Gap Inc. - Water Security 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

The Gap, Inc. (Gap Inc., the "Company," "we," and "our") is a collection of purpose-led, lifestyle brands offering apparel, accessories, and personal care products for women, men, and children under the Old Navy, Gap, Banana Republic, and Athleta brands, with approximately 95,000 employees, including part-time and full-time employees. Gap Inc. products are available for purchase worldwide through Company-operated and franchise stores, Company-owned websites and third-party arrangements (as of January 28, 2023).

The inclusion of information contained in this questionnaire is being made in good faith based on information that is available and is valid to Gap Inc. as of January 28, 2023 (unless otherwise specified), and should not be construed as a characterization regarding the materiality or financial impact of that information to investors in Gap Inc. For a discussion of risks that are material to investors in Gap, Inc., please see our Annual Report on Form 10-K for the year ended January 28, 2023, our subsequent Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K filed with the Securities and Exchange Commission (SEC). The scope of these disclosures does not include our licensing business. Given the inherent uncertainty in predicting and modeling future conditions, caution should be exercised when interpreting the information provided in this report. In addition, the controls, processes, practices, and infrastructures described in this report are not intended to constitute any representation, warranty, or other assurance that such controls, processes, practices, and infrastructures will result in any specific outcome, result, or achievement of a stated target or goal.

The responses to this questionnaire 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. SEC. 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. Forward-looking statements include among others, statements regarding achievement of our climate change goals and any expected financial and other benefits therefrom, our climate-related strategies and future initiatives, adopting a climate transition plan, the anticipated financial and other impacts of climate-related risks and opportunities, including on cotton sourcing and our supply chain, expectations related to various climate-related scenarios, expectations related to renewable energy generation and water management projects, including on the achievement of our climate change goals, expectations for collecting and submitting climate change information within required timeframes, and expectations for future climate-related regulation, including by a carbon pricing system.

For information regarding risks and uncertainties associated with our business and a discussion of some of the factors that may cause actual results to differ materially from the results expressed or implied by such forward-looking statements, please refer to our SEC filings, including the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections in our Annual Report on Form 10-K for the year ended January 28, 2023, as well as our subsequent filings with the SEC. We assume no obligation to publicly update or revise our forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th></th>
<th>Start date</th>
<th>End date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting year</td>
<td>January 29 2022</td>
<td>January 28 2023</td>
</tr>
</tbody>
</table>

W0.3
(W0.3) Select the countries/areas in which you operate.
Argentina
Armenia
Australia
Azerbaijan
Bahrain
Bangladesh
Bermuda
Brazil
Bulgaria
Cambodia
Canada
Chile
China
Colombia
Costa Rica
Croatia
Cyprus
Czechia
Dominican Republic
Egypt
France
Georgia
Greece
Guatemala
Hong Kong SAR, China
Hungary
India
Indonesia
Ireland
Israel
Italy
Japan
Jordan
Kazakhstan
Kuwait
Malaysia
Mexico
Morocco
Oman
Pakistan
Panama
Paraguay
Peru
Philippines
Poland
Portugal
Puerto Rico
Qatar
Republic of Korea
Romania
Russian Federation
Saudi Arabia
Slovakia
Slovenia
South Africa
Spain
Sri Lanka
Sweden
Taiwan, China
Thailand
Turkey
Ukraine
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

(W0.4) Select the currency used for all financial information disclosed throughout your response.
USD
(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

<table>
<thead>
<tr>
<th>Indicate whether you are able to provide a unique identifier for your organization.</th>
<th>Provide your unique identifier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, another unique identifier, please specify (IRS Employer Identification Number: Delaware 94-1697231)</td>
<td>94-1697231</td>
</tr>
</tbody>
</table>

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

<table>
<thead>
<tr>
<th></th>
<th>Direct use importance rating</th>
<th>Indirect use importance rating</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sufficient amounts of good quality freshwater available for use</td>
<td>Not very important</td>
<td>Vital</td>
<td>Direct use: Freshwater use in our direct operations – including our stores, distribution centers and HQ offices – is limited to supporting our main activities and thus is minimally important. Freshwater in our direct operations is primarily used for hygiene, cleaning and maintenance activities, food preparation and personal consumption by employees. In comparison to water consumption from indirect use in our supply chain, direct operations water usage is insignificant. Indirect use: Freshwater is vital in our indirect use because it is a key resource from our raw materials through conversion to our finished goods. Water is used in growing key fibers such as cotton, and in our manufacturing process, including dyeing, washing, and finishing our garments. It is also critical to our labor force for their community livelihood. Significant drought conditions can have an adverse effect on our ability to secure raw materials and manufacture. Some of our suppliers have water intensive operations in water scarce areas and therefore face risk to business continuity if freshwater is limited. Access to good quality freshwater is also important for our suppliers’ workers’ and the communities we serve for personal consumption and well-being as well as cleaning and maintenance. Future freshwater dependency for direct and indirect use is expected to decrease as we aim to shift our freshwater use towards recycled water, efficient agriculture practices and waterless practices in certain manufacturing processes.</td>
</tr>
<tr>
<td>Sufficient amounts of recycled, brackish and/or produced water available for use</td>
<td>Not very important</td>
<td>Important</td>
<td>Direct use: Recycled water is not generally used to support Gap Inc.’s direct operations, because freshwater is required for all hygiene, cleaning and maintenance activities, food preparation and personal consumption by employees. Use of recycled water is limited to landscape irrigation, which generally falls outside of our own facilities. Because recycled water is not generally used in direct operations, this is not very important to the success of our business. Indirect use: Indirect use of recycled water is important because water is a key resource throughout our operations. It is a necessary input for garment processes at mills and laundries, including dyeing, washing, and finishing and is used in our supply chain to conserve the amount of water withdrawn. An increasing amount of our supply chain is using partial recycling techniques to conserve water. Some geographical areas also have Zero Liquid Discharge laws that mandate water recycling rates of 80-95%. We are supportive of these efforts and work with our strategic suppliers to increase their use of recycled water. Waste water treatment is also important for protecting the health and safety of workers and people in the local community; high-quality water treatment is one of our critical areas of compliance for our wet processing suppliers. Future dependency on recycled water is expected to increase in our direct and indirect operations as a means to minimize use of fresh water in high stressed regions. We anticipate an increase in freshwater prices or limits on availability. To mitigate the risks associated with higher prices and availability limits, we are anticipating we will need to shift towards recycled water and support its availability of it in our manufacturing regions.</td>
</tr>
</tbody>
</table>

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

<table>
<thead>
<tr>
<th>% of sites/facilities/operations</th>
<th>Frequency of measurement</th>
<th>Method of measurement</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water withdrawals – total volumes</td>
<td>76-99</td>
<td>Monthly</td>
<td>Owned and operated Gap Inc. facilities (Stores, Offices, and Distribution Centers) are required to send monthly invoices of water and wastewater quantities to the Environmental and Product sustainability team of Gap Inc. All Gap Inc. owned and operated facilities are also required to comply with all applicable CHAS and water treatment standards in their country or region of operation. To measure our owned and operated water footprint, Gap Inc. collects water and wastewater data from all owned and operated facilities (stores, offices, and distribution centers). Since we do not own any of our manufacturing facilities, these sites are excluded from this data and measured in our supply chain scope III water footprint. Water use in these sites include water used for hygiene and sanitation (WASH) services, and basic plumbing.</td>
</tr>
<tr>
<td>Method of measurement</td>
<td>% of sites/facilities/operations</td>
<td>Frequency of measurement</td>
<td>Please explain</td>
</tr>
<tr>
<td>-----------------------</td>
<td>---------------------------------</td>
<td>-------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Water withdrawals – volumes by source</td>
<td>76-99</td>
<td>Monthly</td>
<td>Owned and operated Gap Inc. facilities (Stores, Offices, and Distribution Centers) are required to send monthly invoices of water and wastewater quantities to the Environmental and Product sustainability team of Gap Inc. All Gap Inc. owned and operated facilities are also required to comply with all applicable OH&amp;S and water treatment standards in their country or region of operation. To measure our owned and operated water footprint, Gap Inc. collects water and wastewater data from all owned and operated facilities (stores, offices, and distribution centers). Since we do not own any of our manufacturing facilities, these sites are excluded from this data and measured in our supply chain scope III water footprint. Water use in these sites include water used for hygiene and sanitation (WASH) services, and basic plumbing.</td>
</tr>
<tr>
<td>Entrained water associated with your oil &amp; gas sector activities - total volumes [only oil and gas sector]</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Produced water associated with your metals &amp; mining sector activities - total volumes [only metals and mining]</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Water withdrawals quality</td>
<td>76-99</td>
<td>Monthly</td>
<td>Owned and operated Gap Inc. facilities (Stores, Offices, and Distribution Centers) are required to send monthly invoices of water and wastewater quantities to the Environmental and Product sustainability team of Gap Inc. All Gap Inc. owned and operated facilities are also required to comply with all applicable OH&amp;S and water treatment standards in their country or region of operation. To measure our owned and operated water footprint, Gap Inc. collects water and wastewater data from all owned and operated facilities (stores, offices, and distribution centers). Since we do not own any of our manufacturing facilities, these sites are excluded from this data and measured in our supply chain scope III water footprint. Water use in these sites include water used for hygiene and sanitation (WASH) services, and basic plumbing.</td>
</tr>
<tr>
<td>Water discharges – total volumes</td>
<td>76-99</td>
<td>Monthly</td>
<td>Owned and operated Gap Inc. facilities (Stores, Offices, and Distribution Centers) are required to send monthly invoices of water and wastewater quantities to the Environmental and Product sustainability team of Gap Inc. All Gap Inc. owned and operated facilities are also required to comply with all applicable OH&amp;S and water treatment standards in their country or region of operation. To measure our owned and operated water footprint, Gap Inc. collects water and wastewater data from all owned and operated facilities (stores, offices, and distribution centers). Since we do not own any of our manufacturing facilities, these sites are excluded from this data and measured in our supply chain scope III water footprint. Water use in these sites include water used for hygiene and sanitation (WASH) services, and basic plumbing.</td>
</tr>
<tr>
<td>Water discharges – volumes by destination</td>
<td>76-99</td>
<td>Monthly</td>
<td>Owned and operated Gap Inc. facilities (Stores, Offices, and Distribution Centers) are required to send monthly invoices of water and wastewater quantities to the Environmental and Product sustainability team of Gap Inc. All Gap Inc. owned and operated facilities are also required to comply with all applicable OH&amp;S and water treatment standards in their country or region of operation. To measure our owned and operated water footprint, Gap Inc. collects water and wastewater data from all owned and operated facilities (stores, offices, and distribution centers). Since we do not own any of our manufacturing facilities, these sites are excluded from this data and measured in our supply chain scope III water footprint. Water use in these sites include water used for hygiene and sanitation (WASH) services, and basic plumbing.</td>
</tr>
<tr>
<td>Water discharges – volumes by treatment method</td>
<td>76-99</td>
<td>Monthly</td>
<td>Owned and operated Gap Inc. facilities (Stores, Offices, and Distribution Centers) are required to send monthly invoices of water and wastewater quantities to the Environmental and Product sustainability team of Gap Inc. All Gap Inc. owned and operated facilities are also required to comply with all applicable OH&amp;S and water treatment standards in their country or region of operation. To measure our owned and operated water footprint, Gap Inc. collects water and wastewater data from all owned and operated facilities (stores, offices, and distribution centers). Since we do not own any of our manufacturing facilities, these sites are excluded from this data and measured in our supply chain scope III water footprint. Water use in these sites include water used for hygiene and sanitation (WASH) services, and basic plumbing.</td>
</tr>
<tr>
<td>Water discharge quality – by standard effluent parameters</td>
<td>76-99</td>
<td>Monthly</td>
<td>Owned and operated Gap Inc. facilities (Stores, Offices, and Distribution Centers) are required to send monthly invoices of water and wastewater quantities to the Environmental and Product sustainability team of Gap Inc. All Gap Inc. owned and operated facilities are also required to comply with all applicable OH&amp;S and water treatment standards in their country or region of operation. To measure our owned and operated water footprint, Gap Inc. collects water and wastewater data from all owned and operated facilities (stores, offices, and distribution centers). Since we do not own any of our manufacturing facilities, these sites are excluded from this data and measured in our supply chain scope III water footprint. Water use in these sites include water used for hygiene and sanitation (WASH) services, and basic plumbing.</td>
</tr>
<tr>
<td>Water discharge quality – emissions to water (nitrites, phosphates, pesticides, and/or other priority substances)</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Water discharge quality – temperature</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

