. Our approach includes policies and procedures, progress measurement and accountability, employee training, stakeholder engagement, and transparent reporting.

OUR MATERIAL TOPICS

- Transparency and accountability
- Business integrity
- Production volume management
- Responsible marketing and consumer engagement
- Data privacy and cybersecurity

IN THIS SECTION

- ESG Oversight
- Risk Management
- Responsible Business Practices
- Stakeholder and Political Engagement
- ESG Appendix and Forward-Looking Statements
- Materiality
- United Nations SDGs Alignment
- ESG Indices and Social Data

ESG OVERSIGHT

In order to embed environmental and social matters into our business operations, we hold ourselves accountable with a strong governance structure and our actions are overseen by the Board, Board Committees, Chief Legal and Compliance Officer, and Chief Supply Chain, Strategy, and Transformation Officer.

CHALLENGE AND IMPACT

The scale of our operations presents many oversight challenges and opportunities, and in order to be responsible stewards of environmental and social impact, we need a way to carefully monitor all the company activities. Good governance helps ensure that environmental and social sustainability initiatives are supported throughout the business.

STRATEGY

To create long-term value for all our stakeholders and enable our business and society to thrive for generations to come, we apply the following management approach to all our environmental and social activities.

Integrate ESG and Business: The Global Sustainability team is part of Gap Inc.'s Supply Chain, Strategy, and Transformation function. Together, these teams work to maximize cross-departmental collaboration to meet consumer and industry demands of the future. We further integrate ESG into our revenue-driving business functions by engaging our four brands' Product

and Marketing teams, as well as Gap Inc.'s Equality & Belonging, Human Resources, Supply Chain Strategy, Government Affairs, Legal, and Gap Foundation leaders. We also consider the financial risks and opportunities relating to our environmental and social initiatives as part of the company's strategic planning.

Maintain Strong Oversight Structure: Our Board committees are each responsible for different aspects of ESG. Our Chief Supply Chain, Strategy, and Transformation Officer and other senior leaders provide regular updates to the Board and its committees on ESG topics and developments. Leaders from critical business functions join together to create our ESG steering committee, which helps to provide a holistic business perspective, address key roadblocks, and align priorities to drive more sustainable growth.

Set Ambitious Goals and Measure Progress Toward

Commitments: We set annual KPIs and long-term goals to drive our work forward, and we measure and capture data to ensure progress. We report transparently in alignment with the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), UN Guiding Principles on Business and Human Rights, UN Sustainable Development Goals (SDGs), Paris Agreement on climate change, and Task Force on Climate-Related Financial Disclosures (TCFD).

Form Partnerships To Increase Collective Impact:

By partnering with local and global organizations, we aim to fuel more sustainable solutions, create greater equality, and scale impact throughout our business, industry, and beyond. [See a list of our partnerships here.](#)

OVERSIGHT STRUCTURE

BOARD OF DIRECTORS

Our Board of Directors currently has 11 members and has determined that 10 are independent under the rules of the New York Stock Exchange. We require 100% membership independence on our three standing committees:

GOVERNANCE & SUSTAINABILITY COMMITTEE

Oversight Areas

- Sustainability programs, policies and practices
- Board composition, structure and evaluation
- Corporate governance guidelines and integration
- Stakeholder engagement
- Political activity

COMPENSATION & MANAGEMENT DEVELOPMENT COMMITTEE

Oversight Areas

- Employee engagement, retention, and recruitment
- Talent development
- Diversity, equity, and inclusion
- Compensation, workplace, and employment practices
- Succession planning

AUDIT & FINANCE COMMITTEE⁵⁴

Oversight Areas

- Financial matters, reporting, and audits
- Legal and regulatory compliance
- Corporate compliance, including related to human rights, labor, and environmental risks
- Enterprise risk management
- Internal controls and procedures
- Data privacy and cybersecurity

CHIEF SUPPLY CHAIN, STRATEGY, AND TRANSFORMATION OFFICER

CHIEF PEOPLE OFFICER

CHIEF LEGAL AND COMPLIANCE OFFICER

OTHER SENIOR LEADERS

ESG FUNCTIONS

Teams across the company, including Global Sustainability, Equality & Belonging, Product, Marketing, Human Resources, Supply Chain Strategy, Government Affairs, Legal, and Gap Foundation engage on ESG topics.

⁵⁴ The Chief Legal and Compliance Officer periodically reports to the Audit and Finance Committee of Gap Inc.'s Board of Directors on the effectiveness of the company's corporate compliance program.

RISK MANAGEMENT

Each year, management and the Internal Audit team work together to identify and assess the greatest existing and emerging risks that could impact company operations or ability to achieve our objectives.

CHALLENGE AND IMPACT

Unmitigated risks can pose a financial, legal, and reputational threat to the company. In recent years, we've seen risk impact our supply chain logistics, workplace safety adaptations within a global pandemic, and macroeconomic headwinds. With effective risk management, we can minimize negative and optimize positive potential events, ensuring our longevity and ability to meet stakeholder expectations.

STRATEGY

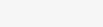
At the enterprise level, the Risk Committee, made up of leaders that represent the Senior Leadership team, provides oversight of the annual Enterprise Risk Assessment (ERA) process, conducted by our Internal Audit team.

At the physical asset level, our Business Continuity (BC) team analyzes, prioritizes, and helps mitigate risks resulting from extreme weather, natural hazards, and other external events, to protect our company-operated facilities and stores. The BC team uses predictive and actual models from the U.S. National Oceanic and Atmospheric Administration (NOAA) and other national and international agencies, which are overlaid against all of Gap Inc.'s facilities for tracking potential and actual impacts. The team uses this intelligence to determine the event and company risk and the residual risk remaining after preparedness plans are developed.

ENTERPRISE RISK MANAGEMENT PROCESS

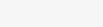
SENIOR EXECUTIVES AND VPs

provide input on risks and mitigations via an online questionnaire or an interview.



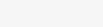
RISK COMMITTEE

reviews results, identifies any other key risks, and prioritizes them in the appropriate quadrants based on risk exposure and mitigation maturity.



CEO, BOARD OF DIRECTORS, AND SENIOR LEADERSHIP TEAM

use the ERA results to monitor and mitigate risks, update policies, and include them in Business Continuity Planning where required.



ERA

informs annual Internal Audit Plan and ongoing Board oversight.

In 2022, we completed our first climate scenario analysis to understand the financial impact of climate-related risks and opportunities under four different global warming scenarios. Through this analysis, we identified legal, technological, market, and reputational risks, as well as opportunities linked to resource efficiency, energy sources, products, markets, and business resilience. We also use the WWF Water Risk Filter to assess our water sourcing from regions in high risk of water deficiency.

Learn more

- › [Climate Stewardship](#)
- › [Reduce and Replenish](#)

RESPONSIBLE BUSINESS PRACTICES

Our comprehensive corporate compliance program is designed to ensure that employees and Board of Directors meet global legal requirements and operate the business responsibly, ethically, and with integrity.

STRATEGY

CODE OF VENDOR CONDUCT (COVC)

To ensure partners' adherence to our standards, we require all factories that produce goods for Gap Inc. meet our COVC requirements and Human Rights Policy. Our policies are based on the principles outlined in the UDHR, UNGC, OECD Guidelines for Multinational Enterprises, and the ILO's Core Conventions. The COVC also sets out our basic expectations for environmental standards to all Tier 1 vendors and suppliers, and we expect all factories to comply with relevant environmental laws and regulations, manage their energy use and water impacts, and complete the Higg FEM annually.

ESG REPORT

CODE OF BUSINESS CONDUCT (COBC)

Our COBC has been the foundation of our corporate compliance program since 1998 and has been managed by the Global Integrity team since 2003. The COBC sets out the policies, values, and principles we require all Gap Inc. employees and directors to uphold and comply with. All new employees receive access to the COBC when they join the company and agree in writing to comply by completing the "Principles of Integrity: Code of Business Conduct Overview" e-learning training within 30 days of hire. Senior employees must certify their compliance with the COBC on an annual basis.

Employees are encouraged to raise concerns with their manager, next-level manager, local human resources, or our Global Integrity team. Our confidential, 24/7 COBC Hotline is managed by an independent, third-party vendor and is freely available to anyone who conducts business with or is affected by Gap Inc. Our web-based reporting system and investigative teams log, process, and address complaints, which are reviewed by our Global Integrity and Internal Audit teams. Individuals can remain anonymous, and all reporting violations or suspected violations of Gap Inc.'s COBC are protected by strict enforcement of the company's zero tolerance for retaliation.

Depending on their location, level, and role, employees are required to do additional training on issues such as sexual harassment, Zero Means Zero non-discrimination, wage and hour compliance, workplace accommodations, anti-corruption, and data privacy and security.

ANTI-CORRUPTION AND ANTI-BRIBERY

As a publicly traded company, we have strict anti-corruption policies and related procedures, such as the Anti-Corruption Due Diligence Process (ACDD), which are designed to ensure compliance with the U.S. Foreign Corrupt Practices Act and local anti-bribery laws. Gap Inc. has two internal-facing anti-corruption policies – a global policy and a China Retail policy (high-risk market). Failure to comply can result in high corporate fines, legal action and imprisonment of individuals, as well as harm to our company reputation. To ensure compliance we have implemented several processes: our companywide compliance system monitors and addresses anti-corruption risks and enforces our anti-corruption and anti-bribery policies; and our Legal team conducts an annual risk-assessment exercise that includes corruption as a critical component.

We also deliver anti-corruption training (available to 100 percent of employees) to global directors and above, managers and above in high-risk functions, and all levels of HQ in high-risk markets (China, Mexico, and Italy). There is a separate course for employees in China, with regional-specific content, delivered at hire or promotion into role and is required annually in high-risk markets and every two years globally. At times, Gap Inc. also delivers ad hoc anti-corruption opportunistic training (e.g. when we are traveling in market).

To evaluate the effectiveness of Gap Inc.'s anti-corruption program, questions related to anti-corruption/anti-bribery are featured in Gap Inc.'s COBC Assessments, which are conducted annually in on different markets/functions to understand the

impact of the COBC program. We assess corruption-related risks in our operations and conduct ACDD in high-risk markets. Within these markets, our policy requires that any third party that interacts with government officials on behalf of Gap Inc., and/or third-party distributors, has an ACDD report.

