

California Transparency In Supply Chains Act & UK Modern Slavery Act Statement

DIRECTORS' INTRODUCTION

Gap Inc. is committed to supporting and improving labor rights and working conditions globally across the retail and apparel industries. As a business, we have a moral responsibility to protect and care for the people who create and bring our products to our customers.

Our commitment applies to all our brands: Old Navy, Gap, Banana Republic, and Athleta. *Styles, materials, and prices may vary across the range of products we create and sell to our customers, but our core values do not change. Wherever we operate and whoever we work with, we strive to comply with our overall [Human Rights Policy](#).*

This statement is made in compliance with the California Transparency in Supply Chains Act, and the UK Modern Slavery Act 2015. *It is also made in accordance with the expectations that any reasonable consumer would place on a global retailer such as Gap Inc.*

For more information on our commitment to ethical and sustainable sourcing of products, please visit Gap Inc.'s [Sustainability Webpages](#).

This statement has been approved by the boards of directors of Gap Inc., GPS (Great Britain) Limited, Gap (UK Holdings) Limited and Gap Europe Limited and signed on behalf of those companies by Sonia Syngal, President and CEO of Gap Inc. This confirms that the UK companies and Gap Inc. boards have considered and approved the statement for fiscal year 2021.

A handwritten signature in black ink, appearing to read 'S. Syngal', is positioned above the name and title of the signatory.

Sonia Syngal
President and CEO, Gap Inc.

Introduction to Our Business

Gap Inc. is a leading global apparel retail company, founded in California, USA in 1969, offering apparel, accessories, and personal care products for men, women and children under the Old Navy, Gap, Banana Republic, and Athleta brands. Most of the products sold under our brand names are designed by Gap Inc. and manufactured by contracted vendors. We also sell products that are designed and manufactured by branded third parties and our third-party licensees sell a variety of products bearing Gap Inc. brand names.

We purchase branded private label and non-private label merchandise from approximately 700 facilities in over 20 countries. The facilities that manufacture our branded apparel collectively employ approximately 1 million people worldwide. To ensure that forced labor and human trafficking risks are minimized within our supply chain, we apply a rigorous risk assessment framework, as well as locally implemented worker-related programs. Under no circumstance is it acceptable for child, forced, or trafficked labor to be employed within our operations or used in the production of any Gap Inc. product.

We believe that no person should be subject to a situation where basic needs and fundamental rights are denied, which is why we regularly partner with governments, NGOs, consultants and trade unions to forge innovative solutions to systemic issues in the apparel and textile supply chain.

Policies

Our efforts to address human trafficking in the apparel industry are guided by our [Human Rights Policy](#), which is founded on the principles outlined in the United Nations Universal Declaration of Human Rights (UDHR) and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work (often referred to as the ILO Core Conventions). Our policy applies to both our wholly owned operations and our supply chain. This policy establishes key principles that guide how we run our business, as well as the core issues that we work to address.

Gap Inc. also has a Code of Vendor Conduct (COVC) that applies to all facilities and third-party licensees that produce branded goods for Gap Inc. or any of its subsidiaries, divisions, affiliates or agents, which states that the company prohibits the use of "*involuntary labor of any kind, including prison labor, debt bondage, slave labor or forced labor by governments.*"

Our Code of Business Conduct (COBC) requires our employees to act ethically and with integrity at all times. It also includes provisions on salient human rights issues. All employees are required to complete the Principles of Integrity: Code of Business Conduct Overview training course to ensure their understanding of our commitments.

Our Business

The Gap, Inc. (Gap Inc., the "Company", "we", and "our") 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. We have Company-operated stores in the United States, Canada, Japan, Italy, China, Taiwan, and Mexico. In fiscal 2021, we signed an agreement with a third party to operate Gap Italy stores as a franchise partner beginning in fiscal 2022. We also have franchise agreements with unaffiliated franchisees to operate Old Navy, Gap, Banana Republic, and Athleta stores throughout Asia, Europe, Latin America, the Middle East, and Africa. Under these agreements, third parties operate, or will operate, stores and websites that sell apparel and related products under our brand names. Products are also available to customers online

through Company-owned websites and through third-party websites. Furthermore, in 2020, we entered a licensing partnership to bring our brand(s) to new categories through new distribution channels.

