

We are in the third year of reporting our gender pay gap in the UK.

Since our founding, we've embraced core company values that include celebrating individuality and diversity and treating all people equally—with respect, dignity and fairness.

Our commitment to equality and diversity is embedded in our Code of Business Conduct (COBC), which includes a zero-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.

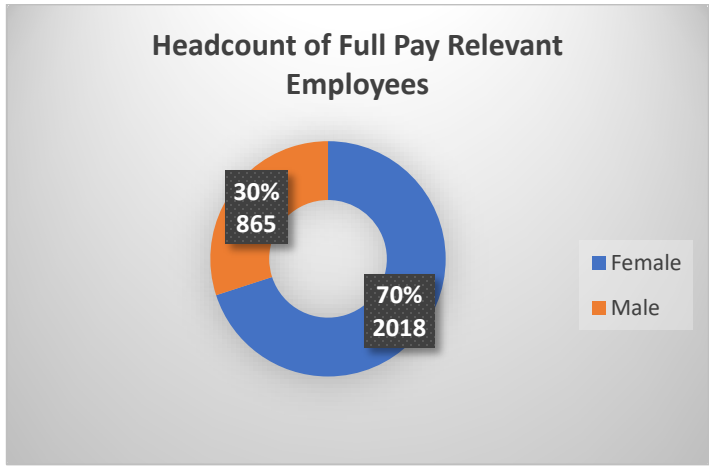
We use several tools and resources to create a community of equality and belonging, including: a dedicated Equality and Belonging enterprise strategy, Diversity & inclusion training curriculum, Unconscious Bias Training as well as a number of other programs and employee-led networking groups. More information can be found [here](#).

Creating opportunities for women is deeply embedded in our culture. From store managers to brand CEOs, women have long played an important role in running and growing each of our brands. Women make up over 75% of our employees, serve as a majority of our global store managers and serve equally on our leadership teams. We strongly believe that our commitment to equality for women gives us a competitive advantage, it helps us attract top talent, increase engagement and retention, and connect with our customers, the majority of whom are women.

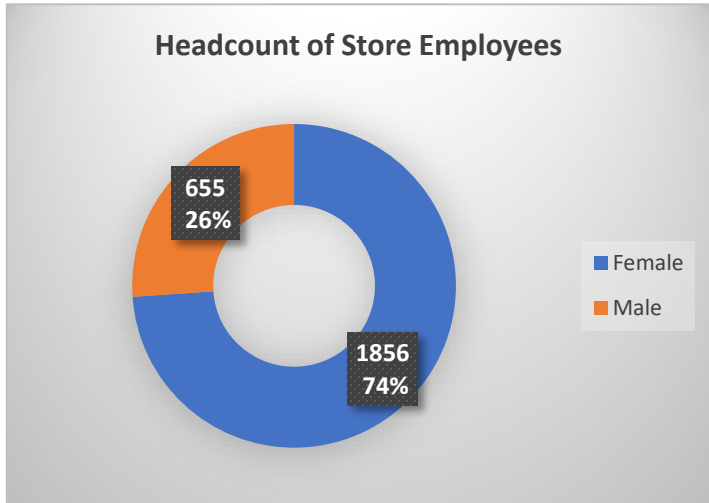
SUMMARY OF RESULTS

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

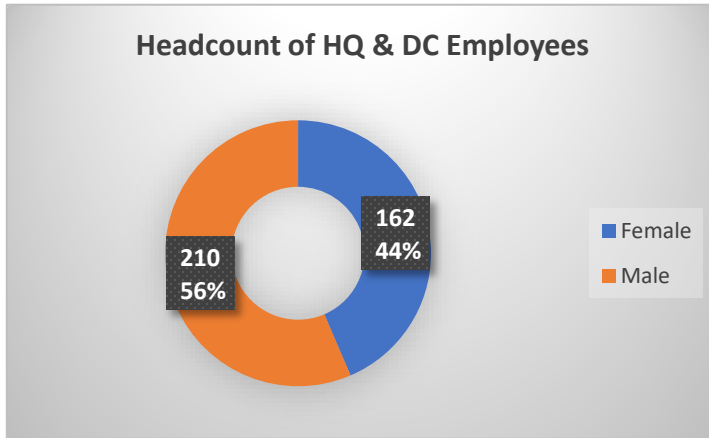
We currently operate 95 stores in the UK and the following information was correct at 5th April 2019. We also operate our Europe Head Quarters & Distribution Centre in the UK.