COMPETITION LAWS AND ANTI-TRUST

Many of the countries where we do business have competition laws, or "anti-trust" laws. These laws reinforce our own standards – everyone needs to be able to compete fairly in a free market. Gap Inc. can be prosecuted and fined, may have to pay damages and attorneys' fees, and could lose shareholder confidence and public trust due to competition law violations. To prevent any misconduct, Gap Inc. employees and directors are required to comply with our internal Competition Law Policy and local laws, and any employee who violates this policy may be subject to disciplinary action, including termination, significant monetary damages or fines, and even legal action.

DATA PRIVACY

To ensure customer trust, we follow seven principles in our approach to data use, new technologies, and services: consent, control, fairness, minimization, confidentiality, access, and accountability. Our Privacy Policy aligns with laws across the jurisdictions where we do business. We also abide by widely accepted security standards and practices to guide our decisions around securing personal information. Read more about our [Privacy Policy](#).

INFORMATION SECURITY AND CYBERSECURITY

Data breaches and cybersecurity incidents can happen in many ways, including the loss of a laptop, sharing passwords, connecting to an unfamiliar Wi-Fi network, downloading malicious software, and other compromises of company systems and security measures. To prevent these incidents, all Gap Inc. corporate employees receive training on how to use company technology appropriately and keep our systems secure from unauthorized access.

MARKETING AND PRODUCT CLAIMS

With a global presence, we have a responsibility to ensure that the marketing messages and product sustainability claims we publish are accurate, substantiated, and representative of our brand's integrity. To support this work, we have implemented measures to ensure accurate and ethical social and environmental representation for our products. Our Color Proud Council is devoted to improving both product and customer experience by embedding diversity and inclusion in all stages of our business operations, focusing on all areas of diversity, including (but not limited to) age, body type, ethnicity, gender, race, religion, sexual orientation, and those with disabilities. We also recognize the risks associated with greenwashing, and we therefore have policies requiring every claim to have verified and documented environmental or social benefits to qualify for any sustainability claims. We actively work to address this risk by training our employees on product claims, abide by our Product Claims Toolkit, and have a thorough review and data validation process for all public messaging.

STAKEHOLDER AND POLITICAL ENGAGEMENT

Talking to stakeholders and establishing partnerships with expert local and global organizations is critical to our ESG strategy and materiality assessments, helping maximize the positive impact of our programs.

STRATEGY

We regularly partner with a broad set of stakeholders to understand the complex issues that affect them, our industry, and society. This dialogue helps us improve our strategies, set goals, focus action, and scale up industry solutions.

To capture feedback, respond accordingly, and drive improvements across our business, we use several methods for stakeholder engagement, including:

- Convening industry and stakeholder partners to discuss systemic issues that require collaboration.
- Implementing formal and informal consultations with expert organizations on material issues.
- Contributing our voice to ESG-related policy issues through government engagement.

We emphasize several types of engagement:

- **Supply chain human rights:** Our Supplier Sustainability and Human Rights and Labor teams regularly engage with our suppliers to drive better practices. To enable a clear understanding of our Human Rights Policy, practices, and grievance channels, we provide all relevant information in local languages through an online platform and offer in-person and virtual support.
- **Communicating with workers:** We routinely engage with our Tier 1 supply chain workers through assessments, digital technology allowing workers to easily share feedback, formal interviews, and informal relationships with worker representatives to learn about human rights issues and mitigate risks proactively. We also interview workers as we develop and improve workers' rights and women's empowerment programs.

• **Consumer insights:** At least once per year, we conduct a 10-minute quantitative online survey with shoppers from the Gap Inc. Insiders community to understand how social and environmental practices of fashion brands influence customers' mindset as well as how customers perceive how our brands are doing on these commitments.

• **Political engagement:** We participate in political and regulatory processes on issues that affect our business and community interests, working proactively to enable Gap Inc.'s strategies through public policy, government, and legislative advocacy – always in ways that are consistent with our values, legal obligations, and our Codes of Business Conduct and Vendor Conduct. We take positions on ballot measures, initiatives, or propositions only when they have a direct impact on our business.

2022 PROGRESS

Supply Chain: A Gap Inc. representative attends weekly calls with the White House Supply Chain Disruptions Task Force, led by the Port and Supply Chain Envoy for the Biden-Harris Administration, Steve Lyons. As a result of the task-force collaboration, port wait times have decreased, which improves our ability to operate while reducing carbon emissions from idled ships.

Circularity: We publicly testified to the California Senate Environmental Quality Committee and Assembly Natural Resources in support of Senator Kamlager's State Bill 1187. The bill passed and was signed by the Governor, establishing a textile circularity pilot program in Los Angeles and Ventura counties to increase textile recycling.

Central Americas: In June 2022, our Chief Supply Chain, Strategy, and Transformation Officer, Sally Gilligan, attended the Summit of the Americas to discuss our strategy to increase sourcing in the Western Hemisphere. Here, she announced a public commitment was made to expand Gap Inc. sourcing in Central America by \$50 million per year over three years (\$150 million total) as part of U.S. Vice President Harris's call to action. Our Head of Sourcing Strategy for the Americas and Government Affairs team also hosted a Congressional Delegation in 2022 to discuss the benefits of expanded sourcing in Central America and led a tour of a factory in Guatemala, showcasing our positive impact in supply chain communities through programs such as P.A.C.E./RISE.

Workforce: On multiple occasions, Gap Inc. and Old Navy leadership have met with Labor Secretary Marty Walsh to discuss our employment footprint and the benefits of our training and workforce development programs such as This Way ONWARD.

Learn more

- [Gap Inc.'s Political Contributions disclosure](#)
- [Political Engagement Policy](#)

ESG APPENDIX

AND FORWARD-LOOKING STATEMENTS

GAP INC. ESG LIBRARY

Name of resource	Description
ESG Resources	Online hub for ESG information, including topic webpages, policies, reports, and disclosures.
Equality & Belonging (E&B) Annual Report	Gap Inc.'s most recent E&B Report demonstrates the progress we made toward our 2025 commitments, from strengthening the pipeline of diverse talent to annually affirming equal pay across racial and gender lines.
CDP Submissions	An archive of all our CDP Climate and CDP Water submissions.
Gap Inc. Sustainability Policies	Collection of all global sustainability-specific policies, including climate and human rights.
U.K. Gender Pay Gap Disclosure 2021 France Gender Pay Gap Disclosure 2021	Gap Inc.'s efforts to address the gender pay gap in the U.K. and France.
Gap Inc. Corporate Compliance and Policies	Code of Business Conduct, Political Engagement Policy, U.K. Tax Policy Disclosure, California Transparency in Supply Chains Act, and U.K. Modern Slavery Act Statement
Responsible Business Practices (Managing Risks)	Enterprise risk management and compliance
SEC Filings	
Gap Inc. Governance	Board and shareholder rights
Gap Inc. Privacy Policy	Privacy and information security

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This report and related comments by management may include "forward-looking statements" within the meaning of the U.S. federal securities laws. Forward-looking statements are any statements other than statements of historical fact. Forward-looking statements represent our current judgment about possible future events and are often identified by words such as "anticipate," "appears," "approximately," "believe," "continue," "could," "designed," "effect," "estimate," "evaluate," "expect," "forecast," "goal," "initiative," "intend," "may," "objective," "outlook," "plan," "potential," "priorities," "project," "pursue," "seek," "should," "target," "when," "will," "would," or the negative of any of those words or similar expressions. In making these statements, we rely upon assumptions and analysis based on our experience and perception of historical trends, current conditions, and expected future developments, as well as other factors we consider appropriate under the circumstances. We believe these judgments are reasonable, but these statements are not guarantees of any future events or financial results, and our actual results may differ materially due to a variety of factors, many of which are described in our most recent Annual Report on Form 10-K and our other filings with the U.S. Securities and Exchange Commission. We caution readers not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events, or other factors that affect the subject of these statements, except where we are expressly required to do so by law.

MATERIALITY

In a rapidly changing world, we want to address areas where Gap Inc. can have the greatest impact and influence, or where our business could be affected. By prioritizing the most material ESG topics (including issues and opportunities) in our strategy and programs, we help ensure our sustainability and ESG agenda responds to matters that are significant to our business and priority stakeholders.

To help us understand the most critical ESG issues, we conducted a materiality assessment, from November 2022 to March 2023, with a third-party expert consultant using a process aligned with the principles of Materiality and Stakeholder Inclusivity outlined in the Global Reporting Initiative (GRI) Reporting Standards and AA1000 AccountAbility Principles. Key stakeholders, including Gap Inc. and brand employees, customers, investors, nonprofit and NGO leaders, and ESG data aggregators were engaged through a survey and interviews as part of the assessment.

For clarity, the identification of our material topics that guide our sustainability strategy and programs should not be construed as a characterization regarding the materiality or financial impact of such issues or related information to investors in Gap Inc. For a discussion of the risks that are material to investors in Gap Inc., please see our Annual Report on Form 10-K for the year ended January 28, 2023, filed with the Securities and Exchange Commission, our subsequent Quarterly Reports on Form 10-Q, and our Current Reports on Form 8-K.

Learn more

- › [Materiality](#)
- › [SEC Filings](#)

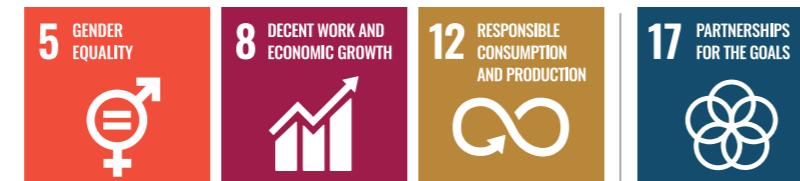
MATERIAL TOPICS		
Resource use, scarcity, and impact	Human rights and social impact	Governance and operating context
Water stewardship	Gender equity	Transparency and accountability
Chemicals management	Health and safety	Production volume management
Climate change response	Product quality and safety	Responsible marketing and consumer engagement
Emissions reduction	Employment standards	Talent attraction and workforce development
Circularity	Supply chain labor standards	Business integrity
Plastic reduction	Diversity, equity, inclusion, and belonging	Purchasing practices
Waste management	Community engagement	Data privacy and cybersecurity
Land and natural resource use		
Biodiversity		
Animal welfare		

UNITED NATIONS SDGs ALIGNMENT

In 2015, the United Nations established 17 Sustainable Development Goals as a blueprint for countries and companies to partner for global impact and achieve a more sustainable world by 2030.

