

## Corporate Human Rights Benchmark 2018 Company Scoresheet



**Company Name** Gap  
**Industry** Apparel (Supply Chain only)  
**Overall Score (\*)** 51.6 out of 100

| Theme Score | Out of | For Theme   |
|-------------|--------|---|
| 5.7         | 10     | A. Governance and Policies                          |
| 14.6        | 25     | B. Embedding Respect and Human Rights Due Diligence |
| 5.8         | 15     | C. Remedies and Grievance Mechanisms                |
| 11.7        | 20     | D. Performance: Company Human Rights Practices      |
| 8.8         | 20     | E. Performance: Responses to Serious Allegations    |
| 5.0         | 10     | F. Transparency                                     |

(\*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2018 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

### Detailed assessment

#### A. Governance and Policies (10% of Total)

##### A.1 Policy Commitments (5% of Total)

| Indicator Code | Indicator name                                    | Score (out of 2) | Explanation  |
|----------------|---|------------------|--|
| A.1.1          | Commitment to respect human rights                | 2                | The individual elements of the assessment are met or not as follows:<br>Score 1<br>• Met: General HRs commitment: In its Human Rights Policy the Company states: "We are committed to respecting all human rights, as articulated in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. We expect our business partners, including suppliers, to adopt and adhere to similar values." In addition to this, the Company website indicates: "We support the principles contained within...the UN Global Compact; the OECD Guidelines for Multinational Enterprises."<br>• Met: UNGC principles 1 & 2: See above<br>• Met: UDHR: See above<br>Score 2<br>• Met: OECD: See above |
| A.1.2          | Commitment to respect the human rights of workers | 1.5              | The individual elements of the assessment are met or not as follows:<br>Score 1<br>• Met: ILO Core: In its Human Rights Policy the Company states: 'We are committed to respecting all human rights, as articulated in the Universal Declaration of Human Rights [...] and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.' In addition to this, the Company website indicates: 'We are proud to support the principles outlined in the Universal Declaration of Human Rights (UDHR), the UN Global Compact, the OECD Guidelines   |

| Indicator Code | Indicator name  | Score (out of 2) | Explanation  |
|----------------|---|------------------|--|
|                |   |                  | <p>for Multinational Enterprises and the ILO's core conventions.' [Human Rights Policy: <a href="http://gapinc.com/gapinc-sustainability">gapinc.com/gapinc-sustainability.com</a> &amp; Respecting Human Rights: <a href="http://gapinc.com/gapinc-sustainability">gapinc.com/gapinc-sustainability.com</a>]</p> <ul style="list-style-type: none"> <li>• Met: UNGC principles 3-6: The Company's website indicates: 'We are proud to support the principles outlined in the Universal Declaration of Human Rights (UDHR), the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the ILO's core conventions.' [Respecting Human Rights: <a href="http://gapinc.com/gapinc-sustainability">gapinc.com/gapinc-sustainability.com</a>]</li> <li>• Met: All four ILO for AP suppliers: In its Human Rights Policy the Company states: 'We are committed to respecting all human rights, as articulated in the Universal Declaration of Human Rights [...] and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. We expect our business partners, including suppliers, to adopt and adhere to similar values.' Moreover In its Code of Vendor Conduct, which sets forth the basic requirements that all facilities must meet in order to do business with Gap Inc., the Company indicates: 'This Code is based on internationally accepted labour standards and guidance, including the International Labour Organization (ILO)'s core conventions' [Human Rights Policy: <a href="http://gapinc.com/gapinc-sustainability">gapinc.com/gapinc-sustainability.com</a> &amp; Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: All four ILO Core: In the section Respecting Human Rights on the Company's website there are different links where it describe its policies and approaches to ensuring respect for human rights, treating the following themes: Child labour, forced labour, discrimination, freedom of associations (which include collective bargaining). [Respecting Human Rights: <a href="http://gapinc.com/gapinc-sustainability">gapinc.com/gapinc-sustainability.com</a>]</li> <li>• Met: Respect H&amp;S of workers: In its Code of Business Conduct the Company indicates: 'We are committed to providing a safe and healthy working environment for employees, customers, contractors and vendor' [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>• Met: H&amp;S applies to AP suppliers: In its Code of Vendor Conducts the Company states that "The facility shall comply with all applicable laws and regulations regarding working conditions and shall provide workers with a safe and healthy environment." [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>• Not met: working hours for employees: CHRB could not find an specific commitment about ILO convention on labour standards on working hours for the Company's workers [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>• Met: Working hours for AP suppliers: In its Code of Vendor Conducts the Company states that "The facility shall set working hours in compliance with all applicable laws. [...] The facility shall comply with all applicable laws, regulations, and industry standards on working hours. The maximum allowable working hours in any week shall be the lesser of a) what is permitted by national law or b) a total of 60 hours of work in any consecutive 7-day period. [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> </ul> |
| A.1.3.AP       | Commitment to respect human rights particularly relevant to the industry (AP) | 2                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Women's Rights: In its Human Rights Policy the Company states: 'we have signed the Women's Empowerment Principles and are implementing them throughout our operations and supply chain.'</li> <li>• Met: Migrant worker's rights: In its Code of Vendor Conduct the Company states: 'The facility shall ensure, if it recruits or employs Foreign Contract Workers, that these workers are treated fairly and on an equal basis with its local workers. [...] that migrant workers are not subject to any form of forced, compulsory, bonded, or indentured labour. [...] that all work must be voluntary and workers must be free to terminate their employment at any time, without penalty. [...] that migrant workers (or their family members) shall not be threatened with denunciation to authorities to coerce them into taking up employment or preventing them from voluntarily terminating their employment' [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>• Met: Expecting suppliers to respect these rights: See above [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: CEDAW/Women's Empowerment Principles: In its Human Rights Policy the Company states: 'we have signed the Women's Empowerment Principles and are implementing them throughout our operations and supply chain.' [Human Rights Policy: <a href="http://gapinc.com/gapinc-sustainability">gapinc.com/gapinc-sustainability.com</a>]</li> <li>• Not met: Convention on migrant workers: In its Code of Vendor Conduct the Company states: 'The facility shall ensure, if it recruits or employs Foreign Contract Workers, that these workers are treated fairly and on an equal basis with its local workers. [...] that migrant workers are not subject to any form of forced,</li> </ul>   |

