

## KnowTheChain Apparel & Footwear Benchmark - Additional Disclosure 2020/2021

Company Name: Gap Inc

Date: 2/26/2021

Guidance:

- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website. Please see the 'comment text' and 'source' cells in the Excel document for the information we have already reviewed.
- Note KnowTheChain has already undertaken a review of your website. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to (extensive additional disclosure documents that include a comprehensive list of links already reviewed will not be considered).

### THEME 1: COMMITMENT AND GOVERNANCE

#### 1.1 Commitment

The company:

- (1) publicly demonstrates its commitment to addressing forced labor and human trafficking.

#### 1.2 Supplier Code of Conduct

The company's supplier code of conduct:

- (1) requires suppliers to respect the ILO core labor standards, which include the elimination of forced labor;
- (2) is easily accessible from the company's website;
- (3) is updated regularly, following internal review and input from external stakeholders;
- (4) is communicated to the company's suppliers; and
- (5) requires its first-tier suppliers to take steps to ensure that their own suppliers implement standards that are in-line with the company's supply chain policies addressing forced labor and human trafficking.

#### 1.3 Management and Accountability

The company:

- (1) has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labor and human trafficking; and
- (2) has tasked a board member or board committee with oversight of its supply chain policies that address forced labor and human trafficking.

## 1.4 Training

The company:

- (1) trains all relevant decision-makers within the company on risks and policies that address forced labor and human trafficking;
- (2) trains its first-tier suppliers on risks and policies that address forced labor and human trafficking and discloses the percentage of first-tier suppliers trained; and
  - Please see updated page: <https://www.gapinc sustainability.com/foreign-contract-workers>
  - Our Code of Vendor Conduct Supplier Manual provides guidance on how suppliers can meet our requirements, including those around forced labor. This manual is made available to all our suppliers: <https://www.gapinc sustainability.com/people/improving-factory-working-conditions>
- (3) engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labor and human trafficking to their own supply chains and/or trains suppliers below the first tier on such policies.
  - Please see updated page: <https://www.gapinc sustainability.com/foreign-contract-workers>
  - Also, please see additional example case study on how we are engaging and training suppliers below the first tier. <https://www.gapinc sustainability.com/foreign-contract-workers-case>

## 1.5 Stakeholder Engagement

To fully understand and address working conditions in sourcing countries, companies need to engage with potentially affected groups and local stakeholders such as trade unions, worker organizations, or local NGOs—in addition to suppliers. Furthermore, as forced labor risks tend to be systemic in nature, collaboration with other companies, for example, to engage policy makers to strengthen labor legislation, is needed to address forced labor in supply chains.

In the last three years, the company has engaged relevant stakeholders by:

- (1) providing at least two examples of engagements on forced labor and human trafficking with stakeholders such as policy makers, worker rights organizations, or local NGOs in countries in which its first-tier suppliers and suppliers below the first tier operate; and
  - <https://www.gapinc sustainability.com/foreign-contract-workers-case>
  - <https://www.gapinc sustainability.com/strategy/sustainability-strategy/managing-risks>
- (2) actively participating in one or more multi-stakeholder or industry initiatives focused on eradicating forced labor and human trafficking across the industry.
  - Please see above
  - We have also signed onto the AAFA/FLA Commitment to Responsible Recruitment. [https://www.aafaglobal.org/AAFA/Solutions\\_Pages/Commitment\\_to\\_Responsible\\_Recruitment](https://www.aafaglobal.org/AAFA/Solutions_Pages/Commitment_to_Responsible_Recruitment); <https://www.gapinc sustainability.com/foreign-contract-workers-case>

## THEME 2: TRACEABILITY AND RISK ASSESSMENT

### 2.1 Traceability and Supply Chain Transparency

The company discloses:

- (1) the names and addresses of its first-tier suppliers;
- (2) the countries of its below-first-tier suppliers (this does not include raw material suppliers);
- (3) the sourcing countries of at least three raw materials at high risk of forced labor and human trafficking; and
  - <https://www.gapinc sustainability.com/product/sustainably-sourcing-raw-material>
- (4) the number of workers per supplier, and one additional data point on its suppliers' workforce (e.g., the gender ratio, migrant worker ratio, or level of unionization per supplier).

### 2.2 Risk Assessment

Risk assessment involves evaluating the potential that a company has (by virtue of who its suppliers are and where they are located) of being linked to forced labor and human trafficking. Risk assessment is a process that is carried out in addition to and outside of auditing. It helps identify potential forced labor risks as well as actual impacts that may be hard to detect through audits. This process may involve engaging local stakeholders, labor rights experts, independent sources, and assessing risks associated with specific raw materials, regions, or groups of workers such as migrant workers.