In support, Gap Inc. has identified six SDGs (5, 6, 8, 10, 12, and 13) as most relevant to our business; also recognizing SDGs 4, 7, and 17 as interconnected to our strategy. This focus enables us to minimize harmful impacts while maximizing our opportunities to create a positive change for the future.

EMPOWERING WOMEN



Priority

ENABLING OPPORTUNITY



Priority

ENRICHING COMMUNITIES



Priority

Our business is driven by women – making up the majority of our customers, employees, and apparel supply chain – and we work to empower them to reach their full potential. For this work, we align with SDGs 5, 8, and 12.

Specifically, in support of SDG target 5.5 for Gender Equality – “ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life” – our 2025 goals strive for strategic factories to achieve gender parity at the supervisor level, gender-equitable workplace committees, and RISE participation. Additionally, our 2025 goal to address gender-based violence in our factories connects to SDG target 8.8 for Decent Work and Economic Growth – “protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.”

In alignment with SDG 17, we collaborate with suppliers, peers, governments, educational institutions, and NGOs to maximize potential impact, leading to pioneering industrywide programs like P.A.C.E./RISE.

Creating more sustainable economies and a more equitable world means we use the assets and scale of our business to enable access to opportunity for underrepresented groups. For this work, we align with SDGs 8 and 10.

Our opportunity employment partnerships, such as the Second Chance Business Coalition supporting individuals who were formerly incarcerated, work to impact SDG target 8.5 for Decent Work and Economic Growth – “achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.” Old Navy’s This Way Onward program for youth facing barriers to employment in North America supports SDG target 8.6 – “substantially reduce the proportion of youth not in employment, education or training.” Additionally, our Equality & Belonging commitments support SDG target 10.2 for Reduced Inequalities – “empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.”

We also recognize the necessity of SDG 5 for Gender Equality, to reduce all inequalities, and SDG 4 for Quality Education, as the foundation for inclusive and productive workplace opportunities.

We believe that a clean and healthy planet is a fundamental human right and commit to protecting natural resources and ensuring healthy communities for generations to come. For this work, we align with SDGs 6, 12, and 13.

Our 2050 Water Resilience Coalition commitment to support a water-resilient supply chain and our 2030 Water Access goal to facilitate access to improved drinking water and sanitation for 5 million people align with SDG target 6.4 for Clean Water and Sanitation – “substantially increase water-use efficiency across all sectors and ensure more sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.” Additionally, our 2030 climate goals and science-based targets support SDG 13 for Climate Action and our 100 percent company-operated renewable electricity goal specifically connects to SDG target 7.2 for Affordable and Clean Energy – “increase substantially the share of renewable energy in the global energy mix.”

Our holistic approach connects climate and water impacts to our goals to create more sustainable products, reflecting our role as an apparel company to work toward SDG 12 for Responsible Consumption and Production.

Disclaimer:

The identification of SDGs as relevant, supporting, or interconnected to our business should not be construed as a characterization regarding the materiality or financial impact of such issues or related information to investors in Gap Inc. For a discussion of the risks that are material to investors in Gap Inc., please see our Annual Report on Form 10-K for the year ended January 28, 2023, filed with the Securities and Exchange Commission, our subsequent Quarterly Reports on Form 10-Q, and our Current Reports on Form 8-K.

GLOBAL REPORTING INITIATIVE (GRI) INDEX – 2021 UNIVERSAL STANDARDS

Gap Inc. has reported the information cited in this GRI content index for the period January 30, 2022 to January 28, 2023 with reference to the GRI Standards (2016, 2018, 2020, and 2021). We consulted GRI 1: Foundation 2021 to build this content index. We do not report on any Sector Standards as the requirements for Textiles and Apparel have not yet been released.

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S) ¹
GENERAL DISCLOSURES		
GRI 2: General Disclosures 2021	2-1 Organizational details	ESG Report; The Big Picture, About Gap Inc., About This Report; p.3 Annual Report; Part I, Item 1, Business; p.1 Annual Report; Part I, Item 2, Properties; p.20 Annual Report; Part II, Item 5, Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities; p.22
	2-2 Entities included in the organization's sustainability reporting	Annual Report; Part I, Item 1, Business; p.1 Exhibit 21 "Subsidiaries of Registrant"
	2-3 Reporting period, frequency and contact point	ESG Report; The Big Picture, About Gap Inc., About This Report; p.3
	2-4 Restatements of information	In 2022, we received more accurate data representing our Scope 3 Upstream Transportation emissions from FY 2021, as well as Downstream Transportation data from FY 2020 and FY 2021. These figures have been updated in this report accordingly.
	2-5 External assurance	ESG Report; The Big Picture, About Gap Inc., About This Report; p.3 Assurance Statements

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
GRI 2: General Disclosures 2021 (cont.)	2-6 Activities, value chain and other business relationships	Annual Report; Part I, Item 1, Business; p.1 Annual Report; Part I, Item 2, Properties; p.20 Annual Report; Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations; p.24 ESG Report; Governance, Product Life Cycle; p.6 ESG Report; The Big Picture; Our Value Creation Model; p.5 ESG Report; Governance, ESG Oversight; p.51
	2-7 Employees	Annual Report; Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations; p.24 Annual Report; Part I, Item 1, Business; p.1 Equality & Belonging; People Data
	2-8 Workers who are not employees	ESG Report; Empowering Women & Human Rights; pp.17–27
	2-9 Governance structure and composition	ESG Report; Governance, ESG Oversight; p.51 Investor Relations Webpages; Corporate Governance Fact Sheet Investor Relations Webpages; Committee Composition Investor Relations Webpages; Board of Directors

¹ Note: ESG Report refers to Gap Inc.'s 2022 ESG Report; ESG Webpages refer to our Global Website, which hosts our Environment, Social, and Governance (ESG) Hub and Equality & Belonging Report; Annual Report refers to Gap Inc.'s Annual Report on Form 10-K for the fiscal year ended January 28, 2023; and Proxy Statement refers to the Notice of Annual Meeting of Gap Inc. Shareholders 2022 and 2023 Proxy Statements. Please find more information on our **[Investor Relations](#)** Webpages.

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
GRI 2: General Disclosures 2021 (cont.)	2-10 Nomination and selection of the highest governance body	Investor Relations Webpages; Corporate Governance Fact Sheet Investor Relations Webpages; Board of Directors
	2-11 Chair of the highest governance body	Investor Relations Webpages; Board of Directors
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Report; Governance, Stakeholder and Political Engagement; p.54 ESG Report; Governance, ESG Oversight; p.51 ESG Report; Governance, Risk Management; p.52 Investor Relations Webpages; Corporate Governance Guidelines ESG Webpages; Management Approach ESG Webpages; Responsible Business Practices 2022 CDP Climate Submission ; C1.1b, C1.2, C1.2a
	2-13 Delegation of responsibility for managing impacts	Investor Relations Webpages; Committee Composition Investor Relations Webpages; Governance and Sustainability Committee Charter ESG Report; Governance, ESG Oversight; p.51
	2-14 Role of the highest governance body in sustainability reporting	Investor Relations Webpages; Governance and Sustainability Committee Charter ESG Report; Governance, ESG Oversight; p.51
	2-15 Conflicts of interest	Investor Relations Webpages; Corporate Compliance
	2-16 Communication of critical concerns	ESG Report; Governance, ESG Oversight; p.51
	2-17 Collective knowledge of the highest governance body	2022 CDP Climate Submission ; C1.1d 2022 CDP Water Submission ; W6.2d
	2-18 Evaluation of the performance of the highest governance body	Investor Relations Webpages; Governance Investor Relations Webpages; Corporate Governance Guidelines Investor Relations Webpages; Corporate Governance Fact Sheet
	2-19 Remuneration policies	Proxy Statement 2022

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
GRI 2: General Disclosures 2021 (cont.)	2-20 Process to determine remuneration	Proxy Statement 2022
	2-21 Annual total compensation ratio	Proxy Statement 2022 ; CEO Pay Ratio; p.66
	2-22 Statement on sustainable development strategy	ESG Report; The Big Picture, Our Commitment to ESG: CEO Message; p.4
	2-23 Policy commitments	Gap Inc. applies the precautionary principle to its use of chemicals through testing of its products and its commitment to the elimination of PFC-based finishes. For more information, please see Chemicals Management and Responsible Business Practices . ESG Report; Governance, Responsible Business Practices; p.53
	2-24 Embedding policy commitments	ESG Report; Governance, Responsible Business Practices; p.53
	2-25 Processes to remediate negative impacts	ESG Report; Governance, Stakeholder and Political Engagement; p. 54 ESG Report; Empowering Women & Human Rights, Assessment and Remediation; pp.19-21
	2-26 Mechanisms for seeking advice and raising concerns	Investor Relations Webpages; Corporate Compliance Investor Relations Webpages; Code of Business Conduct ESG Report; Governance, Responsible Business Practices; p.53
	2-27 Compliance with laws and regulations	Investor Relations Webpages; Corporate Compliance ESG Report; Governance, Responsible Business Practices; p.53
	2-28 Membership associations	ESG Report; Memberships and Partner Organizations
	2-29 Approach to stakeholder engagement	ESG Report; Governance, Stakeholder and Political Engagement; p.54
	2-30 Collective bargaining agreements	ESG Webpages; Policies and Approaches for Human Rights

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
MATERIAL TOPICS		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Report; The Big Picture, About Gap Inc., About this Report; p.3 ESG Report; Governance, ESG Appendix; p.55 ESG Report; Governance, Materiality; p.56
	3-2 List of material topics	See GRI 2-23 ESG Report; Governance, Materiality; p.56
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report; Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations; p.24 Annual Report; Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk; p.37
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report; Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations; p.24
	201-2 Financial implications and other risks and opportunities due to climate change	2022 CDP Climate Submission ; C2.1b, C2.2, C2.2a, C2.3, C2.3a, C2.4, C2.4a, C3.4 2022 CDP Water Submission ; W3.3b, W4.1, W4.1a, W4.1b, W4.1c, W4.2a, W4.2b, W4.3, W4.3a
GRI 201: Economic Performance 2016 (cont.)	201-3 Defined benefit plan obligations and other retirement plans	ESG Report; Enabling Opportunity, Talent Development; pp.34-35 Gap Inc. Webpages: Benefits
	201-4 Financial assistance received from government	Not applicable. Gap Inc. did not receive financial assistance from the government in 2022.
Procurement practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Governance, Materiality; p.56 ESG Report; Empowering Women & Human Rights, Purchasing Practices/Better Buying; p.20 ESG Report; Empowering Women & Human Rights, Assessment and Remediation; p.21 ESG Report; Enriching Communities, Raw Materials and Product; pp.46-47

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Governance, Responsible Business Practices; p.53
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken	ESG Report; Governance, Responsible Business Practices; p.53 ESG Report; Governance, Responsible Business Practices; p.53 ESG Report; Governance, Responsible Business Practices; p.53
Anti-competitive behavior		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Governance, Responsible Business Practices; p.53
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	ESG Report; Governance, Responsible Business Practices; p.53
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Enriching Communities, Raw Materials and Product; pp.46-47 ESG Report; Enriching Communities, Circularity and Waste; pp.48-49
GRI 301: Materials 2016	301-1 Materials used by weight or volume 301-2 Recycled input materials used 301-3 Reclaimed products and their packaging materials	ESG Report; SASB Index, CG-AA-440a.4; p.69 ESG Report; Enriching Communities, Circularity and Waste; pp.48-49 ESG Report; SASB Index, CG-AA-440a.4; p.69 ESG Report; Enriching Communities, Circularity and Waste; pp.48-49 0% – Gap Inc. does not directly collect to reuse or recycle any products.