| Indicator Code | Indicator name   | Score (out of 2) | Explanation   |
|----------------|--|------------------|---|
|                |  |                  | <p>compulsory, bonded, or indentured labour. [...] that all work must be voluntary and workers must be free to terminate their employment at any time, without penalty. [...] that migrant workers (or their family members) shall not be threatened with denunciation to authorities to coerce them into taking up employment or preventing them from voluntarily terminating their employment'. However there is no direct mention to the Convention on the Protection of the Rights of all Migrant Worker [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</p> <ul style="list-style-type: none"> <li>• Met: Respecting the right to water: The Company has a Water Stewardship Program which is addressed to reduce water use, eliminate discharge of hazardous chemicals and work directly with women to improve their access to clean, safe water. Moreover the Company's Code of Vendor Conduct also addressed water issues: 'The facility shall maintain an up-to-date Wastewater Treatment Policy and Procedure. All industrial and domestic wastewater shall be treated to meet the discharge requirements of local laws. In addition, the facility shall comply with all applicable monitoring and reporting requirements. [...]' [Global Sustainability Report 2015-2016, 2016: <a href="http://gapincsustainability.com">gapincsustainability.com</a> &amp; Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>• Met: Expecting suppliers to respect these rights: See above [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> </ul>   |
| A.1.4          | Commitment to engage with stakeholders                     | 2                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to stakeholder engagement: In its Human Rights Policy: 'We are committed to conducting ongoing human rights due diligence and to engage with our key stakeholders around the world to continue to improve our approach.' And in its Global Sustainability Report 2015-2016 it indicates: 'We have many key stakeholders: the people who make our clothes, our customers, suppliers and factories, employees, unions, governments, multilateral institutions, NGOs, industry associations, investors, communities and others.' [Human Rights Policy: <a href="http://gapincsustainability.com">gapincsustainability.com</a> &amp; Global Sustainability Report 2015-2016, 2016: <a href="http://gapincsustainability.com">gapincsustainability.com</a>]</li> <li>• Met: Regular stakeholder engagement: In its Global Sustainability Report 2015-2016 there are some example for its latest collaborations with some of this stakeholders [Global Sustainability Report 2015-2016, 2016: <a href="http://gapincsustainability.com">gapincsustainability.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Commits to engage stakeholders in design: See above [Human Rights Policy: <a href="http://gapincsustainability.com">gapincsustainability.com</a> &amp; Global Sustainability Report 2015-2016, 2016: <a href="http://gapincsustainability.com">gapincsustainability.com</a>]</li> </ul>  |
| A.1.5          | Commitment to remedy                                       | 1.5              | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to remedy: In its Human Rights Policy the Company states: 'Through proactive due diligence aligned with the UN Guiding Principles on Business and Human Rights we seek to avoid adverse human rights impacts and complicity in the adverse impacts caused by others. We are committed to providing access to effective remedy in the event that we cause or contribute to an adverse impact.' [Human Rights Policy: <a href="http://gapincsustainability.com">gapincsustainability.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Not obstructing access to other remedies: See above. However, it does not state that it will refrain from obstructing access to other remedies. [Human Rights Policy: <a href="http://gapincsustainability.com">gapincsustainability.com</a>]</li> <li>• Not met: Collaborating with other remedy initiatives: See above. However, it does not state that it collaborates in initiatives that provide access to remedy. [Human Rights Policy: <a href="http://gapincsustainability.com">gapincsustainability.com</a>]</li> <li>• Met: Work with AP suppliers to remedy impacts: In its Human Rights Policy, the Company states: 'We recognize our responsibility to engage with our business partners to address and remedy adverse impacts and seek to build their capacity to respect human rights through training and engagement.' [Human Rights Policy: <a href="http://gapincsustainability.com">gapincsustainability.com</a> &amp; Global Sustainability Report 2015-2016, 2016: <a href="http://gapincsustainability.com">gapincsustainability.com</a>]</li> </ul> |
| A.1.6          | Commitment to respect the rights of human rights defenders | 0                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Zero tolerance attacks on HRs Defenders (HRDs): In its Code of Business Conduct the Company (COBC) includes a section about its Zero Tolerance For Retaliation policy, which protects any 'employee who reports in good faith a suspected violation of the COBC, our policies or the law, or who participates in any investigation of a suspected violation'. In its Global Sustainability Report 2015-2016, the Company indicates that: 'Our commitment to equality and diversity is embedded in our Code of Business Conduct (COBC), which includes a zero-</li> </ul>   |

| Indicator Code | Indicator name | Score (out of 2) | Explanation  |
|----------------|----------------|------------------|--|
|                |                |                  | <p>tolerance policy for any form of discrimination, harassment or retaliation. This policy applies to our directors, employees, applicants, customers and business partners, including independent contractors and suppliers.' However in the actual COBC the Company only refers to employees and this indicator seeks to cover all Human Rights Defender. [Code of Business Conduct: <a href="http://gapinc.com">gapinc.com</a> &amp; Global Sustainability Report 2015-2016, 2016: <a href="http://gapincustainability.com">gapincustainability.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Expects AP suppliers to reflect company HRD commitments: In its Code of Vendor Conduct it also indicates: 'The facility shall ensure that such grievance channels and mechanisms for resolving disputes and grievances provide for protection from retaliation.' However these grievance channels are only addressed to workers and do not cover all Human Rights Defenders [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> </ul> |

### A.2 Policy Commitments (5% of Total)

| Indicator Code | Indicator name                        | Score (out of 2) | Explanation  |
|----------------|---------------------------------------|------------------|--|
| A.2.1          | Commitment from the top               | 1                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: CEO or Board approves policy: The Company's Human Rights Policy is signed by the Company's CEO, Art Peck [Human Rights Policy: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> <li>• Met: Board level responsibility for HRs: In its Human Rights Policy the Company indicates that "'executive oversight and responsibility for the implementation of this policy rests with our Global Sustainability team led by the Sr. Vice President, Global Sustainability. The Governance and Sustainability Committee of the Gap Inc. Board of Directors oversees implementation of this policy at the board level." [Human Rights Policy: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Speeches/letters by Board members or CEO: There is a letter from the CEO on how 'Good business can change the world' on the company's website, but the letter does not mention human rights. [CEO Letter: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> </ul> |
| A.2.2          | Board discussions                     | 1                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Board/Committee review of salient HRs: In its Global Sustainability Report 2015-2016 the Company indicates that: 'the Board's Governance and Sustainability Committee, oversees our Global Sustainability program and receives regular updates directly from David Hayer, Senior Vice President, Global Sustainability, and President, Gap Foundation. Hayer also meets quarterly with Gap Inc. CEO Art Peck, and he meets regularly with the Executive Vice President of Global Supply Chain. Hayer reports to Brent Hyder, Executive Vice President, Global Talent and Sustainability, who reports directly to our CEO.' [Global Sustainability Report 2015-2016, 2016: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> <li>• Not met: Examples or trends re HR discussion</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both examples and process</li> </ul>  |
| A.2.3          | Incentives and performance management | 0                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Incentives for at least one board member</li> <li>• Not met: At least one key AP HR risk, beyond employee H&amp;S</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Performance criteria made public</li> </ul>   |

## B. Embedding Respect and Human Rights Due Diligence (25% of Total)

### B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

| Indicator Code | Indicator name   | Score (out of 2) | Explanation  |
|----------------|--|------------------|--|
| B.1.1          | Responsibility and resources for day-to-day human rights functions | 2                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Senior responsibility fo HR (inc ILO): In its Human Rights Policy the Company states: 'executive oversight and responsibility for the implementation of this policy rests with our Global Sustainability team led by the Sr. Vice President, Global Sustainability.' [Human Rights Policy: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> </ul> |

| Indicator Code | Indicator name   | Score (out of 2) | Explanation   |
|----------------|--|------------------|---|
|                |  |                  | <p>Score 2</p> <ul style="list-style-type: none"> <li>Met: Day-to-day responsibility: in the Company submission to KnowTheChain 2016 the Company describes how resources and responsibilities are allocated: 'The Global Sustainability team is responsible for the implementation of policies and standards. Assessment &amp; remediation specialist assess and validate that suppliers are meeting the code of vendor conduct. The team is led by the Senior Director of the Supplier Sustainability Team, who reports to the VP of Global Sustainability.' [Submission to KnowtheChain 2016: <a href="https://business-humanrights.org">business-humanrights.org</a>]</li> <li>Met: Day-to-day responsibility in supply chain: See above [Submission to KnowtheChain 2016: <a href="https://business-humanrights.org">business-humanrights.org</a>]</li> </ul>   |
| B.1.2          | Incentives and performance management  | 0                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Not met: Senior manager incentives for human rights</li> <li>Not met: At least one key AP HR risk, beyond employee H&amp;S</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Performance criteria made public</li> </ul>  |
| B.1.3          | Integration with enterprise risk management  | 1                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: HR part of enterprise risk system: Although the Company indicates in its Global Sustainability Report 2015-2016 and on its website section 'Managing the Risks' that: 'Gap Inc. has developed systems and procedures focused on identifying and managing risks—including those related to sustainability. [...] In addition, our Global Sustainability team works with business partners and experts to assess the importance of potential social and environmental risks and opportunities to our business and external stakeholders, including suppliers and the people who make our products.', there is no direct mention of human rights risks but only assuming they are part of sustainability risks [Global Sustainability Report 2015-2016, 2016: <a href="https://gapinc.sustainability.com">gapinc.sustainability.com</a> &amp; Managing risks: <a href="https://gapinc.sustainability.com">gapinc.sustainability.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Audit Ctte or independent risk assessment: On its website section 'Managing Risks' the Company indicates: 'In 2016, our Internal Audit team conducted comprehensive risk assessments of the management of social and environmental issues at both tier 1 and tier 2 suppliers. Their goal was to identify risks impacting our business and evaluate the response in place to mitigate those risks. These results have been integrated into our programs [...]'. However, this indicator is about an assessment of the system not the risk itself. [Managing risks: <a href="https://gapinc.sustainability.com">gapinc.sustainability.com</a>]</li> </ul> |
| B.1.4.a        | Communication /dissemination of policy commitment(s) within Company's own operations | 0                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Not met: Communicates its policy to all workers in own operations: Although the Company indicates in its Human Rights Policy that 'All employees are required to complete the Principles of Integrity: Code of Business Conduct Overview training course to ensure their understanding of our commitments.' CHRB could not find further information about similar actions in order to communicate its Human Rights Policy [Human Rights Policy: <a href="https://gapinc.sustainability.com">gapinc.sustainability.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Communication of policy commitments to stakeholder</li> <li>Not met: How policy commitments are made accessible to audience</li> </ul>   |
| B.1.4.b        | Communication /dissemination of policy commitment(s) to business relationships       | 2                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: Steps to communicate policy commitments to BRs: 'This Code of Vendor Conduct (COVC) applies to all facilities that produce goods for Gap Inc. or any of its subsidiaries, divisions, affiliates or agents. [...] This Code sets forth the basic requirements that all facilities must meet in order to do business with Gap Inc.' [Code of Vendor Conduct, 2016: <a href="https://gapinc.com">gapinc.com</a>]</li> <li>Met: Including to AP suppliers: See above. In addition, the Code of Vendor conduct indicates that 'vendors shall only use GAP Inc. approved facilities for the production of goods. Vendors shall obtain written authorization from GAP Inc. To use these facilities prior to the start of production'. [Code of Vendor Conduct, 2016: <a href="https://gapinc.com">gapinc.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Met: How HR commitments made binding/contractual: Its Code of Vendor Conduct states that 'The 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 as a condition of doing business with Gap Inc. Should there be a difference in the requirements set out by local legislation and those in the Gap Inc. COVC, the more stringent requirement shall apply.' In addition, on its website (section Improving Factory Conditions) the Company</li> </ul>  |

