



Gap Inc.

2023
ESG REPORT

CONTENTS

3 THE BIG PICTURE

- 3 About Gap Inc.
About This Report
- 4 Our Commitment to ESG:
CEO Message
- 5 Our Value Creation Model
- 6 Our Product Life Cycle
- 7 ESG Through the Years
- 8 2023 Highlights
- 9 Our ESG Approach
- 10 Our Supplier
Sustainability Approach
- 11 Gap Inc. Goals and Progress
- 13 Our House of Brands
- 14 Brand Goals and Progress

15 ENVIRONMENT

- 16 Water Stewardship
- 17 Access: Community
Water Resilience
- 18 Reduction and
Replenishment: Tackling
Water Consumption
- 20 Chemicals Management
- 21 Climate Action
- 24 Raw Materials and Product
- 26 Circularity
- 28 Waste

29 SOCIAL: SUPPLY CHAIN

- 30 Human Rights
- 32 Assessment and
Remediation
- 34 Capability Building
- 36 Gap Inc. P.A.C.E. and RISE
- 38 Supply Chain and
Community Stories

39 SOCIAL: WORKPLACE AND COMMUNITY

- 40 Enabling Opportunity
and Social Impact
- 44 Equality & Belonging
- 47 People
- 49 Employee Engagement
and Corporate Giving

51 GOVERNANCE

- 52 ESG Oversight
- 53 Risk Management
- 54 Stakeholder and Political
Engagement
- 56 Business Ethics and Integrity

58 APPENDIX

- 59 Materiality
- 60 United Nations SDGs
Alignment
- 61 GRI Index
- 68 SASB Index
- 77 TCFD Index
- 78 Supplemental Data
- 82 Data Assurance

ABOUT GAP INC.

The Gap, Inc. (Gap Inc., the “company,” “we,” and “our”) is a collection of lifestyle brands offering apparel, accessories, and personal care products for women, men, and children under the Old Navy, Gap, Banana Republic, and Athleta brands. Gap Inc. is an omni-channel retailer, with sales to customers both in stores and online, through company-operated and franchise stores, company-owned websites, and third-party arrangements.

As of February 3, 2024, we had company-operated stores in the United States, Canada, Japan, and Taiwan. In fiscal 2022, we signed agreements with a third party, Baozun Inc. (Baozun), to operate Gap China and Gap Taiwan (Gap Greater China) stores and the in-market website as a franchise partner. On January 31, 2023, the Gap China transaction closed with Baozun. The Gap Taiwan operations will continue to operate as usual until regulatory approvals and closing conditions are met.

We have franchise agreements to operate Old Navy, Gap, Banana Republic, and Athleta throughout Asia, Europe, Latin America, the Middle East, and Africa. Under these agreements, third parties operate, or will operate, stores and websites that sell apparel and related products under our brand names. We also have licensing agreements with licensees to sell products using our brand names.

In addition to operating in the specialty, outlet, online, and franchise channels, we use our omni-channel capabilities to bridge the digital world and physical stores to further enhance the shopping experience for our customers. Our omni-channel services, including buy online pick-up in store, order-in-store, find-in-store, and ship-from-store, as well as enhanced mobile-enabled experiences, are tailored uniquely across our collection of brands.

Since 2018, Athleta has been certified as a benefit corporation (“B Corp”), furthering its commitment to using the business as a force for good to drive social and environmental impact. The company continues to meet rigorous standards across social and environmental performance, with accountability and transparency. With this accreditation, Gap Inc. is one of the largest publicly traded retail companies with a B Corp-certified subsidiary apparel brand.

Learn more:
[› Annual Filings](#)

ABOUT THIS REPORT

This Environment, Social, and Governance (ESG) Report covers Gap Inc.’s global operations for fiscal 2023. All previous years’ reports are available on our website. This report focuses on developments and actions for our key programs, progress toward our corporate and brand goals during the 2023 fiscal year, and preparations for activities in 2024. We provide detailed information on program objectives, operations, and our management approach.

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 subject to an internal quality review.

The inclusion of information contained in this report is being made in good faith based on information that is available to Gap Inc. as of February 3, 2024 (unless otherwise specified). Given the inherent uncertainty in predicting and modeling future conditions, caution should be exercised when interpreting the information provided in this report. In addition, the controls, processes, practices, and infrastructures described in this report are not intended to constitute any representation, warranty, or other assurance that such controls, processes, practices, and infrastructures will result in any specific outcome, result, or achievement of a stated target or goal.

For questions regarding Gap Inc.’s sustainability efforts or the content of this report, please contact sustainability@gap.com.

OUR COMMITMENT TO ESG: CEO MESSAGE



RICHARD DICKSON
PRESIDENT & CEO, GAP INC.

At Gap Inc. we believe there is a world of good in our shared humanity. It's why we've been bridging gaps since 1969... and we're just getting started.

When Don and Doris Fisher opened the very first Gap store in 1969, they bridged the generation gap with clothing and experiences that spoke to an energetic new idealism. One that questioned convention and imagined better.

Today, 55 years later, the people of Gap Inc. are still bridging gaps, inspired by our shared humanity, to create a better world. A world where purpose and profit co-exist in pathbreaking ideas that better the well-being of people and the planet.

BRIDGING THE CLIMATE GAP

We are dedicated to protecting natural resources and ensuring healthy communities for generations to come.

Earlier this year, in partnership with Arvind Limited, Gap Inc. was proud to launch an opensource water innovation center to accelerate water-saving innovations across the apparel supply chain in India. Additionally, we scaled the U.S. Agency for International Development (USAID) Gap Inc. Women + Water Alliance to reach more than 2.5 million people, improving their access to clean water and sanitation. And we've just launched an entirely new Water Collaborative with the Water Resilience Coalition and WaterAid, with the support of Cargill and GSK, that expands clean water access in even more communities that are connected to our global supply chain.

BRIDGING THE EQUITY GAP

Women comprise the majority of our customers, leaders, employees, and apparel supply chain. So, Gap Inc. makes industry-leading investments to ensure that women are empowered to reach their full potential.

In 2007, we launched P.A.C.E. (Personal Advancement & Career Enhancement), a groundbreaking initiative designed to support women and girls connected to our global supply chain with a practical education curriculum. More than 15 years later, this remarkable program has reached an impressive milestone, uplifting more than 1.4 million women and girls.

This year, Gap Inc. merged P.A.C.E. Workplace programming into RISE, a powerful partnership we created in 2019 alongside BSR (Business for Social Responsibility), HERproject™, CARE International, and ILO-IFC Better Work.

RISE actively promotes gender equality through partnerships with local civil society organizations to improve workplace systems and practices, while simultaneously encouraging greater leadership from brands, buyers, suppliers, and worker representatives.

BRIDGING THE OPPORTUNITY GAP

Gap Inc. is committed to creating sustainable economies and a culture of equality and belonging, which means we use the assets and scale of our business to provide opportunity access for historically marginalized people and communities.

Our This Way ONward initiative was created to unlock career potential, one young person at a time, with a focus on underserved communities. Since 2007, the program has provided one-on-one mentorship, coaching, and on-the-job skill building, as a pathway to a more secure future. And, to date, we're on track to hire more than 20,000 young people by 2025 through This Way ONward.

BRIDGING THE INCLUSION GAP

Inclusion has been integral to our business approach since we opened in 1969. Gap Inc.'s comprehensive Equality & Belonging effort, rooted in ethical governance, focuses on embedding belonging into every aspect of our business.

This year, we launched our Inclusive Leadership Coaching Series - facilitated by a third-party expert and focused on building allyship in action and a sense of belonging - as well as our Inclusive Hiring Training, which aims to actively mitigate bias and any form of discrimination in the recruitment process.

Our founders understood the transformative power of mattering well before most and built a company with the scale to make a real difference.

TODAY, WE BRIDGE GAPS TO CREATE A BETTER WORLD

We are remarkably proud of the meaningful change we created in fiscal 2023. And this year, we're motivated to matter even more.

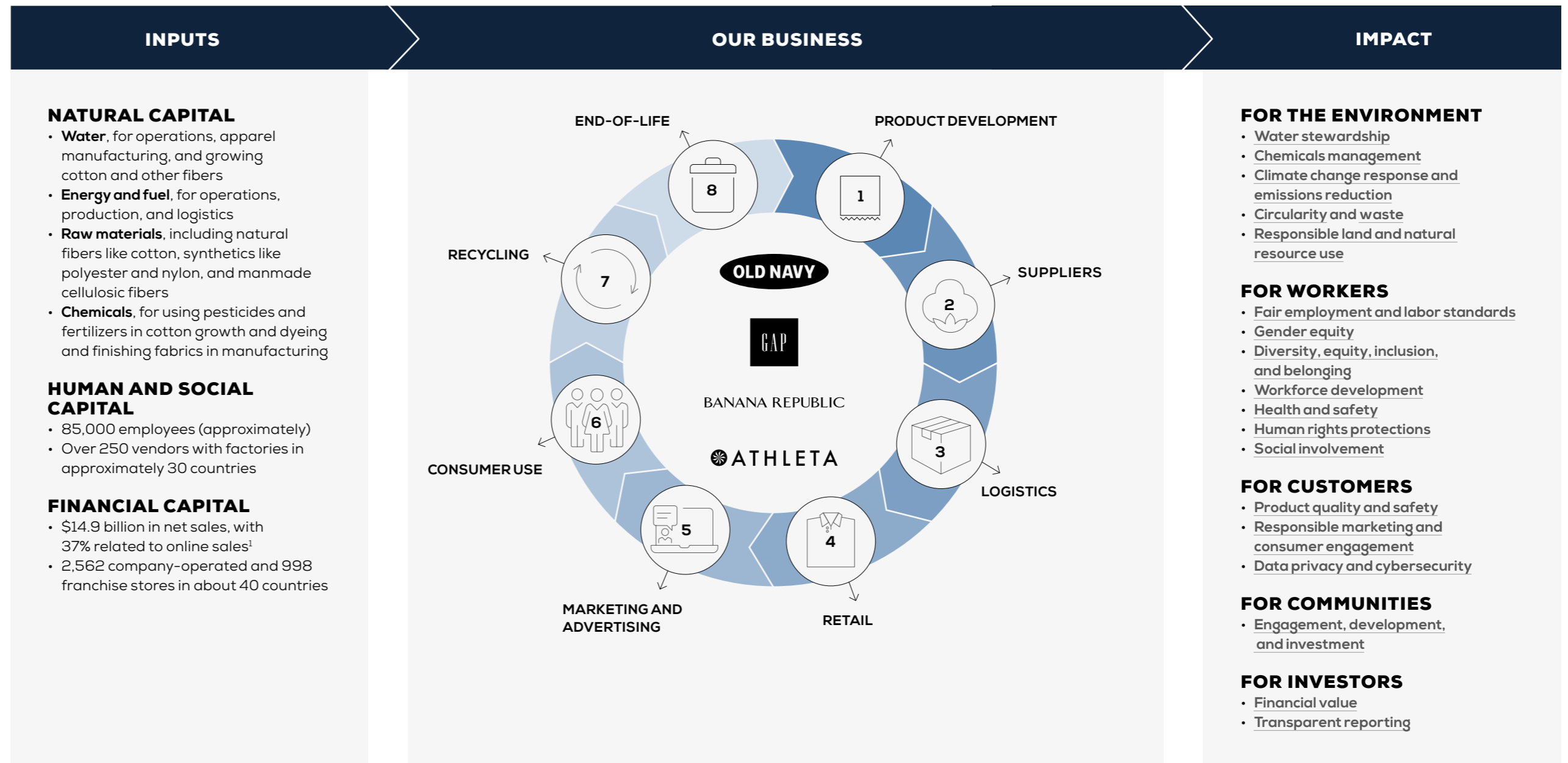
As a signatory of the United Nations Global Compact for two decades, Gap Inc.'s 2023 ESG Report serves as our Communication on Progress, providing transparent updates on the company's work toward building a more sustainable and inclusive business.

Thank you for your interest in our work. To stay connected, please visit us at [gapinc.com](https://www.gapinc.com).

Onward!

OUR VALUE CREATION MODEL

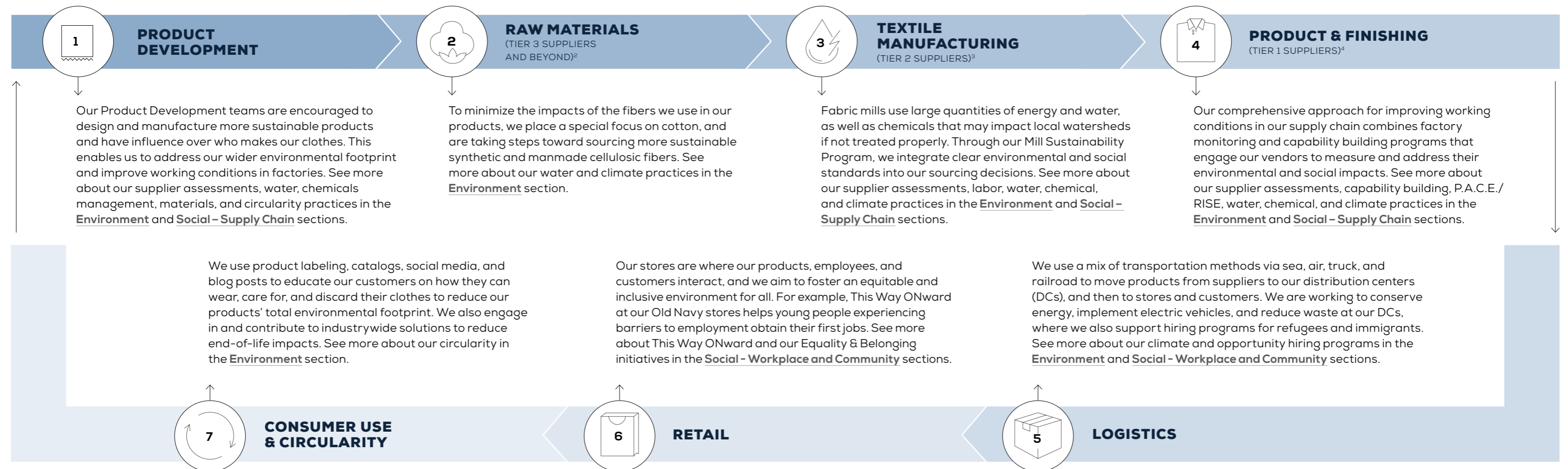
We consider environmental and social factors as part of our end-to-end business strategy. Our value creation model demonstrates how our business creates environmental, social, and economic value through our brands and operations.



¹ Online sales primarily include sales originating from our online channel, including those that are picked up or shipped from stores and net sales from revenue-generating strategic initiatives.

OUR PRODUCT LIFE CYCLE

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



² "Beyond" refers to Tier 3 (yarn spinners) and Tier 4 (suppliers of raw materials such as farmers and ginners).

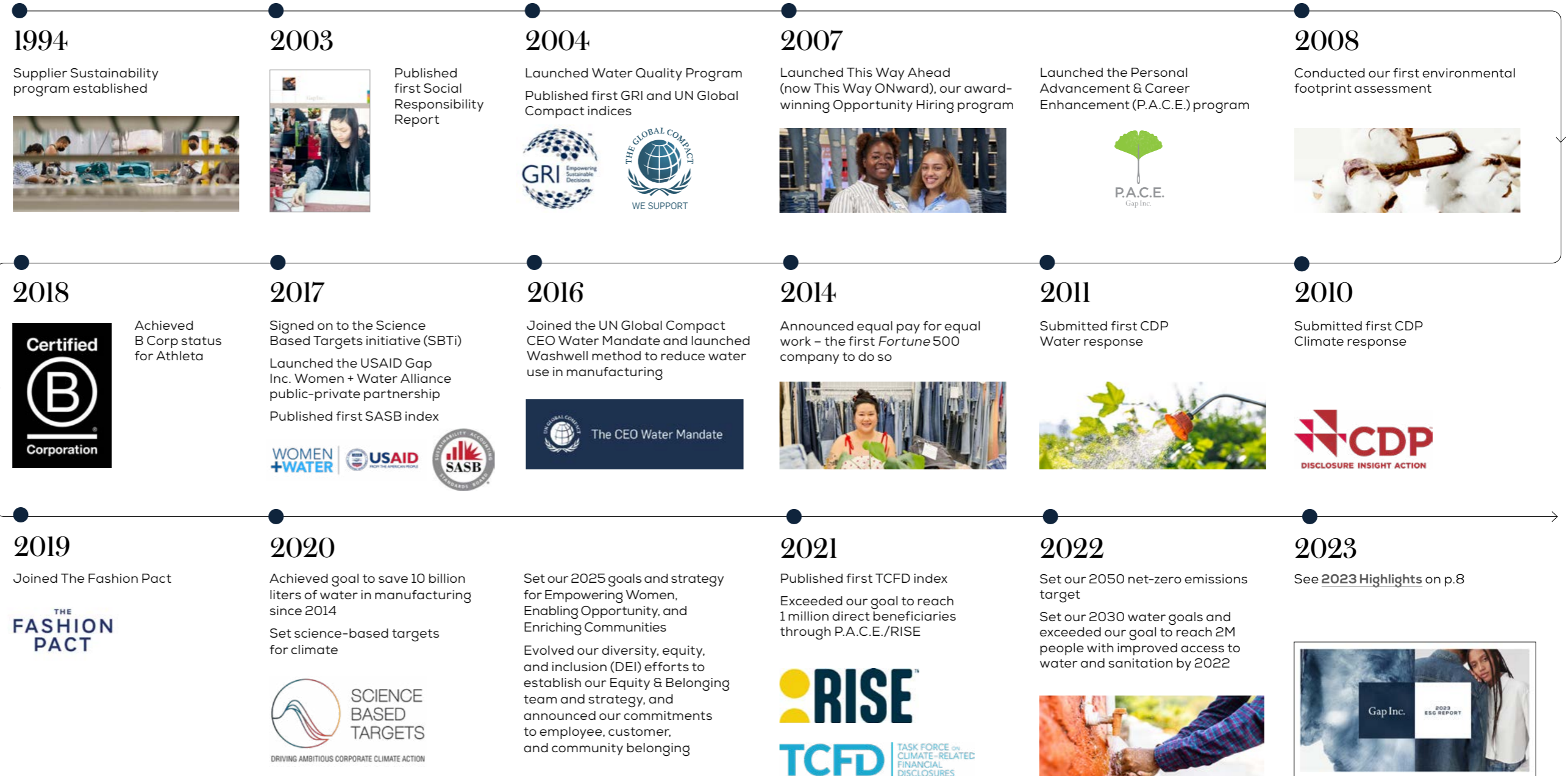
³ Tier 2: Fabric knitting, weaving, and dyeing mills.

⁴ Tier 1: Cut and sew garment factories.

ESG THROUGH THE YEARS

Reflecting on 2023, we celebrate 20 years of ESG reporting, as well as the progress made toward social and environmental sustainability over the past three decades.

We recognize that there is still more work to be done, and that future progress against our goals will require deepened partnership with priority stakeholders and further integration of sustainability objectives across our business.



2023 HIGHLIGHTS

GAP INC. AND OUR PARTNERS LAUNCHED THREE MAJOR PROGRAMS:

WOMEN + WATER COLLABORATIVE

with partners WaterAid, Cargill, and GSK to improve access to clean water and sanitation in India

GWICA

(the Global Water Innovation Centre for Action) in partnership with Arvind Limited

RISE

in collaboration with BSR, HERproject, CARE, and Better Work to accelerate women's empowerment programs across the apparel supply chain

FIBER GOALS PROGRESS⁵

98%

of cotton was from more sustainable sources⁶

19%

of polyester was from recycled sources

CLIMATE GOALS PROGRESS (as of the end of FY 2022)

58%

of electricity in direct operations is from renewable sources

77%

reduction in Scope 1 and 2⁷ emissions since 2017

OPPORTUNITY HIRING AND EMPLOYEE ENGAGEMENT

19.6k

youth engaged in This Way ONward since 2007

45%

of employees volunteered

AWARDS AND RECOGNITION



American Opportunity Index
7th in Retail and 54th of nearly 400 overall



CDP Climate Change response scored an A- and **CDP Water Security** scored a B in 2023



World Benchmarking Alliance
Gender Benchmark – 4th of 112 companies



Ceres' Valuing Water Finance Initiative Benchmark report – top 11 "On Track" of 72 companies (and the only apparel company in that group)

Newsweek

Newsweek – America's Best Retailers: Athleta 2nd in Athletic Apparel; Banana Republic 10th overall

Newsweek – America's Most Responsible Companies: 1st in retail



FTSE Diversity & Inclusion Index – 2nd most diverse and inclusive company

TIME

TIME – World's Best Companies: 50th for sustainability

WWD

The Retail Influencer Network, The Z Suite, and WWD named Gap Inc.'s Bahja Johnson one of their Most Influential ESG Leaders for her work on Equality & Belonging



Dow Jones Sustainability Index
Member for the 11th year in a row



3BL's 100 Best Corporate Citizens

⁵ Gap Inc. fiber data is derived on a seasonal calendar from purchase order materials data for all brands, excluding BR Home products. We currently do not trace fiber consumption for franchises or VMI (vendor managed inventory) because their data is not in our booking system. We have limited visibility into third-party licensing and accessories, but are continuously improving this connection.

⁶ Defined as: Better Cotton (formerly BCI), verified U.S.-grown cotton (USCTP), organic, in conversion (to verified organic), recycled, or regenerative.

⁷ Scope 1: Direct emissions; Scope 2: Indirect emissions from purchased electricity use at company-operated facilities.

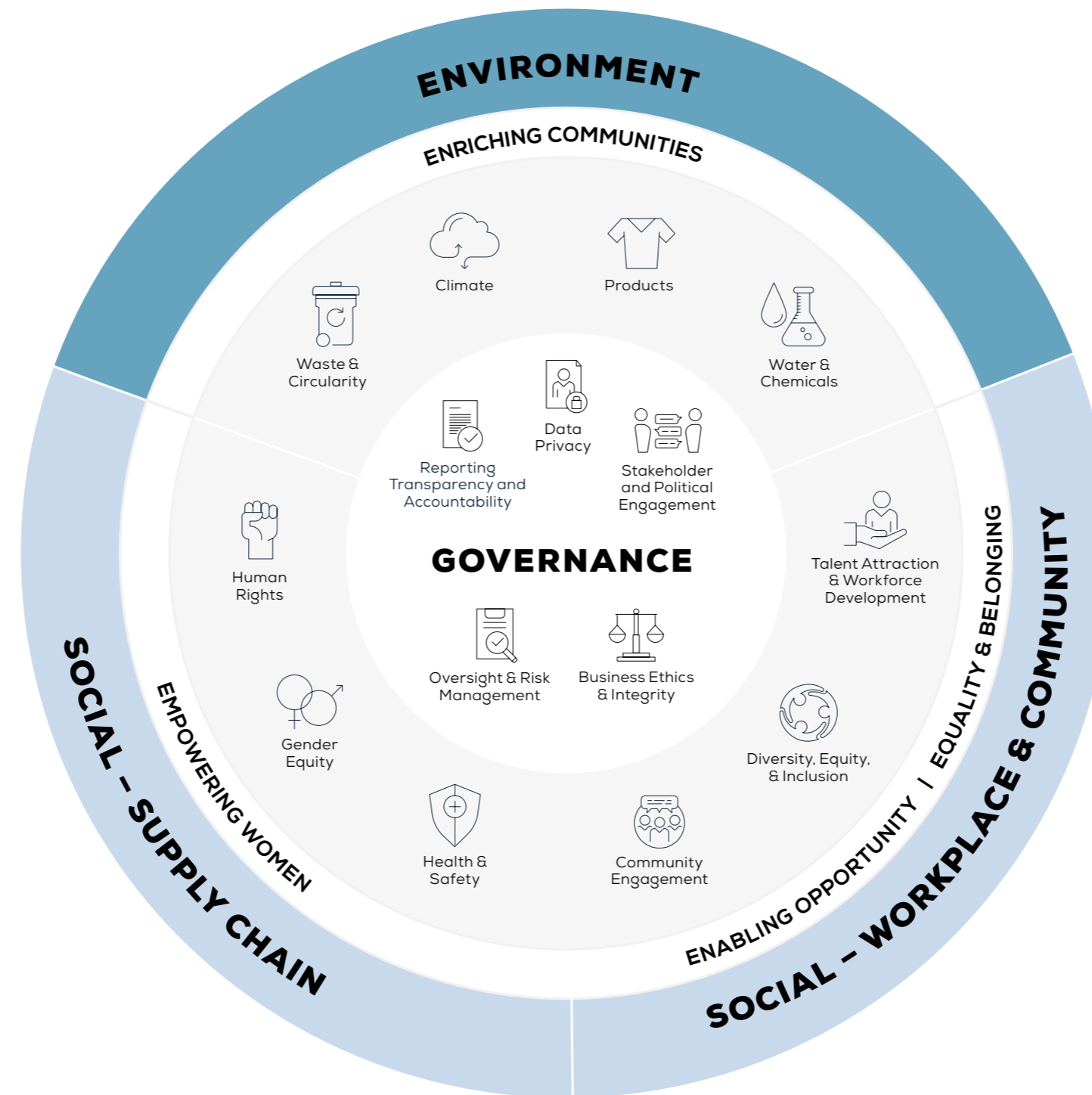
OUR ESG APPROACH

At Gap Inc., we lead with our values and think holistically about how environmental and social responsibility is embedded within our business.

The ESG framework guides our business to integrate sustainable and responsible practices both in our direct operations and across our value chain.

Gap Inc.'s three sustainability pillars – Empowering Women, Enabling Opportunity, and Enriching Communities – are complemented by our Equality & Belonging work. Our internal pillars align with the broader ESG framework, with ethical governance as a foundation. Our focus areas are informed by our materiality assessment.

Learn more:
[> Materiality](#)



SIGNATORIES AND MEMBERSHIPS

Another critical component of our approach is industry collaboration and international coalitions. We are proud signatories, members, or active participants of the following organizations:

- 15 Percent Pledge
- Better Cotton
- Better Than Cash Alliance
- Black In Fashion Council
- Boys & Girls Clubs of America
- Business for Social Responsibility (BSR)
- Cascale, Inc.
- CEO Water Mandate
- The Fashion Pact
- International Labour Organization (ILO) and International Finance Corporate (IFC) Better Work programme
- International Accord for Health and Safety in the Textile and Garment Industry
- Nirapon
- Life and Building Safety (LABS) Initiative
- Open to All
- RISE (Reimagining Industry to Support Equality; formerly Empower@Work)
- Social & Labor Convergence Program (SLCP)
- Tent Partnership for Refugees
- Textile Exchange
- thredUp®
- UN Free & Equal
- UN Global Compact (UNGC)
- UN Framework Convention on Climate Change (UNFCCC) Fashion Industry Charter
- Water Resilience Coalition (WRC)
- Welcome.US
- YWCA USA

OUR SUPPLIER SUSTAINABILITY APPROACH

We work closely with our suppliers to reflect our dedication to human rights, women’s empowerment, and environmental sustainability across the value chain.

Our Supplier Sustainability program focuses on both social and environmental issues. Through remediation practices and business decisions based on our compliance rating system, we incentivize suppliers to implement proper labor, health and safety, and environmental standards in their facilities. This approach aims to protect and support workers, improve air and water quality, increase energy efficiency, and minimize the risk of violations across our supply chain.

Our rating systems focus on the following areas as metrics to track factory performance and progress:

- Labor and working conditions
- Environmental compliance
- Participation in women’s empowerment programs

2023 PROGRESS

Our Supplier Sustainability team and its programs – which include social and environmental compliance, as well as a portfolio of capability building programs focused on women’s empowerment, water, and climate – have historically focused on Tier 1⁸ of our supply chain.

We have a role to play in advancing our sustainability objectives farther upstream in our supply chain and are taking meaningful steps to expand our efforts to Tier 2⁹ suppliers and beyond.¹⁰ We continue increasing our visibility to Tier 2 and 3 and are working to develop policies to extend additional oversight and governance of tiers upstream in our supply chain.

We are committed to utilizing industry tools such as the Social & Labor Convergence Program (SLCP) and Higg Index Facility Environmental Module (FEM) to assess our strategic Tier 2 mills. These partnerships have also allowed us to begin collecting detailed profiles of our Tier 3 spinners.

8 Tier 1: Cut and sew garment factories.
 9 Tier 2: Fabric knitting, weaving, and dyeing mills.
 10 “Beyond” refers to Tier 3 (yarn spinners) and Tier 4 (suppliers of raw materials such as farmers and ginners).

UNDERSTANDING OUR SUPPLY CHAIN

Improving supplier performance begins with identifying and locating our suppliers and learning about their capabilities and challenges.



TRACEABILITY

We publish our Tier 1 factory list twice a year and are improving visibility into Tier 2 and beyond.

- › Open Supply Hub Gap Inc. profile
- › Gap Inc. Factory List



COLLABORATION

- Tier 1 and 2 suppliers
- Industry partners
- Innovation and technology partners
- NGOs

- › Stakeholder Engagement

RATING OUR SUPPLIERS

We calculate a Compliance and Sustainability score for each facility as part of our Tier 1 Vendor Scorecards, which have a rating system of red, yellow, or green (most favorable). We assess suppliers for social and environmental compliance using a variety of methods.



COMPLIANCE AND SUSTAINABILITY SCORE COMPONENTS

SOCIAL

SLCP, ILO Better Work, and Gap Inc. Code of Vendor Conduct (COVC) Audits
 P.A.C.E./RISE participation and percentage of female beneficiaries

ENVIRONMENTAL

Higg Facility Environmental Module (FEM)

ENCOURAGING ACTION

We aim to support worker well-being, respect human rights, reduce environmental impacts, and improve business performance – while helping our suppliers and their factories improve efficiencies with streamlined industry tools and processes.



REMEDIATION PRACTICES

Our remediation process collaborates with all stakeholders to develop corrective action plans.

- › Assessment and Remediation



PURCHASING PRACTICES

At least 80% of Gap Inc.’s sourcing spend is from green-rated factories.

- › Purchasing Practices



CAPABILITY BUILDING AND EFFICIENCY PROGRAMS

Supplier engagement programs support suppliers in their own journey toward more positive working conditions and environmental impacts.

- › Water: Reduce and Replenish
- › Climate Action
- › Capability Building

GAP INC. GOALS AND PROGRESS

● Achieved ● On track ● Needs attention

Goal	Target Year ¹¹	Status	Progress
ENVIRONMENT			
Water Stewardship			
Empower 5 million people touched by the apparel industry to improve their equitable access to clean water and sanitation	2030	●	2.5 million people reached since 2017
Reduce water use and replenish water to nature, equivalent to 100% of the water used in manufacturing apparel and in our company-operated facilities	2030	●	15% In 2022, ¹² we reduced or replenished 4.8 billion liters total, and consumed 33 billion liters in supply chain manufacturing and company operations.
Achieve net positive water impact in water-stressed regions	2050	●	Building roadmaps to achieve intermediary 2030 goals
Support a water-resilient supply chain	2050	●	Building roadmaps to achieve intermediary 2030 goals
Climate Action^{13,14}			
Reduce Scope 1 and 2 greenhouse gas (GHG) emissions by 90% from a 2017 baseline	2030	●	77% reduction from 2017 to 2022. 2023 data will be available on our website later this year.
Reduce Scope 3 GHG emissions from purchased goods and services by 30% from a 2017 baseline	2030	●	16% ¹⁵ reduction from 2017 to 2022. 2023 data will be available on our website later this year. Submitted an update of our science-based target to align with well below 2°C climate scenario.
Source 100% renewable electricity for our company-operated facilities globally	2030	●	58% of electricity use from company-operated facilities was from renewable sources in 2022. 2023 data will be available on our website later this year.
Achieve net-zero carbon emissions across our value chain	2050	●	Worked toward submitting our net-zero target to SBTi for approval and developed a long-term strategic roadmap.
Raw Materials and Product¹⁶			
Source 100% of cotton from more sustainable sources ¹⁷	2025	●	98%
Source at least 45% of polyester from recycled sources	2025	●	19%
Circularity and Waste			
Eliminate unnecessary or problematic plastics in packaging to consumers by 2025 and in packaging to businesses by 2030, in line with our Fashion Pact commitments ¹⁸	2025/2030	●	47% of unnecessary or problematic plastics in packaging to consumers has been eliminated and replaced with paper or other reusable alternative, including brands' progress in transitioning shopping bags (see p. 14).
Ensure at least half of all plastic packaging is 100% recycled content, for packaging to consumers by 2025 and in packaging to businesses by 2030, in line with our Fashion Pact commitments	2025/2030	●	80% of all plastic packaging to consumers is made with 100% recycled content – achieving the 2025 target. For packaging within our business, we are increasing our tracking capabilities and diversion projects as we progress toward 2030.