Wherever we employ people directly, we do so in accordance with our Human Rights Policy, Code of Business Conduct and in compliance with local labor laws. Members of our store management team visit our retail stores on a regular basis to ensure that our policies are put into practice, and our asset protection and audit teams carry out annual assessments of our stores. Similar internal audit processes are carried out in respect to practices within our distribution centers. We also have a hotline available for employees to report any breaches of policies, as well as an anti-retaliation policy that protects them when doing so. Our employees are bound to comply with our COBC and a breach of the ethical principles contained therein could lead to disciplinary action up to and including dismissal.

Gap Inc. also carries out due diligence on a periodic basis with respect to our franchisees and third-party distributors. Such due diligence encompasses a variety of issues including research into franchisee supply chains and working conditions. For non-merchandise vendors, we typically reserve rights of assessment in our contracts and exercise such rights when appropriate to verify vendor compliance with applicable laws and contractual terms.

Supply Chain Due Diligence and Verification

Prior to accepting any order for a Gap Inc. branded product, our suppliers are required to sign our Vendor Compliance Agreement (VCA), a legally binding document that is a condition of doing business with Gap Inc. We also have a vendor approval process that requires new suppliers for branded apparel product to undergo an assessment against our COVC prior to beginning production for Gap Inc. After the initial assessment of working conditions, the facility either earns approval or is placed in pending status while it addresses outstanding issues. The COVC that is used for the assessments contains provisions related to forced labor, child labor, foreign contract workers and identity document retention.

In signing Gap Inc.'s VCA, which incorporates our COVC, Gap Inc. suppliers agree to comply with the following:

"All applicable laws, rules and regulations ... these laws include, but are not limited to, laws relating to the employment conditions of their respective employees such as: (1) wage and hour, labor, child labor, and forced labor requirements; (2)

health and safety; (3) immigration; (4) discrimination; (5) labor or workers' rights in general; and (6) environmental laws and regulations."

We recognize that policies and expectations alone are not a sufficient safeguard against forced labor within our supply chain. Our statements lay the foundation for our comprehensive approach to engaging and collaborating with our suppliers to monitor, remediate and continuously improve their performance with regard to responsible labor. Gap Inc.'s Supplier Sustainability team within our ESG department is responsible for the implementation of our supply chain policies and standards relevant to human trafficking and forced labor, which are reflected within our COVC. Our Supplier Sustainability team members – who are locally hired in the countries from which we source and who speak local languages – assess and validate that suppliers are meeting the expectations outlined in our COVC. We assess risks to especially vulnerable groups, including migrant labor and women in the workplace, and our COVC specifies our management approach towards ensuring free and voluntary labor for these groups. In 2020 and 2021, COVID-19 limited our ability to conduct on-site audits in some sourcing countries, so we made adjustments to our approach, including the use of virtual assessments. In addition, we conduct desktop reviews of key supplier and worker documents to assess forced labor risks. We also conduct virtual worker interviews for validation of our findings and for further due diligence. As conditions allow, we have started to resume on-site assessments and supplier trainings in all sourcing countries.

Our COVC also has stringent [requirements](#) around foreign contract workers, who are at risk of exploitation through indentured servitude. We monitor how foreign contract labor is used at facilities producing Gap Inc. branded apparel to help ensure that people are free to work as they choose. For more than a decade, we have had a “no fees” policy that applies to foreign contract workers, which requires that any fees and costs payable to host governments for the documentation of foreign contract workers be covered by the facility. Our policy must be upheld throughout the entire employment cycle of foreign contract workers. To protect the rights of contract workers, Gap Inc. also requires suppliers to hold direct employment contracts and agreements with all contract workers. These requirements span recruitment, employment, up to termination of employment, and provide the lens through which our assessors look at policies, practices and conditions in the facility to find indications of forced labor. More information on our policies and procedures regarding foreign contract workers is available [online](#). The section of our COVC detailing our Foreign Contract Worker Requirements is also available [online](#).

Our COVC further states that facilities must allow *“Gap Inc. and/or any of its representatives or agents unrestricted access to its facilities and to all relevant records at all times, whether or not notice is provided in advance.”* Gap Inc. conducts both announced and unannounced audits in the facilities we monitor, and these are primarily conducted by Gap Inc. staff. Initial assessments for new facilities are generally coordinated with the requested vendor or facility.

