

Gap Inc.

TICKER
NYS:GPS

MARKET CAPITALIZATION
US\$10 billion

HEADQUARTERS
United States

DISCLOSURES
UK Modern Slavery Act: Yes
California Transparency in Supply Chains Act: Yes

TARGETS
Yes

OVERALL RANKING

4 out of 37

([2018 Rank](#): 3 out of 43)

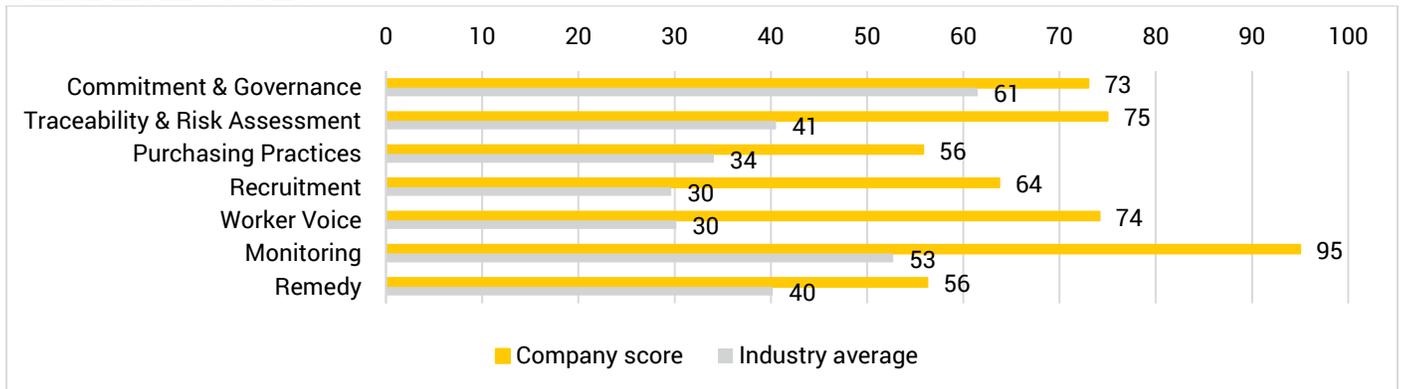
OVERALL SCORE

70 out of 100

SUMMARY

Gap Inc. (Gap), the largest specialty retailer in the US,¹ ranks 4th out of 37 companies, disclosing more information on its forced labor policies and practices than its peers across all themes. Compared to 2018, the company has improved by disclosing monitoring some second-tier mills, some data on grievances, and efforts to support responsible recruitment in its supply chains. However, as the company has not improved across themes, its rank has decreased by one place. The company discloses limited steps to address the risks of alleged Uyghur forced labor across its supply chain tiers, namely that it is piloting traceability technologies and asking garment and mill suppliers to declare the country of origin of their materials. However, it does not disclose engaging with groups representing rightsholders, setting time-bound targets, or addressing risks for materials beyond cotton. KnowTheChain identified one additional allegation of forced labor in the company's supply chains. While the company discloses some steps taken in relation to the allegation, including assisting its supplier in creating a complaints committee, it neither discloses engagement with affected stakeholders nor remedy outcomes for workers. The company has an opportunity to improve on the themes of Purchasing Practices, Recruitment, and Remedy.

THEME-LEVEL SCORES



KEY DATA POINTS
SUPPLIER LIST

Yes

IMPROVEMENTS OF FREEDOM OF ASSOCIATION

No

HIGH-RISK RAW MATERIALS²

Cotton, viscose, and wool

DATA ON PURCHASING PRACTICES

Yes (One data point only)

REMEDY FOR SUPPLY CHAIN WORKERS

No

HIGH-RISK SOURCING COUNTRIES

China, India, and Vietnam

LEADING PRACTICES

Responsible Recruitment: Gap reports that it has conducted surveys of its second-tier suppliers in South Korea, Taiwan, and Turkey to determine how many foreign contract workers are employed. As a result, it states that it conducted on-site interviews with workers in Taiwan and provided training to its Taiwanese second-tier suppliers on its foreign contract worker requirements, including the prohibition of worker-paid recruitment fees.

Monitoring: Gap discloses that it is expanding its monitoring of working conditions to its second-tier textile mills through its assessment and remediation program.

NOTABLE FINDINGS

Traceability and Supply Chain Transparency: The company discloses that it is piloting a traceability technology that will allow it to increase supply chain visibility. It reports that it is also asking its garment and mill suppliers to declare the country of origin of the yarn and cotton used in its apparel. Gap also discloses a supplier list of the names and addresses of its cut-and-sew facilities, embroideries, and laundries. The list includes the estimated range of workers per facility.

Supplier Selection: Gap discloses that it has an approval process that requires suppliers to undergo an assessment against its supplier code addressing forced labor before they can begin production. It states that facilities will either be approved or have to address outstanding issues. It discloses how many new factory assessments it has conducted per year (from 2015 to 2019) and the percentage of factories approved or pending (in 2019, 78% were approved). The company also discloses that it conducts visits to check where its products are being manufactured, as unauthorized subcontracting can create risks of forced labor. It discloses the number of cases of unauthorized subcontracting it has found each year and the steps it takes when it discovers unauthorized subcontracting has taken place.

Worker Voice: Gap discloses that its workplace cooperation program, which is in place at 182 facilities in 11 countries, works with “elected bipartite committees, comprising both workers and management representatives.” The company also discloses supplier training on freedom of association in Cambodia and Bangladesh and with partners including ILO Better Factories Cambodia, Better Work Bangladesh, and the Arbitration Council.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: While the company discloses some steps to source cotton responsibly, it may consider taking steps to address forced labor risks in its raw materials sourcing across high-risk raw materials. Though it discloses some information on examining how its planning processes affect supplier capacity to fulfill orders and its use of supplier scorecards, it is encouraged to adopt responsible purchasing practices and to disclose year-on-year comparable data points on its practices (such as improving planning and forecasting or supplier ratings received via Better Buying). In particular, as the company has increased its payment time from 45 to 90 days during the pandemic, it is encouraged to adopt industry best practice, namely payment times of 30 days.

Recruitment: While the company discloses its supplier code, which includes the [Employer Pays Principle](#), the company may further consider taking steps to ensure that recruitment-related fees are reimbursed to the workers and/or provide evidence of payment of such fees by suppliers. To avoid the exploitation of migrant workers and other workers in vulnerable conditions in its supply chains, the company may further consider disclosing evidence of implementation of its policy prohibiting passport retention and that the steps taken to ensure that the rights of workers in vulnerable conditions are respected and result in positive outcomes.

Remedy: To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose how it works with suppliers to remediate labor rights violations and examples of remedy provided to its suppliers' workers, including with respect to specific allegations in its supply chains.

ENGAGED WITH KNOWTHECHAIN³

Yes ([Provided Additional Disclosure](#)).

¹ Just-Style (5 June 2020), "[Gap Inc focused on refreshing for growth.](#)"

² For further details on high-risk raw materials and sourcing countries, see [KnowTheChain's 2021 Apparel and Footwear Benchmark Report](#).

³ Research conducted through November 2020 or through February 2021, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the [Business & Human Rights Resource Centre website](#).