¹¹ All target years reference the end of fiscal year, unless otherwise stated.

¹² Water consumption data for our supply chain is collected through the Higg FEM, which results in a one-year delay for our reporting.

¹³ Scope 1: Direct emissions; Scope 2: Indirect emissions from purchased electricity use at company-operated facilities; and Scope 3: Indirect emissions from value chain activities such as goods production, transportation, and franchise emissions.

¹⁴ As part of our SBT update in 2023, we recalculated our 2017 baseline and 2022 emissions. As a result, these updated metrics may not match our previous CDP Climate submission or align with previous ESG Reports.

¹⁵ Data is subject to change retrospectively each year as we gain better visibility into our respective share of emissions with each of our suppliers.

¹⁶ Gap Inc. fiber data is derived on a seasonal calendar from purchase order materials data for all brands, excluding BR Home products. We currently do not trace fiber consumption for franchises or VMI (vendor managed inventory) because their data is not in our booking system.

We have limited visibility into third-party licensing and accessories, but are continuously improving this connection.

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

¹⁸ In line with our commitment to The Fashion Pact's Ocean Pillar, we use the Ellen MacArthur Foundation's definition of unnecessary and problematic plastic that consists of five criteria.

GAP INC. GOALS AND PROGRESS – CONTINUED

● Achieved ● On track ● Needs attention

Goal	Target Year	Status	Progress
SOCIAL – SUPPLY CHAIN			
100% of our in-scope Tier 1 facilities will participate in industrywide efforts by 2023, including SLCP and/or ILO-IFC Better Work, and 100% of Tier 2 strategic mills will participate by 2025	2023/2025	●	100% of in-scope Tier 1 facilities are participating ¹⁹ 95% 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	2025	●	100% of vendors comprising 90% of our business spend have been invited to participate in Better Buying. We continue working toward sharing updates on purchasing practices improvements.
80% of Gap Inc. sourcing will be allocated to green-rated factories	2025	●	87% of our business spend was allocated to green-rated factories
100% of workers employed in our strategic factories ²⁰ will have their voices heard through representative workplace committees	2025	●	91% strategic factories have representative workplace committees ²¹
100% of our strategic factories will have achieved gender parity at the supervisor level	2025	●	22% of strategic factories have achieved gender parity at the supervisor level ²² 49% of supervisors in our suppliers' strategic factories are women, globally
100% of our factories will have prevention and response management systems and trainings in place to address gender-based violence and harassment	2025	●	84% of factories have prevention and response management systems and trainings in place to address gender-based violence and harassment 91% sourcing factories have functioning grievance mechanisms for complaints and suggestions, including gender-based violence and harassment 89% of factories have 100% of employees trained on gender-based violence and harassment prevention and response each fiscal year
100% of our strategic factories are investing in women's empowerment through participation in P.A.C.E./RISE	2025	●	54% of strategic factories have at least 50% of their female workers enrolled in or completed the P.A.C.E./RISE curriculum 98% of strategic factories have institutionalized P.A.C.E./RISE as part of their HR management systems
SOCIAL – WORKPLACE AND COMMUNITY			
Enabling Opportunity and Social Impact			
Hire 5% of Old Navy entry-level store employees from This Way ONward annually	2025	●	4.3%
Reach 20,000 youth through This Way ONward	2025	●	19,600 youth reached since 2007
Equality & Belonging			
Double the representation of Black and Latinx employees at all levels in our U.S. HQ offices, relative to a June 2020 baseline (4% Black, 10% Latinx)	2025	●	7% of our U.S. HQ employees identify as Black (2025 goal: 8%) 11% of our U.S. HQ employees identify as Latinx (2025 goal: 20%)
Increase representation of Black employees by 50% in our store leader roles in the U.S., relative to a June 2020 baseline (9%)	2025	●	8% of our store leaders (defined as General Managers) in the U.S. identify as Black (2025 goal: 13%)

¹⁹ Excludes Banana Republic Home factories.

²⁰ Strategic factories are those representing 80% of our total business spend (defined as: Purchase Order first cost).

²¹ Defined as 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).

²² Macroeconomic challenges have negatively impacted factory growth, resulting in reduced turnover and limited advancement opportunities for new female supervisors. While factories across geographies are training potential female supervisors, progress has been slower than anticipated.

OUR HOUSE OF BRANDS

Our brands are built to have a lasting positive impact on people and the planet. While Gap Inc. develops and manages shared sustainability goals, each of our four brands contribute to our impact in uniquely positioned ways.²³

OLD NAVY

GAP

BANANA REPUBLIC

ATHLETA



1,243 COMPANY-OPERATED STORES | **\$8.2B** REVENUE

606 COMPANY-OPERATED STORES | **\$3.3B** REVENUE

443 COMPANY-OPERATED STORES | **\$1.9B** REVENUE

270 COMPANY-OPERATED STORES | **\$1.4B** REVENUE

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 through on-trend, playfully optimistic, affordable, and high-quality products.

Gap is a globally recognized icon of casual American style. Founded in San Francisco in 1969, Gap champions originality by creating loved essentials and delivering culturally relevant experiences that celebrate individuality. Gap is an adult apparel and accessories brand that offers GapKids, babyGap, Gap Maternity, GapBody and GapFit collections. The brand also serves value-conscious customers with exclusively designed collections for Gap Outlet and Gap Factory Stores.

Banana Republic is a premium lifestyle brand driven by a passion for exploration and self-expression. Founded in 1978 in San Francisco, Banana Republic delivers timeless, versatile, and exceptionally made pieces – offering men’s and women’s apparel, accessories, and Home for a life well lived.

A Certified B Corporation, Athleta is a premium performance lifestyle brand with a mission of empowering women and girls to build confidence, strength, and belonging through movement. Athleta’s versatile apparel is anchored in performance and empowers her with beautiful feminine design and thoughtful innovation for all the ways she moves – from yoga and training to travel and recovery. In 2016, the company launched Athleta Girl, mirroring its signature performance in styles for the next generation.

²³ Revenue/net sales are for fiscal 2023, which ended February 3, 2024. Store counts are as of February 3, 2024 and do not include franchise stores.

BRAND PROGRESS

IN SUPPORT OF GAP INC. GOALS²⁴



16% of polyester is from recycled sources

67% of fibers in products are from more sustainable sources

78% of plastic shopping bags have been eliminated and replaced with a paper or other reusable alternative^{25,26}



17% of polyester is from recycled sources

100% of cotton is from more sustainable sources^{27,28}

72% of plastic shopping bags have been eliminated and replaced with a paper or other reusable alternative^{25,26}

99% of eligible denim and woven bottoms are made using Washwell, a water-saving technique

BANANA REPUBLIC

22% of polyester is from recycled sources

91% of cotton is from more sustainable sources²⁷

62% of fibers in products are from more sustainable sources, surpassing the brand's goal to reach 50% by 2030

100% of plastic shopping bags have been eliminated and replaced with a paper or other reusable alternative^{25,26}

65% of eligible denim and woven bottoms are made using Washwell, a water-saving technique

ATHLETA

75% of polyester is from recycled sources

100% of cotton is from more sustainable sources²⁷

100% of Athleta's shopping bags are reusable and made with recycled materials^{25,26}

Athleta is a **CERTIFIED B CORP**

²⁴ Gap Inc. fiber data is derived on a seasonal calendar from purchase order materials data for all brands, excluding BR Home products. We currently do not trace fiber consumption for franchises or VMI (vendor managed inventory) because their data is not in our booking system. We have limited visibility into third-party licensing and accessories, but are continuously improving this connection.

²⁵ Scope includes U.S. and Canada stores.

²⁶ In line with Gap Inc.'s Fashion Pact commitments.

²⁷ Defined as: Better Cotton (formerly BCI), verified U.S.-grown cotton (USCTP), organic, in conversion (to verified organic), recycled, or regenerative.

²⁸ 12% of Gap cotton is from regenerative, organic, in conversion to organic, recycled, and U.S. Cotton Trust Protocol (USCTP)-verified sources.

IN THIS SECTION:

WATER STEWARDSHIP

ACCESS: COMMUNITY WATER RESILIENCE

REDUCTION AND REPLENISHMENT: TACKLING WATER CONSUMPTION

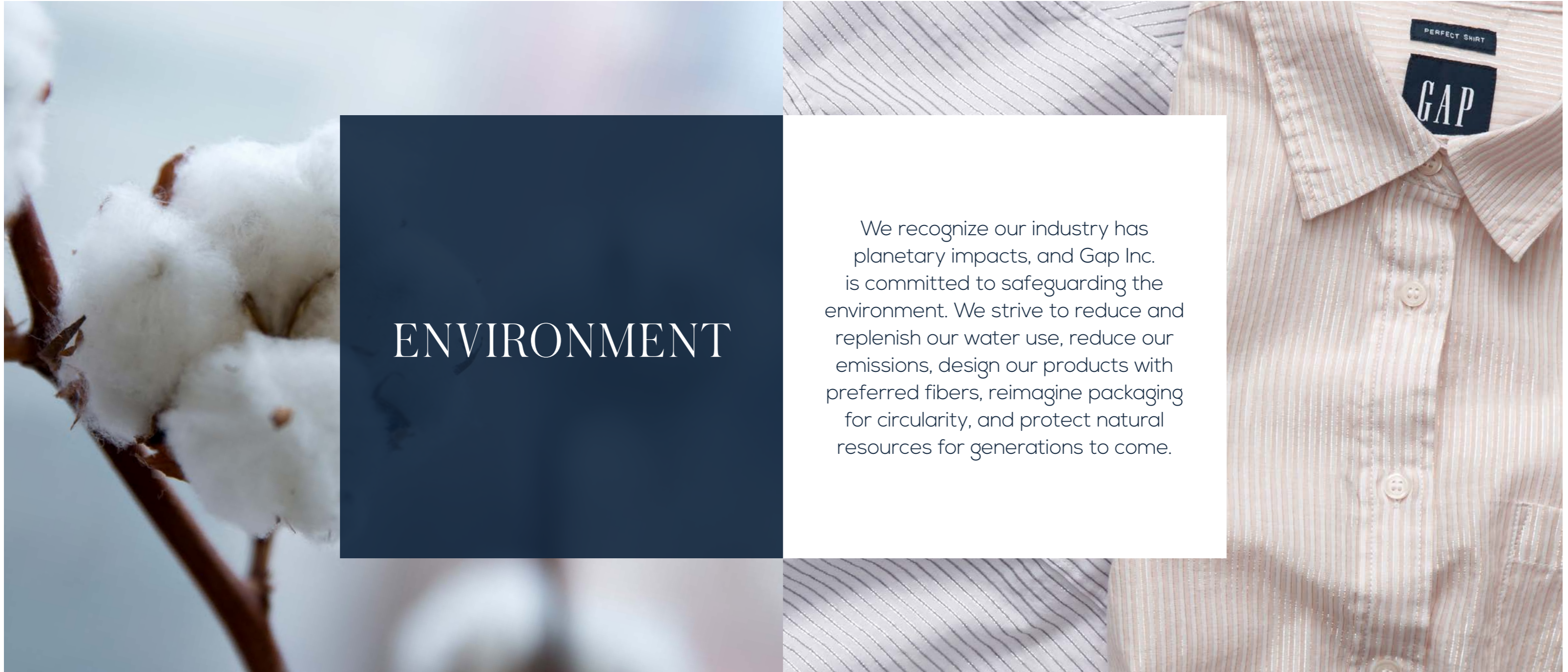
CHEMICALS MANAGEMENT

CLIMATE ACTION

RAW MATERIALS AND PRODUCT

CIRCULARITY

WASTE



ENVIRONMENT

We recognize our industry has planetary impacts, and Gap Inc. is committed to safeguarding the environment. We strive to reduce and replenish our water use, reduce our emissions, design our products with preferred fibers, reimagine packaging for circularity, and protect natural resources for generations to come.

OUR MATERIAL TOPICS: Water stewardship | Chemicals management | Climate change response | Emissions reduction
Land and natural resource use | Biodiversity | Animal welfare | Circularity | Waste management | Plastic reduction

WATER STEWARDSHIP

As one of the world's most vital natural resources – and one our industry is heavily reliant on – safeguarding water sources is an imperative for Gap Inc. We aim to create positive impact for nature and communities by strengthening water resilience throughout our value chain.

CHALLENGE

At Gap Inc., we believe access to water is a human right, and also recognize that the decreasing availability of clean water in certain geographies is a significant challenge that requires multi-stakeholder collaboration. If unaddressed, it is estimated that half the global urban population will face water scarcity by 2050.²⁹ The water crisis is already acute in many of the apparel industry's key sourcing countries and communities, with women often facing disproportionate barriers to safely access water, sanitation, and hygiene (WASH) services.

Beyond its implications for human health and hygiene, water stress³⁰ also impacts biodiversity and water ecosystems, including in areas where cotton is grown.

²⁹ UNESCO

³⁰ EEA: Water stress occurs when the demand for water exceeds the available amount during a certain period or when poor quality restricts its use.

³¹ Basin: The geographical region in which water is captured, flows through, and eventually discharges – or the area from which a site extracts water or discharges effluent.

STRATEGY

Water challenges are multidimensional and require a holistic approach – with consideration of the intersectionality between humans, climate, water, biodiversity, and soil health. In response, our strategy focuses on three interconnected areas:

Access: Improve equitable access to clean water and sanitation in communities impacted by our industry.

Reductions: Minimize our freshwater footprint by reducing water used in manufacturing, increasing recycling, and improving wastewater quality. Assess upstream supply chain impacts, develop a framework for long-term, context-based targets, and engage suppliers in implementing water quality and efficiency projects.

Replenishment: Restore and replenish water in priority water-stressed basins³¹ where our cotton is grown, our clothing is manufactured, and our customers and employees live.

In March 2023, we announced two new goals to achieve by 2030:

- Empower 5 million people touched by the apparel industry to improve and sustain their equitable access to clean water and sanitation.
- Reduce water use and replenish water to nature, equivalent to 100 percent of the water used in manufacturing apparel and in our company-operated facilities.

As a founding member of the UN Global Compact's Water Resilience Coalition (WRC), we have a commitment to achieve net positive water impact by 2050. These 2030 goals serve as interim targets to advancing progress and meeting our long-term goals.

Our Board of Directors' Governance and Sustainability Committee receives regular updates on progress against our water strategy and progress toward our goals, sharing relevant information with the full Board of Directors as appropriate.

IMPACT

Clean drinking water supports human health and hygiene, which strengthens the overall resiliency of key cotton-sourcing regions with high water stress. For raw materials producers, suppliers, and Gap Inc., water resilience supports business continuity, reduces water risks and operating costs, and increases the reliability of raw materials. It also helps us meet growing investor, customer, and community expectations around water.

PARTNERSHIPS

Gap Inc. has a history of designing innovative programs in collaboration with NGOs (non-governmental organizations), nonprofits, and public and private sectors to address water stress, improve access to clean water and sanitation, and advance water-saving manufacturing innovations.

To drive progress on our water goals, we continued active engagement with the UN Global Compact's CEO Water Mandate and its key initiatives, WASH4Work and the WRC. Throughout 2023, we verified our strategic alignment with the global ambition to achieve net positive water impact by 2050 by participating in working groups and consulting on the WRC's Net Positive Water Impact draft framework.

A CALL TO WATER ACTION

At the historic UN Water Conference in March 2023, Gap Inc. joined over 50 leading companies and founding partners united under the CEO Water Mandate's WRC. At the conference, we signed the Business Leaders Open Call to Accelerate Water Action, which articulates a shared vision to achieve net positive water impact in 100 water-stressed basins by 2030. We also aligned with the Water Resilience pillar of the UN Global Compact's Forward Faster initiative, committing to publicly declare our targets, highlight the actions we undertake to meet the targets, and report progress annually.

Also in 2023, Gap Inc. joined the World Resources Institute's (WRI) Aqueduct Alliance to share strategic guidance and industry insights on improving sustainable water management across sectors. To reduce suppliers' manufacturing water footprint – which often aligns with efforts to reduce energy – we partner with groups such as the Apparel Impact Institute (Aii) and the Alliance for Water Stewardship (AWS). We also partner closely with implementing NGOs and experts for projects focused on water access and replenishment.

We are actively engaged in the investor-led Ceres Valuing Water Finance Initiative (VWFI). In 2023, Ceres published its inaugural Valuing Water benchmark report, in which Gap Inc. ranked as the only apparel company in the top 11 "On Track" of 72 companies.

ACCESS: COMMUNITY WATER RESILIENCE

We are strengthening value chain water resilience, improving long-term, sustained access to clean drinking water and sanitation in communities touched by the apparel industry.

GOAL BY 2030	PROGRESS
<p>EMPOWER 5 MILLION PEOPLE touched by the apparel industry to improve their equitable access to clean water and sanitation</p>	<p>2.5 million people reached since 2017 ● On track</p>

	FY 2017–FY 2022	FY 2023
Program	USAID Gap Inc. Women + Water Alliance	WaterEquity Global Access Fund IV; Women + Water Collaborative; Ongoing partnerships
People reached with improved water, sanitation, and hygiene services	2.4M	100k+

CHALLENGE

In 2020, approximately 2 billion people lived in water-stressed areas and did not have access to safely managed drinking water services. Almost half of the global population lacked access to safely managed sanitation.³²

If no action is taken, it is predicted that within the next 10 years, the world will face a 40 percent shortfall in freshwater supply.³³

Access to WASH services is a major challenge in several of the apparel industry’s key sourcing countries.

³² UNESCO
³³ Global Commission on the Economics of Water

STRATEGY

Working with relevant stakeholders – including the private sector, NGOs, local governments, multi-lateral institutions, and local communities – is essential to creating large-scale impact in watersheds where cotton is grown or apparel is manufactured. Our strategy to strengthen community water resilience encompasses a range of interventions through collective action partnerships, including the [Women + Water Collaborative](#) and the [WaterEquity Global Access Fund IV](#), both launched in 2023.

Within Gap Inc. partner facilities, our [Code of Vendor Conduct \(COVC\)](#) also requires that essential WASH needs of garment workers are met. In addition, our [RISE/Personal Advancement & Career Enhancement \(P.A.C.E.\)](#) workplace and P.A.C.E. Community programs bring WASH education to women globally.

IMPACT

Our water access initiatives catalyze women as active participants and leaders in advancing local WASH improvements, helping enhance access to clean drinking water and sanitation for cotton-growing and production worker communities. Supporting human health and hygiene strengthens business resilience across our operations, supply chain, and raw material sourcing regions.

The Women + Water Collaborative is aligned with our 2050 WRC commitment to demonstrate global leadership by raising the ambition of water resilience through public and corporate outreach.

2023 PROGRESS

In early 2023, we completed the Women + Water Alliance, our six-year public-private partnership program between USAID and Gap Inc. This initiative empowered more than 2.4 million people to improve access to clean water and sanitation in communities touched by the apparel industry in India. We evolved our collective action in two main ways during 2023:

The Women + Water Collaborative: Together with the Water Resilience Coalition (WRC) and WaterAid, we developed the Women + Water Collaborative with the support of private sector partners Cargill and GSK. The Collaborative aims to improve health, livelihoods, and climate resilience by providing water-stressed communities in India improved and sustained access to climate-resilient WASH. It will also improve the availability and quality of water in priority river basins through water replenishment and conservation. To strengthen its community-level impact and long-term sustainability, the program incorporates a modified version of Gap Inc.’s P.A.C.E. Community programming to bolster women’s leadership.

WaterEquity: Gap Inc. is proud to partner with the U.S. International Development Finance Corporation (DFC) alongside Starbucks, Ecolab, Reckitt, and DuPont to invest in WaterEquity’s Global Access Fund IV. This \$150 million fund will support financial institutions and enterprises in emerging markets to scale water and sanitation lending activities, such as loans that enable low-income and marginalized customers to install household water and sanitation solutions.



STORY

HOW KUSUM LED HER COMMUNITY TO CLEAN WATER ACCESS

Kusum comes from a village where water is scarce, with women having to walk nearly three hours each day to collect water. As the leader of her community, Kusum received water quality monitoring and conservation training with the Women + Water Alliance. This enabled her to act as a catalyst for women and others in her community and to support the development of a village water security plan.

“It’s very important that water reaches every household in our village. Access to water is important for me and my family and for our entire village. Water is our fundamental right, and women are working wholeheartedly to achieve water access.”

Kusum’s bold leadership and her community’s efforts led to the construction of new water pipelines, putting an end to long hours spent walking for water. Thanks to Kusum’s initiative, she has helped the 300 families in her village pursue a brighter future.

This approach to enable better WASH access continues through the new Women + Water Collaborative.

[Watch Kusum’s Video](#)

REDUCTION AND REPLENISHMENT: TACKLING WATER CONSUMPTION

Our supply chain capability-building programs help drive compliance, monitor suppliers' environmental impacts, and reduce water (and energy) used in manufacturing processes.

GOAL BY 2030	PROGRESS 2022 ³⁴
REDUCE WATER USE AND REPLENISH WATER TO NATURE , equivalent to 100% of all the water used in manufacturing apparel and in our company-operated facilities	15% In 2022, we reduced or replenished 4.8 billion liters total, and consumed 33 billion liters in supply chain manufacturing and company operations. ● On track
GOALS BY 2050	PROGRESS
ACHIEVE NET POSITIVE water impact in water-stressed regions	Building roadmaps to achieve intermediary 2030 goals ● On track
Support a WATER-RESILIENT SUPPLY CHAIN	Building roadmaps to achieve intermediary 2030 goals ● On track

CHALLENGE

Each region's water challenges are complex and require locally tailored solutions.

Diminished water availability can lead to inadequate WASH, increased waterborne and infectious disease risk, and compromised nutrition. Water-stressed habitats and

ecosystems can also experience biodiversity disruptions, natural wetlands destruction, and species extinction threats.

Water stress impacts several of our key sourcing regions and puts communities at risk of water and food insecurity. From a business perspective, Gap Inc. depends on reliable water availability to grow cotton, manufacture our products, and meet customer demand.

STRATEGY

Gap Inc. works with our suppliers to set and implement context-based water targets – and action plans for achieving them – based on local and operational water risks, and actions already being taken to address water use locally.

Setting targets that consider local conditions and water risk exposure at specific sites helps direct efforts to the most important issues facing our suppliers. We follow a contextual approach, focusing on priority facilities' local watersheds to align action, reduce risk, and increase impact.

Reduction: We aim to reduce water impacts in manufacturing processes by working with strategic supply chain partners to reduce freshwater use, increase recycled water adoption, and improve wastewater quality.

Replenishment: We aim to replenish and restore water, focusing on natural ecosystems in priority water-stressed basins where cotton is grown, where our clothing is manufactured, and where our customers and employees live.

IMPACT

Gap Inc.'s water stewardship approach aims to improve the health of water sources we all rely on, as well as strengthen supply chain resilience and mitigate the impact on local biodiversity. Supplier assessments help drive compliance while capability-building programs support supplier efforts to reduce freshwater use in manufacturing.

Setting context-based water targets can:

Reduce water risk: Setting targets can reduce water and climate-related risks by improving overall business sustainability, protecting jobs, safeguarding business continuity, and increasing customer and investor confidence.³⁵

Generate cost-saving opportunities: Factory pre-treatment of wastewater may reduce municipal charges and provide cleaner wastewater that can be repurposed or recycled, reducing freshwater intake requirements.

Improve long-term water security: Addressing shared water challenges will support long-term water security across the basin, enhance stakeholder relationships, and strengthen vendor reputation and social license to operate.

2023 PROGRESS

REDUCTION

Context-Based Water Targets: We used the World Wildlife Fund (WWF) Water Risk Filter to assess water risks faced by priority facilities. In partnership with the WWF, we finalized a framework for setting context-based water targets with suppliers. We launched learning pilots with select suppliers to assess watershed risks and develop action plans, including through participation in the [Alliance for Water Stewardship's Impact Accelerator](#) in Chennai, India.

Resource Efficiency Programs: We nominate and subsidize select suppliers, including our top mill suppliers, to participate in initiatives such as Aii's Clean by Design. Suppliers typically see operational cost savings after the investment payback period, in addition to water and energy savings. See our water savings data on the next page. We also continue helping suppliers implement industry and Gap Inc. programs, such as our [Mill Sustainability Program \(MSP\)](#), to improve water quality.

³⁴ Water consumption data for our supply chain is collected through the Higg FEM, which results in a one-year delay for our reporting.

³⁵ [World Wildlife Fund](#)

REDUCE AND REPLENISH: TACKLING WATER CONSUMPTION – CONTINUED

Washwell: Our brands use the Washwell process, created by Gap brand in 2016, to reduce water use in garment finishing by at least 20 percent compared to conventional wash methods. In 2023, the World Resources Institute (WRI) assessed the program’s structure, process, procedures, benchmarks, and reporting mechanisms. WRI concluded the Washwell process and structure are credible, including for adaptation to other product types, and provided recommendations to further strengthen the program.

Arvind Water Partnership: Gap Inc. partners with India-based supplier Arvind Limited to replace over 1 billion liters of freshwater annually with reclaimed wastewater from a state-of-the-art wastewater treatment facility, thus eliminating the use of freshwater in Arvind’s denim mill. The facility cleans municipal water from Ahmedabad, India using a bioreactor membrane treatment method, helping preserve the local community’s freshwater supply. Together with Arvind, we also built an 18,000-square-foot Global Water Innovation Centre for Action (GWICA) in India. The facility, launched in January 2024, will serve as an open-source innovation lab, showcase, and knowledge hub for best practices on water management and recycling technologies in apparel manufacturing.

36 Sourcing Journal

REPLENISHMENT

In 2023, we began creating a portfolio of replenishment projects to strengthen basin health in priority, high-water-stressed regions along the value chain. We partnered with ALO Advisors to analyze risks and root causes to design a pilot project in a key cotton-growing region in India, set to begin development in 2024.

WATER RISK MAPPING

Mapping and addressing our water risk is a critical enabler of our climate-related efforts. For example, floods in Pakistan in 2022 impacted 40 percent of the country’s cotton crop, resulting in losses for farmers and increasing cotton costs in the market.³⁶ By identifying chronic and acute risks, we can develop more robust business continuity plans.

WATER SAVINGS

Metric	FY 2021	FY 2022	FY 2023
Total liters of water saved in fiscal year	3.1 billion	4.8 billion	3.5 billion
Liters of water saved by Washwell in fiscal year	1.1 billion	1.4 billion	985 million
Liters of water saved through Arvind Water Partnership in fiscal year	1.8 billion	1.3 billion	1.1 billion
Liters of water saved by supply chain resource efficiency programs (like Aii) in fiscal year	193 million	1.4 billion	261 million
Liters of water replenished to nature in fiscal year	–	730 million	1.2 billion

In 2023, we mapped nearly all our Tier 1 and 2 manufacturing sites for water risk and stress using the WRI Aqueduct and WWF Water Risk Filter tools and are now focusing on high-risk sites for interventions. This led us to concentrate on priority countries in South and Southeast Asia as well as Central America. The same assessment has been done for company-operated sites in the U.S., with a focus on regions that have a higher risk of drought and flooding. We are also conducting scenario mapping, through 2030 and 2050 to understand and plan for long-term climate and water risks.

Learn more about how we manage climate risks in the [Risk Management](#) and [Climate](#) sections.



Gap Inc. CEO Richard Dickson alongside Arvind Limited’s Vice Chairman and Executive Director, Punit Lalbai, at the GWICA opening ceremony

CHEMICALS MANAGEMENT

At Gap Inc., effective chemicals management is crucial for protecting our customers, suppliers, and employees. We adhere to rigorous guidelines for our finished products and are taking steps to eliminate the use of hazardous chemicals in our supply chain.

CHALLENGE

The use of chemicals is integral to product manufacturing. However, some chemicals can negatively impact the health of people or ecosystems if not managed properly.

Gathering comprehensive, trustworthy data on supply chain chemical use can be complex and time-intensive. Identifying less-hazardous or lower-impact chemicals can also be challenging, as it requires significant internal and external collaboration, with engagement from industry experts, as well as internal teams including Fabric Development, Quality, Supplier Sustainability, and Sourcing.

Even with stringent manufacturing controls, finished products may still contain traces of unintentional chemicals from causes outside our control, including environmental contamination and recycled material sources. We monitor this by conducting random testing of all products to help identify violations.

³⁷ A few items shipped early in the year included a PFAS-finished fabric produced and purchased prior to January 1, 2023.

³⁸ Excluding Banana Republic Home factories.

STRATEGY

Our approach to managing chemicals responsibly consists of three aspects:

- 1. Uphold stringent standards for production and finished product:** We expect suppliers to follow industry guidelines, including the Apparel and Footwear International RSL Management (AFIRM) Group Restricted Substances List (RSL), the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List (MRSL), and the ZDHC Wastewater Guidelines. We track emerging chemical issues and update our approach as needed.
- 2. Assess supplier performance against established quality and safety parameters through third-party testing, verification, and audits:** Suppliers are expected to complete and verify the Cascale Higg Facility Environmental Module (FEM), which assesses chemicals management practices. Additionally, we assess strategic suppliers' adherence to the ZDHC Wastewater Guidelines and ZDHC MRSL, and we audit products for RSL compliance.

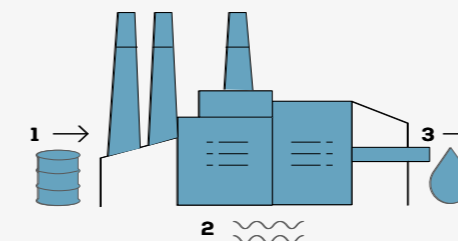
- 3. Strengthen supply chain capabilities and remediate noncompliance issues:** Using our MSP and Water Quality Program (WQP), we support key suppliers in identifying and applying necessary corrective measures to improve chemicals and wastewater management. The MSP encompasses industry-aligned tools and robust wastewater testing and chemical management expectations. All our strategic mills are expected to participate in the MSP.

IMPACT

Not only is effective chemicals management crucial for product safety, protecting human health, and preventing ecosystem degradation, but it also delivers a range of benefits for the business.

Proactively addressing chemicals of concern helps prepare Gap Inc. for compliance with future regulations, and in some cases, phasing out a chemical of concern has the potential to result in lower water and energy usage in production processes.

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.

2023 PROGRESS

In 2023, Gap Inc. met its goal to not source any fabrics intentionally treated with per- and polyfluoroalkyl substances (PFAS). Throughout the year, more than 99 percent of shipped items with water- or stain-repellent qualities were made without PFAS treatments.³⁷ We continue to strengthen our documentation and product-testing strategy to support continued compliance with regulatory bans on PFAS-based finishes.

We also took steps to begin addressing two other chemicals of concern in our supply chain:

- **Dimethylformamide (DMF)**, used in the production of conventional polyurethane-coated fabrics: Our Quality team began to explore alternatives to conventional synthetic leather. We also partnered with our Quality team to develop a polyurethane fabric mill audit and training approach to assess suppliers' emissions and exposure controls for DMF and to provide those mills with guidance on why and how to convert production to safer alternatives.
- **Potassium permanganate (PP)**, used primarily in the bleaching of denim garments: We worked with an external expert to develop technical training for suppliers, including guidance about engineering controls that should be in place if PP is used, and how and why to replace PP with safer alternatives.

WATER QUALITY PROGRAM PROGRESS

During 2023, we expanded our Water Quality Program (WQP) to knit and sweater laundries, for a total of 170 participating facilities. Through a partnership with Bureau Veritas, 328 suppliers were trained on the MRSL to help strengthen chemicals and wastewater management capabilities, particularly for facilities that are newer to the program.

In 2024, we plan to further expand WQP to include all remaining Tier 1 suppliers that use wet processing and/or chemicals in production.³⁸

CLIMATE ACTION

Our climate initiatives aim to reduce our emissions across Scope 1, 2, and 3.³⁹ Our science-based targets (SBTs) are aligned with the Paris Agreement, The Fashion Pact, and UN Framework Convention on Climate Change (UNFCCC) commitments.⁴⁰

GOALS BY 2030	PROGRESS 2022 ⁴¹
REDUCE SCOPE 1 AND 2 greenhouse gas (GHG) emissions by 90% from a 2017 baseline	77% reduction from 2017 to 2022. ● On track
REDUCE SCOPE 3 GHG emissions from purchased goods and services by 30% from a 2017 baseline	16% ⁴² reduction from 2017 to 2022. Submitted an update of our science-based target to align with well below 2°C climate scenario. ● On track
SOURCE 100% renewable electricity for our company-operated facilities globally	58% of electricity use from company-operated facilities was from renewable sources in 2022. ● On track
GOAL BY 2050	PROGRESS
ACHIEVE NET-ZERO carbon emissions across our value chain	Worked toward submitting our net-zero target to SBTi for approval and developed a long-term strategic roadmap. ● On track

³⁹ Scope 1: Direct emissions; Scope 2: Indirect emissions from purchased electricity use at company-operated facilities; and Scope 3: Indirect emissions from value chain activities such as goods production, transportation, and franchise emissions.