Gap Inc. monitors for forced labor and human trafficking in all Tier 1 branded apparel supplier facilities from which we directly source. Facilities from Tier 1 suppliers include cut-and-sew production, sub-contractors, and supporting units such as dyeing, embroidery, and wash units. In 2017, we defined and communicated social criteria to Tier 2 fabric vendors, including production facilities and subcontractors. These social criteria include provisions involving forced and child labor. We have expanded an augmented version of our Assessment and Remediation program into our Tier 2 strategic textile mills, enabling us to directly evaluate working conditions at the mill level. We paused the expansion of this program in 2020 due to a re-evaluation of our Tier 2 supplier base and because of COVID-19 restrictions. In 2021, we were able to resume and ended the year with 75% of Tier 1 and 40% of strategic Tier 2 strategic mills participating in SLCP and/or ILO Better Work. By 2023, 100% of our Tier 1 facilities will participate in industrywide efforts, including SLCP and/or ILO Better Work, and 100% of Tier 2 strategic mills will participate by 2025.

An increasing number of facilities producing our branded apparel participate in the [Better Work](#) program, a collaborative facility monitoring and capability building initiative led by the International Labour Organization (ILO). Facilities participating in Better Work are assessed by specialists employed by the ILO. These assessments are 100% unannounced and assessed against national labor laws and ILO Conventions, which includes instruments that directly cover forced labor.

Gap Inc.’s Supplier Sustainability team is trained to recognize situations where a facility may be using forced or involuntary labor, and our team is also trained to assess compliance with our company’s Foreign Contract Worker requirements. Our expectations for Foreign Contract Workers and recruitment are available [online](#). We publicly report aggregate findings of assessment results at the facilities that make our branded apparel on our company [website](#). We consider the following within our Forced Labor standards: forced labor, free egress, restrictions to voluntarily ending employment and restrictions on worker movement. In the event our assessments reveal a facility in violation of these standards, our Supplier Sustainability team works with factory management, local stakeholders, and worker-representative organizations to create a corrective action plan, conducts follow-up visits to validate remediation is

completed and educates workers on their right to free movement. Our policies and action plans for forced labor incidents are described further [online](#).

We also monitor unauthorized subcontracting (UAS), which has high-risk for forced labor. We take extra precautions in countries with a high risk of UAS by offering specialized awareness training for suppliers and facility management, and by conducting site visits to ensure our product is being manufactured in the appropriate designated facility. When unauthorized subcontracting is detected, our Supplier Sustainability team will assess the unapproved facility for forced labor and other critical issues. We found two cases of UAS in 2021 and we have seen an overall decrease in the number of UAS cases since 2017. We believe this shows that the enforcement of our policies, which can involve financial chargebacks or business termination, are continuing to have a positive effect. More information on our policies and procedures is available [online](#).

For our Licensing business that launched in 2021, we require all factories considered for producing licensed products to submit a recent third-party audit report from an approved auditing firm before they are approved to begin production. Our teams review these audits and will reject the factory for production if forced labor is found.

Accountability

Three members of Gap Inc.'s Board of Directors sit on the Governance and Sustainability Committee, which oversees the company's programs, policies, and practices related to social and environmental issues and impacts. Gap Inc.'s ESG department collaborates with key departments across the Company including Supply Chain, Corporate Affairs, Human Resources, Legal and Gap Foundation.

Failure of vendors to abide by Gap Inc.'s COVC and/or VCA can result in corrective action up to and including the termination of all existing and future business.

Training

Gap Inc. continually strives to become more effective at identifying and correcting issues in our supply chain, which can be hard to detect even for a well-trained and experienced eye. Gap Inc.'s Supplier Sustainability team works directly with facility management and workers in the facilities we monitor. New employees within Gap Inc.'s sourcing organization receive training in our COVC, as they are another important touchpoint for our relationship with our sourcing facilities.

In addition to providing ongoing training, our Supplier Sustainability team convenes regularly to discuss program effectiveness and improvements. In 2015, based on a thorough risk assessment, we strengthened our foreign contract worker requirements by providing additional detailed guidance on recruitment, fees, employment contracts, and onsite policies and practices, including equal treatment and non-discrimination. Foreign contract worker requirements are a sub-section of our COVC and Assessment Manual and are subject to regular review and annual revision, whenever we feel enhancement and updates are needed. Additionally, we added a requirement for our vendors to conduct due diligence and regular assessments of employment agencies.

