

# Gap Inc. (Gap)

**TICKER**  
NYS:GPS

**MARKET CAPITALISATION**  
US\$5.43 billion

**HEADQUARTERS**  
United States

**DISCLOSURES**
UK Modern Slavery Act: [Yes](#)
California Transparency in Supply Chains Act: [Yes](#)
Australia Modern Slavery Act: Not applicable

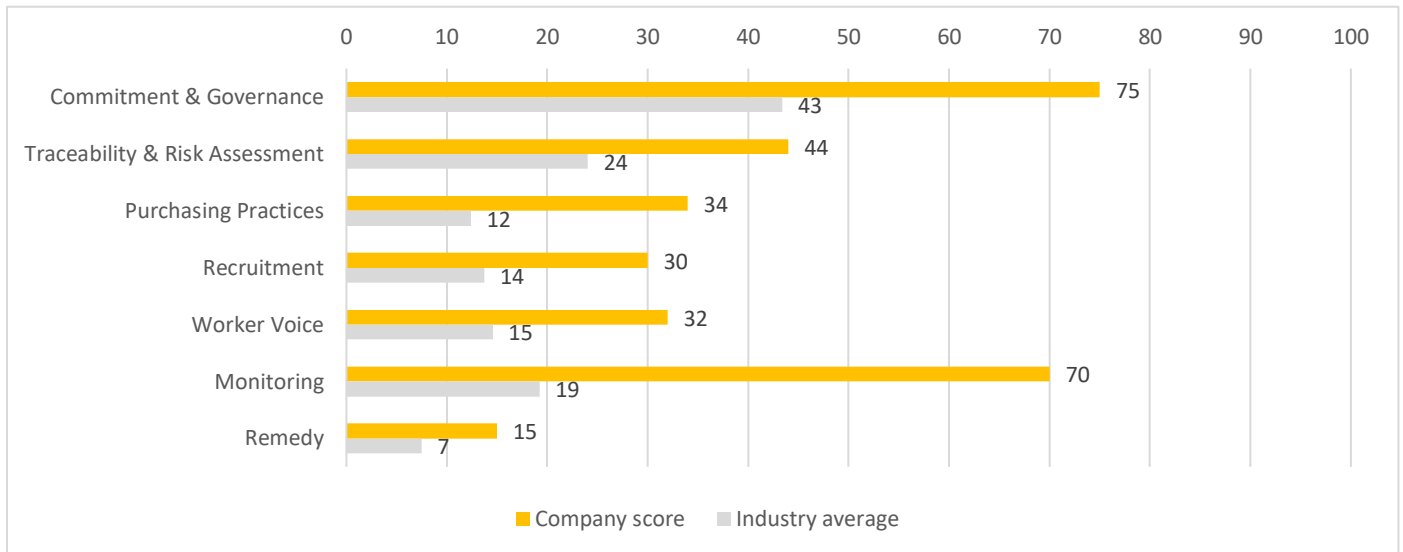
**OVERALL RANKING**

## 9 out of 65

[2021 Rank:](#) 4 out of 37

**OVERALL SCORE**

## 43 out of 100

**THEME-LEVEL SCORES**

**KEY DATA POINTS**
**FIRST-TIER SUPPLIER LIST**

Yes

**RISK ASSESSMENT**

Yes

**DATA ON PURCHASING PRACTICES**

Yes (one data point)

**ENGAGED WITH KNOWTHECHAIN<sup>2</sup>**

Yes

**NO-FEE POLICY**

Yes (Employer Pays Principle)

**REMEDY FOR SUPPLY CHAIN WORKERS**
 No

**HIGH-RISK RAW MATERIALS<sup>1</sup>**
 Cotton, silk, viscose, wool, and others

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## SUMMARY

Gap Inc. (Gap), the fourth-largest apparel retailer in the world,<sup>3</sup> ranks 9<sup>th</sup> out of 65 companies. Since 2021, the company improved on the themes of Traceability & Risk Assessment, Purchasing Practices, and Worker Voice, disclosing information on its cotton tracing process, the percentage of orders cancelled, and the joining of two enforceable labour rights agreements in its supply chains (the Dindigul Agreement and Pakistan Accord). However, the company did not improve across other themes. The company performed particularly poorly on the theme of Remedy. As such, it was overtaken by other companies in the benchmark that presented stronger disclosure, and its rank has dropped by 5 places.<sup>4</sup> Notably, the company is the highest-scoring company on the theme of Monitoring, due to its particularly strong disclosure of the findings of supplier monitoring, including for second-tier strategic facilities, and worker-driven monitoring via the Dindigul Agreement. The company has an opportunity to improve its performance and disclosure on the themes of Purchasing Practices, Recruitment, and Remedy.

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## LEADING PRACTICES

**Worker Voice:** Gap is a signatory to the Dindigul Agreement to End Gender-Based Violence and Harassment which requires brands to support and enforce the TTCU-Eastman Exports Agreement. If Eastman Exports (a supplier) violates its commitments brand signatories are “obligated to impose business consequences on Eastman Exports.” Through the agreement, workers have access to an independent grievance mechanism managed by independent expert assessors appointed by the agreement’s Oversight Committee (this includes representatives from a local union, Asia Floor Wage Alliance and Global Labor Justice-International Labor Rights Forum). The agreement also includes a worker- and union-led training, monitoring and remediation programme to end gender-based violence and harassment.

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## OPPORTUNITIES FOR IMPROVEMENT

**Purchasing Practices:** While the company discloses some information on its purchasing practices including the percentage of orders cancelled in 2020, the company is encouraged to adopt and disclose purchasing practices that decrease the risk of forced labour, such as improving planning and forecasting and prompt payment, and disclose quantitative data evidencing the implementation of responsible purchasing practices. The company may further consider separating labour costs from price negotiations such that all direct and indirect labour costs are isolated and incorporated as a distinct costing block in pricing. The company should consider integrating [responsible buying practices in its contracts](#) with suppliers, to ensure that the responsibility for respecting human rights is shared.

**Recruitment:** The company discloses a policy that incorporates the Employer Pays Principle and as such requires employers, rather than workers, to pay recruitment-related costs. The company is encouraged to disclose how it ensures the implementation of this policy through the prevention of fees in its supply chains, such as through: mapping of migration corridors and labour agencies used by suppliers, specialised monitoring for fees, and evidence of supplier payment of fees to labour agencies directly. It may also consider steps to ensure that such fees are reimbursed to the workers and/or to provide evidence of payment of recruitment-related fees by suppliers.

**Remedy:** The company discloses information on its process for managing and responding to grievances in its supply chains, including the team responsible for investigating and timelines for engagement. To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers’ workers.

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<sup>1</sup> For further details on high-risk raw materials and sourcing countries, see KnowTheChain's 2023 apparel & footwear benchmark [findings report](#).

<sup>2</sup> Research conducted through June 2023 or through September 2023, 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](#).

<sup>3</sup> Statista (2023), "[Sales of major apparel manufacturers and retailers worldwide in the fiscal year 2022](#)." Accessed 4 December 2023.

<sup>4</sup> KnowTheChain's 2022-23 benchmarks use a revised methodology which prioritises a focus on the implementation of policies and processes and the outcomes they result in, as well as integrating a stronger focus on stakeholder engagement. In addition, the number of companies assessed in the ranking has increased from 37 in 2021 to 65 in 2023. See [here](#) for more information.