The company discloses:

- (1) details on how it conducts human rights supply chain risk or impact assessments that include forced labor risks or assessments that focus specifically on forced labor risks; and
  - Additional information on our human rights risk assessments can be found here: <https://www.gapinc sustainability.com/strategy/sustainability-strategy/managing-risks>
  - Please see example:
    - <https://www.gapinc sustainability.com/foreign-contract-workers-case>
    - <https://www.gapinc sustainability.com/product/sustainably-sourcing-raw-material> (Cotton)
- (2) details on forced labor risks identified in different tiers of its supply chains.

## THEME 3: PURCHASING PRACTICES

### 3.1 Purchasing Practices

Purchasing practices and pricing may both positively impact labor standards in the company's supply chains and increase risks of forced labor and human trafficking.

The company:

- (1) is taking steps toward responsible raw materials sourcing;
  - Updated page shares additional detail: <https://www.gapinc sustainability.com/product/sustainably-sourcing-raw-material>

- (2) is adopting responsible purchasing practices in the first tier of its supply chains, which include planning and forecasting;
- (3) provides procurement incentives to first-tier suppliers to encourage or reward good labor practices (such as price premiums, increased orders, and longer-term contracts); and
  - Sustainability Report: <https://www.gapinc sustainability.com/sites/default/files/Gap%20Inc%202019%20Report.pdf> – Page 33.
  - We continue to provide this through tools such as integrated vendor scorecards that prioritize sustainability and business performance
- (4) discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labor and human trafficking.

### 3.2 Supplier Selection

The company:

- (1) assesses risks of forced labor at potential suppliers before entering into any contracts with them and discloses details on the outcomes of this process; and
- (2) addresses risks of forced labor related to sub-contracting and discloses details on the outcomes of this process.

### 3.3 Integration into Supplier Contracts

The company:

- (1) integrates the ILO core labor standards, which include the elimination of forced labor, into supplier contracts;
  - Gap Inc's Vendor Compliance Agreement is a legally binding agreement. The Vendor Compliance Agreement incorporates Gap Inc's Code of Vendor Conduct- <https://www.gapinc sustainability.com/people/improving-factory-working-conditions>
- (2) discloses the percentage of suppliers whose contracts include such standards; and
  - Gap Inc's Vendor Compliance Agreement is required to be signed by all manufacturers and is condition of doing business with Gap Inc. <https://www.gapinc sustainability.com/people/improving-factory-working-conditions>
- (3) requires its suppliers to integrate such standards into contracts with their own suppliers.
  - <https://www.gapinc sustainability.com/foreign-contract-workers-case>

## THEME 4: RECRUITMENT

### 4.1 Recruitment Approach

The company:

- (1) has a policy that requires direct employment in its supply chains;

- Gap Inc. requires suppliers to hold direct employment contracts and agreements with all contract workers - <https://www.gapinc sustainability.com/foreign-contract-workers>
- (2) requires employment and recruitment agencies used by its suppliers to respect the ILO core labor standards, which include the elimination of forced labor; and
- Gap Inc. requires suppliers to hold direct employment contracts and agreements with all contract workers - <https://www.gapinc sustainability.com/foreign-contract-workers>
  - As described in our Code of Vendor Conduct, the fundamental rights and freedoms articulated in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work must be respected by facilities that recruit or employ foreign contract workers.
- (3) discloses information on the recruitment agencies used by its suppliers.

#### 4.2 Recruitment Fees

According to the ILO, workers should not be charged directly or indirectly, in whole or in part, any fees for recruitment or related costs (such as costs for training, medical tests, or travel).

The company:

- (1) requires that no worker in its supply chains should pay for a job—the costs of recruitment (i.e., recruitment fees and related costs) should be borne not by the worker but by the employer ("Employer Pays Principle"); and
- (2) takes steps to ensure that such fees are reimbursed to the workers and/or provides evidence of payment of recruitment-related fees by suppliers if it discovers that fees have been paid by workers in its supply chains.