CDP
<table>
<thead>
<tr>
<th>% of sites/facilities/operations</th>
<th>Frequency of measurement</th>
<th>Method of measurement</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water consumption – total volume</td>
<td>76-99</td>
<td>Monthly</td>
<td>Owned and operated Gap Inc. facilities (Stores, Offices, and Distribution Centers) are required to send monthly invoices of water and wastewater quantities to the Environmental and Product sustainability team of Gap Inc. All Gap Inc. owned and operated facilities are also required to comply with all applicable OH&amp;S and water treatment standards in their country or region of operation.</td>
</tr>
<tr>
<td>To measure our owned and operated water footprint, Gap Inc. collects water and wastewater data from all owned and operated facilities (stores, offices, and distribution centers). Since we do not own any of our manufacturing facilities, these sites are excluded from this data and measured in our supply chain scope III water footprint. Water use in these sites include water used for hygiene and sanitation (WASH) services, and basic plumbing.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water recycled/reused</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>To measure our owned and operated water footprint, Gap Inc. collects water and wastewater data from all owned and operated facilities (stores, offices, and distribution centers). Since we do not own any of our manufacturing facilities, these sites are excluded from this data and measured in our supply chain scope III water footprint. Water use in these sites include water used for hygiene and sanitation (WASH) services, and basic plumbing. Reused/recycled water is not relevant to Gap Inc. owned and operated facilities because there are no processing stages which would allow for the recycling of water on site.</td>
</tr>
<tr>
<td>The provision of fully-functioning, safely managed WASH services to all workers</td>
<td>76-99</td>
<td>Monthly</td>
<td>All Gap Inc. owned and operated facilities are required to comply with all applicable OH&amp;S and water treatment standards in their country or region of operation.</td>
</tr>
<tr>
<td>To measure our owned and operated water footprint, Gap Inc. collects water and wastewater data from all owned and operated facilities (stores, offices, and distribution centers). Since we do not own any of our manufacturing facilities, these sites are excluded from this data and measured in our supply chain scope III water footprint. Water use in these sites include water used for hygiene and sanitation (WASH) services, and basic plumbing.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

<table>
<thead>
<tr>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Primary reason for increase/decrease in efficiency</th>
<th>Five-year forecast</th>
<th>Primary reason for change</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total withdrawals</td>
<td>25408.07</td>
<td>About the same</td>
<td>Increase/decrease in efficiency</td>
<td>Lower</td>
<td>Investment in water-smart technology/process</td>
</tr>
<tr>
<td>Gap Inc. uses industry tools such as the Higg Facility Environmental Module (FEM) to survey the supply chain on water use, discharge, and withdrawal annually. Suppliers are also required to complete a water risk assessment through either the WRI Water Risk Filter or the WWF Aqueduct tool. This allows Gap Inc. to contextually understand our water impacts across our operations and value chain. Through our M4 Sustainability Program (MSP) and Water Quality Program (WQP), we educate and support our strategic suppliers to identify and implement corrective actions and improve performance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total discharges</td>
<td>16578.99</td>
<td>About the same</td>
<td>Increase/decrease in efficiency</td>
<td>Lower</td>
<td>Investment in water-smart technology/process</td>
</tr>
<tr>
<td>Gap Inc. uses industry tools such as the Higg Facility Environmental Module (FEM) to survey the supply chain on water use, discharge, and withdrawal annually. Suppliers are also required to complete a water risk assessment through either the WRI Water Risk Filter or the WWF Aqueduct tool. This allows Gap Inc. to contextually understand our water impacts across our operations and value chain. Through our M4 Sustainability Program (MSP) and Water Quality Program (WQP), we educate and support our strategic suppliers to identify and implement corrective actions and improve performance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total consumption</td>
<td>8629.08</td>
<td>About the same</td>
<td>Increase/decrease in efficiency</td>
<td>Lower</td>
<td>Investment in water-smart technology/process</td>
</tr>
<tr>
<td>Gap Inc. uses industry tools such as the Higg Facility Environmental Module (FEM) to survey the supply chain on water use, discharge, and withdrawal annually. Suppliers are also required to complete a water risk assessment through either the WRI Water Risk Filter or the WWF Aqueduct tool. This allows Gap Inc. to contextually understand our water impacts across our operations and value chain. Through our M4 Sustainability Program (MSP) and Water Quality Program (WQP), we educate and support our strategic suppliers to identify and implement corrective actions and improve performance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

<table>
<thead>
<tr>
<th>Withdrawals are from areas with water stress</th>
<th>% withdrawn from areas with water stress</th>
<th>Comparison with previous reporting year</th>
<th>Primary reason for comparison with previous reporting year</th>
<th>Five-year forecast</th>
<th>Primary reason for forecast</th>
<th>Identification tool</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1-10</td>
<td>About the same</td>
<td>Increase/decrease in business activity</td>
<td>Lower</td>
<td>Investment in water-smart technology/ process</td>
<td>WRI Aqueduct WWF Water Risk Filter</td>
<td>Gap Inc. uses industry tools such as the Higg Facility Environmental Module (FEM) to survey the supply chain on water use, discharge, and withdrawal annually. Suppliers are also required to complete a water risk assessment through either the WRI Water Risk Filter or the WWF Aqueduct tool. 100% of Tier I suppliers and 65% of Tier II suppliers have reported into the Higg FEM and use these reporting tools.</td>
</tr>
</tbody>
</table>

(W1.2h) Provide total water withdrawal data by source.

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Primary reason for comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh surface water, including rainwater, water from wetlands, rivers, and lakes</td>
<td>Relevant</td>
<td>0.89</td>
<td>Lower</td>
<td>Facility closure</td>
</tr>
<tr>
<td>Brackish surface water/seawater</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>Direct operations for Gap Inc. includes our Stores and Distribution Centers, which use fresh surface water from their local municipality, and does not include brackish surface water or seawater</td>
</tr>
<tr>
<td>Groundwater – renewable</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>Direct operations for Gap Inc. includes our Stores and Distribution Centers, which use fresh surface water from their local municipality, and does not include groundwater</td>
</tr>
<tr>
<td>Groundwater – non-renewable</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>Direct operations for Gap Inc. includes our Stores and Distribution Centers, which use fresh surface water from their local municipality, and does not include groundwater</td>
</tr>
<tr>
<td>Produced/Entrained water</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>Direct operations for Gap Inc. includes our Stores and Distribution Centers, which use fresh surface water from their local municipality, and does not include produced/entrained water</td>
</tr>
<tr>
<td>Third-party sources</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>Distribution Centers, which use fresh surface water from their local municipality, and does not include third party sources</td>
</tr>
</tbody>
</table>

(W1.2i) Provide total water discharge data by destination.

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Primary reason for comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh surface water</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>Direct operations for Gap Inc. includes our Stores and Distribution Centers, which discharge water to their local municipality, and does not discharge water directly to a freshwater source</td>
</tr>
<tr>
<td>Brackish surface water/seawater</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>Direct operations for Gap Inc. includes our Stores and Distribution Centers, which discharge water to their local municipality, and does not include brackish surface water or seawater</td>
</tr>
<tr>
<td>Groundwater</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>Direct operations for Gap Inc. includes our Stores and Distribution Centers, which discharge water to their local municipality, and does not include groundwater</td>
</tr>
<tr>
<td>Third-party destinations</td>
<td>Relevant</td>
<td>0.89</td>
<td>Lower</td>
<td>Facility closure</td>
</tr>
</tbody>
</table>