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Enriching Communities, Climate Stewardship; pp.44–45 2022 CDP Climate Submission ; C1.1a, C1.1b, C1.1d, C1.2, C1.2a, C1.3a
GRI 302: Energy 2016	302-1 Energy consumption within the organization	2022 CDP Climate Submission ; C5.2, C8.1, C8.2, C8.2a, C8.2b, C8.2c, C8.2e, C8.2g ESG Report; Enriching Communities, Climate Stewardship; pp.44–45 ESG Report; SASB Index, CG-MR-130a.1; p.72 ESG Webpages; Assurance Statements for Environmental Data
302-2 Energy consumption outside of the organization		
2022 CDP Climate Submission ; C5.2, C6.5, C8.1, C8.2, C8.2a, C8.2b, C8.2c, C8.2e, C8.2g ESG Report; Enriching Communities, Climate Stewardship; pp.44–45		
GRI 302: Energy 2016 (cont.)	302-3 Energy intensity	2022 CDP Climate Submission ; C6.10 ESG Report; Enriching Communities, Climate Stewardship; pp.44–45 ESG Webpages; Data Tables
302-4 Reduction of energy consumption		
2022 CDP Climate Submission ; C4.1a, C4.2, C4.2a, C4.3, C4.3a, C4.3b, C4.3c ESG Report; Enriching Communities, Climate Stewardship; pp.44–45		
302-5 Reductions in energy requirements of products and services		
2022 CDP Climate Submission ; C4.5a ESG Report; Enriching Communities, Climate Stewardship; pp.44–45 ESG Report; Enriching Communities, Raw Materials and Product; pp.46–47		
Water and effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Enriching Communities, Water Stewardship, Reduce and Replenish: Tackling Water Consumption; p.42 2022 CDP Water Submission ; W0.5, W0.6, W0.6a, W1.2, W2.1, W2.1a, W3.3, W3.3a–d, W4.1a, W4.2, W4.2a, W6.1, W6.1a, W6.2a–b, W6.3, W7.3, W7.3a, W7.3b

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	ESG Report; Enriching Communities, Water Stewardship, Reduce and Replenish: Tackling Water Consumption; p.42 2022 CDP Water Submission ; W1.1, W1.4, W1.4a–d, W2.1a, W3.3a–d, W4.2, W4.2a, W8.1a–b
303-2 Management of water discharge-related impacts		
ESG Report; Enriching Communities, Water Stewardship, Reduce and Replenish: Tackling Water Consumption; p.42 ESG Report; Enriching Communities, Chemicals Management; p.43		
303-3 Water withdrawal		
ESG Report; Enriching Communities, Water Stewardship, Reduce and Replenish: Tackling Water Consumption; p.42 2022 CDP Water Submission ; W1.2b, W1.2d, W1.2h, W5.1, W5.1a		
303-4 Water discharge		
ESG Report; Enriching Communities, Chemicals Management; p.43 2022 CDP Water Submission ; W1.2b, W1.2i, W2.2a–b		
303-5 Water consumption		
2022 CDP Water Submission ; W1.2b, W5.1 ESG Webpages; Data Tables		
Biodiversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Enriching Communities, Raw Materials and Product; pp.46–47
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	ESG Report; Enriching Communities, Raw Materials and Product; pp.46–47 ESG Report; Enriching Communities, Climate Stewardship; pp.44–45
Information unavailable as we are currently working to expand our Wood-Derived Fibers Policy to address land use, forest conservation, and deforestation risks.		
304-2 Significant impacts of activities, products and services on biodiversity		
304-3 Habitats protected or restored		
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	2022 CDP Climate Submission ; C1.1a, C1.1b, C1.2a, C2.2, C2.2a, C2.3a, C2.4a, C3.2b, C3.3, C3.4, C4.3c ESG Report; Enriching Communities, Climate Stewardship; pp.44–45
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	2022 CDP Climate Submission ; C5.2, C5.3, C6.1, C6.4a, C6.10, C7.1, C7.1a, C7.2, C7.3, C7.3a, C7.9a ESG Report; Enriching Communities, Climate Stewardship; pp.44–45 ESG Webpages; Data Tables ESG Webpages; Assurance Statements for Environmental Data
GRI 305: Emissions 2016 (cont.)	305-2 Energy indirect (Scope 2) GHG emissions	2022 CDP Climate Submission ; C5.2, C5.3, C6.2, C6.3, C6.4, C6.4a, C6.10, C7.5, C7.6, C7.6a, C7.9a, C7.9b ESG Report; Enriching Communities, Climate Stewardship; pp.44–45 ESG Webpages; Data Tables ESG Webpages; Assurance Statements for Environmental Data
	305-3 Other indirect (Scope 3) GHG emissions	2022 CDP Climate Submission ; C5.2, C5.3, C6.5 ESG Report; Enriching Communities, Climate Stewardship; pp.44–45 ESG Webpages; Data Tables ESG Webpages; Assurance Statements for Environmental Data
	305-4 GHG emissions intensity	2022 CDP Climate Submission ; C6.10 ESG Report; Enriching Communities, Climate Stewardship; pp.44–45 ESG Webpages; Data Tables
	305-5 Reduction of GHG emissions	2022 CDP Climate Submission ; C2.4a, C4.1, C4.1a, C4.2, C4.2a, C4.3, C4.3a, C4.3b, C4.2c, C5.2 ESG Report; Enriching Communities, Climate Stewardship; pp.44–45 ESG Report; Gap Inc. Goals and Progress; pp.9–10 ESG Webpages; Data Tables
	305-6 Emissions of ozone-depleting substances (ODS)	Gap Inc. has no ozone-depleting substance emissions to report.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2022 CDP Climate Submission ; C7.1a ESG Report; Enriching Communities, Climate Stewardship; pp.44–45 ESG Webpages; Data Tables

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Enriching Communities, Circularity and Waste; pp.48–49
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	ESG Report; Enriching Communities, Circularity and Waste; pp.48–49
	306-2 Management of significant waste-related impacts	ESG Report; Enriching Communities, Circularity and Waste; pp.48–49
	306-3 Waste generated	ESG Report; Enriching Communities, Circularity and Waste; pp.48–49
	306-4 Waste diverted from disposal	ESG Report; Enriching Communities, Circularity and Waste; pp.48–49 ESG Report; SASB Index, CG-MR-410a.3; p.73
	306-5 Waste directed to disposal	ESG Report; Enriching Communities, Circularity and Waste; pp.48–49
Supplier environmental assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Empowering Women & Human Rights, Assessment and Remediation; p.21 ESG Report; Enriching Communities, Water Stewardship; pp.39–42
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	ESG Report; SASB, CG-AA-430a.1, CG-AA-430a.2, CG-AA-430b.1, CG-AA-430b.2; pp.66–67
	308-2 Negative environmental impacts in the supply chain and actions taken	ESG Report; Empowering Women & Human Rights, Assessment and Remediation; p.21 ESG Report; Enriching Communities, Water Stewardship; p.39 ESG Report; Enriching Communities, Chemicals Management; p.43 ESG Report; Enriching Communities, Climate Stewardship; pp.44–45 ESG Report; SASB, CG-AA-430b.2; p.67

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Enabling Opportunity, Talent Development; pp.34–35
GRI 401: Employment 2016	401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees 401-3 Parental leave	Proxy Statement 2022 ESG Report; Governance, Social Data; pp.75–77 ESG Report; Enabling Opportunity, Talent Development; pp.34–35 Gap Inc. Webpages: Benefits ESG Report; Enabling Opportunity, Talent Development; pp.34–35 Gap Inc. Webpages: Benefits
Occupational health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Enabling Opportunity, Talent Development; pp.34–35
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system 403-2 Hazard identification, risk assessment, and incident investigation 403-3 Occupational health services 403-4 Worker participation, consultation, and communication on occupational health and safety	ESG Report; Enabling Opportunity, Talent Development; pp.34–35 ESG Report; Enabling Opportunity, Talent Development; pp.34–35 ESG Report; Enabling Opportunity, Talent Development; pp.34–35 ESG Report; Enabling Opportunity, Talent Development; pp.34–35

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
GRI 403: Occupational Health and Safety 2018 (cont.)		
	403-5 Worker training on occupational health and safety	ESG Report; Enabling Opportunity, Talent Development; pp.34–35
	403-6 Promotion of worker health	ESG Report; Enabling Opportunity, Talent Development; pp.34–35
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESG Report; Enabling Opportunity, Talent Development; pp.34–35
	403-8 Workers covered by an occupational health and safety management system	ESG Report; Governance, Social Data; pp.75–77
	403-9 Work-related injuries	ESG Report; Governance, Social Data; pp.75–77
	403-10 Work-related ill health	ESG Report; Governance, Social Data; pp.75–77
Training and education		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Enabling Opportunity, Talent Development; pp.34–35
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee 404-2 Programs for upgrading employee skills and transition assistance programs 404-3 Percentage of employees receiving regular performance and career development reviews	ESG Report; Enabling Opportunity, Talent Development; pp.34–35 ESG Report; Enabling Opportunity, Talent Development; pp.34–35 ESG Report; Enabling Opportunity, Talent Development; pp.34–35

