

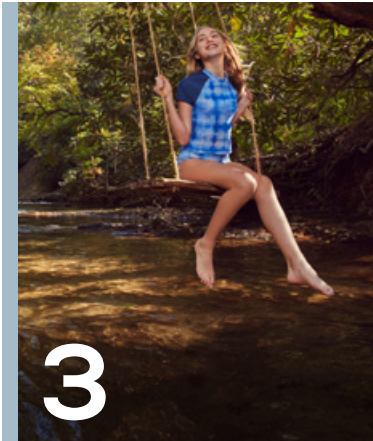
Gap Inc.

2021 ESG REPORT

INCLUSIVE, BY DESIGN



CONTENTS



3



14



25



33



46

THE BIG PICTURE

About Gap Inc.	3
Our Commitment to ESG, CEO Message	4
2021 Highlights	5
Our Approach – Judy Adler, VPESG	6
Our Purpose–Led Brands	7
Old Navy	8
Gap	9
Banana Republic	10
Athleta	11
Goals and Progress	12

EMPOWERING WOMEN

Gap Inc. P.A.C.E.	16
Human Rights and Social Dialogue	19
Helping Keep Our Supply Chain Safe During COVID-19	24

ENABLING OPPORTUNITY

This Way ONward	16
Talent Development	19
Equality & Belonging	24
Employees and Community Impact	24

ENRICHING COMMUNITIES

Water Stewardship	27
Women + Water	29
Resource Efficiency and Manufacturing	31
Chemicals Management	32
Climate Stewardship	32
Raw Materials and Product	32
Circularity and Waste	32

GOVERNANCE

ESG Oversight	35	47
Responsible Business Practices	36	49
Stakeholder Engagement	37	50
Product Life Cycle	37	51
ESG Appendix and Forward-Looking Statements	38	52
Global Reporting Initiative (GRI) Index	39	53
Sustainability Accounting Standards Board (SASB) Index	42	64
Task Force on Climate-Related Financial Disclosures (TCFD) Index	44	72

THE BIG PICTURE

ABOUT GAP INC.

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



Our Athleta brand is a certified B Corp, and we have amended Athleta's legal charter to become a Delaware public benefit corporation to further uphold the brand's commitment to people and the planet.

As of the end of fiscal 2021, we purchase private-label and nonprivate-label merchandise from about 250 vendors that have facilities in approximately 25 countries. As of January 29, 2022, we had a workforce of approximately 97,000 employees.

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.

LEARN MORE
[› Annual Filings](#)

ABOUT THIS REPORT

This report covers Gap Inc.'s global operations for fiscal 2021, which ended on January 29, 2022, unless otherwise noted. Our last report covered fiscal 2020 and is available with our past sustainability reports on our website. This report focuses on developments and actions for our key programs, progress toward our corporate and brand goals during the 2021 fiscal year, preparations for activities in 2021 and 2022, 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.

Through 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. Through this report, ESG (Environment, Social, and Governance) is used to refer to the Gap Inc. central team that owns and supports all work related to the ESG issues impacting the company's performance.

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 (UNGC) 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 29, 2022 (unless otherwise specified). The scope of these disclosures does not include the Gap Home collection. 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. Images of groups of people in this report that do not include face masks were taken either prior to the COVID-19 pandemic or in line with relevant CDC guidance and recommendations. For questions regarding Gap Inc.'s sustainability efforts or the content of this report, please contact sustainability@gap.com.

OUR COMMITMENT TO ENVIRONMENT, SOCIAL, AND GOVERNANCE (ESG)

"As a global company that reaches millions of people around the world, Gap Inc. has a responsibility – and an opportunity – to drive positive change for our stakeholders. We bring our purpose – Inclusive, by Design – to life through the work we do with our partners to create a more sustainable business and more equitable industry.

"In this report, we demonstrate our progress against clear and ambitious goals in three focus areas: empowering women, enabling opportunity, and enriching communities. Our partnerships – across industries and governments, and alongside other signatories of the UN Global Compact – have enabled us to scale our impact. This year marked major milestones: 1 million women and girls have now completed our signature skills-training program, P.A.C.E.; our partnership with USAID's Women + Water Alliance helped 1.5 million people improve their access to clean water and sanitation; and, guided by our robust ESG framework, we set future targets on climate in line with science-based goals.

"We know there is more work to do, and we are committed to growing our business in a way that protects the planet and supports healthy communities for generations to come. There has never been a more important moment for



businesses to step up. It's what our customers and communities expect of us – and it's what we demand of ourselves as a values-led company with the power to shape peoples' ways of life."

Sonia Syngal
CEO

"There has never been a more important moment for businesses to step up."



"We take pride in creating products our customers love while doing right by our customers, our community, and the planet. As founders, a key part of Doris and Don Fisher's vision of success was creating opportunities for the people and communities touched by our business throughout the world. Today, we're working harder than ever to make our business more sustainable by setting bold goals, designing new programs, and partnering with others to change our industry for the better.

"Each of our brands has made strong commitments to help us achieve our purpose – to be Inclusive, by Design – and each now has an executive sustainability steering committee in place. We recognize that commitments are not enough, and we are dedicated to showing progress against our goals and impact through use of innovation, collaboration across the industry, and partnership with expert organizations and the communities in which we operate."

Sally Gilligan
Chief Growth Transformation Officer

"Today, we're working harder than ever to make our business more sustainable..."

2021 HIGHLIGHTS



EMPOWERING WOMEN

1 MILLION+

women and girls reached by P.A.C.E. since 2007, achieving our 2022 goal.

68%

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

90%

of our factories have completed gender awareness training for middle and top management.

75%

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

*Green-rated indicates high-performing facilities with few violations, none of which were critical. Learn more on p. 20.



ENABLING OPPORTUNITY

10,600+

youths 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 3% of Old Navy's entry-level store employees, on track to meet its goal of 5% by 2025.

Released first

EQUALITY & BELONGING

Report, found [here](#).

SUPPORTING OPPORTUNITY HIRING

In 2021, we engaged with Tent Partnership for Refugees, Second Chance Business Coalition, and STARs (skilled through alternative routes).



ENRICHING COMMUNITIES

A-RATING

received for CDP Climate and Water.

1.5 MILLION+

people reached on our journey to empower 2 million people with improved water access through Women + Water (since 2017).

79%

of cotton sourced from more sustainable sources.

92%

of fabrics with a PFC-based finish were successfully converted or exited, and we are on track to reach 100% by 2023.

10%

of polyester sourced from recycled sources.

OUR APPROACH



JUDY ADLER, VP, ESG

At Gap Inc., our ESG team's vision is to be a driving force in the industry, collectively building a more sustainable future for our business, global community, people, and planet.

To do this, we leverage the scale of our business and strength of our brands to empower women, enable opportunity, and enrich communities. We view our work as a lens through which we can imagine and create a thriving business and a better world.

At Gap Inc., we lead with our values and think holistically about how environmental and social responsibility connects with our business and the world – particularly the lives of people from underrepresented groups.

This intersectional thinking guides our approach to each of our three focus areas:

1. We **empower women** and girls through our Personal Advancement & Career Enhancement (P.A.C.E.) program, which establishes a foundation from which women can reach their full potential and help change the power structures that hold them back at work and in their communities. This program – which has reached over 1 million women and girls since 2007 – supports people from communities in our supply chain and beyond who face greater risks due to gender discrimination, lack of access to education and healthcare, and the worsening effects of climate change and the water crisis. By tackling these issues together, we can make exponential progress on them all.
2. We **enable opportunity** by fostering an inclusive culture with our Equality & Belonging team and using the scale of our business to create sustainable economies accessible to everyone. Through programs like Old Navy's This Way ONward, we are providing valuable first-job experience for youths from underrepresented groups. At the same time, we're applying what we learn across Gap Inc. to help address systemic barriers to employment.

3. We **enrich communities** by aiming to create a net positive impact in areas disproportionately affected by environmental issues like climate change and the water crisis. Our 2050 environmental goals are ultimately about protecting the world's natural resources for generations to come. We have programs like the USAID Gap Inc. Women + Water Alliance, which combines objectives to empower women and improve community water resilience in a part of India where water stress and poverty are acute aspects of daily life. With the support of our partners – CARE, Water.org, WaterAid, and the Institute for Sustainable Communities – this program already has improved access to clean water and sanitation for 1.5 million people in Madhya Pradesh and Maharashtra.

Our brands are also leading the way, from Banana Republic's collaboration with Charles Harbison on a more sustainable clothing line that celebrates Black women to Athleta's investments in renewable electricity that now offsets all of its North American retail stores, to Old Navy's commitment to amplify diverse voices from the 15 Percent Pledge network to Gap's more sustainable product assortment, Generation Good.

By elevating the role of sustainability in our business, we can deepen our positive impact on people, our communities, and the planet.

Judy Adler



OUR PURPOSE-LED BRANDS

Our brands are built to have a lasting positive impact on people and the planet. Our approach builds on our rich history of women's empowerment, unlocking opportunities for people to succeed in the workforce and responsible environmental stewardship. Each of our brands is a leader in empowering women, enabling opportunity, and enriching communities.



Old Navy is a global apparel and accessories brand that makes current American essentials accessible to every family. Originated in 1994, the brand celebrates the democracy of style and service for all through on-trend, playfully optimistic, affordable, and high-quality products. Old Navy is on a mission to imagine a better future for future generations.



\$3.8M

total raised and donated to the Imagine Mission Fund to support This Way ONward



96%

of Old Navy's denim assortment incorporates water-saving techniques

IMAGINE

In 2021, Old Navy launched the Imagine Mission Fund to support the brand's values work. The fund comprises Old Navy and customer donations, Navyist rewards points giving, and customer donations at checkout.

EMPOWERING WOMEN

A More Inclusive Future

Old Navy, alongside Gap Inc., made a commitment to change for its employees, its brand, and its communities. In 2021, Old Navy introduced BODEQUALITY to redefine size inclusion. Old Navy now offers every one of its women's styles in every size, with no price difference. Old Navy is the first value retailer to offer sizes 0-30 and XS-4X for all women's styles at price parity. We reinvented our fit process and size standards to create the most democratic, comfortable, and consistent size run and fit ever for the brand.

ENABLING OPPORTUNITY

ABrighter Future

This Way ONward fuels the next generation of leaders with the skills and confidence they need to succeed in the workplace. Tasked with providing 20,000 job opportunities by 2025 to youths from underrepresented communities, Old Navy is already halfway to delivering on its commitment, with over 10,600 graduates of the program. This past year, Old Navy donated \$1.3 million to the Imagine Mission Fund¹ to support This Way ONward.

ENRICHING COMMUNITIES

A Greener Future

WATER

As of the end of 2021, 96 percent of Old Navy's denim assortment incorporates water-saving techniques, with over 2 billion liters of water saved since 2019.

TEXTILES

Old Navy is on track toward its goal of having 100 percent of its cotton sustainably sourced in 2022 and is committed to an increased use of recycled cotton in its denim assortment. Additionally, the brand is committed to converting 60 percent of its traditional polyester into recycled polyester by 2025.

PLASTIC

Old Navy is reducing plastic waste across its supply chain and is on track to eliminate all plastic shopping bags in U.S. and Canadian stores by 2023.

LEARN MORE

› [Old Navy Imagine](#)

1. The Imagine Mission Fund is a donor-advised fund (DAF) at T. Rowe Price Charitable. A DAF is a giving vehicle: a separately identified fund or account maintained and operated by a section 501(c)(3) organization (i.e. the sponsoring organization).



Gap believes it should be a force for good – for people and our planet. Gap’s purpose is to create sustainable change, enrich communities, and be better for this generation and the next. From water to wash, fiber to factory, the clothes you love to live in are made responsibly and with respect for the planet we all share.

Sustainability is an imperfect journey. Gap promises to lead, not react. To use less, not more.

GAP'S NEW GOALS

100%
Regenerative, organic, in conversion to organic, or recycled cotton by 2030

100%
Recycled polyester by 2030; 50% by 2025

100%
Washwell™ Denim² and woven bottoms by 2025

EMPOWERING WOMEN



“My dream and goal is to provide clean water to those who don’t have access to it.”

Pramila Ahoriya, a farmer and university student in Karajwani village, India, where women on average spend 1.5 hours per day fetching water for their families.

Empower@Work

In 2021, Gap committed that 100 percent of its finished goods factories will be participating in Empower@Work by 2025. Empower@Work (see p. 18) focuses on building and deploying sustainable, systemic, and scalable programs that promote gender equity in global supply chains to uplift women and their families for generations to come.

Water is a Human Right

Through the USAID Gap Inc. Women + Water Alliance (see p. 36), Gap brand is working with nonprofit partners in India to empower farmers, like Pramila, and their communities to improve their access to clean water and sanitation, supporting long-term water resilience in places that are aligned with our supply chain.

ENRICHING COMMUNITIES

Washwell™

Compared to conventional wash methods, Gap’s Washwell™ program uses at least 20 percent less water.

Since 2016, the brand has saved approximately 500 million liters of water.

Better Materials

In 2021, Gap began supporting farmers with training and procurement commitments during their three-year transition toward certified organic farming and away from conventional agricultural practices, which do not use harmful synthetic pesticides and fertilizers.

Gap signed up to Textile Exchange’s 2025 Recycled Polyester Challenge, which asks apparel brands to collectively commit to increasing the percentage of recycled polyester in the industry to 45 percent by 2025. Gap has set an even higher target of 50 percent by 2025.

Circularity

In 2021, Gap renewed its commitment to the Ellen MacArthur Foundation’s Jeans Redesign challenge to design long-lasting, more sustainably produced denim that’s made to be reused and recycled. To help keep products in use for as long as possible, Gap partners with thredUP® and Give Back Box. Customers can pack up gently used clothing, shoes, and accessories, then print a free shipping label to send products on to their next life.

LEARN MORE
[› Gap for good](#)

GOAL BY 2021

◆ Achieved

100%

Washwell™ Denim²

100%

more sustainable cotton

2. 100 percent of eligible denim by 2021 (86 percent of all denim).



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

ENRICHING COMMUNITIES

Our founders traveled the world upcycling clothes to mend, modernize, and make their own. That spirit of adventure and singular vision for sustainability continues today.

Circular Economy

Banana Republic is committed to using more sustainable cotton and polyester and designing products constructed with recyclability in mind. To work toward this, the brand participated in the Ellen MacArthur Foundation's Jeans Redesign project to reimagine organic cotton denim. The brand also launched BR Vintage with two collections of over 200 pieces handpicked from archives. The capsule will evolve each season with all-new styles curated by third-party partner vendors.

Raw Materials

Banana Republic aligned with The Responsible Wool Standard program to protect sheep and the land they graze when creating our wool products. The brand also committed to supporting responsible leather manufacturing worldwide and is a proud member of the Leather Working Group. Banana Republic signed on to become a member of the Good Cashmere Standard®, which aims to improve the welfare of cashmere goats, the lives of farmers and farming communities, and the environment in which they live.



34
million

liters of water
have been saved,
approximately,
since 2020

Water

Banana Republic implemented the Washwell™ program, which has helped the brand save approximately 34 million liters of water since 2020. The brand also uses conscious dyeing techniques and wash methods that ensure cleaner waterways and reduce water usage by including the implementation of bio-softeners and foam dye.

Partnerships

Banana Republic is continually exploring associations that help support its key sustainability pillars.

Current examples include:

In-Conversion Cotton Farms: The brand made a long-term commitment to source in-conversion and organic cotton from approximately 1,500 partner farmers in the Madhya Pradesh regions of Alirajpur, Kundanpur, and Udaigarh (India). Alongside Arvind Limited, Banana Republic is funding the work of Action for Social Advancement (ASA), a non-governmental organization (NGO) that trains farmers on converting to organic practices.

World Wildlife Fund® (WWF): In 2021, Banana Republic chose WWF as its designated charity partner for Gap Inc.'s **Do Good** loyalty rewards membership feature to help build a better world for people and the planet.

thredUP®: Banana Republic partnered with the independent reseller of like-new clothing and accessories. Customers can bring unwanted items to stores for resale on thredUP®'s platform, providing an easy way to reduce environmental impact by extending the life of pre-loved clothing.

Paravel: Banana Republic debuted a limited edition partnership with the luggage essentials brand, featuring products made with more sustainable practices and materials.

Banana Republic is building on its legacy of upcycling and continuing to make progress with sustainable partnerships, initiatives, and practices.

LEARN MORE

› [Banana Republic](#)



As a certified B Corp, Athleta is committed to using business as a force for good toward its mission: to ignite the limitless potential of all women and girls. Athleta seeks progress through its core values of inclusion, women supporting women, and environmental impact.

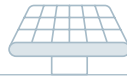
1.1 million

garments collected through thredUP® since 2020 partnership launch



100%

renewable electricity offset Athleta's North American retail stores in 2021



30,000

women and girls impacted by 79 grants awarded through the Power of She Fund since 2020



EMPOWERING WOMEN

Power of She Fund

Through the Power of She Fund, in partnership with the Women's Sports Foundation, we awarded an additional 66 grants impacting 43 organizations and more than 25,000 women and girls in 2021. Since the Fund's inception in 2020, we have awarded 79 grants impacting over 56 organizations and more than 30,000 women and girls across areas including fostering multi-generational movement and connections, driving access to well-being resources, and supporting athlete child care expenses.

Gap Inc. P.A.C.E. Program

In 2021, Athleta committed to integrate P.A.C.E. and Empower@Work in 100 percent of its factories by 2025 (see more on p. 18).

ENABLING OPPORTUNITY

Fair Trade Certified™

Athleta announced the addition of two new fair trade factories in Vietnam, bringing the total to four (with another two in Sri Lanka). The brand has contributed \$1.3 million to community development since 2016 (\$371,000 in 2021), impacting 6,200 women.

Amplify Artist Series

Athleta developed a collection of product collaborations to further its commitment to empower and amplify the voices of Black, indigenous, and people of color (BIPOC) women and girls. In 2021, Athleta collaborated with four Black female artists to create limited edition products and donated to nonprofits selected by the artists.

ENRICHING COMMUNITIES

Renewable Energy

As of 2021, 100 percent of Athleta's company-operated stores in North America are offset by renewable electricity from Fern Solar, a 7.5-megawatt offsite solar project in North Carolina.

Recycled Polyester

Athleta signed on to the Textile Exchange Recycled Polyester Challenge to use 45 percent recycled polyester by 2025 and 90 percent by 2030.

thredUP®

The brand celebrated its second year of participation, activating 57,000 Clean Out Kits with 897,000 garments in 2021 (1.1 million total since 2020 launch). This partnership extends the life of our clothes through circular business models.