(CDP)
(W1.2) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

<table>
<thead>
<tr>
<th>Relevance of treatment level to discharge</th>
<th>Volume (megaliters/year)</th>
<th>Comparison of treated volume with previous reporting year</th>
<th>Primary reason for comparison with previous reporting year</th>
<th>% of your sites/facilities/operations this volume applies to</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tertiary treatment</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>All water used in Gap Inc. direct operations (including stores and distribution centers) is water used for basic sanitation/hygiene and WASH requirements. 100% of this water is discharged to local wastewater treatment facilities in accordance with all applicable laws and regulations in the country/state/region of operation. All water is discharged to the third-party wastewater treatment facilities without any specific treatment taking place at Gap Inc. facilities, because there are no chemical additives or processing phases which would require additional wastewater treatment.</td>
</tr>
<tr>
<td>Secondary treatment</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>All water used in Gap Inc. direct operations (including stores and distribution centers) is water used for basic sanitation/hygiene and WASH requirements. 100% of this water is discharged to local wastewater treatment facilities in accordance with all applicable laws and regulations in the country/state/region of operation. All water is discharged to the third-party wastewater treatment facilities without any specific treatment taking place at Gap Inc. facilities, because there are no chemical additives or processing phases which would require additional wastewater treatment.</td>
</tr>
<tr>
<td>Primary treatment only</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>All water used in Gap Inc. direct operations (including stores and distribution centers) is water used for basic sanitation/hygiene and WASH requirements. 100% of this water is discharged to local wastewater treatment facilities in accordance with all applicable laws and regulations in the country/state/region of operation. All water is discharged to the third-party wastewater treatment facilities without any specific treatment taking place at Gap Inc. facilities, because there are no chemical additives or processing phases which would require additional wastewater treatment.</td>
</tr>
<tr>
<td>Discharge to the natural environment without treatment</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>All water used in Gap Inc. direct operations (including stores and distribution centers) is water used for basic sanitation/hygiene and WASH requirements. 100% of this water is discharged to local wastewater treatment facilities in accordance with all applicable laws and regulations in the country/state/region of operation. All water is discharged to the third-party wastewater treatment facilities without any specific treatment taking place at Gap Inc. facilities, because there are no chemical additives or processing phases which would require additional wastewater treatment.</td>
</tr>
<tr>
<td>Discharge to a third party without treatment</td>
<td>Relevant 0.89</td>
<td>Lower Facility closure 91-99</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>All water used in Gap Inc. direct operations (including stores and distribution centers) is water used for basic sanitation/hygiene and WASH requirements. 100% of this water is discharged to local wastewater treatment facilities in accordance with all applicable laws and regulations in the country/state/region of operation. All water is discharged to the third-party wastewater treatment facilities without any specific treatment taking place at Gap Inc. facilities, because there are no chemical additives or processing phases which would require additional wastewater treatment. Water treatment volumes are lower than previous years due to store closures in direct operations, as part of Gap Inc.’s plan to close 300 stores from a 2020 baseline by EOT 2023, however our rate of water treatment remains the same.</td>
</tr>
<tr>
<td>Other</td>
<td>Not relevant</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>All water used in Gap Inc. direct operations (including stores and distribution centers) is water used for basic sanitation/hygiene and WASH requirements. 100% of this water is discharged to local wastewater treatment facilities in accordance with all applicable laws and regulations in the country/state/region of operation. All water is discharged to the third-party wastewater treatment facilities without any specific treatment taking place at Gap Inc. facilities, because there are no chemical additives or processing phases which would require additional wastewater treatment.</td>
</tr>
</tbody>
</table>

W1.3

(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Total water withdrawal volume (megaliters)</th>
<th>Total water withdrawal efficiency</th>
<th>Anticipated forward trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>1561600.000</td>
<td>25408.07</td>
<td>61/607.87852/486</td>
</tr>
</tbody>
</table>

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

<table>
<thead>
<tr>
<th>Products contain hazardous substances</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>We maintain robust standards for production and finished product. We expect suppliers to comply with industry guidelines, including the Apparel and Footwear International RSL Management (AFIRM) Group Restricted Substances List (RSL), the ZDHC Manufacturing Restricted Substances List (MRSL), and the ZDHC Wastewater Guidelines. We also track emerging chemical issues to continually evolve and refine our approach, for example when we committed in 2020 to eliminate PFC-based finishes and materials from our supply chain, and as of the end of 2022, 100 percent of fabric with PFC-based finishes were successfully converted or exited. We evaluate the performance of suppliers using third-party testing, verification, audits, and other means. We expect suppliers to complete and verify the SAC Higg FEM, which assesses chemicals management practices. We also evaluate strategic suppliers’ conformance to the ZDHC Wastewater Guidelines and ZDHC MRSL, and audit products for RSL compliance.</td>
</tr>
</tbody>
</table>

W1.5
(W1.5) Do you engage with your value chain on water-related issues?

<table>
<thead>
<tr>
<th></th>
<th>Engagement</th>
<th>Primary reason for no engagement</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers</td>
<td>Yes</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other value chain partners (e.g., customers)</td>
<td>Yes</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

**Row 1**

- **Assessment of supplier impact**
  - Yes, we assess the impact of our suppliers

- **Considered in assessment**
  - Basin status (e.g., water stress or access to WASH services)
  - Supplier dependence on water
  - Supplier impacts on water availability
  - Supplier impacts on water quality
  - Procurement spend

- **Number of suppliers identified as having a substantive impact**
  - 116

- **% of total suppliers identified as having a substantive impact**
  - 1-25

**Please explain**

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. In 2022 Gap Inc. saw 557 total suppliers use and verify their responses in the Higg FEM, including 100% of our Tier I finished goods manufacturing suppliers and 73% of our Tier II material suppliers. For this reporting process we identify substantive as any supplier in the group of suppliers which constitutes the top 80% of business volume by spend dollars.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization’s purchasing process?

<table>
<thead>
<tr>
<th>Suppliers have to meet specific water-related requirements</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, suppliers have to meet water-related requirements, but they are not included in our supplier contracts</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

W1.5c
(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization’s purchasing process, and the compliance measures in place.

**Water-related requirement**
Providing fully-functioning, safely managed WASH services to all workers

**% of suppliers with a substantive impact required to comply with this water-related requirement**
100%

**% of suppliers with a substantive impact in compliance with this water-related requirement**
100%

**Mechanisms for monitoring compliance with this water-related requirement**
On-site third-party audit
Supplier self-assessment
Supplier scorecard or rating

**Response to supplier non-compliance with this water-related requirement**
Retain and engage

**Comment**
As part of Gap Inc.’s Code of Vendor Conduct (COVC), facilities that produce goods for Gap Inc. shall operate in full compliance with the laws of their respective countries and with all other applicable laws, rules and regulations. Wherever there is a difference in the requirements as per local law and that in the Gap Inc. COVC, the more stringent requirement should apply. Vendor and Vendor Affiliates shall use only Gap Inc. approved facilities for the production of goods. Vendors shall obtain prior written authorization from Gap Inc. to use these facilities prior to the start of production. Facilities shall comply with all applicable laws and regulations regarding working conditions and shall provide workers with a safe and healthy environment. Annual assessment through audited supplier self-assessments like the Higg FEM and the use of supplier scorecards ensure these requirements are met.

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**Water-related requirement**
Substituting hazardous substances with less harmful substances

**% of suppliers with a substantive impact required to comply with this water-related requirement**
100%

**% of suppliers with a substantive impact in compliance with this water-related requirement**
100%

**Mechanisms for monitoring compliance with this water-related requirement**
On-site third-party audit
Supplier self-assessment
Supplier scorecard or rating

**Response to supplier non-compliance with this water-related requirement**
Retain and engage

**Comment**
We expect suppliers to comply with industry guidelines, including the Apparel and Footwear International RSL Management (AFIRM) Group Restricted Substances List (RSL), the ZDHC Manufacturing Restricted Substances List (MRSL), and the ZDHC Wastewater Guidelines. We also track emerging chemical issues to continually evolve and refine our approach, for example when we committed in 2020 to eliminate PFC-based finishes and materials from our supply chain. We evaluate performance of suppliers using third party testing, verification, audits, and other means. We expect suppliers to complete and verify the SAC Higg FEM, which assesses chemicals management practices. We also evaluate strategic suppliers’ conformance to the ZDHC Wastewater Guidelines and ZDHC MRSL and audit products for RSL compliance.
Provide details of any other water-related supplier engagement activity.

**Type of engagement**
Innovation & collaboration

**Details of engagement**
- Encourage/incentivize innovation to reduce water impacts in products and services
- Encourage/incentivize suppliers to work collaboratively with other users in their river basins toward sustainable water management
- Educate suppliers about water stewardship and collaboration

% of suppliers by number
- 1-25

% of suppliers with a substantive impact
- 76-99

**Rationale for your engagement**
We work with our strategic mill and laundry suppliers on water and energy efficiency programs to incentivize their investments into operational efficiency that minimizes their water consumption. These suppliers represent 1-25% of our total suppliers and are from some of our largest sourcing countries, such as India, Vietnam, and China. We concentrate on high-volume suppliers located in areas of water risk. As many suppliers are concentrated at a regional level, collaboration and innovation allows for local-specific solutions and action. Our top 6 largest sourcing countries, Vietnam, Indonesia, India, Cambodia, China, and Bangladesh represent approximately 93% of our sourcing spend, when including other countries with which we engage in water stewardship programs, we estimate they represent approximately 76-99% of suppliers with a substantive impact. Through our Mill Sustainability Program (MSP) and Water Quality Program (WQP), we educate and support our strategic suppliers to identify and implement corrective actions and improve performance. For over 15 years, we have required our denim laundries to participate in our WQP. In 2022, we doubled the size of WQP to include woven laundries, now totaling 100 participants (47 denim and 53 woven laundries). In 2023, we will expand the program to knit and sweaters laundries.

We are a founding partner of the Apparel Impact Institute (Aii), a platform that supports cross-brand collaboration to improve operational efficiency and reduce water, energy and chemicals use. Many of the previous water related programs that we participated in, including Clean by Design, the China Mill Efficiency Program, Taiwan Mill Efficiency Program and Race to the Top in Vietnam are now streamlined under the Aii umbrella. Aii also piloted a water and chemistry efficiency program in India.

Incentivization occurs by including verified water data in our supplier scorecards should our suppliers choose to partake in water saving initiatives. This process scores suppliers more favorably should they show to have positively impacted their water use through measurement, reduced consumption, increased recycling, or participation in other water related initiatives.

**Impact of the engagement and measures of success**
Engaging suppliers at the country level has allowed us to expand our coverage and incentivize participation by working with trusted groups such as PaCT in Bangladesh and the Apparel Impact Institute which operates programs in China, Vietnam, India, and Taiwan. We believe this provides competitive benefits to suppliers who are eager to engage in collaborations and gain market and production efficiencies, in addition to compliance with local regulation.

Through PaCT we can support suppliers to take part in chemical management and wastewater avoidance programs, and with Aii we can support suppliers to maximise their water efficiency through Aii's programs. Both programs allow us to support our suppliers to move beyond compliance with local regulation to adopting innovative water saving solutions. Engagement success is measured through the amount of water saved annually, the number of key suppliers engaged in water and energy efficiency programs, and the percentage of suppliers in water stressed regions who have set a water reduction or efficiency target. Over 45 of our factories have completed programs with Aii to reduce water consumption. As part of our 2030 Water Positive strategy, suppliers will be incentivized in the next 1-2 years to set a water reduction target in alignment with the risk of their region of operation. Suppliers operating in higher risk regions will be asked to set more robust targets to reduce water consumption and discharge annually, or to increase the percentage of water recycled on site or through a third party.

**Comment**
N/A

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Provide details of any water-related engagement activity with customers or other value chain partners.

