UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☑ Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended February 1, 2025

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from __________ to __________

Commission File Number 1-7562

THE GAP, INC.

(Exact name of registrant as specified in its charter)

Delaware	**94-1697231**
(State of Incorporation)	(I.R.S. Employer Identification No.)

Two Folsom Street
San Francisco, California 94105
(Address of principal executive offices)

Registrant's telephone number, including area code: **(415) 427-0100**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.05 par value	**GAP**	**The New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☑	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).
☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes ☐ No ☑

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of August 2, 2024 was approximately $5 billion based upon the last price reported for such date in the NYSE-Composite transactions.

The number of shares of the registrant’s common stock outstanding as of March 12, 2025 was 374,904,723.

Documents Incorporated by Reference

Portions of the registrant’s Proxy Statement for the Annual Meeting of Shareholders to be held on May 20, 2025 (hereinafter referred to as the “2025 Proxy Statement”) are incorporated into Part III.

Special Note on Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. All statements other than those that are purely historical are forward-looking statements. Words such as “expect,” “anticipate,” “believe,” “estimate,” “intend,” “plan,” “project,” and similar expressions also identify forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding the following:

- our strategies, plans, prospects, priorities, and expectations regarding our brands, business, industry, results, and financial condition;
- meeting the closing conditions to transfer the Gap Taiwan operations to Baozun;
- our agreements with third parties to operate stores and websites selling apparel and related products under our brand names;
- our integrated loyalty program and the expected benefits therefrom;
- pursuing technology and product innovation that supports our sustainability efforts and delivering great quality product to customers;
- investing in our business and enhancing the customer experience;
- strategically registering our trademarks, domain names, and copyrights;
- aggressively policing our intellectual property and pursuing those who infringe our intellectual property rights;
- compliance with United States and foreign laws, rules, and regulations;
- initiatives to optimize inventory levels, increase supply chain efficiency and responsiveness, and develop additional capabilities to analyze customer behavior and demand;
- pursuing selective international expansion through different channels;
- initiatives to develop an omni-channel shopping experience and integrate our stores and digital shopping channels;
- strategic initiatives across our business in product design and development, marketing and media, store operations, supply chain and inventory management, and technology, and accelerating growth in certain categories;
- upgrading our digital and information technology systems and continuing to integrate data science and artificial intelligence;
- completing construction of our distribution center in London, Ontario, Canada;
- maintaining and building upon financial and operational rigor, through an optimized cost structure and disciplined inventory management;
- reinvigorating our brands to drive relevance and an engaging omni-channel experience;
- strengthening and evolving our operating platform with a digital-first mindset to drive scale and efficiency;
- energizing our culture and attracting and retaining strong talent;
- continuing to integrate social and environmental sustainability into business practices to support long-term growth;
- uncertainty related to the macroeconomic environment, and monitoring macroeconomic conditions, including consumer behavior and the impact of macroeconomic factors on consumer demand;
- the anticipated timing of settlement of purchase obligations and commitments;
- the ability of our existing balances of cash and cash equivalents, short-term investments, cash flows from operations, and debt instruments to support our business operations and liquidity requirements;
- the importance of our sustained ability to generate free cash flow, which is a non-GAAP financial measure and is defined and discussed in more detail in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of this Form 10-K;
- our dividend policy and the payment of our first quarter fiscal 2025 dividend;

- changes to the estimates and assumptions used to calculate our inventory valuation;
- the impact of recent accounting pronouncements on the Consolidated Financial Statements;
- research credits taken for prior tax years and defending our position in U.S. Tax Court;
- impacts to the Consolidated Statements of Operations due to the settlement of tax audits;
- recognition of unrealized gains and losses from designated cash flow hedges;
- recognition of unrecognized share-based compensation expense;
- the impact of losses due to indemnification obligations on the Consolidated Financial Statements;
- the outcome of proceedings, lawsuits, disputes, and claims, and the impact on the Consolidated Financial Statements; and
- the impact of changes in internal control over financial reporting.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause our actual results to differ materially from those in the forward-looking statements. These factors include, without limitation, the following risks, any of which could have an adverse effect on our business, financial condition, and results of operations:

- the overall global economic and geopolitical environment, uncertainties related to government fiscal, monetary, and tax policies, and consumer spending patterns;
- the highly competitive nature of our business in the United States and internationally;
- the risk that we or our franchisees may be unsuccessful in gauging apparel trends and changing consumer preferences or responding with sufficient lead time;
- the risk that we fail to maintain, enhance and protect our brand image and reputation;
- the risk that we do not successfully implement our marketing efforts, or that our talent partnerships expose us to reputational or other risks;
- the risk that we may be unable to manage our inventory and fulfillment operations effectively and the resulting impact on our sales and results of operations;
- the risk of loss or theft of assets, including inventory shortage;
- the risk that trade matters, including tariffs on goods imported from our sourcing countries, could increase the cost or reduce the supply of apparel available to us;
- the risks to our business, including our costs and global supply chain, associated with global sourcing and manufacturing;
- the risks to our reputation or operations associated with importing merchandise from foreign countries, including failure of our vendors to adhere to our Code of Vendor Conduct;
- the risk that we fail to manage key executive succession and retention and to continue to attract qualified personnel;
- the risk that we or our franchisees may be unsuccessful in identifying, negotiating, and securing new store locations and renewing, modifying, or terminating leases for existing store locations effectively;
- the risk that our franchisees and licensees could impair the value of our brands;
- the risk that our efforts to expand internationally may not be successful;
- the risk that our investments in customer, digital, omni-channel, and other strategic initiatives may not deliver the results we anticipate;
- engaging in or seeking to engage in strategic transactions that are subject to various risks and uncertainties;
- the risk of information security breaches or vulnerabilities that may result in increased costs, violations of law, significant legal and financial exposure, and a loss of confidence in our security measures;
- the risk that failures of, or updates or changes to, our digital and information technology systems, including our continued integration of data science and artificial intelligence, may disrupt our operations;

- the risk that our technology systems that support our e-commerce platform may not be effective or function properly;
- reductions in income and cash flow from our credit card programs;
- the risk of foreign currency exchange rate fluctuations;
- the risk that our comparable sales and margins may experience fluctuations or that we may fail to meet financial market expectations;
- the risk that our level of indebtedness may impact our ability to operate and expand our business;
- the risk that we and our subsidiaries may be unable to meet our obligations under our indebtedness agreements;
- the risk that covenants in our indebtedness agreements may restrict or limit our business;
- the risk that changes in our credit profile or deterioration in market conditions may limit our access to the capital markets;
- evolving regulations and expectations with respect to environmental, social, and governance matters, and increased scrutiny of diversity, equity, and inclusion initiatives;
- the adverse impacts of climate change on our business;
- natural disasters, public health crises, political crises, negative global climate patterns, or other catastrophic events;
- our failure to comply with applicable laws and regulations and changes in the regulatory or administrative landscape;
- the risk that we will not be successful in defending various proceedings, lawsuits, disputes, and claims;
- the risk that the assumptions and estimates used when preparing the Consolidated Financial Statements, including estimates and assumptions regarding inventory valuation, asset impairment, income taxes, and revenue recognition, are inaccurate or may change, and the resulting impact on our results of operations; and
- the risk that the adoption of new accounting pronouncements will impact future results.

Additional information regarding factors that could cause results to differ can be found in this Annual Report on Form 10-K and our other filings with the U.S. Securities and Exchange Commission (“SEC”).

Future economic and industry trends that could potentially impact net sales and profitability are difficult to predict. These forward-looking statements are based on information as of March 18, 2025, and we assume no obligation to publicly update or revise our forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

Where You Can Find More Information

Investors and others should note that Gap Inc. announces material financial and operational information to its investors using its Investor Relations website, press releases, SEC filings, and public conference calls and webcasts. Gap Inc. and each of its brands also use LinkedIn and Instagram as a means of disclosing information about Gap Inc. and for complying with disclosure obligations under Regulation FD. The social media channels that Gap Inc. and its brands intend to use as a means of disclosing information described above may be updated from time to time as listed on Gap Inc.’s Investor Relations website. The information we post through these channels is not part of this Annual Report.

THE GAP, INC.
2024 ANNUAL REPORT ON FORM 10-K
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Part I

Item 1. Business.

General

The Gap, Inc. (Gap Inc., the "Company," "we," and "our") is a house of iconic brands offering apparel, accessories, and personal care products for men, women, and children under the Old Navy, Gap, Banana Republic, and Athleta brands.

Gap Inc. is an omni-channel retailer, with sales to customers both in stores and online, through Company-operated and franchise stores, websites, and third-party arrangements. As of February 1, 2025, we had Company-operated stores in the United States, Canada, Japan, and Taiwan. In fiscal 2022, we signed agreements with a third party, Baozun Inc. ("Baozun"), to operate Gap China and Gap Taiwan ("Gap Greater China") stores and the in-market website as a franchise partner. On January 31, 2023, the Gap China transaction closed with Baozun. The Gap Taiwan operations will continue to operate as usual until regulatory approvals and closing conditions are met.

We have franchise agreements to operate Old Navy, Gap, Banana Republic, and Athleta throughout Asia, Europe, Latin America, the Middle East, and Africa. Under these agreements, third parties operate, or will operate, stores and websites that sell apparel and related products under our brand names. We also have licensing agreements with licensees to sell products using our brand names.

In addition to operating in the specialty, outlet, online, and franchise channels, we use our omni-channel capabilities to bridge the digital world and physical stores. The shopping experience is further enhanced by our omni-channel services, including buy online pick-up in store, order-in-store, and ship-from-store, as well as enhanced mobile-enabled experiences, which allow our customers to shop seamlessly across our brands and channels. Our brands have shared investments in supply chain and inventory management, which allows us to optimize efficiency and responsiveness in our operations.

Old Navy. Old Navy is a North American value apparel brand that makes on-trend fashion accessible to everyone. The brand democratizes style through its combination of on-trend product, consistent quality, and affordable pricing. Old Navy is committed to creating a frictionless and delightful shopping experience across stores, online, and convenient omni-channel capabilities. Old Navy opened its first store in 1994 in the United States and since then has expanded to more than 1,200 Company-operated stores in the U.S. and Canada, as well as franchise stores around the world.

Gap. Gap is a globally recognized icon of casual American style. Founded in San Francisco in 1969, Gap champions originality by creating loved essentials and delivering culturally-relevant experiences that celebrate individuality. Gap is an adult apparel and accessories brand that also offers GapKids, babyGap, Gap Maternity, GapBody and GapFit collections. The brand also serves value-conscious customers with exclusively designed collections for Gap Outlet and Gap Factory Stores. Gap is our namesake brand and connects with customers in Company-operated and franchise retail locations globally, online, and through licensing partnerships.

Banana Republic. Banana Republic is a storyteller's brand, outfitting the modern explorer with high-quality, expertly crafted collections and experiences to inspire and enrich their journeys. Founded in 1978 and acquired by Gap Inc. in 1983, Banana Republic connects with customers in Company-operated and franchise retail locations globally, and online.

Athleta. Athleta is a premium performance lifestyle brand that empowers women and girls to build confidence, strength, and belonging through movement – igniting the Power of She. Founded in 1998 and acquired by Gap Inc. in 2008, Athleta integrates technical features and innovative design to support all the ways she moves – from yoga and training to travel and recovery. Athleta's versatile performance apparel is designed for women by women, with inclusivity at its core. Since 2018, Athleta has been certified as a benefit corporation ("B Corp"), furthering its commitment to using the business as a force for good to drive social and environmental impact. Athleta apparel is available at Company-operated stores across the U.S. and Canada, franchise retail locations globally, and online.

We ended fiscal 2024 with 2,506 Company-operated stores and 1,063 franchise store locations. For more information on the number of stores by brand and region, see the table included in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of this Form 10-K.

Old Navy, Gap, Banana Republic, and Athleta each have a private label credit card program and a co-branded credit card program through which customers receive benefits. Private label and co-branded credit cards are provided by a third-party financing company, with associated revenue sharing arrangements reflected in Gap Inc. operations. We also have an integrated loyalty program across the U.S. and Puerto Rico that aims to attract new customers and create enduring relationships by turning customers into lifelong loyalists. We are focused on increasing the lifetime value of our loyalty members through greater personalization, including leveraging first-party data and increasing promotions with targeted content, offers, and experiences. Although each brand expression has a different look and feel, customers can earn and redeem rewards across all of our brands. All of our brands also issue and redeem gift cards.

Product Development

We design, develop, market, and sell a wide range of apparel and accessory products reflecting a mix of basics and fashion items based on widely accepted fashion trends, striving to bring product to market quickly and provide unrivaled value to customers. We are committed to pursuing technology and product innovation that support our sustainability efforts while also delivering great quality products to our customers. Our product teams research, test, and iterate each season to deliver the latest styles in fabrics and silhouettes that are made to last while remaining conscious of the types of materials being sourced and the suppliers they work with. We leverage feedback and purchasing data from our customer database, along with market trend insights, to guide our product and merchandising decision-making. For additional information on risks related to product development, see the section entitled “Risk Factors—Risks Related to Competition, Brand Relevance, and Brand Execution—We must successfully gauge apparel trends and changing consumer preferences to succeed” in Item 1A, Risk Factors, of this Form 10-K.

Marketing and Advertising

We use a variety of marketing and advertising mediums to drive brand health, customer acquisition, and engagement. We leverage our customer database and respond to shopping behaviors and needs with personalized content across email, site, and digital media to drive relevance and urgency. Our diversified media mix spans traditional to digital to social media. We focus on productivity of demand generation investments to drive increased effectiveness. For additional information on risks related to our marketing efforts, see the section entitled “Risk Factors—Risks Related to Competition, Brand Relevance, and Brand Execution—We must successfully implement our marketing efforts” in Item 1A, Risk Factors, of this Form 10-K.

Merchandise Vendors

We purchase private label and non-private label merchandise from over 200 vendors. Our vendors have factories in about 30 countries. Our two largest vendors accounted for approximately 9 percent and 8 percent of the dollar amount of our total fiscal 2024 purchases. Of our merchandise purchased during fiscal 2024, substantially all purchases, by dollar value, were from factories outside North America. Approximately 27 percent of our fiscal 2024 purchases, by dollar value, were from factories in Vietnam. Approximately 19 percent of our fiscal 2024 purchases, by dollar value, were from factories in Indonesia. Product cost increases or events causing disruption of imports from Vietnam, Indonesia, or other foreign countries, including the imposition of additional import restrictions, tariffs, or taxes, or vendors temporarily closing or potentially failing due to political, financial, or regulatory issues, could have an adverse effect on our operations. Substantially all of our foreign purchases of merchandise are negotiated and paid for in U.S. dollars. For additional information on risks related to our merchandise vendors, see the below sections in Item 1A, Risk Factors, of this Form 10-K.

- “Risks Related to Our Business Operations—Trade matters may disrupt our supply chain,”
- "Risks Related to Our Business Operations—Our business is subject to risks associated with global sourcing and manufacturing,"
- "Risks Related to Our Business Operations—Risks associated with importing merchandise from foreign countries, including failure of our vendors to adhere to our Code of Vendor Conduct, could harm our business," and
- “General Risks—Our business and results of operations could be adversely affected by natural disasters, public health crises, political crises, negative global climate patterns, or other catastrophic events.”

Seasonal Business and other Macroeconomic Conditions

Our business typically follows a seasonal pattern, with sales peaking during the end-of-year holiday period. Additionally, other macroeconomic conditions such as uncertainty surrounding inflationary pressures, global geopolitical instability, and changes related to government fiscal, monetary, and tax policies including changes in interest rates, tax rates, duties, tariffs, and other restrictions, have had and may continue to have an impact on customer behavior that could result in temporary changes in the seasonality of our business. For additional information on risks related to macroeconomic conditions, see the section entitled “Risk Factors—Risks Related to Macroeconomic Conditions—Global economic conditions have and could continue to adversely affect our business, financial condition, and results of operations” in Item 1A, Risk Factors, of this Form 10-K.

Brand Building

Our ability to develop and evolve our existing brands is a key to our success. We believe our distinct brands are among our most important assets. Virtually all aspects of brand development, from product design and distribution to marketing, merchandising, and shopping environments, are controlled by Gap Inc. employees. We continue to invest in our business and enhance the customer experience through ongoing supply chain, digital, marketing, and omni-channel initiatives. For additional information on risks related to building our brands, see the section entitled “Risk Factors—Risks Related to Strategic Transactions and Investments—Our investments in customer, digital, omni-channel, and other strategic initiatives may not deliver the results we anticipate” in Item 1A, Risk Factors, of this Form 10-K.

Trademarks and Service Marks

We own the material trademarks used in connection with the marketing, distribution, and sale of our products, domestically and internationally, where our products are currently sold or manufactured. Our major trademarks include the Old Navy, Gap, Banana Republic, and Athleta trademarks and service marks, and certain other trademarks and service marks. We have obtained and continue to maintain registrations for these marks in the United States, Canada, Mexico, the United Kingdom, the European Union, Japan, China, and numerous other countries throughout the world. In addition, we own domain names for our primary trademarks and numerous copyright registrations. We intend to continue to strategically register, both domestically and internationally, trademarks, domain names, and copyrights that we utilize today and those we may develop in the future. We will continue to aggressively police our intellectual property and pursue those who infringe our intellectual property rights, both domestically and internationally. We believe the distinctive trademarks we use in connection with our products are important in building our brand image and distinguishing our products from those of others.