⁴⁰ As part of our SBT update in 2023, we recalculated our 2017 baseline and 2022 emissions. As a result, these updated metrics may not match our previous CDP Climate submission or align with previous ESG Reports.

⁴¹ Due to calculation and verification timelines, our 2023 emissions data will be available on our website later this year.

⁴² Data is subject to change retrospectively each year as we gain better visibility into our respective share of emissions with each of our suppliers.

⁴³ World Bank

⁴⁴ Germanwatch 2021 Global Climate Risk Index

⁴⁵ The World Counts

CHALLENGE

Climate change has wide-ranging social and economic impacts. It significantly contributes to issues such as water scarcity, frequent and severe weather-related disasters, sickness and displacement, food insecurity, biodiversity disruptions, and mass species extinction. While climate change impacts populations globally, it has been widely documented that its impacts are most acutely felt across marginalized communities.⁴³

Raw fibers such as cotton are at risk of chronic physical conditions caused by climate change such as extreme weather, drought, flooding, and monsoons.⁴⁴ This issue is increasingly prevalent in some of the apparel industry's sourcing regions, such as India and Pakistan.

Natural disasters and extreme weather conditions can also impact Gap Inc. stores, distribution centers (DCs), and corporate offices. Some of our North American sites – which comprise 90 percent company-operated stores – are exposed to risks of extreme weather, wildfires, hurricanes, and strong winter storms.

Moreover, our company and the apparel industry at large contribute to climate change primarily through activities with high emissions rates, such as the growth and processing of materials, apparel manufacturing, and upstream and downstream

distribution. Without urgent action, scientists have stated business-as-usual will increase the average global temperature 5°C by 2100⁴⁵ – providing a clear imperative for businesses to address this issue. We are also seeing increased urgency from governments and other stakeholders to set actionable plans and commitments regarding emissions and energy consumption.

STRATEGY

Through our climate and renewable electricity commitments, we support the wider global agenda by addressing [United Nations Sustainable Development Goals \(SDGs\) 13 \(Climate Action\)](#) and 7 (Affordable and Clean Energy).

We have a three-pronged strategy to mitigate climate risks and achieve our SBTs.

- 1. Reduce:** Identify energy-efficiency opportunities across stores, DCs, and the supply chain, including lighting, building protocols, heating, ventilation, and air conditioning (HVAC) systems, and logistics transportation methods.
- 2. Convert:** Transition away from non-renewable electricity sources for our own operations and in our supply chain by investing in more sustainable alternatives, Virtual Power Purchase Agreements (VPPAs), onsite solar, and encouraging supply chain use of renewable energy credits where feasible. Convert fibers in our products to [lower-impact materials](#).

3. Inset⁴⁶ and Offset⁴⁷: Explore nature-based solutions, such as regenerative agriculture and watershed restoration, that generate emissions reductions within our supply chain. Carefully consider carbon offset opportunities when necessary and allowed by our SBT commitment.

Supply Chain: With most emissions coming from Scope 3 purchased goods and services, we partner with our suppliers and industry organizations to accelerate decarbonization strategies throughout our supply chain. For example, we require all Tier 1 factories to complete and verify the Higg FEM. We also support suppliers in setting their own carbon-reduction strategies and targets.

We recognize environmental issues are interdependent, and many of our environmental capability-building programs – including our [MSP and WQP](#) – are designed to address water and climate impacts simultaneously.

CDP CLIMATE PERFORMANCE

Reflecting our efforts related to climate action, we received an A- on our 2023 CDP Climate Change submission.

⁴⁶ Insetting: The implementation of nature-based solutions, such as reforestation, agroforestry, renewable energy, and regenerative agriculture, to reduce GHG emissions from one's own supply chain. Some insetting activities also improve the livelihoods of Indigenous communities as a result.

⁴⁷ Offsetting: A way for entities to reduce their carbon footprint by paying money to another entity that works to reduce the total emissions emitted.

CLIMATE ACTION – CONTINUED

Governance and Transparent Reporting:

Our Board of Directors’ Governance and Sustainability Committee oversees programs, policies, and practices related to environmental issues, including reviewing climate-related risks and opportunities and overseeing progress against SBTs.

Our Global Sustainability team is part of Gap Inc.’s Supply Chain and Transformation function, and our teams work together to help ensure climate objectives are considered in our operations. To hold ourselves accountable for transparent reporting, we verify Scope 1, 2, and partial Scope 3 emissions categories and report to the CDP and the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#).

IMPACT

We aim to reduce our negative impacts on the environment while improving resilience for our business, suppliers, and communities across our value chain.

Reducing Scope 1 and 2 emissions through energy-efficiency measures can also deliver utility cost savings. For example, by using energy management systems (EMS) and HVAC- and lighting-efficiency protocols, we saved approximately \$1.5 million in 2023. VPPAs can also provide a potential reduction in direct costs or the generation of additional revenue (dependent on variable market rates) in addition to reduced emissions from the use and production of renewable electricity.

Similarly, by addressing Scope 3 emissions through lower-impact transportation methods – for example utilizing ocean instead of air freight – we can reduce costs while lowering emissions.

OUR NET ZERO ROADMAP

SETTING OUR TARGET AND FIRST STEPS

2017-2022

- We calculated our GHG emissions and focused on our value chain to lower water and energy consumption.
- We started procuring renewable electricity for our company-operated assets.
- We set SBTs aligned with latest SBTi guidance.

DELIVERING OUR NEAR-TERM SBTs

2023-2030

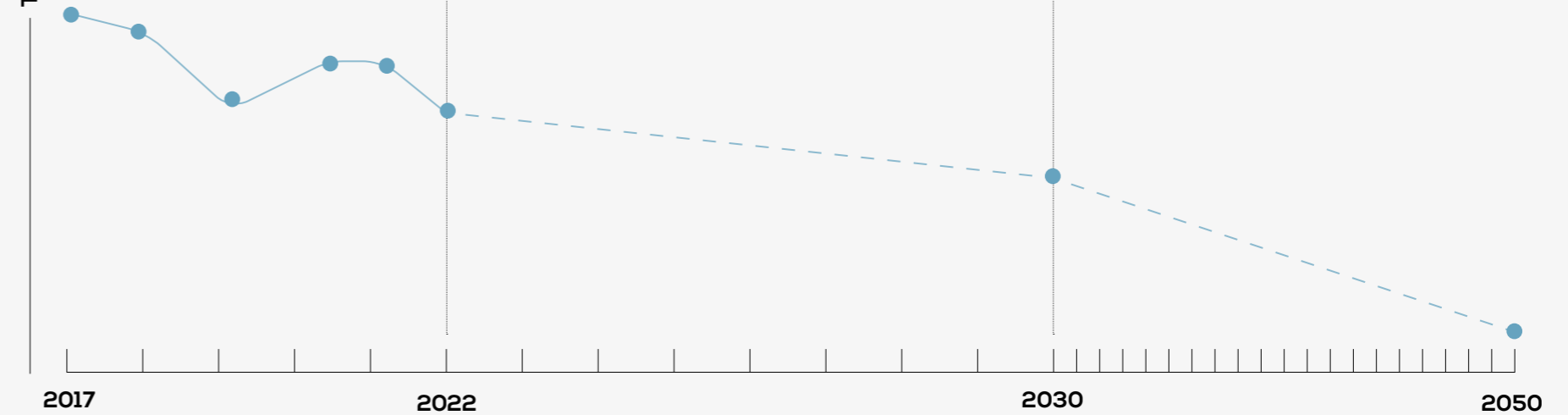
- We submitted updated SBTs to align with latest SBTi guidance.
- We are developing a strategy to lower our company-operated emissions via improved efficiency, VPPA contracting, onsite renewable electricity, and renewable energy credit purchases.
- We are engaging with our suppliers to set decarbonization targets across our supply chain via new investment mechanisms.
- We are converting to preferred fibers with lower carbon and water impacts.

DEEPER CHANGES TO NET ZERO

2031-2050

- We will continue supporting supplier decarbonization via efficiency, renewable electricity procurement, and coal phase out.
- We will partner with our providers to decarbonize upstream and downstream transportation.
- We will adopt circular practices to decarbonize our end-of-life emissions.

Total Greenhouse Gas Emissions⁴⁸



⁴⁸ Illustrative representation of potential emissions reductions resulting from actions to be taken on our path to our 2050 net zero target.

CLIMATE ACTION – CONTINUED

2023 PROGRESS

In 2023, we began the process to update our SBTs and establish our net zero emissions by 2050 target to align with the latest UNFCCC guidance. We also conducted a Forest, Land, and Agriculture (FLAG) assessment and land use emissions inventory.

We began developing a time-bound climate transition plan, as well as an updated climate scenario analysis, to assess our physical and transitional climate-related risks. We are also preparing for emerging climate-focused regulations.

SCOPE 1 AND 2 PROGRESS

Reduce: Our Global Sustainability and Store Operations teams implement measures that reduce our company-operated energy use. From June through August 2023, we conducted a pilot with *facil.ai* to optimize our HVAC and lighting controls in 783 EMS-enabled stores. In October 2023, we began scaling the artificial intelligence (AI) software to all EMS-enabled stores, or approximately one-third of our total company-operated stores. We plan to incorporate *facil.ai* as we deploy EMS to additional stores.

Convert: Since launching in 2020 at our DC in Fresno, California, our 3-megawatt onsite solar project has generated approximately 50–80 percent of the facility’s annual electricity usage and has saved the company approximately \$500,000 per year. We have two existing VPPA projects – Aurora Wind, a 90-megawatt offsite wind farm in North Dakota, and Fern Solar, a 7.5-megawatt offsite solar project in North Carolina. Fern Solar has offset 100 percent

of electricity used at Athleta’s company-operated stores in North America since 2021. We monitor progress for each of these projects through monthly energy generation reports from the VPPA developers, as well as actual energy production and use utility statements at our Fresno DC. To meet our 2030 Scope 1 and 2 goals, we are exploring additional VPPAs and international renewable energy credits.

SCOPE 3 PROGRESS

We regularly monitor emissions associated with purchased goods and services. In 2023, we continued working with the following organizations to improve our data collection and accuracy.

- **cKinetics:** We work with cKinetics to collect monthly energy and water consumption data from our strategic Tier 1 and 2 suppliers.
- **Cascade’s Higg FEM:** We utilize the Higg FEM to evaluate suppliers’ performance on energy, emissions, water, chemicals, and labor. In 2023, 100 percent (565) of Tier 1 suppliers completed and 84 percent (478) verified their responses; and 73 percent (200) of Tier 2 completed and 67 percent (184) verified.
- **Institute of Public & Environmental Affairs (IPE):** The IPE’s platform allows us to monitor pollution data from suppliers in China and support environmental compliance. In cases of violations, the platform facilitates corrective action with suppliers. As of the end of 2023, 92 of our Tier 1 and 29 Tier 2 suppliers were registered to the IPE platform for monitoring.

Reduce: Our suppliers continued partnering with the Aii, of which Gap is a founding member. Four of our strategic mill facilities completed Aii’s Carbon Leadership Program (CLP), which supports the development of a decarbonization action plan at the facility level. We also engaged three strategic suppliers in a nine-month pilot to support setting SBTs across their Scope 1, 2, and 3. The pilot contributed to the launch of the SAC’s Manufacturer Climate Action Program (MCAP). In 2023, we contributed \$84,000 to supplier efficiency programs, which saved approximately 19,000 metric tons of CO₂e.

Convert: As an active member of the UNFCCC working group on coal phase-out, in 2023 we established a baseline of our suppliers’ current coal use. The results indicated an industry phase-out is in process, with 74 suppliers having plans to transition from coal to more sustainable sources by 2025 or 2030. We also enhanced our facility approval process for Tier 1 vendors by prohibiting any new facilities that utilize onsite coal. When a vendor submits a request to add a facility, we now require them to disclose any coal usage. If coal usage is identified, our sourcing team will either deny the request or develop a coal phase-out plan with the vendor before their facility can be approved.

Through our UNFCCC working group, we supported shaping responsible biomass guidelines with peers to prevent increased deforestation as a result of suppliers converting coal or natural gas to biomass thermal energy. We focused our efforts in Cambodia, where biomass-driven deforestation is a known issue.

We actively work with the UNFCCC policy group to advocate for increased access of renewable electricity to our suppliers. As of the end of 2023, 12 of our strategic suppliers have VPPAs.

For distribution, we implemented electric vehicles (EVs) at our Fishkill DC in 2023 and are evaluating energy and cost savings for future implementation.

COMPANY EMISSIONS (METRIC TONS CO₂E) BY SCOPE

Metric	FY 2017 ⁴⁹	FY 2021 ⁵⁰	FY 2022 ^{50,51}
Scope 1	27,220	27,762	41,942⁵²
Scope 2 (location-based)	379,837	247,925	235,106
Scope 2 (market-based)	361,734	111,138	48,519
Scope 3.1: Purchased goods and services	4,730,372	4,786,266	3,987,898
Scope 3.3: Fuel- and energy-related activities	15,518	83,144 ⁵³	13,299
Scope 3.4: Upstream transportation and distribution	514,832	670,820	169,045
Scope 3.5: Waste generated in operations	14,645	20,857	9,423
Scope 3.6: Business travel	48,801	1,774 ⁵⁴	4,582
Scope 3.7: Employee commuting	256,355	20,400 ⁵³	180,398
Scope 3.9: Downstream transportation and distribution	55,379	117,670	83,633
Scope 3.12: End-of-life treatment of sold products	119,353	369 ⁵³	85,804
Scope 3.14: Franchises	28,531	16,529	27,325

⁴⁹ As part of our SBT update in 2023, we recalculated our 2017 baseline and 2022 emissions. As a result, some updated metrics may not match our previous CDP Climate submission or align with previous ESG Reports.

⁵⁰ Our Scope 1, Scope 2, Scope 3.6, and Scope 3.14 emissions have been verified by Lloyd’s Register Quality Assurance.

⁵¹ FY 2023 data will be available later in 2024.

⁵² The Scope 1 increase in 2022 was driven by the new inclusion of hydrofluorocarbons (HFCs).

⁵³ We improved our methodology to calculate Scope 3.3, 3.7, and 3.12; FY 2021 data was from an estimation tool and is not representative of actual emissions.

⁵⁴ Business travel decreased in 2020 and 2021 due to the coronavirus pandemic.

RAW MATERIALS AND PRODUCT

We work internally, with suppliers, and with industry partners to increase the use of preferred fibers in our clothing, aiming to improve our social and environmental impact.

GOALS BY 2025	PROGRESS
SOURCE 100% OF COTTON from more sustainable sources ⁵⁵	98% ● On track
SOURCE 45% (at least) of polyester from recycled sources ⁵⁶	19% ● On track

CHALLENGE

Across Gap Inc. brands, our fiber portfolio includes cotton, synthetics, and cellulosics.

The cultivation of cotton – our most used fiber – impacts land use, soil health, water consumption, biodiversity loss, climate change, and labor and human rights risks.

Synthetics, such as polyester and nylon, are commonly derived from non-renewable, petroleum-based sources, which often have a higher emissions footprint. Manmade cellulosic fibers (MMCFs), such as rayon, modal, viscose, and lyocell, are derived from wood pulp, whose cultivation can impact fragile forest ecosystems.

Fiber production both impacts and is impacted by the environment, and is at risk of adverse effects from climate-related flooding, drought, and heatwaves.

⁵⁵ Defined as: Better Cotton (formerly BCI), verified U.S.-grown cotton (USCTP), organic, in conversion (to verified organic), recycled, or regenerative.

⁵⁶ Some brands have higher goals.

⁵⁷ Gap Inc. [Wood-Derived Fabric policy](#).

⁵⁸ Gap Inc. fiber data is derived on a seasonal calendar from purchase order materials data for all brands, excluding BR Home products. We currently do not trace fiber consumption for franchises or VMI (vendor managed inventory) because their data is not in our booking system. We have limited visibility into third-party licensing and accessories, but are continuously improving this connection.

STRATEGY

We evaluate how different raw materials impact climate, water, biodiversity, and human and animal welfare. By validating the origin and attributes of materials, we aim to build confidence in our sustainability claims through traceability programs.

1. Preferred Raw Materials: We engage with suppliers and brands to identify and source preferred fibers to convert to lower-impact materials.

We rely on robust material life-cycle analysis data, considering factors such as global warming potential, water use, and eutrophication. We may also assess biodiversity impacts, circularity potential, chemistry, land use, and production conditions. To evaluate this data, we leverage industry tools, such as the Cascale Higg Materials Sustainability Index (MSI) and Textile Exchange's Preferred Fiber and Material Matrix (PFMM).

Gap Inc.'s Wood-Derived Fabric policy⁵⁷ prohibits sourcing of wood pulp for the production of cellulose-based textiles, including, but not limited to, rayon, viscose, lyocell, and modal from ancient and endangered high-carbon-value forests.

We have diligent enforcement mechanisms across our supply chain to detect and avoid the use of these materials.

2. Traceability: Both internally and through industry collaboration, we seek to enhance traceability and strengthen certification standards for preferred fiber production,⁵⁸ and are working to establish full upstream supply chain visibility. For example, we are scaling the traceability of preferred fiber using blockchain-based technology with TextileGenesis™. We are also participating in the Better Cotton traceability panel to support tracing our largest preferred cotton sources by volume.

3. Product Impact Claims: Our product claims process evaluates whether product marketing and communications are truthful, accurate, and substantiated. We strengthen our claims through the use of strategic blockchain-based technology and by aligning with best practices through industry collaborations. We support teams in making accurate claims and informed decisions by offering training sessions, an internal Product Claims Toolkit, seasonal fiber consumption reports, and an emissions calculator to estimate the product footprint impact of different fibers.

Learn more:
[> Marketing and Product Claims](#)

IMPACT

Our raw materials and product strategy enables brand teams to embed more sustainable materials into designs, while sourcing teams work to establish long-term supplier partnerships and diversify sourcing regions.

This work contributes to our wider ambitions of achieving net-zero carbon emissions and net positive water impact by 2050 – as well as our external commitments to The Fashion Pact and the UNFCCC Fashion Industry Charter for Climate Action.

By validating more sustainable raw materials claims, we work diligently to avoid greenwashing and legal action associated with invalid claims, while simultaneously building trust with customers and empowering them to make informed purchasing decisions.

RAW MATERIALS AND PRODUCT – CONTINUED

2023 PROGRESS

PREFERRED RAW MATERIALS

Natural Fibers: In 2023, Gap brand introduced regenerative cotton into core styles across its specialty adult khakis range. Gap Inc. introduced European Flax Standard-certified flax fiber as a preferred linen option and continued collaborating with Better Cotton and industry peers.

Synthetics: We continue increasing the proportion of recycled polyester used in production to make progress toward the Textile Exchange 2025 Recycled Polyester Challenge. Our brands have developed roadmaps detailing steps to achieve 45 percent recycled polyester, including strategic investments, scaled conversions, funding, and leadership support.

Cellulosics: To deliver on our Wood-Derived Fabric policy, which focuses on not sourcing cellulosics derived from endangered, ancient, and high-carbon-value forests, we partner with CanopyStyle by setting policies and completing assessments. For example, we only work with MMCF suppliers that receive a ranking of “green shirt” or “dark green shirt” in the Canopy Hot Button Report – indicating strict adherence to forest protection best practices. We’re also partnering with CanopyStyle on next-generation fiber sourcing by prioritizing inputs like recycled textiles and waste materials.

⁵⁹ United Nations

TRACEABILITY

Advancing Traceability Technologies: After piloting the blockchain product traceability platform TextileGenesis™, in 2023 we signed a long-term partnership to scale traceability of preferred fibers at the purchase order level. We are onboarding suppliers onto the platform and aim to integrate TextileGenesis™ product traceability data into our internal systems, which will facilitate traceability for preferred fibers from MMCF, cotton, polyester, animal fibers, and other materials. As of the end of 2023, we’ve traced over 44 million garments through TextileGenesis™.

For three years, we have participated in the Better Cotton traceability panel; in 2023, the organization announced an initial solution to advance cotton traceability. The new tool will capture how cotton is transferred through the supply chain by enabling stakeholders to input relevant information into the Better Cotton Platform.

PRODUCT IMPACT MEASUREMENT AND CLAIMS

Brand Certifications: In 2023, we completed brand certification to Textile Exchange’s Content Claim Standard (CCS 3.0). With this achievement, we are now eligible to use the new Textile Exchange eTrackit and dTrackit systems once fully launched.

This will enable Gap Inc. to better support franchise partners in making sustainability claims while strengthening our overall claims approval process. We have already used the eTrackit system to pilot assessments of Gap Inc. product claims against Textile Exchange’s Global Recycled Standard and Recycled Claim Standard criteria.

Throughout 2023, several of our brands began exploring additional fiber claims, including:

Athleta: [Responsible Wool Standard](#) certification

Gap: Approval received to make [Better Cotton, U.S. Cotton Trust Protocol](#), and regenerative cotton claims substantiated by the [regenagri standard](#)

Old Navy: Approval received to make Better Cotton claims on qualifying products

Banana Republic: [European Flax Standard](#) certification

NATURE

As a procurer of natural materials that carry land use and management impacts, we are developing a multifaceted approach that considers nature as a complex system that has impacts on climate, water, biodiversity, and local communities in our supply chain.

CHALLENGE AND IMPACT

The state of the natural world is shifting on a global scale, with biodiversity loss happening faster than at any other time in human history.

Nature degradation could lead to water shortages and stress, deforestation, pollinator loss, and soil degradation.⁵⁹

We recognize the need to restore and protect natural spaces and biodiversity. In response, we look to the recently published guidelines from the Taskforce on Nature-related Financial Disclosures (TNFD) to guide our approach.

STRATEGY AND 2023 PROGRESS

We are in the early stages of exploring our approach to nature. In 2023, we engaged Conservation International to conduct a land-use assessment of our natural fibers and leather. This work allowed us to understand the impact of our raw material usage on land use and management. We are also analyzing a Forest, Land, and Agriculture (FLAG) inventory alongside our energy-derived GHG emissions to incorporate relevant nature-based actions into our developing climate transition plan.

To evolve our stance on animal welfare, in May 2023 we updated our [Animal Welfare Policy](#). The expanded policy expects all suppliers to source products in an ethical, responsible manner, with any animal-derived materials sourced only from animals bred for food and never from species listed under Appendices I, II, and III of the [Convention on International Trade in Endangered Species of Wild Fauna or Flora \(CITES\)](#). We also continued editing our Wood-Derived Fabric policy to incorporate more nature-related expectations around land use, deforestation and forest conservation, timber use, and paper packaging.



PREFERRED MATERIALS STANDARDS PORTFOLIO

Gap Inc. and our brands engage with various industry standards, working groups, and organizations to advance preferred raw material sourcing and claims, including:

- Textile Exchange
 - Preferred Standards (Organic Content Standard, Global Recycled Standard, Recycled Claim Standard, Responsible Wool Standard, Responsible Down Standard)
 - rPET Round Table
 - Biosynthetics Working Group
 - [Organic Cotton Round Table](#)
 - [Unified Standard system](#)
- Leather Working Group
- U.S. Cotton Trust Protocol
- Better Cotton
- The Aid by Trade Foundation (AbTF) Good Cashmere Standard
- European Flax Standard
- The Microfibre Consortium
- CanopyStyle

CIRCULARITY

We approach our clothing with the full life cycle in mind, aiming to support a systemic shift toward a circular business model for the apparel industry. This entails maximizing each garment's value and considering the product's end-of-life options throughout the design process.

CHALLENGE

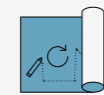
Currently, textiles are handled in a primarily linear system, constituting the fastest-growing waste stream in the U.S., with more than 30 billion pounds of clothing disposed annually.⁶⁰ To prevent unnecessary overproduction that may contribute to apparel waste, Gap Inc. requires increasingly precise forecasting, efficient inventory management, and quality assurance in production and distribution to decrease the disposal of damaged items.

As an apparel producer, we face industrywide challenges to implementing circular business models – for example, compared to natural fibers, synthetics have fewer end-of-life solutions, and the apparel industry lacks widespread infrastructure to recycle synthetic textiles. This makes apparel products made of spandex and nylon more difficult to transition to a circular model. The absence of efficient, large-scale recycling infrastructure means textile-to-textile recycled fibers come at a high cost, making it harder to scale solutions. As a result, fashion retailers may use recycled bottles as source material instead of recycled synthetic garments, which disrupts the plastic bottle industry's largely closed-loop system.

⁶⁰ ACT's letter to the EPA

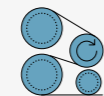
STRATEGY

We support circularity initiatives and objectives, with all our brands adopting efforts aligned to at least one of the four parts of our strategy:



1. Design for Circularity:

Prioritizing product longevity, reuse, and recyclability in our designs.



2. Materials and Manufacturing:

Maximizing use of safe, renewable, and recycled materials, and innovating for circular manufacturing.



3. Advanced Resource Recovery:

Support systems for collecting, sorting, and recycling worn textiles into new materials for the fashion industry.



4. Circular Business Models:

Exploring partnerships that can create new value propositions for our customers and brands.

IMPACT

Embracing circular methods sets us up to meet future extended producer responsibility (EPR) regulations while enhancing our brand reputation, especially among a growing number of environmentally conscious consumers. Designing garments with their end-of-life in mind will streamline their processing, alleviating strain on the emerging textile-to-textile recycling sector.

Our circularity programs help customers rethink how to interact with their garments. We want consumers to understand their garments still have value long after the typical use cycle. As more industries, including apparel and retail, move toward circular systems, this will change how society interacts with the products they buy. Programs such as thredUP's Clean Out Kit and Athleta's Preloved site (launched in 2022) invite consumers to resell clothes they no longer use, helping us keep garments out of landfills and attract new consumer audiences.

By utilizing more preferred fibers and recycled content, we drive down the overall impact of our garments.



CIRCULARITY – CONTINUED

2023 PROGRESS

Design for Circularity: Gap Inc. hosted a “Design for Circularity” workshop for our brand designers, product developers, R&D, and Merchandise teams. We encouraged all stakeholders involved in the product design and development cycle to learn what it means to produce a “circular product” and their role in the process.

Gap brand released its second collection of BetterMade Denim, which stemmed from its participation in the Ellen MacArthur Foundation’s The Jeans Redesign from 2019–2023, an initiative between leading brands, mills, and manufacturers to redesign jeans for a circular economy. Aligned with the initiative, the brand made jeans that are more durable, easier to recycle, and sourced from lower-impact, transparently sourced materials.

Materials and Manufacturing: We’re exploring partnerships with innovative fiber producers and pursuing textile-to-textile recycling for polyester and cellulosic fibers. However, many producers still lack the necessary scale to widely implement these techniques. Our recent partnership with The Hong Kong Research Institute of Textiles and Apparel Limited (HKRITA) drove innovation in these areas, and we are working with our suppliers to scale learnings from the partnership.

Some of the current preferred materials we use, such as Lenzing Group’s TENCEL™ Lyocell fibers, are produced in a closed-loop process which recovers water and 99.8 percent of the solvent, which transforms wood pulp into cellulosic fibers with high resource efficiency and low environmental impact. We encourage all of our cellulosic suppliers to adopt closed-loop manufacturing processes where possible.⁶¹

Advanced Resource Recovery: In September 2023, Gap Inc. hosted an event with the California Product Stewardship Council (CPSC) and **Sortile**, a fiber sortation startup. The event briefed brand designers on garment recycling processes and the latest industry innovations. Sortile also demonstrated a device that uses near-infrared technology and AI to identify garment fibers.

We also funded a CPSC pilot project with the city of Los Angeles. The project aimed to establish a centralized textile circularity hub in line with LA’s Green New Deal goals. CPSC purchased a fiber identification device for a garment sorting facility and developed training materials for staff.

We supported the Apparel Training & Design Centre’s inaugural Incubation Centre by donating funding and fabric for reuse. The Centre hosted 30 female students, selected from **P.A.C.E./RISE program** graduates, who underwent training in entrepreneurship, tailoring, creative skills, and online platform sales.

Circular Business Models: As of the end of 2023, our brands’ thredUP® partnerships have helped customers collect and sell more than 4.4 million units of apparel since 2020. Additionally, Athleta has continued its Athleta Preloved site with thredUP®, which has collected and sold nearly 20,000 items since the start of the program.

Additionally, Banana Republic began developing a tailoring and alteration program in select stores. So far, the service has been met with positive feedback and processes an average of approximately 40 units per location per week. The brand is currently assessing plans to expand in 2024.



Gap brand BetterMade Denim

61 TencelFiber Story

WASTE

We are working to optimize packaging size, minimize unnecessary plastic, divert packaging waste from landfills, and test alternative materials.



GOALS BY 2025/2030	PROGRESS
<p>ELIMINATE unnecessary or problematic plastics in packaging to consumers by 2025 and in packaging to businesses by 2030, in line with our Fashion Pact commitments</p>	<p>47% of unnecessary or problematic plastics in packaging to consumers has been eliminated and replaced with paper or other reusable alternative, including brands' progress in transitioning shopping bags.</p> <p>● On track</p>
<p>ENSURE at least half of all plastic packaging is 100% recycled content, for packaging to consumers by 2025 and in packaging to businesses by 2030, in line with our Fashion Pact commitments</p>	<p>80% of all plastic packaging to consumers is made with 100% recycled content – achieving the 2025 target.</p> <p>For packaging within our business, we are increasing our tracking capabilities and diversion projects as we progress toward 2030.</p> <p>● On track</p>

CHALLENGE

Plastic waste can be detrimental to humans and animals, polluting our planet and damaging ecosystems. It is estimated that more than 430 million metric tons of plastic are produced each year, two-thirds of which are sent to waste after only one use, with 11 million metric tons of plastics entering the ocean annually.⁶²

Fashion retailers rely heavily on plastics to protect garments in supply chains, and due to limited U.S. recycling capabilities for soft plastics and mixed recycling, these often end up in landfills. While our teams have explored store-specific recycling opportunities, we face challenges with recycling due to insufficient store-generated volumes, as the quantities generated at individual stores are not large enough to meet minimum volume requirements for plastic film recyclers.

STRATEGY

Following a three-part strategy, our aim is to combat unnecessary and problematic plastic packaging waste.⁶³

Elimination: Eliminate and substitute plastic packaging with non-plastic alternatives.

Diversion: Divert plastics from landfill through recycling when feasible and where we have control over packaging disposal.

Conversion: Convert necessary plastics to non-virgin materials when feasible.

Our priority areas for tackling plastic waste are hangers, shopping bags, polybags, and e-commerce mailers – representing the majority of business-to-customer packaging by weight.

Gap Inc. monitors state and local legislation relating to packaging given the recent rise in EPR bills and single-use plastic bans. These regulations will impact our future waste and circularity actions.

⁶² UN Foundation

⁶³ All our B2C packaging is categorized as necessary, unnecessary, problematic, or non-problematic. Depending on the category, it is either set for elimination, diversion, or conversion.

IMPACT

By shifting from virgin plastic to recycled content, we stimulate demand for recycled materials. This can encourage the market to improve collection and recycling infrastructure. By optimizing packaging sizes and folding standards, we can enhance shipping efficiency and reduce packaging costs and regulatory fees.

2023 PROGRESS

Elimination: Gap brand stopped sourcing plastic shopping bags as of September 2023. Old Navy also switched to paper shopping bags and is currently moving through the plastic shopping bags that remain in its store inventories.