LEARN MORE

[› Athleta](#)



GOALS AND PROGRESS

EMPOWERING WOMEN

● Establishing baseline ● On track ● Needs attention ● New goal ◆ Achieved

GOALS	TARGET YEAR	STATUS	PROGRESS
Reach 1 million women and girls through P.A.C.E.	2022	◆	As of the end of fiscal 2021, over 1 million women and girls had been reached through P.A.C.E.
100% of workers employed in our strategic factories will have their voices heard through representative, gender-equitable workplace committees	2025	●	<p>We have developed the following key performance indicators (KPIs):</p> <ul style="list-style-type: none"> % strategic factories where workplace committees have gender-equitable representation % strategic factories where workplace committees are meeting at least 70% of relevant Better Work Academy Social Dialogue Indicators (SDIs) and meet minimum requirement indicators (SDI 9, SDI 17, and SDI 18)
100% of our strategic factories ³ are investing in women's empowerment through participation in Empower@Work	2025	●	<ul style="list-style-type: none"> % of strategic factories where at least 50% of the factory's female workers have been enrolled in P.A.C.E./Empower@Work curriculum % of strategic factories that have institutionalized Empower@Work as part of their HR management systems
100% of our strategic factories will have achieved gender parity at the supervisor level	2025	●	<ul style="list-style-type: none"> % of strategic factories have achieved gender parity at the supervisor level % of supervisors in our suppliers' strategic factories that are women, globally
100% of our factories will have prevention and response management systems and trainings in place to address gender-based violence	2025	●	<ul style="list-style-type: none"> 100% of our factories have prevention and response management systems and 70% have internal trainers in place to address gender-based violence % of sourcing factories that have a functioning grievance mechanism for encouraging employee complaints and suggestions, including to report incidents of gender-based violence, harassment, and abuse % of sourcing factories where 100% of employees are trained on gender-based violence prevention and response each fiscal year
80% of Gap Inc. sourcing will be allocated to green-rated factories	2025	●	68% of our business spend is allocated to green-rated factories
By 2023, 100% of our Tier 1 facilities will participate in industrywide efforts, including SLCP and/or ILO-IFC Better Work, and 100% of Tier 2 strategic mills will participate by 2025.	2023/2025	●	<ul style="list-style-type: none"> 75% of Tier 1 factories are participating 40% of Tier 2 strategic mills are participating
100% of vendors comprising 90%* 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	●	* Our previous goal applied to 100% of Gap Inc. vendors. In 2021 we decided to revise 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.

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

ENABLING OPPORTUNITY


● Establishing baseline ● On track ● Needs attention ● New goal ◆ Achieved

GOALS	TARGET YEAR	STATUS	PROGRESS
Hire 5% of Old Navy store entry-level employees from This Way ONward annually	2025	●	In 2021, 3% of Old Navy entry-level store employees were hired through This Way ONward
Reach 20,000 youths through This Way ONward	2025	●	Over 10,600 youths have participated since the program launched in 2007, with 1,170 hired in 2021

ENRICHING COMMUNITIES

WATER Net-positive water impact in water-stressed regions by 2050.	Support a water-resilient supply chain	2030	●	Establishing baselines and context-based targets
	Empower 2 million people - including 1 million women - with access to improved drinking water and sanitation	2023	●	As of the end of fiscal 2021, we have empowered 1.5 million people
	Work toward zero discharge of hazardous chemicals in our supply chain: eliminate PFC-based finishes from our supply chain	2023	●	38% of products with water- or stain-repellent finishes were made using non-PFC-based finishes. Gap Inc. successfully converted or exited 92% of fabrics with a PFC-based finish, and is on track to reach 100% by 2023
CLIMATE Carbon neutral across our value chain by 2050	Reduce Scope 3 greenhouse gas (GHG) emissions from purchased goods and services by 30% from a 2017 baseline	2030	●	2020 Scope 3 data will be available in 2022
	Reduce Scope 1 and 2 GHG emissions by 90% from a 2017 baseline	2030	●	Our 2020 Scope 1 and 2 emissions were reduced by 39% from a 2017 baseline. 2021 Scope 1 and 2 data will be available on our website later this year
	Source 100% renewable energy for our company-operated facilities globally	2030	●	In 2020, 17% of our energy was produced from renewable sources. 2021 data will be available on our website later this year
PRODUCT	Source 100% of cotton from more sustainable sources ⁴	2025	●	79% of cotton was sourced from more sustainable sources
	Source at least 45% of polyester from recycled sources (rPET). (Some brands have higher goals)	2025	●	10% of polyester was sourced from recycled sources
WASTE AND CIRCULARITY	Eliminate unnecessary and problematic plastic	2030	●	Tracking in progress

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



EMPOWERING WOMEN & HUMAN RIGHTS

For more than a dozen years, we have led initiatives that unlock new possibilities for women and girls and support workers in our supply chain.

Our collaborative approach has led to pioneering programs and innovative partnerships with suppliers, industry peers, government organizations, educational institutions, and NGOs.



These programs work together to protect human rights, remove barriers, and enhance women’s empowerment and opportunity. They address gender inequality and gender violence by enhancing industrial relations in facilities and providing opportunities for women workers to gain the skills, agency, and confidence needed to advance at work and live better lives. These are complementary interventions that can be implemented alone or in tandem depending on the needs of a given facility’s workforce.

Together, these programs provide a comprehensive and holistic engagement model for facilities to improve labor standards, benefit women workers, and support the business continuity and resiliency of our supply chain.

“The mission of P.A.C.E. is to ignite a community of active, healthy, confident women and girls who empower each other to reach their limitless potential. P.A.C.E. gives women a voice and an opportunity to positively change lives – their families’, their communities’, and their own.”

Mary Beth Laughton, President and CEO, Athleta



HOW WE EMPOWER WOMEN AND SUPPORT HUMAN RIGHTS

> Gap Inc. P.A.C.E.	16
Empower@Work	18
> Human Rights and Social Dialogue	19
Assessment and Remediation	20
Capability Building	21
Workforce Engagement Program	21
Supervisory Skills Training	22
Gender-Based Violence Prevention and Response	23
Digital Wage Payments	23
> Helping Keep Our Supply Chain Safe During COVID-19	24

PROGRAM SPOTLIGHT



GAP INC. P.A.C.E.

Our Gap Inc. Personal Advancement & Career Enhancement (P.A.C.E.) program partners with vendor facilities to give women foundational life skills, technical training, and support to advance at work and in their lives.

GOAL ACHIEVED

Reach **1 million** women and girls through P.A.C.E. by **2022**.

In 2021, we achieved a milestone in the 14-year history of P.A.C.E., reaching 1 million direct program participants worldwide with foundational life skills and technical training – a year ahead of schedule. P.A.C.E. has helped change the course of their lives and work. We are now bringing a version of the program to the U.S. while we continue developing new goals to engage with communities and workplaces around the world and empower the next generation of women and girls.

We deliver our P.A.C.E. workplace and community programs across multiple industries and settings around the world in partnership with local NGOs, governments, brands, and schools. In 2021, we celebrated 10 exemplary partners and individuals around the globe as part of our second annual **P.A.C.E. Awards**.

We have expanded **P.A.C.E. workplace** programs by integrating P.A.C.E. into our larger Supplier Sustainability program. This puts P.A.C.E. participation and performance on the Gap Inc. vendor scorecard and signals to vendors that the program is both a strategic priority and an expectation of our commercial partnership with them.

We continue to grow **P.A.C.E. in the community** through strategic partnerships with governmental, educational, and other institutions. Through these collaborations, our program now also reaches men and boys by providing them access to existing curriculum on topics like finance and new courses designed to help them better understand the experiences of women and girls, cultivating a culture of gender equality.

Find more about P.A.C.E. on our **website**.

P.A.C.E. SKILLS IN ACTION

In 2019, P.A.C.E. trainer Seeta Patel visited Karamthalai, a village in a remote part of Madhya Pradesh, India. During her visit, she became trapped after the only bridge leading out of the area was washed away in a storm, something that happens every year during the rainy season.

The women in P.A.C.E. training asked Seeta if she could help them petition the government for a new bridge. She encouraged the women to use skills they had learned from P.A.C.E. and helped them write a letter to the government about the perilous bridge.

As a result of the women's collective action, the government completed a new bridge in April 2021, improving access in and out of the village and ensuring the entire community can take advantage of opportunities for life-saving healthcare and education all year round.



PROGRAM SPOTLIGHT

2021 P.A.C.E. PROGRESS

In 2021, we continued our three-year partnership with India’s Ministry of Rural Development, which we plan to expand across all Indian states in 2022. We adapted to COVID-19 by using a virtual program to train 84 trainers, including 46 master trainers who will offer state-level trainings.

Ultimately, all vocational training under India’s flagship DDU-GKY (Deen Dayal Upadhyaya Grameen Kaushalya Yojana) program will be able to offer P.A.C.E. life skills courses, supporting the employability and job retention of workers. Through this partnership, we have gained important insights about translating P.A.C.E. into different languages – 24 in India alone – and strengthening government technology systems to deliver the curriculum.

Also in India, our partner, the Self-Employed Women’s Association (SEWA), achieved its goal of training over 271,000 women across Gujarat, Bihar, and Rajasthan. SEWA will now deliver P.A.C.E. in eight new countries: Ethiopia, Ghana, Haiti, Kenya, Nepal, Nigeria, Sri Lanka, and Tanzania.

In Cambodia, we continued our programs with Kampuchea Action to Promote Education. The Ministry of Education in Cambodia passed an official order to incorporate the P.A.C.E. girls’ curriculum into all primary and secondary schools over the next two years, ultimately reaching 150 schools and almost 15,000 girls.

In Indonesia, Gap Inc. and New Balance are funding a program led by **CARE International** to integrate P.A.C.E. into the junior school counseling curriculum, reaching 50 schools in Badung regency. We hope to expand into other districts in the future.

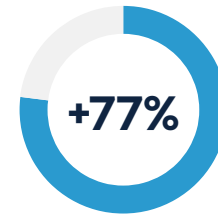
In Bangladesh, CARE International has led a P.A.C.E. community program that has reached 37,198 women in Gazipur since 2014. An evaluation of this program revealed that 48 percent of P.A.C.E. participants reported having bank accounts (non-participants: 26 percent). Moreover, 88 percent of P.A.C.E. program participants felt comfortable speaking up about their needs in the workplace after their training (non-participants: 18 percent).

In 2021, we built a learning management system that we plan to launch in 2022 to continue digitizing the program with in-person, virtual, and hybrid training sessions. In 2022, we also plan to use elements of the P.A.C.E. program to address women’s needs in the U.S.

PROGRESS SINCE 2007

1 MILLION+
women and girls reached

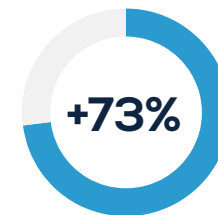
2021 IMPACT



communications knowledge



execution skills⁵ knowledge



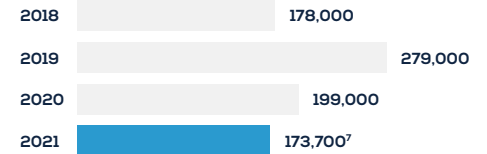
financial literacy

4.6%

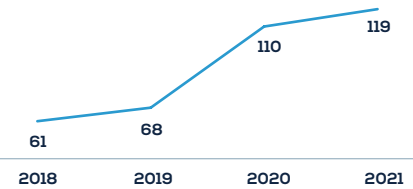
turnover rate for P.A.C.E.-trained women⁶ compared to 11.3% among their peers

GROWTH PER YEAR

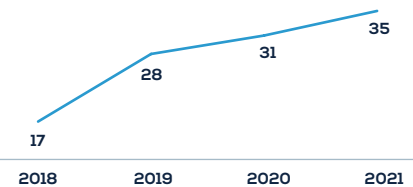
WOMEN AND GIRLS REACHED



VENDORS



COMMUNITY PARTNERS



4,451

certified P.A.C.E. trainers

5. Execution skills knowledge is defined as the knowledge of how to apply newly learned skills from the P.A.C.E. learning modules in real contexts, particularly in the workplace. Percentage represents increase in proficiency after participating in the P.A.C.E. program.
 6. According to a sample of 40 facilities.
 7. P.A.C.E. programming and participation were limited in 2020 and 2021 due to COVID-19 in-person gathering restrictions across many of our implementing locations.

PROGRAM SPOTLIGHT

EMPOWER @WORK COLLABORATIVE

Gap Inc., along with BSR (Business for Social Responsibility), HERproject, CARE International, and ILO-IFC Better Work, founded Empower@Work in 2019. Leveraging our P.A.C.E. program, Empower@Work harnesses the power of collective action to deploy sustainable, systemic, and scalable programs that empower women workers, embed gender equality in business practice, and catalyze policy and systems change by aligning women's empowerment training and skill-building efforts across the apparel industry.

Since its launch, Empower@Work has published an open-source **Worker Training Toolkit** that is recognized as a best-practice curriculum for women's empowerment training in the apparel supply chain. In 2021, Empower@Work focused on creating a robust implementation and impact model that seeks to drive market change and influence the wider ecosystem to make lasting, positive changes for women workers.

In 2022, we plan to develop a strategy to transition our P.A.C.E. in the Workplace program to Empower@Work.

GOALS BY 2025

100%

of our strategic factories⁸ will invest in women's empowerment through participation in Empower@Work⁹

● Establishing baseline

100%

of Athleta and Gap brand factories will participate in Empower@Work

● Establishing baseline



P.A.C.E. COMMUNITY FACILITATORS VENTURE INTO LOCAL POLITICS

Critical skills gained through P.A.C.E. gave Florah Magwa the confidence to run for a special position to represent women in her local government council in Tanzania. Initially, Florah didn't believe that she had the skills or confidence to stand in front of people and ask for their votes. But after P.A.C.E., she decided to run against 25 other women and was among seven selected to represent women in the Musoma District. "If it were not for these interventions, I probably would not be where I am today and where I aspire to be in the future," said Florah.

Women in India also used their P.A.C.E. training to pursue election. In January 2021, 167 participants in the program were elected to the panchayat (regional assembly) in Maharashtra state, with fourteen elected as sarpanch (decision-makers), who are the focal point of contact between government officers and the village community.

8. Factories representing 80 percent of our total business spend (defined as: Purchase Order first cost).

9. We will measure performance against our Empower@Work target by assessing the percentage of factories with at least 50 percent enrolled female workers. We will further assess the extent to which factories are institutionalizing Empower@Work as part of their HR management processes, including how they introduce it to workers and demonstrate commitment to the program from the top levels of management.

HUMAN RIGHTS AND SOCIAL DIALOGUE

We are committed to upholding and progressing human rights and cultivating social dialogue to create a resilient supply chain that respects workers. Our goal is to design, collaborate on, and implement industry-leading programs that transform outcomes for workers and enterprises across the sector.

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**



Our holistic approach begins with our Human Rights Policy and Code of Vendor Conduct (COVC). Both are based on internationally accepted labor standards and guidance, including the Universal Declaration of Human Rights (UDHR), UN Guiding Principles on Business and Human Rights, UNGC, 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:

Assessment and Remediation

Through transparency and partnership across our supply chain, we can improve workers' well-being, protect human rights, reduce environmental impacts, and improve business performance.

Capability Building

In partnership with ILO-IFC Better Work, suppliers, NGOs, and others, we have established programs to improve worker representation and leadership involvement. These cover issues such as workplace cooperation, supervisory skills, and empowering women. We also support our facilities with environmental capability-building programs, which can be found in the Resource Efficiency and Manufacturing section (p. 37).

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

ASSESSMENT AND REMEDIATION

We use our Assessment and Remediation Program to evaluate our suppliers and incentivize improvements by directing more business toward the highest-performing facilities.

Our approach begins with assessments conducted by Gap Inc. (32 percent of assessments), ILO-IFC Better Work (26 percent), and the SLCP (43 percent).

Through these assessments, we rate each facility using a color-coded system:

- › **Green for high-performing facilities with few violations, none of which were critical.**
- › **Yellow for average performers.**
- › **Red for those that need to address one or more serious issues.**

When an issue is reported or found during our assessments, our global field teams develop a tailored remediation process that considers local contextual factors such as workers' education level, cultural norms, and ways of communication. For example, we may conduct interviews in workers' communities to better understand their needs, enabling us to more effectively address violations within our global supply chain.

Critical and severe violations have a greater negative impact on a facility's rating than noncompliance violations. Our strict approval process discourages red-rated facilities from entering our sourcing base. If a red rating occurs, we provide corrective action plans and a realistic time frame to resolve any issues. Should a facility or vendor fail to address persistent noncompliance, we action a responsible exit plan and continue to monitor the facility to address pending issues during and following deactivation.

2021 Progress

Between 2016 and 2020, we worked toward a goal of sourcing from facilities rated yellow or green; today, only 1 percent of facilities we work with are rated red, compared to 16 percent in 2016. In 2021, we raised our ambition to drive performance improvement by setting a goal to source at least 80 percent of business spend from green-rated factories by 2025; we are on track, with 68 percent at the end of 2021.

By the end of 2021, 84 percent of COVC issues had been resolved. We resolve these violations by integrating this work into our sourcing decisions, which drives increased vendor ownership in resolving issues promptly. Our dedicated Supplier Sustainability team trains global sourcing employees on human rights policies and procedures, building awareness on COVC requirements and ways to manage vendor performance. We also train and educate key vendors on how to implement measures that prevent COVC issues from arising.

SOCIAL & LABOR CONVERGENCE PROGRAM (SLCP)

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.

In 2021, we used the SLCP tool in Better Work assessments in Indonesia, Bangladesh, and Vietnam. We aim to increase this across all Better Work countries, supporting our goal to have all our Tier 1 facilities and Tier 2 strategic mills involved in industrywide efforts by early 2023.

GOAL BY 2023/2025

100%

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

● Needs attention

GOAL BY 2025

80%

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

● On track

PROGRESS IN 2021

75%

of Tier 1 factories are participating

40%

of Tier 2 strategic mills are participating

68%

of our business spend is allocated to green-rated factories



CAPABILITY BUILDING

To provide safe, fair, and healthy working conditions in our supply chain, we partner with our branded-apparel suppliers and key stakeholders through a variety of country-specific capability-building programs. These approaches catalyze improvements in workers' grievance mechanisms, gender equity in leadership, safety, and well-being.

In 2021, we announced several women's empowerment goals for 2025 regarding our capability-building programs. While the ongoing effects of COVID-19 on our supply chain partners slowed the start of this work, we have now developed strategies and key performance indicators for each goal (p. 12) and are in the process of collecting baseline data, starting with the last quarter of 2021.

We seek to understand and address our workers' needs in the supply chain by learning from and sharing resources with our peers to enhance industry knowledge and practices. For example, we have measured worker engagement using Nike's Engagement and Wellbeing survey since 2019. In 2021, 32 factories collected responses.

ILO-IFC Better Work Academy

Gap Inc. is a founding member of the ILO-IFC Better Work program, which is an important partner in our key sourcing markets. We also helped establish the Better Work Academy, which trains staff in global apparel brands on key issues related to social dialogue. This enables participating companies to deliver training and consultation to factories beyond Better Work's scope. The Academy empowers facilities to make improvements based on participant feedback, with brands serving as advisors and partners.

The Academy has reached 441 facilities in 18 countries, with eleven companies – including Gap Inc. – now participating. We have actively supported its expansion by sharing insights and providing training materials that brands can customize for their own programs.

Together with Better Work, we have developed our Workplace Cooperation Program, which facilitates dialogue between workers and management, and our Supervisory Skills Training (SST) program, which improves the skills of supervisors and middle managers and fosters gender parity in supervisory positions. To support all our capability-building programs, we use our Workforce Engagement Program mobile tools (see sidebar).



54

facilities use the Workforce Engagement Program (WEP)

WORKFORCE ENGAGEMENT PROGRAM (WEP): A DIGITAL TOOL FOR CAPABILITY BUILDING

The WEP supports our capability-building programs in two ways: (1) the mobile technology enables our suppliers to deliver important information and training, and (2) it provides a platform for workers to share feedback with facilities.