| Indicator Code | Indicator name                    | Score (out of 2) | Explanation   |
|----------------|-----------------------------------|------------------|---|
|                |                                   |                  | <p>indicates: 'our COVC, composed of industry-leading standards and legal requirements, is a living document that defines our standards for working conditions at the facilities that make our products. It is incorporated into our Vendor Compliance Agreement, which is signed by all our branded-product manufacturers.' [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a> &amp; Improving Factory Working Conditions: <a href="http://gapincsustainability.com">gapincsustainability.com</a>]</p> <ul style="list-style-type: none"> <li>• Met: Including on AP suppliers: The Code of Vendor Conduct indicates that the Code 'applies to all facilities that produce goods for Gap Inc. or any of its subsidiaries, divisions, affiliates or agents. [...] This Code sets forth the basic requirements that all facilities must meet in order to do business with Gap Inc. In addition, it states that: 'vendors shall only use GAP Inc. approved facilities for the production of goods. Vendors shall obtain written authorization from GAP Inc. To use these facilities prior to the start of production'. [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> </ul>   |
| B.1.5          | Training on Human Rights          | 1                | <p>The individual elements of the assessment are met or not as follows:<br/>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Trains all workers on HR policy commitments</li> <li>• Met: Trains relevant managers including procurement: In its Submission to 'Know the Chain' from 2016 the Company states that Supplier sustainability team is trained 'to recognize situations where a facility may be using forced or involuntary labour, and is also trained to assess compliance with our company's Foreign Contract Worker Standards'. It also indicates that 'In 2015 we held a number of trainings of our Suppliers Sustainability team (the team responsible for our assessment &amp; remediation, capability building, and workforce engagement programs).' The Company describes other specific training activities carried out during 2015: 'There are also on-going awareness building trainings that the Global Sustainability team delivers to the Global Supply Chain employees pertaining to the COVC (Code of vendor conduct) and how sourcing decision can potentially impact working conditions.' [Submission to KnowtheChain 2016: <a href="http://business-humanrights.org">business-humanrights.org</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>  |
| B.1.6          | Monitoring and corrective actions | 0.5              | <p>The individual elements of the assessment are met or not as follows:<br/>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Monitoring implementation of HR policy commitments</li> <li>• Met: Monitoring AP suppliers: In its Global Sustainability Report 2015-2016 the Company indicates: 'Each fiscal year, our team conducts a full assessment for all active manufacturers of our branded product to understand working and labour conditions, facilitate greater partnership with our suppliers and improve sustainability performance. Each assessment includes interviews with managers, confidential interviews with workers, visual observations and reviews of documents and records.[...] In 2015, we introduced revisions to our COVC requirements, through the creation of Gap Inc.'s COVC Manual and a revised Assessment Manual for our Supplier Sustainability team.' [Global Sustainability Report 2015-2016, 2016: <a href="http://gapincsustainability.com">gapincsustainability.com</a> &amp; Working Conditions Data / 2015-2016 Findings and Resolution: <a href="http://gapincsustainability.com">gapincsustainability.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Describes corrective action process: In its Global Sustainability Report 2015-2016 the Company indicates: 'Together with facility management, we agree on specific, time-bound corrective action plans to address findings, and we provide additional resources to fix the issues that pose higher risks to workers' rights and well-being[...]. Based on the severity of issue, we outline a timeline within which we expect the factory to fully remediate. We also collaborate with local stakeholders who have direct access and influence to improve conditions. We monitor progress through follow-up assessments. Should there be outstanding or overdue issues, our Supplier Sustainability and Global Supply Chain teams escalate further intervention. However, if key or critical issues remain unresolved, we may halt future order placement or discontinue the supplier relationship.' The Company discloses figures of non-compliances by issue and country, for example: 1,4% of the assessed facilities 'Does not comply with child labour laws, including working hours and conditions' [Global Sustainability Report 2015-2016, 2016: <a href="http://gapincsustainability.com">gapincsustainability.com</a>]</li> <li>• Not met: Example of corrective action</li> <li>• Met: Discloses % of supply chain monitored: In its 'Working Conditions Data' document and also on its website, the Company discloses % of supply chain monitored. [Working Conditions Data / 2015-2016 Findings and Resolution: <a href="http://gapincsustainability.com">gapincsustainability.com</a> &amp; Improving Factory Working Conditions: <a href="http://gapincsustainability.com">gapincsustainability.com</a>]</li> </ul> |

| Indicator Code | Indicator name  | Score (out of 2) | Explanation   |
|----------------|---|------------------|---|
| B.1.7          | Engaging business relationships                               | 2                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: HR affects selection of suppliers: Through its Code of Vendor Conduct the Company states a set of minimum requirements in order to do business with a facility. This minimum requirements include ILO core, working hour standards, health and safety, etc. [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>• Met: HR affects on-going supplier relationships: According to its Global Sustainability Report 2015-2016 after an assessment 'if key or critical issues remain unresolved, we may halt future order placement or discontinue the supplier relationship.' [Global Sustainability Report 2015-2016, 2016: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Both requirement under score 1 met</li> <li>• Met: Working with suppliers to improve performance: An example of how the Company works with its suppliers to improve human rights performance is the Program Better Work, describe on the Company's website: 'Better Work takes an advisory approach to monitoring facilities, with an emphasis on protecting worker rights and well-being by helping companies and governments uphold the ILO's core labour standards and national labour laws. Better Work leads facility assessments and helps address and remediate issues in Vietnam, Cambodia, Indonesia, Bangladesh, Jordan, Haiti, Nicaragua and Lesotho.' [Partnering with Factories: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> </ul> |
| B.1.8          | Approach to engagement with potentially affected stakeholders | 0.5              | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Stakeholder process or systems: Although the Company indicates that 'We have many key stakeholders: the people who make our clothes, our customers, suppliers and factories, employees, unions, governments, multilateral institutions, NGOs, industry associations, investors, communities and others.' CHRB could not find any document in the public domain which describe the system or process to identify these stakeholders nor the frequency or triggers for engagement. [Engaging stakeholders: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> <li>• Not met: Frequency and triggers for engagement</li> <li>• Met: workers in the SP engaged: See above [Engaging stakeholders: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> <li>• Met: communities in the SC engaged: See above [Engaging stakeholders: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Analysis of stakeholder views and company's actions on them</li> </ul>  |