**Type of stakeholder**
Other, please specify (Value Chain)

**Type of engagement**
Innovation & collaboration

**Details of engagement**
Collaborate with stakeholders on innovations to reduce water impacts in products and services

**Rationale for your engagement**
Gap Inc.'s rationale for engagement and prioritization with suppliers in our value chain is to understand our regions of highest contextual impact compared to the region's water risk, and to leverage industry tools and collaboratives to measure our risk. Our strategy includes engagement with manufacturing partners, local communities, and NGO's which operate in our production regions. Specific examples of stakeholder engagement in FY22 are NGO partnerships (CARE, WaterAid, Women+Water Alliance, The Ellen MacArthur Foundation, Water.org, Institute for Sustainable Communities, Better Cotton Initiative) public engagement (Signatory of the CEO Water Mandate, speaking at World Water Day, participation in seven SIWI World Water Week Panels), and public communication of our work to our customers, through surveying and online engagement (email, blog posts, social media). Key engagements in FY22 were partnering with CARE to train women within our operating communities on women's empowerment programs, WASH education, and identification of community water champions. We also strengthened local water governance in a collaboration with Water Aid which developed community-led water action plans for water access and water quality testing.

**Impact of the engagement and measures of success**
Success is measured through the number of women, farmers, communities, and villages that we can positively impact through our value chain water partnerships. We formally report on the number of women empowered to improve their access to clean water an sanitation, the number of women in cotton growing communities trained through our P.A.C.E. RISE program, the amount of money invested into WASH financing through Water.org and other partnerships, the number of microloans allocated, and the number of village action plans created for water access in India. These metrics were selected as key performance indicators because in order to reach net positive water impact in water-stressed regions by 2050 we will need to prioritize programs with the largest positive impact. We will also need to understand where our top performers in the value chain are and where other opportunities to drive action take place.
W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

<table>
<thead>
<tr>
<th>Water-related regulatory violations</th>
<th>Fines, enforcement orders, and/or other penalties</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>No</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

<table>
<thead>
<tr>
<th>Identification and classification of potential water pollutants</th>
<th>New potential water pollutants are identified and classified</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1: Yes, we identify and classify our potential water pollutants</td>
<td>Gap Inc. maintains robust standards for production and finished product. We rely on the AFIRM RSL and the ZDHC MRSL as well as the ZDHC Wastewater guidelines to classify water pollutants.</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

W3.1a
(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

**Water pollutant category**
Inorganic pollutants

**Description of water pollutant and potential impacts**
The production of textiles involves a variety of chemical substances including inorganic pollutants, dyes, sprays, foams, and wash chemicals and bleaches. These and other compounds used in the production of textiles have the potential to become detrimental waterborne inorganic pollutants. Textile factories may use polyvinyl chloride to size fabrics, chlorine bleach to influence the color of fabric, dyeing agents with potentially hazardous ingredients such as toluidine or benzidine, flame retardants, and durable water repellents which may contain polyfluorinated compounds (PFCs). Chemicals such as dyes and bleaches may affect the pH and temperature of the water as well as add toxic chemistry to the environment. PFCs are known as “forever chemicals” because of their difficulty breaking down in natural environments and their tendency to bioaccumulate in species as carcinogenic compounds. As stated in the Gap Inc. Code of Vendor Conduct, “The facility shall comply with all applicable environmental laws and regulations. The facility must manage their environmental impacts including ... wastewater, waste diversion and disposal, as well as chemical use and handling.” “The facility shall adhere to chemical restrictions, as described in the Gap Inc. Restricted Substances List (RSL), and shall prohibit the use of banned chemicals in manufacturing processes, as described in the Zero Discharge of Hazardous Chemicals – Manufacturing Restricted Substances List (MRSL).”

**Value chain stage**
Supply chain

**Actions and procedures to minimize adverse impacts**
Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Beyond compliance with regulatory requirements
Water recycling
Reduction or phase out of hazardous substances

Please explain
We expect suppliers to comply with industry guidelines, including the Apparel and Footwear International RSL Management (AFIRM) Group Restricted Substances List (RSL), the ZDHC Manufacturing Restricted Substances List (MRSL), and the ZDHC Wastewater Guidelines. We also track emerging chemical issues to continually evolve and refine our approach, for example when we committed in 2020 to eliminate PFC-based finishes and materials from our supply chain, and as of the end of 2022, 100% of fabrics with PFC-based finishes were successfully converted or exited. (Most products available for purchase as of January 1, 2023 are produced without PFC-based finishes, but due to transportation and store inventory timelines and strategies, some styles available for purchase will still have a PFC-based finish.) We evaluate the performance of suppliers using third-party testing, verification, audits, and other means. We expect suppliers to complete and verify the SAC Higg FEM, which assesses chemicals management practices. We also evaluate strategic suppliers’ conformance to the ZDHC Wastewater Guidelines and ZDHC MRSL and audit products for RSL compliance. We aim to reduce water use in manufacturing processes and thus minimize our freshwater footprint by reducing or recycling water in manufacturing, including our funding of a water recycling facility at our Arvind Denim Mill.

**Water pollutant category**
Pesticides

**Description of water pollutant and potential impacts**
Pesticides used in the growth and production of raw material feedstock for natural fibers including cotton have the potential to become detrimental waterborne pollutants.

**Value chain stage**
Supply chain

**Actions and procedures to minimize adverse impacts**
Reduction or phase out of hazardous substances

Please explain
By 2025, Gap Inc. aims to source 100% of cotton from more sustainable sources (we define “more sustainable” cotton as Better Cotton, verified U.S.-grown cotton (USCTP), organic, in-conversion to verified organic, recycled, or regenerative cotton) in order to reduce the environmental impacts of cotton production on the environment. The environmental impacts of cotton production largely stem from its growth. According to the Higg Materials Sustainability Index, conventional cotton growth has over 3.1 times the eutrophication from the material growth phase as organic cotton (0.009 KG PO4 equivalent for conventional cotton 0.003KG PO$ equivalent for organic cotton). As of FY22, 81% of cotton used in Gap Inc. product was more sustainably sourced. We also collaborate with suppliers to increase the supply of preferred raw materials, such as farm-level programs for in-conversion organic cotton and have participated in funding for in-conversion to organic cotton.

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(W3.3) Does your organization undertake a water-related risk assessment?
Yes, water-related risks are assessed

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(W3.3a)
(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

**Value chain stage**
- Direct operations
- Supply chain

**Coverage**
- Full

**Risk assessment procedure**
Water risks are assessed as part of an established enterprise risk management framework

**Frequency of assessment**
- Annually

**How far into the future are risks considered?**
- 3 to 6 years

**Type of tools and methods used**
- Tools on the market
- Enterprise risk management
- International methodologies and standards
- Other

**Tools and methods used**
- WRI Aqueduct
- WWF Water Risk Filter
- Life Cycle Assessment
- Internal company methods
- External consultants

**Contextual issues considered**
- Water availability at a basin/catchment level
- Water quality at a basin/catchment level
- Stakeholder conflicts concerning water resources at a basin/catchment level
- Implications of water on your key commodities/raw materials
- Water regulatory frameworks
- Status of ecosystems and habitats
- Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**
- Customers
- Employees
- Investors
- Local communities
- NGOs
- Regulators
- Suppliers
- Water utilities at a local level
- Other water users at the basin/catchment level

Other, please specify (Tier 1 Suppliers are assessed annually against Gap Inc.’s Code of Vendor Conduct, which includes provisions on environmental impacts, including water consumption, water quality, wastewater, as well as chemical use and handling.)

**Comment**
Each year, our management, Board of Directors, and Internal Audit teams work together to identify, assess, and respond to the greatest existing and emerging risks (climate-related risks are integrated into this multi-disciplinary approach) across our upstream, downstream, and direct operations that could impact the Company’s operations or ability to achieve its objectives within the short- (1-3 years), medium- (3-5 years), and long- (5-10 years) term time horizons. The Risk Committee, which includes leaders that represent the Senior Leadership team, provides oversight of the annual Enterprise Risk Assessment (ERA) process, which consists of three iterative steps: (1) Identification: Senior executives and VPs provide input to identify risks and mitigations via an online questionnaire or an interview; (2) Assessment: The Risk Committee reviews results, identifies any other key risks, and prioritizes them in the appropriate quadrants based on two components: risk exposure and mitigation maturity; and (3) Response: The CEO, Board, and Senior Leadership team use the ERA to monitor and mitigate risks, as well as to update policies and include in business continuity planning where required. The Audit and Finance Committee of the Board of Directors oversees the company ERA process, including climate, water, and sustainable fiber risk.

Water risks are also factored into country risk assessments conducted annually through collaboration across our global supply chain functions including Sustainability and Sourcing. Our risk assessment procedures look throughout our entire supply chain; this scale allows us to understand all risks and opportunities we face from water.

Gap Inc. conducted the basin water risk assessment for 795 T1 and T2 suppliers using WWF Water Risk Filter to assess:
- Water quantity - scarcity
- Quantity – flooding
- Water quality
- Ecosystem service status
- Enabling environment (policy and law)
- Institutions and governance
- Management instruments
- Infrastructure & finance
- Cultural importance
- Biodiversity importance
- Media scrutiny
- Conflict
### Risks and opportunities