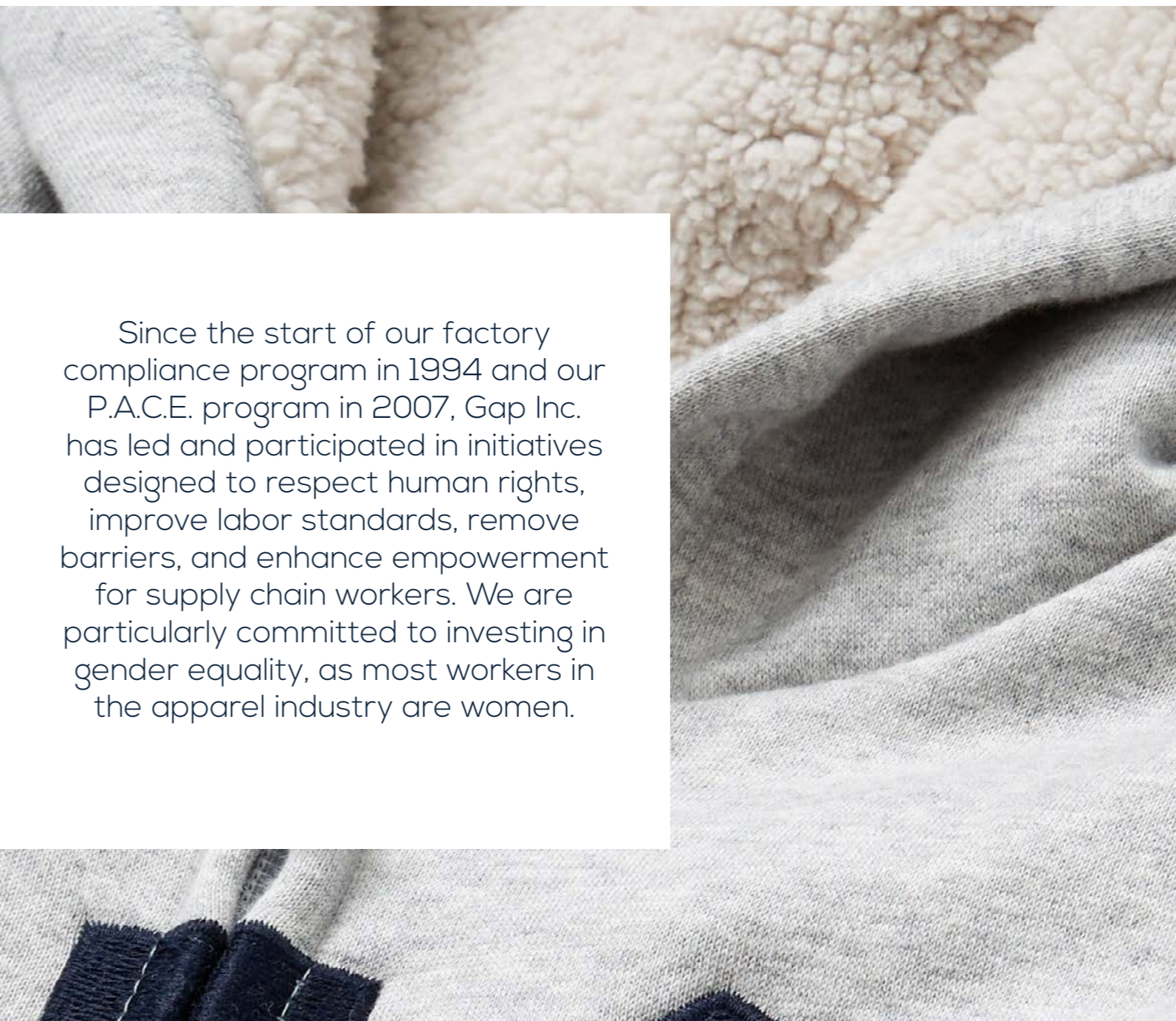
Diversion: Waste audits conducted in late 2022 showed that plastic film was typically the top waste category by weight across our brands, representing between 30–80 percent depending on geography, brand, and access to corrugate recycling.

Conversion: Following rigorous testing of material alternatives, we established that plastic polymailers are necessary for keeping our products protected. Our updated plastic polymailers rolling out in 2024 are made with 100 percent recycled plastic content. Across our brands, we are conducting tests for accessory bags and hangers to identify additional opportunities to reduce plastic content. Old Navy's hanger recycling program is ongoing; the brand will transition its garment-on-hanger program to 100 percent recycled content, with new hangers set for store use in early 2024.



SOCIAL

SUPPLY CHAIN



Since the start of our factory compliance program in 1994 and our P.A.C.E. program in 2007, Gap Inc. has led and participated in initiatives designed to respect human rights, improve labor standards, remove barriers, and enhance empowerment for supply chain workers. We are particularly committed to investing in gender equality, as most workers in the apparel industry are women.

OUR MATERIAL TOPICS: Gender equity | Employment Standards | Supply chain labor standards | Purchasing practices | Product quality and safety

HUMAN RIGHTS

We uphold our commitment to respecting human and labor rights and cultivating dialogue across our supply chain through our assessment and remediation and capability-building programs, and through meaningful engagement with relevant stakeholders and experts who share insights that help inform our larger strategy.



OUR HUMAN RIGHTS ISSUES

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

CHALLENGE

Workers in global apparel supply chains may experience unjust or unsafe work environments. Women, who comprise the majority of the apparel workforce globally, are more likely to be impacted by workplace discrimination, financial challenges, and may also face gender-based violence and harassment (GBVH).⁶⁴

Consumers are increasingly seeking responsibly produced garments, and investors are prioritizing human rights compliance.

STRATEGY

We are committed to supporting the people who make our clothes and safeguarding their well-being. Our [Human Rights Policy](#), approach to key issues listed to the left, and Code of Vendor Conduct (COVC) form the foundation of our holistic human rights and social dialogue strategy. These policies are based on internationally recognized frameworks, including the UN Guiding Principles on Business and Human Rights, UN Global Compact (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 our policies and improve supply chain working conditions, we focus on two areas:

Enabling Compliance: Our [assessment and remediation](#) program monitors factories for compliance with our COVC and applicable laws, followed by partnering with suppliers to remediate identified issues.

Empowering Women: Our suite of [capability-building](#) programs engage suppliers and key stakeholders with training and tools to improve labor standards and benefit their workers, particularly women.

Complying with international labor standards and relevant laws is a requirement of doing business with Gap Inc. We incentivize supplier performance improvements by incorporating COVC audit scores and capability-building program participation into our vendor scorecard, which allows us to prioritize business with suppliers that achieve the highest social and environmental compliance.

IMPACT

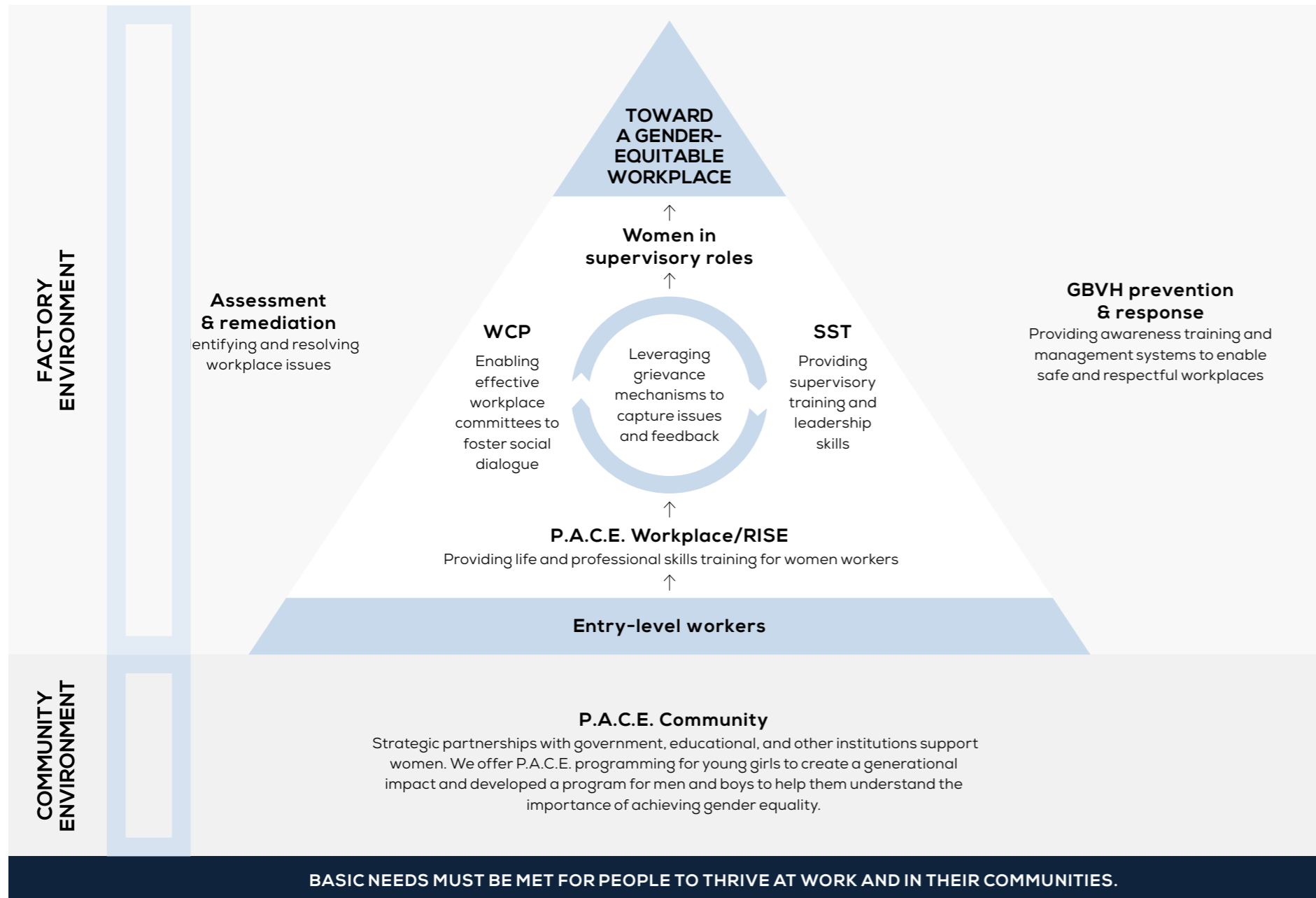
We seek to create an ecosystem that protects the safety and well-being of workers while enabling opportunities for them to advance personally and professionally. By identifying and mitigating human rights issues and their root causes, we enhance worker recruitment, retention, motivation, and productivity.

Our commitment in these areas can also enhance brand image, corporate reputation, and customer loyalty. Effectively, by following our ethical standards and consistently meeting our human rights commitments, we believe we can deliver increased value for all stakeholders.

FAIR TRADE

Since 2016, Athleta has contributed over \$2.8 million in community development funds directly to factory workers of four Fair Trade Certified™ factories. In 2023, 14 percent of the brand's products were purchased from Fair Trade™ factories.

⁶⁴ ILO



2023 PROGRESS

In 2023, we revised our [Human Rights Policy](#) to explicitly encompass our stance on freedom of association, the right to collective bargaining, and safeguards against forced labor, child labor, and discrimination. We also do not tolerate threats or attacks against any person defending human rights.

Emphasizing our dedication to worker safety, we signed the International Accord and joined the Pakistan Accord, a pivotal agreement aimed at enhancing health and safety standards within factories in Pakistan. This builds upon our track record of advancing worker safety in Bangladesh through the Alliance for Bangladesh Worker Safety and now Nirapon, as well as through the Life and Building Safety initiative in Cambodia, India, Indonesia, and Vietnam.

In 2023, the one-year progress report on the [Dindigul Agreement](#) was released and highlights our commitment to accountability and provides an update on our progress against the agreement’s principles.

Looking ahead, we aim to pilot select wage tools within our supply chain to help analyze more detailed wage data, working mainly with Tier 1 suppliers. This will be a key input to assess wages within our supply chain.

⁶⁵ Our previous goal applied to 100% of Gap Inc. vendors. In 2021, we revised the goal to apply to the vendors comprising the top 90% of our business spend in order to focus on the vendors on which we have the greatest influence and impact.

PURCHASING PRACTICES

Purchasing practices of the private sector can affect what happens in the supply chain, including excessive overtime, issues related to wages and benefits, and unauthorized subcontracting to factories with poor or unsafe working conditions. Therefore, we participate in Better Buying, an initiative that promotes responsible labor practices and the protection of human rights in the supply chain, reflecting our ongoing efforts to promote supply chain transparency and fair labor practices. Using feedback collected from our vendors through Better Buying, we can reduce these issues and improve our purchasing decisions and practices. We continue to encourage our vendors to participate in Better Buying, as their inputs and feedback are critical to helping us improve our sourcing practices. We will continue to report on this program and how it is informing our practices in future reports.

GOALS BY 2025

100% of vendors comprising 90%⁶⁵ of Gap Inc.’s business spend are invited to participate in Better Buying

PROGRESS

100% of vendors comprising 90% of our business spend have been invited to participate in Better Buying. We continue working toward sharing updates on purchasing practices improvements

● **On track**

ASSESSMENT AND REMEDIATION

Our assessment and remediation program monitors factories for compliance with international labor standards and laws related to environmental, labor, and occupational health and safety (OHS) issues as outlined in the Gap Inc. Code of Vendor Conduct (COVC) and Cascale’s Higg FEM.



<p>GOAL BY 2025</p> <p>80% of Gap Inc. sourcing will be allocated to green-rated factories</p>	<p>PROGRESS</p> <p>87% of our business spend was allocated to green-rated factories</p> <p>● Achieved</p>
<p>GOAL BY 2023/2025</p> <p>100% of our in-scope Tier 1 facilities will participate in industrywide efforts by 2023, including SLCP and/or ILO-IFC Better Work, and 100% of Tier 2 strategic mills will participate by 2025</p>	<p>PROGRESS</p> <p>100% of in-scope Tier 1 facilities are participating</p> <p>● Achieved</p> <p>95% of Tier 2 strategic mills are participating</p> <p>● On track</p>

CHALLENGE

Violations of our COVC pose risks to the well-being of the individuals and communities comprising our supply chain and can undermine our company values.

Because several companies sourcing from the same factory may have different compliance processes, suppliers may experience “audit fatigue” by spending time and resources on company-specific audits that could otherwise be used to address the root cause of issues and action remediation.

STRATEGY

Our COVC has been in place since 1996, and we actively engage with suppliers to address violations relating to worker safety, labor standards, and environmental compliance. Our Supplier Sustainability Assessment Manual outlines the protocols we use to assess and remediate labor and working conditions issues.

We work closely with suppliers to help ensure compliance with relevant laws, following a three-part approach:

- 1. Assessment:** We conduct three types of assessments: initial assessments to approve entry into our supplier base, annual full assessments of our complete COVC, and follow-up assessments to monitor progress against corrective action plans as needed. By leveraging ILO-IFC Better Work assessments in in-scope countries, we monitor regional compliance. For non-Better Work countries, we also pursue Social & Labor Convergence Program (SLCP) verification to reduce

duplicative assessments and emphasize effective remediation and capability-building programs. Finally, we conduct a small portion of our own assessments (see [Appendix](#) for details).

- 2. Rating:** Suppliers receive a color-coded rating based on assessment performance: green for high-performing factories with minimal violations, yellow for average performers, and red for those with serious issues. Our approval process prevents red-rated factories from entering our sourcing base.

- 3. Remediation:** We follow a structured remediation process, collaborating with stakeholders, conducting investigations and due diligence, and performing root cause analyses by working with the complainant(s), the factory and vendor, local and international stakeholder groups, and other brands sourcing from the same factory.

If COVC violations or Human Rights Policy breaches are identified, parties are informed, and corrective action plans are developed. These plans must include actions to address findings, eliminate root causes, and assign accountability, with clear deadlines for each action. Our timeline for corrective actions and escalation is within 60 days of identification, with the development of a long-term prevention plan extending up to a maximum of 120 days. Closure of corrective plans align with our assessment and remediation framework, ensuring resolutions meet COVC and Human Rights Policy expectations. For ongoing non-compliances, we implement a responsible exit plan, monitoring the factory to address any pending issues during deactivation.

ASSESSMENT AND REMEDIATION – CONTINUED



IMPACT

A critical element and outcome of our assessment and remediation program is engaging workers and relevant stakeholders to understand how labor practices are implemented in the factories where they work. We aim to improve worker well-being, respect human rights, reduce environmental impacts, and improve business performance – while helping our suppliers and their factories improve efficiencies with streamlined industry tools and processes.

We aim to reduce the challenge of audit fatigue and the duplication of industry efforts, leveraging industry initiatives and tools such as the SLCP, Higg FEM, and ILO-IFC Better Work.

Effective assessment and remediation practices can help limit harm to workers and reduce disruptions in our supply chain.

2023 PROGRESS

We continue to see improvements in our factories' assessment scores. At the end of 2023, 79 percent of suppliers were rated green (increased from 74 percent in 2022), 20 percent yellow, and 1 percent red. 87 percent of our business spend was allocated to green-rated factories, surpassing our target of sourcing a minimum of 80 percent from green-rated suppliers by 2025.

In terms of assessments, throughout 2023, 9 percent were conducted by Gap Inc., 34 percent by ILO-IFC Better Work, and 49 percent through SLCP.

For a summary of the issues found in our factories from the past three years of COVC audits, please see our [Code of Vendor Conduct Findings](#).

Learn more:
> [Supplemental Data](#)

CASE STUDY

COLLABORATING FOR MORE EFFECTIVE GRIEVANCE MECHANISMS: GBVH PREVENTION PROGRAMS IN TAMIL NADU

Effective grievance mechanisms and collaboration of factory management, workers, and unions are critical in addressing GBVH. The Dindigul Agreement was created to prevent and address GBVH at Natchi Apparel,⁶⁶ an Eastman Exports factory and spinning mill in Tamil Nadu, India. The Agreement incorporates key principles, definitions, and standards from ILO Convention No. 190 on ending workplace violence and harassment. Although Gap Inc. has never sourced from this factory, we have a relationship with factories operated by its parent company, Eastman Exports.

In 2022, we worked with three labor organizations – the Tamil Nadu Textile and Common Labour Union (TTCU), Asia Floor Wage Alliance (AFWA), and Global Labor Justice-International Labor Rights Forum (GLJ-ILRF) – to address GBVH at Natchi Apparel, following the loss of garment worker, Jeyasre Kathiravel.

We signed the three-year agreement to support regular GBVH training for employees and a grievance process with independent oversight. TTCU recruited and trained workers as shop floor monitors to serve as both peer educators and monitors to detect and report incidents of inappropriate behavior.

Building on our experience working with suppliers through similar GBVH Prevention and Response programs, we aim for all factories to have GBVH training and response systems in place by 2025.

Learn more:
> [One-year progress report on the Dindigul Agreement](#)

AWARD

In 2022, the U.S. Department of State honored Gap Inc. with the Secretary of State's Award for Corporate Excellence (ACE) for Responsible Business Operations for promoting human rights in our supply chain. Gap Inc. was recognized for our work with industry partners and human rights NGOs to lead industrywide action ensuring that workers in the southern Indian state of Karnataka were paid owed wages, allowances, and arrears, despite legal challenges from local industry. Leveraging our scale and influence, our team played a key role in achieving a landmark victory for workers, not just in Gap Inc.'s supply chain, but in the larger apparel sector of Karnataka, which employs over 400,000 people.

⁶⁶ We do not directly source products from Natchi Apparel but maintain relationships with other factories operated by its parent company, Eastman Exports. See our [2022 statement](#).

CAPABILITY BUILDING

Our programs address opportunities to create better working conditions for factory employees, with a focus on protecting women’s safety and rights while supporting their leadership potential.

GOALS BY 2025	PROGRESS
100% of workers employed in our strategic factories ⁶⁷ will have their voices heard through representative workplace committees	91% of strategic factories have representative workplace committees ● On track
100% of our strategic factories will have achieved gender parity at supervisor level	22% of strategic factories have achieved gender parity at the supervisor level ● Needs attention ⁶⁸
100% of our factories will have prevention and response management systems and trainings in place to address gender-based violence and harassment	84% of factories have prevention and response management systems and trainings in place to address gender-based violence and harassment ● On track

⁶⁷ Strategic factories are those representing 80% of our total business spend (defined as: Purchase Order first cost).

⁶⁸ Macroeconomic challenges have negatively impacted factory growth, resulting in reduced turnover and limited advancement opportunities for new female supervisors. While factories across geographies are training potential female supervisors, progress has been slower than anticipated.

CHALLENGE

Assessment programs alone do not resolve complex workplace issues such as worker-management relationships, social dialogue, and GBVH. Issues related to these more complex topics may go undetected through a factory assessment, and even if they are identified, they can be difficult to resolve through traditional compliance approaches. Unresolved issues can negatively impact workers’ well-being and morale, increase absenteeism and turnover, and reduce overall productivity.

STRATEGY

We work to engage suppliers, giving them the tools, training, and resources needed to address challenges related to labor, human rights, and gender equality through our capability-building programs:

- Workplace Cooperation Program (WCP)
- Supervisory Skills Training (SST)
- Gender-Based Violence and Harassment (GBVH) Prevention and Response
- Digital Wages
- P.A.C.E. Workplace/RISE

ILO-IFC Better Work supported the development of WCP, SST, and GBVH Prevention and Response; they also aided their implementation through the Better Work Academy, which Gap Inc. helped establish in 2018. We support our suppliers in running these programs, but our ultimate mission is to build factories’ capacity to sustain them on their own.

We continue to operate our Workforce Engagement Program, which opens communication channels and offers an approach in which workers can confidentially report workplace-related grievances to facility management via worker surveys, interviews, and messaging applications. This program contributes to an enabling environment to improve worker-management relationships and drives facility improvements.

We also offer environmental capability-building programs.

Learn more:

- > [Reduction and Replenishment: Tackling Water Consumption](#)
- > [Chemicals Management](#)
- > [Climate Action](#)

IMPACT

The aim of our programs is to guide suppliers in fostering equitable, empowering workplaces where employees, especially women, are encouraged to advance professionally. When employees receive relevant training and advancement opportunities, they often feel more empowered to advocate for better

conditions in their factories. This helps our suppliers become preferred places to work and can lower their costs through a more productive and consistent workforce. We aim for suppliers to view these programs not as expenses, but as investments in their systems and people.

This also amplifies our reputation by championing programs that generate significant social impacts.

WORKPLACE COOPERATION PROGRAM

Launched in 2016, WCP provides training to workers and management representatives in factory bipartite committees, which include elected representatives from management and line employees, to build stronger industrial relations, foster constructive dialogue, and enable issue resolution.

Although workers on the factory floor have the most visibility into challenges, they are not always empowered to share their grievances and ideas for solutions with managers or communicate effectively. When workers are enabled to proactively flag issues with their supervisors, problems can be more quickly solved, resulting in safer, more effective workplaces. By also addressing gender dynamics, especially where managers are predominantly male and workers are female, WCP aims to bridge the gender gap in communication.

WCP enhances the effectiveness of factories’ bipartite committees with comprehensive training sessions covering various topics, including roles and responsibilities, workplace communication, risk assessment, problem-solving, health and safety, and ILO’s Core Conventions on fundamental rights. Additionally, in selected factories, we provide train-the-trainer workshops, enabling onsite trainers to independently carry out WCP.

We measure progress through baseline and endline surveys from participants. Survey data demonstrates that, when factories have functioning bipartite committees, workers feel confident in voicing concerns, generally leading to faster resolutions. When factories resolve issues internally, this also reduces the number of issues that need to be addressed through traditional assessment and remediation processes.

WCP has been implemented in about 330 factories across nine countries.

SUPERVISORY SKILLS TRAINING

Launched in 2018, SST is a three-day training program that bolsters leadership skills among middle managers and supervisors, fostering improved relations and communication with workers.

When supervisors don’t receive formal training in people management and leadership, it can lead to workplace challenges for teams. For women, this can be exacerbated by gender imbalances in leadership. These issues lead to lower productivity and efficiency and higher costs of training and retraining workers.

SST helps solve these challenges, upskilling existing and prospective supervisors in areas such as listening, fairness, conflict resolution, and time management. It also focuses on educating supervisors about stereotypes, enabling them to recognize potential biases and practice fairer, more inclusive management. We encourage our strategic factories to prioritize the inclusion of women in SST to support our goal for gender parity in supervisory roles.

As a result of training, supervisors are more respectful, treat workers better, and are well equipped to respond to workers’ grievances, which can improve workplace culture and working conditions.

SST is active in 408 factories. Approximately 19,000 supervisors and prospective supervisors have completed training by Gap Inc. teams, Better Work, or factory trainers (46% of trainees are women). At 145 factories, at least 90% of current supervisor staff have undergone training.

GENDER-BASED VIOLENCE AND HARASSMENT PREVENTION AND RESPONSE

We maintain a zero-tolerance policy for physical, psychological, and sexual harassment. However, we cannot rely solely on assessments to detect and address these challenges. Launched in 2018, our GBVH prevention and response training plays a central role in raising awareness among employees – from line workers to top management – on this important issue. We review and improve our factories’ GBVH policies and grievance mechanisms, support government policies that address this issue, and tailor our training programs to align with such legislation.

GBVH issues can surface due to power imbalances, high-stress environments, lack of awareness, and inadequate supportive policies. When an employee is not provided with a congenial working environment, it can affect their morale and mental well-being, potentially creating a hostile work environment or leading to decreased productivity.

Our strategy focuses on three areas:

- Raising awareness of GBVH, why it happens, and what can be done about it.
- Investing in preventing and addressing the issue in the workplace.
- Using our prevention and response spectrum to identify, address, and remediate issues immediately.

When we identify GBVH cases, we collaborate closely with factories, leveraging their established policies and protocols to conduct investigations, provide protection for the survivor, and resolve issues. For past identified incidents, each factory treated the cases with the utmost seriousness, with perpetrators facing consequences and possible dismissal, as outlined in Gap Inc.’s policy. Our top priority, which underpins our approach, is safeguarding survivors. We work to guarantee their job security is not at risk and continue to foster a safe environment for employees to report cases without fear of retaliation.

573 facilities are participating in our GBVH Prevention and Response program.

DIGITAL WAGES

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

Though cash wages are common across the apparel sector, this payment form increases the likelihood of income loss or theft and presents challenges for workers seeking formal financial services such as insurance, credit, or savings.

Workers may also have limited knowledge of the banking system, lack trust in the financial services industry, or have lower financial literacy rates. Our goal is to promote financial inclusion through digital wage programming. When workers have financial control, achieved through prudent saving and spending, they can direct their earnings toward the right channels, thus preventing issues that can negatively impact their well-being, such as debt-related anxiety and stress.

We simultaneously address obstacles to digital wages through financial literacy workshops delivered through **P.A.C.E./RISE**, factory education on the business case for digital wages, and engagement with banks and governments to resolve regulatory barriers and create accessible, affordable options.

We have increased the share of Tier 1 suppliers offering digital wage payment systems from 68% to 98% since 2017.

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

To amplify the Gap Inc. Personal Advancement & Career Enhancement (P.A.C.E.) program, we have begun integrating P.A.C.E. Workplace into **Reimagining Industry to Support Equality (RISE)**, an industry collaboration created to advance gender equality in global garment, footwear, and home textiles supply chains.



P.A.C.E. session in Guatemala, Global Communities



Along with Business for Social Responsibility's (BSR) HERproject™, CARE International, and ILO-IFC Better Work, Gap Inc. is a founding member of RISE. As of August 2023, RISE participants have jointly deployed over 7,000 training programs to more than 5 million workers to increase skills, knowledge, and confidence.

STRATEGY

We deliver the P.A.C.E. program globally across multiple industries and settings in partnership with local NGOs, governments, brands, and schools.

P.A.C.E. Workplace/RISE: Focused on workers in our supply chain, this program offers curriculum modules on self-management, communication, problem-solving, decision-making, time and stress management, execution excellence, financial literacy, worker rights and responsibilities, basic health, and sexual and reproductive health. P.A.C.E. Workplace/RISE is also integrated into our Supplier Sustainability program through our vendor scorecard, signaling to vendors that the program is a strategic priority and an expectation of our partnership with them.

P.A.C.E. Community: We expanded P.A.C.E. in 2013 by forming strategic partnerships with governments, educational institutions, and other organizations to innovate programs empowering women and advancing gender equality in communities in our top sourcing regions. Targeting different age groups and demographics, the goal is to not only assist women in progressing in their careers but educating boys and men about their role in advancing equality.

Because gender inequality intersects with environmental issues like water scarcity, in 2017, we launched a WASH (water access, sanitation, and hygiene) curriculum to address water issues through the lens of people and human rights to support our **community water resilience** efforts.

IMPACT

Through P.A.C.E./RISE programming, we seek to promote gender equality by strengthening knowledge and skills for workers and managers and embedding gender equality in community practice.

Advancing a world where women and girls can realize their full workplace potential delivers benefits to both society and the economy. A 2015 research study indicated that, if women's workforce participation matched that of men, it would unlock an additional gross domestic product (GDP) opportunity of \$28 trillion by 2025.⁷¹ For Gap Inc., P.A.C.E./RISE delivers potential benefits in the form of increased factory efficiency, productivity, performance, and retention.

A 2022 Global Communities report indicated that, among 719 women who graduated from P.A.C.E. Community in Guatemala, confidence levels increased by 19 percent. Additionally, there was notable enhancement in problem-solving abilities. At a personal level, women felt more confident in their ability to make life decisions and that they could occupy a leadership position within their group and community.

A 2023 endline study by Project Concern International India assessed psychosocial competencies and leadership skills among community leaders after using tools that included the P.A.C.E. curriculum. The study found that 69 percent reported personal resilience levels⁷² well above the baseline. Additionally, these participants demonstrated a 32 percent improvement in communication confidence and a 21 percent increase in commitment to supporting gender equality.

1.4M+ women and girls (approximately) have been reached through P.A.C.E./RISE since 2007

GOAL BY 2025

100% of our strategic factories are investing in women's empowerment through participation in P.A.C.E./RISE

PROGRESS

54% of strategic factories have at least 50% of their female workers enrolled in or completed the P.A.C.E./RISE curriculum

● On track

CHALLENGE

Today, progress toward decent, dignified, and gender-equitable working conditions remains slow for the 40 million women working in global clothing, shoe, and home textile factories, farms, and packing houses.⁶⁹ From GBVH and gender discrimination to leadership representation gaps, women face barriers to work and economic advancement. Gender inequality also stymies wider economic progress,⁷⁰ and as a signatory to the UNGC, we are committed to supporting the **UN Sustainable Development Goals**, including Goal 5 on gender equality.

69 ILO

70 McKinsey & Company

71 McKinsey & Company

72 Resilience was calculated based on 14 statements that cover a person's ability to adapt, work in adverse situations, manage anxiety, and stay strong.

GAP INC. P.A.C.E. AND RISE – CONTINUED

2023 PROGRESS

Men and boys play a critical role in achieving gender equality. Knowing the importance of men’s engagement, we are creating training spaces for mixed groups, including our Ministry of Rural Development (MoRD) partnership, Apparel Training & Design Centre (ATDC) Vocational Training Centers, and RISE programs.

P.A.C.E. Workplace/RISE: Partnering with BSR, CARE, and ILO-IFC Better Work, we officially launched RISE in March 2023. Now fully staffed, RISE has begun to roll out workplace programs with its 27 member brands and has designed two training models: local partner-led peer-to-peer learning and a specialist training-led integrated module. Local expert organizations were identified and trained in five priority countries – Bangladesh, Cambodia, India, Vietnam, and China – for the peer-to-peer learning model, also set to roll out in Guatemala, Pakistan, and Egypt. Gap Inc. delivered similar training to our internal team of specialists in 2023.

P.A.C.E. Community: Through P.A.C.E. Community programs, we continued to support and scale strategic partnerships in select countries:



BANGLADESH

The NGOs Network for Radio and Communication hosted P.A.C.E. programming across 10 community radio stations to reach young people – particularly women – in rural areas. Between broadcasts and social media streaming, the program reached approximately 4 million people with episodes on self-management, communication, problem-solving and decision-making, time and stress management, WASH, and financial literacy.

INDONESIA

Plan International enrolled over 1,500 young people and 36 new schools in a P.A.C.E. semester that ran from August to November 2023.



GUATEMALA

International NGO Barefoot College International delivered P.A.C.E. programs to 350 women. An endline report indicated that 77 percent of participants achieved an increase in savings, while 87 percent had taken steps to develop family budgets.

CAMBODIA

Since 2018, we have partnered with Kampuchea Action to Promote Education (KAPE) to extend the reach of our adolescent P.A.C.E. program, delivering the curriculum to 28 schools and more than 21,000 young people.



INDIA

Through a collaboration with the MoRD, P.A.C.E. life skills have been incorporated into existing national skills development and vocational training curriculums. As a result, more than 70 master trainers and nearly 400 trainers have been upskilled in the fundamentals of P.A.C.E.

We continued piloting the P.A.C.E. environment module with our partner, the Humara Bachpan Trust. The aim of the module is to help participants understand how they are impacted by climate change and their own potential for leading positive change. The pilot finished in December 2023 and impacted more than 46,000 women and girls.

A survey of participants who had at least six months’ exposure to the module highlighted that 83 percent agreed climate change was negatively impacting their environment. 69 percent were highly concerned, and 52 percent believed they were capable of individual pro-climate action.

Finally, ATDC surpassed their target to reach 26,000 women and girls by 2023. Gap Inc. India teams supported 181 beneficiaries across 17 ATDC locations across the country with scholarships worth about \$173,000.

SUPPLY CHAIN AND COMMUNITY STORIES

Our suite of capability programs, P.A.C.E./RISE, and P.A.C.E Community create an ecosystem of empowerment for our supply chain workers, particularly women. Individuals have participated in multiple programs to further advance their careers and personal lives.

EMPOWERING AND ADVANCING WORKERS

INDIA – KAVITA

Born in a small village in Rewari, Kavita was a quick learner and diligent student. In 2000, she started working at a garment factory in Gurugram as a helper with no sewing skills. Kavita worked tirelessly to learn new skills. Participating in various training programs with the Gap Inc. team, including P.A.C.E., WCP, and SST, helped her advance, she says, propelling her to achieve her latest position as supervisor.