## B.2 Human Rights Due Diligence (15% of Total)

| Indicator Code | Indicator name   | Score (out of 2) | Explanation  |
|----------------|--|------------------|--|
| B.2.1          | Identifying: Processes and triggers for identifying human rights risks and impacts | 2                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Identifying risks in own operations: On its Global Sustainability Report 2015-2016 the Company states: 'our Global Sustainability team works with business partners and experts to assess the importance of potential social and environmental risks and opportunities to our business and external stakeholders, including suppliers and the people who make our products. [...] For these materiality and other risk assessments, we consider such factors as the magnitude, likelihood and time horizon of potential impacts on our business and stakeholders.' In addition, on its website section 'Assessing Materiality' it indicates: 'we identified 15 sustainability-related aspects that guide our strategy and grouped them into three categories: Governance &amp; Operating Context; Human Rights &amp; Social Impact; and Resource Use, Scarcity &amp; Impacts.' [Global Sustainability Report 2015-2016, 2016: <a href="http://gapincustainability.com">gapincustainability.com</a> &amp; Assessing Materiality]</li> <li>• Met: Identifying risks in AP suppliers: See above [Global Sustainability Report 2015-2016, 2016: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Ongoing global risk identification: See above [Global Sustainability Report 2015-2016, 2016: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> <li>• Met: In consultation with stakeholders: See above [Global Sustainability Report 2015-2016, 2016: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> <li>• Met: In consultation with HR experts: See above [Global Sustainability Report 2015-2016, 2016: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> </ul> |

| Indicator Code | Indicator name   | Score (out of 2) | Explanation  |
|----------------|--|------------------|--|
|                |  |                  | <ul style="list-style-type: none"> <li>Met: Triggered by new circumstances: The Company indicates on its Submission 2016 to "' the Chain' that it has a country risk assessment process to evaluate the overall risk level and specific risks in its key sourcing countries: 'Through this country risk assessment, we are able to identify the most salient human rights risks in our key sourcing countries and to develop country-specific strategies to address them.' [Submission to KnowtheChain 2016: <a href="http://business-humanrights.org">business-humanrights.org</a>]</li> </ul>  |
| B.2.2          | Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)     | 2                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: Salient risk assessment (and context): On its website section 'Managing Risks', the Company indicates that its Internal Audit team 'prioritizes risks based on the likelihood and severity of their potential impact on meeting the company's strategic initiatives and maintaining business operations. We then monitor these areas for trends. Our executive leadership team and the Board review and sign off on enterprise risk assessments. In addition, our Global Sustainability team works with business partners and experts to assess the importance of potential social and environmental risks and opportunities to our business and external stakeholders, including suppliers and the people who make our products. [...]. The team uses tools to help prioritize risks and opportunities, including a sustainability materiality assessment, assessment of representative products and a stakeholder engagement process. For these materiality and other risk assessments, we consider such factors as the magnitude, likelihood and time horizon of potential impacts on our business and stakeholders.' [Managing risks: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> <li>Met: Public disclosure of salient risks: The Company discloses its key human rights on its website section 'Respecting Human Rights' which are: Child labour and young workers; discrimination; wages &amp; benefits; Fire &amp; building safety; Grievance mechanisms; Human trafficking and Forced labour; working hours; human treatment; freedom of association and Foreign Contract Workers and Recruitment. [Respecting Human Rights: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Met: Both requirements under score 1 met</li> </ul>   |
| B.2.3          | Integrating and Acting: Integrating assessment findings internally and taking appropriate action | 1                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Not met: Action Plans to mitigate risks: In its Human Rights Policy, the Company states: 'The Gap Inc. hotline is made available for employees to raise concerns about potential violations of our Code of Business Conduct. Any concerns are addressed using a robust internal process, and we regularly update our policies and practices based on our findings. At the factory level, we support worker committees where grievances can be expressed, and we check that they are present through our Supplier Sustainability assessment program'. However, further information describing the Action Plan to prevent, mitigate or remediate each salient risks is needed to meet this subindicator. [Human Rights Policy: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> <li>Met: Example of Actions decided: On its website the Company describes how it has been working to face one of the most salient human rights issues: Human Trafficking and Forced Labour: 'Risk mapping has identified, in addition to Unauthorized Subcontracting and foreign contract workers, the particular risks that refugee workers may face. For example, 'we know that certain countries from which we source are absorbing Syrian refugees into their formal economies. We are committed to partnering with a broad set of stakeholders to ensure that our vendors have the appropriate capabilities and infrastructure in place to ensure that opportunities for employment and fair, decent working conditions are made available to them. In Jordan, we are partnering with The World Bank on a project emphasizing job readiness training and employment placement for Syrian refugees'. The Company provides examples of action taken in other locations such as Turkey and India. [CA Transparency in Supply Chains Act / UK Modern Slavery Act: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>Met: Including in AP supply chain: See above [CA Transparency in Supply Chains Act / UK Modern Slavery Act: <a href="http://gapinc.com">gapinc.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Both requirements under score 1 met</li> </ul> |
| B.2.4          | Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights      | 0                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Not met: System to check if Actions are effective: The Company discloses how it tracks and monitors compliance with its standards and human rights. However, no evidence found in relation to a system to track the actions taken in response to salient issues identified across the Company, and evaluating whether its actions have been effective to handle key issues generally. [Global Sustainability Report 2015-2016, 2016: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> </ul>  |



| Indicator Code | Indicator name  | Score (out of 2) | Explanation   |
|----------------|---|------------------|---|
|                | risks and impacts   |                  | <ul style="list-style-type: none"> <li>• Not met: Lessons learnt from checking effectiveness</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>   |
| B.2.5          | Communicating : Accounting for how human rights impacts are addressed | 0.5              | The individual elements of the assessment are met or not as follows:<br>Score 1 <ul style="list-style-type: none"> <li>• Met: Comms plan re identifying risks: The Company communicates its process to identify human rights risks including own operations and supply chain. (See B.2.1) [Global Sustainability Report 2015-2016, 2016: <a href="http://gapinc.com/gapinc-sustainability">gapinc.com</a> &amp; Submission to KnowtheChain 2016: <a href="http://business-humanrights.org">business-humanrights.org</a>]</li> <li>• Met: Comms plan re assessing risks: The Company communicates its process to assess its human rights risks and define its salient human rights issues. (See B.2.2) [Managing risks: <a href="http://gapinc.com/gapinc-sustainability">gapinc.com</a> &amp; Respecting Human Rights: <a href="http://gapinc.com/gapinc-sustainability">gapinc.com</a>]</li> <li>• Not met: Comms plan re action plans for risks: Although the Company communicates examples of actions taken to remediate and prevent some of its human rights issues, no evidence found of it communicating/demonstrating having a global system to take action to prevent, mitigate or remediate its salient human rights issues. (See B.2.3)</li> <li>• Not met: Comms plan re reviewing action plans</li> <li>• Not met: Including AP suppliers</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Responding to affected stakeholders concerns</li> <li>• Not met: Ensuring affected stakeholders can access communications</li> </ul> |