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
Diversity and equal opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; The Big Picture, Equality & Belonging; pp.15–16
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	ESG Report; The Big Picture, Equality & Belonging; pp.15–16 ESG Report; Governance, Social Data; pp.75–77
	405-2 Ratio of basic salary and remuneration of women to men	ESG Report; Enabling Opportunity, Equality & Belonging; pp.15–16 Investor Relations Webpages; Corporate Compliance , U.K. and France Gender Pay Gap Disclosure
Local communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Empowering Women & Human Rights, Gap Inc. P.A.C.E./RISE; pp.22–23 ESG Report; Enabling Opportunity, This Way ONward; pp.31–32 ESG Report; Enriching Communities, Access: Community Water Resilience; pp.40–41
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	ESG Report; Empowering Women & Human Rights, Gap Inc. P.A.C.E./RISE; pp.22–23 ESG Report; Enabling Opportunity, This Way ONward; pp.31–32 ESG Report; Enriching Communities, Access: Community Water Resilience; pp.40–41
	413-2 Operations with significant actual and potential negative impacts on local communities	ESG Report; Enriching Communities, Water Stewardship; p.39 ESG Report; Enriching Communities, Chemicals Management; p.43
Supplier social assessments and labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Empowering Women & Human Rights, Human Rights; pp.19–20 ESG Report; Empowering Women & Human Rights, Assessment and Remediation; p.21 ESG Report; Empowering Women & Human Rights, Capability Building; pp.24–26 Gap Inc. Webpages; California Transparency in Supply Chains Act and U.K. Modern Slavery Act Statement
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	ESG Report; Empowering Women & Human Rights, Assessment and Remediation; p.21 ESG Report; SASB, CG-AA-430b.1, CG-AA-430b.2; p.67

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
	414-2 Negative social impacts in the supply chain and actions taken	ESG Report; SASB, CG-AA-430b.1, CG-AA-430b.2; p.67 ESG Webpages; Grievance Mechanisms
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	ESG Report; Empowering Women & Human Rights, Assessment and Remediation; p.21 ESG Report; Empowering Women & Human Rights, Capability Building (Gender-Based Violence Prevention and Response); pp.24–26 ESG Report; SASB, CG-AA-430b.1, CG-AA-430b.2; p.67 ESG Webpages; Discrimination and Harassment
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	ESG Report; Empowering Women & Human Rights, Human Rights; pp.19–20 ESG Report; Empowering Women & Human Rights, Assessment and Remediation; p.21 ESG Webpages; Child Labor and Young Workers
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	ESG Report; Empowering Women & Human Rights, Human Rights; pp.19–20 ESG Report; Empowering Women & Human Rights, Assessment and Remediation; p.21 ESG Webpages; Human Trafficking and Forced Labor
Public policy		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Governance, Stakeholder and Political Engagement; p.54 Gap Inc. Webpages, Political Engagement Policy
GRI 415: Public Policy 2016	415-1 Political contributions	ESG Report; Governance, Stakeholder and Political Engagement; p.54 Gap Inc. Webpages, Political Engagement Policy
Customer health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Enriching Communities, Chemicals Management; p.43
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	ESG Report; Enriching Communities, Chemicals Management; p.43
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Zero incidents of non-compliance were observed in 2022. Consumer Product Safety Commission

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

The International Sustainability Standards Board (ISSB) of the International Financial Reporting Standards (IFRS) is an independent, private-sector standards-setting organization dedicated to enhancing the efficiency of capital markets by fostering high-quality disclosure of material sustainability information that meets investor needs. We disclose to the Standard for the Apparel, Accessories & Footwear industry, and select topics from the E-Commerce and Multiline and Specialty Retailers & Distributors industries, as defined by the Sustainable Industry Classification System (SICS), with reference information found in Gap Inc.'s 2022 ESG Report and our website).

TOPIC/ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE(S) ¹
APPAREL, ACCESSORIES, AND FOOTWEAR					
Management of Chemicals in Product					
Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	N/A	CG-AA-250a.1	<p>Gap Inc. chemical restrictions are informed by global regulations, as well as hazard- and risk-based considerations. They include our Restricted Substances List (RSL) and our Manufacturing Restricted Substances List (MRSList). Since 2008, Gap Inc. suppliers have been expected to comply with our RSL. Since 2015, we have asked all of our suppliers to comply with the ZDHC MRSList, and we are aligned with the AFIRM Group RSL. Our approach to implementation of our chemical policies includes:</p> <ol style="list-style-type: none"> 1. Industry partnerships and standards: We partner with industry groups, including the Apparel and Footwear International RSL Management (AFIRM) Group and the Sustainable Apparel Coalition (SAC) to implement a consistent set of tools and processes to support best practices, monitor supplier performance, and encourage use of safer chemicals. 2. Supplier engagement: We communicate chemical compliance requirements to our suppliers in our Code of Vendor Conduct (COVC) and Mill Minimum Expectations, and we require our suppliers to acknowledge and comply with these conditions. 3. Compliance and monitoring: Through third-party testing of products, product components, and wastewater effluent, as well as the use of industry data platforms, we monitor the performance of our supply chain and verify compliance with global chemical regulations and Gap Inc. chemical restrictions. <p>To learn more about this process, please see the Chemicals Management page.</p>	<p>ESG Report; Enriching Communities, Chemicals Management; p.43 ESG Webpages: Chemicals Management</p>

¹ Note: ESG Report refers to Gap Inc.'s 2022 ESG Report; ESG Webpages refer to our Global Website, which hosts our Environment, Social, and Governance (ESG) Hub and Equality & Belonging Report; Annual Report refers to Gap Inc.'s Annual Report on Form 10-K for the fiscal year ended January 28, 2023; and Proxy Statement refers to the Notice of Annual Meeting of Gap Inc. Shareholders 2022 and 2023 Proxy Statements. Please find more information on our [Investor Relations](#) Webpages.

TOPIC/ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE(S)																				
Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	N/A	CG-AA-250a.2	<p>Gap Inc. uses the following processes to assess and manage potential risks and hazards associated with their product materials and chemicals.</p> <p>Input Management: The selection of better chemical inputs and starting materials is an essential part of reducing the use and discharge of hazardous chemicals.</p> <p>Process Management: Adherence to chemicals management best practices during manufacturing is critical for reducing both human and environmental risks.</p> <p>Output Management: The outputs of apparel and footwear manufacturing include finished products as well as wastewater. Gap Inc. restricts chemicals of known concern; for example we committed to eliminate PFCs from our supply chain by 2023. 100% of fabrics with PFC-based finishes were successfully converted or exited. At the Gap Inc. level, 95 percent of apparel and accessories units with water repellent or stain-resistant performance were produced without PFCs (up from 38 percent in 2021, and 7 percent in 2020). Less than 1 percent of apparel and accessories units at the Gap Inc. level had a water repellent or stain-resistant finish, down from less than 2 percent in 2021.</p>	<p>ESG Report; Enriching Communities, Chemicals Management; p.43</p> <p>ESG Webpages: Chemicals Management</p>																				
Environmental Impacts in the Supply Chain																									
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreements	Quantitative	Percentage (%)	CG-AA-430a.1	<p>For more than 15 years, we have required our denim laundries to participate in our Water Quality Program, which allows us to actively monitor and improve wastewater quality. In 2022, we added woven and garment dye laundries to this program.</p> <table> <thead> <tr> <th>Year</th> <th>Total participants</th> <th>% Tier 1 meeting both</th> <th>% Tier 2 meeting both</th> <th>% Tier 1 and 2 meeting both conventional and ZDHC MRSI parameters</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>54</td> <td>-</td> <td>-</td> <td>94% met conventional, 89% met ZDHC</td> </tr> <tr> <td>2021</td> <td>53</td> <td>-</td> <td>-</td> <td>100% met conventional, 94% met ZDHC</td> </tr> <tr> <td>2022</td> <td>156</td> <td>99%</td> <td>95%</td> <td>97%</td> </tr> </tbody> </table>	Year	Total participants	% Tier 1 meeting both	% Tier 2 meeting both	% Tier 1 and 2 meeting both conventional and ZDHC MRSI parameters	2020	54	-	-	94% met conventional, 89% met ZDHC	2021	53	-	-	100% met conventional, 94% met ZDHC	2022	156	99%	95%	97%	<p>ESG Report; Enriching Communities, Water Stewardship; p.39</p> <p>ESG Report; Enriching Communities, Reduce and Replenish: Tackling Water Consumption; p.42</p> <p>ESG Report; Enriching Communities, Chemicals Management; p.43</p> <p>ESG Webpages: Chemicals Management</p>
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2022	156	99%	95%	97%																					
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Index Facility Module (Higg FEM) assessment or an equivalent environmental data assessment	Quantitative	Percentage (%)	CG-AA-430a.2	<p>Our Tier 1 and strategic Tier 2 suppliers complete the Sustainable Apparel Coalition's Higg Index 3.0 Facility Environmental Module (FEM) self-assessment to communicate their water and energy use, along with chemicals and waste management.</p> <table> <thead> <tr> <th>Year</th> <th>% Tier 1 branded suppliers using Higg Index FEM</th> <th>% Tier 2 suppliers using Higg Index FEM</th> <th># verified responses</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>100%</td> <td>70%</td> <td>280</td> </tr> <tr> <td>2021</td> <td>99% (558)</td> <td>91% (147)</td> <td>463 (64%) 351 Tier 1, 112 Tier 2</td> </tr> <tr> <td>2022</td> <td>100% (589)</td> <td>73% (152)</td> <td>557 (77% total; 441 Tier 1, 133 Tier 2)</td> </tr> </tbody> </table>	Year	% Tier 1 branded suppliers using Higg Index FEM	% Tier 2 suppliers using Higg Index FEM	# verified responses	2020	100%	70%	280	2021	99% (558)	91% (147)	463 (64%) 351 Tier 1, 112 Tier 2	2022	100% (589)	73% (152)	557 (77% total; 441 Tier 1, 133 Tier 2)	<p>ESG Report; Enriching Communities, Water Stewardship; p.39</p> <p>ESG Report; Enriching Communities, Reduce and Replenish: Tackling Water Consumption; p.42</p>				
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TOPIC/ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE(S)																
Labor Conditions in the Supply Chain																					
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	Quantitative	Percentage (%)	CG-AA-430b.1	<p>We have communicated to our entire supplier base our expectations of their social and environmental performance, which are requirements of doing business with us. Facilities with a consistently low non-conformance rate may be assessed on a biannual basis; all facilities are audited prior to initial production.</p> <table> <thead> <tr> <th>Year</th> <th>% Tier 1 branded suppliers audited to COVC</th> <th>% of audits conducted by third-party assessor (such as ILO Better Work and SLCP)</th> <th>% of suppliers beyond Tier 1 audited to COVC</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>81</td> <td>71</td> <td>N/A</td> </tr> <tr> <td>2021</td> <td>83</td> <td>68</td> <td>N/A</td> </tr> <tr> <td>2022</td> <td>88%</td> <td>88%</td> <td>24%*</td> </tr> </tbody> </table>	Year	% Tier 1 branded suppliers audited to COVC	% of audits conducted by third-party assessor (such as ILO Better Work and SLCP)	% of suppliers beyond Tier 1 audited to COVC	2020	81	71	N/A	2021	83	68	N/A	2022	88%	88%	24%*	<p>ESG Report; Empowering Women & Human Rights, Human Rights; pp.19–20</p> <p>ESG Report; Empowering Women & Human Rights, Assessment and Remediation; p.21</p> <p>ESG Webpages; Data Tables</p>
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2021	83	68	N/A																		
2022	88%	88%	24%*																		
				<p>* This represents the percentage of identified facilities beyond Tier 1 audited to our COVC through SLCP. We have identified and confirmed 249 mill facilities in our supply chain and recognize this metric may change as more information is available.</p>																	
Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	Quantitative	Rate	CG-AA-430b.2	<p>We use a color-coded system to rate each facility's performance. High-performing facilities with no critical and few violations are rated green; average performers are yellow; and those that need to address one or more serious issues are red. As of fiscal 2022, less than 1 percent of facilities received red ratings (priority non-conformance rate) during assessments against our COVC.</p> <p>For issues open as of 2/1/2022, 81 percent of corrective action plans were resolved by 2/1/2023.</p> <table> <thead> <tr> <th>2/1/2022</th> <th>2/1/2023</th> <th># of open issues</th> <th># of open issues</th> <th>% resolution</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>2187</td> <td>425</td> <td>81%</td> </tr> </tbody> </table>	2/1/2022	2/1/2023	# of open issues	# of open issues	% resolution			2187	425	81%	<p>ESG Report; Empowering Women & Human Rights, Human Rights; pp.19–20</p> <p>ESG Report; Empowering Women & Human Rights, Assessment and Remediation; p.21</p> <p>ESG Webpages; COVC Findings</p> <p>ESG Webpages; Data Tables</p>						
2/1/2022	2/1/2023	# of open issues	# of open issues	% resolution																	
		2187	425	81%																	
Description of greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	Discussion and Analysis	N/A	CG-AA-430b.3	<ol style="list-style-type: none"> The labor practices and working conditions at the third-party suppliers that make apparel for Gap Inc. brands can affect reputation, business continuity, and operating costs for our brands and the company overall. Most workers in our supply chain are women, which is why in addition to labor practices, we have strong focus of empowering women to create lasting impact. Excessive overtime, fire and structural safety, and gender-based violence are high-risk supply chain issues that we have specific programs in place to address. The human rights impact of these risks can be severe, while these issues can also present operational risk to our supply chain and reputational risk to our portfolio of brands. 	<p>ESG Report; Empowering Women & Human Rights, Human Rights; pp.19–20</p> <p>ESG Report; Empowering Women & Human Rights, Assessment and Remediation; p.21</p>																