CAMBODIA – VOUEEN RAI

“I was a line worker, and I have been promoted to be a line leader for two years after completing P.A.C.E. program. I met a lot of challenges after I took a leading role as a line leader as it was a new job to me with more responsibilities. I joined SST in 2022, and I have learned a lot from the training, including effective communication, influential leadership, and dealing with different types of people. I can recognize different characteristics of my team and deal with them in different ways. I can manage my work better, and there is good communication and collaboration among my team members.”

VIETNAM – NGA

Vu Thi Thuy Nga started working as a garment factory sewing worker in March 2023. Her participation in the P.A.C.E. program led to her becoming a bipartite committee member, enabling her to work alongside employee and managerial electives to improve the workplace. P.A.C.E. supported her development of communication and problem-solving skills, helping her become more open and confident when speaking to supervisors and coworkers, and enabling her to respond to problems more positively. As a member of the bipartite committee, she can share the knowledge and skills she learned from P.A.C.E. with coworkers, giving them the confidence to voice their opinions and work together to come up with constructive ideas and solutions.

CHINA – WEI YIN

Wei Yin has been working in Suzhou Industrial Park Zhengda Knitting Co. Ltd. For 11 years and joined the bipartite committee as a worker representative. Initially, she was too shy to speak, but thanks to her hard work and determination, bolstered by communication skills learned during WCP and SST training sessions, her confidence grew exponentially and she was able to excel.

Because she was involved in the decision-making process of the factory, she learned to think strategically about how operations could be improved. After WCP launched in her factory in 2019, and following her outstanding performance after joining the bipartite committee, she was promoted to line leader. She also became the internal trainer, responsible for delivering SST to other line leaders – a huge personal success and great source of pride for her and her family.

IMPLEMENTING LEARNINGS FROM GBVH TRAINING



INDONESIA – SAHID

As a factory mechanic operator, Sahid has observed GBVH firsthand and seen how it unfolds both within his factory and department. Sahid was aware of instances when his team members would touch the sewing operators or call them “honey.”

As a result of the factory providing in-depth training to all employees, there is greater awareness around what constitutes GBVH. Furthermore, the facility has posted anti-GBVH posters, broadcasted an “anti-GBVH everyday” campaign, and provided channels to report cases that occur.

Sahid is appreciative of the actions his facility has taken to increase employee awareness around GBVH.

“I’m now aware of GBVH and its consequences. I always warn my coworkers about GBVH if I see any hint of it, saying: Hey! We must be careful of our actions. Remember the GBVH campaign.”

P.A.C.E. COMMUNITY IMPACT

INDIA – POONAMBEN

When her father died, Poonamben Balasaheb Shirgule and her family were left in a financially precarious situation. Things took another bad turn when she married and moved into her in-laws’ home, where she faced difficulties and social pressures that caused her to return to her family and a life of laborious farm work.

The tide turned for Poonamben in May 2022, when she met a Self-Employed Women’s Association (SEWA) leader. What followed was a remarkable journey of personal transformation.

Poonamben was selected for a 15-day SEWA training program, where, alongside 40 other women, she delved into SEWA’s [11 questions](#). Following this, she participated in P.A.C.E. to further enhance her growth, self-confidence, and skills that would ultimately lead to her being offered the role of SEWA master trainer. In her new role, Poonamben has trained nearly 1,500 women and established 15 Bachat Mandals (savings groups) to help members avoid financial exploitation.

“I thought I was seeing a beautiful dream. I could not believe that I, who had studied only up to the 10th grade and had been considered unworthy, was being offered a job as a trainer! My heartfelt gratitude to SEWA and Gap Inc. P.A.C.E. program for their confidence in my abilities.”

A barrier faced by women in Poonamben’s community is their inability to leave home without familial and societal criticism. Drawing from her own experience, Poonamben encouraged women to be resilient. Poonamben’s impact has been felt far beyond her own village, as she has inspired neighboring Adivasi women to create their own Bachat Mandals.

SEWA’s core values, combined with Gap Inc.’s P.A.C.E. program, were instrumental in Poonamben’s journey. They equipped her with the tools to overcome adversity, positioning her as a beacon of change in her community.



SOCIAL

WORKPLACE AND COMMUNITY

Creating sustainable economies and a culture of equality and belonging means using the assets and scale of our business to enable access to opportunity for the people and communities we serve. Our programs and partnerships are opening doors to underrepresented talent across gender, race, age, and more.

OUR MATERIAL TOPICS: Health and safety | Talent attraction and workforce development | Diversity, equity, inclusion, and belonging | Community engagement

ENABLING OPPORTUNITY AND SOCIAL IMPACT

Gap Inc.'s Enabling Opportunity and Social Impact programs leverage our business assets and capabilities to empower economically marginalized individuals across North America. This Way ONward became our first Opportunity Hiring program in 2007 with a focus on youth from underserved communities. Since then, we have extended support to refugees and immigrants to fill essential roles across our stores and distribution centers (DCs) while advancing opportunity and prosperity in the communities we touch.

CHALLENGE

Our efforts focus on marginalized groups facing some of the highest barriers to employment. We acknowledge the role Gap Inc. can play in addressing the distinct challenges faced by different groups while recognizing the untapped source of talent they represent for our business.

The business imperative to address this is clear. As the largest American specialty apparel company, our stores and DCs require thousands of employees to serve our customers, especially during the holiday peak season. To address the employment barriers faced by underrepresented groups, Gap Inc. creates access to job opportunities for these talent pools.

In addition, young adults are frequently overlooked for employment opportunities. Currently, one in nine young individuals are

neither enrolled in school nor part of the workforce. In the U.S., nearly 5 million young adults, aged 16 to 24, fall into this category of "opportunity youth."⁷³ With around 80 percent of today's jobs gained through networking, those with limited social capital are at a clear disadvantage. Securing first jobs can be a challenge, compounded by the lack of career growth and advancement opportunities offered by many entry-level positions. While this does represent a challenge for the youth demographic, it is one that is being addressed by leveraging brands like Old Navy to create thousands of jobs and workforce development opportunities for first-time workers every year.

Refugees and immigrants often face similar employment challenges. In the past two years, the U.S. welcomed nearly 500,000 refugees through sponsorship and traditional resettlement pathways, up from 11,400 in 2021.⁷⁴ Inclusive of refugees, over 19 million adults in the U.S. have limited English proficiency,⁷⁵ the majority of whom are Spanish speakers facing ongoing and significant barriers to employment⁷⁶ and financial stability. Such barriers include education and language constraints, discrimination, and limited access to transportation and professional networks for economic advancement. We know adults with English proficiency experience higher earnings outcomes,⁷⁷ and yet language learning resources remain inaccessible and unaffordable for many. Supporting these communities in learning English could open a whole new pool of talent while helping them secure financial stability.



Alex & David Cruzado (Maintenance)

STRATEGY

Our Enabling Opportunity and Social Impact strategy is based on leveraging the scale of our business to expand opportunity and mobility for economically marginalized individuals. We do this by providing a:

Way In: We build robust local hiring pipelines while removing barriers to employment by investing in critical wraparound supports.⁷⁸

Way Up: We help enable career mobility and remove barriers to equitable advancement.

Way for All: We lead by example and influence other employers to create pathways for economic mobility.

The success of our business depends on equal economic opportunities. We aim to open doors within Gap Inc. – starting with entry-level roles – and seek influence the industry to follow suit.

Our people-first approach prioritizes societal impact and meaningful partnerships with NGOs, public-private collaboratives, and other employers.

Through these programs and partnerships, we create opportunities for underrepresented talent across, race, nationality, language, age, gender, and more.

⁷³ [Aspen Community Solutions](#)

⁷⁴ [Welcome.US](#)

⁷⁵ [Brookings](#)

⁷⁶ [American Progress](#)

⁷⁷ [Brookings](#)

⁷⁸ "Wraparound" support services refer to an organization's offering or coordination of a holistic program of supportive services that are meant to be person-centered; in this context, employees may be best positioned to thrive in a job environment when they have stable housing, are food secure, have access to transportation, and have job-appropriate clothing. While job training may be the core service provided, the organization may also provide additional coordinated services to address English language acquisition, housing, transit, food, and clothing needs.

ENABLING OPPORTUNITY AND SOCIAL IMPACT – CONTINUED

IMPACT

Gap Inc. currently stands as the largest specialty apparel retailer in America. Through our Enabling Opportunity and Social Impact programs, we help thousands of individuals build invaluable skills, such as confidence, financial literacy, interpersonal communication, and problem-solving, boosting their employability and income prospects for the future.

By creating equal access to jobs and opportunities, we can build a strong and inclusive talent pipeline. Additionally, research highlights that investing in training and mentorship for hourly, frontline workers drives higher productivity, enhanced customer service, and improved hiring and retention rates.⁷⁹

Our DC pilot programs have shown that our refugee hires have lower attrition and higher productivity rates than their peers, demonstrating the ability of programming to simultaneously create positive societal impact and address our business’s labor needs.

This Way ONward supports our efforts to cultivate diverse talent, with 70 percent of alumni identifying as People of Color. It also encourages partnerships with local community organizations, strengthening connections between stores and the communities they serve, resulting in improved employee engagement for volunteers who support the program. Surveys from our third-party evaluation partner consistently show that This Way ONward participants exhibited longer job tenures and higher engagement scores than their peers at Old Navy.

These programs also generate a positive impact at a societal level, helping refugees and immigrants feel more connected to their new home, increasing confidence for youth kickstarting their careers, and increasing economic opportunity and mobility for the communities where we operate. Studies also suggest that employing the younger generation could potentially save the U.S. \$93 billion annually through reduced social services and increased revenues.⁸⁰

PARTNERSHIPS

STRATEGIC PARTNERS

Distribution Centers

- [National Immigration Forum](#)
- [Second Chance Business Coalition \(SCBC\)](#)
- [Tent Partnership for Refugees](#)
- [Welcome.US](#)

This Way ONward

- [CoLabL](#)
- [Jobs for the Future \(JFF\)](#)
- [NRF Foundation](#)
- [Opportunity@Work](#)

IMPLEMENTING PARTNERS

Distribution Centers

- [EnGen](#)
- [Honest Jobs](#)
- [Jewish Family Service \(JFS\)](#)
- [WorkLife Partnership](#)

This Way ONward

- [Archdiocesan Youth Employment Services, Los Angeles](#)
- [Boys & Girls Clubs of America](#)
- [BGC Canada](#)
- [Cambridge Housing Authority](#)
- [Enterprise for Youth](#)
- [Goodwill of North Georgia](#)
- [Jobs for America’s Graduates \(JAG\)](#)
- [Northern California College Promise Coalition \(NCCPC\)](#)
- [Orlando Community & Youth Trust](#)
- [Pacific Community Resources Society \(PCRS\)](#)
- [Sacramento Employment and Training Agency \(SETA\)](#)
- [The City of Calgary Youth Employment Centre \(YEC\)](#)
- [The Door](#)
- [Youth Co-Op](#)
- [Youth Employment Service \(YES\)](#)
- [Youth Job Center \(YJC\)](#)



Dulce Benitez (Merchandise Handler)



Rafael Keane (Ops Supervisor)



Edith (This Way ONward participant)

⁷⁹ [Harvard Business School](#)

⁸⁰ [Panorama Global](#)

THIS WAY ONWARD

2023 PROGRESS IN OUR STORES

GOALS BY 2025	PROGRESS
HIRE 5% of Old Navy entry-level store employees from This Way ONward annually	4.3% ● On track
REACH 20,000 youth through This Way ONward	19,600 youth reached since 2007 ● On track

This Way ONward unlocks potential for economically marginalized, early-career talent aged 16 to 24 and provides access to valuable talent for our Old Navy stores. By partnering with community-based organizations across the U.S. and Canada, This Way ONward has paved the way to employment and financial stability through skills training, wraparound supports, mentorship, and work experience.

WAY IN

In 2023, Old Navy invested in organizations serving opportunity youth across North America, reaching 4,500 youth in 2023. This includes long-time national partner Boys & Girls Clubs of America to bring more teens back into local Clubs, following a decline since 2020. These Clubs give teens access to a caring and safe environment, alongside high-quality programs and unique experiences, like This Way ONward. In 2024, Old Navy and Boys & Girls Clubs will celebrate 30 years of partnership.

WAY UP

In 2023, our strategic partnership with CoLabL enabled us to build our Way Up strategy. CoLabL helped design and facilitate signature networking and skills development events for program alumni, as well as strengthened opportunities for one-on-one mentoring, group coaching, and leadership development.

CoLabL created tailored store leader training sessions for managers to promote relationship-centered, inclusive leadership practices to foster an ecosystem of support for This Way ONward alumni. This work has facilitated our Learning and Development team to embed best practices for upskilling and mentorship into our standard operating procedures.

WAY FOR ALL

In collaboration with **Jobs for the Future** (JFF), we were able to share the lessons learned from This Way ONward as part of a strategy playbook for supporting early-career frontline talent. Gap Inc. was also a founding coalition member of Opportunity@Work's **Tear the Paper Ceiling campaign**, supporting STARs – individuals Skilled Through Alternative Routes other than a bachelor's degree.



In our 2023 evaluation, This Way ONward participants continued to demonstrate individual benefits such as increased confidence; increased capacities in interpersonal communication, problem-solving, time management, and conflict resolution; increased financial literacy and mental arithmetic; increased opportunities for advancement; expanded professional networks (social capital); and increased income.

This Way ONward also has meaningful ripple effects on participants' communities and families, increasing community engagement, positive relationships with friends and family, and, due to better job prospects, reduced financial stress for their families.



STORY

TEARING THE PAPER CEILING

As a young adult, Benny joined the workforce immediately after receiving his GED (General Education Development) qualification. Despite a lack of retail experience, he started in 1998 as a part-time seasonal Store Associate at an Old Navy retail store, alongside a warehouse job. After the holiday season, Benny was invited to continue with the company thanks to his transferable skillset of problem-solving, operational skills, data management, inventory, scheduling, and billing.

Benny was a perfect example of what Ad Council and Opportunity@Work's Tear the Paper Ceiling campaign calls a STAR. These individuals are often confronted with the "paper ceiling" – the invisible barrier for workers without a bachelor's degree.

After joining Old Navy full time, Benny worked his way up to General Manager of his local store by 2003. At that time, most retail companies required the next step, a District Manager, to have a bachelor's degree. Despite this roadblock, Benny was promoted to District Manager in 2007.

Benny's success is thanks to his hard work and the valuable role played by his mentors, and he's paying it forward by supporting the next generation of workers through This Way ONward.

"Where I've been most successful as I've grown my career has been because I've had a mentor to encourage me and keep me on the right track. I feel like I have a responsibility to continue to pay it forward."

Video: [Benny's Journey](#)

REFUGEE AND IMMIGRANT HIRING

2023 PROGRESS IN OUR DISTRIBUTION CENTERS

In our DCs, we strive to fill essential roles with individuals from all backgrounds to support the communities where we operate, with a focus on supporting local refugee and immigrant talent pools. As part of this, we cater to the specific context and requirements of each DC, with pilots focusing on our top-volume DCs with the highest hiring demands.

REFUGEE AND IMMIGRANT HIRING

Our efforts in 2023 focused on standardizing hiring and onboarding processes and collaborating with local organizations to better support our approach to employing refugees and immigrants. We also focused on providing better support to English language learners (ELLs), including conducting a comprehensive document translation exercise, linking ELLs with bilingual trainers and supervisors and ensuring new employee orientation is set up for bilingual facilitation. We demonstrated success in implementing digital translation support on the DC floor to help ensure employees have support during their shifts.

We successfully launched a hybrid ELL program in collaboration with EnGen and Dutchess Community College, aiming to equip ELLs with skills to apply in the workplace, home, and their local communities. The pilot program, targeting our Fishkill and Grovport DCs, enrolled more than 150 people, with 59 percent of participants indicating self-reported proficiency gains. We are actively exploring ways to bring this resource to even more employees next year. In addition, some English-speaking supervisors are using program resources to learn Spanish, strengthening communication and connection with those on their team.

Specifically, in our DCs, refugee and immigrant employees have benefitted significantly by having access to ELL programs at Gap Inc., including the ability to help their children with schoolwork and boosting their confidence at work.

So far, we've learned that refugee and immigrant hires at our DCs are highly engaged, demonstrated by strong productivity and low attrition rates.

WRAPAROUND SUPPORT

Gap Inc. is dedicated to addressing potential barriers to our workforce in sustaining employment, and investing in organizations that provide wraparound support services⁸¹ to do so. For example, in 2023, we launched a pilot with WorkLife Partnership in our Fresno, California, DC. The pilot offered employees and their families confidential one-on-one support to work through issues like transportation and housing access, or addressing financial burdens. To date, 28 participating employees accessed personalized guidance on local community resources, incentives, and support that directly caters to their needs. We're also seeing ripple effects through the employees' family members and children (totaling nearly 100 people) that have gained from these immediate-term supports. We're exploring ways to bring this type of support to additional frontline employees in 2024.

STORY

SUPPORTING REFUGEE RESETTLEMENT IN THE U.S.

In honor of World Refugee Day in September 2023, Gap Inc. CEO Richard Dickson attended the Welcome.US CEO Council meeting at the White House to discuss refugee resettlement and sponsorship programs.

Bringing together CEOs from some of the country's biggest companies, along with White House officials, the meeting explored ways to collaborate to support scalable pathways for people seeking safety in the U.S. Attendees discussed ways the private sector can help unlock additional resources and solutions, including addressing immediate resettlement needs like connecting newcomers to employment opportunities, in collaboration with Tent Partnership for Refugees.

Learn more:

[› Employee Engagement](#)

[› Political Engagement](#)



TENT



Welcome.US



STORY

FINDING STABILITY WITH GAP INC.

“When I came here from my country, I thought it was going to be more frustrating because of the change in language, but when I got here, I found a big family. My team is incredibly supportive and they've taught me a lot of things I didn't know. Regardless of religion, ethnicity... we are all supported here at Gap. This is like my second home.”

Fiol Jiménez, Merchandise Handler at Fishkill DC

345 refugees and immigrants were hired at our DCs in 2023

⁸¹ Wraparound support services

EQUALITY & BELONGING

Inclusion has been integral to our business approach since we opened in 1969. Our dedicated Equality & Belonging team helps us remain focused on our goals, embedding belonging into every aspect of our business. We believe that when you make inclusion an imperative, it closes the gaps between us and opens a world of possibility.

GOALS BY 2025	PROGRESS
DOUBLE the representation of Black and Latinx employees at all levels in our U.S. HQ offices relative to a June 2020 baseline (4% Black, 10% Latinx)	7% of our U.S. HQ employees identify as Black (2025 goal: 8%) 11% of our U.S. HQ employees identify as Latinx (2025 goal: 20%)
INCREASE representation of Black employees by 50% in our store leader roles in the U.S. relative to a June 2020 baseline (9%)	8% of our store leaders (defined as General Managers) in the U.S. identify as Black (2025 goal: 13%)

CHALLENGE

Establishing our commitments in 2020 marked a critical moment in our Equality & Belonging journey. Established during a collective moment of awareness and desire for change, these goals aimed to be a force for good and break down the centuries-old systems that have held back Black and Brown communities.

Across industries, surveys reveal that 62 percent of workers feel diversity, equity, and inclusion (DEI) programs are ineffective,⁸² and 46 percent say the programs have failed them personally. Even relatively diverse companies face challenges in creating work environments characterized by inclusive leadership and accountability among managers, equality and fairness of opportunity, openness, and freedom from bias and discrimination.

STRATEGY

To build a stronger sense of belonging across all of our employees and communities, our strategy anchors on our commitments in three critical areas:

- 1. Employee Belonging:** Create a culture of inclusion where everyone feels they belong and can reach their potential.
Transparency: Increase transparency, accelerate progress, and contribute to industry learning.
Representation: Double representation of Black and Latinx employees in our U.S. headquarters. Increase representation of Black employees by 50 percent in U.S. store leader roles by 2025.
Gender and pay equity: Complete independent assessment to measure disparities in race/ethnicity and gender pay.
- 2. Customer Belonging:** Offer products and experiences that make all customers feel seen and welcome.
Create for all, with all: Include diverse voices and inclusive practices throughout our brands' creative pipeline.
Amplify Black voices: Amplify diverse voices in creative and marketing.
Online and store experiences: Foster belonging and allyship among employees to deliver inclusive service and stores that are Open to All.
- 3. Community Belonging:** Create collective understanding, shared responsibility, and amplify positive impact for vulnerable or underserved communities.
Civic engagement: Invest in education and awareness initiatives to help employees and customers register and exercise their right to vote.
Access and pipeline: Achieve and retain diverse representation in our pipeline and entry-level programs, including creating new pipelines to increase Black representation.

LEADING COMPANY FOR DIVERSITY AND INCLUSION



As a reflection of our progress, Gap Inc. ranked #2 on the FTSE Diversity and Inclusion Index. As with every big or small win for inclusivity, we accept this honor knowing we have more work to do to make sure our teams, customers, and communities feel seen and heard – but moments like this one confirm we're headed in the right direction.

⁸² WebMD

EQUALITY & BELONGING – CONTINUED

IMPACT

Inclusion is vital to any successful, thriving business today. The impact of an inclusive workplace includes improved collaboration, innovation, recruitment, employee satisfaction, customer satisfaction, and employee engagement and retention.⁸³ These help employees stay motivated at work and help companies achieve their long-term strategic goals. Research demonstrated that workplace diversity is also linked to greater profitability for companies.⁸⁴

2023 PROGRESS

OUR PEOPLE – EMPLOYEES

Building Inclusive Capabilities

In 2023, we focused on building shared capabilities across our leadership cohort. The Inclusive Leadership Coaching Series, facilitated by long-time partner Amber Cabral, was our new training strategy aimed to empower senior leaders through sessions focused on topics such as allyship in action, building a sense of belonging, mitigating bias, and inclusive decision-making.

Additionally, we created an inclusive hiring training in partnership with Talent Acquisition teams to actively mitigate bias and any form of discrimination in the recruitment process. It established consistent processes that assess and embrace a wide range of qualities and perspectives that candidates bring to our organization.

⁸³ Business Leadership Today

⁸⁴ McKinsey & Company

We focus on holding leaders equally accountable for driving belonging across the organization. Although this began at a senior level, we are integrating the approach throughout business functions, accompanied by appropriate training.

Equality & Belonging Employee Ecosystem

Fostering an inclusive culture in which employees feel a deep sense of belonging and community has been our priority since the formation of our first [Equality & Belonging Group](#) (EBG) over 15 years ago. Our Employee Ecosystem, which now includes both our EBGs and the [Color Proud Council](#) (CPC), aims to help foster unity, allyship, and collaboration among our vast employee population.

Our EBGs play a pivotal part in driving toward our “Create for all, with all” commitment. We continue to invest in the evolution and growth of these groups to grow our community of allies, cultivate meaningful employee experiences, and amplify diverse voices to better inform our business practices and decisions. We currently have seven EBGs: [API@Gap Inc.](#), [BLACK@Gap Inc.](#), [HOLA@Gap Inc.](#), [PARENTS@Gap Inc.](#), [PRIDE@Gap Inc.](#), [VETERANS@Gap Inc.](#), and [WOMEN@Gap Inc.](#) Examples of work our EBGs have achieved in 2023 include:

- [API@Gap Inc.](#) teamed up with [HOLA@Gap Inc.](#) to hold an employee donation action, with all proceeds benefiting the Selvage Fund, which supported those affected by the devastation left by the Maui fires.

- [HOLA@Gap Inc.](#) built a mentorship program with employees at our DCs to support Spanish-speaking refugees as part of our commitment with Tent Partnership for Refugees.
- [PRIDE@Gap Inc.](#) worked to build a gender-neutral capsule for Old Navy and celebrated the return of the Denim Divas for a virtual drag performance in our San Francisco HQ.

The CPC aims to increase the bottom line through embedding diversity and inclusion strategies that impact both product and customer experience. CPC focuses on all areas of diversity including, but not limited to, gender, race, ethnicity, body type, sexual orientation, age, religion, and those with disabilities.

NRF Foundation Emerging Leaders Summit

In support of our focus on internal development and mobility of Black and Latinx talent, we invited DEI practitioners and merchants from across our brands to participate in the inaugural [NRF Foundation Emerging Leaders Summit](#). Geared toward young professionals of color, the event allowed our teams to hear from – and gain access to – top retail industry leaders to garner exclusive insights, professional development, and support to become stronger future leaders. Further, the summit’s investment in early careerists of color helps advance the retailer community in building a more diverse and inclusive workforce.

HERITAGE MONTHS AND CULTURAL ACTIVATIONS

Heritage Months and **Cultural Activations** are strategic initiatives that emphasize the concept of mattering and foster a workplace culture of belonging. They offer a platform for cultural exploration that engages employees and empowers leaders to exhibit inclusive behaviors and shared allyship, thus contributing to driving the business forward. We focus on these community-centered months with the most opportunity to impact employees and customers: **February** – Black History Month; **March** – Women’s History Month; **May** – Asian and Pacific Islander (API) Heritage Month; **June** – Pride Month; and **Sept/Oct** – Latinx Heritage Month.



Two ways we celebrated our communities through Heritage Month activations include:

Latinx Heritage Month

We hosted multiple events during Latinx Heritage Month, including:

- A broadcast of Honoring and Celebrating Diverse Latinx Identities at Gap Inc., through which we engage in candid conversations rooted within the Latinx diaspora while highlighting the community’s rich cultural diversity.
- [HOLA@Gap](#), our Latinx EBG, held a virtual celebration for members where we featured employees’ stories.
- Our second annual Tardeada (afternoon gathering), hosted by Old Navy during a special gathering of the brand’s store leadership in San Francisco. The event served as an homage to the Latinx community through music, art, and food.

Pride

As a San Francisco-based retailer that began standing up for LGBTQ+ rights decades before most companies, Pride is a special time of year at Gap Inc. We organized a special broadcast, “Inclusion Beyond the Flag,” where we took an in-depth look at the journey of inclusion at the company. Team members across our company showed their support for Pride on social media.

EQUALITY & BELONGING – CONTINUED

OUR BRANDS – CUSTOMER BELONGING

Old Navy

Old Navy's first Pride assortment was in 2011, starting with a handful of graphic tees. Since then, the brand's Pride collections have expanded to multiple categories. This year, Old Navy's design team reinvented its approach to Pride by forming the Old Navy Pride Proud Team (PPT). The PPT was built with nominated individuals who reflect the LGBTQ+ community. They worked to develop seven key pillars that guided the 2023 Pride collection with an inclusivity mindset focused on our diverse customer base: History, Resilience, Community, Evolution, Unapologetic, Self-Expression, and Human. The final assortment challenged the status quo, featuring non-binary designs for all customers.



Mark Breitbard, President and CEO of Gap; Sharon Bowen, Chair of New York Stock Exchange; and Ouigi Theodore, Founder and Creative Director at The Brooklyn Circus, celebrating Gap's collaboration with The Brooklyn Circus

Gap

In 2023, Gap drove customer impact across a number of product launches and customer activations. One was the spring product collaboration with The Brooklyn Circus, a menswear brand that finds inspiration in the pages of history books.

The student-inspired collection included a range of products that featured the best of both brands (including logo-inspired sweatshirts and jackets). The campaign features an array of cultural icons and artists within The Brooklyn Circus community, including the late Stephen "tWitch" Boss, fashion icon Bethann Hardison, and actress Indya Moore.

Through the partnership, the brands hosted activations at ongoing community partner The Brotherhood Sister Sol (BroSis) and even rang the closing bell at the New York Stock Exchange in honor of Black History Month.

Banana Republic

To celebrate Women's History Month, the Banana Republic field team hosted a Women's Leadership Panel during the General Manager meeting. The panel consisted of leaders who started their careers in stores and discussed how they have spiderwebbed across the brand to find the role that best suits their strengths. Each panelist shared their career journeys and their excitement for the path forward.

Banana Republic also activated their Amplify Voices series through social media to give rise to influencers and culture shifters who aligned with Black History Month, Women's History Month, API Month, and Pride. They helped ensure that the stories shared celebrated creative voices and world travelers.

Athleta

In honor of Women's History Month and International Women's Day, Athleta launched The Power of She Collective, a community of influential athletes like Simone Biles. Athleta donated \$175,000 to the Women's Sports Foundation from The Power of She Fund, reinforcing its commitment to supporting women's equality in sports and beyond.

Athleta also hosted an inclusion session, led by Amber Cabral, during Athleta Renew, an employee-centered team-building conference. The teams were coached on how to provide feedback, remain curious, and drive accountability.



Athleta Power of She Collective members Monique Billings, Katie Zaferes, Heather O'Reilly and Natalie Coughlin



AFROTECH 2023 Women's Summit Stage Presented by Gap Inc.

OUR VOICE – COMMUNITY

Lower Eastside Girls Club and ENVSNFest

In support of the Latinx community, Gap Inc. and Gap brand continued our annual partnership with the Lower Eastside Girls Club (LESGC) with a \$60,000 donation to drive onsite programming and engagement with Black and Latinx youth.

Through this partnership, Gap Inc. participated in the 2023 ENVSN Festival, a two-day conference for Gen Z and Millennial women of color. Designed to ignite the future of culture through professional and self development, Gap Inc. hosted a booth activation and interactive design sprint that brought brand and field leaders together to connect with and inspire the next generation of BIPOC creatives.

AfroTech

Gap Inc. sent delegates to AfroTech 2023, the leading tech, investing, and wealth-building platform for the Black community. The event increased attendees' sense of community and belonging and supported their professional development and network. Gap Inc. also led a Learning Lab that highlighted the company's women in leadership and sponsored two events – the All Access Reception and Women's Summit Stage – that were well attended and created social media buzz on multiple channels.

PEOPLE

At Gap Inc., we put people first. In an increasingly competitive talent market, we aim to remain an employer of choice through our talent development and retention efforts. We are building workplace equity and offering fair development opportunities, secure benefits, and an environment that promotes health, safety, and well-being.



ENSURING EQUAL OPPORTUNITIES AND EQUAL PAY

We are an equal opportunity employer and recruit, hire, train, and promote qualified people of all backgrounds, regardless of status. We are also committed to creating a workplace free from harassment and discrimination.

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

Notably in 2023, Gap Inc. Legal achieved the “**Mansfield Certification Plus**,” a designation reserved for legal departments that measure the outcomes of their inclusivity processes. The certification confirms that Gap Inc. met the goal of at least 50 percent lawyer representation from historically underrepresented identities in a number of current leadership roles.

Our Board diversity data can be found in the [Appendix](#).

LEARNING AND DEVELOPMENT

Our learning and development programs meet people where they are on their professional journey. They include:

Retail Academy: A comprehensive program suite that combines classroom sessions, rotational training, business simulations, and sustainability. It aids new hire onboarding and development through functional and tech training across various teams.

Rotational Management Program (RMP): Supports diverse, emerging talent in becoming future leaders across various brand and product functions, including an introductory ESG course. It also provides Gap Inc. with a diverse talent pipeline; participants in the 2023 cohort were 54 percent People of Color and 82 percent female.

Gap Tech Rotational Program (GRP): An 18-month early-talent program to develop full-stack engineer leaders who embrace the DevSecOps model to drive process, value, and speed. Participants in the 2023 cohort were 81 percent People of Color and 40 percent female.

Year Up: An initiative to connect young adults with career opportunities and higher education through upskilling and giving them the tools, experiences, and support to achieve their full potential.

Field to HQ: Promotes opportunities for store employees to transition into entry-level headquarters roles.

Inclusion and equity training: Supports inclusive habits and practices. We provide racial equity and unconscious bias training, employee onboarding and new leader workshops, and inclusive design courses.

Sustainability Product Claims training: Our Global Sustainability team developed a Product Claims virtual training in 2022, which over 1,200 people have completed to date. As of 2023, our companywide onboarding sessions also embedded sustainability topics.

EMPLOYEE PERFORMANCE AND SATISFACTION

We use our GPS (Set Goals. Talk Performance. Reward Success.) system to help ensure all

employees receive quarterly feedback, including a year-end performance review. The GPS cycle begins with goal-setting, moving to performance discussions, and ends with an assessment to determine annual rewards for each employee. Our bonus plan allows managers to consider individual achievements, including achievement of our ESG goals, when determining final bonus allocations.

We use Pulse surveys to understand employee sentiment, reaching out to HQ and Upper Field employees each time with an aim to have all global employees participate once a year.

BENEFITS AND WORK-LIFE INTEGRATION

Our financial incentives and health, well-being, and leave benefits help employees make the most of their professional and personal lives. We aim to modernize our benefits strategy, offering relevant benefits to best attract and retain talent. We also seek to remove unintentional barriers and be inclusive for all our employees – whether they’re full- or part-time.