### C. Remedies and Grievance Mechanisms (15% of Total)

| Indicator Code | Indicator name  | Score (out of 2) | Explanation  |
|----------------|---|------------------|--|
| C.1            | Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers                              | 1.5              | The individual elements of the assessment are met or not as follows:<br>Score 1 <ul style="list-style-type: none"> <li>• Met: Channel accessible to all workers: On its Code of Business Conduct the Company indicates that there is a COBC Hotline which is 'free, confidential and available online and by telephone, 24 hours a day, seven days a week, around the world (interpreters are available).' [Code of Business Conduct: <a href="http://gapinc.com">gapinc.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Number grievances filed, addressed or resolved</li> <li>• Met: Channel is available in all appropriate languages: See above [Code of Business Conduct: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>• Met: Expect AP supplier to have equivalent grievance systems: On its Code of Vendor Conduct the Company indicates: 'The facility shall ensure that workers have means to report grievances to management, including a channel that provides for confidentiality and anonymity. The facility shall also ensure workers can bring to management's attention grievances through means other than their immediate supervisor. The grievance system shall include addressing grievances in a timely manner and documenting grievances and management action on grievances.' [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>• Not met: Opens own system to AP supplier workers</li> </ul>  |
| C.2            | Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities | 1.5              | The individual elements of the assessment are met or not as follows:<br>Score 1 <ul style="list-style-type: none"> <li>• Met: Grievance mechanism for community: The Company states on its Code of Business Conduct that there is a COBC Hotline which is 'free, confidential and available online and by telephone, 24 hours a day, seven days a week, around the world (interpreters are available)' and on its website section 'Acting with Integrity' that the COBC Hotline is available not only to employees but also 'anyone who conducts business with Gap Inc. or is affected by our business'. [Code of Business Conduct: <a href="http://gapinc.com">gapinc.com</a> &amp; Acting with integrity]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Met: Describes accessibility and local languages: The COBC Hotline is free, confidential and available online and by telephone, 24 hours a day, seven days a week, around the world (interpreters are available). The company clarifies that "it may take up to 3 minutes to arrange for an interpreter". [Code of Business Conduct: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>• Not met: Expects AP supplier to have community grievance systems: On its Code of Vendor Conduct the Company states that suppliers' facilities 'shall ensure that workers have means to report grievances to management, including a channel that provides for confidentiality and anonymity'. However it is not clear whether these channel are available for external individuals or communities. [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>• Not met: AP supplier communities use global system: See above [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> </ul> |

| Indicator Code | Indicator name   | Score (out of 2) | Explanation   |
|----------------|--|------------------|---|
| C.3            | Users are involved in the design and performance of the channel(s)/mechanism(s)        | 0                | The individual elements of the assessment are met or not as follows:<br>Score 1<br><ul style="list-style-type: none"> <li>• Not met: Engages users to create or assess system</li> <li>• Not met: Description of how they do this</li> </ul> Score 2<br><ul style="list-style-type: none"> <li>• Not met: Engages with users on system performance</li> <li>• Not met: Provides user engagement example on performance</li> <li>• Not met: AP suppliers consult users in creation or assessment</li> </ul>  |
| C.4            | Procedures related to the mechanism(s)/channel(s) are publicly available and explained | 0                | The individual elements of the assessment are met or not as follows:<br>Score 1<br><ul style="list-style-type: none"> <li>• Not met: Response timescales</li> <li>• Not met: How complainants will be informed</li> </ul> Score 2<br><ul style="list-style-type: none"> <li>• Not met: Escalation to senior/independent level</li> </ul>  |
| C.5            | Commitment to non-retaliation over complaints or concerns made                         | 1                | The individual elements of the assessment are met or not as follows:<br>Score 1<br><ul style="list-style-type: none"> <li>• Met: Public statement prohibiting retaliation: On its Code of Business Conduct there is a 'Zero tolerance to retaliation' section, where it states: 'We do not tolerate retaliation against any employee who reports in good faith a suspected violation of the COBC, our policies or the law, or who participates in any investigation of a suspected violation. Managers are prohibited from taking an adverse employment action against an employee for raising a COBC or legal concern' [Code of Business Conduct: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>• Met: Practical measures to prevent retaliation: The Company has implemented a COBC Hotline which is 'is free, confidential and available online and by telephone, 24 hours a day, seven days a week, around the world (interpreters are available). You may choose to report a concern anonymously. Anyone who reports a concern in good faith is protected from retaliation'. [Code of Business Conduct: <a href="http://gapinc.com">gapinc.com</a>]</li> </ul> Score 2<br><ul style="list-style-type: none"> <li>• Not met: Has not retaliated in practice</li> <li>• Not met: Expects AG suppliers to prohibit retaliation: On its Code of Vendor Conduct the Company states that suppliers' facilities "shall ensure that workers have means to report grievances to management, including a channel that provides for confidentiality and anonymity. [...] The facility shall ensure that such grievance channels and mechanisms for resolving disputes and grievances provide for protection from retaliation'. However it is not clear whether these channels are available for external individuals or communities. [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> </ul> |
| C.6            | Company involvement with State-based judicial and non-judicial grievance mechanisms    | 0                | The individual elements of the assessment are met or not as follows:<br>Score 1<br><ul style="list-style-type: none"> <li>• Not met: Won't impede state based mechanisms</li> <li>• Not met: Complainants not asked to waive rights</li> </ul> Score 2<br><ul style="list-style-type: none"> <li>• Not met: Will work with state based or non judicial mechanisms</li> <li>• Not met: Example of issue resolved (if applicable)</li> </ul>  |
| C.7            | Remedying adverse impacts and incorporating lessons learned                            | 1.5              | The individual elements of the assessment are met or not as follows:<br>Score 1<br><ul style="list-style-type: none"> <li>• Met: Describes how remedy has been provided: On its website page 'Child Labor and Young Workers', the Company indicates: 'In the rare event that we encounter child labor at an approved facility, we take immediate action to resolve the issue, including: removing young workers from the facility; making sure workers have access to education or appropriate training, receive an ongoing wage and are guaranteed a job if they choose to work at the facility when they are older; requiring the offending supplier to pay for all remediation costs'. It also describes the case of 'Samie's Finishing House': 'While Gap Inc. had no direct involvement with Samie's Finishing House, we wanted to help the 10 children who were found working there. Eight of them, ranging in age from 12 to 15 years old, agreed to accept our offer to help them go to school. We commissioned Impacttt, an organization specializing in ethical trade and human rights, to implement the remediation program.</li> </ul> <p>Impacttt met with the children and their families in the Dhokin Khan slum area of Dhaka, helped the children enrol in school, and conducted follow-up visits. The children and their parents reported that their lives have improved significantly</p>  |

| Indicator Code | Indicator name | Score (out of 2) | Explanation  |
|----------------|----------------|------------------|--|
|                |                |                  | <p>since the children started school [...] [Child Labor and Young Workers: <a href="http://gapinc sustainability.com">gapinc sustainability.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Changes introduced to stop repetition: The company provides the response to Business &amp; Human Rights Resource Center regarding the allegations of gender based violence in its Asian supply chains. The Company indicates: 'To help us advance that commitment, we've sought to reconfigure our supply base to focus on partners that share our sustainability values and goals. Over the past two years, we have also significantly increased the number of factories we source from that are assessed by ILO's Better Work program.' In addition, the Company indicates: 'we have initiated a dialogue with some of our key implementing partners, among them CARE, ILO Better Work, and Verité, to discuss how our industry can accelerate its effort to address this global, systemic issue.' [Gap response to allegations of gender based violence in Asian supply chain, Jun 2018: <a href="http://business-humanrights.org">business-humanrights.org</a>]</li> <li>• Not met: Evaluation of the channel/mechanism</li> </ul> |