Franchise and Licensing

We have franchise agreements to operate Old Navy, Gap, Banana Republic, and Athleta in about 40 countries around the world. Under these agreements, third parties operate, or will operate, stores and websites that sell apparel and related products under our brand names. We also have licensing agreements with licensees to sell products using our brand names. For additional information on risks related to our franchise and licensing business, see the below sections in Item 1A, Risk Factors, of this Form 10-K.

- “Risks Related to Strategic Transactions and Investments—Our franchise and licensing businesses are subject to certain risks not directly within our control that could impair the value of our brands,” and
- “Risks Related to Strategic Transactions and Investments—Our efforts to expand internationally may not be successful.”

Inventory

The nature of the retail business requires us to carry a significant amount of inventory, especially prior to the peak holiday selling season when we, along with other retailers, generally build up inventory levels. We maintain a large part of our inventory in distribution centers. We review our inventory levels in order to identify slow-moving merchandise and broken assortments (items no longer in stock in a sufficient range of sizes or colors) and we primarily use markdowns to clear merchandise. For additional information on risks related to our inventory, see the below sections in Item 1A, Risk Factors, of this Form 10-K.

- “Risks Related to Competition, Brand Relevance and Brand Execution—We must successfully gauge apparel trends and changing consumer preferences to succeed,"
- "Risks Related to Our Business Operations—If we are unable to manage our inventory and fulfillment operations effectively, our results of operations could be adversely affected,"
- "Risks Related to Our Business Operations—Failure to protect our inventory from loss and theft may adversely affect our results of operations," and
- “General Risks—Our business and results of operations could be adversely affected by natural disasters, public health crises, political crises, negative global climate patterns, or other catastrophic events.”

Competitors

The global apparel retail industry is highly competitive. We compete with local, national, and global apparel retailers. For additional information on risks related to competition, see the section entitled “Risk Factors—“Risks Related to Competition, Brand Relevance and Brand Execution—Our business is highly competitive” in Item 1A, Risk Factors, of this Form 10-K.

Human Capital

As of February 1, 2025, we had a workforce of approximately 82,000 employees. We also hire seasonal employees, primarily during the peak holiday selling season. As of February 1, 2025, approximately 84 percent of employees worked in retail locations, approximately 8 percent of employees worked in distribution centers, and approximately 8 percent of employees worked in headquarters locations. In addition, as of that date, approximately 82 percent of employees were located in the U.S. and approximately 18 percent of employees were located outside of the U.S., with a majority of those non-U.S. based employees located in Canada and Japan.

We are powered by passionate people who strive to inspire authentic self-expression and keep our brands at the forefront of culture. We know that in order to remain competitive in the retail apparel industry, we must attract, develop, and retain skilled employees in our design, merchandising, supply chain, marketing, information technology, and other functions, as well as in our stores and distribution centers. We value the importance of our human capital and prioritize developing our talent; creating an inclusive workplace and fostering a strong sense of belonging for our employees; pay equity; gathering and actioning on employee feedback; and supporting our employees' health, well-being, and safety.

Talent Development. We provide our employees with resources, experiences, and support to help expand our employees' skills and shape their careers. Our structured training programs include our Retail Academy, which combines classroom, e-learning, and experiential learning for early-in-career talent; our Rotational Management Program, which develops leaders across a range of corporate functions; our IGNITE leadership training in distribution centers and contact centers, which connects leaders in these functions to support a high-performance culture; and specific skills-building programs for field and store leaders. We have ongoing initiatives to transition seasonal employees to full-time roles in our distribution centers, and to promote store and distribution center employees into corporate functions. All full-time U.S. employees who have completed one year of employment also qualify for an annual tuition reimbursement benefit.

Inclusion and Belonging. As a global company, we believe it is important to promote a culture of inclusion and belonging for our employees, customers, and communities. We strive to foster a workplace where our employees feel valued, respected, and equipped to reach their full potential. We also strive to support our employees so that they feel a strong sense of belonging and connection to our company, and are able to bring their authentic selves to work. We aim to develop leaders who model and promote inclusive behaviors, which we believe creates stronger teams. We also offer opportunities for our employees to celebrate culture throughout the year through heritage month programming and our employee resource groups.

Pay Equity. We continue to conduct internal pay equity reviews to help ensure that our pay practices are fair and competitive.

Employee Feedback. We value our employees' feedback and use opinion surveys to understand what is important to our employees, and to inform ongoing programs and strategies – all to help us foster a thriving, productive work environment, while identifying opportunities for year-over-year enhancements to the employee experience.

Health, Well-being, and Safety. Our employees' health, well-being, and safety are top priorities. We provide an array of financial incentives and health, well-being, and leave benefits to help our employees optimize their professional and personal lives. Our store and distribution center employees are trained on safe work practices and learn procedural knowledge through on-the-job training programs that are aligned to industry and occupational health and safety standards. Dedicated teams analyze risks and collaborate with operational leaders to understand and adjust business practices to align with emerging trends, and our Internal Audit team gauges procedural compliance at distribution centers and stores.

Human Capital Management Oversight. Our Board of Directors (the "Board") through its Compensation and Management Development Committee oversees human capital management issues. The Compensation and Management Development Committee has formal oversight over the Company's policies and strategies relating to its human capital management function, including policies, processes, and strategies relating to employee recruitment, retention, appraisal, and development; talent management; workplace culture and employee engagement; workforce inclusion and belonging, and any risks or goals related thereto; and the Company's general approach to broad-based compensation, benefits, workplace, and employment practices, as outlined in its charter. The Compensation and Management Development Committee receives reports on talent management, succession planning, and inclusion and belonging, and engages on compensation program design for employees at all levels.

For additional information on risks related to our human capital management, see the section entitled “Risk Factors—Risks Related to Our Business Operations—Our failure to manage key executive succession and retention and to continue to attract qualified personnel could adversely affect our results of operations” in Item 1A, Risk Factors, of this Form 10-K.

Government Regulation

As a company with global operations, we are subject to the laws of the United States and the multiple foreign jurisdictions in which we operate and the rules, reporting obligations, and regulations of various governing bodies, which may differ among jurisdictions. Compliance with these laws, rules, reporting obligations, and regulations, which can change, could result in significant costs but has not had, and is not expected to have, a material effect on our capital expenditures, results of operations, or competitive position as compared to prior periods. For additional information on risks related to regulation, see the section entitled “Risk Factors—General Risks—Failure to comply with applicable laws and regulations, and changes in the regulatory or administrative landscape, could adversely affect our business, financial condition, and results of operations” in Item 1A, Risk Factors, of this Form 10-K.

Available Information

We make available on our website (www.gapinc.com) under “Investors, Financial Information, SEC Filings” our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports as soon as reasonably practicable after we electronically file or furnish them to the SEC.

Committee charters for each standing committee of our Board (the Audit and Finance, Compensation and Management Development, and Governance and Sustainability Committees) and Corporate Governance Guidelines are available on our website under “Investors, Governance.” Our Code of Business Conduct is available on our website under “Investors, Corporate Compliance.” Any waivers to the Code of Business Conduct will be publicly disclosed on the website.

Environmental, Social, and Governance ("ESG")

Information about our ESG efforts is available on our website (www.gapinc.com) under "Impact, ESG Resources" which provides information on our public commitments, policies, social and environmental programs, ESG strategy, and ESG data. Also available are downloads of our reporting standards and frameworks – Task Force on Climate-Related Financial Disclosures ("TCFD"), Sustainability Accounting Standards Board ("SASB") and Global Reporting Index ("GRI") – and our annual ESG reports.

For additional information on risks related to our ESG efforts, see the section entitled “Risks Related to Sustainability and Climate Change” in Item 1A, Risk Factors, of this Form 10-K.

The information contained in, or referred to, on our website is not deemed to be incorporated into this Annual Report unless otherwise expressly noted.

Information about our Executive Officers

The following are our executive officers:

Name, Age, Position, and Principal Occupation:

Horacio Barbeito, 54, President and Chief Executive Officer, Old Navy effective August 2022; President and CEO, Walmart Canada from November 2019 to July 2022; President and CEO, Walmart Argentina and Chile from February 2015 to November 2019; and President and CEO, Walmart Argentina from February 2012 to February 2015.

Chris Blakeslee, 47, President and Chief Executive Officer, Athleta effective August 2023; President, BELLA+CANVAS and Alo Yoga from January 2020 to July 2023; and Executive Vice President, Color Image Apparel from October 2017 to December 2019.

Mark Breitbard, 57, President and Chief Executive Officer, Gap brand effective September 2020; President and Chief Executive Officer, Specialty Brands from March 2020 to September 2020; President and Chief Executive Officer, Banana Republic from May 2017 to March 2020; Chief Executive Officer, The Gymboree Corporation from January 2013 to April 2017; President, Gap North America from 2012 to January 2013; Executive Vice President, Gap North America Merchandising from 2011 to 2012; and Executive Vice President, GapKids and babyGap from 2010 to 2011.

Eric Chan, 48, Executive Vice President, Chief Business and Strategy Officer effective January 2024; Chief Financial Officer, LA Clippers from August 2018 to December 2023; Chief Operating Officer, Bouqs Company from February 2017 to August 2018; and Chief Financial Officer, Loot Crate from October 2015 to February 2017.

Richard Dickson, 56, President and Chief Executive Officer, Gap Inc. effective August 2023; President and Chief Operating Officer, Mattel, Inc. from 2015 to 2023; Chief Brands Officer, Mattel, Inc. from 2014 to 2015; and President and Chief Executive Officer, Branded Businesses of The Jones Group (now Premier Brands Group Holdings), which owned a portfolio of premier apparel, footwear, and accessories brands, from 2010 to 2014.

Sally Gilligan, 52, Executive Vice President, Chief Supply Chain and Transformation Officer effective January 2024; Chief Supply Chain, Strategy and Transformation Officer from March 2023 to January 2024; Chief Growth Transformation Officer from April 2021 to March 2023; Chief Information Officer & Head of Strategy from April 2018 to March 2021; and Senior Vice President, Product Operations and Supply Chain from 2015 to April 2018.

Julie Gruber, 59, Executive Vice President, Chief Legal and Compliance Officer, and Corporate Secretary effective May 2021; Executive Vice President, Chief Legal, Compliance and Sustainability Officer, and Corporate Secretary from March 2020 to May 2021; and Executive Vice President, Global General Counsel, Corporate Secretary, and Chief Compliance Officer from February 2016 to March 2020. Ms. Gruber previously held various senior roles within the Company's Legal department.

Katrina O'Connell, 55, Executive Vice President, Chief Financial Officer effective March 2020; Chief Financial Officer and Senior Vice President of Strategy & Innovation, Old Navy from January 2017 to March 2020; and Chief Financial Officer and Senior Vice President of Strategy, Banana Republic from March 2015 to January 2017. Ms. O'Connell has previously held various roles at the Company focused on both financial budgeting and forecasting for the Company's portfolio of brands, as well as roles in Supply Chain, IT, Treasury and Investor Relations.

Amy Thompson, 49, Executive Vice President, Chief People Officer effective January 2024; Chief People Officer, Mattel, Inc. from 2017 to 2023; and Chief People Officer, TOMS Shoes from 2012 to 2017. Ms. Thompson previously held several executive and leadership roles at Starbucks Coffee Company from 2006 to 2012.

Item 1A. Risk Factors.

Our past performance may not be a reliable indicator of future performance because actual future results and trends may differ materially depending on a variety of factors, including but not limited to the risks and uncertainties discussed below and in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of this Form 10-K and "Quantitative and Qualitative Disclosures About Market Risk" in Part II, Item 7A of this Form 10-K. In addition, historical trends should not be used to anticipate results or trends in future periods. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition, and results of operations. In such case, the market price of our common stock could decline.

Risks Related to Macroeconomic Conditions

Global economic conditions have and could continue to adversely affect our business, financial condition, and results of operations.

Our business is affected by global economic conditions and the related impact on consumer spending worldwide. Global economic conditions have impacted and could continue to impact our business. Some of the factors that may influence consumer spending patterns include higher unemployment levels; pandemics and other health crises; extreme weather conditions and natural disasters; higher consumer debt levels; inflationary pressures; recession or fear of recession; global geopolitical instability (including in Europe and the Middle East); reductions in net worth based on market declines and uncertainty; home foreclosures and reductions in home values; fluctuating interest and foreign currency exchange rates and credit availability; government austerity measures; changes and uncertainties related to government fiscal, monetary, and tax policies including changes in interest rates, tax rates, duties, tariffs, and other restrictions; fluctuating fuel and other energy costs; fluctuating commodity prices; and reduced consumer confidence and general uncertainty regarding the overall future economic environment. Historically, consumer purchases of discretionary items, including our merchandise, generally decline during recessionary periods when disposable income is lower or during other periods of economic instability or uncertainty.

Deteriorating economic conditions or geopolitical instability in any of the regions in which we and our franchisees sell our products could reduce consumer confidence and negatively impact consumer spending, and thereby could adversely affect our sales and results of operations. In challenging and uncertain economic environments, we cannot predict whether or when such circumstances may improve or worsen, or what impact, if any, such circumstances could have on our business, financial condition, and results of operations, or on the price of our common stock.

Risks Related to Competition, Brand Relevance, and Brand Execution

Our business is highly competitive.

The global apparel retail industry is highly competitive. We and our franchisees compete with local, national, and global department stores, mass-market retailers, specialty and discount store chains, independent retail stores, and digital businesses that market similar lines of merchandise. The apparel retail industry is characterized by low barriers to entry which allow for the introduction of new competitors and products at a rapid pace. We face a variety of competitive challenges in an increasingly complex and fast-paced environment, including:

- anticipating and quickly responding to changing apparel trends and customer demands;
- attracting customer traffic both in stores and on our e-commerce platform;
- competitively pricing our products and achieving customer perception of value;
- maintaining favorable brand recognition, establishing relationships with athletes, performers, influencers, and other celebrities to promote our brands and products, and effectively marketing our products to customers in diverse market segments and geographic locations;

- anticipating and responding to changing customer shopping preferences and practices, including the increasing shift to digital brand engagement, social media communication, and digital shopping;
- developing innovative, high-quality products in sizes, colors, and styles that appeal to customers of varying demographics and tastes;
- purchasing and stocking merchandise to match seasonal weather patterns, and our ability to react to shifts in weather that impact consumer demand;
- sourcing and allocating merchandise efficiently;
- successfully managing our order-taking and fulfillment operations in our distribution centers and on our e-commerce platform;
- adapting to changes in technology, including the successful utilization of data science and artificial intelligence; and
- improving the effectiveness and efficiency of our processes in order to deliver cost savings to fund growth.

If we or our franchisees are not able to respond effectively to competitive pressures, changes in retail markets, or customer expectations in the United States or internationally, our results of operations would be adversely affected.

We must successfully gauge apparel trends and changing consumer preferences to succeed.

Our success is largely dependent upon our ability to gauge and anticipate the tastes of our customers and to provide merchandise that satisfies customer demand in a timely manner. However, lead times for many of our design and purchasing decisions may make it more difficult for us to respond rapidly to new or changing apparel trends or consumer acceptance of our products. In addition, transportation shortages, factory closures, labor shortages, port congestion, and other supply chain disruptions have in the past and may in the future lead to prolonged delays in receiving inventory. The global apparel retail business fluctuates according to changes in consumer preferences, dictated in part by apparel trends and season. To the extent we misjudge the market for our merchandise or the products suitable for local markets, or fail to execute trends and deliver products to the market as timely as our competitors, our sales will be adversely affected, and the markdowns required to move the resulting excess inventory will adversely affect our gross margins and results of operations.

We must maintain our reputation and brand image.

Our brands have wide recognition, and the success of our business depends in large part on our ability, and the ability of our franchisees and licensees, to maintain, enhance, and protect our brand image and reputation and our customers’ connection to our brands. We must also adapt to a rapidly changing media environment, including our increasing reliance on social media and online dissemination of advertising campaigns. Even if we, or our franchisees or licensees, react appropriately to negative posts or comments about us or our brands on social media and online, our customers’ perception of our brand image and our reputation could be negatively impacted. Customer sentiment could also be shaped by our partnerships with athletes, performers, influencers, and other celebrities, as well as our sustainability policies and related sourcing and operations decisions. Our, or our franchisees' or licensees', failure to maintain, enhance, and protect our brand image could adversely affect our business and results of operations.

We must successfully implement our marketing efforts.

Customer transactions and demand for our merchandise are influenced by our marketing efforts. We use various marketing channels to drive customer awareness and consideration of and interest in shopping our brands with the aim of increasing sales, and we are increasingly using digital advertising to drive sales and traffic to our e-commerce platform. Some of our competitors may spend more for their marketing programs than we do, or use different approaches than we do, which may provide them with a competitive advantage. In addition, we may not be able to effectively develop or implement digital advertising strategies for rapidly evolving social media and other digital channels. Partnerships with athletes, performers, influencers, and other celebrities may expose us to reputational or other risks. We have experienced fluctuations in our customers' response to our marketing efforts. If we fail to successfully implement our marketing efforts, if our marketing efforts are not successful in driving expected increases in sales, or if our competitors' marketing programs are more effective than ours, our sales and results of operations could be adversely affected.

Risks Related to Our Business Operations

If we are unable to manage our inventory and fulfillment operations effectively, our results of operations could be adversely affected.