#### W4.1 Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only in our value chain beyond our direct operations

#### W4.1a

<table>
<thead>
<tr>
<th>Rationale for approach to risk assessment</th>
<th>Explanation of contextual issues considered</th>
<th>Explanation of stakeholders considered</th>
<th>Decision-making process for risk response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gap Inc. prioritizes identifying, assessing, and responding to water-related risks within our operations and value chain to drive measurable progress. Our water-related goals are: (1) empower 5 million people impacted by the apparel industry to improve access to clean water and sanitation by 2030; (2) reduce water use and replenish water to nature equivalent to all water used in manufacturing clothing and in our company-operated facilities by 2030; (3) achieve a net-positive water impact on water-stressed regions by 2050; and (4) support a water-relevant supply chain by 2050. To achieve these targets, a robust supply chain analysis is needed to consider the water context of each Gap Inc. production region. We also need to act in these regions of operation to reduce our water footprint and alleviate water risk. We utilize the WRI Aqueduct Tool and the WWF Water Risk Filter through the Higg Facility Environmental Module (FEM), where required to gauge water risk. Data from these assessments allow us to understand our contextual water risk globally and target high-water-risk facilities. We conduct lifecycle assessments on our key product offerings to understand which supply chain tiers have the highest impact and to identify key points for impact reduction. Internal supply chain scorecards include water risks to incentivize our supply chain to make water reductions, and external partnerships with experts and NGOs allow Gap Inc. to make collective impact reduction.</td>
<td>Gap Inc. leverages our external tools to drive internal decision making. Our supplier sustainability team is responsible for consolidating our supply chain Higg Facility Environmental Module (FEM) scores and data across our Tier I and key Tier II suppliers. The Higg FEM utilizes existing water risk assessment frameworks such as the WWF Water Risk Filter and the WRI Aqueduct tool. This information is summarized and delivered to our Head of Environmental and Product Sustainability and is reported up to our Global Head of Supply Chain and Sustainability. The Higg FEM provides our organization on the water use, quality, and efficient tracking mechanisms of each participating supplier. Our supplier sustainability team can summarize this data to understand which suppliers are our largest users of water, with a particular emphasis on water used in regions of high-water risk. This contributes to the overall environmental score that a facility receives in our supplier scorecarding process, where sustainability topics like water and wastewater are considered. When facilities receive a low enough score on their supplier scorecard based on sustainability and production factors, our sourcing allocation may pivot away from the specific facility or supplier.</td>
<td>Gap Inc. considers customers, employees, NGO's, regulators, water utilities, and water users at the local level to determine the contextual risk of the region of operation. Customers are engaged to understand the potential value our customers gain from our environmental initiatives. Employees are engaged to ensure we remain dedicated to upholding our values in sustainability targets and reporting. NGOs are engaged to measure and improve our environmental impacts through environmental and social practices, such as our use of the SAC Higg tools to survey and engage our suppliers. Regulators are engaged to ensure our actions are lawful and Gap Inc. is compliant with all applicable laws and standards. Water utilities and water users are engaged to contextualize the impact of our operations on water scarcity within the region so that we can prioritize water savings initiatives in regions exposed to water risk. Through the Women + Water Alliance, we work with partners to conduct hydrological assessments of the Godavari and Narmada River Basins to understand local water availability and quantity, quality, and communities' access to WASH services. In 2022, we surpassed our goal to reach 2 million people in India with improved access to water and sanitation. We also prepared to support the WaterEquity Global Access Fund IV launched in March 2023 by the Water Resilience Coalition, contributing a total of $140 million</td>
<td>Gap Inc. considers baseline level water-based risk assessment on water availability and quality to be paramount in our risk assessment, as changing demands and water availability per region have the potential to substantively impact our indirect and direct business operations. We use a water regulatory framework to ensure that we are adequately managing our procedure in water resources. We consider both the ecological concerns of the region including the status of ecosystems, as deteriorating environmental quality has the potential to substantively impact certain natural fiber procurement processes, which could detrimentally impact business operations. We additionally look at access to water, sanitation, and hygiene (WASH) services, as our commitment to human rights and fair labor illustrate our desire to promote the wellbeing of the persons operating in our value chain. With primary data from the WRI/WWF supply chain risk maps and LCA, Gap can understand where our highest impact suppliers operate out of, how their risk compares to facilities that make comparable goods, and what the impact per garment may be. This drives product impact decisions such as materials sourcing and supply chain allocation, as well as enhancing our ability to connect and collaborate with our highest impact suppliers for impact reduction.</td>
</tr>
</tbody>
</table>

**W4. Risks and opportunities**
**W4.1a** How does your organization define substantive financial or strategic impact on your business?

In 2022, we defined substantive strategic impact from climate-related risks to be one that has a high likelihood to (a) adversely impact the Company’s annual consolidated revenues by at least $500 million and/or annual operating income by at least $10 million and/or (b) have a materially adverse impact on our business operations defined as a major operating failure impacting the business for days to weeks including impact to people, process and/or technology.

One example of a substantive impact is the risk of water availability to our suppliers' operations. This could lead to significant delays in production as our suppliers' capacity is diminished, which could lead to lost revenues over $500 million. Water-related impacts such as drought, storms or extensive flooding in agricultural regions where cotton is produced could substantially increase the cost of cotton, which is an essential raw material for our product, affecting our costs of goods sold. Historically, we have experienced substantive impacts from droughts in Pakistan impacting global cotton pricing and availability, raising our product costs.

**W4.1b**

**W4.1b** What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

<table>
<thead>
<tr>
<th>Total number of facilities exposed to water risk</th>
<th>% of company-wide facilities this represents</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Less than 1%</td>
<td>As this question only relates to facilities in direct operations (not supplier facilities), we have identified zero facilities exposed to risks with the potential to substantively impact the business at the corporate level. Most of our direct operations are within North America, which has limited exposure to water stress. While it's possible we would incur water-related risks that result in store closures, we have calculated that this risk does not cross the financial threshold for a substantive impact to our business, due to the availability of our online store and over 2,500 stores.</td>
</tr>
</tbody>
</table>

**W4.1c**

**W4.1c** By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

**W4.2a**

**W4.2a** Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

**Country/Area & River basin**

<table>
<thead>
<tr>
<th>China</th>
<th>Dong Jiang</th>
</tr>
</thead>
</table>

**Stage of value chain**

Supply chain

**Type of risk & Primary risk driver**

<table>
<thead>
<tr>
<th>Acute physical</th>
<th>Drought</th>
</tr>
</thead>
</table>

**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

Gap Inc. brands sourced approximately 9% of merchandise from China in fiscal 2022. Our risk assessments indicate the ability to source products from China on favorable terms could be affected by a number of water-related risks, including water scarcity, stress and extreme weather events such as drought or flooding. If a drought were to take place in Chinese regions of cotton growth, Gap Inc. would see an increase in the availability and price of cotton. Cotton availability is critical, as it accounts for over 70% of our total fiber use. This weather event would affect the cost and availability of cotton from China and other regions globally, negatively impacting product costs. Currently over 100 Tier II facilities would be impacted by a drought in China, resulting in a cascading impact on supply availability, manufacturing capabilities at the Tier II spinning/ginning and Tier II fabric production level, and subsequent delays in finished goods manufacturing.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium-low

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate
Potential financial impact figure (currency)
724000000

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
Experiencing supply chain disruption would cause financial impacts for our sourcing, potentially requiring production shifts or delaying product delivery. China has been enforcing environmental laws more stringently, especially for facilities that discharge wastewater, which has caused facility closures and supply chain disruptions throughout the industry. We expect this to continue into the near-term over 1-3 years and potentially beyond. The total potential financial impact figure is based on the specific cost of goods sold from these vendors in FY22 ($724,000,000).

Primary response to risk

<table>
<thead>
<tr>
<th>Stage of value chain</th>
<th>Type of risk &amp; Primary risk driver</th>
<th>Primary potential impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply chain</td>
<td>Acute physical, Drought</td>
<td>Supply chain disruption</td>
</tr>
</tbody>
</table>

Company-specific description
Experiencing supply chain disruption would cause financial impacts for our sourcing, potentially requiring production shifts or delaying product delivery. We source a large portion of our product from India and this basin comprises of many of our suppliers upstream operations.

Timeframe
1-3 years

Likelihood
About as likely as not

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
500000000

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
Estimated potential financial impact is representative of the cost of goods produced in India within an average fiscal year, which is approximately $500,000,000

Primary response to risk

<table>
<thead>
<tr>
<th>Country/Area &amp; River basin</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
</tr>
</tbody>
</table>

Preference for sustainable raw materials

<table>
<thead>
<tr>
<th>Description of response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our Supply Chain and Sourcing teams’ work to develop and maintain a diverse supplier base across a number of countries reduces risk on an ongoing basis. Gap Inc. has responded to increased water stress on suppliers leading to disruptions in production through supplier diversification led by our Supply Chain and Sourcing teams. For instance, we have an extensive supplier base across 25 countries in case any one supplier experiences water stress and disruptions to production. We are working to integrate more sustainable materials such as organic cotton, which are less vulnerable to climate and other environmental impacts, into our product design and sourcing practices by 2025. We are also working to use more sustainable fabrics and raw materials that use less water. We require all Tier 1 suppliers of branded products and identified strategic Tier 2 mills, to report on water consumption using the Sustainable Apparel Coalition's (SAC) Higg Index. This allows us to both identify and address water-related risks within our immediate supply chain. With this, we are working on integrating environmental data, including water use, into our sourcing scorecards and decisions. By the end of 2022, 100 percent of our Tier 1 and 73% of our strategic Tier 2 suppliers used the Sustainable Apparel Coalition’s Higg Index 3.0 Facility Environmental Module self-assessment to communicate their water and energy use from 2021. We have mapped our mill facilities which represent over 79% of our business. We have also actively monitored and helped to remediate wastewater quality at denim laundries through our Water Quality Program (WQP). In 2022 we doubled the size of the WQP to include woven laundries (now including 100 facilities) and in 2023 we will expand the program to include knits and sweater laundries.</td>
</tr>
</tbody>
</table>

Cost of response
150000

Explanation of cost of response
The cost to manage this opportunity is Gap’s membership to the Apparel Impact Institute (Aii), a platform that supports cross-brand collaboration to improve operational efficiency and reduce water, energy and chemicals use. The annual membership fee is $150,000.
Description of response
As a signatory to the CEO Water Mandate, we are collaborating with other companies, governments, civil society and others to address locally based contextual challenges related to water scarcity, quality and governance, and access to water and sanitation. In 2018, we helped to create: "Businesses for Water Security in the Noyyal Bhavani River Basin", a project focused on improving the long-term sustainability of India’s Cauvery River Basin, a critical watershed in one of our key sourcing regions. The project looks beyond individual facility or single company initiatives to more holistically address risks in the river basin where our, and other brands' supply chains operate. It aims to help address the root causes of water risks that threaten businesses, communities, and ecosystems alike. In 2017, Gap Inc. launched the USAID Women + Water Alliance, a collaboration aimed at improving the health and economic outcomes for women, households, and communities impacted by the apparel industry in India.

Cost of response
100000

Explanation of cost of response
This is part of our membership to the CEO Water Mandate Action Platform ($100,000 annually).

Country/Area & River basin

<table>
<thead>
<tr>
<th>Country/Area</th>
<th>River basin</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>Godavari</td>
</tr>
</tbody>
</table>

Stage of value chain
Supply chain

Type of risk & Primary risk driver

<table>
<thead>
<tr>
<th>Type of risk</th>
<th>Primary risk driver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute physical</td>
<td>Drought</td>
</tr>
</tbody>
</table>

Primary potential impact
Supply chain disruption

Company-specific description
Experiencing supply chain disruption would cause financial impacts on our sourcing, potentially requiring production shifts or delaying product delivery. We source a large portion of our product from India and this basin comprises many of our strategic suppliers’ upstream operations. While we don’t have complete traceability on the cotton used in our products, we work with cotton farmers in this basin as part of the Women + Water Alliance to build water resilience in targeted water basins.