## D. Performance: Company Human Rights Practices (20% of Total)

| Indicator Code | Indicator name                                  | Score (out of 2) | Explanation   |
|----------------|---|------------------|---|
| D.2.1.b        | Living wage (in the supply chain)               | 0                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Living wage in supplier code or contracts</li> <li>• Not met: Improving living wage practices of suppliers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>  |
| D.2.2          | Aligning purchasing decisions with human rights | 1                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Avoids business model pressure on HRs: On its website section 'Improving Factory Working Conditions' the Company indicates: 'Consumer trends and expectations are placing greater demands on production timelines and capabilities—which can ultimately affect the individuals working in the garment industry. To help manage these broad shifts in the industry, we continue to integrate policies and programs into our core business and form partnerships across the apparel industry to ensure that the people in our supply chain work in safe, fair conditions. [...] In recent years we have taken steps to: [...], consolidate our supplier base so that we are working more closely with fewer suppliers. Today, we are working with 25% fewer suppliers than we were five years ago.' In addition, in its submission to 'Know the Chain' in 2016, the Company stated: 'we conduct a capacity analysis prior to authorizing a facility for production, which allows us to evaluate whether a facility has the necessary equipment and number of lines to produce the quantity of the product ordered, without subcontracting.' [Improving Factory Working Conditions: <a href="http://gapinc sustainability.com">gapinc sustainability.com</a> &amp; Submission to KnowtheChain 2016: <a href="http://business-humanrights.org">business-humanrights.org</a>]</li> <li>• Not met: Positive incentives to respect human rights: The Company indicates on its website section 'Improving Factory Working Conditions' that it has consolidated its supplier base so that it is working more closely with fewer suppliers (25% fewer suppliers than 5 years ago). If the Company focused its production in the best factories according to their human rights performance, it would have met this subindicator, however this is not clear with the available information. [Improving Factory Working Conditions: <a href="http://gapinc sustainability.com">gapinc sustainability.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul> |
| D.2.3          | Mapping and disclosing the supply chain         | 2                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Identifies suppliers back to product source (farm, ranch etc): The Company states in the 'Know the Chain' document that: 'Gap monitors all first tier supplier facilities (and those of approved subcontractors) for forced labour and human trafficking'. [Submission to KnowtheChain 2016: <a href="http://business-humanrights.org">business-humanrights.org</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Discloses significant parts of supply chain and why: On its website section 'Respecting Human Rights' the Company indicates that 'Twice a year, we publish our approved list of facilities, which includes cut-and-sew facilities, embroideries and laundries'. [Respecting Human Rights: <a href="http://gapinc sustainability.com">gapinc sustainability.com</a> &amp; Factory List: <a href="http://gapinc sustainability.com">gapinc sustainability.com</a>]</li> </ul>   |

| Indicator Code | Indicator name  | Score (out of 2) | Explanation  |
|----------------|---|------------------|--|
| D.2.4.b        | Child labour:<br>Age verification and corrective actions (in the supply chain)              | 1.5              | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Child Labour rules in codes or contracts: On its Code of Vendor Conduct the Company indicates: 'No workers under the age for mandatory schooling shall be employed by the facility. Facility management shall have a rigorous age verification procedure [...]'. In addition, on its website section 'Child Labour and Young Workers' the Company states: 'In the rare event that we encounter child labour at an approved facility, we take immediate action to resolve the issue, including: removing young workers from the facility, making sure workers have access to education or appropriate training, receive an ongoing wage and are guaranteed a job if they choose to work at the facility when they are older requiring the offending supplier to pay for all remediation costs' [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a> &amp; Child Labor and Young Workers: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> <li>• Met: How working with suppliers on child labour: On its website section 'Child Labour and Young Workers' the Company describe two cases which show its works with suppliers to eliminate child labour and to improve working conditions for young workers: Uzbek Cotton case and Samie's Finishing House [Child Labor and Young Workers: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made: Although the Company discloses some figures (2011-2015), there is no analysis of the results. According to the data disclosed, the percentage of factories with findings related to Child Labour issues has decreased in the last years. [Working Conditions Data / 2015-2016 Findings and Resolution: <a href="http://gapincustainability.com">gapincustainability.com</a> &amp; Working Conditions Data / 2011-2014: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> </ul>   |
| D.2.5.b        | Forced labour:<br>Debt bondage and other unacceptable financial costs (in the supply chain) | 0                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Debt and fees rules in codes or contracts: On its Code of Vendor Conduct the Company has included different sections about debt bondage guidelines, for example: 'The facility shall pay all fees and costs payable to the host government for the documentation of Foreign Contract Worker's employment in the host country, including any levies, fees for work permit, and fees for renewing work documents. The facility shall not at any point deduct from wages, charge workers, or otherwise accept reimbursements to re-coup these fees. The facility or the recruitment agency shall not collect from Foreign Contract Workers a deposit or bond or withhold part of Foreign Contract Workers' earnings at any point of their employment.', or 'The facility shall allow workers full and complete control over earnings and shall not withhold any 'guarantee money' or recruitment fee sums from pay otherwise due to Foreign Contract Workers.' However, it is not clear if suppliers are to refrain from charging expenses from all workers (foreign and local equally) and not only foreign ones. [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>• Not met: How working with suppliers on debt &amp; fees: On its website special section 'CA Transparency in Supply Chains Act / UK Modern Slavery Act' the Company states that it 'works to build the capabilities of our suppliers by conducting worker trainings, participating in multi-stakeholder initiatives, and forging partnerships with expert stakeholders and suppliers to address specific human rights issues. Gap Inc. has helped suppliers improve their capabilities for more than a decade, and created field teams for social &amp; labour capability building that are dedicated to helping suppliers manage and improve the sustainability of their own operations.' However no specific information or examples were found about how the Company works with suppliers on debt &amp; fees issues [CA Transparency in Supply Chains Act / UK Modern Slavery Act: <a href="http://gapinc.com">gapinc.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made: Although the Company discloses some figures for 2015 and 2016, there are no specific information about these issues and there is no analysis of the results [Working Conditions Data / 2015-2016 Findings and Resolution: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> </ul> |

| Indicator Code | Indicator name   | Score (out of 2) | Explanation  |
|----------------|--|------------------|--|
| D.2.5.d        | Forced labour: Restrictions on workers (in the supply chain)           | 1                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Free movement rules in codes or contracts: On its Code of Vendor Conduct the Company indicates: 'The facility shall not employ tactics to prevent workers from leaving at will, such as withholding salary as a 'year-end bonus' or charging a penalty when workers terminate their contract, or by withholding any personal identification documents such as IDs and passports.[...] The facility shall ensure that workers are allowed to leave freely at the end of the shift or during the shift under extenuating circumstances like illness or family emergencies.' [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>• Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters: On its website special section 'CA Transparency in Supply Chains Act / UK Modern Slavery Act' the Company states that it 'works to build the capabilities of our suppliers by conducting worker trainings, participating in multi-stakeholder initiatives, and forging partnerships with expert stakeholders and suppliers to address specific human rights issues. Gap Inc. has helped suppliers improve their capabilities for more than a decade, and created field teams for social &amp; labour capability building that are dedicated to helping suppliers manage and improve the sustainability of their own operations.' However no specific information or examples were found about how the Company works with suppliers on free movement issues. The Company discloses an example regarding the Sumangali Scheme. However, in order to be considered relevant, information needs to refer to the last three reporting years. [CA Transparency in Supply Chains Act / UK Modern Slavery Act: <a href="http://gapinc.com">gapinc.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made: Although the Company discloses some figures from 2011 - 2016, there is no analysis of the results. In 2015 0,4% of facilities presented a case of "Foreign contract workers do not have required travel and/or work documents". This percentage increase to 0,9% in 2016. In addition, the figures only take into account foreign contract workers. [Working Conditions Data / 2015-2016 Findings and Resolution: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> </ul>   |
| D.2.6.b        | Freedom of association and collective bargaining (in the supply chain) | 1.5              | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: FoA &amp; CB rules in codes or contracts: On its website section 'Freedom of Association' the Company indicates that its 'COVC explicitly supports freedom of association and the rights of workers to lawfully and peacefully associate, organize and bargain collectively. ' And on its COVC the Company states: 'The facility shall recognize that workers are free to join associations of their own choosing. The facility shall not interfere with workers who wish to lawfully and peacefully associate, organize, or bargain collectively. The facility shall support that the decision whether or not to do so shall be made solely by the workers. [...] The facility shall not threaten, penalize, restrict, or interfere with workers lawful efforts to join associations of their choosing, carry out their union activities including union meetings, demonstrations, and lawful strikes.'" [Freedom of Association &amp; Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>• Met: How working with suppliers on FoA and CB: An example of the work that the Company is doing with suppliers is the Workshop on Freedom of Association &amp; Dispute Prevention &amp; Resolution: 'On January 30, 2018, the one-day workshop on Freedom of Association and Dispute Prevention and Resolution to all Gap's suppliers at InterContinental Hotel Phnom Penh with the participants from 47 factories in Phnom Penh and nearby provinces in total there were 183 representatives of employers and employees.</li> </ul> <p>The workshop was co-organized by the Arbitration Council Foundation, International Labour Organization – Better Factories Cambodia (ILO-BFC) and Gap Inc. and funded by Gap Inc. This workshop focused on discussion of the importance topics as: FOA, Labour Dispute Resolutions and the Arbitration Council and Workplace Cooperation.' [Workshop on Freedom of Association &amp; Dispute Prevention &amp; Resolution - The Arbitration Council, 2018: <a href="http://arbitrationcouncil.org">arbitrationcouncil.org</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made: Although the Company discloses some figures from 2011 - 2016, there is no analysis of the results. [Working Conditions Data / 2015-2016 Findings and Resolution: <a href="http://gapincustainability.com">gapincustainability.com</a> &amp; Working Conditions Data / 2011-2014: <a href="http://gapincustainability.com">gapincustainability.com</a>]</li> </ul> |