By the end of 2021, WEP was active in 54 facilities. We share best practices with suppliers in Vietnam, Cambodia, China, Indonesia, and Guatemala. In 2022, we plan to use WEP in pilot programs in Bangladesh, China, and Indonesia to test different models for delivering our capability-building programs, including in-person, fully digital, and hybrid models. We're also participating in an SLCP pilot to integrate worker voices using similar technologies.



Workplace Cooperation Program (WCP)

Through elected committees, WCP facilitates dialogue between workers and management on a variety of issues ranging from overtime and well-being to washroom sanitation and canteen food. This program educates participants on communication and negotiation skills to help them feel more comfortable voicing their grievances to senior management.

After scaling back WCP in 2020, we ramped up the program again in 2021, using virtual training when appropriate. WCP has been implemented in 241 facilities across 12 countries since 2016, including 65 percent of our strategic factories. We now plan to expand the program to our strategic vendors' owned and authorized subcontracted facilities.



GOAL BY 2025

100%

of workers employed in our strategic factories will have their voices heard through representative, gender-equitable workplace committees

● Establishing baseline



Since 2017,
3,361

grievances raised and

97%

resolved (3,261 issues) within the same quarter



63

new facilities for a total of 228 facilities implementing SST (target: 220)

Cumulative impact:

7,100

supervisors trained

2021 active participants:

182

facilities in 9 countries

Supervisory Skills Training (SST)

SST is a three-day training program launched in 2018 with Better Work that helps supervisors and middle managers improve communication skills, build good relationships, and supervise workers effectively. The reach of the program is amplified by facilities delivering the same trainings after completing Training of Trainers. Some vendors also have their own equivalent programs, which we vet to ensure they meet or exceed Gap Inc.'s SST requirements. As a result, an additional 25 facilities have been covered under the program.

We use production-efficiency data and supervisor and worker surveys to measure the program's impact. Together, they help reveal the extent to which participants thought the training was effective, and whether it led to any behavior change or production improvements.

In our strategic facilities, women comprise a minority of supervisor positions, even though they represent the majority of our total supply chain workforce. We believe that we can support future women leaders through our SST training.

In 2021, we set a goal to cultivate women's empowerment among our strategic facilities and prioritize training opportunities for women. We will measure this target by assessing the percentage of factories with gender-equitable representation at the supervisor level, with the gender ratio reflecting that of the factory's total workforce.

GOAL BY 2025

100%

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

● Establishing baseline

Gender-Based Violence (GBV) Prevention and Response

Over the years, our regular facility assessments have revealed violations related to gender-based discrimination and harassment. We recognize that it's not enough to rely solely on auditing to detect and address these issues, which is why we developed our GBV Prevention and Response Program with Better Work to help enforce our zero-tolerance policy on physical, psychological, and sexual harassment.

Our GBV Prevention and Response Program focuses on training managers and workers as a key part of our strategy. In 2021, we set a goal of ensuring that all our factories have GBV training, prevention, and response systems in place by 2025. By 2023, we aim to ensure that all workers in factories where our clothes are produced undergo GBV prevention and response training annually.

Looking ahead, we will further assess the extent to which factories have a functioning grievance mechanism for workers to report incidents of GBV, harassment, and abuse. To have an impact beyond the facilities we work with, we are also exploring partnerships to further accelerate this work across the industry with expert organizations and other major apparel brands.

GOAL BY 2025

100%

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

● Establishing baseline

PROGRESS IN 2021

44%

of our factories have started training on GBV Prevention and Response, reaching over 231,500 workers (26% of our supply chain)

90%

of our factories had completed gender awareness training for middle and top management



96%

of our eligible Tier 1 suppliers (that provided data) offer digital wage payments

Digital Wage Payments

We work closely with partners and participate in the UN's Better Than Cash Alliance to address ongoing regulatory and infrastructure constraints on digital wage payments. We continue to prioritize digital wage payments with new Tier 1 suppliers and support financial inclusion more broadly by offering digital financial literacy sessions in our P.A.C.E. curriculum.

Since starting our Digital Wage Program in 2017, we have increased the share of our eligible Tier 1 suppliers that offer digital wage payment systems from 68 to 96 percent (which includes mobile wallets, bank accounts, debit cards, and other digitally accessible methods).



HELPING KEEP OUR SUPPLY CHAIN SAFE DURING COVID-19

Since the pandemic hit in 2020, we have taken several steps to support our supply chain partners and prioritize the health and safety of people working in our supply chain.

We continue to distribute COVID-19 guidelines to our suppliers and factories and, when needed, we adapt our social and labor programs, offering virtual options that ensure continuity while keeping everyone safe.

We have also continued to enforce important COVC standards, including the provision of sick leave and other relevant benefits, functioning grievance mechanisms, requirements related to non-discriminatory employment practices and ethical practices around virus-related layoffs and furloughs.

We support vaccine distribution and uptake in key sourcing markets as part of the Business Roundtable's CEO COVID-19 Task Force. This group has mobilized the private sector to urge governments to invest in vaccine funding and get more vaccines into underserved markets. In addition, we have integrated vaccine education into the P.A.C.E. platform.



\$250,000

in COVID-19 resilience funding for women

COVID-19 RESILIENCE FUND FOR WOMEN

In 2021, the Gap Foundation continued its support of the COVID-19 **Resilience Fund for Women in Global Value Chains**, a collaborative effort to help with pandemic recovery and advance long-term, systemic changes that build resilience for girls, women, and communities.

We became a founding partner of the fund in 2020, which contributes to a pool of investments from multiple sources to support local woman-led organizations. In 2021, we made our second investment, this time of \$250,000, while our first round of funding was already supporting projects in India and Bangladesh.





ENABLING OPPORTUNITY

We believe that enabling opportunity means ensuring employees have the skills they need to build truly fulfilling careers with us. Our purpose to be Inclusive, by Design drives our work on programs that ensure diversity is a major feature of our talent pipeline.

Gap Inc. prioritizes fostering a culture of equality and belonging and developing sustainable economies.



We use the assets and scale of our business to enable access to opportunities for the people and communities we serve. Our programs and partnerships open doors to underrepresented talent across gender, race, age, and more.

In addition to developing skills, we create a sense of belonging for employees, enabling them to be part of a supportive team where they can fulfill their potential.

We do this by cultivating a workplace culture that meets our employees' professional and personal needs. We also champion initiatives and ideas that encourage volunteering and ensure that we give something back to the communities and places where we work and our employees live.

“When you shop at a store, you want to see the store team reflect the community, and This Way ONward helps create a space where customers feel comfortable. They feel like they are being seen, their needs are being met – it’s someone from their community. They understand what product they are looking for, and that translates to sales because we have people who connect with the community.”

Chantal Horton, Senior Recruiter, This Way ONward



HOW WE ENABLE OPPORTUNITY

> This Way ONward	27
> Talent Development	29
Opportunity Hiring	30
> Equality & Belonging	31
> Employees and Community Impact	32

PROGRAM SPOTLIGHT

THIS WAY ONWARD

Old Navy believes that opportunity should be for all, not just the few. Through This Way ONward, Old Navy is continuing its journey to become the world's most inclusive brand.

Old Navy has been expanding This Way ONward since 2007 to create the next generation of leaders. Through a growing network of partners, including Boys & Girls Clubs of America, the program tackles systemic barriers to employment.

This Way ONward provides young people aged between 16 and 24 with structured training and valuable first-job experience. The program also develops mentors' leadership skills.

Research confirms that the program works. Alumni stay with the company twice as long as their peers, and store managers say This Way ONward hires are top performers. Our latest evaluation survey¹⁰ revealed that new hires also feel a sense of belonging at Old Navy, feel supported by their managers, and are excited about their work.

Find more about This Way ONward on our [website](#).



THIS WAY ONWARD TEACHES RICHARD GREENE ABOUT THE POWER OF RELATIONSHIPS

A self-described optimist, high school senior Richard Greene felt discouraged after being rejected for job after job. He was applying for work so he could save money for college. The director of the Boys & Girls Club he attended encouraged him to apply for This Way ONward, and with support from his parents, he was successful.

When Richard started work at Old Navy, he found himself surrounded by a supportive team, including his store leader, a job coach, and a "Big Sib" coworker. Richard was in his element and enjoyed interacting with customers and sharpening his leadership skills. His worries about college, and life began to drop away. "Having a job you enjoy keeps you present," he said. "It helped me leave the stress of the world behind. This Way ONward really taught me not to look at a job as a job, but as an opportunity."

Richard also began to see that the real impact of work wasn't the paycheck but the people. "It was satisfying to see the money in my bank account continue to climb," he said, "but eventually, it was more about the relationships I developed with people."

"It was satisfying to see the money in my bank account continue to climb, but eventually, it was more about the relationships I developed with people."

10. We have moved to a biennial cadence for the evaluation survey due to consistently positive results. The next evaluation is planned for 2022.

PROGRAM SPOTLIGHT

GOALS BY 2025

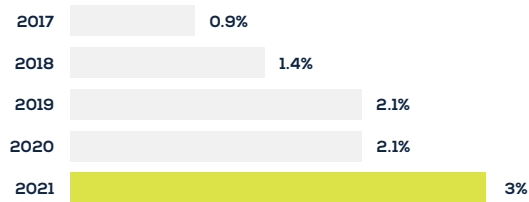
5% of Old Navy store entry-level employees hired from This Way ONward annually

● On track

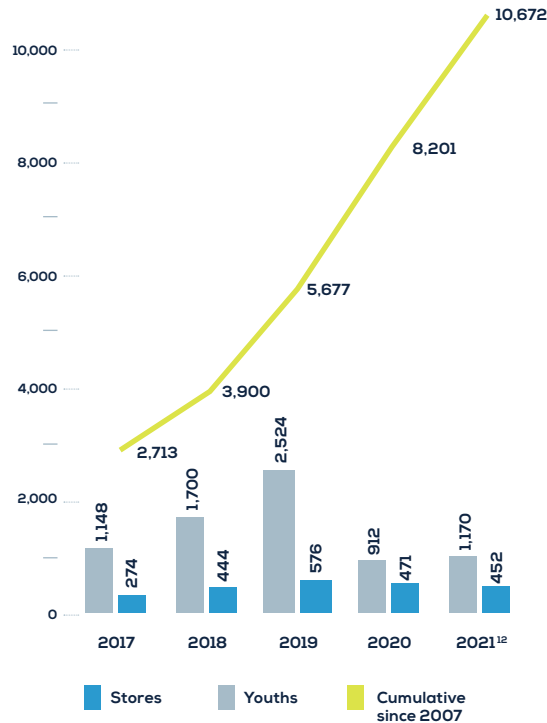
20,000 youths reached through This Way ONward¹¹

● On track

PROGRESS IN 2021



THIS WAY ONWARD REACH AND GROWTH



In 2021, 37 percent (450+) of Old Navy stores across North America hired This Way ONward associates. Old Navy raised and donated a total of approximately \$3.8 million for the program.

To engage more people to join, Old Navy has invested in high-profile storytelling campaigns that promote the power of mentorship. These stories explore the idea that hiring for potential, not credential, is critical to expanding the talent pipeline and cultivating a talent strategy that prioritizes diversity, inclusion, equality, and belonging.

In one **national ad campaign**, basketball superstar Magic Johnson invited communities to “imagine a brighter future where every kid gets a foot in the door.” This Way ONward Influencers have shared their stories on social media, showing how the program improved their confidence, taught them new skills, helped them see their potential, and enabled them to pay it forward by mentoring others.

In 2021, our This Way ONward alumni advancement pilot launched. The program aims to give members access to the networks, mentoring, and skills that will take them from their first jobs to career rockets. Select alumni in the U.S. and Canada participated in this program, which we will expand in the coming years.

This Way ONward continues to provide Old Navy with a diverse and reliable source of talent. In 2021, 39 percent of all program applicants were hired, compared with less than 10 percent of applicants from other sources. The program also supports Gap Inc.’s Equality & Belonging goal to achieve diverse representation in our pipeline. More than 1,294 This Way ONward alumni (14.6% of our total participant population since 2007) are now Gap Inc. employees, the majority of whom identify as people of color.¹³

Gap Inc. continues to integrate insights and new resource tools from This Way ONward into our talent strategy. In addition to hiring for potential and cultivating talent pipelines, we apply lessons learned to ensure we provide the right post-hire support to help entry-level retail store employees thrive, particularly those who are from underrepresented or marginalized groups.

In response to the pandemic, This Way ONward supports innovative recruitment, hiring, and training. Tools such as virtual career fairs, interviews, job-readiness workshops, and volunteer and mentorship opportunities have helped make the program accessible to more people, including participants, field leaders, Old Navy leadership teams, nonprofit partners, and mentors and volunteers.

The value of hiring for potential - not credential

11. The numbers are cumulative since program launch.
 12. Numbers for 2020 and 2021 are lower due to the program’s shift to Old Navy stores exclusively, as well as temporary store closures during the COVID-19 pandemic.
 13. Excludes those who did not disclose their ethnicity or otherwise have not submitted one.

TALENT DEVELOPMENT

By putting people first, we increase employee engagement and create business value. We do this by cultivating a workplace culture and providing benefits that meet the professional and personal needs of our employees and their families. This includes offering financial incentives and designing work schedules that give in-store staff greater stability, flexibility, and work-life balance.

With the ongoing pandemic, we continue to listen to our employees through the Pulse survey and offer our Be You, Be Well benefits program. It includes access to counseling and our Be Well + Stay Connected speaker series, featuring thought leaders, meditation programs, and fitness classes to support the physical and mental well-being of our people.

We are excited about building a better future of work that helps Gap Inc. establish a performance culture anchored in excellence, grow our purpose-led brands, and enable our employees to meet their professional aspirations.

Find more about how we support and develop our exceptional people on our [website](#).



2,000+

HQ Pulse survey participants and 23,000+ store Pulse survey participants¹⁴



95%

average score for "I am proud to work here" and 89% "I intend to stay for the foreseeable future" from Pulse survey participants



8,000+

total learning courses taken

6,000+

on LinkedIn Learning

2021 PROGRESS

Our Future of Work model brings us closer to our customers and each other. The model supports employees working in a combination of in-office and virtual settings based on where they deliver their best work for the customer – ultimately unlocking creativity, collaboration, and agility. We are examining every facet of the employee experience – including tools, policies, ways of working, technology, and physical workspaces – to support a culture of performance and connection, while delivering innovative work, living our values, and attracting best-in-class talent.

As part of our ongoing commitment to equality and belonging, we continue to build an inclusive leadership culture, cultivate a sense of belonging for all, and foster workplace equity (read more in our Equality & Belonging Report in June 2022).

We tailor training programs and resources to employees' levels and needs, including investing in first-time leaders through mid-level leader coaching and development. We provide seven hours of onboarding for all new leaders, 44 hours of education and cohort experience for new leaders in our Distribution Centers; and one to six weeks of training for our Product functions. We also provide individual coaching for more than 170 of our leaders. We also continue to offer access to the LinkedIn Learning program, which offers free online courses with topics ranging from technical skills to professional development.



We converted several key training programs into virtual experiences, including our Rotational Management Program (high-potential entry-level talent), Leadership Essentials Program (first-time leaders), and coaching programs for mid-level leaders. We continue to see our Rotational Management Program as a pipeline for emerging and diverse talent, with 64 percent Black, Latinx, and Asian and with 82 percent female participation. We have recently embedded ESG training within the Rotational Management Program to train our managers on the issues that will define their futures.

All of our full-time employees receive regular performance reviews. To support individual learning, we implemented the Workday platform, which empowers leaders and employees with access to employee and team information they need.

OPPORTUNITY HIRING

We think it is important to hire people who we believe will bring value to the organization, regardless of their background or experience. We see diversifying and supporting the potential of our global workforce as a critical part of our 21st century job advancement and corporate talent strategy.

AWARDS



- > **Bloomberg Gender-Equality Index:**
Included for the fourth consecutive year



- > **Refinitiv:**
Named among the top 100 of the world's most diverse and inclusive companies



- > **Corporate Equality Index:**
Received a perfect score for the 16th year in a row



- > **Fortune Change the World:**
Athleta recognized and ranked 43rd



TENT PARTNERSHIP FOR REFUGEES

Tent is a nonprofit with over 170 member companies that was launched in 2016 to mobilize the global business community to include refugees in their workforces.

In 2021, Gap Inc. signed on to the Tent Coalition for Afghan Refugees, a commitment to train and hire Afghan refugees as they begin their new lives in the U.S. In 2021, we piloted a refugee hiring program at one of our Distribution Centers, and we are exploring ways to expand programs like this across our operations in the U.S.

We have also continued providing life skills education and technical training to refugee women through our P.A.C.E. program (read more on p. 16).

SECOND CHANCE BUSINESS COALITION

We believe every applicant deserves an opportunity at a career with our company.

In 2016, Gap Inc. signed a White House pledge (AP Leadership) to commit to providing individuals with criminal records, including formerly incarcerated individuals, a fair chance to participate in the American economy.

Our background screening program partners with local organizations to help candidates through the individualized

assessment process. These assessments allow candidates to provide evidence that a conviction is not related to their ability to perform a job and let us determine whether a criminal record is specifically related to the position that a candidate has applied for.

In April 2021, we joined the Second Chance Business Coalition, which promotes the benefits of employment and career advancement for people with criminal records. As part of this, we participated in Dave's Killer Bread's Second Chance Corporate Cohort, which further informed our work in second chance hiring with current leading practices and frameworks to support our hiring the best person for the job, regardless of their conviction history. We also launched a pilot in December 2021 with Honest Jobs, the largest fair-chance employment platform in the U.S., with a goal of hiring and retaining individuals who were previously incarcerated or justice-involved as part of our Distribution Centers.

STARS

In 2021, Gap Foundation, together with other funders, supported the development of workers who are skilled through alternative routes (STARS). The campaign, which will run in 2022, is aimed at helping employers perceive STARS as individuals who represent a high-potential talent source with valuable skills and experience.

EQUALITY & BELONGING

At Gap Inc., our purpose is to be Inclusive, by Design. With inclusion built into our DNA, we began by hoping to bridge a generation. Today, we believe inclusion is going to change the world.

Since publishing our inaugural **Equality & Belonging Report** in 2021, we have launched a number of initiatives and programs that support a new equality agenda for our employees, customers, and communities.

OUR EMPLOYEES

At Gap Inc., we're committed to making space for candid conversations where employees feel valued, safe, and a deep sense of belonging. Fostering an inclusive culture where employees feel a deep sense of belonging and community has been our priority since the formation of our first Equality & Belonging Group more than 15 years ago.

In 2021, we continued strategic investment in programs and partnerships that support the elimination of discrimination and harassment and that empower our employees to create an inclusive, equitable, and just environment. Later in 2022, we plan to release our annual update on Gap Inc.'s equality and belonging commitments.



OUR CUSTOMERS

It is our collective responsibility to ensure that all customers are both seen and valued across our portfolio of brands. We work to create products and customer experiences that authentically reflect the diversity of our customers.

Since we became a founding member of Open to All in 2018, we have helped develop industry tools and resources to ensure the inclusion, safety, and respect of all customers, employees, and communities. In 2021, we supported the launch of the groundbreaking Inclusive Retail initiative, which features two new tools: the **Customer Action Center**, which teaches customers how to be allies and intervene when needed, and the **Inclusive Retail Business Toolkit**, which equips retail staff with tactics proven to mitigate racial bias.

OUR COMMUNITIES

We are optimizing our platform to support and advance our most historically marginalized communities and help end racial inequality. Through our multi-pronged partnership strategy, we strive to support and elevate our communities by building critical awareness of what creates barriers to access and opportunity. Our established partnerships, with organizations focused on racial and social equity initiatives, work to drive our ambitions forward and deliver on our commitments to the communities we serve.