#### 4.3 Monitoring and Responsible Recruitment

The company:

- (1) takes steps to ensure employment and/or recruitment agencies used by its suppliers are monitored to assess and address risks of forced labor and human trafficking; and
- (2) provides details of how it supports responsible recruitment in its supply chains (e.g., by collaborating with stakeholders to engage policy makers to strengthen recruitment standards).
  - Please see example: <https://www.gapinc sustainability.com/foreign-contract-workers-case>

#### 4.4 Rights of Workers in Vulnerable Conditions

Migrant workers and other workers in vulnerable conditions are at a higher risk of being in forced labor, and additional steps are needed to ensure their rights are respected. Conditions which render workers vulnerable may include characteristics such as gender or age and external factors, including

workers' legal status, employment status, economic conditions, and work environment (such as isolation, dependency on the employer, or language barriers).

The company:

- (1) takes steps to ensure migrant workers in its supply chains understand the terms and conditions of their recruitment and employment and also understand their rights;
- (2) takes steps to ensure its suppliers refrain from restricting workers' movement, including through the retention of passports or other personal documents against workers' will; and
  - These items are required in our Code of Vendor Conduct and reviewed as part of our Assessment and Remediation program. Findings can be found here: <https://www.gapinc sustainability.com/sites/default/files/2015-2019%20COVC%20Findings%20and%20Resolutions.pdf>
- (3) discloses at least two outcomes of steps it has taken to ensure respect of the fundamental rights and freedoms of supply chain workers in vulnerable conditions (those articulated in the ILO core labor standards, which include the elimination of forced labor).
  - Please see this example: <https://www.gapinc sustainability.com/foreign-contract-workers-case>
  - <https://www.gapinc.com/en-us/policy/uk-modern-slavery-act> (supply chain due diligence)

## THEME 5: WORKER VOICE

### 5.1 Worker Engagement

The company:

- (1) takes steps to ensure its supply chain policies that address forced labor and human trafficking are communicated to workers in its supply chains;
- (2) takes steps to ensure that relevant stakeholders engage with and educate workers in its supply chains on their labor rights and/or supports worker-led efforts on labor rights education;
- (3) provides evidence of the positive impact of worker engagement in its supply chains; and
- (4) provides at least two examples of worker engagement initiatives covering different supply chain contexts.
  - Please see additional example: <https://www.gapinc sustainability.com/foreign-contract-workers-case>

### 5.2 Freedom of Association

The company:

- (1) works with independent local or global trade unions to support freedom of association in its supply chains;
- (2) discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labor rights agreement with trade unions or worker organizations;

- (3) takes steps to ensure workplace environments in which its suppliers' workers are able to pursue alternative forms of organizing (e.g., worker councils or worker-management dialogues) where there are regulatory constraints on freedom of association; and
- (4) provides at least two examples covering different supply chain contexts of how it improved freedom of association and/or collective bargaining for its suppliers' workers such as migrant workers (e.g., by taking action where suppliers impede workers' rights to freedom of association and/or collective bargaining or by engaging policy makers to improve respect for such rights).

- Additional update: <https://www.gapinc sustainability.com/freedom-association-0>

### 5.3 Grievance Mechanism

The company:

- (1) takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labor conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives;
  - Please see updated page with additional clarification: <https://www.gapinc sustainability.com/grievance-mechanisms-0>
- (2) takes steps to ensure that the existence of the mechanism is communicated to its suppliers' workers;
- (3) takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism;
  - Gap Inc's Workplace Cooperation Program operates in our supplier factories to help facilitate the forming of elected bi-partite committees of both workers and management. A role of these bi-partite committees is to set up effective channels of communication where grievances are raised on the behalf of workers and resolved. - <https://www.gapinc sustainability.com/sites/default/files/Gap%20Inc%202019%20Report.pdf> – page 40.
- (4) discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved, or an evaluation of the effectiveness of the mechanism; and
- (5) provides evidence that the mechanism is available and used by workers below the first tier in its supply chains.
  - Please see updated page with additional clarification: <https://www.gapinc sustainability.com/grievance-mechanisms-0>

## THEME 6: MONITORING

### 6.1 Monitoring Process

To improve implementation of its supply chain policies, conditions at supplier level can be monitored in different ways. This could include specialized audits to detect forced labor at higher-risk suppliers or worker-driven monitoring (i.e., monitoring undertaken by independent organizations that includes worker participation and is guided by workers' rights and priorities).

The company has a supplier monitoring process that includes:

- (1) non-scheduled visits;
- (2) a review of relevant documents;
- (3) off-site interviews with workers;
- (4) visits to associated production facilities and related worker housing; and
  - Worker dormitories are covered within our Code of Vendor Conduct, [https://gapinc-prod.azureedge.net/gapmedia/gapcorporatesite/media/images/docs/codeofvendorconduct\\_final.pdf](https://gapinc-prod.azureedge.net/gapmedia/gapcorporatesite/media/images/docs/codeofvendorconduct_final.pdf), and is monitored as part of our assessment and remediation program.
- (5) steps to ensure that suppliers below the first tier are monitored.