72%

of employees who participated in our survey in 2023 demonstrated satisfaction by answering “Agree” or “Strongly Agree” to the question “I intend to stay with this company for at least the next 12 months”

FINANCIAL WELL-BEING

GapShare 401(k) retirement plan: We help employees build financial security by matching employee contributions up to 4 percent of base pay, with 100 percent immediate vesting if full-time or meeting minimum service hours. For those part-time or meeting minimum service hours, we offer the option to contribute on day one of employment.

Employee stock purchase plan (ESPP): We allow all U.S. and Canada employees to purchase Gap Inc. stock at a 15 percent discount quarterly.

PEOPLE – CONTINUED

Employee merchandise discount program: We offer qualifying employees up to 50 percent off regular-priced merchandise in our stores.

Education: We offer tuition reimbursement and tuition-free higher-education options for full-time employees and student loan refinancing resources to all employees. All employees have access to discounted tuition courses and degree programs.

Commuter benefits: Administered by WageWorks, employees can save on eligible commuting costs through automatic, pre-tax payroll deductions.

Ayco digital financial consulting platform: Enables full- and part-time employees to assess their financial health and take full control of their finances.

Financial risk protection: We offer all full-time employees company-paid life and disability insurance. Part-time and seasonal employees can access free life insurance and purchase additional protection coverage lines through Avibra.

Legal Service Plan: Full-time employees can pay a nominal fee per paycheck to receive unlimited access to a network of attorneys for legal counsel. Some part-time employees have access to legal support services through Avibra.

⁸⁵ Six weeks at 100% pay and six weeks at 50% pay.

HEALTH AND WELL-BEING

We offer full-time employees comprehensive medical, dental, and vision coverage. Part-time employees have access to Stride Health, which provides consultation on securing coverage through healthcare exchanges. We also provide access to free mental health therapy sessions, along with other resources, via our Lyra Mental Health and employee assistance program (EAP) for all U.S. employees.

We offer a fertility/family planning education platform to all employees through FertilityIQ. Those who participate in our medical plan also have access to advanced fertility medical treatment care.

Old Navy recently launched a year-long partnership with [Thrive Global](#), a behavior-change technology company that aims to help people develop greater well-being and mental resilience.

LEAVE AND FLEXIBLE WORK

Paid time off (PTO): We provide PTO, including sick and personal holiday days, which increases with seniority, up to 30 days for full-time employees. Director-level and higher employees are provided “As Needed” PTO.

Parental leave: U.S. employees have 12 weeks paid parental leave.⁸⁵ This is available to full-time employees after six months of service and to part-time employees who have worked at least 24 hours a week for the six months prior to parental leave. This is in addition to pregnancy disability leave.

Adoption assistance and surrogacy support:

Gap Inc. offers the Adoption/Surrogacy Assistance Reimbursement Plan for full-time employees, providing financial support for costs associated with public, private, or international adoptions of children under 18 years of age, or if building a family via a surrogate.

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

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

Scheduling and wages: We offer competitive wages reflective of each local labor market and comply with all pay transparency laws, requiring the posting or disclosure of pay ranges and benefits to employees. We benchmark and adjust pay ranges annually to support competitiveness and have established a model to review pay equity internally, periodically validating our results with an external consultant. We have taken steps to improve scheduling practices, including eliminating on-call scheduling and providing employees with 10–14 days’ notice for their schedules.

Learn more:
[> Gap Inc. Benefits](#)

OCCUPATIONAL HEALTH AND SAFETY

We operate in line with national- and state-level [OSHA standards](#) and are committed to implementing sound engineering controls, and preventing and promptly addressing injuries, using an integrated approach:

Hazard identification, prevention, and awareness:

We include safety criteria in the design and layout of our stores and warehouses, as well as in contracts, as needed, to limit risk and liabilities associated with vendor and contractor services and projects. We train employees on safe work practices through on-the-job training programs that align to industry and OHS standards.

Assessments and audits:

Gap Inc.’s internal Safety and Claims teams analyze risks, collaborating with operational leaders to adjust business practices in line with emerging incident trends. Our independent Internal Audit department completes reviews of global DCs and stores to gauge procedural compliance and solicit feedback from business partners. We also use third-party firms to perform operational audits and survey our DCs, corporate offices, and data centers.

Incident response and oversight:

Leaders and associates are accountable for following our incident investigation and reporting processes. All reported information is analyzed centrally to assess risks and develop preventive measures. A quarterly update from the Store Compliance Audit team is provided to the Audit and Finance Committee of the Board of Directors.



EMPLOYEE ENGAGEMENT AND CORPORATE GIVING

Through employee engagement, donation matching, volunteering, in-kind donations, and meaningful strategic partners, we leverage our strengths to create impact for our people, our communities, and our partners.

EMPLOYEE ENGAGEMENT

With multiple opportunities to engage, learn, and connect with their local communities, employees contribute to social and environmental causes important to both them and our company. Through company-, brand-, and employee-led activities, we aim to bring positive change to communities across the globe.

STRATEGY

We encourage employee engagement through several initiatives:

Community Leader program: From companywide initiatives to teaming up with local organizations, community leaders unite their teams, harnessing employees' talents and skills to maximize engagement and impact.

Take Five volunteering: Exempt employees can devote their time to the causes they want, when they want, by volunteering for five "on-the-clock" hours per month.

Field Team Grants: When a store or DC team volunteers 25 hours to support an eligible community organization, they can also request a \$250 grant to further support the organization.

Money for Time: For every 15 hours an employee volunteers for an eligible nonprofit in a calendar year, we make a \$150 donation to the organization.

IMPACT

These initiatives allow our employees to connect with communities and support the causes they care about, which amplifies positive impact, creates a shared sense of purpose, and improves employee well-being.⁸⁶

Employees who actively engage in our community initiatives tend to stay longer at Gap Inc., with an average turnover of 33 percent compared to 126 percent for non-volunteers.⁸⁷ Not only that, but they also have a more fruitful career path including greater rate of promotions – across both store and HQ volunteer employees.

2023 PROGRESS

Walk for Water: Annually, for World Water Day in March, our employees participate in a 1.2-mile walk to raise awareness of women's water accessibility challenges. In 2023, around 11,500 employees participated across 11 countries – a 45 percent increase from 2022. Once again, we met our maximum donation match, generating a \$12,000 grant to WaterAid.

Earth Day: This Earth Day, we encouraged all employees to live more sustainably with educational webinars and hands-on sessions. Gap Inc. partnered with thredUP® as part of Athleta's B Corp Month initiatives to teach employees about the ways that our business can be used for good.

World Refugee Day: We partnered with Welcome.US to offer employees donation opportunities and volunteer opportunities to help Afghan asylum seekers complete their applications for re-parole to temporarily extend their time in the U.S.

Volunteer Rally and Doris Fisher Day of Service: Every year, we honor our co-founder, Doris Fisher, through Volunteer Rally. Generating over \$36,000 in grants, this year's Rally also saw more than 13,000 employees across eight countries volunteer over 44,000 hours in their communities.

Gap Inc. Gives: In our annual tradition of giving back to our communities during the holiday season, teams partner with a local organization to provide gifts or essential items to those who would otherwise go without. In addition, for every 10 hours a team volunteers to support Gap Inc. Gives, we give \$100 to their designated community organization. In 2023, Gap Inc. Gives supported 200 families and contributed over \$184,000 in grants.

Community Leader Appreciation Day: Our community leaders were encouraged to select from three nonprofits aligned to our sustainability pillars, to which Gap Inc. will donate \$25. This year, donations totaled \$12,600 across the three charities.



STORY

DONATING TIME AND CREATING POSITIVE IMPACT

As a District Manager at Old Navy, Robin Seifert rallied her team during Volunteer Rally to support a local organization, Stepping Stones, which offers adult day services for individuals with disabilities in the area.

“Grateful to work for an organization that prioritizes giving back, and thankful to lead a team that makes it so much fun!”

Robin Seifert, District Manager at Old Navy

⁸⁶ McKinsey & Company

⁸⁷ These findings are based on fiscal 2022 engagement data, and are representative of correlation, not necessarily causation.

EMPLOYEE ENGAGEMENT AND CORPORATE GIVING – CONTINUED

CORPORATE GIVING

Combating large-scale social problems relies on collaboration with the public and private sector. It is through this combining of resources and investment in initiatives that we can create meaningful change.

STRATEGY

Our corporate giving is rooted in strategic partnerships, employee engagement, and in-kind donations:

Strategic partnerships promote system-level changes across Gap Inc.'s sustainability pillars: Empowering Women, Enabling Opportunity, and Enriching Communities.

Employee engagement amplifies our impact through donation matches, investments, and partnerships, with our employee engagement program representing the largest donation size of our initiatives and biggest impact across our local communities.

In-kind donations support our circularity goals and maximize the value of our products. We donate excess inventory where need arises globally.

We also offer several standard donation methods:

Donation Matches: We match donations dollar for dollar, up to \$1,000 for part-time employees and \$15,000 for full-time employees.

Board Service Grants: We contribute funding to eligible nonprofits of which our employee leaders serve as board members, up to the following limits, ranging from \$1,000 for Regional Directors to up to \$10,000 for Senior Vice Presidents and above.

DISASTER RESPONSE AND SELVAGE FUND –

Through the Salvage Fund, our disaster relief fund created to support Gap Inc. employees in times of need, we distributed \$61,500 to employees in 2023 in aid of the Maui wildfires, as well as Hurricanes Fiona and Idalia.

Metric	FY 2023 ⁸⁸
% of employees volunteered	45%
# hours volunteered	258,000
In-kind donation units	1,700,000
In-kind donation value	\$22,000,000
Gap Inc. cash donation value	\$3,200,000
Total Gap Foundation giving value	\$880,000



⁸⁸ Prior years' data for employee engagement was calculated on a calendar year basis. From 2023 onward, we are using fiscal year data.



GOVERNANCE

Effective corporate governance balances the needs and concerns of various stakeholders for the benefit of our planet and communities, while aiming to ensure we operate with integrity and in compliance with applicable laws and regulations.

OUR MATERIAL TOPICS: Transparency and accountability | Business integrity | Production volume management | Responsible marketing and consumer engagement | Data privacy and cybersecurity

ESG OVERSIGHT

We hold ourselves accountable for environmental and social issues in our business operations with a strong governance structure. Our actions are overseen by the Board of Directors, Board Committees, Chief Legal and Compliance Officer, Chief Financial Officer, Chief Supply Chain and Transformation Officer, and Chief People Officer and other senior leaders across the company.

CHALLENGE AND IMPACT

Our operational scope offers opportunities for scaled impact. To be environmental and social stewards, we must carefully monitor all company activities. Effective governance helps support our sustainability projects throughout the business, create long-term value for all our stakeholders, and enable our business to thrive for generations to come.

STRATEGY

We have a clear management approach to all our environmental and social activities.

Business integration: The Global Sustainability team is part of Gap Inc.'s Supply Chain and Transformation department. This team works to maximize cross-departmental collaboration to meet current and future consumer and industry demands. For example, we integrate our sustainability goals into revenue-driving business functions by engaging our brands'

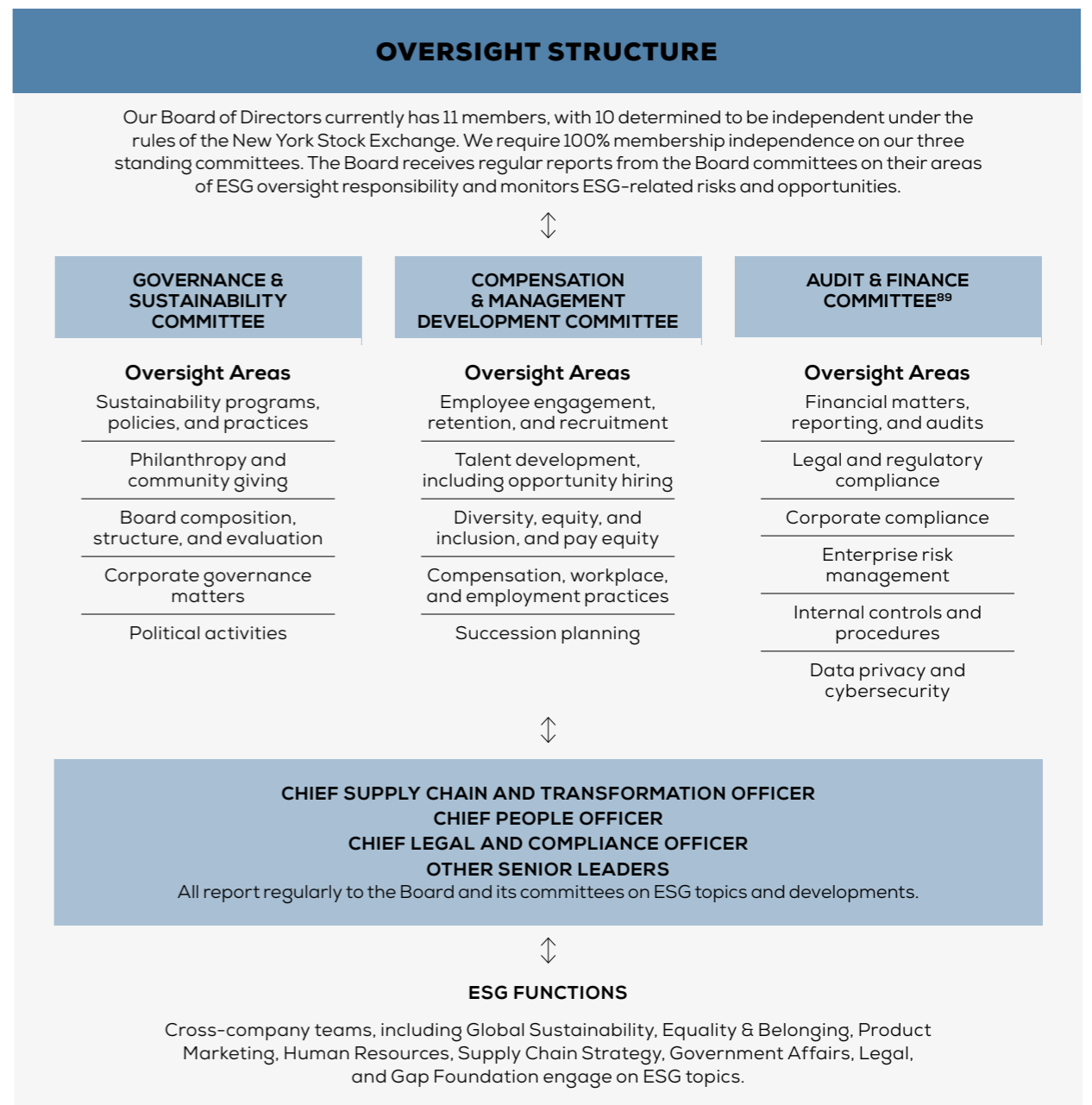
Product and Marketing teams. Together, teams can more effectively monitor fiber conversion to more sustainable sources, enable P.A.C.E./RISE implementation in factories, and validate sustainability product claims. Global Sustainability and ESG Reporting teams frequently collaborate with leaders from Gap Inc.'s Equality & Belonging, Human Resources, Supply Chain Strategy, Government Affairs, Legal, and Gap Foundation functions. For long-term integration, we consider the financial risks and opportunities relating to our environmental and social initiatives as part of the company's planning and [risk management process](#).

Oversight structure: Each of our three Board committees (Governance and Sustainability; Compensation and Management; and Audit and Finance) oversees relevant ESG topics. Regular updates on ESG topics and developments are provided to the Board and its committees by the Chief Supply Chain and Transformation Officer, Chief Legal and Compliance Officer, and other senior leaders.

Goals and progress measurement: We have set ambitious goals and interim targets across environmental and social issues through 2050. Our ESG Reporting team tracks Gap Inc. and brands' key performance indicators to confirm work is on track and provides updates to business functions quarterly or annually. We also report transparently in line with the Science Based Targets Network (SBTN), [Global Reporting Initiative \(GRI\)](#), [Sustainability Accounting Standards Board \(SASB\)](#), UN Guiding Principles on Business and Human Rights, [UN Sustainable Development Goals \(SDGs\)](#), Paris Agreement on climate change, and [Task Force on Climate-related Financial Disclosures \(TCFD\)](#).

Partnerships: We support more sustainable, industrywide solutions and greater equality by partnering with local and global organizations. Partnerships are key to how we scale collective impact throughout our business, industry, and beyond.

⁸⁹ The Chief Legal and Compliance Officer periodically reports to the Audit and Finance Committee of Gap Inc.'s Board of Directors on the effectiveness of the company's corporate compliance program.



RISK MANAGEMENT

Annually, we identify and assess existing and emerging risks that have the greatest potential to impact company operations and our ability to achieve our objectives.

CHALLENGE AND IMPACT

Unmitigated risks can pose financial, legal, and reputational threats to the company.

With effective risk management, we can minimize negative impacts while optimizing positive potential opportunities, helping to ensure our resiliency and ability to meet stakeholder expectations.

STRATEGY

Enterprise level: The Risk Committee, currently comprising the full Senior Leadership Team, oversees an annual enterprise risk management (ERM) assessment, facilitated by our Internal Audit team. The ERM assessment results are presented to the Board to facilitate discussion of high-risk areas, and provide the foundation for the annual Internal Audit plan, management's ongoing monitoring and risk mitigation efforts, and ongoing Board-level oversight. The Risk Committee meets quarterly throughout the year to review ERM mitigation plans and progress, as well as selected risks, third-party dependencies and critical risk events. The company also has a Risk Steering Committee, which currently includes a subset of the Senior Leadership Team, that meets monthly and sets the agendas for the Risk Committee meetings. On a quarterly basis, our Chief Audit Executive updates the Audit and

Finance Committee on the Internal Audit plan and any changes to the company's enterprise risk profile.

Climate and sustainability-related risks are considered as part of the ERM assessment process. Our Board of Directors and senior leaders across the company monitor climate and sustainability-related risks and opportunities.

Physical asset level: The Business Continuity (BC) team analyzes, prioritizes, and helps mitigate physical risks resulting from extreme weather, natural hazards, and other external events to protect company-operated sites. The BC team uses predictive and actual models from national and international agencies such as the U.S. National Oceanic and Atmospheric Administration to track potential and actual impacts. The team uses this information to determine the event, company risk, and residual risk remaining after preparedness plans are developed.

In 2022, we completed our first climate scenario analysis to understand the financial impact of climate-related risks and opportunities under four different global warming scenarios (see more in our [CDP Climate response](#)). In 2023, we set the groundwork for a second climate scenario analysis in 2024 to better understand the impact of acute and chronic physical risks related to climate change.

We also use the WWF Water Risk Filter to assess our sourcing from water-stressed regions, and we have focused our context-based water targets on those regions. In 2023, we also mapped our company-operated sites to their water basin source to identify areas for local projects.

Learn more:

- > [Responsible Business Practices](#)
- > [Climate Action](#)
- > [Water Stewardship: Reduce and Replenish](#)

ENTERPRISE RISK MANAGEMENT PROCESS

AUDIT AND FINANCE COMMITTEE OF THE BOARD OF DIRECTORS

Oversees enterprise risk management.



SENIOR EXECUTIVES AND VICE PRESIDENTS

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



RISK COMMITTEE

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



BOARD OF DIRECTORS, CEO, AND SENIOR LEADERSHIP TEAM

Use ERM assessment results to monitor and mitigate risks, update policies, and develop business continuity plans where required.



ERM ASSESSMENT

Informs annual Internal Audit plan and ongoing Board oversight.

STAKEHOLDER AND POLITICAL ENGAGEMENT

Stakeholder engagement and partnerships with expert organizations are critical to inform our ESG strategy and materiality assessments and to help maximize the positive impact of our programs.

STRATEGY

We regularly engage with a broad set of stakeholders to better understand the issues that affect them, our industry, and society. The frequency of our stakeholder engagement is based on their connection to our business, our ability to impact them, and the salience of the issue being addressed. This dialogue helps us improve our strategies, set goals, focus action, and scale up industry solutions.

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

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

Our stakeholder engagements include, but are not limited to:

Supply chain human rights: We are dedicated to upholding the rights of supply chain workers, following the International Labour Organization's (ILO) Core Conventions. We actively engage in ongoing discussions with international labor and human rights organizations and expect our business partners, including suppliers, to share our values. Our **Supplier Sustainability** team gathers insights in 25 countries to understand factory employment practices and working conditions. We assess our Tier 1 suppliers through evaluations, training, and surveys, with input from workers and their representatives. To enable a clear understanding of our Human Rights Policy and relevant practices, we provide specific information **in 24 local languages**. Additionally, our sourcing department uses an integrated vendor scorecard to measure supplier performance, including on social, labor, and environmental issues.

Worker communications: We routinely engage Tier 1 supply chain workers through interviews with worker representatives to learn about **human rights issues** and develop or improve our **women's empowerment programs**.

NGOs and trade unions: Our Supplier Sustainability and Human Rights and Labor teams regularly engage NGOs and trade unions in the countries from which we source, particularly when labor-related factory issues are identified. Engagements with global groups help us further improve our labor and human rights efforts.

Industry initiatives: We participate in initiatives like the American Apparel & Footwear Association (AAFA) Social Responsibility Committee and the Retail Industry Leaders Association (RILA) ESG Committee, which convene brands to scale and amplify collective efforts related to human rights and environmental impacts.

Consumer insights: At least once annually, we conduct a 10-minute quantitative online survey with shoppers from the Gap Inc. Insiders community. Through it, we ask how fashion brands' social and environmental practices influence customer mindsets, as well as how customers perceive our brands are doing in these areas.

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

STAKEHOLDER AND POLITICAL ENGAGEMENT – CONTINUED

2023 PROGRESS

SUPPORTING REFUGEE RESETTLEMENT

Gap Inc.'s Head of Enabling Opportunity and Social Impact attended the [Tent Partnership for Refugees](#) Corporate Workshop in April 2023, focused on how companies in the U.S. can set up and implement effective refugee hiring programs. In addition to representatives from the White House Domestic Policy Council, Amazon, Chobani, Hilton, Pfizer, Tyson Foods, and Uniqlo, she participated in a panel conversation on integrating refugees and helping their communities grow at Gap Inc.

Gap Inc. CEO Richard Dickson attended a meeting organized by The White House Chief of Staff and the Welcome.US CEO Council to discuss collaborative solutions to refugee resettlement.⁹⁰ In support of [immigrant hires and refugee resettlement](#), Gap Inc. also joined 60 companies and national trade associations in sending [a letter to Majority Leader Schumer, Democratic Leader Jeffries, and Republican Leader McConnell](#) urging them to work together to advance a permanent legislative solution for Dreamers.

SUPPORTING INCARCERATED POPULATIONS

Banana Republic made an in-kind donation of hundreds of chinos and khakis to the New York State Department of Corrections to help with Governor Hochul's Jails to Jobs. This initiative supported incarcerated individuals in NY state's Edgecombe Correctional Facility by providing them with professional attire for employment opportunities.

We engaged Governor Hochul's Economic Development team in New York regarding our ELL (English language learner) program at our DC in Fishkill, New York, facilitating a visit for the senior regional economic development official to showcase the program's benefits to the surrounding community.

G20 EMPOWER ALLIANCE

This year, Sally Gilligan, Gap Inc.'s Chief Supply Chain and Transformation Officer, was nominated by the U.S. Department of State to be the U.S. private sector representative at this year's [G20 EMPOWER Alliance](#). G20 EMPOWER seeks to accelerate women's leadership by bringing together business leaders and governments across the G20 countries.

Our Head of Global Sustainability and President of Gap Foundation, Dan Fibiger, spoke at the second G20 EMPOWER meeting in India, focusing on how Gap Inc. enables leadership across all levels. He discussed our P.A.C.E. program and journey to become one of the founding members of RISE.

SUPPORTING DEMOCRACY AND SUSTAINABLE SUPPLY CHAINS

Gap Inc.'s Head of Women's Empowerment and Human Rights attended the [Business & Democracy Forum](#) as part of the Summit for Democracy to highlight the role of the private sector to advance democracy globally, including concrete commitments in four areas (advancing labor rights, fighting corruption, countering the misuse of technology, and protecting civic space).

Fibiger also spoke at the 2023 World Bank Spring Meeting, participating in a panel conversation entitled "Incentivizing Inclusive and Sustainable Supply Chains." Here, he discussed our signature programs that not only help us meet our sustainability goals but also enable us to better protect the environment, our workers, and our communities.



Gap Inc. CEO, Richard Dickson, attending The White House Chief of Staff and Welcome.US CEO Council meeting

⁹⁰ Reuters

BUSINESS ETHICS AND INTEGRITY

Our corporate compliance program is designed to help employees and our Board of Directors meet legal requirements while operating responsibly, ethically, and with integrity.

CODE OF BUSINESS CONDUCT

Our [Code of Business Conduct](#) (COBC) has been the foundation of our corporate compliance program since 1998 and has been managed by the Global Integrity team since 2003. The COBC sets out the policies, values, and principles we require all Gap Inc. employees and directors to uphold and comply with. We conduct COBC Assessments annually on different markets and functions to understand the impact of the COBC program.

All employees worldwide receive access to the COBC when they join the company, agree in writing to comply with it, and are required to complete an overview training course. Depending on their location, level, and role, employees are required to do additional training on issues such as sexual harassment, Zero Means Zero non-discrimination, wage and hour compliance, workplace accommodations, anti-corruption, and data privacy and security.

Employees are encouraged to raise concerns with their manager, next-level manager, local human resources, or our Global Integrity team. Our confidential, [24/7 COBC Hotline](#) is managed by an independent third-party vendor and is freely available to anyone who conducts business with or is affected by Gap Inc.

Our web-based reporting system and investigative teams log, process, and address complaints, which are reviewed by our Global Integrity and Internal Audit teams. Individuals can report anonymously, with all reporting violations or suspected COBC violations protected by strict enforcement of the company's zero tolerance for retaliation.

Gap Inc.'s Global Integrity Committee comprises senior leaders from various company functions. It is responsible for monitoring the effectiveness of our COBC compliance program, as well as compliance-related risks. The company's Chief Legal and Compliance Officer chairs this committee.

The Audit and Finance Committee has oversight responsibility for the effectiveness of the corporate compliance program, and receives regular updates from the Chief Legal and Compliance Officer. We are committed to continually evolving the program in line with legal and regulatory requirements, corporate ethics best practices, and our own ambitious standards.

Learn more:
[Corporate Compliance](#)

CODE OF VENDOR CONDUCT

To help our manufacturing partners adhere to our social and environmental compliance standards, we require all factories that produce goods for Gap Inc. to meet our [Code of Vendor Conduct \(COVC\) requirements](#). Our policies are based on the principles outlined in the Universal Declaration of Human Rights (UDHR), UNGC, OECD Guidelines for Multinational Enterprises, and the ILO's Core Conventions.

The COVC also outlines our environmental standards for all factories to comply with relevant environmental laws and regulations, manage their energy use and water impacts, and complete the Higg FEM annually.

ANTI-CORRUPTION AND BRIBERY

As a publicly traded company, we uphold rigorous anti-corruption policies and associated procedures, such as the Anti-Corruption Due Diligence Process (ACDD). These measures are designed to support compliance with the U.S. Foreign Corrupt Practices Act and local anti-bribery laws. Gap Inc. has a global anti-corruption policy.



To promote compliance, we have implemented targeted processes:

- Our companywide compliance system monitors and addresses anti-corruption risks and enforces our anti-corruption and anti-bribery policies.
- To promote compliance, we have implemented a system that monitors and addresses anti-corruption risks and enforces our anti-corruption and anti-bribery policies.

We also deliver anti-corruption training (available to all employees) to global directors and above, managers and above in high-risk functions. At times, Gap Inc. also delivers ad hoc anti-corruption opportunistic training (e.g. when we are traveling in-market).

To evaluate the effectiveness of the anti-corruption program, related questions are featured in our COBC Assessments, which are conducted annually in different markets/functions to understand the impact of the COBC program. We assess corruption-related risks in our operations and conduct ACDD in high-risk markets. Within these markets, our policy requires that any third party interacting with government officials on our behalf, and/or third-party distributors, has an ACDD report.

COMPETITION AND ANTI-TRUST LAWS

Many of the countries we operate in have competition laws, or "anti-trust" laws. These laws reinforce our own standards – everyone needs to be able to compete fairly in a free market. To prevent any misconduct, employees and directors are required to comply with our internal Competition Law Policy and local laws. Any employee who violates this policy may be subject to disciplinary action, including termination, significant monetary damages or fines, and even legal action.

DATA PRIVACY

To foster customer trust, we follow seven principles in our approach to data use, modern technologies, and services: consent, control, fairness, minimization, confidentiality, access, and accountability.

[Our Privacy Policy](#) aligns with laws across the jurisdictions where we operate. We also abide by widely accepted security standards and practices to guide our decisions around securing personal information.

INFORMATION SECURITY AND CYBERSECURITY

Safeguarding our information systems as well as the information that we receive and store about our customers, employees, vendors, and others is a priority for Gap Inc. We maintain a cybersecurity program with technical and organizational safeguards that is designed to identify, assess, manage, mitigate, and respond to cybersecurity threats, including threats associated with the use of third-party systems.

Annually, employees receive cybersecurity training, and we provide additional targeted cybersecurity awareness and education activities throughout the year. In partnership with external consultants, we periodically conduct “tabletop” exercises with management and members of our Information Security, Information Technology and Privacy teams, during which we simulate real-life cybersecurity incident scenarios to assess our preparedness, test our incident response plans, and highlight potential areas for improvement. Audits of our cybersecurity risk management processes are conducted periodically in order to test the effectiveness of controls designed to prevent and respond to cyberattacks at different levels within Gap Inc.

Gap Inc.’s Chief Information Security Officer (CISO) oversees the cybersecurity program and reports to the Chief Digital & Technology Officer (CDTO). The CISO and/or CDTO provide a quarterly update on the cybersecurity program on an alternating basis to the Audit and Finance Committee or the full Board.

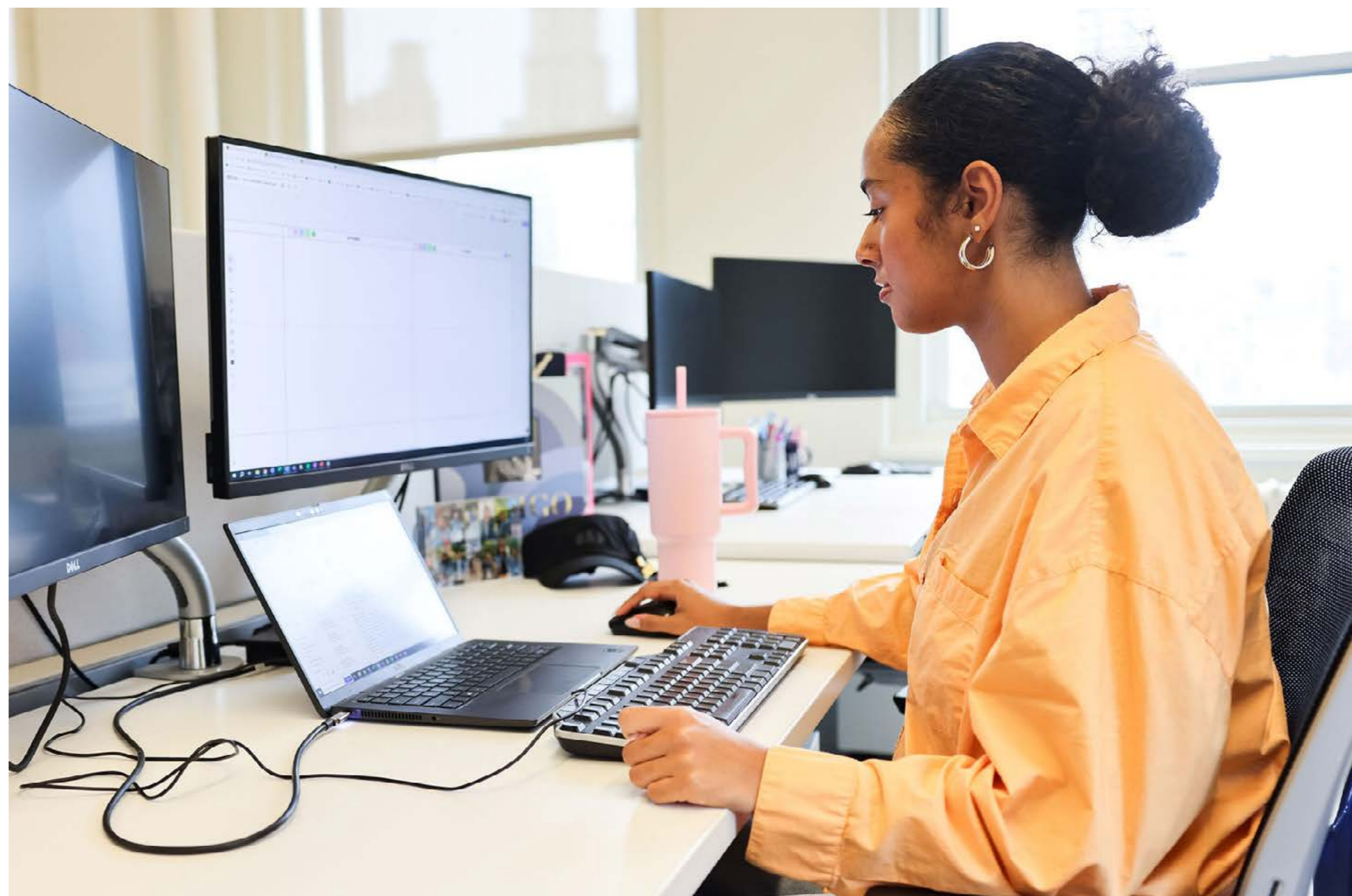
⁹¹ **Industry Association Engagement:** During 2023, the American Apparel & Footwear Association (AAFA) submitted a statement to the Federal Trade Commission (FTC) on potential updates to environmental marketing claims guidelines, also known as Green Guides. Gap Inc. was actively involved in providing input for the AAFA’s response in support of developing more clear and robust guidelines.