Fluctuations in the global apparel retail markets impact the levels of inventory maintained by apparel retailers. The nature of the global apparel retail business requires us to carry a significant amount of inventory, especially prior to the peak holiday selling season when we build up our inventory levels. Merchandise usually must be ordered well in advance of the applicable selling season and frequently before apparel trends are confirmed by customer purchases. Transportation shortages, factory closures, labor shortages, port congestion, and other supply chain disruptions have in the past and may in the future lead to prolonged delays in receiving inventory. As a result, we are vulnerable to demand and pricing shifts and to suboptimal selection and timing of merchandise purchases. We have not always predicted our customers' preferences and acceptance levels of our trend items with accuracy. If sales do not meet expectations, too much inventory may cause excessive markdowns and, therefore, lower-than-planned margins. We could also be required to take significant impairment charges on delayed or unproductive inventory, which we experienced in 2022. Conversely, if we underestimate or are unable to satisfy consumer demand for our products, we may experience inventory shortages, which could result in lower than anticipated sales, delayed shipments to customers, and negative impacts on consumer relationships and brand loyalty. Any of these risks could adversely affect our results of operations.

We are continuing to invest in strategic initiatives designed to optimize our inventory levels and increase the efficiency and responsiveness of our supply chain, including vendor fabric platforming, product testing, and in-season response to demand. We are also developing additional capabilities to analyze customer behavior and demand, which we believe will allow us to better localize assortment and improve store-level allocations to further tailor our assortments to customer needs and increase sell-through. These capabilities involve changes to our inventory management systems and processes. If we are unable to implement these initiatives and integrate these additional capabilities successfully, we may not realize the return on our investments that we anticipate, and our results of operations could be adversely affected.

We must also maintain efficient and uninterrupted fulfillment operations to timely and effectively deliver merchandise to our stores and e-commerce customers. In particular, our e-commerce business depends on our ability to maintain efficient and uninterrupted order-taking and fulfillment operations in our distribution centers and on our e-commerce platform. Industries that are seasonal, like ours, face a higher risk of harm from operational disruptions during peak sales seasons. Any disruption to our order-taking and fulfillment operations could adversely affect our sales and results of operations.

Failure to protect our inventory from loss and theft may adversely affect our results of operations.

Risk of loss or theft of assets, including inventory shortage, is inherent in the retail business. Loss may be caused by error or misconduct of employees, customers, vendors, or other third parties including through organized retail crime and professional theft, which may be further impacted by macroeconomic factors, including the enforcement environment. In addition, retail theft may impact guest perceptions regarding the safety of our stores. Our inability to effectively prevent or minimize the loss or theft of assets, or to accurately predict and accrue for the impact of those losses, could adversely affect our results of operations.

Trade matters may disrupt our supply chain.

Our operations are subject to complex trade and customs laws, regulations, and tax requirements. The countries in which our products are manufactured or imported, or may be manufactured or imported in the future, may from time to time impose duties, tariffs, or other restrictions on our imports or adversely change existing restrictions. For example, the United States has imposed substantial tariffs and bans on goods imported from China (including the Uyghur Forced Labor Prevention Act) and has imposed or proposed imposing substantial tariffs on goods imported from Mexico, Canada, the European Union, and from other countries that impose tariffs on U.S. products. In fiscal 2024, less than 10 percent of our merchandise, by dollar value, was purchased from factories in China, and less than 1 percent of our merchandise, by dollar value, was purchased from factories in Mexico and Canada combined. The current political landscape, including with respect to the United States' foreign policy priorities and relations with trading partners, has introduced greater uncertainty with respect to future tax and trade policy. We are unable to determine the impact that changes in tax and trade policy could have on our global sourcing operations, but it could be material.

Our sourcing operations could also be adversely affected by geopolitical and financial instability in our sourcing countries, as well as U.S. or foreign labor strikes, work stoppages, or boycotts, resulting in the disruption of trade from our sourcing countries, significant fluctuations in the value of the U.S. dollar against foreign currencies, restrictions on the transfer of funds, or other trade disruptions. Changes in tax and trade policy, such as the imposition of new duties or tariffs on imported products, or disruptions to our sourcing operations in our sourcing countries, could increase the cost or reduce the supply of apparel available to us and adversely affect our business and results of operations.

Our business is subject to risks associated with global sourcing and manufacturing.

Independent third parties manufacture all of our products for us. As a result, we are directly impacted by increases in the cost of those products.

If we experience significant increases in demand or need to replace an existing vendor, there can be no assurance that additional manufacturing capacity will be available when required on terms that are acceptable to us or that any vendor would allocate sufficient capacity to us to meet our requirements. In addition, for any new manufacturing source, we may encounter delays in production and added costs as a result of the time it takes to train our vendors in our methods and products, as well as our quality control, environmental, labor, health, and safety standards. Moreover, in the event of a significant disruption in the supply of the fabrics or raw materials used by our vendors in the manufacture of our products, our vendors might not be able to locate alternative suppliers of materials of comparable quality or at an acceptable price. Any delays, interruptions, or increased costs in the manufacture of our products could impact our ability to source product and result in lower than anticipated sales.

A large portion of our global sourcing comes from a few specific countries. For example, in fiscal 2024, approximately 27 percent and approximately 19 percent of our merchandise, by dollar value, was purchased from factories in Vietnam and Indonesia, respectively. Delays in production and added costs in these countries have in the past and may in the future adversely affect our results of operations.

Because independent vendors manufacture almost all of our products outside of our principal sales markets, third parties must transport our products over large geographic distances. Increases in transportation costs or delays in the shipment or delivery of our products due to the availability of transportation, work stoppages, port strikes, port and infrastructure congestion, public health crises, social unrest, changes in local economic conditions, geopolitical instability, or other factors, and costs and delays associated with transitioning between vendors, could adversely affect our results of operations. For example, global trade flows were recently impacted by attacks on cargo ships in the Red Sea, and port strikes in the United States. Operating or manufacturing delays, transportation delays, or unexpected demand for our products may require us to use faster, but more expensive, transportation methods such as air freight, which have in the past and may in the future adversely affect our gross margins. In addition, the cost of fuel is a significant component of transportation costs, so increases in the price of petroleum products (including due to inflationary pressures, geopolitical instability, or regulation of energy inputs and greenhouse gas emissions) could adversely affect our gross margins.

If our vendors, or any raw material suppliers on which our vendors rely, suffer prolonged manufacturing or transportation disruptions due to pandemics and public health crises, extreme weather conditions and natural disasters, geopolitical instability, or other unforeseen events, our ability to source product could be adversely impacted which would adversely affect our sales and results of operations.

Risks associated with importing merchandise from foreign countries, including failure of our vendors to adhere to our Code of Vendor Conduct, could harm our business.

We purchase merchandise from third-party vendors in many different countries, and we require those vendors to adhere to a Code of Vendor Conduct, which includes anti-corruption, environmental, labor, health, and safety standards. From time to time, our vendors and their suppliers may not be in compliance with these standards or applicable local laws. Significant or continuing noncompliance with such standards and laws by one or more of our vendors, suppliers or other third parties could subject us to liability, and could adversely affect our reputation, business, and results of operations.

Our failure to manage key executive succession and retention and to continue to attract qualified personnel could adversely affect our results of operations.

The loss of one or more of our key personnel or the inability to effectively identify a suitable successor to a key role could adversely affect our business. We made significant changes to our executive leadership team in recent years and are currently searching for a new brand president for Banana Republic. The failure to successfully transition and assimilate key employees, the effectiveness of our leaders, and any further transitions could adversely affect our results of operations.

Our business and future success depends in part on our ability to attract and retain key personnel in our design, merchandising, sourcing, marketing, and other functions. In addition, executing strategic initiatives may require us to hire and develop employees with appropriate and specialized experience. We must also attract, develop, and retain a sufficient number of qualified field and distribution center personnel. Competition for talent is intense and the turnover rate in the retail industry is generally high. Furthermore, we have experienced a shortage of labor for field and distribution center positions, and we cannot be sure that we will be able to attract and retain a sufficient number of qualified personnel for these and other positions in future periods. Our ability to meet our labor needs while controlling costs is subject to external factors such as unemployment levels, prevailing wage rates and competitive wage pressures, minimum wage legislation, and overtime and paid leave regulations. Failing to offer competitive wages or benefits, or to manage our workforce effectively, could adversely affect our ability to attract or retain appropriate talent sufficient to meet the needs of our business. Moreover, shifts in U.S. immigration policy could negatively impact our ability to attract, hire, and retain skilled employees who are from outside the United States.

In addition, there has been an increase in workers exercising their right to form or join a union, both generally and in the retail industry, and the U.S. National Labor Relations Board (NLRB) has issued decisions making it easier for employees to organize. Although none of our U.S. and Canadian employees are currently covered by collective bargaining agreements, we have experienced union organizing activity from time to time, and there can be no assurance that our employees will not elect to be represented by labor unions in the future. If a significant portion of our work force were to become unionized, our culture and operating model could change and our labor costs could increase. Our responses to any union organizing efforts could also impact how our Company and brands are perceived by customers and employees.

Traditional geographic competition for talent has changed as a result of the shift to remote work. If our employment proposition is not perceived as favorable compared to other companies, including due to our requirements or expectations about when or how often certain employees work on-site or remotely, it could negatively impact our ability to attract and retain talent.

If we are unable to retain, attract, and motivate talented employees with the appropriate skill sets, we may not achieve our objectives and our business could be adversely affected.

The global market for real estate is competitive.

Our ability to effectively obtain real estate to open new stores, distribution centers, and corporate offices nationally and internationally depends on the availability of real estate that meets our criteria for traffic, square footage, co-tenancies, lease economics, demographics, and other factors. We also must be able to effectively renew our existing store leases. In addition, we may seek to downsize, consolidate, reposition, relocate, or close some of our real estate locations, which in most cases requires a modification or termination of an existing store lease. For example, we recently completed our initiative to rationalize the Gap and Banana Republic store fleet by closing, net of openings, 344 Gap and Banana Republic stores in North America from the beginning of fiscal 2020 to the end of fiscal 2023. Failure to secure adequate new locations, successfully modify or exit existing locations, or effectively manage the profitability of our existing fleet of stores, could adversely affect our results of operations.

Additionally, the economic environment may at times make it difficult to determine the fair market rent of real estate properties within the United States and internationally. This could impact the quality of our decisions to enter into leases, exercise lease options or renew expiring leases at negotiated rents. Any adverse effect on the quality of these decisions could impact our ability to retain real estate locations adequate to meet our targets or efficiently manage the profitability of our existing fleet of stores, and could adversely affect our financial condition or results of operations.

Risks Related to Strategic Transactions and Investments

Our franchise and licensing businesses are subject to certain risks not directly within our control that could impair the value of our brands.

We have entered into franchise agreements to operate stores and websites in many countries around the world. Under these agreements, third parties operate, or will operate, stores and websites that sell apparel and related products under our brand names. We have also entered into licensing agreements to sell products using our brand names. The effect of these arrangements on our business and results of operations is uncertain and will depend upon various factors, including the demand for our products in international markets, the demand for new product categories and our ability to successfully identify appropriate third parties to act as franchisees, licensees, distributors, or in a similar capacity. In addition, certain aspects of these arrangements are not directly within our control, such as franchisee and licensee financial stability and the ability of these third parties to meet their projections regarding store locations, store openings, and sales.

Additionally, certain of our franchisees have in the past and may in the future be unable to make payments to landlords, distributors and suppliers, as well as payments to service any debt they may have outstanding, including to us. We have also provided loan guarantees to various lenders on behalf of certain franchisees, and have guaranteed or are contingently liable for certain franchisees' leases. These arrangements could have an adverse effect on our liquidity and results of operations.

Other risks that may affect our franchisees and licensees include general economic conditions in specific countries or markets, foreign exchange rates, changes in diplomatic and trade relationships, restrictions on the transfer of funds, and geopolitical instability. The value of our brands could be impaired to the extent that our franchisees and licensees do not operate their stores or websites or sell our branded products in a manner consistent with our requirements regarding our brand identities and customer experience standards. Failure to protect the value of our brands, or any other harmful acts or omissions by a franchisee or licensee, could also adversely affect our results of operations and our reputation.

Our efforts to expand internationally may not be successful.

Our current business strategies include pursuing selective international expansion in a number of countries around the world through several channels. This includes our franchisees opening additional stores internationally. We have limited experience operating or franchising in some of these locations. In many of these locations, we face major established competitors. In addition, in many of these locations, real estate, employment and labor, transportation and logistics, and other operating requirements differ dramatically from those in the places where we have more experience. Consumer tastes and trends may differ in these locations and, as a result, the sales of our products may not be successful, or we may not achieve the results we anticipate. If our international expansion plans are unsuccessful or do not deliver an appropriate return on our investments, our results of operations could be adversely affected.

Our investments in customer, digital, omni-channel, and other strategic initiatives may not deliver the results we anticipate.

One of our strategic priorities is to further develop an omni-channel shopping experience for our customers through the integration of our store and digital shopping channels. Our omni-channel initiatives include cross-channel logistics optimization and exploring additional ways to develop an omni-channel shopping experience, including further digital integration and customer personalization. These initiatives may involve significant investments in information technology systems, data science and artificial intelligence initiatives, and significant operational changes. Our competitors are also investing in omni-channel initiatives, some of which may be more successful than our initiatives. If the implementation of our customer, digital, and omni-channel initiatives is not successful, or we do not realize the return on our investments in these initiatives that we anticipate, our results of operations would be adversely affected.

We have made and will continue to make investments in other strategic initiatives across our business. These initiatives involve, among others, significant investments in product design and development; marketing and media; store operations; supply chain and inventory management; and technology including automation, data analytics, and artificial intelligence. In addition, we have and may continue to pursue initiatives to simplify and increase efficiencies across our business. These initiatives are subject to many estimates and assumptions, and we cannot guarantee that we will realize any or all of the intended returns, benefits, efficiencies, or cost savings from these initiatives to the extent or on the timelines expected.

Our strategic initiatives also include accelerating growth in certain high-potential product categories, including activewear. We compete with other retailers in these categories, some of which may be larger than us and more established in these categories, and competition is intense, as described above. There can be no assurance that our expansion in these categories will be successful.

We have and may continue to engage in or seek to engage in strategic transactions, such as acquisitions, partnerships, divestitures, and other dispositions, that are subject to various risks and uncertainties and which could disrupt or adversely affect our business.

We have and may continue to engage in or seek to engage in strategic transactions, such as acquisitions, partnerships, divestitures, or other dispositions. In recent years, we transferred our Europe, Mexico, and China businesses to a partnership model, and are awaiting regulatory approvals to transfer our Taiwan business.

We may not be able to complete strategic transactions on anticipated terms or time frames or at all, and such transactions may not generate any or all of the expected strategic, financial, operational, or other benefits if and when completed on anticipated time frames or at all. In addition, these transactions may be complex, and unanticipated developments or changes, including changes in law, the macroeconomic environment, market conditions, the retail industry, or political conditions may affect our ability to complete such transactions. In addition, the process of completing these transactions may be time-consuming and involve considerable costs and expenses, which may be significantly higher than anticipated and may not yield a benefit if the transactions are not completed successfully. Executing these transactions may require significant time and attention from our senior management and employees, which could disrupt our ongoing business and adversely affect our results of operations. We may also experience increased difficulties in attracting, retaining, and motivating employees and/or attracting and retaining customers during the pendency or following the completion of any of these transactions, which could harm our business.

<u>Risks Related to Information Security and Technology</u>

We are subject to data and security risks, which could adversely affect our operations and consumer confidence in our security measures or result in liability.

As part of our normal operations, we receive and maintain confidential, proprietary, and personally identifiable information, including credit card information, and information about our customers, our employees, job applicants, and other third parties. The secure operation of our networks and systems, and those of our business partners, suppliers, and third-party service providers, including those on which this type of information is stored, processed, and maintained is critical to our business operations. These networks and systems are subject to an increasing threat of continually evolving data and security risks, which we must manage.

Security breaches and vulnerabilities impacting our systems and those of our business partners and third-party service providers could cause harm to our systems or compromise data stored on our networks or those of our business partners and third-party service providers, and could expose us to remedial, legal, and other costs which could be material. The retail industry, in particular, has been the target of recent cyberattacks. Our efforts to take appropriate measures to safeguard our information security and privacy environment from security breaches and vulnerabilities, and to train our employees to identify security threats as part of our security efforts, vary in maturity across our business. The constantly changing nature of the cyber threats landscape means that we are not able to anticipate or prevent all types of cyberattacks, and our logging processes may not be sufficient to fully investigate a cyberattack. Additionally, as cybercriminals become more sophisticated, the cost of proactive defensive measures continues to increase. Like our peers, we have been targeted by cyberattacks, which in some cases have been successful.

Actual or anticipated cyberattacks and vulnerabilities may disrupt or impair our operations, and may cause us to incur costs, including costs to deploy additional personnel and protection technologies, train employees, and engage third-party experts and consultants. Advances in technological capabilities, new technological discoveries, or other developments may result in the technology used by us to protect transactions and other data being more easily breached or compromised. Measures we implement to protect against cyberattacks and address vulnerabilities may also have the potential to impact our customers’ shopping experience or decrease activity on our e-commerce platform by making it more difficult to use. Data and security breaches can also occur as a result of non-technical issues, including intentional or inadvertent breaches by our employees or by persons with whom we have commercial relationships that result in the unauthorized release of personal or confidential information.

The global regulatory environment surrounding data privacy and cybersecurity is increasingly demanding, and we are required to comply with new and constantly evolving laws, such as various state-level privacy laws in the United States and international laws such as the General Data Protection Regulation in the European Union and United Kingdom, which give consumers the right to control how their personal information is collected, used, shared, and retained. Our failure to comply with these and other data privacy laws or to secure personal or confidential information could result in significant legal and financial exposure, and a loss of consumer confidence in our security measures, which could adversely affect our results of operations and our reputation.