Timeframe
1-3 years

Magnitude of potential impact
Medium

Likelihood
Likely

Are you able to provide a potential financial impact figure? Yes, a single figure estimate

Potential financial impact figure (currency)
500000000

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
Estimated potential financial impact is representative of the cost of goods produced in India within an average fiscal year, which is approximately $500,000,000

Primary response to risk

| Supplier engagement | Introduce/strengthen water management incentives for suppliers |

Description of response
As a signatory to the CEO Water Mandate, we are collaborating with other companies, governments, civil society and others to address locally based contextual challenges related to water scarcity, quality and governance, and access to water and sanitation. We have been working with key suppliers in this river basin as part of the Women + Water Alliance to develop a water security plan that accounts for their use of water while also evaluating the needs of surrounding communities. With our partner, ISC (Institute for Sustainable Communities), we have developed a comprehensive document, Best Practices for Water Stewardship, that is specific to the apparel industry in an attempt to scale impact across the industry. Together with global textile manufacturer Arvind Limited, we are building an 18,000-square-foot Water Innovation Center for Apparel in the Godavari region of India. To account for climate risk—our sourcing network strategy seeks to balance sourcing demand across four global regions as not to over-rely on any given region.

Cost of response
100000

Explanation of cost of response
The cost of the response is our membership cost to the CEO Water Mandate Action Platform, which is $100,000 annually.
(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

<table>
<thead>
<tr>
<th>Type of opportunity</th>
<th>Company-specific description &amp; strategy to realize opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary water-related opportunity</td>
<td>Gap Inc. has identified natural fibers sourcing as a primary short-term target for increased supply chain resilience, as water-related weather events including drought, flooding, and storms could substantively impact natural fibers sourcing with the potential to destroy upwards of 30% of raw materials procured in a year depending on fiber and region of impact. Creating more resilient cotton supply chains specifically is Gap Inc.’s biggest priority, as 72% of total fiber content by mass used in the Gap Inc. portfolio for FY22 production was cotton. By sourcing 100% more sustainable cotton, Gap will reduce its carbon footprint while simultaneously increasing the drought resilience of our supply chain. This, combined with our contextual water targets allows Gap to holistically reduce the impact of our business on water in regions most affected by drought and storms. To engage industry and NGOs, Gap Inc. has joined the U.S. Cotton Trust Protocol and Textile Exchange’s 2025 Sustainable Cotton Challenge. Gap Inc. brands have committed to using 100% more sustainable cotton by 2025. By FY22, 81% of all cotton in the Gap Inc. portfolio was sourced from more sustainable sources (defined as Better Cotton, verified U.S.-grown cotton (USCTP), organic, in-conversion to verified organic, recycled, or regenerative cotton). Banana Republic has made more robust cotton sourcing commitments such as its 2021 commitment to funding the work of Action for Social Advancement (ASA), an NGO that trains cotton farmers on converting to organic practices and is sourcing cotton from the 1500 farmers participating. Since 2017, as part of the Women + Water Alliance, we built 1000+ water security plans for our cotton growers and are continuing this type of work through our commitment to sustainable sourcing by 2025. Since 2020, Gap Inc. has been participating in a pilot program with the U.S. Cotton Trust Protocol (USCTP) to trace products made with U.S.-grown cotton, and in 2022 we partnered with the organization to scale traceability solutions such as TextileGenesis and Oritain to validate cotton sourcing in Central and South America.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Timeframe for realization</th>
<th>4 to 6 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magnitude of financial impact</td>
<td>Low-medium</td>
</tr>
<tr>
<td>Are you able to provide a potential financial impact figure?</td>
<td>Yes, a single figure estimate</td>
</tr>
<tr>
<td>Potential financial impact figure (currency)</td>
<td>$1200000</td>
</tr>
<tr>
<td>Potential financial impact figure – minimum (currency)</td>
<td>$&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Potential financial impact figure – maximum (currency)</td>
<td>$&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Explanation of financial impact</td>
<td>The number provided is the estimated fabric spend attributed to Better Cotton for Gap Inc. in FY2022 ($1.2 million), which is the money we would not lose in a drought or other water-related natural disaster as we have sourced from a more sustainable cotton procurement program with a diversified sourcing base.</td>
</tr>
</tbody>
</table>

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized
Our data shows that a respectable percentage of customers consider sustainability factors when making purchasing decisions. It is important that customers understand the environmental impact of the apparel they purchase, and if informed, they may choose to purchase products that are less water-intensive to align with their values. For example, our Consumer Insights team conducts an annual Sustainability Tracker to: (1) understand the influence of a company’s sustainability practices on customers’ attitudes and behaviors; and (2) to assess how Gap Inc. and the brands are doing in this space. In 2021, 73% of customers surveyed (n=1,746) were aware of at least one sustainability program run by our brands. The most recognized environmental impact programs were Gap for Good and Washwell.

The Washwell process was pioneered by Gap brand in 2016, to reduce water use in denim garment finishing by at least 20% compared to conventional wash methods. Since then, it has expanded to Old Navy and Banana Republic. Gap and Banana Republic brands have made progress toward their public goals to reach 100% of eligible denim and woven bottoms made using Washwell techniques by 2025. As of the end of 2022, the program has saved nearly 4 billion liters of water across our brands.

We have invested time and resources into marketing and educating consumers about our Washwell water-saving techniques through our online and in-store shopping experiences in multiple ways: (1) product tags and on-product print; (2) online shopping attributes and product detail descriptions; (3) in-store signage; (4) brand sustainability webpages that describe our environmental programs related to product; (5) our Gap Inc. ESG webpages; and (6) customers can contact sustainability@gap.com with their sustainability and product queries, which may include Washwell.

The opportunity to engage and educate consumers about our water-saving practices may lead to increased business from new consumer markets (those who highly value environmental aspects in apparel purchases) and retention of current consumers. These outcomes would support our primary operating model for products sold, brand loyalty, and reputation. At the same time, we expect that increased consumer engagement and awareness of water-saving programs like Washwell will support us in continuing to develop efficiency processes and save more water in production.

Estimated timeframe for realization
1 to 3 years

Magnitude of potential financial impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
124800000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact
We are consistently evaluating the full opportunity of shifting consumer preferences. We see potential shifts in consumer purchasing of more sustainable products due to efforts such as Washwell. Estimating financial impact is difficult, as customer choices and sales depend on a wide variety of factors, to which Washwell may or may not contribute.

The potential financial impact figure is calculated as the percent of all Gap Inc. Brands’ products made with Washwell techniques (8%) which is then multiplied by our 2022 revenue for an approximate representative amount of financial opportunity driven by more sustainable production practices. ($15.6 billion revenue x .08 = $1,248,000,000)

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?
Yes, we have a documented water policy that is publicly available
(W6.1a) Select the options that best describe the scope and content of your water policy.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Content</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company-wide</td>
<td>Description of business dependency on water</td>
<td>We have a responsibility and an opportunity to address water issues as a critical natural resource for our business—used to cultivate raw materials like cotton, consumed in the mills and laundries that manufacture our products, and used by consumers when they wash their clothes. Our water enshrines our commitment to address water security in our operations and supply chain. Our water policy addresses our interactions with water at a business level and outlines company targets and goals that aim to reduce dependency on water and our impact on water. To aid this, our policy includes our commitments to align with public policy initiatives such as the CEO Water Mandate, water-related innovation, stakeholder awareness and education, and water stewardship to ensure that we are compliant with water regulation and international standards related to water, as well as to ensure that our stakeholders are committing to the same standards. Partnerships like our investment in the Arvind Mill program to build an 18,000-foot water innovation center highlight this effort. Within Gap Inc. partner facilities, our Code of Vendor Conduct requires that key WASH needs of garment workers are met, and we have set a goal to have a water-resilient supply chain by 2050. We are guided by the CEO Water Mandate, which mobilizes business leaders on water, sanitation, and the SDGs. We are committed to continuous progress against the six core elements of stewardship—1. Direct operations, 2. Supply chain and watershed management, 3. Collective action, 4. Public policy, 5. Commitment and engagement, and 6. Transparency. Our policy is guided by frameworks including but not limited to the United Nations (UN) Guiding Principles on Business and Human Rights, the UN Sustainable Development Goals (SDGs) and the Paris Agreement on climate change. We disclose our standards for water-related performance in our direct operations and procurement to keep ourselves accountable for any water-related impacts we may have. In addition, we include WASH in our policy to ensure the health and safety of our employees and of the local communities in which we operate, as we recognize that access to safe water and sanitation is a basic human right. In all, we believe that these all contribute to our efforts for good water stewardship practices as an integral part of mitigating climate change and biodiversity loss.</td>
</tr>
<tr>
<td></td>
<td>Description of business impact on water</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment to align with international frameworks, standards, and widely-recognized water initiatives</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment to prevent, minimize and control pollution</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment to reduce or phase-out hazardous substances</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment to reduce water withdrawal and/or consumption volumes in supply chain</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment to stakeholder education and capacity building on water security</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitment to water stewardship and/or collective action</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commitments beyond regulatory compliance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reference to company water-related targets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Acknowledgement of the human right to water and sanitation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Recognition of environmental linkages, for example, due to climate change</td>
<td></td>
</tr>
</tbody>
</table>

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a
(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

<table>
<thead>
<tr>
<th>Position or individual or committee</th>
<th>Responsibilities for water-related issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board-level committee</td>
<td>The Gap Inc. Governance and Sustainability Committee (the “Committee”) of its Board of Directors (the “Board”) assists the Board in fulfilling its oversight responsibilities relating to the Company’s corporate governance matters, including the annual review of the Company’s Corporate Governance Guidelines, the annual self-assessment of the Board, its committees and individual directors, the identification and selection of director nominees, oversight of the Company’s programs, policies and practices relating to certain environment, social and community, and governance issues and impacts to support the sustainable growth of the Company’s business, including but not limited to, the Company’s environmental stewardship practices, social and community issues involving supply chain, the Company’s philanthropy and community giving activities, and the identification of topics related to the foregoing that are most relevant and important to the Company and any risks or goals related thereto, and such other duties as directed by the Board. The Committee is composed entirely of independent directors. The Company’s environmental sustainability program is overseen by the Committee, which provides regular updates to the Board regarding the Company’s environmental activities and strategies. To assist in its oversight responsibilities, the Committee receives regular updates from our Chief Supply Chain, Strategy, and Transformation Officer and other senior leaders, who meet with teams across the Company including the Sourcing, Production, Brand and Operations, ESG Reporting, and Global Sustainability teams. The Committee oversees establishing and monitoring progress against water-related goals. In 2022, the Committee reviewed and approved new organizational targets including our 2030 goal to reduce water use and replenish water to nature equivalent to all the water used in manufacturing clothing and in our company-operated facilities and achieving net-positive water impact by 2050.</td>
</tr>
</tbody>
</table>

(W6.2b) Provide further details on the board’s oversight of water-related issues.