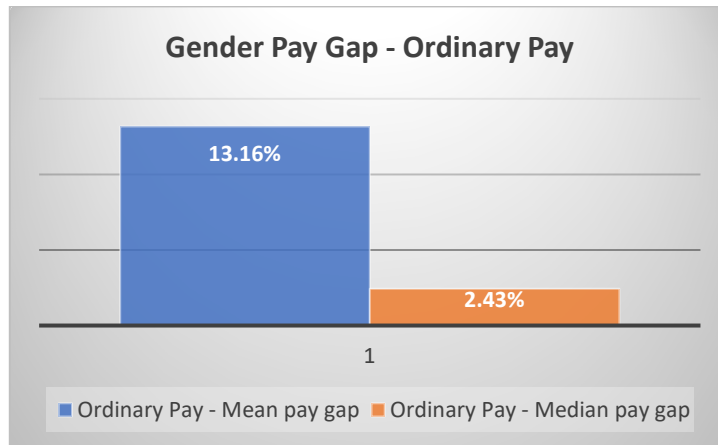
Just over two thirds of all employees included in the calculations are female.



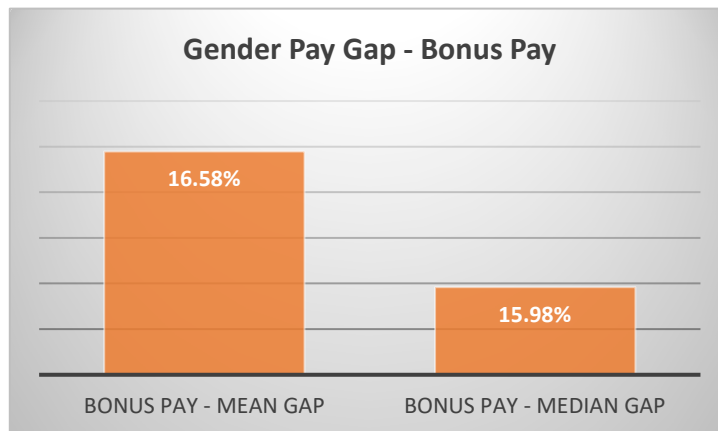
Just under three quarters of our store employees are female.



Forty four percent of all Head Quarters and Distribution Centre employees are female



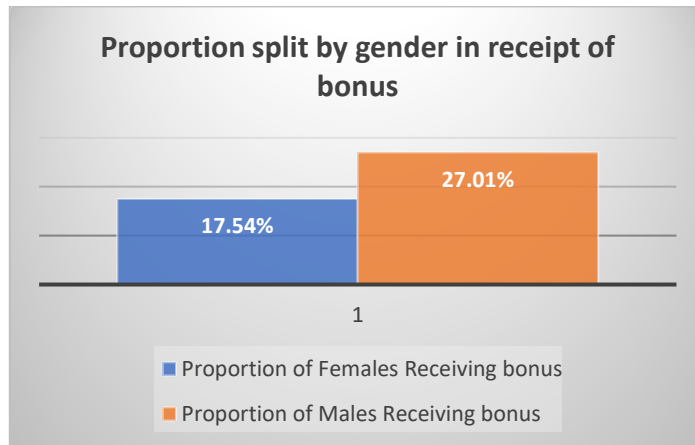
Using the criteria and calculations as set out in the Gender Pay Gap Regulations 2017, our median gender pay gap has continued to decrease year on year to 2.43%, down from 3.55% last year. Our mean gender pay gap has increased to 13.16%, up from 6.90% last year. This is 3.04% below the national mean gender pay gap according to the Office for National Statistics (ASHE Survey)¹ 2019 of 16.2% (16.2% is down 0.7% on the previous year).