15

years ago we formed our first Equality & Belonging Group (EBG)



EMPLOYEES AND COMMUNITY IMPACT

We promote Gap Inc.'s values to be a force for good in the world, while our legacy of community involvement cultivates a culture of employee engagement and community impact.

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. This includes company- and employee-led activities, rallies, events to raise awareness and money, opportunities to volunteer, and more.

Our exempt, salaried employees are enabled to volunteer for five "on the clock" hours per month, which we match through monetary donations, empowering our people to support the causes they care about in ways that work best for them.

We are also creating a new employee engagement and community impact strategy that will further integrate our company values and ESG work to help employees meet our purpose to be Inclusive, by Design.

Learn more on our [website](#).



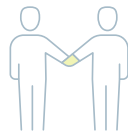
30,000+

employees
volunteered in 2021



266,000+

contributed hours
volunteering



3,000+

NGOs supported by
direct donations



More than

\$1.3M

Gap Inc. funded
donations

2021 PROGRESS

In January, we curated a campaign in honor of Martin Luther King, Jr., which included opportunities for employees to learn more about Dr. King and volunteer in ways that use his legacy to inspire action. This campaign also included a fundraising element, in which Gap Inc. matched any donation of \$10 or more (for a total of nearly \$2,000) to the Enterprise for Youth, a job-readiness training program for young people in San Francisco.

For World Water Day in March, we held another Walk for Water that helped raise awareness and funds to address the challenges that women around the globe face accessing water. More than 7,941 employees from nine countries completed a 1.2-mile walk, a distance that represents the average distance women around the world walk every day for water. For each participant, Gap Inc. pledged \$12 to our Women + Water Alliance partner WaterAid, up to a total of \$12,000.

In honor of our founder Doris Fisher's 90th birthday in August, we held the inaugural Doris Day of Service, with 11 events

led by employees in our San Francisco headquarters. Our annual Volunteer Rally saw nearly 14,000 employees give over 60,000 hours of their time and talents to their communities. Some contributed to community projects to beautify local parks and beaches, while more than 450 took part in a "closet cleanout" to highlight opportunities to donate and reuse clothing. In China, 300 of our employees contributed 600 volunteer hours making gift bags for children with cancer and sorting clothes for recycling or donation.

Our brands also led their own activations: Athleta held two sales for employees to shop at a discounted price from the brand's collection of samples, which raised \$157,000 for the Selvage Fund.¹⁵ For the sixth year in a row, every Old Navy store logged volunteer hours with the brand, contributing more than 217,000 hours in 2021.

In addition to these events, our global team supported a variety of causes through donations to organizations supporting racial justice and equality, including \$100,000 to Stop AAPI Hate and the National Coalition for Asian Pacific American Community Development.

DISASTER RELIEF

In 2021, The Gap Foundation provided nearly \$2 million in grants to nonprofits and NGOs, including \$500,000 for disaster relief following the California wildfires, ice storms, and power outages in Texas, and Hurricane Ida. Additionally, the foundation donated \$150,000 to support team members in India during the COVID-19 pandemic. In response to the widespread damage and devastation caused by a series of tornadoes in the Midwest and Southeast U.S., in December 2021, Gap Foundation made a \$100,000 donation to the Center for Disaster Philanthropy. This helped support the physical, emotional, and economic recovery of individuals and families impacted by this natural disaster.

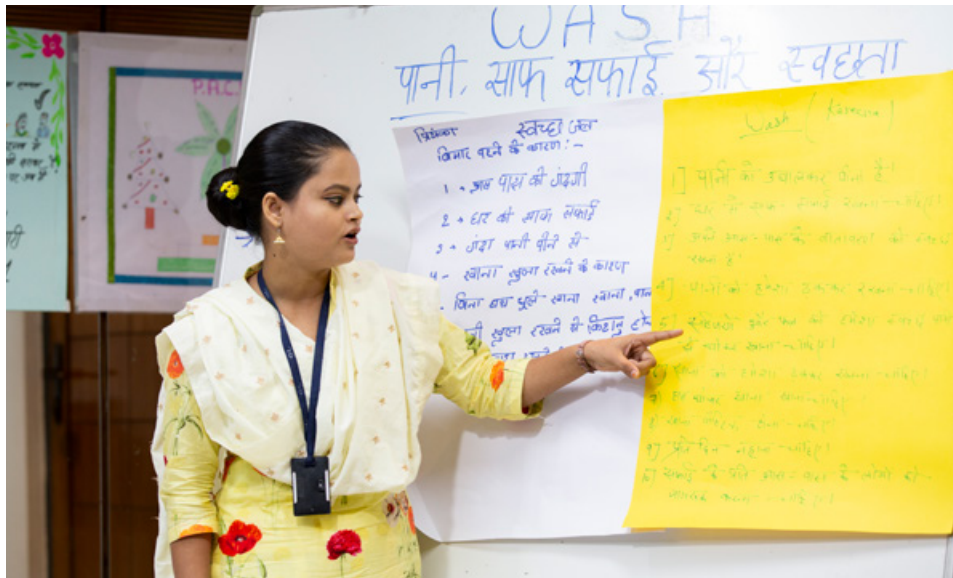
15. Named after the tightly woven edge of a fabric that prevents it from unraveling or fraying, the Selvage Fund was created to support Gap Inc. employees in times of need. In 2021, the fund made over 300 grants for a total of over \$250,000 to support employees during COVID-19.

A photograph of a woman and a young boy sitting on a concrete ledge against a light-colored wall. The woman, on the left, is wearing a vibrant red and blue sari with a gold border. She is holding a small, clear plastic cup of water to the lips of a young boy on the right. The boy is wearing a dark blue sweater with colorful heart patterns and grey pants with yellow cuffs. The scene is brightly lit, suggesting a sunny day. The text 'ENRICHING COMMUNITIES' is overlaid in large white letters across the middle of the image.

ENRICHING COMMUNITIES

We believe that a clean and healthy planet is a fundamental human right. Climate change and water scarcity are global challenges that transcend boundaries, affecting people and communities everywhere.

Our environmental approach centers on addressing climate, waste and water issues by creating more sustainable products. These are the issues where we see significant potential to positively impact people’s lives and enrich the world’s communities.



Many of our initiatives, especially around water, positively impact the lives of women by increasing the opportunities available to them and recognizing the central role they play in every step of the production of the garments we sell. Protecting our planet is fundamental to our sustainable business strategy and central to our company’s future.

Through our work to achieve our bold goals, we take steps every day, including incorporating more sustainable practices into product development and partnering with businesses, nonprofits, governments, and community organizations, to do our part in building a thriving planet.

“We believe water is a human right and it is a critical natural resource for our business. Water is used to cultivate and process raw materials like cotton, it is consumed in the mills and laundries that manufacture our products, and it is used by customers to wash their clothes. Water is also critical to the health and well-being of the people who make our products, the majority of whom are women. That is why Gap is taking steps to reduce our water use and ensure that we are contributing to a more sustainable future.”

Mark Breitbard, President and CEO of Gap Brand



HOW WE ENRICH COMMUNITIES

> Water Stewardship	35
Women + Water	36
> Resource Efficiency and Manufacturing	37
Mill Sustainability Program	37
Water Quality Program	37
Washwell™	37
> Chemicals Management	38
> Climate Stewardship	39
> Raw Materials and Product	42
> Circularity and Waste	44

WATER STEWARDSHIP

Water is essential for our business. However, the garment industry often sources from locations where demand for water is high and water stress is often a major issue.

For this reason, much of our water stewardship work focuses on high-volume suppliers operating in areas of water risk, where we can partner to introduce innovative local solutions.

By engaging with our suppliers, we can help them to implement industry and Gap Inc. programs (such as our Mill Sustainability and Water Quality programs) around water quality and efficiency, so that they can meet our water-savings targets. As a founding member of the Water Resilience Coalition, we support its ambitious **2050 goals**:

- › **Positive water impact in water-stressed regions.**
- › **Water-resilient value chains**
- › **Global leadership to raise the ambition of water resilience**

We work strategically to use water more efficiently in our products, especially through raw material sourcing and manufacturing. We aim to eliminate water contamination from chemicals, improve awareness and access to water and sanitation (particularly among women), and invest in opportunities to build community water resilience and catalyze water innovation.

Our programs and collaborations are designed to tackle different water challenges, mobilize broader business action, and raise awareness of these critical issues. We focus on three interconnected areas:

1. **Women + Water (p. 36)**
2. **Resource Efficiency and Manufacturing (p. 37)**
3. **Raw Materials and Product (p. 37)**

2021 Progress

In 2021, we embarked on a water strategy-setting process with corporate water stewardship experts at the Water Foundry. We also engaged more than 20 leading stakeholders and water experts to gather feedback on our preliminary water strategy across raw materials, manufacturing, and customer communities through a roundtable discussion facilitated by Ceres.

To guide our future strategy, we are working with World Wildlife Fund (WWF) to concentrate our water stewardship activities in water-stressed regions along our value chain and develop a framework for community water resilience. WWF is also helping us assess our macro-level water risk across our supply chain and set new context-based water goals



In recognition of our efforts to manage the risks and opportunities related to water security, we received an A- rating from **CDP Water** in 2021.



that will serve as the foundation for long-term science-based targets (SBTs) for water.

Looking forward, we plan to build upon these expert insights, our strong foundation of community water-resilience work from the USAID Gap Inc. Women + Water Alliance, and our water-saving practices in manufacturing as we pursue a path to building a more water-resilient value chain.

Find more about our approach to working with suppliers, our industry partnerships, and the tools we use to enhance water stewardship on our **website**.

PARTNERSHIPS FOR ADVOCACY AND INDUSTRY CHANGE

We collaborate in several initiatives to address water scarcity, improve access to water and sanitation, and support water-saving innovation in manufacturing, such as **Water Resilience Coalition**, **WASH4Work**, and **Ceres Connect the Drops**. Highlights of our additional engagements include:

- **World Water Day:** In March 2021, Mark Breitbard, President and CEO of Gap brand, spoke at a UNGC CEO Water Mandate event to highlight the value of water for business.
- **World Water Week:** In August 2021, we participated in seven **SIWI World Water Week** panels. Among the areas covered were the **business case for building community water resilience, how water strategy can drive strategic business value**, partnerships to catalyze innovation in water use in apparel manufacturing, and how we're tackling the water and climate crises with more sustainable cotton sourcing.
- **Water Innovation Center for Apparel:** Together with global textile manufacturer Arvind Limited, we are building an 18,000-square-foot Water Innovation Center for Apparel in India. The center, due to open in 2022, will showcase water-management best practices and recycling technologies.

PROGRAM SPOTLIGHT

WOMEN + WATER



Gap Inc.

The majority of people who make our clothes are women, and access to and the affordability of water, sanitation, and hygiene (WASH) services is a major challenge for many women in our key sourcing countries. As women in those communities are largely responsible for household duties such as cooking, cleaning, and collecting water, they bear a disproportionate burden when it comes to water stress.

We have a particular focus on India, an important location for both growing cotton and making textiles. Through the USAID Gap Inc. Women + Water Alliance, a public-private partnership, we collaborate with CARE, Water.org, WaterAid, and the Institute for Sustainable Communities to improve access to WASH services for women in the water-stressed Ganges, Godavari, and Narmada river basins in Madhya Pradesh and Maharashtra, India.



Following a six-month pause in work due to COVID-19, Women + Water Alliance partners agreed to extend the initiative for an extra year, until January 2023. Looking ahead, we will be using insights from this program to

build out the Gap Inc. community water resilience strategy to support our 2050 water goals of creating positive impact in water-stressed regions and building water-resilient value chains.

GOAL BY 2023

Empower **2 million** people - including 1 million women - with access to improved drinking water and sanitation

● On track

PROGRESS IN 2021

1.5 million people reached with improved water access since 2017, including 938,000+ people in 2021

HIGHLIGHTS

More than **47,000** women in cotton-growing communities trained on WASH practices through P.A.C.E. in 2021 (162,000+ since 2017)

Prepared more than **2,100** village action plans for water access in India in collaboration with the national government and local governments

Catalyzed **\$6.1 million** in WASH financing through more than 31,700 micro-loans (\$12.7 million in 66,100 loans since 2017)

More than **4,100** farmers adopted water-stewardship best practices as a result of water training



47,000

women trained on WASH practices through P.A.C.E.



4,100

farmers adopted water stewardship

“From the time we have saved every day by not walking for water, the women of the village and I can now spend that time with our families and take time out for ourselves, too. With the time that we have left, we work in our farms, which has resulted in a growth in our incomes.”

Pooja Doriya, cotton-grower in Jamgod village in Madhya Pradesh, India

RESOURCE EFFICIENCY AND MANUFACTURING

Across our manufacturing, we aim to use all resources in a sustainable way, ultimately creating more while using less.

We are working to map our supply chain further upstream to better understand our water impacts at the beginning of our product life cycle. This enables us to connect our manufacturing footprint with the geographical areas where raw materials are grown.

Many water issues are based on local context, and with better visibility, we aim to enhance transparency, set more ambitious targets, and improve water impacts across our supply chain. We have mapped all preferred wet-processing facilities – representing 100 percent of our business for Tier 1 and about 65 percent for Tier 2 – against the WWF Water Basin Risk Assessment to help us prioritize areas of focus.

Through our **Mill Sustainability Program**, we engage our strategic mills using key industry tools and initiatives to help us meet our long-term commitments. All our strategic mills must participate, enabling us to align our approach with industry standards, increase transparency, and drive innovation.

We also work with the Apparel Impact Institute (Aii) on platforms and pilots that have helped facilities reduce water use. And through our **Water Quality Program (WQP)**, we actively monitor and improve wastewater quality at denim laundries. The program has evolved to include chemicals management, a key component of water quality (see p. 38).

2021 PROGRESS

In 2021, we began working with WWF and our preferred wet-processing suppliers to set context-based water targets and develop water-reduction strategies for their facilities.



13.8B

liters of water saved since 2014

By the end of 2021, 99 percent of our Tier 1 and 91 percent of our strategic Tier 2 suppliers used the Sustainable Apparel Coalition’s Higg Index 3.0 Facility Environmental Module self-assessment to communicate their water and energy use from 2020, along with chemicals and waste management; 64 percent (463 facilities) verified their responses.

In 2021, wastewater quality tests revealed that out of 53 priority denim laundries, 94 percent achieved Foundational level or better for all Conventional parameters and had no detections of ZDHC MRSL (Zero Discharge of Hazardous Chemicals Manufacturing Restricted Substances List) parameters.

In total, 89 facilities have participated and completed our resource efficiency programs. As COVID-19 continued to affect our supply chain partners, we offered flexible and lower-cost ways to join our programs and report their results. Find more about our partnerships to help suppliers address emissions in our **Scope 3 Emissions** section.

In 2020, we surpassed our goal to save 10 billion liters of water from a 2014 baseline.

Total savings reached 13.8 billion liters in 2021 thanks to continued partnerships with fabric mill and wet-processing partners. For example, we’ve saved 1.7 billion liters of water since 2019 through a partnership with Arvind Limited’s Naroda denim mill, which uses reclaimed wastewater from the city of Ahmedabad, India.

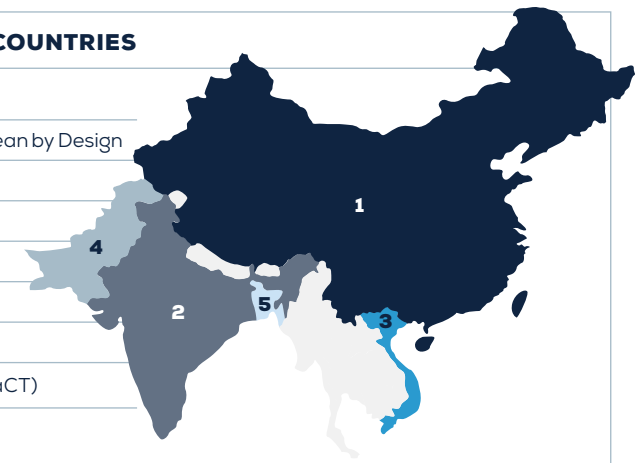
RAW MATERIALS AND PRODUCT

As our brands continue to reduce their individual impacts, they are also contributing to Gap Inc.’s overall water strategy and long-term business goals. For instance, they are reducing their water impacts through the expansion of programs such as Washwell™ for denim, which reduces the water used in garment finishing by at least 20 percent compared to conventional wash methods. Gap brand pioneered this technology in 2016 and all Gap jeans featured in the Fall and Holiday 2021 lines were made through the Washwell™ program.

For more information on our approach to water-saving materials selection, see p. 42.

WATER SAVINGS PROGRAMS IN KEY SOURCING COUNTRIES

Country	Programs
1 China	Natural Resources Defense Council Clean by Design China Mill Efficiency Program
2 India	Arvind Water Partnership India Water Partnership
3 Vietnam	Vietnam Improvement Program Race to the Top
4 Pakistan	IFC Partnership for Cleaner Textile (PaCT)
5 Bangladesh	PaCT



CHEMICALS MANAGEMENT

The retail industry is a contributor to global industrial water pollution. To reduce environmental impact and improve access to clean, safe water, we aim to eliminate the discharge of hazardous chemicals within our supply chain. We also recognize the importance of safely managing and handling chemicals, and of identifying and scaling the use of inherently safe chemicals in manufacturing.

We expect our 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 (MRSL), and the ZDHC Wastewater Guidelines. Additionally, we expect priority suppliers¹⁶ to complete the Higg Index 3.0 Facility Environmental Module, which, among other aspects of environmental management, evaluates chemical inventory, usage data and management practices.

Find more about our approach to chemicals management on our [website](#).

2021 PROGRESS

Supply Chain

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 addition to continuing to drive implementation of the ZDHC MRSL and ZDHC Wastewater Guidelines, we laid the groundwork to increase training and capability-building opportunities for our suppliers.

Chemicals and Circularity

To support our circularity efforts in 2020 we joined a study convened by Inter IKEA and H&M Group to improve understanding of the chemical content of recycled textile materials. We and other participating brands collected samples of post-consumer recycled fibers and tested them for chemicals on the AFIRM Group RSL. The study organizers communicated high-level findings in October 2021. More research and work is needed to understand the role of chemicals in a circular economy, but this study illustrated how industry collaboration can contribute to solutions.

Learn more about the study on [Sustainable Brands](#).

Elimination of PFC-Based Finishes

We are working to phase out chemicals of particular concern and are on track to eliminate all PFC-based finishes from our supply chain by 2023. Our Brand R&D, Product Quality, and Mill Management teams set a baseline of fabrics with PFC-based finishes that needed to be converted to a non-PFC-based finish or retired from use. These teams worked cross-functionally to define best practices, create internal procedures for fabric conversion, and connect with chemical suppliers for technical support. We also maintain an internal list of acceptable non-PFC-based finishes, which we share with our suppliers.