| Indicator Code | Indicator name  | Score (out of 2) | Explanation   |
|----------------|---|------------------|---|
| D.2.7.b        | Health and safety:<br>Fatalities, lost days, injury rates (in the supply chain) | 1.5              | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Sets out clear Health and Safety requirements: On its Code of Vendor Conduct the Company has included a specific section about 'Occupational Health and Safety' which covers health and safety requirements: 'The facility shall comply with all applicable laws and regulations regarding working conditions and shall provide workers with a safe and healthy environment'. [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>• Met: Injury rate disclosures: Its Global Sustainability Report redirects to the Company's website for data on workplace health and safety where injury rates are published. [Global Sustainability Report 2015-2016, 2016: <a href="http://gapinc.com">gapinc.com</a> &amp; Measuring our progress: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>• Not met: Lost days or near miss disclosures</li> <li>• Met: Fatalities disclosures: See above [Global Sustainability Report 2015-2016, 2016: <a href="http://gapinc.com">gapinc.com</a> &amp; Measuring our progress: <a href="http://gapinc.com">gapinc.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: How working with suppliers on H&amp;S: On its website section 'Fire and Building Safety' the Company explains its actions in order to face a relevant safety issue for its facilities. It also includes an example: 'In the first quarter of 2018, we worked with engineers to conduct fire and electrical safety assessments in 20 of our approved facilities in Cambodia. We are now working with expert engineers and our suppliers to implement corrective action plans, in order to build the capacity within their operations to appropriately mitigate and manage fire and electrical safety risks. We are also evaluating the need to conduct additional assessments in our suppliers' other manufacturing facilities in the country.' [Fire &amp; Building Safety]</li> <li>• Not met: Provide analysis of trends in progress made: Although the Company discloses some figures, there is no analysis of the results. [Working Conditions Data / 2011-2014: <a href="http://gapinc.com">gapinc.com</a> &amp; Working Conditions Data / 2015-2016 Findings and Resolution: <a href="http://gapinc.com">gapinc.com</a>]</li> </ul>   |
| D.2.8.b        | Women's rights (in the supply chain)  | 1.5              | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Women's rights in codes or contracts: Although the Code of Vendor Conduct includes the following guidelines related to Women's rights: 'The facility shall hire, promote, pay wages and benefits, terminate, and provide access to trainings, without regard to race, colour, gender, nationality, religion, age, maternity, marital status, indigenous status, ethnicity, social origin, disability, sexual orientation, HIV/AIDS status, or membership in workers organizations including unions or political affiliation. The facility shall ensure that hiring, promotion, and other human resource decisions shall be made on the workers' qualifications, skills, ability, productivity, and overall job performance.', 'Workers with the same qualifications, skills, experience, and performance shall receive equal pay for equal work in accordance with applicable labor laws', 'The facility shall ensure that hiring notices and job descriptions do not specify discriminatory factors, such as gender, age, race, etc', 'The facility shall ensure that pregnancy shall not be used as a basis for discriminatory practices like termination/demotion/pay cuts etc', 'PREGNANT AND BREASTFEEDING WOMEN. The facility shall take all required measures to ensure the health and safety of groups of workers with special requirements.', 'The facility shall not engage in or permit psychological coercion or any other form of non-physical abuse, including threats of violence, sexual harassment, screaming, or other verbal abuse'. [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>• Met: How working with suppliers on women's rights: In its Global Sustainability Report, the Company describes how it addressed the problem of Sexual Harassment in India: 'our team is working with our suppliers in India, covering around 100,000 workers. We aim to help our vendors build an environment where they clearly define and implement the national policy on Prevention of Sexual Harassment (as required legally), and create an Internal Complaints Committee (also legally required). We also want to help them raise awareness among both male and female employees about the issue and about their rights and responsibilities under the Sexual Harassment at the Workplace (Prevention, Prohibition and Redressal) Act of 2013. We believe that implementing these mechanisms will help prevent sexual harassment in the workplace. We have conducted sensitization programs with all of our</li> </ul> |

| Indicator Code | Indicator name                      | Score (out of 2) | Explanation  |
|----------------|-------------------------------------|------------------|--|
|                |                                     |                  | <p>suppliers in India and have provided them with guidance on legal requirements. We also have defined time-bound goals and identified implementing organizations for this work'. [Global Sustainability Report 2015-2016, 2016: <a href="http://gapinc.com">gapinc.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Both requirement under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>  |
| D.2.9.b        | Working hours (in the supply chain) | 1                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Working hours in codes or contracts: On its Code of Vendor Conduct the Company states: 'The facility shall comply with all applicable laws, regulations, and industry standards on working hours. The maximum allowable working hours in any week shall be the lesser of a) what is permitted by national law or b) a total of 60 hours of work in any consecutive 7-day period. [...] The facility shall allow workers at least one day off in seven days, or the local legal standard if more stringent. A day off must be at least 24 hours of continuous rest.' [Code of Vendor Conduct, 2016: <a href="http://gapinc.com">gapinc.com</a>]</li> <li>• Not met: How working with suppliers on working hours</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made: Although the Company discloses some figures, there is no analysis of the results. For instance, the percentage of facilities which did not provide 1 day off in 7 to their employees increased from 15,5% in 2011 to 25,5% in 2016 [Working Conditions Data / 2015-2016 Findings and Resolution: <a href="http://gapinc.com">gapinc.com</a> &amp; Working Conditions Data / 2011-2014: <a href="http://gapinc.com">gapinc.com</a>]</li> </ul> |

### E. Performance: Responses to Serious Allegations (20% of Total)

| Indicator Code | Indicator name                                       | Score (out of 2) | Explanation  |
|----------------|--|------------------|--|
| E(1).0         | Serious allegation No 1                              |                  | <ul style="list-style-type: none"> <li>• Area: Working Hours: excessive overtime</li> <li>• Headline: workers at suppliers for H&amp;M, Zara and Gap were allegedly abused.</li> <li>• Sources: Zara, H&amp;M, Gap Suppliers Abuse Chinese Workers: Report - The News Lens - 21/07/2016 Reality Behind Brands' CSR Hypocrisy: An Investigative Report on China Suppliers of ZARA, H&amp;M, and GAP - SACOM Website - 19/07/2016- <a href="http://sacom.hk">sacom.hk</a> China: SACOM report finds workers at suppliers for Zara, H&amp;M &amp; Gap allegedly abused, calls on companies to improve working hours, wages &amp; right to organise - Business &amp; Human Rights Resources Center - 18/07/2016: <a href="http://business-humanrights.org">business-humanrights.org</a></li> <li>• Allegation: A report published in 2016 by Students and Scholars Against Corporate Misbehaviour (SACOM) alleged that workers at suppliers for Gap, H&amp;M and Zara were forced to work excessive hours to meet unreasonably tight delivery schedules. SACOM conducted undercover investigations inside four factories belonging to suppliers of GAP, H&amp;M, and Zara in China. SACOM claimed to have found a considerable disparity between the brands' supplier factory CSR policies and the reality in their Chinese suppliers' factories.</li> </ul> <p>SACOM also claimed that while the brands required their supplier factories to pay wages which can meet workers' basic financial needs, its investigation found wages were meagre. The investigation also uncovered that workers in some factories were exposed to toxic chemicals, cotton dust and other hazardous dusts without protective gear, and that worker representation in collective bargaining situations was poor.</p> |
| E(1).1         | The Company has responded publicly to the allegation | 2                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Public response available</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Response goes into detail: The Company reports in a detailed way on its position to the case</li> </ul> <p>"We have taken the SACOM report seriously and our Supplier Sustainability team has conducted full investigations into the two facilities named in the report. For the issues raised in the report that were validated and found to be true, we are working with our suppliers to develop time-bound action plans to resolve them, and address their root causes to ensure sustainable improvements are made. We will also be partnering with the other buyers that work with these suppliers to conduct follow-up visits to validate that all issues identified are fully resolved, and will seek to ensure that the improvements made are sustained in the future."</p> <p>The company sent a detailed report to the Business &amp; Human Rights Resource Center where it clarifies its position on the case.</p>   |