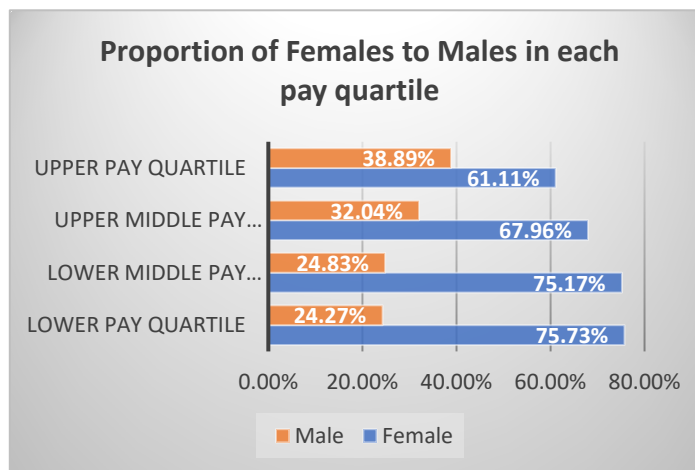
We have a mean bonus gap of 16.58% and a median bonus gap of 15.98%. There are no bonus arrangements² in place anymore for non-management store employees, resulting in a more even spread of employees by grade eligible for and in receipt of bonus.

¹ Annual Survey of Hours & Earnings

² Bonus arrangements include supercheque recognition awards



The proportion of males and females receiving bonus is similar to previous years.



In each quartile at least 60% are female. The number of females in the upper middle and upper pay quartiles has fallen on the previous year.

OUR PROGRESS

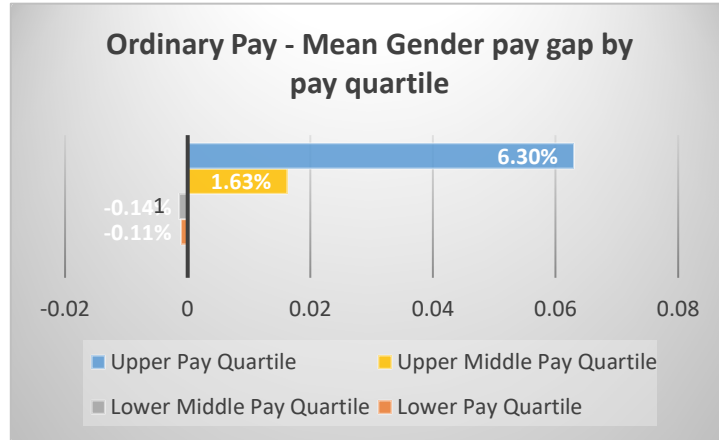
WE'RE PLEASED THAT OUR MEDIAN PAY GAP CONTINUES TO DECREASE AND IS NOW JUST UNDER 2.5%. THIS IS ALMOST 15% BELOW THE NATIONAL MEDIAN GENDER PAY GAP.

The Office for National Statistics favour the median over mean as a measure as it is less affected by a relatively small number of high earners. It is therefore considered to give a better indication of typical pay than the mean. It could however mean that gender pay gap issues do not get picked up where they exist at the higher or lower ends of a list.

We are disappointed that our overall mean gender pay gap has increased this year. The mean gives a good idea of the gender pay gap as it places the same value on every number, but very large or small pay rates or

bonuses can distort results. Over two thirds of our workforce are female and we also therefore see a high number of females in the lower pay quartiles.

Calculating the mean hourly pay gap within each quartile to get a better comparison of like for like roles, there is a much narrower mean pay gap.



In 2017-2018 we restructured parts of our UK business and team structures. More than half of all leavers through this process were female and on salaries in the upper middle and upper pay quartiles which has impacted the headcount in these quartiles for this reporting year.

We remain committed to the focus we have put on our recruitment practices, our transparent pay structures, amplifying retail as a career through attraction and targeted development that develops great bosses for all our employees, regardless of gender.

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

Jo Patterson
Senior Director HR, Europe