TOPIC/ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE(S)
Raw Material Sourcing					
(1) List of priority raw materials; for each priority raw material: (2) environmental and/or social factor(s) most likely to threaten sourcing, (3) discussion on business risks and/or opportunities associated with environmental and/or social factors, and (4) management strategy for addressing business risks and opportunities	Discussion and Analysis	n/a	CG-AA-440a.3	<p>We focus our raw materials strategy on the top fibers that account for approximately 97 percent of our fiber consumption: cotton, polyester, nylon, and manufactured cellulosic fibers.</p> <p>PRIORITY RAW MATERIALS</p> <p>Environmental and/or Social Factors:</p> <p>Cotton: Changes in water access, drought, flooding, heat waves, soil deterioration, and other climate, water, and biodiversity impacts can affect availability, cost, and quality of cotton crops.</p> <p>Polyester: As a synthetic, petroleum-based synthetic fiber, polyester can contribute to anthropogenic pollution in the extraction and production phases, it does not naturally biodegrade, and there are concerns about microplastic pollution.</p> <p>Nylon: Conventional nylon is a petroleum-based synthetic fiber that contributes to anthropogenic pollution and greenhouse gases in the production phase and requires large amounts of water to produce.</p> <p>Manufactured cellulosics: Derived from wood and wood pulp by-products, manufactured cellulosics are susceptible to environmental factors such as drought, flooding, natural disasters, and disease, which could potentially impact the harvest of the materials substantively and is also connected to deforestation and decreasing biodiversity.</p> <p>Discussion of Business Risks and/or Opportunities:</p> <p>Cotton: Farming and processing cotton typically involves the use of large quantities of water as well as chemicals, and often takes place in regions facing water and climate risks. Farming and processing cotton typically involves the use of large quantities of water as well as chemicals, and often takes place in regions facing water and climate risks.</p> <p>Polyester: We expect the costs of raw material commodities like polyester and recycled polyester (rPET) to increase based on demand, availability, and environmental factors such as drought, flood, and natural disaster in our regions of procurement and production. The production of synthetic materials including polyester relies on fossil fuel and petroleum derivatives, and as such is susceptible to fluctuations in the cost and availability of petroleum products.</p> <p>Nylon: Conventional nylon's reliance on large amounts of water in the production phase makes nylon manufacturing susceptible to environmental factors such as drought, flooding, and other water related infrastructure problems. There is opportunity for organizations to increase the sourcing of solution (dope)-dyed nylon, which uses a significantly lower amount of water in the production phase compared to conventional nylon.</p> <p>Manufactured cellulosics: Uncertainty in materials procurement supply chains can be a point of potential risk for organizations when sourcing manufactured cellulosics. We maintain a diverse supplier base, validate the source origin for our materials, and rely on industry certifications and branded cellulosic fibers sourcing which have proven to have a reduced environmental impact compared with conventional cellulosics.</p>	<p>ESG Report; Enriching Communities, Raw Materials and Product; pp.46–47</p> <p>ESG Report; Enriching Communities, Climate Stewardship; pp.44–45</p> <p>ESG Report; Enriching Communities, Water Stewardship; pp.39–32</p> <p>2022 CDP Climate Submission; C1.3, C2.2, C2.2a</p> <p>2022 CDP Water Submission; W3.3b</p>