<table>
<thead>
<tr>
<th>Frequency that water-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which water-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled - some meetings</td>
<td>Monitoring implementation and performance</td>
<td>The Company’s environmental sustainability program is overseen by the Committee, which meets at least quarterly and provides regular updates to the Board regarding the Company’s environmental activities and strategies. To assist in its oversight responsibilities, the Committee receives regular updates from our Chief Supply Chain, Strategy, and Transformation Officer and other senior leaders, who in turn meet with teams across the Company. The Global Sustainability team and Supply Chain team report to the Officer. Additionally, the ESG Reporting and Global Sustainability teams work with business partners and experts to assess and manage business risks, including the risks that water-use impacts could pose to our business. The Committee oversees establishing and monitoring our enterprise-wide strategies and goals related to water use and other issues related to water use. This includes reviewing progress against our goals to work with our suppliers to conserve water in manufacturing processes and our new 2030 and 2050 goals pertaining to water resiliency and net water positivity across water-stressed regions in our supply chain.</td>
</tr>
<tr>
<td></td>
<td>Monitoring progress towards corporate targets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Overseeing major capital expenditures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding business plans</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding corporate responsibility strategy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding major plans of action</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding risk management policies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing and guiding strategy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewing innovation/R&amp;D priorities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Setting performance objectives</td>
<td></td>
</tr>
</tbody>
</table>

(W8.2d) Does your organization have at least one board member with competence on water-related issues?

<table>
<thead>
<tr>
<th>Board member(s) have competence on water-related issues</th>
<th>Criteria used to assess competence of board member(s) on water-related issues</th>
<th>Primary reason for no board-level competence on water-related issues</th>
<th>Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>One of our Board members has experience in water-related issues as a co-founder and trustee of the Pisces Foundation, a non-profit organization which makes grants to support innovators who are doing what is necessary to achieve a safe, stable climate, provide kids with environmental know-how to create a sustainable world, and to guarantee clean and abundant water for all.</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

(W6.3)
(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Other C-Suite Officer, please specify (Chief Supply Chain, Strategy, and Transformation Officer)

Water-related responsibilities of this position
Please select

Frequency of reporting to the board on water-related issues
Quarterly

Please explain
The Chief Supply Chain, Strategy, and Transformation Officer has the highest level of direct responsibility for water-related matters and reports directly to the CEO. The Chief Supply Chain, Strategy and Transformation Officer also meets regularly with the Board on water strategy, ongoing water programs and issues. This role approves annual budgets and strategic plans, guides strategy, coordinates with our supply chain and strategic sourcing teams, approves water-related expenses, and sets priority for water goals. Specific examples are: Reporting total summarized water savings and capacity-building programs throughout the Gap Inc. portfolio within the past FY, review of future-facing water-related sustainability goals, and specific instances of progress within the FY at mills and facilities we are investing in for decreased water demand (Washwell program, WASH progress, sourcing practices, mill development, etc).

Name of the position(s) and/or committee(s)
Sustainability committee

Water-related responsibilities of this position
Please select

Frequency of reporting to the board on water-related issues
Quarterly

Please explain
The Governance and Sustainability Committee is a sub-committee of the Board and receives updates from the Chief Supply Chain, Strategy, and Transformation Officer on our environmental initiatives and performance. The Board’s, together with its Governance and Sustainability Committee’s, oversight of the Company’s environmental sustainability efforts and strategies ensures that environmental sustainability is considered regularly in corporate decision-making. Reports to the Board by members of management include regular presentations on our goals and progress, including all future-facing water related targets such as our 2050 goal to have net-positive water impacts in water-stressed regions.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

<table>
<thead>
<tr>
<th>Provide incentives for management of water-related issues</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

W6.4a
### W6.4a What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

<table>
<thead>
<tr>
<th>Role(s) entitled to incentive</th>
<th>Performance indicator</th>
<th>Contribution of incentives to the achievement of your organization’s water commitments</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monetary reward</td>
<td></td>
<td>Bonus payments are made under the Executive Management Incentive Compensation Award Plan (the “Executive MICAP”). Pursuant to the MICAP, the Compensation Committee of the Board of Directors set a minimum performance requirement that needs to be achieved before the determination and payment of any bonus. If the financial performance of the company meets or exceeds the minimum requirements, The CEO may make a recommendation to the Compensation Committee for adjustments, if deemed appropriate, to any executive that reports to the CEO, and the Committee decides if adjustments are warranted. The Committee may assess an Executive’s performance based on a variety of factors including environmental, social, and governance factors such as making sufficient progress on the company’s community water resilience goals or making necessary progress towards a water resilient supply chain.</td>
<td></td>
</tr>
<tr>
<td>Other, please specify (Chief Supply Chain, Strategy, and Transformation Officer)</td>
<td>Reduction of water withdrawals – direct operations</td>
<td>Reduction in water consumption volumes – direct operations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reduction in water withdrawal and/or consumption volumes – supply chain</td>
<td>Improvements in water efficiency – supply chain</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improvements in water efficiency – direct operations</td>
<td>Reduction or phase-out of hazardous substances</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improvements in water efficiency – supply chain</td>
<td>Increased access to workplace WASH – supply chain</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Implementation of water-related community project</td>
<td>Increased investment in water-related R&amp;D</td>
<td></td>
</tr>
<tr>
<td>Non-monetary reward</td>
<td>Please select</td>
<td>Please select</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### W6.5

**W6.5a What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

The Governance and Sustainability Committee is a sub-committee of the Board and receives updates from the Chief Supply Chain, Strategy, and Transformation Officer on our environmental initiatives and performance. The Board’s, together with its Governance and Sustainability Committee’s, oversight of the Company’s environmental sustainability efforts and strategies ensures that environmental sustainability is considered regularly in corporate decision-making. Reports to the Board by members of management include regular presentations on our goals and progress, including all future-facing water-related targets such as our 2050 goal to have net-positive water impacts in water-stressed regions. If inconsistencies are found, they would be reported by relevant business units to the Governance and Sustainability Committee, who would then take action commensurate with the inconsistency. Relevant subject matter experts within the Global Sustainability team would ultimately be responsible for implementing any remedy to the inconsistency.

### W6.6

**W6.6 Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

Yes (you may attach the report - this is optional)

### W7. Business strategy
### W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

<table>
<thead>
<tr>
<th>Are water-related issues integrated?</th>
<th>Long-term business objectives</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, water-related issues are integrated</td>
<td>Yes, water-related issues are integrated</td>
<td>Gap Inc. has a water impact scope of work extends 21-30 years, including our 2050 goal to have a net positive water impact in water-stressed regions. Water management (discharge, withdrawal, measurement) and strategic sourcing for water impact are our primary targets as these contribute to our organization's long-term strategy to become more resilient to water-related impacts, positively influencing our business. An example is strengthening our supplier relationship with Arvind based on their commitment to increased water recycling and processing efficiency since 2016. Arvind has saved over 3.7 billion liters of water since 2020 through reclaimed wastewater recapture and use. A collaboration with Arvind and Gap Inc. is constructing an 18,000 sq. ft. Water Innovation Center for Apparel in India set to open in 2022. Our Global Sustainability team is elevated into the Supply Chain, Strategy, and Transformation Office, which is accountable for enterprise-wide strategy setting, ensuring that sustainability operational strategy is implemented and integrated into our growth planning from raw material procurement to finished goods retail. Water-related risks are reviewed annually using tools such as the Higg FEM. Outstanding issues are elevated for review of their potential impacts on current/projected future business operations. This influences supply chain allocation for finished goods and material sourcing from supply chains.</td>
</tr>
<tr>
<td>21-30</td>
<td>Gap Inc. has integrated contextual site and water basin target setting, reduced water consumption, on site water recycling, water discharge and consumption in operations into our strategic business objectives, contributing toward our 2030 goal to establish baselines and water related impacts for all priority suppliers, and our 2050 goal to have net positive water impact in water stressed regions. Since 2020 we have sourced from facilities rated green or yellow (where water related impacts contribute to scoring), and we have saved over 10 billion liters of water through water reduction initiatives such as the expansion of the Washwell program. The Supplier Sustainability and Product Sustainability teams at Gap Inc. prioritize sourcing from suppliers committed to reducing water related impacts, and suppliers which are transparent and offer basin level water data through the Higg FEM. Annual water assessments throughout our entire Tier I finished good supply chain and strategic (&gt;40% of spending) Tier II supply chain using the WWF Water Risk Filter have resulted in adaptation strategies and a dataset to monitor improvements over our target period. Partnering with specific mills like the Arvind mill program have offered insights into water saving technology such as Arvind's ability to recycle more than 90% of water used on site. The intent is to learn techniques which can be applied at scale across the supply chain to aid in our efforts to achieve our 2020 and 2050 goals.</td>
<td></td>
</tr>
</tbody>
</table>

### W7.2

(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

<table>
<thead>
<tr>
<th>Row</th>
<th>Water-related CAPEX (+/- % change)</th>
<th>Anticipated forward trend for CAPEX (+/- % change)</th>
<th>Water-related OPEX (+/- % change)</th>
<th>Anticipated forward trend for OPEX (+/- % change)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>19</td>
<td>1</td>
<td>21-30</td>
<td>1</td>
</tr>
</tbody>
</table>

Please explain

Relevant operational expenditures include in-country facility-level water programs focused on efficiency and quality; data management/analytics including water footprinting; risk assessment; and strategy work. This increase is largely due to resourcing allocated against our long-term strategy to meet our water-related goals. We are partnering with WWF to build a comprehensive water strategy and determine specific regions for water-focused interventions and programming over the next 30 years and anticipate OPEX to increasingly grow as we determine those programs.

### W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

<table>
<thead>
<tr>
<th>Use of scenario analysis</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Yes</td>
</tr>
</tbody>
</table>

As part of our enterprise risk assessment, Gap Inc. uses a combination of qualitative and quantitative tools/metrics to determine our potential exposure to climate and water-related risks. The water-related impacts of climate change including but not limited to drought, flooding, and increased risk of hurricanes/storms could negatively impact our organization’s ability to source raw materials for our products, which are our main source of revenue. Gap Inc. uses the IEA 450 Transition Scenarios and IEA INDC scenarios to model climate mitigation in the event of different climate action movements globally. Gap Inc. takes into consideration various climate target scenarios (1.5˚C, 2, 3 and 4˚C scenarios), expected population, global fossil fuel and electricity use, and physical climate-related impacts in our scenario analyses.

### W7.3a

...
(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization’s business strategy.