Failures of, or updates or changes to, our information technology systems may disrupt operations.

We maintain a complex technology platform consisting of both legacy and modern systems. We also increasingly rely on third-party service providers for public cloud infrastructure that powers our e-commerce platform and other systems. Our owned and operated systems require continual maintenance, upgrades, and changes, some of which are significant. Upgrades may involve replacing existing systems with successor systems, making changes to existing systems, or acquiring new systems with new functionality. We are also undertaking significant upgrades to our digital and information technology systems to, among other things, advance our data analytics capabilities; enhance our in-store and e-commerce experiences; improve our product design and development, and supply chain and inventory management capabilities; enable us to more effectively personalize our marketing; enhance the security of and reduce risks associated with our technology systems; streamline our information technology operations; and enable us to work more efficiently. Many of these efforts depend on the continued integration of data science and artificial intelligence within our information technology systems. We have limited back-up systems and redundancies, and our technology systems and e-commerce platform have experienced system failures in the past which have disrupted our business.

There are inherent risks associated with maintaining and replacing these systems, including accurately capturing data and addressing system disruptions. We may not successfully maintain or launch these systems as planned or implement them without disruptions to our operations. Information technology system disruptions or failures, if not anticipated and appropriately mitigated, or failure to successfully implement new or upgraded systems, could disrupt our operations and adversely affect our results of operations. As we continue to move to their platforms, our reliance on third-party systems means that any downtime or security issues they experience poses a greater risk of a single point of failure. Any failure by our third-party service providers could disrupt our operations and adversely affect our results of operations.

Our technology systems that support our e-commerce platform may not be effective or function properly.

Many of our customers shop with us through our e-commerce platform, including on our websites and mobile app. Increasingly, customers are using smart devices to shop with us and with our competitors and to compare our products with those of our competitors. We are also increasingly using social media and our mobile app to interact with customers and enhance their shopping experience. We must provide an attractive, effective, reliable, and user-friendly e-commerce platform that offers a wide assortment of merchandise with rapid delivery options and that continually meets the changing expectations of digital shoppers. Our failure to do so, or any failure of our e-commerce platform due to disruptions in telephone or network services, power outages, inadequate system capacity, system hardware or software issues, computer viruses, security breaches, human error, or disruptions due to updates or changes to our information technology systems, could place us at a competitive disadvantage, result in lost e-commerce sales, or harm our brands' reputations, which could adversely affect our business and results of operations.

Financial Risks

Reductions in income and cash flow from our private label and co-branded credit card programs could adversely affect our results of operations and financial condition.

A third party, Barclays Bank Delaware ("Barclays"), currently issues and services our private label and co-branded credit cards for our Old Navy, Gap, Banana Republic, and Athleta brands. Our arrangement with Barclays provides for certain payments to be made by Barclays to us, including a share of revenues from the performance of the credit card portfolios. The income and cash flow that we receive from Barclays depends upon a number of factors, including the level of sales on private label and co-branded accounts; the level of balances carried on the accounts; payment rates on the accounts; finance charge rates and other fees on the accounts; the level of credit losses for the accounts; Barclays' ability to extend credit to our customers; as well as the cost of customer rewards programs. All of these factors can vary based on changes in federal and state credit card, banking, and consumer protection laws. The factors affecting the income and cash flow that we receive from our credit card arrangement can also vary based on a variety of economic, legal, social, and other factors that we cannot control. If the income and cash flow that we receive from our credit card arrangement decreases significantly, our results of operations and financial condition could be adversely affected.

Our business is exposed to the risks of foreign currency exchange rate fluctuations and our hedging strategies may not be effective in mitigating those risks.

We are exposed to foreign currency exchange rate risk with respect to our sales, operating expenses, profits, assets, and liabilities generated or incurred in foreign currencies as well as inventory purchases in U.S. dollars for our foreign subsidiaries. Fluctuations in foreign currency exchange rates could also impact consumer spending or adversely affect the profitability of our foreign operations or those of our franchisees and licensees. Global economic and geopolitical uncertainty have in the past and may in the future result in volatility in foreign exchange rates. Financial instruments that we use to hedge certain foreign currency risks may not succeed in fully offsetting the negative impact of foreign currency rate movements and generally only delay the impact of adverse foreign currency rate movements on our business and results of operations.

We experience fluctuations in our comparable sales and margins, which could adversely affect the market price of our common stock, our credit ratings, and our liquidity.

Our success depends in part on our ability to grow comparable sales and improve margins. A variety of factors affect comparable sales and margins, including but not limited to apparel trends; competition; current economic conditions (including macroeconomic pressures and geopolitical instability); the timing of new merchandise releases and promotional events; changes in our merchandise mix; the success of our marketing programs (including our loyalty program); supply chain disruptions and transitory costs; foreign currency exchange rate fluctuations; industry traffic trends; and weather conditions. These factors may cause our comparable sales results and margins to differ materially from prior periods and from financial market expectations. Our comparable sales, including comparable online sales, have fluctuated significantly in the past on an annual and quarterly basis. Over the past four fiscal years, our reported annual comparable sales have ranged from a high of 6 percent in fiscal 2021 to a low of negative 7 percent in fiscal 2022. Over the same period, our reported gross margins have ranged from a high of 41.3 percent in fiscal 2024 to a low of 34.3 percent in fiscal 2022, and our reported operating margins have ranged from a high of 7.4 percent in fiscal 2024 to a low of negative 0.4 percent in fiscal 2022.

Our ability to deliver strong comparable sales results and margins depends in large part on accurately forecasting demand and apparel trends; selecting effective marketing techniques; providing an appropriate mix of merchandise for our broad and diverse customer base; managing inventory effectively; using effective pricing strategies; and optimizing store and online performance. Fluctuations in our comparable sales and margins or failure to meet financial market expectations in one or more future periods could reduce the market price of our common stock, cause our credit ratings to decline, and negatively impact our liquidity.

Our level of indebtedness may adversely affect our ability to operate and expand our business.

We have a secured asset-based revolving credit agreement (the "ABL Facility"). As of February 1, 2025, we had $2.2 billion in principal amount of undrawn commitments available for borrowings under the ABL Facility, subject to borrowing base availability. We also have $1.5 billion aggregate principal amount of Senior Notes due 2029 and 2031 (the “Senior Notes”) outstanding. As a result, we are subject to risks relating to our indebtedness.

Our level of indebtedness could impact our business in the following ways:

- make it more difficult for us to satisfy our debt obligations, including with respect to the Senior Notes and ABL Facility;
- increase our vulnerability to general adverse economic and external conditions;
- impair our ability to obtain additional debt or equity financing in the future for working capital, capital expenditures, acquisitions, or general corporate or other purposes;
- require us to dedicate a material portion of our cash flows from operations to the payment of principal and interest on our indebtedness, thereby reducing the availability of our cash flows to fund working capital needs, capital expenditures, acquisitions, and other general corporate purposes;
- expose us to the risk of increased interest rates for borrowings under the ABL Facility, which bear interest at a variable rate;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a disadvantage compared to our competitors that have less indebtedness; and
- limit our ability to adjust to changing market conditions.

Any of these risks could impact our ability to operate and expand our business, which could adversely affect our business, financial condition, and results of operations. Furthermore, we may in the future incur additional indebtedness, which could intensify these risks and make it more difficult for us to satisfy our obligations under our indebtedness.

We may not be able to generate sufficient cash to service all of our indebtedness and fund our working capital and capital expenditures, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

We may be required to dedicate a substantial portion of cash flows from operations to the payment of principal and interest under our indebtedness. We generated net cash from operating activities of $1.5 billion in fiscal 2024 and ended fiscal 2024 with $2.6 billion of cash, cash equivalents, and short-term investments on our balance sheet.

Our ability to make scheduled payments on our indebtedness depends upon our future operating performance and on our ability to generate cash flows in the future, which is subject to general economic, financial, business, competitive, legislative, regulatory, and other factors that are beyond our control. We cannot assure you that our business will generate sufficient cash flows from operations or that future borrowings will be available to us in an amount sufficient to enable us to fund our debt service obligations and other liquidity needs.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investment and capital expenditures or to dispose of material assets or operations, seek additional debt or equity financing, or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures (including due to restrictions in our indebtedness agreements), if necessary, on commercially reasonable terms or at all and, even if successful, such alternative actions may not allow us to meet our scheduled debt service obligations.

If we cannot make scheduled payments on our indebtedness, we will be in default and, as a result, our lenders could declare all outstanding principal and interest to be due and payable, could terminate their commitments to loan money to us, and could foreclose against any assets securing our indebtedness under the ABL Facility, and we could be forced into bankruptcy or liquidation.

Covenants in the ABL Facility may restrict our business and could limit our ability to implement our business plan.

The ABL Facility includes covenants restricting, among other things, our ability to do the following under certain circumstances:

- grant or incur liens;
- sell or otherwise dispose of assets, including capital stock of subsidiaries;
- make investments in certain subsidiaries;
- pay dividends, make distributions, or redeem or repurchase capital stock; and
- consolidate or merge with or into, or sell substantially all of our assets to, another entity.

Compliance with these and the other covenants in the ABL Facility may restrict our ability to implement our business plan, finance future operations, respond to changing business and economic conditions, secure additional financing, and engage in strategic transactions. We cannot assure you that we will be able to comply with our financial or other covenants under the ABL Facility or that any covenant violations would be waived in the future. Any violation that is not waived could result in an event of default and, as a result, our lenders under the ABL Facility could declare all outstanding principal and interest to be due and payable, could suspend commitments to make any advances, or could require any outstanding letters of credit to be collateralized by an interest bearing cash account, any or all of which could adversely affect our business, financial condition, and results of operations.

Changes in our credit profile or deterioration in market conditions may limit our access to the capital markets and adversely impact our business and financial condition.

We currently have corporate credit ratings of BB with a positive outlook from Standard & Poor's and Ba2 with a stable outlook from Moody’s. Any reduction in our credit ratings could result in reduced access to the credit and capital markets, more restrictive covenants in future financing documents and higher interest costs, and potentially increased lease or hedging costs. In addition, market conditions such as increased volatility or disruption in the credit markets could adversely affect our ability to obtain financing or refinance existing debt on terms that would be acceptable to us.

Risks Related to Sustainability and Climate Change

Our business is subject to evolving regulations and expectations with respect to environmental, social, and governance ("ESG") matters that could expose us to numerous risks.

Increasingly regulators, customers, investors, employees, and other stakeholders are focusing on ESG matters and related disclosures. These developments have resulted in, and are likely to continue to result in, increased general and administrative expenses and increased management time and attention spent complying with or meeting ESG-related requirements and expectations. For example, developing and acting on ESG-related initiatives, including design, sourcing, and operations decisions, and collecting, measuring, and reporting ESG-related information and metrics can be costly, difficult, and time consuming, and is subject to evolving reporting standards, including climate and sustainability reporting requirements in the United States and European Union. We may also communicate certain ESG-related initiatives and goals in our SEC filings or in other public disclosures. These ESG-related initiatives and goals could be difficult and expensive to implement, the technologies needed to implement them may not be cost effective and may not advance at a sufficient pace, and we could be criticized or sued for the accuracy, adequacy, or completeness of our disclosures. Separately, there is increased scrutiny of companies' diversity, equity, and inclusion initiatives. Negative perception of our diversity, equity, and inclusion initiatives, whether due to perceived over or under pursuit of such initiatives, may likewise result in criticism as well as potential litigation or other adverse impacts.

Further, statements about our ESG-related initiatives and goals, and progress against those goals, may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. In addition, we could be criticized for the scope or nature of such initiatives or goals, or for any revisions to these goals. If our ESG-related data, processes, and reporting are incomplete or inaccurate, or if we fail to achieve progress with respect to our ESG-related goals on a timely basis, or at all, our reputation, business, financial condition, and results of operations could be adversely affected.

Climate change may have an adverse impact on our business.

Our properties and operations, and those of our franchisees, vendors, and other business partners, may be vulnerable to the adverse effects of climate change, which may include an increase in the frequency and severity of weather conditions and other natural cycles such as hurricanes, tornadoes, floods, earthquakes, wildfires, and droughts, as well as shifts in climate patterns. The physical changes prompted by climate change could result in increased regulation or changes in consumer preferences and spending patterns. Such events have the potential to disrupt our operations and those of our franchisees, vendors, and other business partners, cause store and factory closures, and impact our customers, employees, and workers in our supply chain, all of which may adversely affect our business, financial condition, and results of operations.

General Risks

Our business and results of operations could be adversely affected by natural disasters, public health crises, political crises, negative global climate patterns, or other catastrophic events.

Natural disasters, such as hurricanes, tornadoes, floods, earthquakes, wildfires, droughts, and other extreme weather conditions; unforeseen public health crises, such as pandemics and epidemics; political crises, such as terrorist attacks, war, labor unrest, and other political instability; negative global climate patterns, especially in water stressed regions; or other catastrophic events or disasters occurring in or impacting the areas in which our stores, distribution centers, corporate offices, or our vendors' manufacturing facilities are located, whether occurring in the United States or internationally, could disrupt our operations and the operations of our vendors and other third-party partners. Our disaster recovery and business continuity planning may not be sufficient in all instances to respond to the impact of such catastrophic events.

In particular, these types of events could impact our supply chain from or to the impacted regions, and could impact our ability or the ability of our franchisees and other third-party partners to operate stores or websites. These types of events could also negatively impact consumer spending in the impacted regions or globally, depending upon the severity. Disasters occurring at our vendors' manufacturing facilities could impact our reputation and our customers' perception of our brands. To the extent any of these events occur, our business and results of operations could be adversely affected.

Failure to comply with applicable laws and regulations, and changes in the regulatory or administrative landscape, could adversely affect our business, financial condition, and results of operations.

Laws and regulations at the local, state, federal, and international levels frequently change, and the ultimate cost of compliance cannot be precisely estimated. In addition, we cannot predict with assurance the impact that may result from changes in the regulatory or administrative landscape. Such laws and regulations are complex and often subject to differing interpretations, which can lead to unintentional or unknown instances of non-compliance.

Our failure, or the failure of our employees, franchisees, licensees, vendors, or other business partners, to comply with applicable laws and regulations, and any changes in laws or regulations, the imposition of additional laws or regulations, or the enactment of any new or more stringent legislation that impacts employment and labor, anti-corruption, trade, product safety, transportation and logistics, health care, tax, cybersecurity, privacy, operations, or environmental issues, among others, could adversely affect our business, financial condition, and results of operations.

We are subject to various proceedings, lawsuits, disputes, and claims from time to time, which could adversely affect our business, financial condition, and results of operations.

As a multinational company, we are subject to various proceedings, lawsuits, disputes, and claims ("Actions") arising in the ordinary course of our business. Many of these Actions raise complex factual, tax, and legal issues and are subject to uncertainties. Actions filed against us from time to time include commercial, intellectual property, customer, employment, securities, and data privacy claims, including class action lawsuits. The plaintiffs in some Actions seek unspecified damages or injunctive relief, or both. In addition, we have filed a petition in the U.S. Tax Court to defend research credits taken in prior years. Actions are in various procedural stages and some may be covered in part by insurance. We cannot predict with assurance the outcome of Actions brought against us. Additionally, defending against or pursuing Actions may involve significant expense and diversion of management's attention and resources. Accordingly, developments, settlements, or resolutions may occur and impact income in the quarter of such development, settlement, or resolution. An unfavorable outcome could adversely affect our business, financial condition, and results of operations.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Risk Management and Strategy

Safeguarding our information systems as well as the information that we receive and store about our customers, employees, vendors, and others is a priority for Gap Inc. We maintain a cybersecurity program with technical and organizational safeguards that is designed to identify, assess, manage, mitigate, and respond to cybersecurity threats, including threats associated with the use of third-party systems. The program leverages our overall enterprise risk management and business continuity planning processes. Cybersecurity risk management processes are also embedded within our operating procedures, internal controls, and information systems.

Annually, employees receive cybersecurity training, and we provide additional targeted cybersecurity awareness and education activities throughout the year. In partnership with external consultants, we periodically conduct "tabletop" exercises with management, our Board and members of our Information Security, Information Technology, and Privacy teams during which we simulate real-life cybersecurity incident scenarios to assess our preparedness, test our incident response plan and highlight potential areas for improvement. Audits of our cybersecurity risk management processes are conducted periodically in order to test the effectiveness of controls designed to prevent and respond to cyberattacks at different levels within Gap Inc. In addition, we maintain cybersecurity risk insurance.

Our Information Security and Information Technology teams manage and monitor our cybersecurity environment. These teams track cybersecurity incidents across Gap Inc., our vendors and third-party service providers to remediate and resolve incidents. Incidents are escalated as appropriate based on a risk assessment framework, including as needed to senior management. Gap Inc.'s Privacy team is involved to the extent data privacy concerns are implicated. We maintain an incident response plan to coordinate activities taken to respond to and remediate cybersecurity incidents. We consult with outside counsel as appropriate, including on materiality analysis and disclosure matters, and senior management makes final materiality determination and disclosure decisions.

Our cybersecurity risk management processes are based on industry-recognized standards. We partner with leading cybersecurity companies to leverage third-party technology and expertise, and we engage with these partners to support monitoring and maintaining the performance and effectiveness of controls implemented in our environment.

