UK GENDER PAY GAP REPORT 2018

We have always been open about our commitment to equality for all and are proud of what this commitment has achieved.

We're proud to be included in the 2019 Bloomberg Gender-Equality Index for the second consecutive year, alongside other recognition for our commitments to equality that we have received over the past few years;

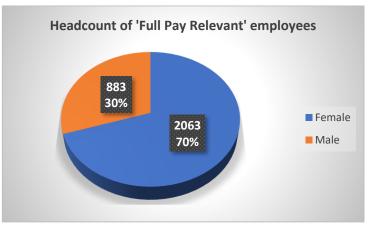
- 1. In the 2018 Gender Equality Global Report & Ranking from Equileap, Gap Inc. ranked #30 globally (vs. #90 in 2017) and #7 in the U.S.
- 2. In 2018, Gap Inc. ranked fifth out of 7,000 global companies in the Thomson Reuters Diversity & Inclusion (D&I) Index
- 3. 2014 Gap Inc. becomes the first Fortune 500 company to publicly confirm we pay men & women equally for equal work
- 4. 2015 Gap Inc. signed the 'Women's Empowerment Principles', developed by the United Nations Women and the United Nations Global Impact, giving business practical guidance on women's professional development and the need to publicly report on progress about Gender Equality
- 5. Catalyst Award 2016 Gap Inc. is awarded the Catalyst award which recognises companies that best exemplify progress for women and diverse groups through workplace inclusion

The United Kingdom introduced Gender Pay Gap Regulations which came into force in April 2017. These regulations require all legal entities of 250 or more employees to publish different pay gap statistics, in an effort to be more open about the gender pay gap and tackling gender inequality. The first reports were published in April 2018.

GPS (Great Britain) Limited is the UK trading subsidiary of Gap Inc. that the Gender Pay Gap results have been calculated on and this is the second year of reporting.

SUMMARY OF RESULTS

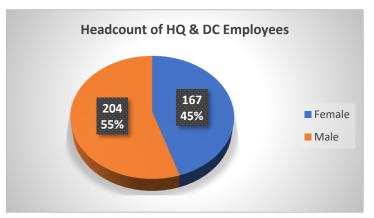
We currently operate 104 stores in the UK and the following information was correct at 5^{th} April 2018. We also operate our Europe Head Quarters & Distribution Centre in the UK.



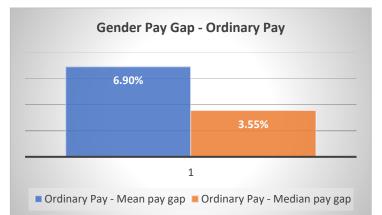
Just over two thirds of all employees included in the calculations are female which is almost flat to last year.



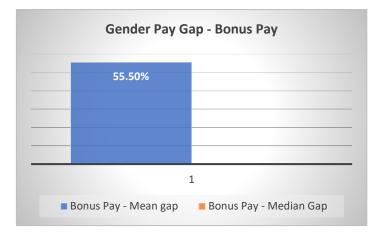
Just under three quarters of our store employees are female which is also similar to last year.



Forty five percent of all Head Quarters and Distribution Centre employees are female, exactly the same as last year, which can in part be attributed to stable retention figures for this population.



Using the criteria and calculations as set out in the Gender Pay Gap Regulations 2017, **WE ARE PLEASED TO SEE WE HAVE AN OVERALL MEAN GENDER PAY GAP OF 6.90% (DOWN 1.56% ON LAST YEAR) AND A MEDIAN GAP OF 3.55% (DOWN 4.19% ON LAST YEAR)**; **SIGNIFICANTLY LOWER THAN** the UK national median gender pay gap according to the Office for National Statistics (ASHE Survey)¹ 2018 is 17.9% (down 0.5% on last year).

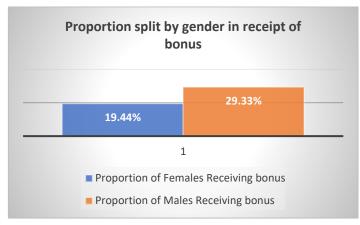


We have a bonus pay gap of 55.50%, up 3.35% on last year. Although this gap has increased, it continues to be driven by differences in bonus divisions that employees are assigned to and is not because of gender.

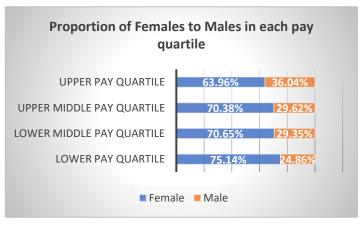
We have a median bonus gap of 0% which is the same as last year, driven by a high number of employees working in the same job grade.

¹ Annual Survey of Hours & Earnings

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The number of both males and females receiving bonus has dropped compared to last year.



In each pay quartile we are reporting on, the proportion of females decreases as pay increases however in each quartile at least 60% are female. The number of females in the upper middle and upper pay quartiles has increased from last year.

OUR PROGRESS

WE'RE PROUD THAT OUR MEAN PAY GAP HAS REDUCED SINCE OUR FIRST REPORT LAST YEAR AND OUR MEDIAN PAY GAP HAS <u>MORE THAN HALVED</u>.

Sharing our report internally at a senior level was an important step in education and raising awareness of the impact of decisions taken when it comes to gender pay.

Last year, we committed to focusing on departments where gender balance has been more of a challenge and have actively sought to recruit females into these functions (e.g. IT), which has contributed to a higher number of females in our upper pay quartiles. We have embarked on our journey to introduce unconscious bias training to everyone, not just here in the UK, but globally, such is our ongoing commitment to supporting diversity and inclusion at work. This is not only the right thing to do but also critical to our business performance and culture. It enables us to attract and retain the best talent and representation of our customers.

Our recent participation in the Great Place to Work survey saw us score a standout 90% on diversity, which included questions on being treated fairly regardless of gender, which scored 3 points higher than other large companies surveyed.

We recognize there is more for us to do in our recruitment practices to ensure we appeal to a wider range of applicants.

I confirm that the information contained within this report is accurate.

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Jo Patterson Senior Director HR, Europe