<table>
<thead>
<tr>
<th>Type of scenario analysis used</th>
<th>Parameters, assumptions, analytical choices</th>
<th>Description of possible water-related outcomes</th>
<th>Influence on business strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Water-related Climate-related</td>
<td>As part of our enterprise risk assessment, Gap Inc. uses a combination of qualitative and quantitative tools/metrics to determine our potential exposure to climate and water-related risks. The water related impacts of climate change including but not limited to drought, flooding, and increased risk of hurricanes/storms could negatively impact our organization's ability to source raw materials for our products, which are our main source of revenue. Gap Inc. uses the IEA 450 Transition Scenarios and IEA INDC scenarios to model climate mitigation in the event of different climate action movements globally. Gap Inc. takes into consideration various climate target scenarios (1.5°C, 2°C, 3°C and 4°C scenarios), expected population, global fossil fuel and electricity use, and physical climate related impacts in our scenario analyses. We have completed a climate scenario analysis which we intend to use to inform strategy discussions with executives and the Board, including a transition plan aligned to a 1.5-degree world. As a first step, we will obtain leadership approval and support to integrate with financial planning. Scenario analysis will support our annual assessment of existing and emerging risks that could impact the Company’s operations or ability to achieve its objectives. This review is performed by management and Internal Audit. The Risk Committee, made up of leaders that represent the Senior Leadership team, provides oversight over the annual Enterprise Risk Assessment (ERA) process. The ERA is used by the CEO, Board, and senior leadership to monitor and mitigate risks, update policies, and include in Business Continuity Planning where required.</td>
<td>We consider these types of catastrophic events as part of our disaster recovery and business continuity planning. Gap Inc.’s commitment to become carbon neutral by 2050, and to source materials/produce products strategically in regions with reduced water risk as specific examples of this. Gap Inc. additionally partners with organizations within our supply chain to reduce water impact, including but not limited to our partnership with Arvind mill to create a Water Innovation Center and to increase the percentage of products made with water saving technology. We have a diverse supply chain, and incentivize sourcing from regions of low water risk as part of our 2050 Water positive targets. We monitor the water and climate related risk of all Tier I and greater than 65% of Tier II facilities, and intend to increase this percentage over time. We use supplier scorecards to measure sustainability alongside production and costing data. This allows Gap to develop a resilient supply chain which considers climate related risk factors. We are well positioned to increase the resilience of our supply chain by 2030 under low climate risk scenarios, however high risk climate scenarios have the potential to substantively impact Gap Inc. production.</td>
<td></td>
</tr>
</tbody>
</table>

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain Gap Inc. is currently taking steps internally to set a price on water, and plan to disclose progress on this work within the next 1-2 years.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

<table>
<thead>
<tr>
<th>Products and/or services classified as low water impact</th>
<th>Definition used to classify low water impact</th>
<th>Primary reason for not classifying any of your current products and/or services as low water impact</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Yes</td>
<td>Low water impact is defined as a process or material change in the production of a unit of product which saves at least an estimated 20% of water compared to conventional processing of the product. Washwell™ (launched in 2016) has saved over 4 billion liters of water in our finishing process compared to conventional methods. We convey Washwell to our customers on websites &amp; on-product labels. Old Navy has a goal that 100% of denim items are made with at least one water-saving technique - Washwell, usage of recycled cotton or production in a facility with Zero Liquid Discharge. The measure of success is the number of denim items made per season that are part of Washwell or in the case of Old Navy, that are water-saving. Gap had a goal of 100% of its denim to qualify for Washwell by end of 2022 and by end of 2021, we reached 98% for our Holiday season. By the Holiday 2022 season, Old Navy reached 100% of applicable denim qualifying for Washwell, and Gap brand reached 99% Washwell.</td>
<td>Not Applicable</td>
<td></td>
</tr>
</tbody>
</table>

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a
(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

<table>
<thead>
<tr>
<th>Category of Target</th>
<th>Target Set in this Category</th>
<th>Please Explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water pollution</td>
<td>Yes</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Water withdrawals</td>
<td>Yes</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Water, Sanitation, and Hygiene (WASH) services</td>
<td>Yes</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other</td>
<td>Yes</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number
Target 1

Category of target
Water, Sanitation and Hygiene (WASH) services

Target coverage
Company-wide (including suppliers)

Quantitative metric
Please select

Year target was set
2017

Base year
2016

Base year figure
0

Target year
2023

Target year figure
2000000

Reporting year figure
2400000

% of target achieved relative to base year
120

Target status in reporting year
Achieved

Please explain
Gap Inc. goals surrounding empowering individuals and communities with access to improve water and sanitation are underway. Through our partnership organizations and our supply chain sustainability team we are leveraging opportunities to improve drinking water systems through microloans and on-site trainings. In 2022, we exceeded our goal to empower 2 million people to improve their access to clean water and sanitation through the Women+Water program.

Target reference number
Target 2

Category of target
Water pollution

Target coverage
Company-wide (including suppliers)

Quantitative metric
Reduction of hazardous substance use

Year target was set
2017

Base year
2016

Base year figure
0

Target year
2023

Target year figure
100

Reporting year figure
100

% of target achieved relative to base year
100
Target status in reporting year
Achieved

Please explain
Gap Inc. set a goal that by 2023 we would eliminate PFC-based finishes from our supply chain in line with our work toward zero discharge of hazardous chemicals in our supply chain. As of 2022, 100% of fabrics with PFC-based finishes were successfully converted or exited. (Most products available for purchase as of January 1, 2023 are produced without PFC-based finishes, but due to transportation and store inventory timelines and strategies, some styles available for purchase will still have a PFC-based finish. ) At the Gap Inc. level, 95% of apparel and accessories units with water repellent or stain resistant performance were produced without PFCs (up from 38% in 2021, and 7% in 2020). About 1% of apparel and accessories units at the Gap Inc. level had a water repellent or stain resistant finish, down from 1.5% in 2021.

Target reference number
Target 3
Category of target
Water withdrawals
Target coverage
Company-wide (including suppliers)
Quantitative metric
Reduction in withdrawals per business unit
Year target was set
2022
Base year
2014
Base year figure
0
Target year
2030
Target year figure
100
Reporting year figure
0
% of target achieved relative to base year
0
Target status in reporting year
New

Please explain
Gap Inc. has set a target by 2030 to reduce water use and replenish water to nature equivalent to all the water used in manufacturing clothing and in our company-operated facilities. Through manufacturing efficiency initiatives, supplier collaboration and industry working groups we already saved 17.4 billion liters of water compared to a 2014 baseline. As we move toward reaching our 2030 target, we will need to account for the comprehensive water use of our value chain and map that relative to units sold and identify interim targets to reaching our long-term goal.

W9. Verification

W9.1
(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?
No, but we are actively considering verifying within the next two years

W10. Plastics

W10.1
(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

<table>
<thead>
<tr>
<th>Plastics mapping</th>
<th>Value chain stage</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Direct operations, Supply chain, Product use phase</td>
<td>Gap Inc. has mapped and monitors the quantities of plastics in our business-to-business (B2B) and business-to-consumer (B2C) operations, which captures our direct operations, supply chain, and product use up to the point of sale. We do not currently monitor plastics beyond the point of sale for our product.</td>
</tr>
</tbody>
</table>
(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

<table>
<thead>
<tr>
<th>Impact assessment</th>
<th>Value chain stage</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Direct operations</td>
<td>Gap Inc. understands the potentially detrimental environmental impacts associated with the production and use of plastics in packaging and product.</td>
</tr>
</tbody>
</table>

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

<table>
<thead>
<tr>
<th>Risk exposure</th>
<th>Value chain stage</th>
<th>Type of risk</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>No, risks assessed, and none considered as substantive</td>
<td>None applicable</td>
<td>Costs associated with our plastics in packaging and supply chain waste do not have the ability to substantively impact Gap Inc. per our definition of substantive above. Our organization does use a large portion of synthetic petroleum-based fibers, which may or may not qualify within the bounds of this question. If we were to consider polyester and nylon production as a component, then we would potentially be subject to plastics related risks with the potential to have substantive financial impacts on business.</td>
<td></td>
</tr>
</tbody>
</table>

(W10.4) Do you have plastics-related targets, and if so what type?

<table>
<thead>
<tr>
<th>Targets in place</th>
<th>Target type</th>
<th>Target metric</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Plastic packaging waste management</td>
<td>Reduce the total weight of plastic packaging used and/or produced</td>
<td>Gap Inc. has organizational targets to 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. We work with brand packaging designers, stores, DCs, and our Strategic Sourcing teams to right size packaging, eliminate unnecessary and problematic plastic packaging, divert waste from landfills, and use alternative materials. We prioritize addressing plastic waste in hangers, polybags, shopping bags, and e-commerce mailers. In 2022, Old Navy reached its goal of implementing hanger recycling in 100% of eligible stores to reduce the use of unnecessary plastic.</td>
</tr>
</tbody>
</table>

(W10.5) Indicate whether your organization engages in the following activities.

<table>
<thead>
<tr>
<th>Activity applies</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production of plastic polymers</td>
<td>No</td>
</tr>
<tr>
<td>Production of durable plastic components</td>
<td>No</td>
</tr>
<tr>
<td>Production / commercialization of durable plastic goods (including mixed materials)</td>
<td>No</td>
</tr>
<tr>
<td>Production / commercialization of plastic packaging</td>
<td>Yes</td>
</tr>
<tr>
<td>Production of goods packaged in plastics</td>
<td>Yes</td>
</tr>
<tr>
<td>Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)</td>
<td>Yes</td>
</tr>
</tbody>
</table>

(W10.8)
## W10.8 Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

<table>
<thead>
<tr>
<th>Plastic packaging sold</th>
<th>Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)</th>
<th>Raw material content percentages available to report</th>
<th>% virgin fossil-based content</th>
<th>% virgin renewable content</th>
<th>% post-industrial recycled content</th>
<th>% post-consumer recycled content</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Gap Inc has a goal that by 2025 at least half of all B2C packaging is 100% recycled content. Currently 50% of the content in our polymailers sent to customers is sourced from recycled sources, and the other 50% is fossil fuel based.</td>
</tr>
<tr>
<td>Plastic packaging used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Gap Inc has a goal to 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. Currently 100% of the content in our polybags used in logistics is from recycled sources, and 50% of the content in our polymailers sent to consumers is sourced from recycled sources. In addition, in 2022, Old Navy reached its goal of implementing hanger recycling in 100% of eligible stores to reduce the use of unnecessary plastic.</td>
</tr>
</tbody>
</table>

## W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

<table>
<thead>
<tr>
<th>Percentages available to report for circularity potential</th>
<th>% of plastic packaging that is reusable</th>
<th>% of plastic packaging that is technically recyclable</th>
<th>% of plastic packaging that is recyclable in practice at scale</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plastic packaging sold</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>Plastic packaging used</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
</tbody>
</table>

## W11. Sign off

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization’s response. Please note that this field is optional and is not scored.

## W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

<table>
<thead>
<tr>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Chief Supply Chain, Strategy, and Transformation Officer</td>
<td>Chief Operating Officer (COO)</td>
</tr>
</tbody>
</table>

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

<table>
<thead>
<tr>
<th>I understand that my response will be shared with all requesting stakeholders</th>
<th>Response permission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Public</td>
</tr>
</tbody>
</table>

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below

I have read and accept the applicable Terms