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(1)List of priority raw materials; for each priority raw material: (2) environmental and/or social factor(s) most likely to threaten sourcing, (3) discussion on business risks and/or opportunities associated with environmental and/or social factors, and (4) management strategy for addressing business risks and opportunities (cont.)	Discussion and Analysis	n/a	CG-AA-440a.3	<p>Management Strategy:</p> <p>Our holistic preferred fibers strategy uses life-cycle assessment (LCA) data on indicators including global warming potential, water use, and eutrophication, as well as evaluations for biodiversity, potential for circularity, chemistry, land use change, and social conditions within production. Gap Inc.'s Supply Chain and Sourcing team monitors and responds to risks for key raw materials using a multi-factor model that includes cotton, polyester, nylon, and cellulosics prices. Gap Inc. takes a portfolio approach to cotton sourcing, with an emphasis on cultivating diverse sources of more sustainable cotton across several regions to reduce risk.</p> <p>We measure our progress by setting and working toward public goals to increase the percentage of more sustainable cotton and recycled polyester used in our products, and continue to ensure 100% of our manufactured cellulosics are not sourced from ancient, endangered, high conservation value, and high carbon stock forests.</p> <p>Partnerships are key tenet of our approach. We have joined industry collaborations such as the Textile Exchange Recycled Polyester Challenge, rPET Round Table, and Biosynthetics Working Group to improve the sourcing of materials. We work with CanopyStyle to audit our sources, prioritize recycled alternatives, and exclusively work with "green shirt" ranked suppliers. Gap Inc. uses industry tools such as the Higg Materials Sustainability Index (MSI) and Textile Exchange's Preferred Fibers Matrix to evaluate our fiber portfolio. We are also interested in advancing opportunities around lower-impact nylon and elastane, two critical performance fibers with few existing alternative options. As R&D evolves on microfiber and microplastics shedding in garments, we will incorporate the latest insights into our preferred fiber strategies. We source recycled nylon and bio-based nylon in order to reduce our reliance on virgin synthetic materials, and are exploring other options for low-impact nylon based on cost, availability, and market demand for such fibers.</p>	ESG Report; Enriching Communities, Raw Materials and Product; pp.46–47 ESG Report; Enriching Communities, Climate Stewardship; pp.44–45 ESG Report; Enriching Communities, Water Stewardship; pp.39–42 2022 CDP Climate Submission ; C1.3, C2.2, C2.2a 2022 CDP Water Submission ; W3.3b																					
(1)Amount of priority raw materials purchased, by materials, and (2) amount of each priority raw material that is certified to a third-party environmental and/or social standard, by standard	Quantitative	Metric tons (t)	CG-AA-440a.4	<table border="1"> <thead> <tr> <th colspan="2">AMOUNT CERTIFIED, BY STANDARD</th> <th>FY 2022</th> </tr> <tr> <th>Priority raw material (name)</th> <th>Certification/Standard & Associated Discussion (Technical Protocol #3-3.3)</th> <th>% certified</th> </tr> </thead> <tbody> <tr> <td>Man-made cellulosic fibers</td> <td>Lenzing, TENCEL, Viscose, Birla LivaECO</td> <td>14%</td> </tr> <tr> <td>Cotton</td> <td>Better Cotton Initiative (BCI), Global Organic Textile Standard (GOTS), Organic Content Standard (OCS)</td> <td>81%</td> </tr> <tr> <td>Polyester</td> <td>Global Recycled Standard (GRS), Recycled Content Standard (RCS)</td> <td>16%</td> </tr> <tr> <td>Nylon</td> <td>Global Recycled Standard (GRS), Recycled Content Standard (RCS)</td> <td>12%</td> </tr> <tr> <td>Wool</td> <td>Responsible Wool Standard (RWS), Global Recycled Standard (GRS), Recycled Content Standard (RCS)</td> <td>44%</td> </tr> </tbody> </table>	AMOUNT CERTIFIED, BY STANDARD		FY 2022	Priority raw material (name)	Certification/Standard & Associated Discussion (Technical Protocol #3-3.3)	% certified	Man-made cellulosic fibers	Lenzing, TENCEL, Viscose, Birla LivaECO	14%	Cotton	Better Cotton Initiative (BCI), Global Organic Textile Standard (GOTS), Organic Content Standard (OCS)	81%	Polyester	Global Recycled Standard (GRS), Recycled Content Standard (RCS)	16%	Nylon	Global Recycled Standard (GRS), Recycled Content Standard (RCS)	12%	Wool	Responsible Wool Standard (RWS), Global Recycled Standard (GRS), Recycled Content Standard (RCS)	44%	ESG Report; Enriching Communities, Raw Materials and Product; pp.46–47
AMOUNT CERTIFIED, BY STANDARD		FY 2022																								
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TOPIC/ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE(S)																
Activity Metric																					
Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	Quantitative	Number	CG-AA-000.A	<p>Tier 1 branded-apparel supplier facilities are defined as direct-relationship cut-and-sew facilities and their associated embroidery, laundry, and screen-printing facilities.</p> <table> <thead> <tr> <th>Year</th> <th># of Tier 1 branded-apparel supplier factories</th> <th># of mill facilities (Tier 2)</th> <th>% of business from mill facilities (Tier 2)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>659</td> <td>168</td> <td>66%</td> </tr> <tr> <td>2021</td> <td>705</td> <td>231</td> <td>65%</td> </tr> <tr> <td>2022</td> <td>702</td> <td>249</td> <td>79%</td> </tr> </tbody> </table>	Year	# of Tier 1 branded-apparel supplier factories	# of mill facilities (Tier 2)	% of business from mill facilities (Tier 2)	2020	659	168	66%	2021	705	231	65%	2022	702	249	79%	ESG Report; Empowering Women, Assessment and Remediation; p.21
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2022	702	249	79%																		
E-COMMERCE																					
Data Security																					
Description of approach to identifying and addressing data security risks	Discussion and Analysis	N/A	CG-EC-230a.1	<p>We do our best to provide our customers with a safe and convenient shopping experience. We have put in place a wide variety of technical and organizational security measures to help protect personal information we collect about our customers. The Board's Audit and Finance Committee oversees data privacy and cybersecurity programs and regularly briefs the Board on material concerns. To respond to the threat of security breaches and cyberattacks, the Company maintains a program designed to protect and preserve the confidentiality, integrity, and continued availability of all information owned by, or in the care of, the company. This program also includes a cyber incident response plan that provides controls and procedures for timely and accurate reporting of any material cybersecurity incident.</p> <p>For further information, please see Gap Inc's Code of Business Conduct.</p>	Gap Inc. Webpages: Privacy Policy																
Employee Recruitment, Inclusion, and Performance																					
Employee engagement as a percentage	Quantitative	Percentage (%)	CG-EC-330a.1	<p>In 2022, 3,800+ employees filled out the HQ Pulse survey and 29,300+ store employees participated. A representative sample was obtained for both groups and is Gap Inc.'s own survey, conducted internally. We measure engagement through the following metrics:</p> <ul style="list-style-type: none"> 93% responded yes to the statement: "I am proud to work here" 81% responded yes to the statement: "I intend to stay for the foreseeable future" <p>Examples of questions asked in the pulse survey include:</p> <p>On a scale of 1–5, to what extent do you agree with the following statements:</p> <ul style="list-style-type: none"> I am proud to work here I believe this company operates with integrity My manager seeks out and values my perspective 	ESG Report; Enabling Opportunity, Talent Development; pp.34–35																

TOPIC/ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE(S)															
(1) Voluntary and (2) involuntary turnover rate for all employees	Quantitative	Rate	CG-EC-330a.2	Total employee turnover rate: 96% Voluntary employee turnover rate: 87%	ESG Report; Governance, Social Data; pp.75–77															
Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Quantitative	Percentage (%)	CG-EC-330a.3	Management: 56% white, 10% Asian, 10% Black, 17% Hispanic/Latinx, 65% Women, 35% Men Technical staff: 28% Women, 72% Men All employees: 44% white, 6% Asian, 16% Black, 25% Hispanic/Latinx, 75% Women, 24% Men, 1% Non-Binary	ESG Report; The Big Picture, Equality & Belonging; pp.15–16 ESG Report; Governance, Social Data; pp.75–77															
Product Packaging & Distribution																				
Total greenhouse gas (GHG) footprint of product shipments	Quantitative	Metric tons (t) CO ₂ -e	CG-EC-410a.1	<p>Upstream transportation and distribution (metric tons CO₂e)</p> <table> <thead> <tr> <th>Year</th> <th>Upstream transportation and distribution (metric tons CO₂e)</th> <th>Downstream transportation and distribution (metric tons CO₂e)</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>527,081</td> <td>39,413</td> </tr> <tr> <td>2020</td> <td>527,081</td> <td>105,309</td> </tr> <tr> <td>2021</td> <td>670,820</td> <td>117,670</td> </tr> <tr> <td>2022</td> <td colspan="2">2022 data will be available on our website later in 2023.</td> </tr> </tbody> </table> <p>Upstream emissions calculated using primary metric ton/km information at a haul level from Gap internal systems, multiplied by Defra product transportation emission factors. This represents emissions from our suppliers to our distribution centers. Downstream emissions calculated using primary metric ton/km information at a haul level from Gap internal systems, multiplied by Defra product transportation emission factors.</p>	Year	Upstream transportation and distribution (metric tons CO ₂ e)	Downstream transportation and distribution (metric tons CO ₂ e)	2019	527,081	39,413	2020	527,081	105,309	2021	670,820	117,670	2022	2022 data will be available on our website later in 2023.		ESG Report; Enriching Communities, Climate Stewardship; pp.44–45
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Discussion of strategies to reduce the environmental impact of product delivery	Discussion and Analysis	n/a	CG-EC-410a.2	<p>Gap Inc. is a signatory of the Arctic Shipping Pledge. Created in partnership with the Ocean Conservancy, the pledge is a commitment to never intentionally send ships through the Arctic's fragile ecosystem.</p> <p>Gap Inc. is also a member of the Environmental Protection Agency's (EPA) SmartWay Transport Partnership, an initiative which empowers businesses to move goods in the cleanest, most energy-efficient way possible to protect public health and reduce emissions. Gap Inc. was recognized by the EPA with the 2020 SmartWay Freight Partner Excellence Award.</p>	ESG Report; Enriching Communities, Climate Stewardship; pp.44–45															

TOPIC/ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE(S)
Activity Metrics					
Entity-defined measure of user activity	Quantitative	Number	CG-EC-000.A	<p>Year Total global online orders (excluding franchises)</p> <hr/> 2020 86,261,667 <hr/> 2021 83,997,807 <hr/> 2022 80,235,600	
This data includes orders placed in the United States Specialty (Web and App), U.S. Factory, Canada, Japan, European Union, and United Kingdom. It does not include Franchises, cancellations, or returns.					
Number of shipments	Quantitative	Number	CG-EC-000.C	<p>Year Total global shipments to customers (excluding franchises)</p> <hr/> 2020 145,512,653 <hr/> 2021 124,463,015 <hr/> 2022 112,916,023	
This data includes packages transported in the United States, Canada, European Union, and Japan.					
MULTILINE AND SPECIALTY RETAILERS & DISTRIBUTORS					
Energy Management in Retail & Distribution					
(1)Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ)	CG-MR-130a.1	<p>Year Total energy consumed at retail and distribution centers (GJ) % renewable</p> <hr/> 2021 3,038,091 33% <hr/> 2022 Data will be available on our website later in 2022. -	ESG Report; Enriching Communities, Climate Stewardship; pp.44–45 2022 CDP Climate Submission
Workforce Diversity & Inclusion					
Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Quantitative	Percentage (%)	CG-MR-330a.1	See CG-EC-330a.3	ESG Report; The Big Picture, Equality & Belonging; pp.15–16 ESG Report; Governance, Social Data; pp.75–77

TOPIC/ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE(S)												
Product Sourcing, Packaging, and Marketing																	
Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-MR-410a.2	See CG-AA-250a.2	ESG Report; Enriching Communities, Chemicals Management; p.43												
Discussion of strategies to reduce the environmental impact of packaging	Discussion and Analysis	n/a	CG-MR-410a.3	We use a three-pronged strategy to address unnecessary and problematic plastic packaging waste: Elimination: We work to eliminate and replace unnecessary and problematic plastics with non-plastic material alternatives. Diversion: Wherever possible and where we have control over packaging's end-of-life, we divert problematic plastic from landfill through recycling. Conversion: We work to convert our use of necessary plastics to non-virgin material alternatives.	ESG Report; Enriching Communities, Circularity and Waste; pp.48–49												
Activity Metrics																	
Number of: (1) retail locations and (2) distribution centers	Quantitative	Number	CG-MR-000.A	<table> <thead> <tr> <th>Year</th> <th>Company-Operated Stores</th> <th>Franchises</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>3,100</td> <td>615</td> </tr> <tr> <td>2021</td> <td>2,835</td> <td>564</td> </tr> <tr> <td>2022</td> <td>2,685</td> <td>667</td> </tr> </tbody> </table>	Year	Company-Operated Stores	Franchises	2020	3,100	615	2021	2,835	564	2022	2,685	667	Annual Report 2022 ; p.28 Annual Report 2021 ; p.30 Annual Report 2020 ; p.2
Year	Company-Operated Stores	Franchises															
2020	3,100	615															
2021	2,835	564															
2022	2,685	667															
Total area of: (1) retail space and (2) distribution centers	Quantitative	Square feet	CG-MR-000.B	<table> <thead> <tr> <th>Year</th> <th>Retail Space</th> <th>Distribution Center Space</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>34.6 million</td> <td>9.3 million</td> </tr> <tr> <td>2021</td> <td>33.3 million</td> <td>9.3 million</td> </tr> <tr> <td>2022</td> <td>31.8 million</td> <td>9.5 million</td> </tr> </tbody> </table>	Year	Retail Space	Distribution Center Space	2020	34.6 million	9.3 million	2021	33.3 million	9.3 million	2022	31.8 million	9.5 million	Annual Report 2022 ; p.28 Annual Report 2021 ; p.23 Annual Report 2020 ; p. 22
Year	Retail Space	Distribution Center Space															
2020	34.6 million	9.3 million															
2021	33.3 million	9.3 million															
2022	31.8 million	9.5 million															

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

The TCFD is a framework of recommendations for companies to make more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions.

