



Voluntary Carbon Market Disclosure Statement

Note on Forward-Looking Statements

The inclusion of information contained in this disclosure statement 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. 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 disclosure statement. In addition, the controls, processes, practices, and infrastructures described in this disclosure statement 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.

This disclosure statement 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. These statements are based on management’s current opinions, expectations, beliefs, plans, objectives, assumptions, or projections regarding future events or results, including, but not limited to, our ESG commitments, strategies, and initiatives; our business plans, strategy and products; our ESG risks and opportunities; and our stakeholder engagement efforts. 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 subsequent Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K filed with the U.S. Securities and Exchange Commission. We caution readers not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events, or other factors that affect the subject of these statements, except where we are expressly required to do so by law.

Climate Goals and Action Plan

Goals:

Our 2030 Scope 1 and 2, and Scope 3 goals have been validated by the Science Based Targets initiative (SBTi) and can be viewed on the [SBTi target dashboard](#).

Goal by 2050	Achieve net-zero emissions across our value chain
Goals by 2030	Reduce Scope 1 and 2 greenhouse gas (GHG) emissions by 90% from a 2017 baseline
	Reduce Scope 3 GHG emissions from purchased goods and services by 30% from a 2017 baseline
	Source 100% renewable electricity for our company-operated facilities globally

Approach:

We pursue multiple approaches to achieve our 2030 and 2050 GHG emissions reduction goals:

- **Reduction:** We reduce energy use by converting to lower-carbon materials and identifying energy efficiency opportunities across our stores and supply chain.
 - **Scope 1 and 2:** Based on a 2022 internal assessment of sustainability initiatives at a sample of Gap Inc. stores, we identified better ways for store leaders to reduce energy impact, including energy-efficient lighting practices, adjusting HVAC thermostats, repairing water fixtures, and improving store recycling practices. We measure progress by assessing reductions in billed utilities usage at sites where efficiency programs have been implemented and by increasing the

number of stores enrolled in Energy Management Systems (EMS). Currently, approximately one-third of our store fleet is enrolled in an Energy Management System (EMS) which identifies areas for further efficiency.

- **Scope 3:** To reduce freight transportation emissions, we have been partnering with the Environmental Protection Agency’s (EPA) SmartWay since 2011. The majority of our freight is shipped via ocean which results in fewer emissions than airfreight. We also partner with third party parcel providers who pursue their own sustainability targets, resulting in emissions savings for Gap Inc. We measure progress toward reducing transportation emissions by monitoring our use of ocean and air freight, and updates from our third-party transportation partners. Our impact is predominately from our Scope 3 supply chain emissions; therefore, we work closely with our strategic suppliers and industry organizations on programs to increase energy efficiency, supporting suppliers to set their own carbon-reduction strategies and science-based targets. To track and measure Scope 3 emissions, we request all active Tier 1 and Tier 2 factories to complete the SAC Higg FEM, report on efficiency programs and encourage them to verify FEM annually.
- **Conversion:**
 - **Scope 1 and 2:** To achieve our goals, we are pursuing renewable sources for our company-operated electricity. To do this, we have two existing VPPA projects: (1) Aurora Wind, a 90-megawatt offsite wind farm in North Dakota; (2) and Fern Solar, a 7.5-megawatt offsite solar project in North Carolina. Fern Solar currently offsets 100 percent of electricity used at Athleta’s company-operated stores in North America. We also have installed a 3-megawatt solar project at our distribution center in Fresno, California, which has been generating 400–500 megawatt hours of electricity per year, accounting for 38 percent of the facility’s annual electricity usage in 2021 and saving approximately \$3 million since its launch in 2020. We measure our progress in converting to renewable energy through our monthly VPPA and onsite solar project performance summaries.
 - **Scope 3:** We are participating in the UNFCCC’s working group on renewable energy to encourage suppliers to convert their energy to less intensive sources. In 2022, we engaged Tier 1 and Tier 2 suppliers to participate in climate action training. We measure our progress by tracking suppliers that are using or are sourcing other forms of renewable energy.

Governance and Reporting Verification:

We submitted a 2023 Climate Change Questionnaire to CDP and disclose climate-related information based on the recommendations of the [Task Force on Climate-Related Financial Disclosures \(TCFD\)](#). The Governance and Sustainability Committee of Gap Inc.’s Board of Directors oversees the company’s climate-related initiatives, and periodically reviews and evaluates our climate targets, policies, and programs.

Our Scope 1, 2, and Scope 3 (limited to categories for Franchises and Business Travel) emissions have been externally verified by a third-party assurance provider. See our assurance statements on our [website](#) and in our CDP Climate Change [disclosures](#).

Offsets

Our Global Travel Team purchased 1,791 carbon credits in fiscal 2022 to match our fiscal 2021 corporate jet fuel usage (included in Scope 1) though Terrapass Solairus Aviation Clear Sky Program. The purchased offsets have not, however, been applied to our annual emissions calculations, nor to date have they been used to achieve our 2030 and 2050 targets.

