

Gap Inc.

California Transparency in Supply Chains Act, UK Modern Slavery Act, and Canada Fighting Against Forced Labour and Child Labour in Supply Chains Act

Statement of compliance as of April 24, 2024:

Gap Inc. is committed to supporting and improving labor rights and working conditions globally across the retail and apparel industries. As a business, we have a moral responsibility to protect and care for the people who create and bring our products to our customers. We believe that no person should be subject to a situation where basic needs and fundamental rights are denied, which is why we regularly partner with governments, NGOs, consultants and trade unions to forge innovative solutions to systemic issues in the apparel and textile supply chain. For more information on our commitment to ethical and sustainable sourcing of products and how we are working to improve the lives of those who work in our supply chain, please visit Gap Inc.'s [ESG Webpages](#).

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

This statement is made in compliance with the California Transparency in Supply Chains Act, UK Modern Slavery Act 2015, and Canada Bill S-211, an act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains and to amend the Customs Tariff Act. It is also made in accordance with the expectations that any reasonable consumer would place on a global retailer such as Gap Inc. The definitions of forced labour and child labour used by Gap Inc. align with international norms but may differ in detail from the definitions of these terms used in the Modern Slavery Act or Bill S-211. While Gap Inc. does not believe that these differences result in any material difference in outcome, we do intend to review the definitions used in our various policies and procedures to further align the technical aspects of these definitions going forward.

ATTESTATION:

This statement has been approved by the boards of directors of Gap Inc., GPS (Great Britain) Limited, Gap (UK Holdings) Limited, Gap Europe Limited and signed on behalf of those companies by Richard Dickson, President and Chief Executive Officer, Gap Inc. This confirms that the UK companies and Gap Inc. boards have considered and approved the statement for fiscal year 2023. This statement has also been approved by the director of Gap (Canada) Inc. and Old Navy (Canada) Inc.



Richard Dickson
President and Chief Executive Officer, Gap Inc.

OUR BUSINESS:

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.

We ended fiscal 2023 with 2,562 Company-operated stores and 998 franchise store locations.

We purchase private label and non-private label merchandise from over 250 vendors. Our vendors have factories in about 30 countries. Our two largest vendors accounted for approximately 9 percent and 7 percent of the dollar amount of our total fiscal 2023 purchases. Of our merchandise purchased during fiscal 2023, substantially all purchases, by dollar value, were from factories outside the United States. Approximately 29 percent of our fiscal 2023 purchases, by dollar value, were from factories in Vietnam. Approximately 18 percent of our fiscal 2023 purchases, by dollar value, were from factories in Indonesia. Product cost increases or events causing disruption of imports from Vietnam, Indonesia, or other foreign countries, including the imposition of additional import restrictions or taxes, or vendors temporarily closing or potentially failing due to political, financial, or regulatory issues, could have an adverse effect on our operations. Substantially all of our foreign purchases of merchandise are negotiated and paid for in U.S. dollars.

GOVERNANCE AND ACCOUNTABILITY:

Three independent members of Gap Inc.'s Board of Directors sit on the Governance and Sustainability Committee, which oversees the Company's programs, policies, practices and overall approach related to, among other things, social and community issues involving supply chain and the Company's environmental stewardship practices. Teams across the Company, including Global Sustainability, Product, Marketing, Equality and Belonging, Human Resources, Supply Chain Strategy, Government Affairs, Legal and Gap Foundation, engage on ESG topics.

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

POLICIES AND COMMITMENTS:

- **Our Code of Business Conduct (COBC)** requires our employees to act ethically and with integrity. It also includes provisions on salient human rights issues. All employees receive a copy of the COBC when they join Gap Inc., agree in writing to comply with it, and are required to complete an overview training course. Annually, senior employees must certify compliance with the COBC.
- **Our Human Rights Policy** is founded on the principles outlined in the United Nations Universal Declaration of Human Rights (UDHR) and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work (often referred to as the ILO Core Conventions). The policy applies to both our wholly owned operations and our supply chain.
- **Our Code of Vendor Conduct (COVC)** applies to all facilities and third-party licensees that produce branded goods for Gap Inc. or any of its subsidiaries, divisions, affiliates or agents, which states that the company prohibits the use of "*involuntary labor of any kind, including prison labor, debt bondage, slave labor or forced labor by governments.*"
 - Our COVC has stringent [requirements](#) regarding foreign contract workers, who are at risk of exploitation through indentured servitude. We have a "no fees" policy which requires that any fees and costs payable to host governments for the documentation of foreign contract workers be covered by the facility. The policy also restricts payment of any employment or recruitment costs from workers themselves. Our policy must be upheld throughout the entire employment cycle of foreign contract workers. The policy requires suppliers to hold direct employment contracts and agreements with all contract workers. These requirements span recruitment, employment, up to termination of employment, and provide the lens through which our assessors look at policies, practices and conditions in the facility to find indications of forced labor. More information on our policies and procedures regarding foreign contract workers is available [online](#).

Gap Inc. signed the International Accord and joined the Pakistan Accord, a pivotal agreement aimed at enhancing health and safety standards within factories in Pakistan.

In 2022, we signed the Dindigul Agreement to support regular GBVH training for employees and a grievance process with independent oversight. The one-year progress report on the [Dindigul Agreement](#) highlights our commitment to accountability and provides an update on our progress against the agreement's principles.

DUE DILIGENCE PROCESSES:

We have mapped our supply chain through Tier 1 (cut and sew garment factories) and are continuously expanding our mapping of Tier 2 (fabric knitting, weaving, and dyeing mills) locations. For non-merchandise vendors, we typically reserve rights of assessment in our contracts and exercise such rights when appropriate to verify vendor compliance with applicable laws and contractual terms.

Direct Operations: We operate in accordance with our Human Rights Policy, COBC, and local labor laws. Members of our store management team visit our retail stores regularly to ensure that our policies are put into practice, and our asset protection and audit teams carry out annual assessments of our stores. Similar internal audit processes are carried out in respect to practices within our distribution centers. We have a hotline available for employees to report any breaches of policies, as well as an anti-retaliation policy that protects them when doing so. Our employees agree in writing to comply with our COBC and a breach of the ethical principles contained therein could lead to disciplinary action up to and including dismissal.

Supply Chain: Prior to accepting any order for a Gap Inc. branded product, suppliers are required to sign our Vendor Compliance Agreement (VCA), a legally binding document that is a condition of doing business with Gap Inc. Our vendor approval process requires new suppliers for branded apparel product to undergo a COVC assessment prior to beginning production for Gap Inc. Initial assessments for new facilities are generally coordinated with the requested vendor or facility. After the assessment, the facility either earns approval or is placed in pending status while it addresses outstanding issues.

Gap Inc. staff visit factories in-person several times a year to audit against our COVC and to implement our Capability Building Programs, as outlined in our COVC:

“Gap Inc. and/or any of its representatives or agents unrestricted access to its facilities and to all relevant records at all times, whether or not notice is provided in advance.”

The COVC assessment contains provisions related to forced labor, child labor, foreign contract workers, identity document retention, and more. In signing Gap Inc.’s VCA, which incorporates our COVC, Gap Inc. suppliers agree to comply with the following:

“All applicable laws, rules and regulations ... these laws include, but are not limited to, laws relating to the employment conditions of their respective employees such as: (1) wage and hour, labor, child labor, and forced labor requirements; (2) health and safety; (3) immigration; (4) discrimination; (5) labor or workers’ rights in general; and (6) environmental laws and regulations.”

We recognize that policies and expectations alone are not a sufficient safeguard against forced labor within our supply chain. Our statements lay the foundation for our comprehensive approach to engaging and collaborating with our suppliers to monitor, remediate and continuously improve their performance regarding responsible labor. Our expectations for foreign contract workers and recruitment are available [online](#).

Gap Inc.’s Supplier Sustainability team is responsible for the implementation and monitoring of our COVC policies and standards relevant to forced labor, child labor, and human trafficking at all Tier 1 branded apparel supplier facilities, and a growing number of Tier 2 strategic mill facilities. Our Supplier Sustainability team members – who are locally hired in the countries from which we source and who speak local languages – assess and validate that suppliers are meeting the expectations outlined in our COVC. We also interview workers as part of our due diligence and verification processes.