In 2018, we joined the [American Apparel & Footwear Association's and Fair Labor Association's Commitment to Responsible Recruitment](#), a proactive industry effort to address potential forced labor risks for migrant workers in the global supply chain. Per the commitment:

"As an industry and as individual companies, we are committed to the fair treatment of workers in the apparel, footwear, and travel goods supply chains. One important part of this ongoing effort is working together to eliminate conditions that can lead to forced labor in the countries from which we source products.

We commit to work with our global supply chain partners to create conditions so that:

- No workers pay for their job;*
- Workers retain control of their travel documents and have full freedom of movement; and*
- All workers are informed of the basic terms of their employment before leaving home.*

Therefore, companies who sign the Commitment to Responsible Recruitment agree to do the following:

- Incorporate the Commitment to Responsible Recruitment into their company social compliance standards, such as their code of conduct, before December 31, 2019.*
- Periodically report on their actions to imbed elements of the Commitment to Responsible Recruitment in company's policies and processes through their sustainability reporting and/or modern slavery legal disclosures."*

We have satisfied these requirements of the Commitment to Responsible Recruitment in our Tier 1 branded apparel supplier facilities.

To supplement our own staff, Gap Inc. works to build the capabilities of our suppliers by conducting worker trainings, participating in multi-stakeholder initiatives and forging partnerships with expert stakeholders and suppliers to address

specific human rights issues. For more than a decade, Gap Inc. field teams have been helping suppliers manage and improve the sustainability of their operations through social and labor capability building programs. As part of our long-range strategic plan for ESG, we have committed to deeper investments in both internal and external labor standards trainings for our business partners, and these trainings will include a forced labor component.

Since 2018, we continued investing in trainings for our Supplier Sustainability team, largely focused on building their capacity to work with and train bi-partite committees in our strategic suppliers' facilities. We believe that by equipping bi-partite committees with the knowledge and expertise to identify and surface unacceptable labor practices in their places of work, we will see significant improvements in working conditions and labor standards.

Evaluating and Managing Risks

Gap Inc. works with governments, NGOs, and trade unions, and monitors resources – such as the U.S. Department of State's Trafficking in Persons Annual Report and the [Global Slavery Index](#) – to identify high-risk areas in our supply chain. We adopt a comprehensive view of the industry and areas of risk and focus our efforts on where we do business and where our programs can have the greatest impact.

Further, we have built a map of our suppliers' Tier 2 textile mill locations and have conducted due diligence in textile mills that are located in areas that are deemed high risk. In 2020, we communicated responsible recruitment requirements to Tier 2 mills in Taiwan and South Korea where there is elevated risk to foreign contract workers. In 2021, we initiated follow-up communication to ensure compliance and performed on-site assessments at 9 selected mills in Taiwan to validate compliance status. Pending COVID-19 related travel restrictions, we plan to continue with on-site assessments in 2022 to cover all the mills we work with in Taiwan. Details on our efforts to protect the rights of foreign contract workers in Taiwan mills can be found [online](#).

Subcontracting is a common practice in the apparel industry, used by suppliers to manage production capacity and fulfill large orders. However, it can pose a risk. UAS is problematic because suppliers may outsource production to facilities that we have not approved and that do not uphold our requirements for safe, fair labor practices and working conditions. Smaller, unauthorized units may have labor practices that put workers at risk and are beyond the view of our assessment and remediation team. Collaboration between our sustainability and sourcing teams, including knowledge sharing on how to spot subcontracting, can help us address UAS issues since incidents can be difficult to detect through the periodic

facility assessments conducted by our sustainability field team. In countries with high risk of UAS, we take precautionary measures, such as specialized training for suppliers and facility management.

Our Supplier Sustainability, Quality Assurance and Merchandising teams seek to prevent and detect UAS. If a UAS case is found, we investigate, require remediation, and may impose financial chargebacks, or, in severe or repeat cases, we will terminate our business with the supplier.