We are reporting to the TCFD for the second time this year.¹

TCFD METRICS	GAP INC. REFERENCE(S) ²
GOVERNANCE: Disclose the organization's governance around climate-related risks and opportunities.	
a) Describe the board's oversight of climate-related risks and opportunities.	2022 CDP Climate Submission ; C1.1b ESG Report; Governance, ESG Oversight; p.51 ESG Report; Governance, Risk Management; p.52
b) Describe management's role in assessing and managing climate-related risks and opportunities.	2022 CDP Climate Submission ; C1.2, C1.2a ESG Report; Governance, ESG Oversight; p.51 ESG Report; Governance, Risk Management; p.52
STRATEGY: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2022 CDP Climate Submission ; C2.1a, C2.3, C2.3a, C2.4, C2.4a ESG Report; Enriching Communities, Climate Stewardship; pp.44–45 ESG Webpages; Climate ESG Report; Governance, Materiality; p.56 ESG Webpages; Materiality
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	2022 CDP Climate Submission ; C2.3a, C2.4a, C3.1, C3.2a, C3.2b, C3.3, C3.4 ESG Report; Enriching Communities, Climate Stewardship; pp.44–45 ESG Webpages; Climate
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2022 CDP Climate Submission ; C2.2a, C3.2, C3.2a, C3.2b ESG Report; Enriching Communities, Climate Stewardship; pp.44–45 ESG Webpages; Climate

¹ The inclusion of information contained in this disclosure should not be construed as a characterization regarding the materiality or financial impact of that information to investors in Gap Inc. For a discussion of risks that are material to investors in Gap Inc., please see our Annual Report on Form 10-K for the year ended January 28, 2023, filed with the Securities and Exchange Commission (SEC), and subsequent SEC filings. Given the inherent uncertainty in predicting and modeling future conditions, caution should be exercised when interpreting the information provided below. In addition, the controls, processes, practices, and infrastructures described in this disclosure are not intended to constitute any representation, warranty, or other assurance that such controls, processes, practices, and infrastructures will result in any specific outcome or result.

² Note: ESG Report refers to Gap Inc.'s 2022 ESG Report; ESG Webpages refer to our Global Website, which hosts our Environment, Social, and Governance (ESG) Hub and Equality & Belonging Report; Annual Report refers to Gap Inc.'s Annual Report on Form 10-K for the fiscal year ended January 28, 2023; and Proxy Statement refers to the Notice of Annual Meeting of Gap Inc. Shareholders 2022 and 2023 Proxy Statements. Please find more information on our [Investor Relations](#) Webpages.

TCFD METRICS	GAP INC. REFERENCE(S)
RISK MANAGEMENT: Disclose how the organization identifies, assesses, and manages climate-related risks.	
a) Describe the organization's processes for identifying and assessing climate-related risks	2022 CDP Climate Submission ; C2.2, C2.2a ESG Report; Governance, Risk Management; p.51 ESG Report; Governance, Materiality; p.56 ESG Webpages; Materiality
b) Describe the organization's processes for managing climate-related risks.	2022 CDP Climate Submission ; C2.1, C2.2 ESG Report; Governance, Risk Management; p.52 ESG Report; Governance, Materiality; p.56 ESG Webpages; Materiality
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	2022 CDP Climate Submission ; C2.1, C2.2 ESG Report; Governance, Risk Management; p.52
METRICS: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	2022 CDP Climate Submission ; C4.2, C4.2a 2022 CDP Water Submission ; W8.1, W8.1a, W8.1b ESG Report; Enriching Communities, Climate Stewardship; pp.44–45 ESG Webpages; Climate ESG Report; Enriching Communities, Water Stewardship; pp.44–45 ESG Webpages; Water Stewardship
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	2022 CDP Climate Submission ; C6.1, C6.3, C6.5 ESG Report; Stewardship; pp.44–45 ESG Webpages; Climate
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2022 CDP Climate Submission ; C4.1, C4.1a, C4.2, C4.2a 2022 CDP Water Submission ; W8.1, W8.1a, W8.1b ESG Report; Gap Inc. Goals and Progress; pp.9–10 ESG Report; Enriching Communities, Climate Stewardship; pp.44–45 ESG Webpages; Climate ESG Report; Enriching Communities, Water Stewardship; pp.44–45 ESG Webpages; Water Stewardship

SOCIAL DATA

DIVERSITY, ENGAGEMENT, SAFETY, SUPPLY CHAIN COMPLIANCE

DIVERSITY	FY 2020	FY 2021	FY 2022	
Total employees at end of year, reported in our Form 10-K	117,000	97,000	95,000	
U.S. Ethnicity Representation				
White	45%	45%	44%	
Asian	7%	7%	6%	
Black	17%	17%	16%	
Hispanic/Latinx	26%	25%	25%	
Other (Two+, American Indian, API ¹)	5%	6%	9%	
Total minorities	55%	55%	56%	
Management	White Asian Black Hispanic Two+ ethnicities, Native American, API	68% 11% 6% 13% 3%	59% 24% 4% 7% 5%	56% 10% 10% 17% 6%
New hires	White Asian Black Hispanic Two+ ethnicities, Native American, API	45% 6% 22% 20% 7%	38% 8% 24% 23% 7%	41% 4% 17% 26% 12%
Total minorities	55%	62%	59%	

¹ The data combines ethnic groups identified as two or more ethnicities, Native American, and API (Asian Pacific Islanders and Native Hawaiians).

DIVERSITY	FY 2020	FY 2021	FY 2022
U.S. Intersectional Representation			
Total Asian female employees	-	-	4%
Total Asian male employees	-	-	2%
Total Black female employees	-	-	12%
Total Black male employees	-	-	4%
Total female employees of two or more races	-	-	7%
Total male employees of two or more races	-	-	2%
Total Latinx female employees	-	-	18%
Total Latinx male employees	-	-	7%
Total White female employees	-	-	35%
Total White male employees	-	-	9%
U.S. Promotion Rates by Gender and Position			
VP and above	Women Men	8% 6%	15% 7%
Director/Senior Director	Women Men	6% 6%	22% 17%
Manager/Senior Manager	Women Men	10% 8%	23% 15%
Individual contributors	Women Men	4% 4%	16% 11%
Overall	Women Men	4% 5%	19% 14%
			6% 6%

DIVERSITY	FY 2020	FY 2021	FY 2022	
U.S. Ethnicity by Division				
Headquarters	Asian	26%	26%	24%
	Black	4%	4%	5%
	Latinx	10%	10%	9%
	White	54%	53%	53%
	Two+ ethnicities, Native American, API	6%	7%	9%
Store leadership	Asian	3%	3%	3%
	Black	9%	9%	10%
	Latinx	17%	18%	18%
	White	70%	68%	65%
	Two+ ethnicities, Native American, API	1%	2%	4%
Store employees	Asian	6%	6%	4%
	Black	19%	19%	16%
	Latinx	27%	27%	26%
	White	43%	42%	43%
	Two+ ethnicities, Native American, API	5%	6%	10%
Distribution and Call Centers (Customer Experience Centers - CEC)	Asian	9%	9%	7%
	Black	26%	26%	25%
	Latinx	19%	22%	26%
	White	44%	37%	34%
	Two+ ethnicities, Native American, API	2%	6%	8%
Age Representation				
<30 years old	-	61%	57%	
30–50 years old	-	29%	31%	
>50 years old	-	10%	12%	

DIVERSITY	FY 2020	FY 2021	FY 2022	
Global Gender Representation				
Overall	Women	76%	76%	75%
	Men	24%	24%	24%
	Non-Binary	-	-	1%
VP and above	Women	58%	58%	54%
	Men	42%	42%	46%
Director/Senior Director	Women	61%	61%	61%
	Men	39%	39%	39%
Manager/Senior Manager	Women	58%	57%	71%
	Men	42%	43%	29%
Store management	Women	74%	75%	72%
	Men	26%	25%	28%
New hires	Women	74%	74%	76%
	Men	26%	26%	24%
% of STEM-Positions Filled by Women				
	-	24%	28%	

ENGAGEMENT	FY 2020	FY 2021	FY 2022
Internal Hiring Rate by Position			
VP and above	-	-	71%
Director/Senior Director	-	-	65%
Manager/Senior Manager	-	-	48%
Store management	-	-	41%
Overall (including Store Associates)	-	-	36%
Total number of new employee hires	-	-	26,909
Turnover Rates			
Total employee turnover rate (retention rate is difference to 100%)	-	-	96%
Voluntary employee turnover rate	-	-	87%
Employee Engagement			
% of employees volunteered	21%	32%	39%
% that responded "Yes" to: "I intend to stay for the foreseeable future"	93%	87%	81%
OCCUPATIONAL HEALTH AND SAFETY			
Includes Full-Time Employees			
Occupational injury-related fatalities	0	0	0
Rate of Injury per 1,000,000 Hours Worked (LTIFR)	4.49	5.25	4.19
Coverage (% of full-time employees)	69%	84%	88%

SUPPLY CHAIN SOCIAL AND ENVIRONMENTAL COMPLIANCE	FY 2020	FY 2021	FY 2022
Business From Tier 1 and Tier 2 Suppliers (Factories defined as supplying branded clothing to Gap Inc. Brands)			
# of Tier 1 factories	659	705	702
# of mills mapped (Tier 2)	168	231	249
% of business from mills (Tier 2)	66%	65%	79%
Assessed Factory Ratings			
Green (good)	54%	67%	74%
Yellow (fair)	45%	32%	25%
Red (action required)	1%	<1%	<1%
COVC Audits			
% of Tier 1 factories audited to COVC	81%	83%	88%
% of audits conducted by third-party (such as SLC or ILO-IFC BetterWork)	71%	68%	88%
% and # of mills (Tier 2) audited to COVC	-	-	24% (59)
COVC Issue Resolution Rate			
% of corrective actions plans resolved by end of the fiscal year	85%	84%	81%



Gap Inc.