Terrapass’ portfolio includes numerous procurement standards, including that the purchased carbon offsets have been inspected and validated by independent registries (including Verra, Gold Standard, Climate Action Reserve, and American Carbon Registry) to ensure transparency and quality in the creation, quantification, and verification of offset projects.

In fiscal 2022, Terrapass organized the purchase of carbon credits to support our Global Travel Team through several projects listed in the table below.

2022 Project Names (as Listed in the Registry)	Project Site Location	Offset Registry Program	Offset Project Type	Offset Project Protocol	Avoidance or Removal	Vintage	Volume (mT)	Name of the Business Entity Selling the Offsets
Capricorn Ridge 4 Wind Farm	Sterling City, TX, USA	VCS	Energy industries (renewable/non-renewable sources)	VCS ACM0002	Avoidance	2017	216	Terrapass
Crow Lake Wind Emissions Reduction Project	Chamberlain, SD, USA	VCS	Energy industries (renewable/non-renewable sources)	VCS ACM0002	Avoidance	2019	109	Terrapass
Klawock Heenya Native Community	Klawock, AK, USA	ACR	Forest Carbon	Improved Forest Management (IFM) on Non-Federal U.S.	Avoidance	2020	11	Terrapass

Forestry Project				Forestlands				
Henrico County Landfill Gas Combustion Project	Henrico County, VA, USA	VCS	Waste handling and disposal	VCS ACM0001	Avoidance	2021	11	Terrapass
Greater Lebanon Refuse Authority Landfill Gas Collection and Combustion Project	Lebanon County, PA, USA	VCS	Waste handling and disposal	VCS ACM0001	Avoidance	2016	11	Terrapass
Anson County Landfill	Polkton, NC, USA	CAR	Landfill Gas Capture/Combustion	CAR Landfill Project Protocol	Avoidance	2019	218	Terrapass
Whirlpool HFO Amana 656	Amana, IA, USA	ACR	Industrial Process Emissions	Transition to Advanced Formulation Blowing Agents in Foam Manufacturing and Use	Avoidance	2019	756*	Terrapass

Product Materials¹

Life Cycle Analyses (LCAs) conducted by third parties or other analyses such as the Higg Materials Sustainability Index (MSI) or Textile Exchange's Preferred Fiber and Material Matrix have found that certain fibers have lower associated emissions throughout their growth, production, and decomposition compared to conventional materials. On certain company websites and product shopping pages, we share information regarding fibers' reduced greenhouse gas emissions. Relevant statements include the following:

Fiber Material	Summary of Statements
Livaeco™	<p>"Livaeco™ is fiber derived from wood, a renewable resource, which has been sourced from responsibly managed forests. It is manufactured using a stringent close-loop process that significantly reduces carbon emissions and water consumption as compared to generic viscose." – Gap Specialty products and Good Glossary</p> <p>"Made thoughtfully with Livaeco™ by Birla Cellulose™, branded viscose fibers produced using pulp derived from FSC® certified renewable wood sources. Livaeco™ helps save water, increases forest cover & reduces CO2 emissions, so your choice not only makes you fashionable but also helps preserve the environment." – Old Navy products</p>
PrimaLoft® P.U.R.E.™	<p>"PrimaLoft® P.U.R.E.™ fill, which produces 50% less carbon emissions as compared to conventional manufacturing methods." – Gap Specialty products</p>
LENZING™ ECOVERO™	<p>"LENZING™ ECOVERO™ is a wood-based fiber produced using pulp derived from responsible managed forests and manufactured with significantly lower emissions and less water than generic viscose." – Good Glossary</p> <p>"Made with LENZING™ ECOVERO™, a breathable fiber derived from certified renewable wood sources, produced using methods that reduce water impact and emissions by up to 50% compared to traditional viscose." – Banana Republic products</p> <p>"Made with LENZING™ ECOVERO™ branded viscose fibers, a breathable fiber derived from certified renewable wood sources, produced using methods that reduce water impact and emissions by up to 50% compared to traditional viscose. LENZING™ and ECOVERO™ are trademarks of Lenzing AG." – Banana Republic Factory products</p>
Recycled Materials	<p>"Recycled materials are recovered or diverted from the waste stream either during the manufacturing process (pre-consumer) or after consumer use (post-consumer). Using recycled materials helps us minimize our impact on the planet. Compared to virgin materials, recycled materials help keep waste out of landfills while also reducing carbon emissions." – Good Glossary</p>

¹ The inclusion of information contained in this section is being made in good faith based on information that is available and is valid to Gap Inc. as of January 1, 2024.

Regenerative Cotton	“Regenerative cotton agriculture is a holistic approach to farming practices that enriches soil and measurably improves soil carbon content, water retention, and local biodiversity. Sourcing regenerative cotton helps Gap to reduce our environmental footprint while promoting ecosystem health and increasing resilience for communities within our supply chain.” – Good Glossary
U.S. Cotton Trust Protocol Cotton	“As members of the U.S. Cotton Trust Protocol, we participate in a program for U.S.-grown cotton that supports best practices and continuous improvement in key areas, including soil health, water management, and Greenhouse Gas Emissions. For more details, visit trustuscotton.org .” – Good Glossary