To date, our business strategy, results of operations, and financial condition have not been materially affected by risks from cybersecurity threats, including as a result of previously identified cybersecurity incidents, but we cannot provide assurance that they will not be materially affected in the future by such risks or any future material incidents. For more information on our cybersecurity-related risks, see “Risks Related to Information Security and Technology” in Item 1A, Risk Factors, of this Form 10-K.

Governance

Gap Inc.’s Chief Information Security Officer (“CISO”) oversees the cybersecurity program. The CISO reports to the Chief Technology Officer (“CTO”) and is responsible for assessing and maintaining the Company’s cybersecurity risk management processes. The CISO informs senior management regarding the prevention, detection, mitigation, and remediation of cybersecurity incidents. The CISO, CTO, and members of the Information Security, Information Technology, and Privacy teams have broad experience and expertise in selecting, deploying, and operating cybersecurity technologies, initiatives and processes around the world. Our CISO has nearly 25 years of experience in the information security and information technology fields. Our CTO has nearly 35 years of experience in these fields, including in technology leadership roles for large companies across multiple industries.

Our Board understands the importance of maintaining a robust and effective cybersecurity program. The Audit and Finance Committee of the Board oversees the Company’s cybersecurity program as well as risk exposures and steps taken by management to monitor and mitigate cybersecurity risks. The CISO provides a quarterly update on the cybersecurity program, on an alternating basis to the Audit and Finance Committee or the full Board.

Our Internal Audit department facilitates an annual enterprise risk assessment ("ERA") that is designed to gather information regarding key enterprise risks, emerging risks, and critical risk events that could impact our objectives and strategies. The Internal Audit department partners with our Information Security, Information Technology, and Privacy teams to gather information about risks related to cybersecurity threats. The ERA is presented to the Board and provides the foundation for the annual Internal Audit plan, management’s monitoring and risk mitigation efforts, and ongoing Board-level oversight. On a quarterly basis, Gap Inc.’s Chief Audit Executive updates the Audit and Finance Committee on the Internal Audit plan. The Audit and Finance Committee also reviews updates to the Company’s enterprise risk profile, including identified cybersecurity risks, throughout the year. Additionally, key third-party dependencies are monitored as part of our overall business continuity planning, with the Audit and Finance Committee receiving periodic updates.

Item 2. Properties.

As of February 1, 2025, we had 2,506 Company-operated stores in the United States, Canada, Japan, and Taiwan, which totaled approximately 30.1 million square feet. Almost all of these stores are leased, typically with one or more renewal options after the initial term. Terms vary by type and location of store.

We own approximately 0.8 million square feet of corporate office space located in: San Francisco, Pleasanton, and Rocklin, California. We lease approximately 0.5 million square feet of corporate office space located in: San Francisco, California; New York, New York; Albuquerque, New Mexico; and Hyderabad, India. We also lease regional offices in North America and in various international locations. We own approximately 9.6 million square feet of distribution space located in: Fresno, California; Fishkill, New York; Groveport, Ohio; Gallatin, Tennessee; Brampton, Ontario, Canada; and Longview, Texas. We also have a distribution center in construction in London, Ontario, Canada with estimated occupancy in fiscal 2025. We lease approximately 0.5 million square feet of distribution space located in: Phoenix, Arizona and Hebron, Kentucky. Third-party logistics companies provide logistics services to us through distribution warehouses in: Chiba, Japan; Hong Kong, China; and New Taipei City, Taiwan. We also use a number of distribution facilities located globally that are leased and operated by third-party logistics providers related to our franchise business.

Item 3. Legal Proceedings.

We do not believe that the outcome of any current Action would have a material effect on our Consolidated Financial Statements.

Item 4. Mine Safety Disclosures.

Not applicable.

Part II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

The principal market on which our common stock is traded is the New York Stock Exchange (“NYSE”). On August 22, 2024, our common stock began trading on the NYSE under the new ticker symbol "GAP", which replaced our previous ticker symbol "GPS". The number of holders of record of our stock as of March 12, 2025 was 5,085.

The Company has paid dividends on a quarterly basis and expects to continue to do so, subject to approval by the Board. Additional dividend information can be found in the section entitled "Liquidity and Capital Resources" in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of this Form 10-K.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

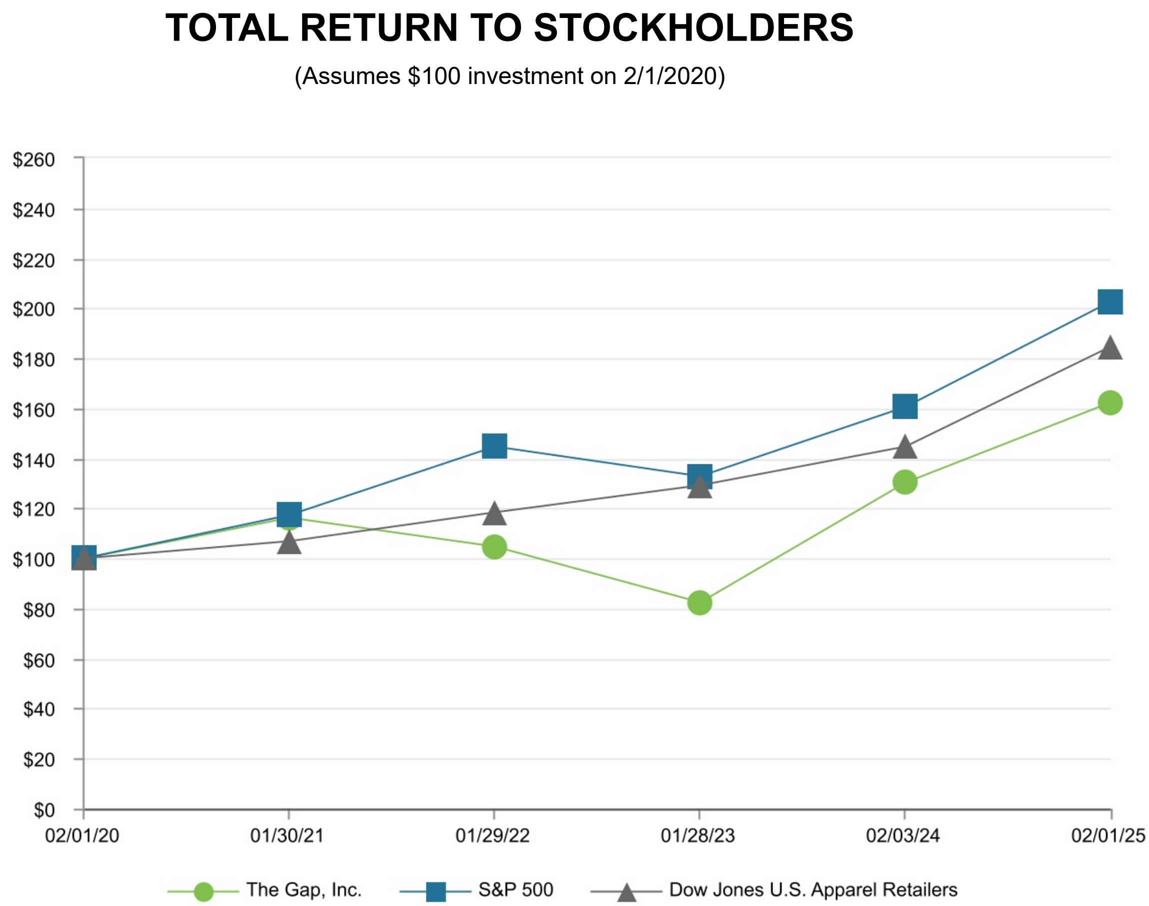
The following table presents information with respect to purchases of common stock of the Company made during the thirteen weeks ended February 1, 2025 by the Company or any affiliated purchaser, as defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934, as amended:

	Total Number of Shares Purchased (1)	Average Price Paid Per Share Including Commissions	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs	Maximum Number (or approximate dollar amount) of Shares that May Yet be Purchased Under the Plans or Programs (2)
Month #1 (November 3 - November 30)	—	$ —	—	$ 476 million
Month #2 (December 1 - January 4)	1,858,800	$ 24.12	1,858,800	$ 431 million
Month #3 (January 5 - February 1)	1,294,000	$ 23.48	1,294,000	$ 401 million
Total	3,152,800	$ 23.86	3,152,800	

(1) Excludes shares withheld to settle employee tax withholding payments related to the vesting of stock units.
(2) In February 2019, we announced that the Board approved a $1 billion share repurchase authorization, which has no expiration date.

Stock Performance Graph

The graph below compares our cumulative total stockholder return on our common stock for the five-year period ended February 1, 2025, with the cumulative total returns of (i) the S&P 500 Index and (ii) the Dow Jones U.S. Apparel Retailers Index. The total stockholder return for our common stock assumes reinvestment of any dividends paid.



Total Return Analysis

	2/1/2020	1/30/2021	1/29/2022	1/28/2023	2/3/2024	2/1/2025
The Gap, Inc.	$ 100.00	$ 116.31	$ 104.44	$ 82.15	$ 130.10	$ 162.33
S&P 500	$ 100.00	$ 117.25	$ 144.56	$ 132.68	$ 160.30	$ 202.59
Dow Jones U.S. Apparel Retailers	$ 100.00	$ 106.91	$ 118.34	$ 129.27	$ 144.65	$ 184.45

Source: Research Data Group, Inc.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Our Business

We are a house of iconic brands offering apparel, accessories, and personal care products for men, women, and children under the Old Navy, Gap, Banana Republic, and Athleta brands. As of February 1, 2025, we had Company-operated stores in the United States, Canada, Japan, and Taiwan. Our products are available to customers both in stores and online, through Company-operated and franchise stores, websites, and third-party arrangements. We also have franchise agreements to operate Old Navy, Gap, Banana Republic, and Athleta throughout Asia, Europe, Latin America, the Middle East, and Africa. Under these agreements, third parties operate, or will operate, stores and websites that sell apparel and related products under our brand names. In addition to operating in the specialty, outlet, online, and franchise channels, we use our omni-channel capabilities to bridge the digital world and physical stores. The shopping experience is further enhanced by our omni-channel services, including buy online pick-up in store, order-in-store, and ship-from-store, as well as enhanced mobile-enabled experiences, which allow our customers to shop seamlessly across our brands and channels. Our brands have shared investments in supply chain and inventory management, which allows us to optimize efficiency and responsiveness in our operations. Most of the products sold under our brand names are designed by us and manufactured by independent sources.

Overview

Fiscal 2024 consisted of 52 weeks versus 53 weeks in fiscal 2023. Fiscal 2023 net sales and operating results, as well as other metrics derived from the Consolidated Statement of Operations, include the impact of the additional week.

Financial results for fiscal 2024 are as follows:

- Net sales for fiscal 2024 increased 1 percent to $15.1 billion compared with $14.9 billion for fiscal 2023.
- Store and franchise sales for fiscal 2024 were flat compared with fiscal 2023 and online sales for fiscal 2024 increased 4 percent compared with fiscal 2023.
- Gross profit for fiscal 2024 was $6.2 billion compared with $5.8 billion for fiscal 2023. Gross margin for fiscal 2024 was 41.3 percent compared with 38.8 percent for fiscal 2023.
- Operating income for fiscal 2024 was $1.1 billion compared with $560 million for fiscal 2023.
- Effective tax rate for fiscal 2024 was 25.8 percent compared with 9.7 percent for fiscal 2023.
- Net income for fiscal 2024 was $844 million compared with $502 million for fiscal 2023.
- Diluted earnings per share was $2.20 for fiscal 2024 compared with $1.34 for fiscal 2023.
- Merchandise inventory as of fiscal 2024 increased 4 percent compared with fiscal 2023.

While we continue to transform, we remain focused on the following strategic priorities in the near term:

- maintaining and building upon financial and operational rigor, through an optimized cost structure and disciplined inventory management;
- reinvigorating our brands to drive relevance and an engaging omni-channel experience;
- strengthening and evolving our operating platform with a digital-first mindset to drive scale and efficiency;
- energizing our culture by attracting and retaining strong talent; and
- continuing to integrate social and environmental sustainability into business practices to support long-term growth.

Macroeconomic factors, including uncertainty surrounding inflationary pressures, global geopolitical instability, and changes related to government fiscal, monetary, and tax policies including changes in interest rates, tax rates, duties, tariffs, and other restrictions, continue to create a complex and challenging retail environment. The macroeconomic environment has had and may continue to have an impact on consumer behavior. We anticipate continued uncertainty related to the macroeconomic environment during fiscal 2025, and we will continue to monitor macroeconomic conditions, including consumer behavior and the impact of these factors on consumer demand. For additional information on the risks and uncertainties to our business caused by macroeconomic factors, see the section entitled “Risk Factors—Risks Related to Macroeconomic Conditions—Global economic conditions have and could continue to adversely affect our business, financial condition, and results of operations” in Item 1A, Risk Factors, of this Form 10-K.

We identify our operating segments according to how our business activities are managed and evaluated. As of February 1, 2025, our operating segments included Old Navy Global, Gap Global, Banana Republic Global, and Athleta Global. Our brands have similar products, suppliers, customers, methods of distribution, and regulatory environment. We have determined that each of our operating segments share similar qualitative and economic characteristics, and, therefore, the results of our operating segments are aggregated into one reportable segment.

Results of Operations

A discussion regarding our results of operations for fiscal year 2024 compared with fiscal year 2023 is presented below. A discussion regarding our results of operations for fiscal year 2023 compared with fiscal year 2022 can be found under Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, in our Annual Report on the Form 10-K for the year ended February 3, 2024, filed with the SEC on March 19, 2024.

Net Sales

See Note 3 of Notes to Consolidated Financial Statements included in Item 8, Financial Statements and Supplementary Data, of this Form 10-K for net sales disaggregation.

Comparable Sales ("Comp Sales")

Fiscal 2024 consisted of 52 weeks versus 53 weeks in fiscal 2023. Due to the 53rd week in fiscal 2023, in order to maintain consistency, Comp Sales for the 52 weeks ended February 1, 2025 are compared to the 52 weeks ended February 3, 2024.

Comp Sales include the results of Company-operated stores and sales through our online channel. The calculation of Comp Sales excludes the results of the franchise and licensing business.

A store is included in the Comp Sales calculations when it has been open and operated by the Company for at least one year and the selling square footage has not changed by 15 percent or more within the past year. A store is included in the Comp Sales calculations on the first day it has comparable prior year sales. Stores in which the selling square footage has changed by 15 percent or more as a result of a remodel, expansion, or reduction are excluded from the Comp Sales calculations until the first day they have comparable prior year sales.

A store is considered non-comparable (“Non-comp”) when it has been open and operated by the Company for less than one year or has changed its selling square footage by 15 percent or more within the past year.

A store is considered “Closed” if it is temporarily closed for three or more full consecutive days or it is permanently closed. When a temporarily closed store reopens, the store will be placed in the Comp/Non-comp status it was in prior to its closure. If a store was in Closed status for three or more days in the prior year, the store will be in Non-comp status for the same days the following year.

Current year foreign exchange rates are applied to both current year and prior year Comp Sales to achieve a consistent basis for comparison.

The percentage change in Comp Sales by global brand and for The Gap, Inc., as compared with the preceding year, is as follows:

	Fiscal Year	
	2024	**2023**
Old Navy Global	3 %	(1)%
Gap Global	4 %	1 %
Banana Republic Global	1 %	(7)%
Athleta Global	— %	(12)%
The Gap, Inc.	3 %	(2)%

Store count, openings, closings, and square footage for our stores are as follows:

	February 3, 2024	Fiscal 2024		February 1, 2025	
	Number of Store Locations	Number of Stores Opened	Number of Stores Closed	Number of Store Locations	Square Footage (in millions)
Old Navy North America	1,243	20	14	1,249	19.8
Gap North America	472	5	24	453	4.8
Gap Asia	134	1	13	122	1.1
Banana Republic North America	400	4	24	380	3.2
Banana Republic Asia	43	6	7	42	0.1
Athleta North America	270	2	12	260	1.1
Company-operated stores total	2,562	38	94	2,506	30.1
Franchise	998	139	74	1,063	N/A
Total	3,560	177	168	3,569	30.1
Increase (decrease) over prior year				0.3 %	(1.6)%

	January 28, 2023	Fiscal 2023		February 3, 2024	
	Number of Store Locations	Number of Stores Opened	Number of Stores Closed	Number of Store Locations	Square Footage (in millions)
Old Navy North America	1,238	25	20	1,243	19.8
Gap North America	493	1	22	472	5.0
Gap Asia (1)	232	2	11	134	1.2
Banana Republic North America	419	2	21	400	3.3
Banana Republic Asia	46	4	7	43	0.2
Athleta North America	257	25	12	270	1.1
Company-operated stores total	2,685	59	93	2,562	30.6
Franchise (1)	667	293	96	998	N/A
Total	3,352	352	189	3,560	30.6
Increase (decrease) over prior year				6.2 %	(3.8)%

(1) The 89 Gap China stores that were transitioned to Baozun during the period are not included as store closures or openings for Company-operated and Franchise store activity. The ending balance for Gap Asia excludes Gap China stores and the ending balance for Franchise includes Gap China locations transitioned during the period.

Outlet and factory stores are reflected in each of the respective brands.

Net Sales Discussion

Our net sales for fiscal 2024 increased $197 million, or 1 percent, compared with fiscal 2023, despite the loss of sales attributable to the incremental 53rd week during fiscal 2023. The increase was primarily due to improved Comp Sales driven by Old Navy Global and Gap Global.