MARKETING AND PRODUCT CLAIMS

We diligently check that marketing messages and product sustainability claims we publish are accurate, substantiated, and representative of our brand’s integrity. To support this, we maintain measures that aim to ensure accurate and ethical representation of our products.

We recognize the risks associated with greenwashing and have policies requiring every product sustainability claim to be supported by verified and documented environmental or social benefits.⁹¹ We actively work to address this risk by **training our employees** on product claims, abiding by our **Product Claims Toolkit**, and maintaining a thorough review and **data validation process** for all public messaging.

Our Color Proud Council is devoted to improving both product and customer experience by embedding diversity and inclusion in all business operations. The Council focuses on diversity dimensions including, but not limited to, age, body type, ethnicity, gender, race, religion, sexual orientation, and those with disabilities.





APPENDIX

GAP INC. ESG LIBRARY

General

[ESG Resources](#)

[Gap Inc. Sustainability Policies](#)

[SEC Filings](#)

Environment

[CDP Submissions and Past Reports](#)

[Emissions Assurance Statements](#)

Social

[Equality & Belonging](#)

[Gap Inc. Privacy Policy](#)

[France and U.K. Gender Pay Gap Disclosure History](#)

Governance

[Gap Inc. Governance](#)

[Gap Inc. Corporate Compliance and Policies](#)

[Responsible Business Practices \(Managing Risks\)](#)

MATERIALITY

In a rapidly changing world, we aim to address the issues that can be most impacted by, or are most influential to, our business. By identifying material ESG topics, we can respond to matters that are most significant to our business and priority stakeholders.

MATERIALITY AND APPENDIX DISCLAIMER

For clarity, the identification of our material topics related to ESG and sustainability, the identification of SDGs as relevant, supporting, or interconnected to our business, or our identification of any material topics, impacts, risks, strategies, or opportunities in response to the GRI, SASB, or TCFD reporting frameworks on the following pages should not be construed as a characterization regarding the materiality or financial impact of any such topics, impacts, risks, strategies, or opportunities 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 February 3, 2024, filed with the Securities and Exchange Commission, our subsequent Quarterly Reports on Form 10-Q, and our Current Reports on Form 8-K.

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

Learn more:
[› Materiality](#)
[› SEC Filings](#)

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

UNITED NATIONS SDGs ALIGNMENT

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

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

EMPOWERING WOMEN

Priority: 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Supporting: 17 PARTNERSHIPS FOR THE GOALS

Our business is driven by women – making up most of our customers, employees, and apparel supply chain – and we work to empower them to reach their full potential. For this work, we align with SDGs 5, 8, and 12. Specifically, in support of SDG target 5.5 for Gender Equality – “ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life” – our 2025 goals strive for strategic factories to achieve gender parity at the supervisor level, gender-equitable workplace committees, and RISE participation. Additionally, our 2025 goal to address gender-based violence and harassment in our factories connects to SDG target 8.8 for Decent Work and Economic Growth – “protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.” In alignment with SDG 17, we collaborate with suppliers, peers, governments, educational institutions, and NGOs to maximize potential impact, leading to pioneering industrywide programs like P.A.C.E./RISE.

ENABLING OPPORTUNITY

Priority: 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES

Supporting: 4 QUALITY EDUCATION, 5 GENDER EQUALITY

Creating more sustainable economies and a more equitable world means we use the assets and scale of our business to enable access to opportunity for economically marginalized groups. For this work, we align with SDGs 8 and 10. Our opportunity employment partnerships, such as the Second Chance Business Coalition supporting individuals who were formerly incarcerated, work to impact SDG target 8.5 for Decent Work and Economic Growth – “achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.” Old Navy’s This Way ONward program for youth facing barriers to employment in North America supports SDG target 8.6 – “substantially reduce the proportion of youth not in employment, education or training.” Additionally, our Equality & Belonging commitments support SDG target 10.2 for Reduced Inequalities – “empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status.” We also recognize the necessity of SDG 5 for Gender Equality, to reduce all inequalities, and SDG 4 for Quality Education, as the foundation for inclusive and productive workplace opportunities.

ENRICHING COMMUNITIES

Priority: 6 CLEAN WATER AND SANITATION, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION

Supporting: 7 AFFORDABLE AND CLEAN ENERGY

We believe that a clean and healthy planet is a fundamental human right and commit to protecting natural resources and ensuring healthy communities for generations to come. For this work, we align with SDGs 6, 12, and 13. Our 2050 Water Resilience Coalition commitment to support a water-resilient supply chain and our 2030 Water Access goal to facilitate access to improved drinking water and sanitation for 5 million people align with SDG target 6.4 for Clean Water and Sanitation – “substantially increase water-use efficiency across all sectors and ensure more sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.” Additionally, our 2030 climate goals and science-based targets support SDG 13 for Climate Action, and our 100 percent company-operated renewable electricity goal specifically connects to SDG target 7.2 for Affordable and Clean Energy – “increase substantially the share of renewable energy in the global energy mix.” Our holistic approach connects climate and water impacts to our goals to create more sustainable products, reflecting our role as an apparel company to work toward SDG 12 for Responsible Consumption and Production.

GLOBAL REPORTING INITIATIVE (GRI) INDEX

Gap Inc. has reported the information cited in this GRI content index for the period January 29, 2023 to February 3, 2024 with reference to the GRI Standards (2016, 2018, 2020, and 2021). We consulted GRI 1: Foundation 2021 to build this content index. We do not report on any Sector Standards as the requirements for Textiles and Apparel have not yet been released.

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S) ¹
GENERAL DISCLOSURES		
GRI 2: General Disclosures 2021	2-1 Organizational details	ESG Report; The Big Picture, About This Report; p.3 Annual Report ; Part I, Item 1, Business; p.1 Annual Report ; Part I, Item 2, Properties; p.22 Annual Report ; Part II, Item 5, Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities; p.23
	2-2 Entities included in the organization's sustainability reporting	Annual Report ; Part I, Item 1, Business; p.1 Exhibit 21 "Subsidiaries of Registrant"
	2-3 Reporting period, frequency and contact point	ESG Report; The Big Picture, About This Report; p.3
	2-4 Restatements of information	2017 and 2022 emissions data has been restated as part of our science-based targets update and submission process. ESG Report; Environment, Climate Action; p.21
	2-5 External assurance	ESG Report; The Big Picture, About This Report; p.3 ESG Report; Appendix, Data Assurance; p.82 Assurance Statements

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
GRI 2: General Disclosures 2021 (cont.)	2-6 Activities, value chain and other business relationships	Annual Report ; Part I, Item 1, Business; p.1 Annual Report ; Part I, Item 2, Properties; p.22 Annual Report ; Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations; p.25 ESG Report; The Big Picture, Our Product Life Cycle; p.6 ESG Report; The Big Picture, Our Value Creation Model; p.5 ESG Report; Governance, ESG Oversight; p.52
	2-7 Employees	Annual Report ; Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations; p.25 Annual Report ; Part I, Item 1, Business; p.1 ESG Webpages; People Data ESG Report; Supplemental Data; p.78
	2-8 Workers who are not employees	ESG Report; Social: Supply Chain; p.29
	2-9 Governance structure and composition	ESG Report; Governance, ESG Oversight; p.52 Investor Relations Webpages; Corporate Governance Fact Sheet Investor Relations Webpages; Committee Composition Investor Relations Webpages; Board of Directors
	2-10 Nomination and selection of the highest governance body	Investor Relations Webpages; Corporate Governance Fact Sheet Investor Relations Webpages; Board of Directors

¹ Note: ESG Report refers to Gap Inc.'s 2023 ESG Report; ESG Webpages refer to our Global Website, which hosts our Environment, Social, and Governance (ESG) Hub and Equality & Belonging Report; Annual Report refers to Gap Inc.'s Annual Report on Form 10-K for the fiscal year ended February 3, 2024; and Proxy Statement refers to the Notice of Annual Meeting of Gap Inc. Shareholders 2023 and 2024 Proxy Statements. Please find more information on our Investor Relations Webpages.

GRI INDEX – CONTINUED

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
GRI 2: General Disclosures 2021 (cont.)	2-11 Chair of the highest governance body	Investor Relations Webpages; Board of Directors
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Report; Governance, Stakeholder and Political Engagement; p.54 ESG Report; Governance, ESG Oversight; p.52 ESG Report; Governance, Risk Management; p.53 ESG Webpages; ESG Report; Governance, Business Ethics and Integrity; p. 56 Investor Relations Webpages; Corporate Governance Guidelines ESG Webpages; Management Approach 2023 CDP Climate Submission ; C1.1b, C1.2
	2-13 Delegation of responsibility for managing impacts	Investor Relations Webpages; Committee Composition Investor Relations Webpages; Governance and Sustainability Committee Charter ESG Report; Governance, ESG Oversight; p.52
	2-14 Role of the highest governance body in sustainability reporting	Investor Relations Webpages; Governance and Sustainability Committee Charter ESG Report; Governance, ESG Oversight; p.52
	2-15 Conflicts of interest	Investor Relations Webpages; Corporate Compliance
	2-16 Communication of critical concerns	ESG Report; Governance, ESG Oversight; p.52
	2-17 Collective knowledge of the highest governance body	2023 CDP Climate Submission ; C1.1d 2023 CDP Water Submission ; W6.2d
	2-18 Evaluation of the performance of the highest governance body	Investor Relations Webpages; Governance Investor Relations Webpages; Corporate Governance Guidelines Investor Relations Webpages; Corporate Governance Fact Sheet
	2-19 Remuneration policies	Proxy Statement 2023
	2-20 Process to determine remuneration	Proxy Statement 2023
	2-21 Annual total compensation ratio	Proxy Statement 2023 ; CEO Pay Ratio; p.64
	2-22 Statement on sustainable development strategy	ESG Report; The Big Picture, Our ESG Approach; p.9 ESG Report; The Big Picture, Our Supplier Sustainability Approach; p.10

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
GRI 2: General Disclosures 2021 (cont.)	2-23 Policy commitments	Gap Inc. applies the precautionary principle to its use of chemicals through testing of its products and its commitment to the elimination of PFC-based finishes. For more information, please see Chemicals Management and ESG Report; Governance, Business Ethics and Integrity; p.56
	2-24 Embedding policy commitments	ESG Report; Governance, Business Ethics and Integrity; p.56
	2-25 Processes to remediate negative impacts	ESG Report; Governance, Stakeholder and Political Engagement; p.54 ESG Report; Social: Supply Chain, Assessment and Remediation; p.32
	2-26 Mechanisms for seeking advice and raising concerns	Investor Relations Webpages; Corporate Compliance Investor Relations Webpages; Code of Business Conduct ESG Report; Governance, Business Ethics and Integrity; p.56
	2-27 Compliance with laws and regulations	Investor Relations Webpages; Corporate Compliance ESG Report; Governance, Business Ethics and Integrity; p.56
	2-28 Membership associations	ESG Webpages; ESG Report; The Big Picture; p. 9
	2-29 Approach to stakeholder engagement	ESG Report; Governance, Stakeholder and Political Engagement; p.54
	2-30 Collective bargaining agreements	ESG Webpages; Human Rights Policy
	MATERIAL TOPICS	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Report; The Big Picture, About This Report; p.3 ESG Report; Appendix, Materiality; p.59
	3-2 List of material topics	ESG Report; Appendix, Materiality; p.59
ECONOMIC PERFORMANCE		
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report ; Part II, Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations; p.25 Annual Report ; Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk; p.35

GRI INDEX – CONTINUED

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report ; Part II, Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations; p.25
	201-2 Financial implications and other risks and opportunities due to climate change	2023 CDP Climate Submission ; C2.1b, C2.2, C2.2a, C2.3, C2.3a, C2.4, C2.4a, C3.4 2023 CDP Water Submission ; W3.3b, W4.1, W4.1a, W4.1b, W4.1c, W4.2a, W4.2b, W4.3, W4.3a
	201-3 Defined benefit plan obligations and other retirement plans	ESG Report; Social: Workplace and Community, People; p.47 Gap Inc. Webpages; Benefits
	201-4 Financial assistance received from government	Not applicable. Gap Inc. did not receive financial assistance from the government in 2023.
PROCUREMENT PRACTICES		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Appendix, Materiality; p.59 ESG Report; Social: Supply Chain, Purchasing Practices; p.31 ESG Report; Social: Supply Chain, Assessment and Remediation; p.32 ESG Report; Environment, Raw Materials and Product; p.24
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Information unavailable/incomplete. We focus our impact and responsibility efforts on our global supply chain.
ANTI-CORRUPTION		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Governance, Business Ethics and Integrity; p.56
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	ESG Report; Governance, Business Ethics and Integrity; p.56
	205-2 Communication and training about anti-corruption policies and procedures	ESG Report; Governance, Business Ethics and Integrity; p.56
	205-3 Confirmed incidents of corruption and actions taken	ESG Report; Governance, Business Ethics and Integrity; p.56

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
ANTI-COMPETITIVE BEHAVIOR		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Governance, Business Ethics and Integrity; p.56
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	ESG Report; Governance, Business Ethics and Integrity; p.56
MATERIALS		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Environment, Raw Materials and Product; p.24 ESG Report; Environment, Circularity; p.26 ESG Report; Environment, Waste; p.28
GRI 301: Materials 2016	301-1 Materials used by weight or volume	ESG Report; SASB Index, CG-AA-440a.4; p.72 ESG Report; Environment, Raw Materials and Product; p.24
	301-2 Recycled input materials used	ESG Report; SASB Index, CG-AA-440a.4; p.72 ESG Report; Environment, Raw Materials and Product; p.24
	301-3 Reclaimed products and their packaging materials	0% – Gap Inc. does not directly collect to reuse or recycle any products.
ENERGY		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Environment, Climate Action; p.21 2023 CDP Climate Submission ; C1.1a, C1.1b, C1.1d, C1.2, C1.3a
GRI 302: Energy 2016	302-1 Energy consumption within the organization	2023 CDP Climate Submission ; C5.2, C8.1, C8.2, C8.2a, C8.2b, C8.2c, C8.2e, C8.2g ESG Report; Environment, Climate Action; p.21 ESG Report; SASB Index, CG-MR-130a.1; p.75 ESG Webpages; Assurance Statements for Environmental Data ESG Report; Appendix, Data Assurance; p.82
	302-2 Energy consumption outside of the organization	2023 CDP Climate Submission ; C5.2, C6.5, C8.1, C8.2, C8.2a, C8.2b, C8.2c, C8.2e, C8.2g ESG Report; Environment, Climate Action; p.21
	302-3 Energy intensity	2023 CDP Climate Submission ; C6.10 ESG Report; Environment, Climate Action; p.21

GRI INDEX – CONTINUED

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
GRI 302: Energy 2016 (cont.)	302-4 Reduction of energy consumption	2023 CDP Climate Submission ; C4.1a, C4.2, C4.2a, C4.3, C4.3a, C4.3b, C4.3c ESG Report; Environment, Climate Action; p.21
	302-5 Reductions in energy requirements of products and services	2023 CDP Climate Submission ; C4.5 ESG Report; Environment, Climate Action; p.21 ESG Report; Environment, Raw Materials and Product; p.24
WATER AND EFFLUENTS		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Environment, Water Stewardship; p.16 2023 CDP Water Submission ; W0.5, W0.6, W1.2, W2.1, W3.3, W3.3a, W3.3b, W4.1a, W4.2a, W6.1, W6.1a, W6.2a-b, W6.3, W7.3, W7.3a
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	ESG Report; Environment, Access: Community Water Resilience; p.17 2023 CDP Water Submission ; W1.1, W1.5, W1.5a-e, W3.3a-b, W4.2a, W8.1a-b
	303-2 Management of water discharge-related impacts	ESG Report; Environment, Water Stewardship; p.16 ESG Report; Environment, Chemicals Management; p.20
	303-3 Water withdrawal	ESG Report; Environment, Reduction and Replenishment: Tackling Water Consumption; p.18 2023 CDP Water Submission ; W1.2b, W1.2d, W1.2h
	303-4 Water discharge	ESG Report; Environment, Chemicals Management; p.20 2023 CDP Water Submission ; W1.2b, W1.2i, W1.2j
	303-5 Water consumption	ESG Report; Environment, Reduction and Replenishment: Tackling Water Consumption; p.18 2023 CDP Water Submission ; W1.2b
BIODIVERSITY		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Environment, Raw Materials and Product; p.24
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	ESG Report; Environment, Raw Materials and Product; p.24 ESG Report; Environment, Climate Action; p.21

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
GRI 304: Biodiversity 2016 (cont.)	304-2 Significant impacts of activities, products and services on biodiversity	ESG Report; Environment, Raw Materials and Product; p.24
	304-3 Habitats protected or restored]	Information unavailable as we are currently working to expand our Wood-Derived Fibers Policy to address land use, forest conservation, and deforestation risks.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Information unavailable as we are currently working to expand our Wood-Derived Fibers Policy to address land use, forest conservation, and deforestation risks.
EMISSIONS		
GRI 3: Material Topics 2021	3-3 Management of material topics	2023 CDP Climate Submission ; C1.1a, C1.1b, C2.2, C2.2a, C2.3a, C2.4a, C3.2b, C3.3, C3.4, C4.3c ESG Report; Environment, Climate Action; p.21
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	2023 CDP Climate Submission ; C5.2, C5.3, C6.1, C6.10, C7.1, C7.1a, C7.2, C7.3, C7.3a, C7.9a ESG Report; Environment, Climate Action; p.21 ESG Webpages; Assurance Statements for Environmental Data ESG Report; Appendix, Data Assurance; p.68
	305-2 Energy indirect (Scope 2) GHG emissions	2023 CDP Climate Submission ; C5.2, C5.3, C6.2, C6.3, C6.4, C6.10, C7.5, C7.6, C7.6a, C7.9a, C7.9b ESG Report; Environment, Climate Action; p.21 ESG Webpages; Assurance Statements for Environmental Data ESG Report; Appendix, Data Assurance; p.82
	305-3 Other indirect (Scope 3) GHG emissions	2023 CDP Climate Submission ; C5.2, C5.3, C6.5 ESG Report; Environment, Climate Action; p.21 ESG Webpages; Assurance Statements for Environmental Data ESG Report; Appendix, Data Assurance; p.82
	305-4 GHG emissions intensity	2023 CDP Climate Submission ; C6.10 ESG Report; Environment, Climate Action; p.21 ESG Report; Appendix, Data Assurance; p.82

GRI INDEX – CONTINUED

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
GRI 305: Emissions 2016 (cont.)	305-5 Reduction of GHG emissions	2023 CDP Climate Submission ; C2.4a, C4.1, C4.1a, C4.2, C4.2a, C4.3, C4.3a, C4.3b, C4.2c, C5.2 ESG Report; Environment, Climate Action; p.21 ESG Report; Gap Inc. Goals and Progress; p.11
	305-6 Emissions of ozone-depleting substances (ODS)	Gap Inc. has no ozone-depleting substance emissions to report.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2023 CDP Climate Submission ; C7.1a ESG Report; Environment, Climate Action; p.21
WASTE		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Environment, Circularity; p.26 ESG Report; Environment, Waste; p.28
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	ESG Report; Environment, Circularity; p.26 ESG Report; Environment, Waste; p.28
	306-2 Management of significant waste-related impacts	ESG Report; Environment, Circularity; p.26 ESG Report; Environment, Waste; p.28
	306-3 Waste generated	ESG Report; Environment, Circularity; p.26 ESG Report; Environment, Waste; p.28
	306-4 Waste diverted from disposal	ESG Report; Environment, Circularity; p.26 ESG Report; Environment, Waste; p.28 ESG Report; SASB Index, CG-MR-410a.3; p.76
	306-5 Waste directed to disposal	ESG Report; Environment, Circularity; p.26 ESG Report; Environment, Waste; p.28
SUPPLIER ENVIRONMENTAL ASSESSMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Social: Supply Chain, Assessment and Remediation; p.32 ESG Report; Environment, Access: Community Water Resilience; p.17 ESG Report; Environment, Reduction and Replenishment: Tackling Water Consumption; p.18
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	ESG Report; SASB, CG-AA-430a.1, CG-AA-430a.2, CG-AA-430b.1, CG-AA-430b.2; pp.69-70

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
GRI 308: Supplier Environmental Assessment 2016 (cont.)	308-2 Negative environmental impacts in the supply chain and actions taken	ESG Report; Social: Supply Chain, Assessment and Remediation; p.32 ESG Report; Environment, Access: Community Water Resilience; p.17 ESG Report; Environment, Reduction and Replenishment: Tackling Water Consumption; p.18 ESG Report; Environment, Climate Action; p.21 ESG Report; SASB, CG-AA-430b.2; p.70
EMPLOYMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Social: Workplace and Community, People; p.47
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Proxy Statement 2023 ; p.64 ESG Report; SASB, CG-EC-330a.2; p.73 ESG Report; Supplemental Data; p.78
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESG Report; Social: Workplace and Community, People; p.47 Gap Inc. Webpages; Benefits
	401-3 Parental leave	ESG Report; Social: Workplace and Community, People; p.47 Gap Inc. Webpages; Benefits
OCCUPATIONAL HEALTH AND SAFETY		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Social: Workplace and Community, People; p.47
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	ESG Report; Social: Workplace and Community, People; p.47
	403-2 Hazard identification, risk assessment, and incident investigation	ESG Report; Social: Workplace and Community, People; p.47
	403-3 Occupational health services	ESG Report; Social; Workplace and Community, People; p.47 Gap Inc. Webpages; Talent Development
	403-4 Worker participation, consultation, and communication on occupational health and safety	ESG Report; Social; Workplace and Community, People; p.47 Gap Inc. Webpages; Talent Development

GRI INDEX – CONTINUED

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
GRI 403: Occupational Health and Safety 2018 (cont.)	403-5 Worker training on occupational health and safety	ESG Report; Social: Workplace and Community, People; p.47
	403-6 Promotion of worker health	ESG Report; Social: Workplace and Community, People; p.47
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESG Report; Social: Workplace and Community, People; p.47
	403-8 Workers covered by an occupational health and safety management system	ESG Report; Social: Workplace and Community, People; p.47
	403-9 Work-related injuries	ESG Report; Social: Workplace and Community, People; p.47
	403-10 Work-related ill health	ESG Report; Social: Workplace and Community, People; p.47
TRAINING AND EDUCATION		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Social: Workplace and Community, People; p.47
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	ESG Report; Social: Workplace and Community, People; p.47
	404-2 Programs for upgrading employee skills and transition assistance programs	ESG Report; Social: Workplace and Community, People; p.47
	404-3 Percentage of employees receiving regular performance and career development reviews	ESG Report; Social: Workplace and Community, People; p.47

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
DIVERSITY AND EQUAL OPPORTUNITY		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Social: Workplace and Community, Equality & Belonging; p.44
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	ESG Report; Social: Workplace and Community, Equality & Belonging; p.44
	405-2 Ratio of basic salary and remuneration of women to men	ESG Report; Social: Workplace and Community, Equality & Belonging; p.44 Investor Relations Webpages; Corporate Compliance France and U.K. Gender Pay Gap Disclosure History
LOCAL COMMUNITIES		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Social: Supply Chain, Gap Inc. P.A.C.E. and RISE; p.36 ESG Report; Social: Workplace and Community, Enabling Opportunity and Social Impact; p.40 ESG Report; Environment, Access: Community Water Resilience; p.17
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	ESG Report; Social: Supply Chain, Gap Inc. P.A.C.E. and RISE; p.36 ESG Report; Social: Workplace and Community, Enabling Opportunity and Social Impact; p.40 ESG Report; Environment, Access: Community Water Resilience; p.17
	413-2 Operations with significant actual and potential negative impacts on local communities	ESG Report; Environment, Water Stewardship; p.16 ESG Report; Environment, Chemicals Management; p.20

GRI INDEX – CONTINUED

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
SUPPLIER SOCIAL ASSESSMENTS AND LABOR		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Social: Supply Chain, Human Rights; p.30 ESG Report; Social: Supply Chain, Assessment and Remediation; p.32 ESG Report; Social: Supply Chain, Capability Building; p.34 Gap Inc. Webpages; California Transparency in Supply Chains Act & U.K. Modern Slavery Act Statement
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	ESG Report; Social: Supply Chain, Assessment and Remediation; p.32 ESG Report; SASB, CG-AA-430b.1, CG-AA-430b.2; p.70
	414-2 Negative social impacts in the supply chain and actions taken	ESG Report; SASB, CG-AA-430b.1, CG-AA-430b.2; p.70 ESG Webpages; Grievance Mechanisms
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	ESG Report; Social: Supply Chain, Assessment and Remediation; p.32 ESG Report; Social: Supply Chain, Capability Building (Gender-Based Violence and Harassment Prevention and Response); p.35 ESG Report; SASB, CG-AA-430b.1, CG-AA-430b.2; p.70 ESG Webpages; Discrimination and Harassment
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	ESG Report; Social: Supply Chain, Human Rights; p.30 ESG Report; Social: Supply Chain, Assessment and Remediation; p.32 ESG Webpages; Child Labor and Young Workers
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	ESG Report; Social: Supply Chain, Human Rights; p.30 ESG Report; Social: Supply Chain, Assessment and Remediation; p.32 ESG Webpages; Human Trafficking and Forced Labor

GRI STANDARD	DISCLOSURE	GAP INC. REFERENCE(S)
PUBLIC POLICY		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Governance, Stakeholder and Political Engagement; p.54 Gap Inc. Webpages; Political Engagement Policy
GRI 415: Public Policy 2016	415-1 Political contributions	ESG Report; Governance, Stakeholder and Political Engagement; p.54 Gap Inc. Webpages; Political Engagement Policy
CUSTOMER HEALTH AND SAFETY		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report; Environment, Chemicals Management; p.20
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	ESG Report; Environment, Chemicals Management; p.20
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Zero incidents of non-compliance were observed in 2023. Consumer Product Safety Commission

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

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

TOPIC/ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE(S) ¹
APPAREL, ACCESSORIES & FOOTWEAR					
Management of Chemicals in Product					
Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	N/A	CG-AA-250a.1	<p>Gap Inc. chemical restrictions are informed by global regulations, as well as hazard- and risk-based considerations. They include our Restricted Substances List (RSL) and our Manufacturing Restricted Substances List (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 Apparel and Footwear International RSL Management (AFIRM) Group RSL. Our approach to implementation of our chemical policies includes:</p> <ol style="list-style-type: none"> 1. Industry partnerships and standards: We partner with industry groups, including the AFIRM Group and the Sustainable Apparel Coalition (SAC) to implement a consistent set of tools and processes to support best practices, monitor supplier performance, and encourage use of safer chemicals. 2. Supplier engagement: We communicate chemical compliance requirements to our suppliers in our Code of Vendor Conduct (COVC) and Mill Minimum Expectations, and we require our suppliers to acknowledge and comply with these conditions. 3. Compliance and monitoring: Through third-party testing of products, product components, and wastewater effluent, as well as the use of industry data platforms, we monitor the performance of our supply chain and verify compliance with global chemical regulations and Gap Inc. chemical restrictions. <p>To learn more about this process, please see the Chemicals Management page.</p>	ESG Report; Environment, Chemicals Management; p.20

¹ ESG Report refers to Gap Inc.'s 2023 ESG Report; ESG Webpages refer to our Global Website, which hosts our Environment, Social, and Governance (ESG) Hub and Equality & Belonging Report; Annual Report refers to Gap Inc.'s Annual Report on Form 10-K for the fiscal year ended February 3, 2024; and Proxy Statement refers to the Notice of Annual Meeting of Gap Inc. Shareholders 2023 and 2024 Proxy Statements. Please find more information on our Investor Relations Webpages.

TOPIC/ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE(S)																				
Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	N/A	CG-AA-250a.2	<p>Gap Inc. uses the following processes to assess and manage potential risks and hazards associated with their product materials and chemicals.</p> <p>Input Management: The selection of better chemical inputs and starting materials is an essential part of reducing the use and discharge of hazardous chemicals.</p> <p>Process Management: Adherence to chemicals management best practices during manufacturing is critical for reducing both human and environmental risks.</p> <p>Output Management: The outputs of apparel and footwear manufacturing include finished products as well as wastewater. Gap Inc. restricts chemicals of known concern.</p> <p>In 2023, Gap Inc. met its goal to not source any fabrics intentionally treated with per- and polyfluoroalkyl substances (PFAS). Throughout the year, more than 99% of shipped items with water- or stain-repellent qualities were made without PFAS treatments.¹</p>	ESG Report; Environment, Chemicals Management; p.20																				
Environmental Impacts in the Supply Chain																									
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreements	Quantitative	Percentage (%)	CG-AA-430a.1	<p>For more than 15 years, we have required our denim laundries to participate in our Water Quality Program, which allows us to actively monitor and improve wastewater quality. In 2022, we added woven and garment dye laundries to this program, and during 2023, we expanded to knit and sweater laundries, for a total of 170 Water Quality Program participants. We also conduct a Mill Sustainability Program for an additional 59 facilities in Tier 2, for a total of 229 facilities participating in wastewater testing.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total participants</th> <th>% Tier 1 meeting both</th> <th>% Tier 2 meeting both</th> <th>% Tier 1 and 2 meeting both conventional and ZDHC MRSL parameters</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>53</td> <td>-</td> <td>-</td> <td>100% met conventional, 94% met ZDHC</td> </tr> <tr> <td>2022</td> <td>156</td> <td>99%</td> <td>95%</td> <td>97%</td> </tr> <tr> <td>2023</td> <td>229</td> <td>95%</td> <td>91%</td> <td>94%</td> </tr> </tbody> </table>	Year	Total participants	% Tier 1 meeting both	% Tier 2 meeting both	% Tier 1 and 2 meeting both conventional and ZDHC MRSL parameters	2021	53	-	-	100% met conventional, 94% met ZDHC	2022	156	99%	95%	97%	2023	229	95%	91%	94%	<p>ESG Report; Environment, Water Stewardship; p.16</p> <p>ESG Report; Environment, Reduction and Replenishment: Tackling Water Consumption; p.18</p> <p>ESG Report; Environment, Chemicals Management; p.20</p>
Year	Total participants	% Tier 1 meeting both	% Tier 2 meeting both	% Tier 1 and 2 meeting both conventional and ZDHC MRSL parameters																					
2021	53	-	-	100% met conventional, 94% met ZDHC																					
2022	156	99%	95%	97%																					
2023	229	95%	91%	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>Our Tier 1 and strategic Tier 2 suppliers complete the Sustainable Apparel Coalition’s Higg Index 3.0 Facility Environmental Module (FEM) self-assessment to communicate their water and energy use, along with chemicals and waste management.</p> <table 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>2021</td> <td>99% (558)</td> <td>91% (147)</td> <td>463 (64%) 351 Tier 1, 112 Tier 2)</td> </tr> <tr> <td>2022</td> <td>100% (589)</td> <td>73% (152)</td> <td>557 (77% total; 441 Tier 1, 133 Tier 2)</td> </tr> <tr> <td>2023</td> <td>100% (565)</td> <td>73% (200)</td> <td>662 (79% total; 478 Tier 1, 184 Tier 2)</td> </tr> </tbody> </table>	Year	% Tier 1 branded suppliers using Higg Index FEM	% Tier 2 suppliers using Higg Index FEM	# verified responses	2021	99% (558)	91% (147)	463 (64%) 351 Tier 1, 112 Tier 2)	2022	100% (589)	73% (152)	557 (77% total; 441 Tier 1, 133 Tier 2)	2023	100% (565)	73% (200)	662 (79% total; 478 Tier 1, 184 Tier 2)	<p>ESG Report; Environment, Water Stewardship; p.16</p> <p>Reduction and Replenishment; p.18</p> <p>ESG Report; Environment, Climate Action; pp.21–23</p>				
Year	% Tier 1 branded suppliers using Higg Index FEM	% Tier 2 suppliers using Higg Index FEM	# verified responses																						
2021	99% (558)	91% (147)	463 (64%) 351 Tier 1, 112 Tier 2)																						
2022	100% (589)	73% (152)	557 (77% total; 441 Tier 1, 133 Tier 2)																						
2023	100% (565)	73% (200)	662 (79% total; 478 Tier 1, 184 Tier 2)																						

¹ A few items shipped early in the year included a PFAS-finished fabric produced and purchased prior to January 1, 2023.