| Indicator Code | Indicator name                                       | Score (out of 2) | Explanation   |
|----------------|--|------------------|---|
| E(1).2         | The Company has appropriate policies in place        | 2                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Company policies address the general issues raised</li> <li>• Met: Policies apply to the type of business relationships involved</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Policies address the specific rights in question: The Company states that its Code of Vendor Conduct 'sets forth the basic requirements that all facilities must meet in order to do business with Gap Inc'. All four core ILOs requirements are covered under the code, as well as health and safety, wages and work hours. 'The facility shall comply with all applicable laws, regulations, and industry standards on working hours. The maximum allowable working hours in any week shall be the lesser of a) what is permitted by national law or b) a total of 60 hours of work in any consecutive 7-day period...The facility shall allow workers at least one day off in seven days, or the local legal standard if more stringent. A day off must be at least 24 hours of continuous rest.' <p>The Company states that the policies contained in the Code of Vendor Conduct 'sets forth the basic requirements that all facilities must meet in order to do business with Gap Inc.'</p> </li></ul> |
| E(1).3         | The Company has taken appropriate action             | 0.5              | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Engages with affected stakeholders</li> <li>• Not met: Encourages linked business to engage affected stakeholders</li> <li>• Not met: Provides remedies to affected stakeholders</li> <li>• Met: Has improved systems and engaged affected stakeholders: The company has indicated "our Supplier Sustainability team has conducted full investigations into the two facilities named in the report. For the issues raised in the report that were validated and found to be true, we are working with our suppliers to develop time-bound action plans to resolve them, and address their root causes to ensure sustainable improvements are made. We will also be partnering with the other buyers that work with these suppliers to conduct follow-up visits to validate that all issues identified are fully resolved, and will seek to ensure that the improvements made are sustained in the future." <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Remedies are satisfactory to the victims</li> <li>• Met: Has improved systems and engaged affected stakeholders</li> </ul> </li></ul>  |
| E(2).0         | Serious allegation No 2                              |                  | <ul style="list-style-type: none"> <li>• Area: Working hours</li> <li>• Headline: SOMO report accuses large clothing brands such as H&amp;M, Gap, VF of having their clothes made in Bangladesh by suppliers where working hours exceed 60 hours a week</li> <li>• Sources: SOMO Report 'Branded childhood', January 2017 - <a href="http://stopkinderarbeid.nl">stopkinderarbeid.nl</a></li> <li>• Allegation: A 2017 report by the Centre for Research on Multinational Corporations (SOMO) has accused clothing brands such as Gap, H&amp;M and VF of having their clothes made in Bangladesh by suppliers where working hours exceed 60 hours a week. Working weeks exceeding 60 hours were reported at eight factories of companies supplying brands including: C&amp;A, H&amp;M, VF Corporation, Gap and Kmart. Some workers were reportedly being forced to do additional overtime, having to regularly work until midnight and being paid for additional hours separately in cash. Even when overtime payments were included in the wages, not one of the interviewed workers earned a living wage. The average total take-home salary was only a third of what would constitute a living wage.</li> </ul>  |
| E(2).1         | The Company has responded publicly to the allegation | 0                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Public response available: As far as CHRB was able to ascertain, the Company has not responded publicly to the allegation.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Response goes into detail</li> </ul>  |
| E(2).2         | The Company has appropriate policies in place        | 2                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Company policies address the general issues raised</li> <li>• Met: Policies apply to the type of business relationships involved</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Policies address the specific rights in question: The Company states that its Code of Vendor Conduct 'sets forth the basic requirements that all facilities must meet in order to do business with Gap Inc.'. All four core ILOs requirements are covered under the code, as well as health and safety, wages and work hours. 'The facility shall comply with all applicable laws, regulations, and industry standards on working hours. The maximum allowable working hours in any week shall be the lesser of a) what is permitted by national law or b) a total of 60 hours of work in</li> </ul>  |



| Indicator Code | Indicator name                           | Score (out of 2) | Explanation  |
|----------------|--|------------------|--|
|                |  |                  | any consecutive 7-day period...The facility shall allow workers at least one day off in seven days, or the local legal standard if more stringent. A day off must be at least 24 hours of continuous rest.'<br>The Company states that the policies contained in the Code of Vendor Conduct 'sets forth the basic requirements that all facilities must meet in order to do business with Gap Inc.'  |
| E(2).3         | The Company has taken appropriate action | 0                | The individual elements of the assessment are met or not as follows:<br>Score 1<br><ul style="list-style-type: none"> <li>• Not met: Engages with affected stakeholders</li> <li>• Not met: Encourages linked business to engage affected stakeholders</li> <li>• Not met: Provides remedies to affected stakeholders</li> <li>• Not met: Has reviewed management systems to prevent recurrence</li> </ul> Score 2<br><ul style="list-style-type: none"> <li>• Not met: Remedies are satisfactory to the victims</li> <li>• Not met: Has improved systems and engaged affected stakeholders</li> </ul> |

## F. Transparency (10% of Total)

| Indicator Code | Indicator name                             | Score      | Explanation  |
|----------------|--|------------|--|
| F.1            | Company willingness to publish information | 3 out of 4 | Out of a total of 40 indicators assessed under sections A-D of the benchmark, Gap made data public that met one or more elements of the methodology in 30 cases, leading to a disclosure score of 3 out of 4 points.   |
| F.2            | Recognised Reporting Initiatives           | 2 out of 2 | The individual elements of the assessment are met or not as follows:<br>Score 2<br><ul style="list-style-type: none"> <li>• Met: Company reports on GRI: In its Global Sustainability Report the Company indicates: 'We sought to prepare the report in accordance with the core option of the Global Reporting Initiative's (GRI) Standards' [Global Sustainability Report 2015-2016, 2016: <a href="http://gapinc.sustainability.com">gapinc.sustainability.com</a>]</li> </ul>  |
| F.3            | Key, High Quality Disclosures              | 0 out of 4 | Gap met 0 of the 8 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator.<br>Specificity and use of concrete examples<br><ul style="list-style-type: none"> <li>• Not met: Score 2 for A.2.2 : Board discussions</li> <li>• Not met: Score 2 for B.1.6 : Monitoring and corrective actions</li> <li>• Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers</li> <li>• Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s)</li> </ul> Discussing challenges openly<br><ul style="list-style-type: none"> <li>• Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts</li> <li>• Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned</li> </ul> Demonstrating a forward focus<br><ul style="list-style-type: none"> <li>• Not met: Score 2 for A.2.3 : Incentives and performance management</li> <li>• Not met: Score 2 for B.1.2 : Incentives and performance management</li> </ul> |

### Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2018 Key Findings report for more details of the research process.

The Benchmark is made available on the express understanding that it will be used solely for general information purposes. The material contained in the Benchmark should not be construed as relating to accounting, legal, regulatory, tax, research or investment advice and it is not intended to take into account any specific or general investment objectives. The material contained in the Benchmark does not constitute a recommendation to take any action or to buy or sell or otherwise deal with anything or anyone identified or contemplated in the Benchmark. Before acting on anything contained in this material, you should consider whether it is suitable to your particular circumstances and, if necessary, seek professional advice. The material in the Benchmark has been put together solely according to the CHRB methodology and not any other assessment models in operation within any of the project partners or EIRIS Foundation as provider of the analyst team.

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As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.