An increasing number of facilities producing our branded apparel also participate in either the Social Labor Convergence Program (SLCP) or the [Better Work](#) program, a collaborative facility monitoring and capability building initiative led by the International Labour Organization (ILO). Facilities participating in Better Work are assessed by specialists employed by the ILO. These assessments are 100% unannounced and assessed against national labor laws and ILO Conventions, which includes instruments that directly cover forced labor. As of the end of fiscal year 2023, 100% of Tier 1 facilities and 95% of Tier 2 strategic mills are participating in SLCP (Social and Labor Convergence Program) and/or ILO (International Labour Organization) Better Work. We expect 100% of Tier 2 strategic mills to participate by 2025.

Franchisees and Licensees: Gap Inc. also does due diligence periodically with respect to our franchisees and third-party distributors. Such due diligence includes various actions including research into franchisee supply chains and working conditions.

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

IDENTIFYING AND MANAGING RISKS:

Gap Inc. works with governments, NGOs, and trade unions, and monitors resources – such as the U.S. Department of State’s Trafficking in Persons Annual Report and the [Global Slavery Index](#) – to identify high-risk areas in our supply chain. We have identified risks to the best of our knowledge and will continue to strive to identify emerging risks. We assess risks to especially vulnerable groups, including migrant labor, child labor, and gender-based violence and harassment primarily toward women in the workplace, and our COVC specifies our management approach towards ensuring free and voluntary labor for these groups. In addition, we conduct desktop reviews of key supplier and worker documents to assess forced labor risks.

We also understand that there are human rights risks in our raw materials supply chain and are working diligently to manage these risks, which can include country of origin declarations from suppliers, using fiber-tracing technologies, and collecting documents that provide visibility into the flow of cotton and other materials that may enter our supply chain. We are using several technologies and partnerships to help us evolve and mature our approach to enforcing our standards on cotton.

Foreign Contract Workers: We identified areas of high risk for foreign contract workers and enacted measures accordingly. For example, we have previously communicated responsible recruitment requirements to Tier 2 mills in Taiwan and South Korea where there is elevated risk to foreign contract workers. Based on the results of our risk analysis, we also performed desk assessments on our Tier 2 mill facilities in South Korea and validated that their employment practices comply with our COVC and local legal requirements. As of the end of 2023, we audited all Tier 2 mill facilities in Taiwan hiring foreign contract workers, developed improvement plans where non-compliances are found, and followed up to validate resolution of non-compliance. More details are available on our [website](#).

Since 2015, based on a thorough risk assessment, we have strengthened our Foreign Contract Worker Requirements by providing additional detailed guidance on recruitment, fees, employment contracts, and onsite policies and practices, including equal treatment and non-discrimination. Our Foreign Contract Worker Requirements are a sub-section of our COVC (page 15-19), COVC Assessment Manual, and are subject to regular review and annual revision, whenever we feel enhancement and updates are needed.

Unauthorized Subcontracting (UAS): We identified UAS as a risk because suppliers may outsource production to facilities that we have not approved and that do not uphold our requirements for safe, fair labor practices and working conditions. Smaller, unauthorized units may have labor practices that put workers at risk and are beyond the view of our assessment and remediation team. We address UAS issues through collaboration between our sustainability and sourcing teams, including knowledge sharing on how to detect subcontracting during the periodic facility assessments conducted by our sustainability field team. In countries with high risk of UAS, we take extra precautions by offering specialized awareness training for suppliers and facility management, and by conducting site visits to ensure our product is being manufactured in the appropriate designated facility. When unauthorized subcontracting is detected, our Supplier Sustainability team will assess the unapproved facility for forced labor and other critical issues, as described more fully in the “Remediation” section below.

Refugee Workers: Risk-mapping identified the risks that refugee workers may face. We are committed to partnering with a broad set of stakeholders to confirm that our suppliers have the appropriate capabilities and infrastructure to make opportunities for employment and fair, decent working conditions available to refugees.