HOW WE MANAGE CHEMICALS

1 INPUT MANAGEMENT

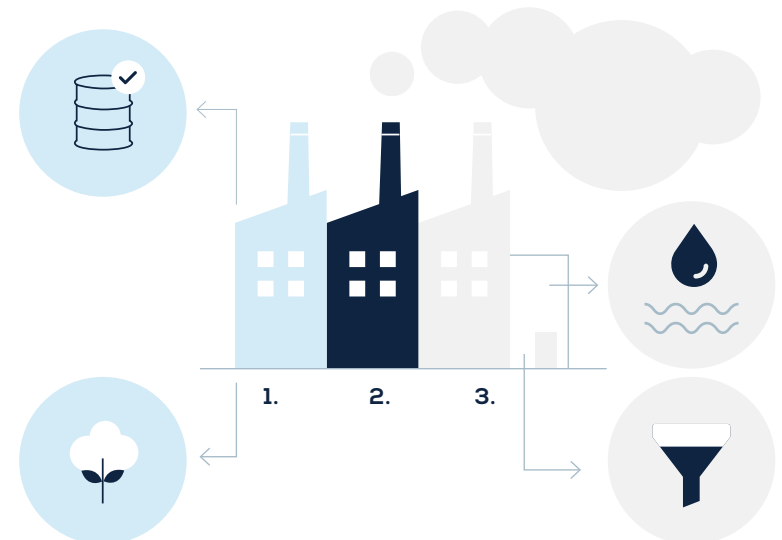
The selection of better chemical inputs and starting materials is essential to reducing the use and discharge of hazardous chemicals.

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.



GOAL BY 2023

ELIMINATE PFC-based finishes from our supply chain

● On track

PROGRESS BY 2021

<2%

of fabrics used across our brands had potentially PFC-based finishes.

38%

of products with water- or stain-repellent finishes were made using non-PFC based finishes compared to 7% in 2020.

92%

Gap Inc. fabrics with a PFC-based finish were successfully converted or exited.

16. "Priority suppliers" are all Tier 1 suppliers as well as fabric suppliers comprising at least 70 percent of fabric production.

CLIMATE STEWARDSHIP

We have a responsibility to address climate change by aligning our goals and strategies with the best science and industry practices. At the foundation of our approach are goals that align with the scientific consensus of the Paris Agreement to pursue efforts to limit global temperature rise to less than 1.5 degrees Celsius.

GOALS BY 2030

100% renewable energy sourced for our company-operated facilities globally from a 2017 baseline

● On track

90% reduction in Scope 1 and 2 GHG emissions from a 2017 baseline

● On track

30% reduction in Scope 3 GHG emissions from purchased goods and services from a 2017 baseline

● On track

GOAL BY 2050

Carbon neutral across our value chain

PROGRESS IN 2021

17% of energy usage in 2020 was purchased from renewable sources. 2021 data will be available on our website later this year.

39% reduction in Scope 1 and Scope 2 emissions in 2020 from a 2017 baseline. 2021 Scope 1 and Scope 2 data will be available on our website later this year.

2021 Scope 3 data will be available later this year.



In recognition of our efforts to manage the risks and opportunities related to climate change, we received an A- rating from **CDP Climate** in 2021.

As a member of the Science Based Targets initiative (SBTi), our comprehensive SBTs for reducing emissions across Scope 1 (direct emissions from company facilities from the use of natural gas, jet fuel, etc.), Scope 2 (primarily purchased electricity), and Scope 3 (supply chain emissions from products) were approved in 2017.

To meet these targets, we have built a strategy to address emissions and invest in renewable energy projects to reduce our Scope 1 and 2 footprint. For Scope 3 emissions, we focus on robust data collection from manufacturing facilities, product impact modeling, and enhanced transparency to understand and pursue opportunities for emissions reductions. We also work closely with our suppliers on programs to enhance energy efficiency and strategy- and goal-setting around climate change, and provide education and resources that help them set their own SBTs.

Find more about our approach to climate and energy stewardship on our **website**.



ATHLETA: POWERED BY RENEWABLES

As of 2021, 100 percent of Athleta’s company-operated stores in North America are offset by renewable electricity from Fern Solar, a 7.5-megawatt offsite solar project in North Carolina. This project began in 2018 with an agreement between Salesforce, Bloomberg, Workday, and Cox Enterprises to combine buying power and collectively act as the anchor tenant for the renewable energy project. This innovative project garnered two awards: Smart Energy Decisions’ Innovation Award and the Center for Resource Solutions’ Green Power Leadership Award.

2021 PROGRESS

We are exploring climate adaptation strategies that mitigate the financial and physical impacts of climate change while building business and community resilience. These include renewable energy projects within our supply chain and accelerating the transition to raw materials with a lower carbon footprint, such as recycled polyester (see more on p. 42).

The ongoing effects of COVID-19 have slowed progress on our Scope 3 supply chain energy-efficiency programs, as we paused them to reduce the cost burden to our suppliers. However, our ongoing partnerships are driving meaningful reductions across our Asia-based Tier 1 and Tier 2 facilities and identifying future areas of action.

Our 2021 GHG data and progress toward our 2030 goals will be available later this year and shared on our website ([ESG Resources](#)).



Generated over

80,000

megawatt hours of clean energy in 2020.



Addressing Emissions: Scope 1 and 2

Retail stores generate approximately 85 percent of Gap Inc.'s direct (Scope 1 and 2) GHG emissions and are the focus of our operational energy program. We continue to invest in energy-efficiency programs, and have rated all stores to prioritize retrofit projects and established protocols for new buildings.

Our renewable energy projects, power purchase agreements, and onsite installations generated over 80,000 megawatt hours of clean energy in 2020. These projects make us one of the largest purchasers of clean energy in the U.S. retail industry.

Addressing Emissions: Scope 3

The majority of our climate impacts lie within our supply chain emissions, which are directly tied to our production. We work closely with our Product Development teams and suppliers to address material and facility emissions. In addition to implementing energy-efficiency programming across our supplier base, we are also engaging our strategic suppliers to commit to emissions reduction strategies and explore renewable energy opportunities.

A strong part of our approach to reducing Scope 3 emissions is partnerships with industry organizations that work in our key supplier markets:

Apparel Impact Institute (Aii): Our partnership with Aii and its predecessor (Clean By Design) has resulted in an emissions reduction of 56,368 metric tons of carbon dioxide equivalents, helping support our Scope 3 SBTs. In 2020, Gap Inc. joined Aii's new Carbon Leadership Program, through which five of our facilities have completed a pilot to understand their emissions reduction targets and plans.

We also work with Aii, IDH (The Sustainable Trade Initiative), and CEIA (Clean Energy Investment Accelerator) alongside other brands to identify rooftop solar opportunities for facilities in Vietnam

cKinetics: We have been working with cKinetics to identify top mills and vendors to get clarity on their emissions reduction targets and strategies. We aim to collect more accurate facility-level data so that we can create more robust strategies to help our suppliers set SBTs and support our own goals.

Schneider Electric: We worked with Schneider Electric in 2021 to conduct renewable energy opportunity assessments in key supply chain markets to identify strategies for collaboration with our vendors in those regions.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

The TCFD outlines how companies should report on climate-related risks and mitigation strategies.

This year we are aligning our report to TCFD and have outlined our governance, strategy, risk management, and metrics and targets for Gap Inc.'s climate-related risks. See the **TCFD index** at the back of this report for our disclosures in full; we also share information in our latest **CDP Climate Change Disclosure Response** and the ESG Oversight section of this report.



OUR EXTERNAL COMMITMENTS

We engage in advocacy with industry organizations to encourage policy-makers to raise their ambitions. All of our work is driven by ambitious goals, public commitments, strong partnerships, and leadership from our purpose-led brands.

- **Arctic Corporate Shipping Pledge:** In 2019, we signed the Ocean Conservancy's pledge and committed to never intentionally send ships through the Arctic's fragile ecosystem.
- **EPA SmartWay Partner:** In 2011, we became a Partner of the EPA's SmartWay program, which helps companies advance supply chain sustainability by measuring, benchmarking, and improving freight transportation efficiency.
- **Fashion Pact:** This coalition of leading apparel and textile companies has established a common agenda to reach 100 percent renewable energy use, reduce GHG emissions, increase biodiversity, and focus on resilient development by 2050. Additionally, our CEO Sonia Syngal was on the Pact's steering committee in 2021.
- **UNFCCC:** Gap Inc. has committed to carbon neutrality by 2050 as part of the United Nations Framework Convention on Climate Change.
- **UN Fashion Industry Charter for Climate Action:** We are signatories to the charter, which has a vision to achieve net-zero emissions in the fashion industry by 2050.
- **Textile Exchange:** We signed on to a letter asking global governments to use trade policy to incentivize the fashion industry to use more environmentally preferred materials, including low-carbon fibers. We were also one of 50 organizations that signed on to support emissions reductions through the sourcing of more sustainable materials.
- **UNGC's Business Ambition for 1.5°C:** In 2021, we joined this campaign to ensure our current and future goals align to a 1.5°C scenario.
- **National Oceanic and Atmospheric Administration (NOAA):** We attended a NOAA meeting in 2021 to discuss possible climate impacts on our business, from droughts impacting cotton to the effect of snowstorms on logistics. See more about our advocacy work in our **Public Policy** section.
- We also partner on advocacy for climate policy in key sourcing markets. For instance, together with more than 20 other brands, we signed a call to the government of Vietnam to simplify and expand access to renewable energy.

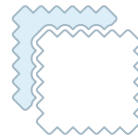
RAW MATERIALS AND PRODUCT

We are committed to selecting fibers that have a lower carbon footprint, use less water, create less waste, and support efforts to protect biodiversity.

We focus on the materials that account for nearly all (approximately 97 percent) of our fiber consumption: natural fibers (cotton, linen, etc.), synthetics (polyester, nylon, elastane, etc.), and manufactured cellulosics (viscose, rayon, modal, etc.).

PROTECTING BIODIVERSITY

A number of our environmental goals support our commitment to biodiversity. We also partner with nearly a dozen different coalitions that are committed to protecting nature, including the World Resources Institute, WWF, and Textile Exchange. We are committed to supporting the development of SBTs on nature, and looking ahead, we plan to develop a Gap Inc. biodiversity strategy that will help us meet them.



97%

of our fiber consumption is from natural fibers, synthetics, and manufactured cellulosics - this is where we focus our preferred fibers strategy

PREFERRED FIBERS STRATEGY

Our preferred fibers strategy aims for resilient supply chains that have a lower impact on the environment and support social well-being. We support this work by developing impact measurements that allow better decision-making by our Product Development teams, collaborating with our supply chain partners, and participating in industry initiatives. This strategy enables our brands to make decisions to source more preferred fibers, especially cotton and recycled polyester.

To identify preferred fibers, we use life cycle assessment data on indicators including global warming potential, water use, and eutrophication, as well as evaluating biodiversity, potential for circularity, chemistry, land-use change, and social conditions within production. To support this, we use industry tools such as the Sustainable Apparel Coalition's Higg Materials Sustainability Index (MSI) and Textile Exchange's Preferred Fiber and Material Matrix.

A critical component of our work is collaboration with our suppliers to develop sustainable fabric and manufacturing processes. We report transparently

via the Open Apparel Registry on all Tier 1 suppliers, and we have more than 65 percent visibility into Tier 2.

In addition, our Product Development teams depend on resources that allow them to make informed decisions about low-impact raw materials. These resources include recorded training sessions, regularly updated fiber consumption reports, an extensive internal Product Claims Toolkit, and a new calculator that enables them to estimate how the selection of different fibers will affect a product's footprint.

Our brands are empowered to set their own raw materials goals and integrate sustainable solutions into product development, where more than 80 percent of impact decisions are made. This has resulted in new 2021 product lines with more sustainable product attributes, including Gap Teen, Gap's Generation Good, and the Yeezy Gap Round Jacket; Athleta's featherweight stretch with recycled poly; Old Navy's sugarcane-derived EVA-foam flip flop; and Banana Republic's recycled materials travel collection with Paravel.

Find more about our approach to sustainable materials sourcing on our [website](#).

2021 PROGRESS

To help streamline industry approaches and expand best practices in raw materials sourcing, Textile Exchange made a beta version of the Preferred Fiber and Material Matrix (based on the Gap Inc. Preferred Fiber Toolkit, which we donated to Textile Exchange in 2020).

We also piloted the SAC’s Higg Product Environmental Module to understand the impacts of selected products and sought to create robust estimates of environmental impacts where possible. As well as this, we developed an internal calculator for all our brands that uses MSI data to provide a more holistic picture of a raw material’s climate and water impact for baselining and goal tracking.

Natural Fibers

To achieve our goals, we take a portfolio approach to sourcing materials in order to scale multiple options and develop fiber security. In addition, we work with industry partners to increase the traceability of the sustainable cotton options available to our brands. For example, the Hong Kong Research Institute of Textiles and Apparel Limited (HKRITA) is studying the desired hydroponic farming conditions for growing extra long staple (ELS) cotton in an urban environment to enable a consistent, stable, transparent supply of cotton in an urban environment, supporting our goals for fiber security and traceability. This 2021 project won the Silver



Award at the 2022 International Exhibition of Inventions of Geneva, which recognizes inventions and research around the world under the patronage of the World Intellectual Property Organization (WIPO), the Swiss Government, and the City of Geneva.

We were the first brand to sign up to the new U.S. Cotton Trust Protocol (USCTP), in 2020, and are now leading a pilot to deploy USCTP’s platform for tracing products with U.S.-grown cotton through the supply chain. In partnership with technology provider TextileGenesis™, we successfully traced over 140,000 garments and will expand on this pilot in 2022. We also joined nine other brands on a panel dedicated to advancing traceability with Better Cotton.

Our brands are leading the way on natural fibers. Gap has set an ambitious new 2030 goal to source 100% regenerative, organic, in conversion to organic, or recycled cotton and Banana Republic has partnered with Arvind Limited in a multi-year investment to support a farm in India that is transitioning to growing certified organic cotton. In 2021, Banana Republic also joined the Good Cashmere Standard® and Leather Working Group to source responsible animal-derived materials. In addition, Banana Republic also partners with the Responsible Wool Standard, while Athleta uses the Responsible Down Standard.

Synthetics

All our brands have committed to increasing their sourcing of recycled polyester to at least 45 percent of polyester used by 2025, with some brands, such as Old Navy, setting an even higher target. We are also an active member of Textile Exchange’s rPET Round Table and Biosynthetics Working Group, which help drive industry innovation on more sustainable fibers. We are especially 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.

Manufactured Cellulosics

We have worked closely with our fiber suppliers to eliminate production that uses wood-derived fibers from ancient, endangered, high conservation value, and high carbon stock forests. We continue to work with the CanopyStyle initiative to encourage global suppliers to set policies and complete audits to guarantee they are not sourcing from ancient and endangered forests in their production. We are also partnering with Canopy on next-generation fiber sourcing, which prioritizes alternative inputs such as recycled textiles and waste materials. Our aim is to consolidate our business to only work with suppliers that receive Canopy’s highest “green shirt” ranking, which indicates they meet the criteria for best practices in protecting forests.

We will continue to explore ways to develop definitions and a validated approach to adopting regenerative agriculture and alternatives to fossil fuel-derived raw materials. Find out more in our **2021 SASB Index**.

GOALS BY 2025	PROGRESS IN 2021
<p>100% of cotton¹⁷ sourced from more sustainable sources</p> <p>● On track</p>	<p>79% of cotton was sourced from more sustainable sources</p>
<p>At least 45% of polyester sourced from recycled sources (rPET). Some Gap Inc. brands have higher goals.</p> <p>● On track</p>	<p>10% of polyester was sourced from recycled sources</p>

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

CIRCULARITY AND WASTE

We recognize that we must address the full life cycle of our garments, from raw materials to end of life – and back again.

Since defining our strategy in 2020, we have been working with our partners and brand teams on circularity initiatives and goals, and all our brands have embraced work that aligns with at least one pillar of the strategy.

As part of our circularity efforts, we also tackle different waste streams. We continue to reduce, eliminate, and recycle packaging waste, and have signed The Fashion Pact's commitment on single-use plastics.

Read more about our circularity and waste efforts on our [website](#).



Four pillars form the foundation of our work on circularity:

- 1. Design for Circularity:** Giving our design teams the tools to make choices that can positively impact product longevity, reuse, and recyclability (read about our sourcing approach on p. 42).
- 2. Materials and Manufacturing:** Increasing the use of safe, renewable, and recycled materials, and supporting innovation in circular manufacturing.
- 3. Advanced Resource Recovery:** Supporting systems for collecting, sorting, and recycling worn textiles into new materials for the fashion industry.
- 4. Circular Business Models:** Decoupling profits from the use of natural resources, resulting in new value propositions for the customer.

1. Design for Circularity

Our brands are leading the way on circularity. In 2021, Gap and Banana Republic launched denim lines created for the Ellen MacArthur Foundation (EMF) **Jeans Redesign** project. The denim was produced according to EMF's three principles of circularity, which state that the jeans should be used more, made to be made again, and made from safe and recycled or renewable inputs. Insights from our experience designing for durability, recyclability, and circular materials were included in EMF's **Circular Design For Fashion** book, published in December 2021.

2. Materials and Manufacturing

Together with the HKRITA, we are developing more sustainable production processes and technology solutions that enable the industry to advance circular models across the life cycle of textiles. Firstly, HKRITA is partnering with Artistic Milliners, one of our key suppliers, to develop an environmentally safe dissolution method to remove spandex from used garments. Secondly, HKRITA is working with Arvind Limited, another key supplier, to create a new method of removing indigo dye from cotton so that denim waste can be more easily reused or re-dyed.

In 2021, we signed on to the Microfibre Roadmap as part of our commitment to The Microfibre Consortium (TMC). We are also contributing fiber samples for a research collaboration between TMC and the University of Leeds (U.K.) to improve understanding of techniques that reduce shedding of microplastics and microfibers in garment production.

3. Advanced Resource Recovery

We are on the steering committee of Accelerating Circularity, a collaborative industry project. The group uses research, mapping, supply chain modeling, pilot projects, and more to jumpstart circular solutions for apparel. In 2021, Banana Republic and Old Navy began testing ways to recycle fiber from the textile waste stream into new products. We're also working with Accelerating Circularity to develop knowledge on textile-to-textile recycling, anticipating the transition to advanced chemical recycling techniques.

We co-founded a collaborative initiative focused on building the circular economy for fashion in California that is planned to be launched in 2022.

4. Circular Business Models

Through our partnerships with thredUP®, Give Back Box, and How2Recycle, we engage customers in reselling old clothes and donating clothes to people in need. Gap brand customers have donated 2,616 pounds through the Give Back Box program since March 2021. Working with thredUP®, which gives used clothes a second life, our Gap, Athleta, and Banana Republic customers sent in over 80,000 Clean Out Kits, resulting in 1.25 million items listed for resale in 2021.

Also in 2021, Athleta held two sample sales to reduce waste and raised more than \$157,000 for the Gap Inc. Salvage Fund (see more on p. 9). Banana Republic Vintage launched in June 2021 as a platform to resell 200+ sought-after heritage pieces from past collections.

PACKAGING WASTE AND SINGLE-USE PLASTICS

We prioritize addressing plastic waste in the critical areas that account for 70 percent of our single-use plastic: hangers, polybags, shopping bags, and e-commerce mailers.

Our cross-functional task force is working to find solutions for these high-impact categories, and we also invest in innovative packaging design, product labeling, and recycling systems.

We continue to test solutions that take into account the fact that only a handful of U.S. municipalities are able to recycle soft plastics. These include better communication with store employees about current recycling opportunities at their location, creating in-store marketing materials with recyclability in mind, and collaboration across our vendors to reduce the size of polybags shipped to stores.