TOPIC/ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE(S)			
Labor Conditions in the Supply Chain								
Percent 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	We have communicated to our entire supplier base our expectations of their social and environmental performance, which are requirements of doing business with us. Facilities with a consistently low nonconformance rate may be assessed on a biannual basis; all facilities are audited prior to initial production.	ESG Report; Social: Supply Chain, Human Rights; p.30 ESG Report; Social: Supply Chain, Assessment and Remediation; p.32			
						% of audits conducted by third-party assessor (such as ILO Better Work and SLCP)	% of suppliers beyond Tier 1 audited to COVC¹	
				Year		% Tier 1 branded suppliers audited to COVC		
				2021		83%	68%	N/A
				2022		88%	88%	24%
2023	100%	83%	31%					
¹ This represents the percentage of identified facilities beyond Tier 1 audited to our COVC through SLCP. We have identified and confirmed 707 mill facilities (this number is inclusive of vendor-sourced mills) in our supply chain and recognize this metric may change as more information is available.								
Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	Quantitative	Rate	CG-AA-430b.2	We use a color-coded system to rate each facility's performance. High-performing facilities with no critical and few violations are rated green; average performers are yellow; and those that need to address one or more serious issues are red. For issues open as of 2/1/2023, 78 percent of corrective action plans were resolved by 2/1/2024.	ESG Report; Social: Supply Chain, Human Rights; p.30 ESG Report; Social: Supply Chain, Assessment and Remediation; p.32 ESG Webpages; COVC Findings ESG Report; Appendix, Supplemental Data; p.78			
						2021	2022	2023
				Assessed Factory Ratings				
				Green (good)		67%	74%	79%
				Yellow (fair)		32%	25%	20%
Red (action required)	<1%	<1%	1%					
	COVC Issue Resolution Rate							
% of corrective actions plans resolved by end of the fiscal year	84%	81%	78%					
Description of greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	Discussion and Analysis	N/A	CG-AA-430b.3	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 of empowering women to create lasting impact.	ESG Report; Social: Supply Chain, Human Rights; p.30 ESG Report; Social: Supply Chain, Assessment and Remediation; p.32			
				2. Excessive overtime, fire and structural safety, and gender-based violence and harassment 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, and these issues can also present operational risk to our supply chain and reputational risk to our portfolio of brands.				

TOPIC/ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE(S)
Raw Material Sourcing					
(1)List of priority raw materials; for each priority raw material: (2) environmental and/or social factor(s) most likely to threaten sourcing, (3) discussion on business risks and/or opportunities associated with environmental and/or social factors, and (4) management strategy for addressing business risks and opportunities	Discussion and Analysis	N/A	CG-AA-440a.3	<p>PRIORITY RAW MATERIALS</p> <p>Environmental and/or Social Factors:</p> <p>Cotton: Changes in water access, drought, flooding, heat waves, soil deterioration, and other climate, water, and biodiversity impacts can affect availability, cost, and quality of cotton crops.</p> <p>Polyester: As a synthetic, petroleum-based synthetic fiber, polyester can contribute to anthropogenic pollution in the extraction and production phases, it does not naturally biodegrade, and there are concerns about microplastic pollution.</p> <p>Nylon: Conventional nylon is a petroleum-based synthetic fiber that contributes to anthropogenic pollution and greenhouse gases in the production phase and requires large amounts of water to produce.</p> <p>Manmade cellulosic fibers: Derived from wood and wood pulp by-products, manmade cellulosic fibers are susceptible to environmental factors such as drought, flooding, natural disasters, and disease, which could potentially impact the harvest of the materials substantively and is also connected to deforestation and decreasing biodiversity.</p> <p>Discussion of Business Risks and/or Opportunities:</p> <p>Cotton: Farming and processing cotton typically involves the use of large quantities of water as well as chemicals, and often takes place in regions facing water and climate risks.</p> <p>Polyester: We expect the costs of raw material commodities like polyester and recycled polyester (rPET) to increase based on demand, availability, and environmental factors such as drought, flood, and natural disaster in our regions of procurement and production. The production of synthetic materials including polyester relies on fossil fuel and petroleum derivatives, and as such is susceptible to fluctuations in the cost and availability of petroleum products.</p> <p>Nylon: Conventional nylon’s reliance on large amounts of water in the production phase makes nylon manufacturing susceptible to environmental factors such as drought, flooding, and other water related infrastructure problems.</p> <p>Manmade cellulosic fibers: Uncertainty in materials procurement supply chains can be a point of potential risk for organizations when sourcing manmade cellulosic fibers. We maintain a diverse supplier base, validate the source origin for our materials, and rely on industry certifications and branded cellulosic fibers sourcing which have proven to have a reduced environmental impact compared with conventional cellulose.</p> <p>Management Strategy:</p> <p>Our holistic preferred fibers strategy uses life-cycle assessment (LCA) data on indicators including global warming potential, water use, and eutrophication, as well as evaluations for biodiversity, potential for circularity, chemistry, land use change, and social conditions within production. Gap Inc.’s Supply Chain and Sourcing teams monitor and respond to risks for key raw materials using a multi-factor model that includes cotton, polyester, nylon, and manmade cellulosic fibers prices. Gap Inc. takes a portfolio approach to cotton sourcing, with an emphasis on cultivating diverse sources of more sustainable cotton across several regions to reduce risk.</p> <p>We measure our progress by setting and working toward public goals to increase the percentage of more sustainable cotton and recycled polyester used in our products, and continue to ensure 100% of our manmade cellulosic fibers are not sourced from ancient, endangered, high-conservation-value, or high-carbon-stock forests.</p> <p>Partnerships are a key tenet of our approach. We have joined industry collaborations such as the Textile Exchange Recycled Polyester Challenge, rPET Round Table, and Biosynthetics Working Group to improve the sourcing of materials. We are also interested in advancing opportunities around lower-impact nylon and elastane, two critical performance fibers with few existing alternative options.</p>	<p>ESG Report; Environment, Raw Materials and Product; p.24</p> <p>ESG Report; Environment, Climate Action; p.21</p> <p>ESG Report; Environment, Water Stewardship; p.16</p> <p>2023 CDP Climate Submission; C1.3, C2.2, C2.2a</p> <p>2023 CDP Water Submission; W3.3b</p>

SASB – CONTINUED

TOPIC/ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE(S)																												
(1)Amount of priority raw materials purchased, by materials, and (2) amount of each priority raw material that is certified to a third-party environmental and/or social standard, by standard	Quantitative	Metric tons (t)	CG-AA-440a.4	<table border="1"> <thead> <tr> <th></th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Priority raw material (name)</td> <td>% certified</td> <td>% certified</td> <td>% certified</td> </tr> <tr> <td>Manmade cellulosic fibers</td> <td>13%</td> <td>14%</td> <td>14%</td> </tr> <tr> <td>Cotton</td> <td>79%</td> <td>81%</td> <td>98%</td> </tr> <tr> <td>Polyester</td> <td>10%</td> <td>16%</td> <td>19%</td> </tr> <tr> <td>Nylon</td> <td>10%</td> <td>12%</td> <td>7%</td> </tr> <tr> <td>Wool</td> <td>14%</td> <td>44%</td> <td>43%</td> </tr> </tbody> </table>		2021	2022	2023	Priority raw material (name)	% certified	% certified	% certified	Manmade cellulosic fibers	13%	14%	14%	Cotton	79%	81%	98%	Polyester	10%	16%	19%	Nylon	10%	12%	7%	Wool	14%	44%	43%	ESG Report; Environment, Raw Materials and Product; p.24
					2021	2022	2023																										
				Priority raw material (name)	% certified	% certified	% certified																										
				Manmade cellulosic fibers	13%	14%	14%																										
				Cotton	79%	81%	98%																										
				Polyester	10%	16%	19%																										
Nylon	10%	12%	7%																														
Wool	14%	44%	43%																														
Certification/Standard & Associated Discussion (Technical Protocol #3-3.3)¹																																	
Lenzing, TENCEL, Viscose, Birla LivaECO																																	
Better Cotton Initiative (BCI), Global Organic Textile Standard (GOTS), Organic Content Standard (OCS)																																	
Global Recycled Standard (GRS), Recycled Content Standard (RCS)																																	
Global Recycled Standard (GRS), Recycled Content Standard (RCS)																																	
Responsible Wool Standard (RWS), Global Recycled Standard (GRS), Recycled Content Standard (RCS)																																	
Activity Metric																																	
Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	Quantitative	Number	CG-AA-000.A	Tier 1 branded-apparel supplier facilities are defined as direct-relationship cut-and-sew facilities and their associated embroidery, laundry, and screen-printing facilities.	ESG Report; Social: Supply Chain, Assessment and Remediation; p.32																												
				<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>2021</td> <td>705</td> <td>231</td> <td>65%</td> </tr> <tr> <td>2022</td> <td>702</td> <td>249</td> <td>79%</td> </tr> <tr> <td>2023</td> <td>682</td> <td>707²</td> <td>73%</td> </tr> </tbody> </table>		Year	# of Tier 1 branded-apparel supplier factories	# of mill facilities (Tier 2)	% of business from mill facilities (Tier 2)	2021	705	231	65%	2022	702	249	79%	2023	682	707 ²	73%												
				Year		# of Tier 1 branded-apparel supplier factories	# of mill facilities (Tier 2)	% of business from mill facilities (Tier 2)																									
				2021		705	231	65%																									
				2022		702	249	79%																									
2023	682	707 ²	73%																														

¹ Percentages may also include fibers that pass an internal threshold of traceability standards for more sustainable practices.

² This number is inclusive of vendor-sourced mills.

TOPIC/ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE(S)			
E-COMMERCE								
Hardware Infrastructure Energy & Water Management								
(1) Total water withdrawn; (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Cubic meters (m ³), Percentage (%)	CG-EC-130a.2	WATER CONSUMPTION AND RISK	2021	2022	2023	ESG Report; Environment, Water Stewardship; p.16
				Company-operated water consumption (cubic meters)	1.02 billion	892 million	895 million	
				Supply Chain water consumption (cubic meters)	26 billion	32 billion	Available later in 2024	
				Water consumption in WWF risk level <2.5	2%	5%	Available later in 2024	
				Water consumption in WWF risk level 2.5–3.5	75%	65%	Available later in 2024	
				Water consumption in WWF risk level 3.5–4.5	19%	22%	Available later in 2024	
				Water consumption in WWF risk level not yet assessed	4%	8%	Available later in 2024	
Data Security								
Description of approach to identifying and addressing data security risks	Discussion and Analysis	N/A	CG-EC-230a.1	See references.	ESG Report; Governance, Business Ethics and Integrity; p.56 Gap Inc. Webpages; Privacy Policy Gap Inc.'s Code of Business Conduct			
Employee Recruitment, Inclusion & Performance								
Employee engagement as a percentage	Quantitative	Percentage (%)	CG-EC-330a.1	In 2023, 4,982 employees filled out the HQ Pulse survey, a Gap Inc. survey that is conducted internally. We measure engagement through the following metrics: 81% responded yes to the statement: "I am proud to work here" 72% responded yes to the statement: "I intend to stay for at least the next 12 months"	ESG Report; Social: Workplace and Community, People; p.47			
(1) Voluntary and (2) involuntary turnover rate for all employees	Quantitative	Rate	CG-EC-330a.2		2022	2023	ESG Report; Appendix, Supplemental Data; p.78	
				Total employee turnover rate	96%	107%		
				Voluntary employee turnover rate	87%	84%		

TOPIC/ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE(S)								
Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Quantitative	Percentage (%)	CG-EC-330a.3	EMPLOYEES	ESG Report; Social: Workplace and Community, Equality & Belonging; p.44 ESG Report; Appendix, Supplemental Data; p.78								
				Year		White	Asian	Black	Hispanic/Latinx	Other¹	Women	Men	Non-binary
				2021		45%	7%	17%	25%	6%	76%	24%	-
				2022		44%	6%	16%	25%	9%	75%	24%	1%
				2023		41%	5%	15%	24%	15%	76%	23%	1%
				MANAGEMENT									
				Year		White	Asian	Black	Hispanic/Latinx	Other¹	Women	Men	
				2021		59%	24%	4%	7%	5%	63%	37%	
				2022		56%	10%	10%	17%	6%	65%	35%	
				2023		52%	8%	10%	17%	13%	66%	34%	
TECHNICAL STAFF													
Year	Women	Men											
2021	24%	76%											
2022	28%	72%											
2023	29%	71%											
¹ The data combines ethnic groups identified as two or more ethnicities, Middle Eastern, Native American, or API (Asian Pacific Islanders and Native Hawaiians).													

Product Packaging & Distribution

TOPIC/ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE(S)		
Total greenhouse gas (GHG) footprint of product shipments	Quantitative	Metric tons (t) CO ₂ -e	CG-EC-410a.1	Year	Upstream transportation and distribution (metric tons CO₂e)	Downstream transportation and distribution (metric tons CO₂e)	ESG Report; Environment, Climate Action; p.21
				2021	670,820	117,670	
				2022	169,045	83,633	
				2023	2023 data will be available on our website later in 2024		
Upstream emissions calculated using primary metric ton/km information at a haul level from Gap internal systems, multiplied by Defra product transportation emission factors. This represents emissions from our suppliers to our distribution centers. Downstream emissions calculated using primary metric ton/km information at a haul level from Gap internal systems, multiplied by Defra product transportation emission factors.							

SASB – CONTINUED

TOPIC/ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE(S)		
Discussion of strategies to reduce the environmental impact of product delivery	Discussion and Analysis	N/A	CG-EC-410a.2	<p>Gap Inc. is a signatory of the Arctic Shipping Pledge. Created in partnership with 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; Environment, Climate Action; p.21		
Activity Metrics							
Entity-defined measure of user activity	Quantitative	Number	CG-EC-000.A	Year	Total global online orders (excluding franchises)		
				2021	83,997,807		
				2022	80,235,600		
				2023	76,055,779		
This data includes orders placed in the United States Specialty (Web and App), U.S. Factory, Canada, and Japan. It does not include franchises, cancellations, or returns.							
Number of shipments	Quantitative	Number	CG-EC-000.C	Year	Total global shipments to customers (excluding franchises)		
				2021	124,463,015		
				2022	112,916,023		
				2023	102,829,442		
This data includes packages transported in the United States, Canada, and Japan.							
MULTILINE AND SPECIALTY RETAILERS & DISTRIBUTORS							
Energy Management in Retail & Distribution							
(1)Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ)	CG-MR-130a.1 CG-EC-130a.1	Year	Total energy consumed at retail and distribution centers (GJ)	% renewable	ESG Report; Environment, Climate Action; p.23 <u>2023 CDP Climate Submission</u>
				2021	3,038,091	33%	
				2022	2,935,820	33%	
				2023	2023 data will be available on our website later in 2024	-	
Percentage of grid electricity is not available.							

SASB – CONTINUED

TOPIC/ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE(S)		
Workforce Diversity & Inclusion							
Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Quantitative	Percentage (%)	CG-MR-330a.1	See CG-EC-330a.3.	ESG Report; Social: Workplace and Community, Equality & Belonging; p.44 ESG Report; Appendix, Supplemental Data; p.78		
Product Sourcing, Packaging, and Marketing							
Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	N/A	CG-MR-410a.2	See CG-AA-250a.2.	ESG Report; Environment, Chemicals Management; p.20		
Discussion of strategies to reduce the environmental impact of packaging	Discussion and Analysis	N/A	CG-MR-410a.3	Following a three-part strategy, our aim is to combat unnecessary and problematic plastic packaging waste. Elimination: Eliminate and substitute plastic packaging with non-plastic alternatives. Diversification: Divert plastics from landfill through recycling when feasible and where we have control over packaging disposal. Conversion: Convert necessary plastics to non-virgin materials when feasible.	ESG Report; Environment, Circularity; p.26 ESG Report; Environment, Waste; p.28		
Activity Metrics							
Number of: (1) retail locations and (2) distribution centers	Quantitative	Number	CG-MR-000.A	Year	Company-operated stores	Franchises	Annual Report 2023; p.28 Annual Report 2022; p.28 Annual Report 2021; p.30
				2021	2,835	564	
				2022	2,685	667	
				2023	2,562	998	
Total area of: (1) retail space and (2) distribution centers	Quantitative	Square feet (m ²)	CG-MR-000.B	Year	Retail space	Distribution center space	Annual Report 2023; p.22 Annual Report 2022; p.20–21 Annual Report 2021; p.23
				2021	33.3 million	9.3 million	
				2022	31.8 million	9.5 million	
				2023	30.6 million	9.6 million	

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

The TCFD is a framework of recommendations for companies to make more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions. We are reporting to the TCFD for the third time this year.¹

TCFD METRICS	GAP INC. REFERENCE(S) ²
GOVERNANCE: Disclose the organization's governance around climate-related risks and opportunities.	
a) Describe the board's oversight of climate-related risks and opportunities.	2023 CDP Climate Submission; C1.1b ESG Report; Governance, ESG Oversight; p.52 ESG Report; Governance, Risk Management; p.53
b) Describe management's role in assessing and managing climate-related risks and opportunities.	2023 CDP Climate Submission; C1.2 ESG Report; Governance, ESG Oversight; p.52 ESG Report; Governance, Risk Management; p.53
STRATEGY: Disclose the actual and potential impacts of climate related risks and opportunities on the organization's businesses, strategy and financial planning.	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2023 CDP Climate Submission; C2.1a, C2.3, C2.3a, C2.4, C2.4a ESG Report; Environment, Climate Action; p.21 ESG Webpages; Climate ESG Report; Appendix, Materiality; p.59 ESG Webpages; Materiality
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	2023 CDP Climate Submission; C2.3a, C2.4a, C3.1, C3.2a, C3.2b, C3.3, C3.4 ESG Report; Environment, Climate Action; p.21 ESG Webpages; Climate
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2023 CDP Climate Submission; C2.2a, C3.2, C3.2a, C3.2b ESG Report; Environment, Climate Action; p.21 ESG Webpages; Climate

¹ The inclusion of information contained in this disclosure should not be construed as a characterization regarding the materiality or financial impact of that information to investors in Gap Inc. For a discussion of risks that are material to investors in Gap Inc., please see our Annual Report on Form 10-K for the year ended February 3, 2024, filed with the Securities and Exchange Commission (SEC), and subsequent SEC filings. Given the inherent uncertainty in predicting and modeling future conditions, caution should be exercised when interpreting the information provided below. In addition, the controls, processes, practices, and infrastructures described in this disclosure are not intended to constitute any representation, warranty, or other assurance that such controls, processes, practices, and infrastructures will result in any specific outcome or result.

² ESG Report refers to Gap Inc.'s 2023 ESG Report; ESG Webpages refer to our Global Website, which hosts our Environment, Social, and Governance (ESG) Hub and Equality & Belonging Report; Annual Report refers to Gap Inc.'s Annual Report on Form 10-K for the fiscal year ended February 3, 2024; and Proxy Statement refers to the Notice of Annual Meeting of Gap Inc. Shareholders 2023 and 2024 Proxy Statements. Please find more information on our Investor Relations Webpages.

TCFD METRICS	GAP INC. REFERENCE(S)
RISK MANAGEMENT: Disclose how the organization identifies, assesses and manages climate-related risks.	
a) Describe the organization's processes for identifying and assessing climate-related risks	2023 CDP Climate Submission; C2.2, C2.2a ESG Report; Governance, Risk Management; p.53 ESG Report; Appendix, Materiality; p.59 ESG Webpages; Materiality
b) Describe the organization's processes for managing climate-related risks.	2023 CDP Climate Submission; C2.1, C2.2 ESG Report; Governance, Risk Management; p.53 ESG Report; Appendix, Materiality; p.59 ESG Webpages; Materiality
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	2023 CDP Climate Submission; C2.1, C2.2 ESG Report; Governance, Risk Management; p.53
METRICS: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	2023 CDP Climate Submission; C4.2, C4.2a, C4.2c 2023 CDP Water Submission; W8.1, W8.1a, W8.1b ESG Report; Environment, Climate Action; p.21 ESG Webpages; Climate ESG Report; Environment, Water Stewardship; p.16 ESG Webpages; Water Stewardship
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	2023 CDP Climate Submission; C6.1, C6.3, C6.5, C6.5a ESG Report; Environment, Climate Action; p.21 ESG Webpages; Climate
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2023 CDP Climate Submission; C4.1, C4.1a, C4.2, C4.2a, C4.2c 2023 CDP Water Submission; W8.1, W8.1a, W8.1b ESG Report; Gap Inc. Goals and Progress; p.11 ESG Report; Environment, Climate Action; p.21 ESG Webpages; Climate ESG Report; Environment, Water Stewardship; p.16 ESG Webpages; Water Stewardship

SUPPLEMENTAL DATA

ENVIRONMENT	FY 2021	FY 2022	FY 2023
WATER CONSUMPTION AND RISK			
Company-operated water consumption (cubic meters)	1.02 billion	892 million	895 million
Supply Chain water consumption (cubic meters)	26 billion	32 billion	Available later in 2024
Water consumption in WWF risk level <2.5	2%	5%	Available later in 2024
Water consumption in WWF risk level 2.5-3.5	75%	65%	Available later in 2024
Water consumption in WWF risk level 3.5-4.5	19%	22%	Available later in 2024
Water consumption in WWF risk level not yet assessed	4%	8%	Available later in 2024

SOCIAL – SUPPLY CHAIN	FY 2021	FY 2022	FY 2023
SUPPLY CHAIN SOCIAL AND ENVIRONMENTAL COMPLIANCE			
BUSINESS FROM TIER 1 AND TIER 2 FACTORIES (SUPPLYING BRANDED CLOTHING TO GAP INC. BRANDS)			
# of Tier 1 factories	705	702	682
# of mills mapped (Tier 2)	231	249	707 ¹
% of business from mills (Tier 2)	65%	79%	73%
ASSESSED FACTORY RATINGS			
Green (good)	67%	74%	79%
Yellow (fair)	32%	25%	20%
Red (action required)	<1%	<1%	1%
COVC AUDITS			
% of Tier 1 factories audited to COVC	83%	88%	100%
% of audits conducted by third-party (such as SLCP or ILO-IFC BetterWork)	68%	88%	83%
% and # of mills (Tier 2) audited to COVC	-	24% (59)	31% (82)
COVC ISSUE RESOLUTION RATE			
% of corrective actions plans resolved by end of the fiscal year	84%	81%	78%

¹ This number is inclusive of vendor-sourced mills.

SUPPLEMENTAL DATA – CONTINUED

SOCIAL – WORKPLACE AND COMMUNITY		FY 2021	FY 2022	FY 2023
Total number of employees at end of year, reported in our Form 10-K		97,000	95,000	85,000
BOARD OF DIRECTORS¹				
Board size		11	12	11
Number of independent directors		9	11	10
Number of minority backgrounds on Board		2	2	2
Number of women on Board		6	5	5
TENURE				
0–2 years		4	4	3
2–5 years		2	2	3
5+ years		5	6	5
AGE DISTRIBUTION				
40s		1	0	0
50s		5	7	6
60s		4	4	5
70s		1	1	0
U.S. ETHNICITY REPRESENTATION				
White		45%	44%	41%
Asian		7%	6%	5%
Black		17%	16%	15%
Hispanic/Latinx		25%	25%	24%
Other ²		6%	9%	15%

¹ This information is as reported in our Proxy Statements for relevant years.

² The data combines ethnic groups identified as two or more ethnicities, Middle Eastern, Native American, or API (Asian Pacific Islanders and Native Hawaiians).

SOCIAL – WORKPLACE AND COMMUNITY		FY 2021	FY 2022	FY 2023
Total minorities		55%	56%	59%
Management	White	59%	56%	52%
	Asian	24%	10%	8%
	Black	4%	10%	10%
	Hispanic/Latinx	7%	17%	17%
	Other	5%	6%	13%
	Total minorities	41%	44%	48%
New Hires	White	38%	41%	38%
	Asian	8%	4%	3%
	Black	24%	17%	22%
	Hispanic/Latinx	23%	26%	23%
	Other	7%	12%	14%
	Total minorities	62%	59%	62%
U.S. ETHNICITY BY DIVISION				
Headquarters	White	53%	53%	49%
	Asian	26%	24%	21%
	Black	4%	5%	7%
	Hispanic/Latinx	10%	9%	11%
	Other	7%	9%	12%

SUPPLEMENTAL DATA – CONTINUED

SOCIAL – WORKPLACE AND COMMUNITY		FY 2021	FY 2022	FY 2023
Store leadership	White	68%	65%	52%
	Asian	3%	3%	4%
	Black	9%	10%	13%
	Hispanic/Latinx	18%	18%	24%
	Other ¹	2%	4%	7%
Store employees	White	42%	43%	42%
	Asian	6%	4%	4%
	Black	19%	16%	16%
	Hispanic/Latinx	27%	26%	27%
	Other	6%	10%	11%
Distribution and call centers	White	37%	34%	36%
	Asian	9%	7%	7%
	Black	26%	25%	24%
	Hispanic/Latinx	22%	26%	25%
	Other	6%	8%	8%
U.S. INTERSECTIONAL REPRESENTATION				
White female employees		-	35%	33%
White male employees		-	9%	8%
Asian female employees		-	4%	4%
Asian male employees		-	2%	2%
Black female employees		-	12%	11%
Black male employees		-	4%	4%

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

SOCIAL – WORKPLACE AND COMMUNITY		FY 2021	FY 2022	FY 2023
Hispanic/Latinx female employees		-	18%	18%
Hispanic/Latinx male employees		-	7%	6%
Other ethnicity female employees		-	7%	11%
Other ethnicity male employees		-	2%	3%
GLOBAL GENDER REPRESENTATION				
Overall	Women	76%	75%	76%
	Men	24%	24%	23%
	Non-binary	-	1%	1%
VP and above	Women	58%	54%	55%
	Men	42%	46%	45%
Director/ Senior Director	Women	61%	61%	61%
	Men	39%	39%	39%
Manager/ Senior Manager	Women	57%	71%	72%
	Men	43%	29%	28%
Store Management	Women	75%	72%	76%
	Men	25%	28%	24%
New Hires	Women	74%	76%	76%
	Men	26%	24%	24%

SUPPLEMENTAL DATA – CONTINUED

SOCIAL – WORKPLACE AND COMMUNITY		FY 2021	FY 2022	FY 2023
U.S. PROMOTION RATES BY GENDER AND POSITION				
VP and above	Women	15%	15%	9%
	Men	7%	9%	7%
Director/Sr. Director	Women	22%	16%	11%
	Men	17%	17%	7%
Manager/Sr. Manager	Women	23%	21%	21%
	Men	15%	17%	17%
Individual contributors	Women	16%	3%	7%
	Men	11%	4%	7%
Overall	Women	19%	6%	9%
	Men	14%	6%	8%
% OF POSITIONS FILLED BY WOMEN				
STEM Positions (Science, Technology, Engineering, and Mathematics)		24%	28%	29%
Management positions in revenue-generating functions		–	78%	74%
AGE REPRESENTATION				
<30 years old		61%	57%	56%
30–50 years old		29%	31%	31%
>50 years old		10%	12%	13%

SOCIAL – WORKPLACE AND COMMUNITY		FY 2021	FY 2022	FY 2023
INTERNAL HIRING RATE BY POSITION				
VP and above		–	71%	96%
Director/Senior Director		–	65%	74%
Manager/Senior Manager		–	48%	55%
Overall (including Store Associates)		–	36%	40%
Total number of new employee hires		–	26k	30k
EMPLOYEE ENGAGEMENT				
% of employees volunteered		32%	39%	45%
% that responded “Yes” to: “I intend to stay for at least the next 12 months”		87%	81%	72%
OCCUPATIONAL HEALTH AND SAFETY – INCLUDES FULL-TIME EMPLOYEES				
Occupational injury-related fatalities		0	0	0
Rate of Injury Per 1,000,000 Hours Worked (LTIFR)		5.25	4.19	4.08
Coverage (% of full-time employees)		84%	88%	94%

DATA ASSURANCE



LRQA Independent Assurance Statement

Relating to Gap, Inc.'s Greenhouse Gas Emissions Inventory for the 2022 fiscal year

This Assurance Statement has been prepared for Gap, Inc. in accordance with our contract.

Terms of Engagement

LRQA was commissioned by Gap, Inc. (Gap) to provide independent assurance of its greenhouse gas (GHG) emissions inventory ("the Report") for the fiscal year (FY) 2022 (February 1, 2022 to January 31, 2023) against the assurance criteria below to a limited level of assurance and materiality of the professional judgement of the verifier using LRQA's verification procedure and ISO 14064 - Part 3 for greenhouse gas emissions. LRQA's verification procedure is based on current best practice and is in accordance with ISAE 3000 and ISAE 3410.

Our assurance engagement covered Gap's operations and activities in operationally controlled retail stores, office space and distribution centers worldwide, and specifically the following requirements:

- Verifying conformance with:
 - Gap's reporting methodologies for the selected datasets: Gap's Inventory Management Plan; and
 - World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD GHG Protocol) for the GHG data¹.
- Reviewing whether the Report has taken account of:
 - WRI GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
 - Direct (Scope 1), Energy Indirect (Scope 2) and Other Indirect (Scope 3) GHG emissions; and
 - Scope 3 GHG emissions verified by LRQA only include business travel; and electricity consumption at franchises.
 - Energy consumption.

LRQA's responsibility is only to Gap. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Gap's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of Gap.

LRQA's Opinion

Based on LRQA's approach, except for the effect of the matters described in the Basis for Qualified Opinion, nothing has come to our attention that would cause us to believe that Gap has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance² and at the materiality of the professional judgement of the verifier.

¹ <http://www.ghgprotocol.org/>

² The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



Basis for Qualified Opinion

Gap's Inventory Management Plan states that Gap has emission from #2 Fuel Oil consumed in stationary generators. Emissions from this source have not been included in the inventory. The impact on total emissions is immaterial.

Table 1. Summary of Gap's GHG Emissions and Environmental Data for Fiscal Year (FY) 2022:

Scope of GHG emissions	FY 2022	Units
Scope 1 GHG emissions	41,942	Metric Tons CO ₂ e
Scope 2 GHG emissions (Location-based) ¹	247,085	Metric Tons CO ₂ e
Scope 2 GHG emissions (Market-based) ¹	60,349	Metric Tons CO ₂ e
Scope 3 GHG emissions: Category 6: Business Travel ²	3,297	Metric Tons CO ₂ e
Scope 3 GHG emissions: Category 14: Franchises ³ (electricity consumed)	15,346	Metric Tons CO ₂ e
Energy Consumption – Scope 1	162,128,545	kWh
Energy Consumption – Scope 2	1,110,045,451	kWh

1. Scope 2, Location-based and Scope 2, Market-based are defined in the WRI/WBCSD GHG Protocol Scope 2 Guidance, 2015
 2. Business Travel includes air travel, rail, car rental and hotel stays. Emissions from air travel include radiative forcing.
 3. Emissions reported for franchise locations are for electricity only.

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- assessing Gap's data management systems to confirm they are designed to prevent significant errors, omissions or misstatements;
- interviewing relevant employees of the organization responsible for managing GHG emissions and energy data and records;
- verifying historical GHG emissions and energy data and records at an aggregated level for the fiscal year 2022; and
- Reviewing Gap's base year recalculation policy for conformance with Chapter 5 of the WRI GHG Protocol. Base year recalculation was not required.

LRQA's Standards and Competence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021 *Conformity assessment – Requirements for bodies providing audit and certification of management systems* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.



Signed

Dated: 21 September 2023

Brooke Farrell
 LRQA Lead Verifier
 On behalf of LRQA, Inc.
 2101 City West Blvd
 Houston, TX 77042

LRQA reference: UQA00000004 / 6043908

LRQA Group Limited, its affiliates and subsidiaries, and their respective officers, employees or agents are, individually and collectively, referred to in this clause as 'LRQA'. LRQA assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant LRQA entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

The English version of this Assurance Statement is the only valid version. LRQA assumes no responsibility for versions translated into other languages.

This Assurance Statement is only valid when published with the Report to which it refers. It may only be reproduced in its entirety.

Copyright © LRQA, 2023.



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.