Cost of Goods Sold and Occupancy Expenses

	Fiscal Year	
($ in millions)	**2024**	**2023**
Cost of goods sold and occupancy expenses	$ 8,859	$ 9,114
Gross profit	$ 6,227	$ 5,775
Cost of goods sold and occupancy expenses as a percentage of net sales	58.7 %	61.2 %
Gross margin	41.3 %	38.8 %

Cost of goods sold and occupancy expenses decreased 2.5 percentage points as a percentage of net sales in fiscal 2024 compared with fiscal 2023.

- Cost of goods sold decreased 2.1 percentage points as a percentage of net sales in fiscal 2024 compared with fiscal 2023, primarily driven by lower commodity costs. Additionally, there was a benefit from incremental income related to our revenue sharing arrangement from our credit card agreement primarily recognized in the second quarter of fiscal 2024.
- Occupancy expenses decreased 0.4 percentage points as a percentage of net sales in fiscal 2024 compared with fiscal 2023, primarily driven by an increase in net sales without a corresponding increase in occupancy expenses.

Operating Expenses and Operating Margin

	Fiscal Year	
($ in millions)	**2024**	**2023**
Operating expenses	$ 5,115	$ 5,215
Operating expenses as a percentage of net sales	33.9 %	35.0 %
Operating margin	7.4 %	3.8 %

Operating expenses decreased $100 million, or 1.1 percentage points as a percentage of net sales during fiscal 2024 compared with fiscal 2023, primarily due to the following:

- a decrease in advertising expenses of $102 million;
- restructuring expenses of $89 million incurred during fiscal 2023 as a result of actions taken to simplify and optimize our operating model and structure; and
- a decrease in payroll expenses related to our operating model and structure changes; partially offset by
- an increase in performance-based compensation; and
- a gain on sale of building of $47 million that occurred during the first quarter of fiscal 2023.

Interest Expense

	Fiscal Year	
($ in millions)	**2024**	**2023**
Interest expense	$ 87	$ 90

Interest expense primarily includes interest on outstanding borrowings and obligations mainly related to our Senior Notes and tax-related interest expense.

Interest Income

	Fiscal Year	
($ in millions)	**2024**	**2023**
Interest income	$ (112)	$ (86)

Interest income increased $26 million during fiscal 2024 compared with fiscal 2023 primarily due to higher cash balances, partially offset by a decrease in tax-related interest income.

Income Taxes

	Fiscal Year	
($ in millions)	**2024**	**2023**
Income tax expense	$ 293	$ 54
Effective tax rate	25.8 %	9.7 %

The change in the effective tax rate for fiscal 2024 compared with fiscal 2023 was primarily due to changes in valuation allowances in the prior year, tax benefits recognized in the prior year from a U.S. transfer pricing settlement related to our sourcing activities, and changes in the amount and mix of jurisdictional earnings, partially offset by a favorable impact from stock-based compensation.

See Note 4 of Notes to Consolidated Financial Statements included in Item 8, Financial Statements and Supplementary Data, of this Form 10-K for further details.

Liquidity and Capital Resources

We consider the following to be measures of our liquidity and capital resources:

($ in millions)	February 1, 2025	February 3, 2024
Cash and cash equivalents	$ 2,335	$ 1,873
Short-term investments	253	—
Debt		
3.625 percent Senior Notes due 2029	750	750
3.875 percent Senior Notes due 2031	750	750
Working capital	1,947	1,299
Current ratio	1.60:1	1.42:1

As of February 1, 2025, the majority of our cash, cash equivalents, and short-term investments were held in the United States and are generally accessible without any limitations.

We are also able to supplement near-term liquidity, if necessary, with our senior secured asset-based revolving credit agreement (the "ABL Facility") or other available market instruments. There were no borrowings under the ABL Facility as of February 1, 2025 and February 3, 2024. See Note 6 of Notes to Consolidated Financial Statements included in Item 8, Financial Statements and Supplementary Data, of this Form 10-K for disclosures on the ABL Facility.

Our largest source of operating cash flows is cash collections from the sale of our merchandise. Our primary uses of cash include merchandise inventory purchases, lease and occupancy costs, personnel-related expenses, purchases of property and equipment, shipping costs, and payment of taxes. In addition, we may have dividend payments and share repurchases. As our business typically follows a seasonal pattern, with sales peaking during the end-of-year holiday period, we fund inventory expenditures during normal and peak periods through cash flows from operating activities and available cash. The seasonality of our operations, in addition to the impact of global economic conditions such as uncertainty surrounding inflationary pressures, global geopolitical instability, and changes related to government fiscal, monetary, and tax policies including changes in interest rates, tax rates, duties, tariffs, and other restrictions, may lead to significant fluctuations in certain asset and liability accounts as well as cash inflows and outflows between fiscal year-end and subsequent interim periods.

Our voluntary supply chain finance ("SCF") program provides certain suppliers with the opportunity to sell their receivables due from us to participating financial institutions at the sole discretion of both the suppliers and the financial institutions. We are not a party to the agreements between our suppliers and the financial institutions and our payment terms are not impacted by whether a supplier participates in the SCF program. See Note 17 of Notes to Consolidated Financial Statements included in Item 8, Financial Statements and Supplementary Data, of this Form 10-K, for disclosures on the Company's SCF program.

We are party to many contractual obligations involving commitments to make payments to third parties. These obligations impact our short-term and long-term liquidity and capital resource needs. Certain contractual obligations are reflected on the Consolidated Balance Sheet as of February 1, 2025, while others are considered future obligations. Our contractual obligations primarily consist of operating leases, purchase obligations and commitments, long-term debt and related interest payments, and income taxes. See Notes 6 and 11 of Notes to Consolidated Financial Statements included in Item 8, Financial Statements and Supplementary Data, of this Form 10-K for information related to our debt and operating leases, respectively.

Purchase obligations and commitments consist of open purchase orders to purchase inventory as well as commitments for products and services used in the normal course of business. As of February 1, 2025, our purchase obligations and commitments were approximately $4 billion. We expect that the majority of these purchase obligations and commitments will be settled within one year.

Our contractual obligations related to income taxes are primarily related to unrecognized tax benefits. See Note 4 of Notes to Consolidated Financial Statements included in Item 8, Financial Statements and Supplementary Data, of this Form 10-K for information related to income taxes.

We believe our existing balances of cash, cash equivalents, and short-term investments, along with our cash flows from operations, and instruments mentioned above, provide sufficient funds for our business operations as well as capital expenditures, dividends, share repurchases, and other liquidity requirements associated with our business operations over the next 12 months and beyond.

Cash Flows from Operating Activities

Net cash provided by operating activities decreased $46 million during fiscal 2024 compared with fiscal 2023, primarily due to the following:

Net income

- an increase in net income;

Non-cash item

- an increase of $91 million related to the recognition of deferred tax expense in fiscal 2024 compared with deferred tax benefit in fiscal 2023;

Change in operating assets and liabilities

- a decrease of $471 million related to merchandise inventory driven by a slight increase in inventory at the end of fiscal 2024 primarily due to the timing of receipts compared with a significant reduction in inventory in fiscal 2023 as a result of an elevated opening balance of inventory in that fiscal year.

Cash Flows from Investing Activities

Net cash used for investing activities increased $358 million during fiscal 2024 compared with fiscal 2023, primarily due to the following:

- $247 million of net purchases of short-term investments during fiscal 2024; and
- $69 million less in net proceeds from the sale of property during fiscal 2024 compared with fiscal 2023.

In fiscal 2024, cash used for purchases of property and equipment was $447 million primarily related to store investments, information technology, and supply chain to support the customer experience.

Cash Flows from Financing Activities

Net cash used for financing activities decreased $246 million during fiscal 2024 compared with fiscal 2023, primarily due to the following:

- $350 million for repayments of revolving credit facility borrowings during fiscal 2023; partially offset by
- $75 million in repurchases of common stock during fiscal 2024 compared with no repurchases during fiscal 2023.

Free Cash Flow

Free cash flow is a non-GAAP financial measure. We believe free cash flow is an important metric because it represents a measure of how much cash a company has available for discretionary and non-discretionary items after the deduction of capital expenditures. We require regular capital expenditures including technology improvements as well as building and maintaining our stores and distribution centers. We use this metric internally, as we believe our sustained ability to generate free cash flow is an important driver of value creation. However, this non-GAAP financial measure is not intended to supersede or replace our GAAP results.

The following table reconciles free cash flow, a non-GAAP financial measure, from net cash provided by operating activities, a GAAP financial measure.

($ in millions)	Fiscal Year 2024	Fiscal Year 2023
Net cash provided by operating activities	$ 1,486	$ 1,532
Less: Purchases of property and equipment	(447)	(420)
Free cash flow	$ 1,039	$ 1,112

Debt and Credit Facilities

Certain financial information about the Company's debt and credit facilities is set forth under the headings "Debt and Credit Facilities" in Note 6 of Notes to Consolidated Financial Statements included in Item 8, Financial Statements and Supplementary Data, of this Form 10-K.

Dividend Policy

In determining whether and at what level to declare a dividend, our Board considers a number of factors including sustainability, operating performance, liquidity, and market conditions.

We paid an annual dividend of $0.60 per share in fiscal 2024 and fiscal 2023. In February 2025, the Board authorized a dividend of $0.165 per share for the first quarter of fiscal 2025.

Share Repurchases

Certain information about the Company's share repurchases is set forth under the heading "Share Repurchases" in Note 9 of Notes to Consolidated Financial Statements included in Item 8, Financial Statements and Supplementary Data, of this Form 10-K.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to adopt accounting policies and make significant judgments and estimates to develop amounts reflected and disclosed in the financial statements.

Our significant accounting policies can be found under the heading "Organization and Summary of Significant Accounting Policies" in Note 1 of Notes to Consolidated Financial Statements included in Item 8, Financial Statements and Supplementary Data, of this Form 10-K. The policies and estimates discussed below include the financial statement elements that are either judgmental or involve the selection or application of alternative accounting policies and are material to our financial statements.

Inventory Valuation

We value inventory at the lower of cost or net realizable value (“LCNRV”), with cost determined using the weighted-average cost method. We review our inventory levels in order to identify slow-moving merchandise and broken assortments (items no longer in stock in a sufficient range of sizes or colors), and we primarily use markdowns to clear merchandise. We record an adjustment to inventory when future estimated selling price is less than cost. Our LCNRV adjustment calculation requires management to make assumptions to estimate the selling price and amount of slow-moving merchandise and broken assortments subject to markdowns, which is dependent upon factors such as historical trends with similar merchandise, inventory aging, forecasted consumer demand, and the promotional environment.

We do not believe there is a reasonable likelihood that there will be a material change in the future estimates or assumptions we use to calculate our LCNRV. However, if estimates regarding consumer demand are inaccurate, or if global economic conditions change beyond what is currently estimated by management, our operating results could be affected.

Impairment of Long-Lived Assets

Long-lived assets, which primarily consist of property and equipment and operating lease assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. Events that result in an impairment review include a significant decrease in the operating performance of the long-lived asset, the decision to close a store, corporate facility, or distribution center, or adverse changes in business climate.

Long-lived assets are considered impaired if the carrying amount exceeds the estimated undiscounted future cash flows of the asset or asset group over the estimated remaining useful life. The asset group is defined as the lowest level for which identifiable cash flows are available and largely independent of the cash flows of other groups of assets. For our Company-operated stores, the individual store generally represents the lowest level of independent identifiable cash flows and the asset group is comprised of both property and equipment and operating lease assets.

For impaired assets, we recognize a loss equal to the difference between the carrying amount of the asset or asset group and its estimated fair value. The estimated fair value of the asset or asset group is based on discounted future cash flows of the asset or asset group using a discount rate commensurate with the related risk. For operating lease assets, the Company determines the estimated fair value of the assets by comparing the discounted contractual rent payments to estimated market rental rates using available valuation techniques.

Our estimate of future cash flows requires management to make assumptions and to apply judgment, including forecasting future sales and gross profits and estimating useful lives of the assets. These estimates can be affected by factors such as future sales results, real estate market conditions, store closure plans, economic conditions, business interruptions, interest rates and government regulations that can be difficult to predict. If actual results and conditions are not consistent with the estimates and assumptions used in our calculations, we may be exposed to additional impairments of long-lived assets.

See Note 7 of Notes to Consolidated Financial Statements included in Item 8, Financial Statements and Supplementary Data, of this Form 10-K for additional information and disclosures about impairment of long-lived assets.

Income Taxes

We are a multinational company operating in multiple domestic and foreign locations with different tax laws and regulations. The Company's management is required to interpret and apply these tax laws and regulations in determining the amount of its income tax liability for financial statement purposes. We record valuation allowances against our deferred tax assets when it is more likely than not that some portion or all of such deferred tax assets will not be realized. In determining the need for valuation allowances, management is required to make assumptions and to apply judgment, including tax planning strategies, forecasting future income, taxable income, and the geographic mix of income or losses in the jurisdictions in which we operate. Our effective tax rate in a given financial statement period may also be materially impacted by changes in the geographic mix and level of income or losses, changes in the expected or actual outcome of audits, changes in deferred tax valuation allowances, or new tax legislation.

On a recurring basis, we assess the need for valuation allowances related to our deferred income tax assets, which includes consideration of both positive and negative evidence to determine, based on the weight of the available evidence, whether it is more likely than not that some or all of our deferred tax assets will not be realized. In our assessment, we consider recent financial operating results, the scheduled expiration of our net operating losses, potential sources of taxable income, the reversal of existing taxable differences, taxable income in prior carryback years (if permitted under tax law), and tax planning strategies.

It is possible that there will be changes in our business structure, our performance, our industry or otherwise that cause results to differ materially in future periods. If the changes result in significant and sustained reductions in our pre-tax income or utilization of existing tax carryforwards in future periods, additional valuation allowances may be required with corresponding adverse impacts on results of operations. Such adverse impacts may be material.

At any point in time, many tax years are subject to or in the process of being audited by various U.S. and foreign tax jurisdictions. These audits include reviews of our tax filing positions, including the timing and amount of deductions taken and the allocation of income between tax jurisdictions. When an uncertain tax position is identified, we recognize a benefit only if we believe it is more likely than not that the tax position based on its technical merits will be sustained upon examination by the relevant tax authorities. We recognize a benefit for tax positions using the highest cumulative tax benefit that is more likely than not to be realized. We establish a liability for tax positions that do not meet this threshold. The evaluation of uncertain tax positions requires management to apply specialized skill and knowledge related to tax laws and regulations and to make assumptions that are subject to factors such as possible assessments by tax authorities, changes in facts and circumstances, issuance of new regulations, and resolutions of tax audits. To the extent we prevail in matters for which a liability has been established or are required to pay amounts in excess of our established liability, our effective income tax rate in a given financial statement period could be materially affected.

See Note 4 of Notes to Consolidated Financial Statements included in Item 8, Financial Statements and Supplementary Data, of this Form 10-K for additional information on income taxes.

Revenue Recognition

The Company’s revenues primarily include merchandise sales at stores, online, and through franchise and licensing agreements. We also receive revenue sharing from our credit card agreement for private label and co-branded credit cards, and breakage revenue related to our gift cards, merchandise return cards, and outstanding loyalty points, which are realized based upon historical redemption patterns. For online sales, the Company has elected to treat shipping and handling as fulfillment activities and not a separate performance obligation. Accordingly, we recognize revenue for our single performance obligation related to online sales at the time control of the merchandise passes to the customer, which is generally at the time of shipment. Revenues are presented net of any taxes collected from customers and remitted to governmental authorities.

We record sales return allowances and a right of returns asset on a gross basis for expected future merchandise returns, based on historical return patterns, merchandise mix, and recent trends. The actual amount of customer returns, which are inherently uncertain, may differ from our estimates. Sales return allowances are recorded within accrued expenses and other current liabilities and the right of returns asset is recorded within other current assets on our Consolidated Balance Sheets.

We also defer revenue when cash payments are received in advance of performance for unsatisfied obligations related to our gift cards, licensing agreements, outstanding loyalty points, and reimbursements of loyalty program rewards associated with our credit card agreement.

See Note 3 of Notes to Consolidated Financial Statements included in Item 8, Financial Statements and Supplementary Data, of this Form 10-K for related revenue disclosures.

Recent Accounting Pronouncements

See "Organization and Summary of Significant Accounting Policies" in Note 1 of Notes to Consolidated Financial Statements included in Item 8, Financial Statements and Supplementary Data, of this Form 10-K for recent accounting pronouncements, including the expected dates of adoption and estimated effects on our Consolidated Financial Statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Derivative Financial Instruments

Certain financial information about the Company's derivative financial instruments is set forth under the heading "Derivative Financial Instruments" in Note 8 of Notes to Consolidated Financial Statements included in Item 8, Financial Statements and Supplementary Data, of this Form 10-K.

We have performed a sensitivity analysis as of February 1, 2025 based on a model that measures the impact of a hypothetical 10 percent adverse change in foreign currency exchange rates to the U.S. dollar (with all other variables held constant) on our underlying estimated major foreign currency exposures, net of derivative financial instruments. The foreign currency exchange rates used in the model were based on the spot rates in effect as of February 1, 2025. The sensitivity analysis indicated that a hypothetical 10 percent adverse movement in foreign currency exchange rates would have an unfavorable impact on the underlying cash flow, net of our foreign exchange derivative financial instruments, of $18 million as of February 1, 2025.