GOALS BY 2030

Eliminate unnecessary and problematic plastic by 2030

● Needs attention

Fashion Pact Commitments:

Elimination of unnecessary or problematic plastics in packaging to consumers by 2025, and in packaging to businesses by 2030

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



After rolling out new polymailers that contain 50 percent recycled content (compared to 35 percent in 2020), the team decided to commission a life cycle assessment to compare the impacts and performance of three alternatives to our current mailer: paper, bio-based, and reusable. This will ensure a data-backed strategy going forward.

In 2021, we joined The Fashion Pact's cross-brand working group to help fund their research and development of paper-based alternatives to polybags.

One of our biggest plastic-reduction initiatives has been spearheaded by Old Navy, which expanded its hanger-recycling program to 789 stores – about 65 percent of stores – enabling the brand to divert 2.5 million pounds of plastic from landfill between June 2019 and November 2021. Old Navy has also removed all apparel hang tags, saving approximately 190 tons of paper, and the brand saved 105 tons of plastic by using recycled yarns and label tape instead of virgin plastic. In addition, the brand published a goal to eliminate plastic shopping bags in U.S. and Canadian stores by 2023.



GOVERNANCE

Operating as a sustainable business today means creating resilience for tomorrow – for Gap Inc., and our planet and communities. Good governance is at the center of how we evolve, keep pace, and push ourselves for change while always acting with the highest ethical values.

By ensuring that our business operates as ethically and transparently as possible, we can in turn enrich communities, enable the further empowerment of women, and create opportunity in the world around us.

IN THIS SECTION

ESG Oversight	47
Responsible Business Practices	49
Stakeholder Engagement	50
Product Life Cycle	51
ESG Appendix and Forward-Looking Statements	52

ESG OVERSIGHT

As we integrate sustainability throughout our business, we hold ourselves accountable with our strong governance structure and management oversight approach.

INTEGRATING ESG INTO OUR CORPORATE STRATEGY

Our policies and sustainability frameworks guide us as we strive to meet the company's social and environmental goals. We take a forward-looking approach to governance, prioritizing a structure that includes Board oversight facilitated and enabled by the Strategic Growth Office (SGO). Our robust management processes and policies are the foundation of a responsible, future-fit business.

In 2021, Gap Inc. transformed our organizational structure to place the ESG team within Gap Inc.'s SGO, a unit of the company charged with thinking beyond its core business to meet the consumer and industry demands of the future. The SGO brings together Gap Inc.'s Strategy, Environment, Social & Governance, Government Affairs, Corporate Development, and New Business functions to drive sustainable growth aligned with the company's mission and values. We have established an ESG steering committee of leaders from critical functions across our organization.

Bringing ESG into the SGO was designed to maximize cross-departmental collaboration, a crucial part of our ESG team's work. The ESG team engages a broad spectrum of teams across Gap Inc., including our brands' Product and Marketing teams and our Equality & Belonging, Human Resources, Supply Chain Strategy, Government Affairs, Legal, and Gap Foundation teams.

OUR OVERSIGHT STRUCTURE

At Gap Inc., good governance begins with a strong Board of Directors¹⁸ that has delegated its oversight of our Sustainability Program to its Governance and Sustainability Committee, which comprises independent directors. The Governance and Sustainability Committee provides an independent perspective on our Sustainability Program in concert with our overarching strategic objective and oversees our internal ESG team's management of the Program.

Learn more on our [website](#).



GOVERNANCE AND SUSTAINABILITY COMMITTEE OF GAP INC.'S BOARD OF DIRECTORS

▼
Board of Directors

Oversight of Gap Inc.'s ESG Program is overseen by the Governance and Sustainability Committee of the Board of Directors, which provides regular updates to the Board of Directors regarding Gap Inc.'s sustainability programs. To assist in its oversight responsibilities, the Governance and Sustainability Committee receives updates from our Chief Growth Transformation Officer.

▼
Sally Gilligan, Chief Growth Transformation Officer

Meets with leaders across the company from Sourcing, Production, Brand and Operations, and the ESG team.

18. As of the date of this report, Gap Inc.'s Board of Directors which comprises 12 members 10 of whom are independent under NYSE rules. Five are women, and three are people of color.

MANAGEMENT APPROACH

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 approach to all our environmental and social activities:

Integrate into our business To ensure sustainability is a business imperative at Gap Inc., we have embedded it into our business strategy. Our ESG team works across our brands and operations.

Set ambitious goals We have set annual KPIs and long-term goals for the company to drive our work forward, measure our progress, and ensure accountability.

Measure progress toward our commitments We strive to always move forward in creating long-term, sustainable progress and delivering real benefits to the people and communities we rely on for our business, which also helps our company succeed. Our approach to data and measurement ensures we capture this progress and are able to report to our stakeholders transparently in alignment with reporting frameworks such as GRI and SASB.

Form partnerships with civil society, governments, and other sectors to increase collective impact By partnering with organizations from the local to the global level, we fuel sustainable solutions, create greater equality, and scale impact throughout our business, across our industry, and beyond.

Risk Management

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

The Risk Committee, made up of leaders that represent the Senior Leadership team, provides oversight of the annual Enterprise Risk Assessment (ERA) process:

- Senior executives and VPs provide input on risks and mitigations via an online questionnaire or an interview.
- The Risk Committee reviews results, identifies any other key risks, and prioritizes them in the appropriate quadrants based on risk exposure and mitigation maturity.
- The CEO, Board of Directors, and Senior Leadership team use the ERA to monitor and mitigate risks, as well as to update policies and include in Business Continuity Planning where required.

We also develop country-specific strategies that take into consideration local context, and we are setting up a new Risk Intelligence Office to focus on supply chain-related risks.

Learn more on our [website](#).

ENTERPRISE RISK MANAGEMENT PROCESS

Internal Audit team conducts ERA



Risk Committee analyzes ERA



CEO, Board of Directors and Senior Leadership team review results to monitor and mitigate risks



ERA informs annual Internal Audit Plan and ongoing Board oversight



RESPONSIBLE BUSINESS PRACTICES

At Gap Inc., integrity is woven into every aspect of our business. We hold ourselves to the highest standards of ethics, transparency, and compliance through a strong set of policies.

CODE OF BUSINESS CONDUCT (COBC)

We create a culture of integrity and trust by Doing the Right Thing: doing business responsibly, ethically, and honestly. Our global **COBC**, which is published in 10 languages, sets out the policies, values, and principles we expect all Gap Inc. employees to uphold and comply with. The Global Integrity team oversees our COBC program.

EMPLOYEE TRAINING

We provide all new employees with access to the COBC when they join, and require the completion of a COBC Overview e-learning module within 30 days of hire. Additional training based on location, level, and role is required. It includes specific issues such as sexual harassment, non-discrimination and harassment, wage and hour compliance, workplace accommodations, anti-corruption, and data privacy and security. Our Global Integrity team also conducts ad hoc periodic training sessions throughout the year.

ENABLING EMPLOYEES TO SPEAK UP

We encourage our employees to report any suspected violations through our Open Door process. Employees can raise concerns with their manager, next-level manager, local human resources, our Global Integrity team, or our confidential COBC Hotline. The hotline is a telephone and web-based reporting system available 24/7 to employees and anyone who conducts business with Gap Inc. or is affected by our business.



We have investigative teams that log, process, and address complaints received, and the Global Integrity and Internal Audit teams conduct broad investigations where required.

ANTI-CORRUPTION AND ANTI-BRIBERY

We are committed to maintaining a compliance program that diligently addresses corruption risks throughout our global operations.

Our companywide system monitors and addresses anti-corruption risks and enforces our internal Anti-Corruption and Anti-Bribery Policies. We deliver anti-corruption training (available to all employees) to specific levels and high-risk markets to help employees recognize and avoid corrupt practices. Our Legal team carries out a risk assessment exercise with corruption as a critical component.

Learn more on our Policies [website](#).

CODE OF VENDOR CONDUCT (COVC)

To ensure that our partners act in line with our standards, we require that all facilities that produce goods for Gap Inc. meet our **COVC** requirements and **Human Rights Policy**, which defines our approach and activities to protect against human rights abuses.

We support, and base our policies 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 with whom Gap Inc. conducts business. We expect all facilities to comply with relevant environmental laws and regulations, manage their energy use and water impacts, and complete the Higg Index Facility Environmental Module annually.

DATA PRIVACY

As a global brand built on the foundation of customer trust, we respect the privacy rights of our customers. 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 adheres to laws across the jurisdictions where we do business. While these rights may vary, we make reasonable efforts to honor requests even if a country or jurisdiction does not require us to do so. Our privacy policies have received accolades for their clarity and simplicity.

We also know that security is at the center of any good privacy program. We use widely accepted security standards and practices to guide our decisions around securing personal information.

Learn more on our Privacy Policy [website](#).

STAKEHOLDER ENGAGEMENT

Talking to stakeholders and establishing partnerships with expert organizations at both global and local levels is critical to our ESG strategy – as is maximizing our positive impact through our programs.

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

Find more about our initiatives and partner organizations on our [website](#).

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

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

Find more about our approach to stakeholder engagement on our [website](#).



HUMAN RIGHTS ENGAGEMENT IN OUR SUPPLY CHAIN

Our Supplier Sustainability and Human Rights and Labor teams are responsible for managing and implementing our human rights and labor stakeholder engagement strategy.

Supplier Relationships

We regularly engage with our suppliers to advocate for human rights and 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 wherever needed.

COMMUNICATING WITH WORKERS

We routinely engage with workers in our Tier 1 supply chain through our assessments, including formal interviews, and through the informal relationships that our teams have created with worker representatives. We also encourage the people who work in our supply chain to share their thoughts and experiences, and we use digital technology to make the feedback process as easy as possible. These regular check-ins enable us to learn about specific human rights issues or to mitigate any risks proactively.

In addition, we interview workers as we develop and improve our programs focused on workers' rights and empowering women.

LEARN MORE

- › [Human Rights](#)
- › [Empower@Work](#)

PUBLIC POLICY INVOLVEMENT

We believe that it is important to participate in political and regulatory processes on issues that affect our business and community interests. We work proactively to enable Gap Inc.'s strategies through public policy and government advocacy.

We also participate in political activities and advocate for legislation when there is a connection to our business and our ability to grow the business in a way that is consistent with our values, our legal obligations, and our Codes of Business Conduct and Vendor Conduct. For example, Gap Inc. CEO Mark Breitbard met Vice President Kamala Harris at the White House in 2021 to discuss policies to boost the care economy and its impact on workers in the post-pandemic environment.

Additionally, in the past we have been active in policy discussions and have lobbied on issues related to trade, tax policy, ports/infrastructure, and environmental issues. Gap Inc. only takes positions on ballot measures, initiatives, or propositions that have a direct impact on our business.

READ MORE

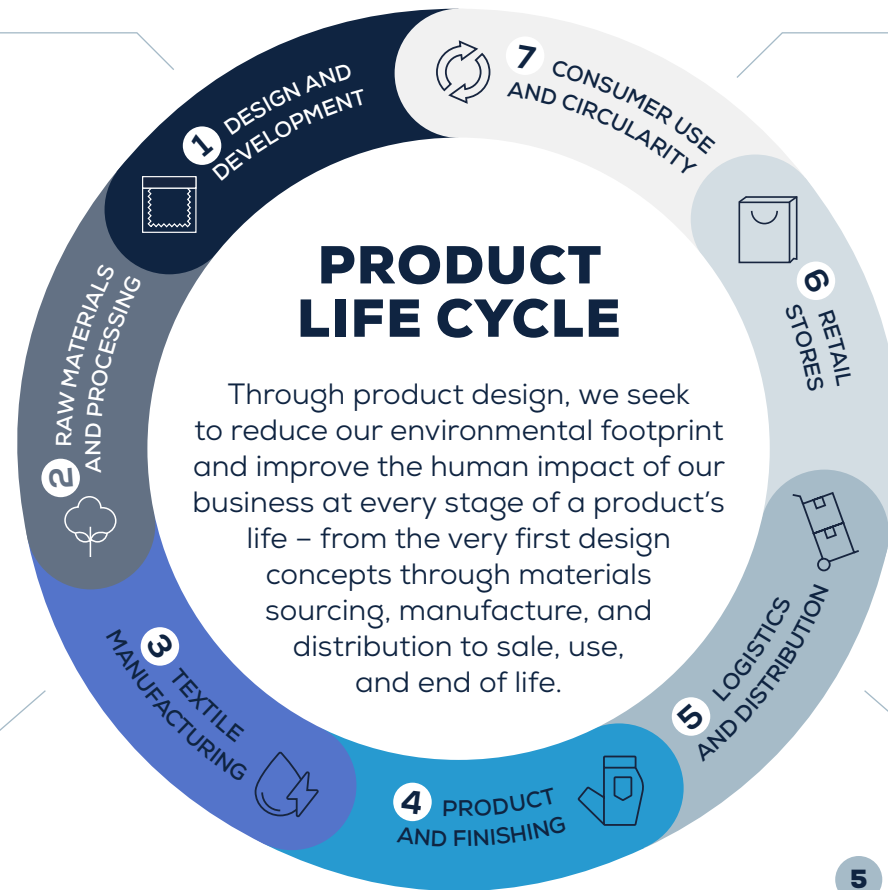
- › [Climate advocacy work in partnership with NOAA](#)
- › [Gap Inc.'s Political Contributions disclosure in our appendix](#)
- › [Public Engagement Policy](#)

1 DESIGN AND DEVELOPMENT
 Our Product Development teams are trained to design and manufacture more sustainable products, and have significant influence over who makes our clothes. This enables us to address our wider environmental footprint and improve working conditions in facilities. See more about our assessment, water, chemicals management, materials, and circularity practices in our **Enriching Communities** and **Empowering Women & Human Rights** sections.

2 RAW MATERIALS AND PROCESSING (TIER 3 SUPPLIERS)
 To minimize the impacts of the fibers we use in our products, we place a special focus on cotton, and we are also taking steps to source more sustainable synthetic and manufactured cellulose fibers. See more about our water and climate practices in our **Enriching Communities** section.

3 TEXTILE MANUFACTURING (TIER 2 SUPPLIERS)
 Fabric mills use large quantities of energy and water, as well as chemicals that may impact local watersheds if not treated properly. Through our Mill Sustainability Program, we integrate clear environmental standards into our sourcing decisions. See more about our assessment, P.A.C.E., water, chemical, and climate practices in our **Enriching Communities** and **Empowering Women & Human Rights** sections.

4 PRODUCT AND FINISHING (TIER 1 SUPPLIERS)
 Our comprehensive approach for improving working conditions in our supply chain combines facility-monitoring and capability-building programs that engage our vendors to measure and address their environmental and social impacts. See more about our assessment, capability building, P.A.C.E., water, chemical, and climate practices in our **Enriching Communities** and **Empowering Women & Human Rights** sections.



7 CONSUMER USE AND CIRCULARITY
 We use product labeling, catalogs, social media, and blog posts to educate our customers on how they can wear, care for, and discard their clothes to reduce our products' total environmental footprint. We also engage in and contribute to industrywide solutions to reduce end-of-life impacts. See more about our circularity in our **Enriching Communities** section.

6 RETAIL STORES
 We are working to reduce our environmental impact at our company-operated stores. We also run This Way ONward at our Old Navy stores, helping young people experiencing barriers to employment obtain their first jobs. See more about Equality & Belonging, This Way ONward, climate, circularity, and materials in our **Enriching Communities** and **Enabling Opportunities** sections.

5 LOGISTICS AND DISTRIBUTION
 We use an optimal mix of transportation methods via sea, air, truck, and rail to move products from suppliers to our distribution centers, and then to stores and customers. We are working to conserve energy and reduce waste at our distribution centers, the largest facilities we own and operate. See more about our circularity and climate practices in our **Enriching Communities** section.

ESG APPENDIX AND FORWARD-LOOKING STATEMENTS

MATERIALITY

In a rapidly changing world, we want to address issues where Gap Inc. can have the greatest impact and influence.

We prioritize the sustainability issues that matter most to our stakeholders and business. These are our material issues and they guide our ESG team’s strategy and programs.

We carried out our most recent materiality analysis in 2021 with a third-party expert consultancy.

For clarity, the identification of our material issues 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 29, 2022 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
 › **2021 Materiality Matrix**
 › **SEC Filings**

ESG FRAMEWORKS

Global Reporting Initiative (GRI)

We have prepared this report in accordance with the GRI Standards.

LEARN MORE
 › **GRI Index**

Sustainability Accounting Standards Board (SASB)

Our SASB Index references the Standard for the Apparel, Accessories & Footwear industry as defined by SASB’s Sustainable Industry Classification System – E-Commerce, Multiline and Specialty Retailers & Distributors, and Apparel, Accessories and Footwear, with the location of that information in Gap Inc.’s ESG Report and our **website**.

LEARN MORE
 › **SASB Index**

Task Force on Climate-Related Financial Disclosures (TCFD)

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 first time this year, and our TCFD Index, detailing our climate-related risk disclosures, can be found on p. 72.

LEARN MORE
 › **TCFD Index**

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.

Learn More	
TOPIC	LINK
Board and Shareholder Rights	› Gap Inc. Governance
ESG Disclosures	› ESG Resources
Enterprise Risk Management and Compliance	› Managing Risks › SEC Filings › Corporate Compliance Policies › ESG Resources
Privacy and Information Security	› Gap Inc. Privacy Policy

GAP INC. 2021 GRI INDEX – 2016 UNIVERSAL STANDARDS

We sought to prepare the report in reference with the Global Reporting Initiative (GRI) Standards. Note: ESG Report refers to Gap Inc.'s 2021 ESG Report; Sustainability 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 29, 2022; and Proxy Statement refers to the Notice of Annual Meeting of Gap Inc. Shareholders 2021 and 2022 Proxy Statements. Please find more information on our **Investor Relations Webpages**.