## 6.2 Monitoring Disclosure

The company discloses:

- (1) the percentage of suppliers monitored annually;
- (2) the percentage of unannounced monitoring visits;
- (3) the number or percentage of workers interviewed; and
- (4) information on the qualification of the monitoring organization used and/or the use of worker-driven monitoring (i.e., monitoring undertaken by independent organizations that includes worker participation and is guided by workers' rights and priorities); and
- (5) a summary of findings, including details regarding any violations revealed.

## THEME 7: REMEDY

### 7.1 Corrective Action Plans

The company discloses:

- (1) a corrective action process for its suppliers and potential actions taken in cases of non-compliance, such as stop-work notices, warning letters, supplementary training, and policy revision;
- (2) a means to verify remediation and/or implementation of corrective actions, such as record review, employee interviews, or spot-checks;
- (3) potential consequences if corrective actions are not taken; and
- (4) a summary or an example of its corrective action process in practice.
  - Additional detail on Issue remediation: <https://www.gapincsustainability.com/people/improving-factory-working-conditions>

## 7.2 Remedy Programs / Response to Allegations

### A. The company discloses:

- (1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking; and
  - Updates with additional detail:  
<https://www.gapinc sustainability.com/people/improving-factory-working-conditions> (Issue Remediation)
- (2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers; and
- (3) a description of what actions it is taking to prevent and remediate the use of forced Uyghur labor.
  - <https://www.gapinc sustainability.com/product/sustainably-sourcing-raw-material> (Relevant to Allegation 1)
  - <https://www.gapinc sustainability.com/xinjiang> (Relevant to Allegation 1)

<https://www.gapinc sustainability.com/discrimination-and-harassment> (Relevant to Allegation 2)

B.1. If one or more additional allegations regarding forced labor in the first or lower tier of a company's supply chains have been identified and disclosed by a third party(ies) in the last three years, the company discloses:

- (1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking;
- (2) that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s);
- (3) outcomes of the remedy process in the case of the allegation(s); and
- (4) evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.
  - a. <https://www.gapinc sustainability.com/product/sustainably-sourcing-raw-material> (Relevant to Allegation 1)
  - b. <https://www.gapinc sustainability.com/xinjiang> (Relevant to Allegation 1)

<https://www.gapinc sustainability.com/discrimination-and-harassment> (Relevant to Allegation 2)

B.2. If one or more allegations regarding forced labor in the first or lower tier of a company's supply chains have been identified and disclosed by a third party(ies) in the last three years, and the company denies the allegation, the company discloses:

- (1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking;
- (2) a description of what actions it would take to prevent and remediate the alleged impacts;  
and
- (3) that it engages in a dialogue with the stakeholders reportedly affected in the allegation or requires its supplier(s) to do so.

## NON-SCORED DISCLOSURE

### Target Setting

The company discloses measurable and time-bound targets to address forced labor in its supply chains.

*Yes/No. Please provide details.*

The company reports on progress towards achieving previous targets on an annual basis.

*Yes/No. Please provide details.*

### Reporting Legislations

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

*Yes/No. Please provide link to a publicly available statement.*

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

*Yes/No. Please provide link to a publicly available statement.*

### Due Diligence on Third-Party Products

Where a company—in addition to own branded products—sells third-party food and beverage products, the company discloses how it assesses and addresses forced labor risks related to third-party food and beverage products.

*Yes/No. Please provide details.*

### High Risk Sourcing<sup>1</sup>

*Please provide a full list of raw materials present in your supply chains, or alternatively indicate for each of the commodities below whether it is present in your supply chains. Note where a company does not provide this information, KnowTheChain will review the company's website as well as third party sources to identify relevant information.*

#### Raw Materials

- Bamboo
- Cashmere\*
- Cotton
- Rubber (natural)
- Silk

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<sup>1</sup> Data according to US Department of Labor's list of Goods Produced by Forced Labor website as of September 2020. Accessed October 2020.

\* = Risk factors identified based on publicly available sources and discussions with expert organizations.

- Viscose\*
- Wool\*

Sourcing Countries for Apparel & Footwear Supply Chains (garments, textiles, etc)

- Argentina
- Brazil
- China
- Ethiopia
- India
- Malaysia
- Nepal
- North Korea
- Thailand
- Vietnam

Presence of Migrant Workers in Supply Chains

*Yes/No. Please provide details.*