Debt

Certain financial information about the Company's debt is set forth under the heading "Debt and Credit Facilities" in Note 6 of Notes to Consolidated Financial Statements included in Item 8, Financial Statements and Supplementary Data, of this Form 10-K.

Our Senior Notes have fixed interest rates and are exposed to interest rate risk that is limited to changes in fair value. Changes in interest rates do not impact our cash flows.

Cash Equivalents and Short-Term Investments

Certain financial information about the Company's cash equivalents and short-term investments is set forth under the heading "Fair Value Measurements" in Note 7 of Notes to Consolidated Financial Statements included in Item 8, Financial Statements and Supplementary Data, of this Form 10-K.

We have highly liquid fixed and variable income investments classified as cash and cash equivalents and short-term investments. All highly liquid investments with original maturities of three months or less at the time of purchase are classified as cash and cash equivalents on the Consolidated Balance Sheets. Our cash equivalents are comprised of money market funds and time deposits recorded at amortized cost, which approximates fair value, as well as debt securities recorded at fair value using market prices for identical or similar assets. We also have highly liquid investments with original maturities of greater than three months and less than two years that are classified as short-term investments on the Consolidated Balance Sheet. These debt securities are also recorded at fair value using market prices for identical or similar assets.

Changes in interest rates impact the fair value of our debt securities. As of February 1, 2025, we had $253 million in short-term investments which were recorded on the Consolidated Balance Sheet. There were no material realized or unrealized gains or losses or impairment charges related to short-term investments during fiscal 2024. The Company held no short-term investments as of February 3, 2024.

Changes in interest rates also impact the interest income derived from our cash, cash equivalents, and short-term investments. In fiscal 2024 and fiscal 2023, we earned interest income of $112 million and $86 million, respectively.

Item 8. Financial Statements and Supplementary Data.

THE GAP, INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the shareholders and the Board of Directors of The Gap, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of The Gap, Inc. and subsidiaries (the "Company") as of February 1, 2025 and February 3, 2024, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows, for each of the fiscal years ended February 1, 2025, February 3, 2024 and January 28, 2023 and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of February 1, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of February 1, 2025 and February 3, 2024, and the results of its operations and its cash flows for each of the fiscal years ended February 1, 2025, February 3, 2024 and January 28, 2023, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of February 1, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Sales Return Allowances and Right of Returns Asset — Refer to Note 1 in the financial statements

Critical Audit Matter Description

As of February 1, 2025, the Company recorded sales return allowances of $60 million within accrued expenses and other current liabilities and a right of returns asset of $27 million within other current assets. The Company establishes sales return allowances and a right of returns asset on a gross basis for expected future merchandise returns, based on historical return patterns, merchandise mix, and recent trends.

We identified sales return allowances and the right of returns asset as a critical audit matter due to the uncertainty and judgment in estimating the amount of outstanding customer returns as of the balance sheet date. A high degree of auditor judgment was required when performing audit procedures to evaluate the reasonableness of management's estimate.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to sales return allowances and the right of returns asset included the following, among others:

- We tested the effectiveness of controls over the process for establishing sales return allowances and the right of returns asset.
- We evaluated the Company's methodology and assumptions used to develop sales return allowances and the right of returns asset by:
    - Testing the completeness and accuracy of underlying data used in the sales return allowance estimate
    - Evaluating whether the inputs used in the estimate were relevant and consistent with evidence obtained externally and in other areas of the audit

  - Testing the mathematical accuracy of the sales return allowance estimate
  - Assessing the Company's ability to accurately estimate merchandise returns by comparing prior period estimates to actual merchandise returns

- We developed an independent estimate of sales return allowances and the right of returns asset and compared it to the recorded amount.

/s/ Deloitte & Touche LLP

San Francisco, California
March 18, 2025

We have served as the Company's auditor since at least 1976, in connection with its initial public offering; however, an earlier year could not be reliably determined.

THE GAP, INC.
CONSOLIDATED BALANCE SHEETS

($ and shares in millions except par value)	February 1, 2025	February 3, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,335	$ 1,873
Short-term investments	253	—
Merchandise inventory	2,067	1,995
Other current assets	548	527
Total current assets	5,203	4,395
Property and equipment, net of accumulated depreciation	2,496	2,566
Operating lease assets	3,240	3,115
Other long-term assets	946	968
Total assets	$ 11,885	$ 11,044
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,488	$ 1,349
Accrued expenses and other current liabilities	1,083	1,108
Current portion of operating lease liabilities	632	600
Income taxes payable	53	39
Total current liabilities	3,256	3,096
Long-term liabilities:		
Long-term debt	1,490	1,488
Long-term operating lease liabilities	3,353	3,353
Other long-term liabilities	522	512
Total long-term liabilities	5,365	5,353
Commitments and contingencies (see Note 14)		
Stockholders' equity:		
Common stock $0.05 par value		
Authorized 2,300 shares for all periods presented; Issued and Outstanding 374 and 372 shares	19	19
Additional paid-in capital	146	113
Retained earnings	3,039	2,420
Accumulated other comprehensive income	60	43
Total stockholders' equity	3,264	2,595
Total liabilities and stockholders' equity	$ 11,885	$ 11,044

See Accompanying Notes to Consolidated Financial Statements

THE GAP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

($ and shares in millions except per share amounts)	Fiscal Year 2024		2023		2022	
Net sales	$	15,086	$	14,889	$	15,616
Cost of goods sold and occupancy expenses		8,859		9,114		10,257
Gross profit		6,227		5,775		5,359
Operating expenses		5,115		5,215		5,428
Operating income (loss)		1,112		560		(69)
Interest expense		87		90		88
Interest income		(112)		(86)		(18)
Income (loss) before income taxes		1,137		556		(139)
Income tax expense		293		54		63
Net income (loss)	$	844	$	502	$	(202)
Weighted-average number of shares—basic		376		370		367
Weighted-average number of shares—diluted		384		376		367
Earnings (loss) per share—basic	$	2.24	$	1.36	$	(0.55)
Earnings (loss) per share—diluted	$	2.20	$	1.34	$	(0.55)

See Accompanying Notes to Consolidated Financial Statements

THE GAP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Fiscal Year		
($ in millions)	**2024**	**2023**	**2022**
Net income (loss)	$ 844	$ 502	$ (202)
Other comprehensive income (loss), net of tax:			
Foreign currency translation and other, net of tax benefit of $(1), $—, and $—	1	(4)	14
Change in fair value of derivative financial instruments, net of tax expense of $8, $2, and $—	25	16	27
Reclassification adjustment for gains on derivative financial instruments, net of tax expense of $(6), $(1), and $(2)	(9)	(17)	(31)
Other comprehensive income (loss), net of tax	17	(5)	10
Comprehensive income (loss)	$ 861	$ 497	$ (192)

See Accompanying Notes to Consolidated Financial Statements

THE GAP, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

($ and shares in millions except per share amounts)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance as of January 29, 2022	**371**	**$ 19**	**$ 43**	**$ 2,622**	**$ 38**	**$ 2,722**
Net loss				(202)		(202)
Other comprehensive income, net of tax					10	10
Repurchases and retirement of common stock	(11)	(1)	(62)	(60)		(123)
Issuance of common stock related to stock options and employee stock purchase plans	3	—	27			27
Issuance of common stock and withholding tax payments related to vesting of stock units	3	—	(20)			(20)
Share-based compensation, net of forfeitures			39			39
Common stock dividends declared and paid ($0.60 per share)				(220)		(220)
Balance as of January 28, 2023	**366**	**18**	**27**	**2,140**	**48**	**2,233**
Net income				502		502
Other comprehensive loss, net of tax					(5)	(5)
Issuance of common stock related to stock options and employee stock purchase plans	3	—	27			27
Issuance of common stock and withholding tax payments related to vesting of stock units	3	1	(21)			(20)
Share-based compensation, net of forfeitures			80			80
Common stock dividends declared and paid ($0.60 per share)				(222)		(222)
Balance as of February 3, 2024	**372**	**19**	**113**	**2,420**	**43**	**2,595**
Net income				844		844
Other comprehensive income, net of tax					17	17
Repurchases and retirement of common stock	(3)	—	(75)			(75)
Issuance of common stock related to stock options and employee stock purchase plans	2	—	32			32
Issuance of common stock and withholding tax payments related to vesting of stock units	3	—	(50)			(50)
Share-based compensation, net of forfeitures			126			126
Common stock dividends declared and paid ($0.60 per share)				(225)		(225)
Balance as of February 1, 2025	**374**	**$ 19**	**$ 146**	**$ 3,039**	**$ 60**	**$ 3,264**

See Accompanying Notes to Consolidated Financial Statements

THE GAP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

($ in millions)	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022
Cash flows from operating activities:			
Net income (loss)	$ 844	$ 502	$ (202)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	500	522	540
Share-based compensation	126	80	37
Impairment of operating lease assets	—	4	33
Impairment of store assets	1	3	18
Amortization of debt issuance costs	4	4	6
Non-cash and other items	(9)	28	(16)
Loss on divestiture activity	—	—	35
Gain on sale of building	—	(47)	(83)
Deferred income taxes	27	(64)	42
Changes in operating assets and liabilities:			
Merchandise inventory	(88)	383	554
Other current assets and other long-term assets	31	179	161
Accounts payable	137	42	(540)
Accrued expenses and other current liabilities	(25)	12	(243)
Income taxes payable, net of receivables and other tax-related items	46	75	417
Other long-term liabilities	(19)	(15)	(45)
Operating lease assets and liabilities, net	(89)	(176)	(107)
Net cash provided by operating activities	1,486	1,532	607
Cash flows from investing activities:			
Purchases of property and equipment	(447)	(420)	(685)
Net proceeds from sale of property	7	76	458
Purchases of short-term investments	(409)	—	—
Proceeds from sales and maturities of short-term investments	162	—	—
Proceeds from divestiture activity, net of cash paid	—	9	—
Other	(5)	1	—
Net cash used for investing activities	(692)	(334)	(227)
Cash flows from financing activities:			
Proceeds from revolving credit facility	—	—	350
Repayments of revolving credit facility	—	(350)	—
Payments for debt issuance costs	—	—	(6)
Proceeds from issuances under share-based compensation plans	32	27	27
Withholding tax payments related to vesting of stock units	(50)	(20)	(20)
Repurchases of common stock	(75)	—	(123)
Cash dividends paid	(225)	(222)	(220)
Other	(3)	(2)	(2)
Net cash provided by (used for) financing activities	(321)	(567)	6
Effect of foreign exchange rate fluctuations on cash, cash equivalents, and restricted cash	(9)	(3)	(15)
Net increase in cash, cash equivalents, and restricted cash	464	628	371
Cash, cash equivalents, and restricted cash at beginning of period	1,901	1,273	902
Cash, cash equivalents, and restricted cash at end of period	$ 2,365	$ 1,901	$ 1,273
Non-cash investing activities:			
Purchases of property and equipment not yet paid at end of period	$ 44	$ 43	$ 55
Supplemental disclosure of cash flow information:			
Cash paid for interest during the period	$ 63	$ 74	$ 76
Cash paid for income taxes during the period, net of refunds	$ 237	$ 49	$ (388)
Cash paid for operating lease liabilities	$ 981	$ 932	$ 942

See Accompanying Notes to Consolidated Financial Statements

Notes to Consolidated Financial Statements

For the Fiscal Years Ended February 1, 2025, February 3, 2024, and January 28, 2023

Note 1. Organization and Summary of Significant Accounting Policies

Organization

The Gap, Inc., a Delaware corporation, is a house of iconic brands offering apparel, accessories, and personal care products for men, women, and children under the Old Navy, Gap, Banana Republic, and Athleta brands. As of February 1, 2025, we had Company-operated stores in the United States, Canada, Japan, and Taiwan. Our products are available to customers both in stores and online, through Company-operated and franchise stores, websites, and third-party arrangements. We also have franchise agreements to operate Old Navy, Gap, Banana Republic, and Athleta throughout Asia, Europe, Latin America, the Middle East, and Africa.

In fiscal 2022, we signed agreements to transition our Gap Greater China operations to a third party, Baozun, to operate Gap Greater China stores and the in-market website as a franchise partner. On January 31, 2023, the Gap China transaction closed with Baozun. The Gap Taiwan operations will continue to operate as usual until regulatory approvals and closing conditions are met.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of The Gap, Inc. and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated.

Fiscal Year and Presentation

Our fiscal year is a 52-week or 53-week period ending on the Saturday closest to January 31. The fiscal years ended February 1, 2025 (fiscal 2024) and January 28, 2023 (fiscal 2022) consisted of 52 weeks. The fiscal year ended February 3, 2024 (fiscal 2023) consisted of 53 weeks.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Our most significant accounting judgments include, but are not limited to, estimates and assumptions used for inventory valuation, income taxes and valuation allowances, sales return and bad debt allowances, deferred revenue, and the impairment of long-lived assets.

Cash, Cash Equivalents, and Short-Term Investments

Cash includes funds deposited in banks and amounts in transit from banks for customer credit card and debit card transactions that process in less than seven days.

All highly liquid investments with original maturities of three months or less at the time of purchase are classified as cash equivalents. Our cash equivalents are comprised of money market funds and time deposits recorded at amortized cost, which approximates fair value, as well as debt securities recorded at fair value using market prices for identical or similar assets.

Highly liquid investments with original maturities of greater than three months and less than two years are classified as short-term investments. These debt securities are also recorded at fair value using market prices for identical or similar assets.

Changes in the fair value of the debt securities impact net income only when such securities are sold or an other-than-temporary impairment is recognized. Income related to these securities is recorded within interest income on the Consolidated Statements of Operations.

See Note 7 of Notes to Consolidated Financial Statements for disclosures related to fair value measurements.

Restricted Cash

Any cash that is legally restricted from use is classified as restricted cash. If the purpose of restricted cash is related to acquiring a long-term asset, liquidating a long-term liability, or is otherwise unavailable for a period longer than one year from the balance sheet date, the restricted cash is included within other long-term assets on our Consolidated Balance Sheets. Otherwise, restricted cash is included within other current assets on our Consolidated Balance Sheets.

As of February 1, 2025, February 3, 2024, and January 28, 2023, restricted cash primarily included consideration that serves as collateral for our insurance obligations and certain other obligations occurring in the normal course of business. As of January 28, 2023, restricted cash also included a collateral amount under the SCF program of $30 million. There were no collateral amounts under the SCF program as of February 1, 2025 and February 3, 2024. See Note 17 of Notes to Consolidated Financial Statements for related disclosures.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported on our Consolidated Balance Sheets to the total shown on our Consolidated Statements of Cash Flows:

($ in millions)	February 1, 2025	February 3, 2024	January 28, 2023
Cash and cash equivalents	$ 2,335	$ 1,873	$ 1,215
Restricted cash included in other current assets	—	—	32
Restricted cash included in other long-term assets	30	28	26
Total cash, cash equivalents, and restricted cash shown on the Consolidated Statement of Cash Flows	$ 2,365	$ 1,901	$ 1,273

Merchandise Inventory

We value inventory at the LCNRV, with cost determined using the weighted-average cost method. We record an adjustment to inventory when future estimated selling price is less than cost. We review our inventory levels in order to identify slow-moving merchandise and broken assortments (items no longer in stock in a sufficient range of sizes or colors) and we primarily use markdowns to clear merchandise. In addition, we estimate and accrue shortage for the period between the last physical count and the balance sheet date.

Property and Equipment

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Estimated useful lives are as follows:

Category	Term
Leasehold improvements	Shorter of remaining lease term or economic life, up to 15 years
Furniture and equipment	Up to 10 years
Software	Up to 7 years
Buildings and building improvements	Up to 39 years

When assets are sold or retired, the cost and related accumulated depreciation are removed from the accounts, with any resulting gain or loss recorded within operating expenses on the Consolidated Statements of Operations. Costs of maintenance and repairs are expensed as incurred. Costs incurred to implement cloud computing arrangements hosted by third-party vendors are capitalized when incurred during the application development phase and amortized on a straight-line basis over the estimated term of the cloud computing arrangement. Capitalized amounts related to such arrangements are recorded within other current assets and other long-term assets on our Consolidated Balance Sheets and were not material for fiscal 2024, 2023, or 2022.

Leases

We determine if a long-term contractual obligation is a lease at inception. The majority of our operating leases relate to Company stores. We also lease some of our corporate facilities and distribution centers. These operating leases expire at various dates through fiscal 2047. Most store leases have a five-year base period and include options that allow us to extend the lease term beyond the initial base period, subject to terms agreed upon at lease inception. Some leases also include early termination options, which can be exercised under specific conditions. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

We record our lease liabilities at the present value of the lease payments not yet paid, discounted at the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term. As the Company's leases do not provide an implicit interest rate, the Company uses an incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

We recognize operating lease cost over the estimated term of the lease, which includes options to extend lease terms that are reasonably certain of being exercised, starting when possession of the property is taken from the landlord, which normally includes a construction period prior to the store opening. When a lease contains a predetermined fixed escalation of the fixed rent, we recognize the related operating lease cost on a straight-line basis over the lease term. In addition, certain of our lease agreements include variable lease payments, such as payments based on a percentage of sales that are in excess of a predetermined level and/or increases based on a change in the consumer price index or fair market value. These variable lease payments are excluded from minimum lease payments and are included in the determination of net lease cost when it is probable that the expense has been incurred and the amount can be reasonably estimated. If an operating lease asset is impaired, the remaining operating lease asset will be amortized on a straight-line basis over the remaining lease term.