GRI Indicator	Description	Disclosure Source	Section(s)	Page(s)
GENERAL DISCLOSURES				
Organization Profile				
102-1	Name of the Organization	Annual Report	Part I, Item 1. Business	1
102-2	Description of the organization's activities; primary brands, products, and services, including an explanation of any products or services that are banned in certain markets	Annual Report	Part I, Item 1. Business	1
102-3	Location of organization's headquarters	Annual Report	Part I, Item 2. Properties	23
102-4	Location of operations: Number of countries where the organization operates, and names of countries where it has significant operations and/or that are relevant to the topics covered in the report	Annual Report	Part I, Item 2. Properties	23
102-5	Nature of ownership and legal form	Annual Report	Part II, Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	24
102-6	Markets served, including geographic breakdown, sectors served, and types of customers/beneficiaries	Annual Report	Part I, Item 1. Business, and Item 2. Properties	1, 23
102-7	Scale of the reporting organization	Annual Report	Part I, Item 1. Business, and Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	1, 26
102-8	Information on employees and other workers	Annual Report Sustainability Webpages	Part I, Item 1. Business Measuring Our Progress: Employees What We're Made Of	1
102-9	Describe the organization's supply chain	ESG Report	Governance: Product Life Cycle	51
102-10	Significant changes regarding the organization's size, structure, ownership, or its supply chain	ESG Report	Governance: ESG Oversight	47

GRI Indicator	Description	Disclosure Source	Section(s)	Page(s)
102-11	Whether and how the organization applies the precautionary approach or principle	Sustainability Webpages	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 .	
102-12	List externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	Sustainability Webpages	ESG Resources Memberships and Partner Organizations. We support and base our policies on the principles outlined in the Universal Declaration of Human Rights (UDHR), the UN Global Compact (UNGC), the OECD Guidelines for Multinational Enterprises and the International Labour Organization's (ILO) Core Conventions.	
102-13	Memberships in industry or other associations, and national or international advocacy organizations	Sustainability Webpages	Memberships and Partner Organizations	
Strategy				
102-14	Statement from the most senior decision-maker of the organization	ESG Report	The Big Picture: Our Commitment to Environmental, Social, and Governance (ESG) The Big Picture: Our Approach	4 6
102-15	Description of key impacts, risks, and opportunities	ESG Report Sustainability Webpages	Governance: ESG Appendix and Forward-Looking Statements Responsible Business Practices Materiality CDP Climate Disclosure 2021 (C2.2a, C2.3a C2.4a)	52
Ethics and Integrity				
102-16	Describe the organization's values, principles, standards and norms of behavior	ESG Report Sustainability Webpages	Governance: Responsible Business Practices Responsible Business Practices	49
Governance				
102-18	Report the governance structure of the organization, including committees of the highest governance body and committees responsible for decision-making on economic, environmental and social impacts	ESG Report Investor Relations Webpages	Governance: ESG Oversight Corporate Governance Fact Sheet Committee Composition	47
102-21	Report the processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics	ESG Report Sustainability Webpages	Governance: Stakeholder Engagement Responsible Business Practices	50

GRI Indicator	Description	Disclosure Source	Section(s)	Page(s)
102-26	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics	Sustainability Webpages Investor Relations Webpages	Management Approach Corporate Governance Guidelines	
102-29	Report the highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities	ESG Report Sustainability Webpages	Governance: Risk Management Governance: ESG Oversight Responsible Business Practices Management Approach	48 47
102-30	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics	ESG Report Sustainability Webpages	Governance: Risk Management Responsible Business Practices	48
102-32	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered	ESG Report	Governance: ESG Oversight	47
102-33	Process for communicating critical concerns to the highest governance body	ESG Report	Governance: ESG Oversight	47
102-38	Annual total compensation ratio	Proxy Statement	2021 CEO Pay Ratio	75
Stakeholder Engagement				
102-40	List of stakeholder groups engaged by the organization	ESG Report Sustainability Webpages	Governance: Stakeholder Engagement Memberships and Partner Organizations	50
102-42	Basis for identification and selection of stakeholders with whom to engage	ESG Report	Governance: Stakeholder Engagement	50
102-43	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	ESG Report Sustainability Webpages	Governance: Stakeholder Engagement Responsible Business Practices	50
102-44	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	ESG Report Sustainability Webpages	Governance: Stakeholder Engagement Governance: ESG Appendix and Forward-Looking Statements Materiality	50 52
102-45	List all entities included in the organization's consolidated financial statement; report whether any entity is not covered in the report	Annual Report	Part I, Item 1. Business Exhibit 21 'Subsidiaries of Registrant'	1
102-46	Process for defining report content and topic boundaries; explain how the organization has implemented the Reporting Principles for defining report content	ESG Report	The Big Picture: About This Report	3

GRI Indicator	Description	Disclosure Source	Section(s)	Page(s)
102-47	List the material topics identified in the process for defining report content	ESG Report Sustainability Webpages	Governance: ESG Appendix and Forward-Looking Statements Materiality	52
102-48	The effect of any restatements of information given in the previous reports, and the reasons for such restatements	N/A	There are no restatements from the previous report.	
102-49	Significant changes from previous reporting periods in the list of material topics and topic Boundaries	ESG Report	Governance: ESG Appendix and Forward-Looking Statements	52
102-50	Reporting period for information provided	ESG Report	The Big Picture: About This Report	3
102-51	Date of most recent previous report	ESG Report	The Big Picture: About This Report	3
102-52	Reporting cycle (annual, biennial, etc.)	ESG Report	The Big Picture: About This Report	3
102-53	Contact point for questions regarding the report or its contents	ESG Report	The Big Picture: About This Report	3
102-55	The GRI content index	Sustainability Webpages	GRI Content Index	

ECONOMIC

Economic Performance

103-1 103-2 103-3	Management and approach	Annual Report	Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations Part II, Item 7A. Quantitative and Qualitative Disclosures About Market Risk	26 40
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	40
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Webpages	CDP Climate Disclosure 2021 (C2.1b, C2.2, C2.2a, C2.3, C2.3a, C2.4, C2.4a, C3.1, C3.4) CDP Water Security Disclosure 2021 (W3.3b, W3.3c, W3.3d, W4.1, W4.1a, W4.2b, W4.2c, W4.3, W4.3a)	
Aspect: Market Presence				
103-1 103-2 103-3	Management and approach	Sustainability Webpages	Perks & Benefits Management Approach	
Aspect: Indirect Economic Impacts				
103-1 103-2 103-3	Management and approach	Sustainability Webpages ESG Report	Materiality Enabling Opportunity: Employees and Community Impact Gap Inc. performs an assessment for the This Way ONward program biennially, so please refer to the 2020 Global Sustainability Report p. 25 for program participant percentage increase in skills/knowledge.	32

GRI Indicator	Description	Disclosure Source	Section(s)	Page(s)
203-2	Significant indirect economic impacts, including the extent of impacts	ESG Report	Empowering Women: Gap Inc. P.A.C.E. Enabling Opportunity: This Way ONward	16 27
Procurement Practices				
103-1 103-2 103-3	Management and approach	Sustainability Webpages	Materiality Purchasing Practices	
Anti-Corruption				
103-1 103-2 103-3	Management and approach	Sustainability Webpages ESG Report	Responsible Business Practices Governance: Responsible Business Practices To evaluate the effectiveness of Gap Inc.'s anti-corruption program, questions related to anti-corruption/anti-bribery are featured in Gap Inc.'s Code of Business Conduct (COBC) Assessments. COBC Assessments are conducted each year, with different markets/ functions identified to assess. The objective of the COBC Assessments is to gain an understanding of the impact of the COBC program.	49
205-1	Operations assessed for risks related to corruption		We conduct Anti-Corruption Due Diligence (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, have an ACDD report.	
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Webpages ESG Report	Responsible Business Practices Governance: Responsible Business Practices Gap Inc. has two internal-facing anti-corruption policies: 1) a global policy, and 2) a China Retail policy (high-risk market). Gap Inc. also has an anti-corruption training program, delivered 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 the China employees, with content specific to the risks in China. This course is 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 training when there is opportunity (e.g. when we are traveling in market). Anti-corruption training is available to 100 percent of employees at Gap Inc.	49

GRI Indicator	Description	Disclosure Source	Section(s)	Page(s)																												
ENVIRONMENTAL																																
Materials																																
103-1 103-2 103-3	Management and approach	Sustainability Webpages ESG Report	Raw Materials and Product Enriching Communities: Sustainable Materials Sourcing	42																												
301-1	Materials used by weight or volume		<table border="1"> <thead> <tr> <th></th> <th></th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Natural fibers</td> <td>Percentage of cotton: more sustainable cotton*</td> <td>60</td> <td>54</td> <td>79</td> </tr> <tr> <td>Percentage of wool: recycled wool</td> <td>16</td> <td>11</td> <td>14</td> </tr> <tr> <td rowspan="2">Synthetics</td> <td>Percentage of nylon: recycled nylon</td> <td>7</td> <td>10</td> <td>10</td> </tr> <tr> <td>Percentage of polyester: recycled polyester</td> <td>1</td> <td>6</td> <td>10</td> </tr> <tr> <td>Manufactured cellulose</td> <td>Percentage of cellulose: more sustainable viscose, modal, lyocell, TENCEL™, lenzing</td> <td>8</td> <td>9</td> <td>13</td> </tr> </tbody> </table>			2019	2020	2021	Natural fibers	Percentage of cotton: more sustainable cotton*	60	54	79	Percentage of wool: recycled wool	16	11	14	Synthetics	Percentage of nylon: recycled nylon	7	10	10	Percentage of polyester: recycled polyester	1	6	10	Manufactured cellulose	Percentage of cellulose: more sustainable viscose, modal, lyocell, TENCEL™, lenzing	8	9	13	
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301-2	Recycled input materials used		Gap Inc. Sustainable Fiber Sourcing: Synthetics <table border="1"> <thead> <tr> <th></th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Recycled nylon</td> <td>7%</td> <td>10%</td> <td>10%</td> </tr> <tr> <td>Recycled polyester</td> <td>1%</td> <td>6%</td> <td>10%</td> </tr> </tbody> </table>		2019	2020	2021	Recycled nylon	7%	10%	10%	Recycled polyester	1%	6%	10%																	
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Recycled polyester	1%	6%	10%																													
301-3	Reclaimed products and their packaging materials	ESG Report Sustainability Webpages	Enriching Communities: Circularity and Waste Circularity and Waste	44																												
Energy																																
103-1 103-2 103-3	Management and approach	Sustainability Webpages ESG Report	Climate CDP Climate Disclosure 2021 (C1.3a, C2.2, C2.2a, C2.3a, C2.4a, C3.2b, C3.3, C3.4, C4.3c) Enriching Communities: Climate Stewardship	39																												
302-1	Energy consumption within the organization	Sustainability Webpages	Measuring Our Progress: Environment																													
302-2	Energy consumption outside of the organization	Sustainability Webpages	Measuring Our Progress: Environment																													

*Defined as: Better Cotton (formerly BCI), verified US-grown cotton (USCTP), organic, in-conversion (to verified organic), recycled and regenerative.

GRI Indicator	Description	Disclosure Source	Section(s)	Page(s)												
302-3	Energy intensity	Sustainability Webpages	Measuring Our Progress: Environment													
302-4	Reduction of energy consumption	Sustainability Webpages	Measuring Our Progress: Environment													
Aspect: Water																
303-2	Water sources significantly affected by withdrawal of water	Sustainability Webpages	Water Stewardship CDP Water Security Disclosure 2021 (W3.3b, W3.3d)													
303-5	Water consumption		Water Consumption from Supply Chain Facilities (does not include company-operated locations such as stores, offices, or distribution centers)													
			<table border="1"> <thead> <tr> <th>WWF (overall risk) **</th> <th>Sum of Gap - Total Water (FEM2020) (in cubic meters)</th> </tr> </thead> <tbody> <tr> <td>x<2.5</td> <td>620,371 (2%)</td> </tr> <tr> <td>2.5<=x<3.5</td> <td>19,428,941 (75%)</td> </tr> <tr> <td>3.5<=x<4.5</td> <td>4,829,301 (19%)</td> </tr> <tr> <td>New facility included on Higg (yet to conduct risk assessment)</td> <td>1,020,027 (4%) - no data for most of the new facilities</td> </tr> <tr> <td>Grand total</td> <td>25,898,640</td> </tr> </tbody> </table>	WWF (overall risk) **	Sum of Gap - Total Water (FEM2020) (in cubic meters)	x<2.5	620,371 (2%)	2.5<=x<3.5	19,428,941 (75%)	3.5<=x<4.5	4,829,301 (19%)	New facility included on Higg (yet to conduct risk assessment)	1,020,027 (4%) - no data for most of the new facilities	Grand total	25,898,640	
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Grand total	25,898,640															
			**We consider High Risk to be above 3.5, which includes sourcing countries: China, Egypt, India, Jordan, and Pakistan.													
Emissions																
103-1 103-2 103-3	Management and approach	Sustainability Webpages	Climate CDP Climate Disclosure 2021 (C1.3a, C2.2, C2.2a, C2.3a, C2.4a, C3.2b, C3.3, C3.4, C4.3c)													
305-1	Direct (Scope 1) GHG emissions	ESG Report Sustainability Webpages	Enriching Communities: Climate Stewardship Scope 1 and 2 emissions data for fiscal 2021 will be available on our website in 2022. Our GHG data for previous years is currently available at the ESG Resources .	39												
305-2	Energy indirect (Scope 2) greenhouse gas emissions	Sustainability Webpages	Scope 1 and 2 emissions data for fiscal 2021 will be available on our website in 2022. Our GHG data for previous years is currently available at the ESG Resources .													
305-3	Other indirect (Scope 3) greenhouse gas emissions	Sustainability Webpages	Scope 3 emissions data for fiscal 2020 will be available on our website in 2022 at the ESG Resources .													
305-4	GHG emissions intensity	Sustainability Webpages	Measuring Our Progress: Environment													
305-5	Reduction of GHG emissions	Sustainability Webpages	CDP Climate Disclosure 2021 (C2.4a, C4.1a, C4.2a, C4.3a, C4.3b)													

GRI Indicator	Description	Disclosure Source	Section(s)	Page(s)
Waste				
103-1 103-2 103-3	Management and approach	Sustainability Webpages	Circularity and Waste	
		ESG Report	Enriching Communities: Circularity and Waste	44
306-2	Management of significant waste-related impacts	ESG Report	Enriching Communities: Circularity and Waste	44
306-3	Waste generated	ESG Report	Enriching Communities: Circularity and Waste	44
			Gap Inc. is currently developing a data collection strategy for our waste management with the help of our waste management partner and Distribution Center Operations team, which will detail our waste generated data.	
306-4	Waste diverted from disposal	ESG Report	Enriching Communities: Circularity and Waste	44
			Gap Inc. is currently developing a data collection strategy for our waste management with the help of our waste management partner and Distribution Center Operations team, which will detail our waste diverted from disposal data.	
306-5	Waste directed to disposal	ESG Report	Enriching Communities: Circularity and Waste	44
			Gap Inc. is currently developing a data collection strategy for our waste management with the help of our waste management partner and Distribution Center Operations team, which will detail our waste directed to disposal data.	
Supplier Environmental Assessment				
103-1 103-2 103-3	Management and approach	Sustainability Webpages	Management Approach	
		ESG Report	Assessment and Remediation	
308-1	New suppliers that were screened using environmental criteria	Sustainability Webpages	Empowering Women: Human Rights and Social Dialogue	19
			SASB Reference Table (CG-AA-430a.2)	
			Assessment and Remediation	
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainability Webpages	Water Stewardship	
		ESG Report	Chemicals Management	
			Empowering Women: Assessment and Remediation	20

GRI Indicator	Description	Disclosure Source	Section(s)	Page(s)
SOCIAL				
Employment				
103-1 103-2 103-3	Management and approach	Sustainability Webpages	Talent Development	
		ESG Report	Enabling Opportunity: Talent Development	29
401-1	New employee hires and employee turnover	Proxy Statement	Proxy Statement 2022	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Webpages	Talent Development Measuring Our Progress: Employees	
401-3	Parental leave	Sustainability Webpages	Talent Development	
Occupational Health and Safety				
103-1 103-2 103-3	Management and approach	Sustainability Webpages	Talent Development	
Training and Education				
103-1 103-2 103-3	Management and approach	Sustainability Webpages	Talent Development This Way ONward	
		ESG Report	Enabling Opportunity: Talent Development	29
			Enabling Opportunity: This Way ONward	27
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Webpages	Talent Development Measuring Our Progress: Employees	
		2021 Equality & Belonging Report	Please see Gap Inc.'s 2021 Equality & Belonging Report , which will be made available later in 2022.	
Aspect: Diversity & Equal Opportunity				
103-1 103-2 103-3	Management and approach	Sustainability Webpages	Equality & Belonging	
		2021 Equality & Belonging Report	Please see Gap Inc.'s 2021 Equality & Belonging Report , which will be made available later in 2022.	
		ESG Report	Enabling Opportunity: Equality & Belonging	31
405-1	Diversity of governance bodies and employees	Proxy Statement	2022 Key Director Attributes	10
		Sustainability Webpages	Measuring Our Progress: Employees What We're Made Of	
		2021 Equality & Belonging Report	Please see Gap Inc.'s 2021 Equality & Belonging Report , which will be made available later in 2022.	

GRI Indicator	Description	Disclosure Source	Section(s)	Page(s)
405-2	Ratio of basic salary and remuneration of women to men	Sustainability Webpages ESG Report	Gender Equality & Empowerment Enabling Opportunity: Talent Development	29
Non-discrimination				
103-1 103-2 103-3	Management and approach	Sustainability Webpages	Discrimination and Harassment	
406-1	Total number of incidents of discrimination and corrective actions taken	Sustainability Webpages ESG Report	Discrimination and Harassment Assessment and Remediation Supplier Capability Building Programs Empowering Women: Human Rights and Social Dialogue	19
Aspect: Freedom of Association and Collective Bargaining				
407-1	Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk	Sustainability Webpages	Freedom of Association Policies and Approaches for Human Rights	
Child Labor				
103-1 103-2 103-3	Management and approach	Sustainability Webpages ESG Report	Assessment and Remediation Child Labor and Young Workers Policies and Approaches for Human Rights Empowering Women: Human Rights and Social Dialogue	19
408-1	Operations and suppliers at significant risk for incidents of child labor	Sustainability Webpages	Child Labor and Young Workers Assessment and Remediation	
Forced or Compulsory Labor				
103-1 103-2 103-3	Management and approach	Sustainability Webpages ESG Report	Assessment and Remediation Human Trafficking and Forced Labor Policies and Approaches for Human Rights California Transparency In Supply Chains Act & UK Modern Slavery Act Statement Empowering Women: Human Rights and Social Dialogue	19
409-1	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor	Sustainability Webpages	Human Trafficking and Forced Labor Assessment and Remediation COVC Issues at Assessed Factories	

GRI Indicator	Description	Disclosure Source	Section(s)	Page(s)
Human Rights Assessments				
103-1 103-2 103-3	Management and approach	Sustainability Webpages ESG Report	Assessment and Remediation Policies and Approaches for Human Rights Empowering Women: Human Rights and Social Dialogue	19
Local Communities				
103-1 103-2 103-3	Management and approach	Sustainability Webpages ESG Report	Employees and Community Impact P.A.C.E. and Empower@Work Enabling Opportunity: Employees and Community Impact	32
413-1	Percentage of operations with implemented local community engagement, impact assessments and/or development programs	Sustainability Webpages	Measuring Our Progress: Community	
Supplier Social Assessments				
103-1 103-2 103-3	Management and approach	Sustainability Webpages ESG Report	Assessment and Remediation Policies and Approaches for Human Rights Empowering Women: Human Rights and Social Dialogue	19
414-1	Percentage of new suppliers that were screened using human rights criteria	Sustainability Webpages	Assessment and Remediation Gap Inc. screens 100 percent of new suppliers using human rights criteria. Learn more about our process on the above sustainability webpages.	
414-2	Negative social impacts in the supply chain and actions taken	Sustainability Webpages ESG Report	Assessment and Remediation COVC Issues at Assessed Factories Empowering Women: Human Rights and Social Dialogue	19
Public Policy				
103-1 103-2 103-3	Management and approach	Sustainability Webpages	Political Engagement Policy	
415-1	Political contributions	Sustainability Webpages	Political Engagement Policy	

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

The Value Reporting Foundation 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. This table references the Standard for the Apparel, Accessories & Footwear industry, and select relevant disclosures from the E-Commerce and Multiline and Specialty Retailers & Distributors industries, as defined by SASB's Sustainable Industry Classification System (SICS), with the location of that information in Gap Inc.'s 2021 ESG Report and our website.