Forced Labor and Child Labor: We have engaged stakeholders to address the risk of forced labor in the supply chain. When it comes to the raw materials used for our products, we recognize that forced labor and child labor are risks, particularly within cotton cultivation. Cotton supply chains are often opaque, complex, and can involve traders and agents that facilitate the exchange of cotton and yarn between the different stages of production. Considering the historical evidence on forced labor and child labor in Uzbekistan’s cotton industry, we currently do not source any cotton there. We also recognize that Uzbekistan has made significant strides in eradicating forced labor and child labor, and we will continue to monitor the conditions there based on expert organizations’ findings such as those from the International Labour Organization and the Cotton Campaign. In 2018, based on evidence of forced child labor and/or forced labor within the cotton fields of Turkmenistan, we expanded our policy to make it clear that we will not accept any

clothing manufactured with fabrics that were knowingly made from Turkmen cotton, aligned with the [Turkmen Cotton Pledge](#) led by the Responsible Sourcing Network.

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

REMEDIATION:

We take remediation measures and will continue to identify and address any gaps in our response.

Forced Labor: We consider the following within our forced labor standards: forced labor, free egress, restrictions to voluntarily ending employment and restrictions on worker movement. In the event our assessments reveal a facility in violation of these standards, our Supplier Sustainability team works with factory management, local stakeholders, and worker-representative organizations to create a corrective action plan, conducts follow-up visits to validate remediation is completed and educates workers on their right to free movement. Our policies and action plans for forced labor incidents are described further [online](#).

We have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labor or child labor in our activities and supply chains.

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

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

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

We found three cases of UAS in 2023 and in response, fully enforced our policies, which involved financial chargebacks or business termination.

TRAINING:

Gap Inc. continually strives to become more effective at identifying and correcting issues in our supply chain, which can be hard to detect even for a well-trained and experienced eye.

New employees within Gap Inc.'s sourcing organization receive training on our COVC, as they are an important touchpoint for our relationship with our sourcing facilities.

The Supplier Sustainability team is trained to recognize situations where a facility may be using forced or involuntary labor, and our team is also trained to assess compliance with the Company's Foreign Contract Worker Requirements. Gap Inc.'s Supplier Sustainability team works directly with facility management and workers in the facilities we monitor. They regularly convene to discuss program effectiveness and improvements. We have a requirement for our suppliers to conduct due diligence and regular assessments of employment agencies.

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

For more than a decade, Gap Inc. field teams have been helping suppliers manage and improve the sustainability of their operations through social and labor capability building programs.

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

ASSESSMENT OF EFFECTIVENESS:

We regularly review our policies and procedures related to human rights risks in the supply chain (including forced labor and child labor). We also partner with external organizations such as SLCP and ILO-IFC Better Work to track and improve our vendors' facilities' performance.

We track relevant performance indicators for our suppliers through a color-coded system to rate facilities based on COVC, SLCP, and ILO Better Work assessments. High-performing facilities with no critical or few violations receive a green rating. Average performers are rated yellow, while facilities that need improvement on one or more serious issues are assigned a red rating. Critical, severe and key violations have a greater negative impact on a facilities' rating than more technical "*non-compliance*" violations.

- In 2023, we assessed 100% of our Tier 1 suppliers. We publicly report aggregate findings of assessment results at the facilities that make our branded apparel on our [website](#).
- We decreased our share of red-rated facilities from 16% in 2016 to 1% by the end of 2023, and allocate at least 80% of our business spend to green-rated factories.

Our Workforce Engagement Program opens communication channels for workers to safely and anonymously share feedback with management and contributes to an enabling environment to improve worker-management relationships to drive facility improvements. The program allows us to assess facility performance based on the data we receive directly from workers through surveys and interviews. The program was developed in partnership with Verite, and the initial version of this program, between 2015 and 2017, consisted of written worker and management surveys, focus group discussions, and individual interviews. In 2018, we transitioned the program to a vendor-owned approach that puts technology-based grievance mechanisms at its center.

Appendix A – Canada Bill S-211(the Act) Attestation

This report was approved by the board of directors of Gap Inc. on May 7, 2024, and by the boards of directors of Gap (Canada) Inc. and Old Navy (Canada) Inc. on May 23, 2024 and May 23, 2024, respectively, in accordance with section 11(4)(b)(i) of the Act.



Todd Champeau
Director
Gap (Canada) Inc.
May 23, 2024

I have the authority to bind the corporation.



Todd Champeau
Director
Old Navy (Canada) Inc.
May 23, 2024

I have the authority to bind the corporation.