We immediately escalate UAS incidents, and take the following steps:

- Require the unauthorized facility to immediately stop production of any Gap Inc. branded apparel.
- Require all goods (finished or unfinished) be returned to a facility approved by Gap Inc., segregated and held until the issue is resolved.
- Lead an investigation to look for and address any critical issues in the unauthorized facility.
- Require the approved facility to register for management systems training as a preventative measure and ensure that the facility invests in systems to prevent future violation.

In addition to helping us identify UAS and foreign contract workers, risk-mapping has identified the risks that refugee workers may face. We are committed to partnering with a broad set of stakeholders to confirm that our vendors have the appropriate capabilities and infrastructure to make opportunities for employment and fair, decent working conditions available to refugees.

Beyond our Tier 1 and 2 facilities, we have also engaged stakeholders to address the risk of forced labor deeper in the supply chain. When it comes to the raw materials used for our products, we recognize that forced and child labor is a risk, particularly within cotton cultivation. Cotton supply chains are often opaque, complex, and can involve traders and agents that facilitate the exchange of cotton and yarn between the different stages of production. Considering the historical evidence on forced labor in Uzbekistan's cotton industry, we have signed the Cotton Pledge led by the Responsible Sourcing Network and have worked to educate and influence our suppliers and facilities on this issue. Recognizing the enormous progress toward the eradication of forced labor in Uzbekistan's cotton sector, we are

presently reviewing our policy. In 2018, based on evidence of forced child labor and/or forced labor within the cotton fields of Turkmenistan, we expanded our policy to make it clear that we will not accept any clothing manufactured with fabrics that were knowingly made from Turkmen cotton.

We can confirm that we do not source any garments from Xinjiang. We also recognize that a significant amount of the world's cotton supply is grown and spun there. Therefore, we have taken steps to better understand how our global supply chain may be indirectly impacted, including working with our suppliers and actively engaging with industry trade groups, expert stakeholders, and other partners to learn more and advance our shared commitment to respecting human rights. Further, we have implemented a policy that explicitly prohibits Gap Inc. vendors from directly or indirectly sourcing any products, components, or materials from Xinjiang in the process of manufacturing any orders for Gap Inc.

More broadly, we regularly explore new solutions that will give us meaningful insights into the origins of the raw materials in our products and how those who harvest them are impacted. We understand that there are human rights risks in our raw materials supply chain and are diligently working to manage these risks. We recognize that these risk assessments also require supporting enforcement processes, which can include country of origin declarations from suppliers, the use of fiber-tracing technologies, and the collection of documents that provide visibility into the flow of cotton and other materials that may enter our supply chain. We are using several technologies and partnerships to help us evolve and mature our approach to enforcing our standards on cotton.

As always, we will continue to actively collaborate with other brands and key stakeholders to explore and implement solutions.

More information on our commitment to transparency through disclosures such as [Know The Chain](#) and the [Corporate Human Rights Benchmark](#) is available online.

Assessment of Effectiveness

Since we began our journey to improve working conditions, we are still learning, facing new challenges, and developing new solutions.

We use a color-coded system to rate facilities' performance based on assessments. High-performing facilities with no critical or few violations receive a green rating. Average performers are rated yellow, while facilities that need improvement on one or more serious issues are assigned a red rating. Critical, severe and key violations have a greater negative impact on a facilities' rating than more technical "*non-compliance*" violations. We decreased our share of red rated facilities from 16% in 2016 to less than 1% by the end of 2021 and have set a new goal to allocate at least 80% of our sourcing to green-rated factories by 2025.

We continue to operate our Workforce Engagement Program, which opens communication channels for workers to safely and anonymously share feedback with management. This program contributes to an enabling environment to improve worker-management relationships and drives facility improvements. The program also allows us to assess facility performance based on the data we receive directly from workers through surveys and interviews. Our Workforce Engagement Program was developed in partnership with Verite, and the initial version of this program, between 2015 and 2017, consisted of written worker and management surveys, focus group discussions, and individual interviews with over 80 facilities. In 2018, we transitioned the program to a vendor-owned approach that puts technology-based grievance mechanisms at its center; the current version of the program has been implemented in over 54 factories to date.

Further Steps

For more information on how we are working to improve the lives of those who work in our facilities, and on specific programs we are undertaking across the supply chain, please visit [our online sustainability report](#).