Topic	Accounting Metric	Category	Unit of Measure	Code	Data	Reference
Apparel, Accessories & Footwear						
Management of Chemicals in Product	Description 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 (MRSL). 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 Zero Discharge of Hazardous Chemicals (ZDHC) MRSL, and we are aligned with the AFIRM Group RSL.</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 safety and usage 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>Gap Inc. aligns with the AFIRM Group RSL. To learn more about this process, please see the Chemicals Management page.</p>	ESG Report: Chemicals Management p. 38 Sustainability Webpages: Chemicals Management
	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.</p>	ESG Report: Chemicals Management p. 38 Sustainability Webpages: Chemicals Management

Topic	Accounting Metric	Category	Unit of Measure	Code	Data	Reference																
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.</p> <p>In 2021, out of 53 priority denim laundries that conducted wastewater testing per the ZDHC Wastewater Guidelines, 100 percent achieved Foundational level or better for all Conventional parameters and 94 percent met all ZDHC MRSL parameters.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total participants</th> <th>% facilities meeting Conventional parameters</th> <th>% meeting ZDHC MRSL parameters</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>54</td> <td>94</td> <td>89</td> </tr> <tr> <td>2021</td> <td>53</td> <td>100</td> <td>94</td> </tr> </tbody> </table>	Year	Total participants	% facilities meeting Conventional parameters	% meeting ZDHC MRSL parameters	2020	54	94	89	2021	53	100	94	<p>ESG Report: Water Stewardship p. 35</p> <p>Sustainability Webpages: Chemicals Management</p> <p>Water Stewardship</p>				
					Year	Total participants	% facilities meeting Conventional parameters	% meeting ZDHC MRSL parameters														
2020	54	94	89																			
2021	53	100	94																			
	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>By the end of 2022, 99 percent of our Tier 1 and 91 percent of our strategic Tier 2 suppliers completed 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 from 2020. 64 percent of facilities verified their responses. In total, 89 percent of facilities participated in our resource efficiency programs.</p> <table border="1"> <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>2019</td> <td>97</td> <td>91</td> <td>n/a</td> </tr> <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> </tbody> </table>	Year	% Tier 1 branded suppliers using Higg Index FEM	% Tier 2 suppliers using Higg Index FEM	# verified responses	2019	97	91	n/a	2020	100	70	280	2021	99 (558)	91 (147)	463 (64%) (351 Tier 1, 112 Tier 2)	<p>ESG Report: Resource Efficiency and Manufacturing p. 37</p> <p>Sustainability Webpages: Chemicals Management</p> <p>Water Stewardship</p>
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2021	99 (558)	91 (147)	463 (64%) (351 Tier 1, 112 Tier 2)																			

Topic	Accounting Metric	Category	Unit of Measure	Code	Data	Reference																																																																																																												
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	<ul style="list-style-type: none"> 83 percent of Tier 1 branded apparel suppliers that were active for the full year were audited to our COVC during the fiscal year. 68 percent of audits were conducted by a third-party assessor, ILO-IFC Better Work and SLCP. Facilities with a consistently low non-conformance rate may be assessed on a biennial basis; all facilities are audited prior to initial production. <p>Suppliers beyond Tier 1 audited to COVC</p> <ul style="list-style-type: none"> N/A <p>As part of our Mill Sustainability Program, we communicated to our entire mill base our expectations of their social and environmental performance, which are requirements of doing business with us.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>% Tier 1 branded suppliers audited to COVC</th> <th>% of audits conducted by third-party assessor (ILO-IFC Better Work and SLCP)</th> <th>% of suppliers beyond Tier 1 audited to COVC</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>91</td> <td>34</td> <td>N/A</td> </tr> <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> </tbody> </table>	Year	% Tier 1 branded suppliers audited to COVC	% of audits conducted by third-party assessor (ILO-IFC Better Work and SLCP)	% of suppliers beyond Tier 1 audited to COVC	2019	91	34	N/A	2020	81	71	N/A	2021	83	68	N/A																																																																																													
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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 few violations, none of which were critical, are rated green, average performers are yellow, and those that need to address one or more serious issues are red. As of fiscal 2021, fewer than 1 percent of facilities received red ratings during assessments against our COVC.</p> <p>For issues open as of 2/1/2021, 84 percent of corrective action plans were resolved by 2/1/2022.</p> <table border="1"> <thead> <tr> <th></th> <th>2/1/2021</th> <th>5/1/2021 (3 months)</th> <th>8/1/2021 (6 months)</th> <th>2/1/2022 (1 year)</th> </tr> </thead> <tbody> <tr> <td>Sourcing Country</td> <td># of open issues</td> <td># of open issues</td> <td>% resolution</td> <td># of open issues</td> <td>% resolution</td> <td># of open issues</td> <td>% resolution</td> </tr> <tr> <td>Bangladesh</td> <td>231</td> <td>200</td> <td>13</td> <td>170</td> <td>26</td> <td>45</td> <td>81</td> </tr> <tr> <td>Cambodia</td> <td>309</td> <td>177</td> <td>43</td> <td>127</td> <td>59</td> <td>40</td> <td>87</td> </tr> <tr> <td>China</td> <td>209</td> <td>103</td> <td>51</td> <td>44</td> <td>79</td> <td>13</td> <td>94</td> </tr> <tr> <td>Guatemala</td> <td>52</td> <td>0</td> <td>100</td> <td>0</td> <td>100</td> <td>0</td> <td>100</td> </tr> <tr> <td>India</td> <td>550</td> <td>509</td> <td>7</td> <td>383</td> <td>30</td> <td>113</td> <td>79</td> </tr> <tr> <td>Indonesia</td> <td>155</td> <td>87</td> <td>44</td> <td>72</td> <td>54</td> <td>50</td> <td>68</td> </tr> <tr> <td>Pakistan</td> <td>78</td> <td>78</td> <td>0</td> <td>62</td> <td>21</td> <td>6</td> <td>92</td> </tr> <tr> <td>Sri Lanka</td> <td>69</td> <td>68</td> <td>1</td> <td>59</td> <td>14</td> <td>10</td> <td>86</td> </tr> <tr> <td>United States</td> <td>0</td> <td>0</td> <td>-</td> <td>0</td> <td>-</td> <td>0</td> <td>-</td> </tr> <tr> <td>Vietnam</td> <td>694</td> <td>560</td> <td>19</td> <td>284</td> <td>59</td> <td>90</td> <td>87</td> </tr> <tr> <td>Other</td> <td>133</td> <td>114</td> <td>14</td> <td>110</td> <td>17</td> <td>36</td> <td>83</td> </tr> <tr> <td>Grand Total</td> <td>2480</td> <td>1896</td> <td>24</td> <td>1311</td> <td>47</td> <td>403</td> <td>84</td> </tr> </tbody> </table>		2/1/2021	5/1/2021 (3 months)	8/1/2021 (6 months)	2/1/2022 (1 year)	Sourcing Country	# of open issues	# of open issues	% resolution	# of open issues	% resolution	# of open issues	% resolution	Bangladesh	231	200	13	170	26	45	81	Cambodia	309	177	43	127	59	40	87	China	209	103	51	44	79	13	94	Guatemala	52	0	100	0	100	0	100	India	550	509	7	383	30	113	79	Indonesia	155	87	44	72	54	50	68	Pakistan	78	78	0	62	21	6	92	Sri Lanka	69	68	1	59	14	10	86	United States	0	0	-	0	-	0	-	Vietnam	694	560	19	284	59	90	87	Other	133	114	14	110	17	36	83	Grand Total	2480	1896	24	1311	47	403	84	Sustainability Webpages: Assessment and Remediation
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Topic	Accounting Metric	Category	Unit of Measure	Code	Data	Reference																												
Labor Conditions in the Supply Chain (continued)	Discussion of greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	Discussion and Analysis	N/A	CG-AA-430b.3	<p>1. 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 on empowering women to create lasting impact.</p> <p>2. 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>	Sustainability Webpages: Policies and Approaches for Human Rights																												
Raw Material Sourcing	Discussion of environmental and social risks associated with sourcing priority raw materials	Discussion and Analysis	N/A	CG-AA-440a.1	<p>Gap Inc. uses industry tools such as the Higg Materials Sustainability Index (MSI) and Textile Exchange's Preferred Fibers Matrix. 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. 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>Fabric mills and laundries use a great deal of water to dye and finish fabric, which may cause issues with both water quality and quantity; these issues also affect workers and their communities. India faces a high level of water stress for some of our preferred mills and the people who work there. In addition, most of our products include some cotton, and its production affects both the environment and people. Farming and processing cotton typically involves the use of large quantities of water and chemicals, and often takes place in regions facing water and climate risks.</p> <p>Changes in water access and water-related events such as drought or flooding could affect the cost of cotton, which is used in the majority of Gap Inc.'s products, and other raw materials. 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 prices. The team's work to develop and maintain a diverse supplier base across several countries reduces risk on an ongoing basis.</p> <p>For more information on how we evaluate water and other environmental risks in key sourcing countries, please see our CDP Water response (W3.3b).</p>	Sustainability Webpages: Raw Materials and Product ESG Report: Sustainable Materials Sourcing p. 42 CDP Water Security Disclosure 2021 (W3.3b)																												
	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	Quantitative	Percentage (%) by weight	CG-AA-440a.2	<table border="1"> <thead> <tr> <th></th> <th></th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Natural fibers</td> <td>Percentage of cotton: more sustainable cotton*</td> <td>60</td> <td>54</td> <td>79</td> </tr> <tr> <td>Percentage of wool: recycled wool</td> <td>16</td> <td>11</td> <td>14</td> </tr> <tr> <td rowspan="2">Synthetics</td> <td>Percentage of nylon: recycled nylon</td> <td>7</td> <td>10</td> <td>10</td> </tr> <tr> <td>Percentage of polyester: recycled polyester</td> <td>1</td> <td>6</td> <td>10</td> </tr> <tr> <td>Manufactured cellulosics</td> <td>Percentage of cellulosics: more sustainable viscose, modal, lyocell, TENCEL™, lenzing</td> <td>8</td> <td>9</td> <td>13</td> </tr> </tbody> </table>			2019	2020	2021	Natural fibers	Percentage of cotton: more sustainable cotton*	60	54	79	Percentage of wool: recycled wool	16	11	14	Synthetics	Percentage of nylon: recycled nylon	7	10	10	Percentage of polyester: recycled polyester	1	6	10	Manufactured cellulosics	Percentage of cellulosics: more sustainable viscose, modal, lyocell, TENCEL™, lenzing	8	9	13	ESG Report: Sustainable Materials Sourcing p. 42
		2019	2020	2021																														
Natural fibers	Percentage of cotton: more sustainable cotton*	60	54	79																														
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*Defined as: Better Cotton (formerly BCI), verified US-grown cotton (USCTP), organic, in-conversion (to verified organic), recycled, and regenerative.

Topic	Accounting Metric	Category	Unit of Measure	Code	Data	Reference																
Activity Metric	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	Quantitative	Number	CG-AA-000.A	<p>As of January 29, 2022 we sourced from 705 Tier 1 branded-apparel supplier facilities, defined as direct-relationship cut-and-sew facilities and their associated embroidery, laundry and screen-printing facilities. We have mapped out 231 mill facilities (Tier 2) that represent about 65 percent of our business.</p> <table border="1"> <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>2019</td> <td>737</td> <td>191</td> <td>75</td> </tr> <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> </tbody> </table>	Year	# of Tier 1 branded-apparel supplier factories	# of mill facilities (Tier 2)	% of business from mill facilities (Tier 2)	2019	737	191	75	2020	659	168	66	2021	705	231	65	ESG Report: Human Rights and Social Dialogue p. 19
Year	# of Tier 1 branded-apparel supplier factories	# of mill facilities (Tier 2)	% of business from mill facilities (Tier 2)																			
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Topic	Activity Metric	Category	Unit of Measure	Code	Data	Reference
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 the personal information we collect about our customers.</p> <p>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>	Sustainability Webpages: Privacy Policy 2021 Proxy Statement
Employee Recruitment, Inclusion, & Performance	Employee engagement as a percentage	Quantitative	Percentage (%)	CG-EC-330a.1	<p>2,000+ HQ Pulse survey participants and 23,000+ store Pulse survey participants; 95 percent average score for "I am proud to work here" and 89 percent "I intend to stay for the foreseeable future" from Pulse survey participants.</p> <p>A representative sample was obtained for both groups. This is Gap Inc.'s own survey, conducted internally.</p> <p>Answers are often scored on a Likert scale of 1–5 (strongly disagree → strongly agree). 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 <p>How important are the following to you, and how well does Gap Inc. do this:</p> <ul style="list-style-type: none"> - I am able to have flexibility in my work schedule - I work for a company with strong reputation and purpose - My company employs inspiring and effective leaders 	ESG Report: Talent Development p. 29

Topic	Activity Metric	Category	Unit of Measure	Code	Data	Reference						
Product Packaging & Distribution	Total greenhouse gas (GHG) footprint of product shipments	Quantitative	Metric tons (t) CO ₂ -e	CG-EC-410a.1	Upstream transportation and distribution:	CDP Climate Disclosure 2021 (C6.5)						
					<table border="1"> <thead> <tr> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>527,081</td> <td>Available later in 2022</td> <td>Available in 2023</td> </tr> </tbody> </table> <p>Emissions calculated using primary metric ton/km information at a haul level from Gap internal systems, multiplied by The U.K. Department for Environment, Food & Rural Affairs product transportation emission factors. This represents emissions from our suppliers to our distribution centers.</p> <p>Downstream transportation and distribution:</p> <table border="1"> <thead> <tr> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>39,413</td> <td>130,604</td> <td>Available later in 2022</td> </tr> </tbody> </table> <p>Emissions calculated using primary metric ton/km information at a haul level from Gap internal systems, multiplied by The U.K. Department for Environment, Food & Rural Affairs product transportation emission factors. In 2020, we also began to receive additional emissions information from UPS, which represents emissions from online shipments from distribution centers to customers or from Ship-From-Store methods. The UPS data is verified by SGS.</p>		2019	2020	2021	527,081	Available later in 2022	Available in 2023
2019	2020	2021										
527,081	Available later in 2022	Available in 2023										
2019	2020	2021										
39,413	130,604	Available later in 2022										
	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 Corporate 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: Climate Stewardship p. 27						
Activity Metrics	Entity-defined measure of user activity	Quantitative	Number	CG-EC-000.A	Total Global Online Orders (excluding Franchise)							
					<table border="1"> <tbody> <tr> <td>FY 2019</td> <td>55,872,090</td> </tr> <tr> <td>FY 2020</td> <td>86,261,667</td> </tr> <tr> <td>FY 2021</td> <td>83,997,807</td> </tr> </tbody> </table> <p>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.</p>	FY 2019	55,872,090	FY 2020	86,261,667	FY 2021	83,997,807	
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	Number of shipments	Quantitative	Number	CG-EC-000.C	Total Packages							
					<table border="1"> <tbody> <tr> <td>FY 2019</td> <td>77,625,502</td> </tr> <tr> <td>FY 2020</td> <td>145,512,653</td> </tr> <tr> <td>FY 2021</td> <td>124,463,015</td> </tr> </tbody> </table> <p>This data includes packages transported in the United States, Canada, European Union, and Japan.</p>	FY 2019	77,625,502	FY 2020	145,512,653	FY 2021	124,463,015	
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FY 2021	124,463,015											

Topic	Activity Metric	Category	Unit of Measure	Code	Data	Reference												
Multiline and Specialty Retailers & Distributors																		
Product Sourcing, Packaging & Marketing	Discussion of strategies to reduce the environmental impact of packaging	Discussion and Analysis	N/A	CG-MR-410a.3	<p>In 2021, Gap Inc. joined a cross-brand working group initiated by The Fashion Pact to research and develop paper-based alternatives to polybags.</p> <p>After rolling out new polymailers that contain 50 percent recycled content (compared to 35 percent in 2020), the team decided to commission a life cycle assessment, assessing the impacts and performance of three alternatives to Gap Inc.'s current mailer: paper, bio-based, and reusable. This will ensure a data-backed strategy going forward.</p>	<p>ESG Report: Circularity and Waste p. 44</p> <p>Sustainability Webpages: Circularity and Waste</p>												
Activity Metrics	Number of: (1) retail locations and (2) distribution centers	Quantitative	Number	CG-MR-000.A	Data references end-of-year numbers	FY2110-K p. 30												
					<table border="1"> <thead> <tr> <th>Retail Locations</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Company-operated stores</td> <td>3,345</td> <td>3,100</td> <td>2,835</td> </tr> <tr> <td>Franchises</td> <td>574</td> <td>615</td> <td>564</td> </tr> </tbody> </table>		Retail Locations	2019	2020	2021	Company-operated stores	3,345	3,100	2,835	Franchises	574	615	564
Retail Locations	2019	2020	2021															
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	Total area of: (1) retail space and (2) distribution centers	Quantitative	Square meters (m ²)	CG-MR-000.B	<table border="1"> <thead> <tr> <th></th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Retail space (square footage)</td> <td>37 million</td> <td>34.6 million</td> <td>33.3 million</td> </tr> <tr> <td>Distribution centers (square meters)</td> <td>3.4 million</td> <td>3.2 million</td> <td>3.1 million</td> </tr> </tbody> </table>		2019	2020	2021	Retail space (square footage)	37 million	34.6 million	33.3 million	Distribution centers (square meters)	3.4 million	3.2 million	3.1 million	<p>FY2110-K p. 30</p> <p>FY2010-K p. 30</p>
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TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

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 29, 2022 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.

TCFD Metrics	Company Response
<p>GOVERNANCE</p> <p>a) Describe the board's oversight of climate-related risks and opportunities.</p> <p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>2021 CDP Climate Change Disclosure: (C1.1, C1.1a, C1.1b, C1.2, C1.2a) ESG Report: Governance > Risk Management (p. 48)</p> <p>2021 CDP Climate Change Disclosure: (C1.2, C1.2a, C2.2) ESG Report: Governance > Oversight Structure (p. 47)</p> <p>> Management Approach</p>
<p>STRATEGY</p> <p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p> <p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p> <p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>2021 CDP Climate Change Disclosure: (C2.1a, C2.1b, C2.2, C2.2a, C2.3, C2.3a, C2.4a) > Materiality > Responsible Business Practices</p> <p>2021 CDP Climate Change Disclosure: (C2.3a, C2.4a, C3.1, C3.2, C3.2b, C3.3, C3.4)</p> <p>2021 CDP Climate Change Disclosure: (C2, C3.2b, C3.3) Gap Inc. is planning to conduct a climate-related scenario analysis in 2022.</p>

TCFD Metrics

Company Response

RISK MANAGEMENT

- a) Describe the organization's processes for identifying and assessing climate-related risks.
- b) Describe the organization's processes for managing climate-related risks.
- c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

2021 CDP Climate Change Disclosure: (C2.1, C2.2, C2.2a)

› **Responsible Business Practices**

2021 CDP Climate Change Disclosure: (C2.1, C2.2, C2.3a, C12.1a, C12.1b)

› **Responsible Business Practices**

› **Materiality**

2021 CDP Climate Change Disclosure: (C1.1b, C2.2, C2.3a)

› **Responsible Business Practices**

METRICS

- a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
- b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
- c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

2021 CDP Climate Change Disclosure: (C1.3a, C2.3a, C2.4a, C4.1a, C4.2a, C4.3b, C5, C6, C7, C8, C11)

2021 CDP Climate Change Disclosure: (W8.1a, W8.1b)

2021 CDP Climate Change Disclosure: (C4.1a, C5.1, C5.2, C6.1, C6.2, C6.3, C6.5, C.7)

2021 CDP Climate Change Disclosure: (C4.1, C4.1a, C4.2, C4.2a)

2021 CDP Climate Change Disclosure: (W8.1a, W8.1b)

ESG Report: Enriching Communities > Climate Stewardship (p. 39)

2021 ESG REPORT

INCLUSIVE



BY DESIGN

Gap Inc.