See Note 11 of Notes to Consolidated Financial Statements for related disclosures.

Revenue Recognition

The Company’s revenues primarily include merchandise sales at stores, online, and through franchise and licensing agreements. We also receive revenue sharing from our credit card agreement for private label and co-branded credit cards, and breakage revenue related to our gift cards, merchandise return cards, and outstanding loyalty points, which are realized based upon historical redemption patterns. For online sales, the Company has elected to treat shipping and handling as fulfillment activities and not a separate performance obligation. Accordingly, we recognize revenue for our single performance obligation related to online sales at the time control of the merchandise passes to the customer, which is generally at the time of shipment. Revenues are presented net of any taxes collected from customers and remitted to governmental authorities.

We record sales return allowances and a right of returns asset on a gross basis for expected future merchandise returns, based on historical return patterns, merchandise mix, and recent trends. Sales return allowances are recorded within accrued expenses and other current liabilities and the right of returns asset is recorded within other current assets on our Consolidated Balance Sheets.

We have credit card agreements with third parties to provide our customers with private label credit cards and co-branded credit cards (collectively, the “Credit Card programs"). Each private label credit card bears the logo of Gap, Banana Republic, Old Navy, or Athleta and can be used at any of our U.S. store locations and online. The current co-branded credit card is a MasterCard credit card bearing the logo of Gap, Banana Republic, Old Navy, or Athleta and can be used everywhere MasterCard credit cards are accepted. The Credit Card programs are a part of Gap Inc.’s loyalty program where members enjoy incentives in the form of rewards which can be redeemed across all of our brands.

Barclays, a third-party financial institution, is the sole owner of the accounts and underwrites the credit issued under the Credit Card programs. Our agreement with Barclays provides for certain payments to be made to us, including a share of revenue from the performance of the credit card portfolios and reimbursements of loyalty program rewards. We have identified separate performance obligations related to our credit card agreement that includes both providing a license and an obligation to redeem loyalty points issued under the loyalty program. Our obligation to provide a license is satisfied when the subsequent sale or usage occurs and our obligation to redeem loyalty points is deferred until those loyalty points are redeemed. Income related to our credit card agreement is classified within net sales on our Consolidated Statements of Operations.

We have franchise agreements to operate Old Navy, Gap, Banana Republic, and Athleta throughout Asia, Europe, Latin America, the Middle East, and Africa. Under these agreements, third parties operate, or will operate, stores and websites that sell apparel and related products under our brand names. We have identified separate performance obligations related to our franchise agreements that include both providing our franchise partners with a license and an obligation to supply franchise partners with our merchandise. Our obligation to provide a license is satisfied when the subsequent sale or usage occurs and our obligation to supply franchise partners with our merchandise is satisfied when control of the merchandise transfers. We also have licensing agreements with licensees to sell products using our brand names.

We defer revenue when cash payments are received in advance of performance for unsatisfied obligations related to our gift cards, licensing agreements, outstanding loyalty points, and reimbursements of loyalty program rewards associated with our credit card agreement.

See Note 3 of Notes to Consolidated Financial Statements for related revenue disclosures.

Classification of Expenses

Cost of goods sold and occupancy expenses include the following:

- the cost of merchandise;
- inventory shortage and valuation adjustments;
- freight charges;
- online shipping and packaging costs;
- cost associated with our sourcing operations, including payroll, benefits, and other administrative expenses;
- lease and other occupancy related cost, depreciation, and amortization related to our store operations, distribution centers, information technology, and certain corporate functions; and
- gains and losses associated with foreign currency derivative contracts used to hedge forecasted merchandise purchases and related costs denominated in U.S. dollars made by our international subsidiaries whose functional currencies are their local currencies.

Operating expenses include the following:

- payroll, benefits, and other administrative expenses for our store operations, field management, and distribution centers;
- payroll, benefits, and other administrative expenses for our corporate functions, including product design and development;
- advertising expenses;
- information technology expenses and maintenance costs;
- lease and other occupancy related cost, depreciation, and amortization for our corporate facilities;
- research and development expenses;
- gains and losses associated with foreign currency derivative contracts not designated as hedging instruments;
- third-party credit card processing fees; and
- other expenses (income).

Payroll, benefits, and other administrative expenses for our distribution centers recorded within operating expenses were $307 million, $320 million, and $386 million in fiscal 2024, 2023, and 2022, respectively. Research and development costs described in Accounting Standards Codification ("ASC") No. 730 are expensed as incurred. These costs primarily consist of payroll and related benefits attributable to time spent on research and development activities for new innovative products, technological improvements for existing products, and process innovation. Research and development expenses recorded within operating expenses under ASC 730 were $40 million, $37 million, and $46 million in fiscal 2024, 2023, and 2022, respectively.

The classification of expenses varies across the apparel retail industry. Accordingly, our cost of goods sold and occupancy expenses and operating expenses may not be comparable to those of other companies.

Impairment of Long-Lived Assets

We review the carrying amount of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Events that result in an impairment review include a significant decrease in the operating performance of the long-lived asset, the decision to close a store, corporate facility, or distribution center, or adverse changes in business climate. Long-lived assets are considered impaired if the carrying amount exceeds the estimated undiscounted future cash flows of the asset or asset group over the estimated remaining life. The asset group is defined as the lowest level for which identifiable cash flows are available and largely independent of the cash flows of other groups of assets, which for our retail stores is generally at the store level. The asset group for retail stores is comprised of both property and equipment and operating lease assets. For impaired assets, we recognize a loss equal to the difference between the carrying amount of the asset or asset group and its estimated fair value, which is recorded within operating expenses on the Consolidated Statements of Operations. The estimated fair value of the asset or asset group is based on discounted future cash flows of the asset or asset group using a discount rate commensurate with the related risk. For operating lease assets, the Company determines the estimated fair value of the assets by discounting the estimated market rental rates using available valuation techniques.

See Note 7 of Notes to Consolidated Financial Statements for related disclosures.

Impairment of Goodwill and Intangible Assets

We review the carrying amount of goodwill and other indefinite-lived intangible assets for impairment annually in the fourth quarter of the fiscal year and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Events that result in an impairment review include significant changes in the business climate, declines in our operating results, or an expectation that the carrying amount may not be recoverable. We assess potential impairment by considering present economic conditions as well as future expectations. If goodwill is considered impaired, we recognize a loss equal to the difference between the carrying amount and the estimated fair value of the reporting unit.

A trade name is considered impaired if the carrying amount exceeds its estimated fair value. If a trade name is considered impaired, we recognize a loss equal to the difference between the carrying amount and the estimated fair value of the trade name. The fair value of a trade name is determined using the relief from royalty method, which requires management to make assumptions and to apply judgment, including forecasting future sales, and selecting appropriate discount rates and royalty rates.

Goodwill and other indefinite-lived intangible assets, including the trade names, are recorded within other long-term assets on the Consolidated Balance Sheets.

See Note 5 of Notes to Consolidated Financial Statements for related disclosures.

Advertising

Costs associated with the production of advertising, such as writing, printing, and other costs, are expensed as incurred. Costs associated with communicating advertising that has been produced, such as television, magazine, and digital and social media costs, are expensed when the advertising event takes place or is made available. Advertising expense was $780 million, $882 million, and $1,039 million in fiscal 2024, 2023, and 2022, respectively, and is recorded within operating expenses on the Consolidated Statements of Operations.

Share-Based Compensation

Share-based compensation expense for stock options and other stock awards is determined based on the grant-date fair value. For units granted, whereby shares of common stock are issued for units as they vest (“Stock Units”), the fair value is determined either based on the Company’s stock price on the date of grant less future expected dividends during the vesting period or a Monte Carlo method for certain Stock Units granted with a market condition. We use the Black-Scholes-Merton option-pricing model to determine the fair value of stock options, which requires the input of subjective assumptions regarding the expected term, expected volatility, dividend yield, and risk-free interest rate. There were no stock options issued to employees during fiscal 2024 or fiscal 2023. For Stock Units and stock options, we recognize share-based compensation cost over the vesting period. We account for forfeitures as they occur. Share-based compensation expense is recorded primarily within operating expenses on the Consolidated Statements of Operations.

See Note 10 of Notes to Consolidated Financial Statements for related disclosures.

Foreign Currency

Our international subsidiaries primarily use local currencies as their functional currency and translate their assets and liabilities at the current rate of exchange in effect at the balance sheet date. Revenue and expenses from their operations are translated using rates that approximate those in effect during the period in which the transactions occur. The resulting gains and losses from translation are recorded on the Consolidated Statements of Comprehensive Income (Loss) and in accumulated other comprehensive income ("OCI") on the Consolidated Statements of Stockholders’ Equity. Transaction gains and losses resulting from intercompany balances of a long-term investment nature are also classified as accumulated OCI. Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the local functional currency are recorded within operating expenses on the Consolidated Statements of Operations.

The aggregate transaction gains and losses recorded within operating expenses on the Consolidated Statements of Operations are as follows:

	Fiscal Year		
($ in millions)	**2024**	**2023**	**2022**
Foreign currency transaction loss	$ (37)	$ (9)	$ (59)
Realized and unrealized gain from certain derivative financial instruments	35	11	57
Net foreign exchange gain (loss)	$ (2)	$ 2	$ (2)

Income Taxes

Deferred income taxes are recorded for temporary differences between the tax basis of assets and liabilities and their reported amounts on the Consolidated Financial Statements. Valuation allowances are established against deferred tax assets when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Our income tax expense includes changes in our estimated liability for exposures associated with our various tax filing positions. At any point in time, many tax years are subject to or in the process of being audited by various taxing authorities. To the extent our estimates of settlements change or the final tax outcome of these matters is different from the amounts recorded, such differences will impact the income tax provision in the period in which such determinations are made.

The Company recognizes interest related to unrecognized tax benefits in interest expense and penalties related to unrecognized tax benefits in operating expenses on the Consolidated Statements of Operations.

The Company has made an accounting policy election to treat taxes due on the global intangible low-taxed income (“GILTI”) of foreign subsidiaries as a current period expense.

Earnings per Share

Basic earnings per share is computed as net income (loss) divided by basic weighted-average number of common shares outstanding for the period. Diluted earnings per share is computed as net income divided by diluted weighted-average number of common shares outstanding for the period including common stock equivalents. During periods of net loss, the dilutive impact of outstanding options and awards is excluded from dilutive shares. Common stock equivalents consist of shares subject to share-based awards with exercise prices less than the average market price of our common stock for the period, to the extent their inclusion would be dilutive. Stock options and other stock awards that contain performance conditions are not included in the calculation of common stock equivalents until such performance conditions have been achieved.

See Note 13 of Notes to Consolidated Financial Statements for related disclosures.

Recent Accounting Pronouncements

Except as noted below, the Company has considered all recent accounting pronouncements and concluded that there are no recent accounting pronouncements that may have a material impact on our Consolidated Financial Statements and disclosures, based on current information.

Accounting Pronouncement Recently Adopted

ASU No. 2022-04, Disclosure of Supplier Finance Program Obligations

In September 2022, the Financial Accounting Standards Board ("FASB") issued accounting standards update ("ASU") No. 2022-04, Disclosure of Supplier Finance Program Obligations. The ASU is intended to enhance the transparency of the use of supplier finance programs by requiring additional disclosures about the program's nature and potential magnitude, including a rollforward of the obligations and activity during the period. The ASU is effective retrospectively for fiscal years and interim periods within those years beginning after December 15, 2022, except for the amendment on rollforward information, which is effective prospectively for fiscal years beginning after December 15, 2023. The ASU does not affect the recognition, measurement, or financial statement presentation of supplier finance program obligations. We adopted the required guidance of this ASU on January 29, 2023 on a retrospective basis, except for the amendment on rollforward information which we adopted on a prospective basis for the fiscal year ended February 1, 2025. See Note 17 of Notes to Consolidated Financial Statements for information regarding our supply chain finance program.

ASU No. 2023-07, Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU No. 2023-07, Improvements to Reportable Segment Disclosures. The ASU is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The ASU is effective retrospectively for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. We adopted this ASU for the fiscal year ended February 1, 2025. See Note 15 of Notes to Consolidated Financial Statements for related disclosures.

Accounting Pronouncements Not Yet Adopted

ASU No. 2023-09, Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures. The ASU is intended to improve the transparency of income tax disclosures by requiring consistent categories and greater disaggregation of information in the rate reconciliation, as well as income taxes paid disaggregated by jurisdiction. The ASU is effective for annual periods beginning after December 15, 2024 and should be applied on a prospective basis, but retrospective application is permitted. We are currently assessing the impact that this ASU will have on the Company's disclosures.

ASU No. 2024-03, Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU No. 2024-03, Disaggregation of Income Statement Expenses. The ASU is intended to improve financial reporting by requiring disaggregated disclosure of certain costs and expenses. The ASU is effective for fiscal years beginning after December 15, 2026 and for interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The ASU may be applied on either a prospective or retrospective basis. We are currently assessing the impact that this ASU will have on the Company's disclosures.

Note 2. Additional Financial Statement Information

Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

($ in millions)	February 1, 2025	February 3, 2024
Cash (1)	$ 2,025	$ 1,872
Money market funds	302	—
Time deposits and other debt securities	8	1
Cash and cash equivalents	$ 2,335	$ 1,873

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(1) Cash includes $67 million and $76 million of amounts in transit from banks for customer credit card and debit card transactions as of February 1, 2025 and February 3, 2024, respectively.

Short-Term Investments

Short-term investments consist of the following:

($ in millions)	February 1, 2025	February 3, 2024
U.S. treasury securities	$ 132	$ —
Corporate securities	121	—
Short-term investments	$ 253	$ —

Other Current Assets

Other current assets consist of the following:

($ in millions)	February 1, 2025	February 3, 2024
Accounts receivable	$ 301	$ 289
Derivative financial instruments	33	7
Prepaid income taxes and income taxes receivable	27	36
Right of returns asset	27	28
Prepaid minimum rent and occupancy expenses	24	31
Other	136	136
Other current assets	$ 548	$ 527

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and consist of the following:

($ in millions)	February 1, 2025	February 3, 2024
Furniture and equipment	$ 2,816	$ 2,805
Leasehold improvements	2,178	2,197
Land, buildings, and building improvements	1,145	1,140
Software	1,118	1,121
Construction-in-progress	169	177
Property and equipment, at cost	7,426	7,440
Less: Accumulated depreciation	(4,930)	(4,874)
Property and equipment, net of accumulated depreciation	$ 2,496	$ 2,566

Depreciation expense for property and equipment was $492 million, $513 million, and $531 million for fiscal 2024, 2023, and 2022, respectively.

Interest of $6 million, $5 million, and $7 million related to assets under construction was capitalized in fiscal 2024, 2023, and 2022, respectively.

See Note 7 of Notes to Consolidated Financial Statements for information regarding impairment charges.

Other Long-Term Assets

Other long-term assets consist of the following:

($ in millions)	February 1, 2025	February 3, 2024
Long-term income tax-related assets	$ 533	$ 561
Goodwill	207	207
Trade names	59	54
Other	147	146
Other long-term assets	$ 946	$ 968

See Note 5 of Notes to Consolidated Financial Statements for additional disclosures on goodwill and other intangible assets.

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

($ in millions)	February 1, 2025	February 3, 2024
Accrued compensation and benefits	$ 442	$ 394
Deferred revenue	273	337
Accrued advertising	76	40
Sales return allowances	60	62
Other	232	275
Accrued expenses and other current liabilities	$ 1,083	$ 1,108

Other Long-Term Liabilities

Other long-term liabilities consist of the following:

($ in millions)	February 1, 2025	February 3, 2024
Long-term income tax-related liabilities	$ 344	$ 319
Long-term asset retirement obligations (1)	27	28
Other	151	165
Other long-term liabilities	$ 522	$ 512

(1) The net activity related to asset retirement obligations includes adjustments to the asset retirement obligation balance and fluctuations in foreign currency exchange rates.

Note 3. Revenue

We disaggregate our net sales by channel and also by brand and region. Net sales by region are allocated based on the location of the store where the customer paid for and received the merchandise; the distribution center or store from which the products were shipped; or the region of the franchise or licensing partner.

Net sales disaggregated by channel for fiscal 2024, 2023, and 2022 are as follows:

	Fiscal Year		
($ in millions)	2024	2023 (2)	2022
Store and franchise sales	$ 9,332	$ 9,346	$ 9,651
Online sales (1)	5,754	5,543	5,965
Total net sales	$ 15,086	$ 14,889	$ 15,616

(1) Online sales primarily include sales originating from our online channel including those that are picked up or shipped from stores and net sales from revenue-generating strategic initiatives.
(2) Fiscal 2023 includes incremental sales attributable to the 53rd week.

Net sales disaggregated by brand and region are as follows:

($ in millions) Fiscal 2024	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other (3)	Total
U.S. (1)	$ 7,706	$ 2,531	$ 1,682	$ 1,311	$ 65	$ 13,295
Canada	649	326	168	39	—	1,182
Other regions	46	477	83	3	—	609
Total	$ 8,401	$ 3,334	$ 1,933	$ 1,353	$ 65	$ 15,086

($ in millions) Fiscal 2023 (2)	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other (3)	Total
U.S. (1)	$ 7,460	$ 2,470	$ 1,681	$ 1,310	$ 46	$ 12,967
Canada	674	332	170	45	—	1,221
Other regions	69	539	88	5	—	701
Total	$ 8,203	$ 3,341	$ 1,939	$ 1,360	$ 46	$ 14,889

($ in millions) Fiscal 2022	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other (3)	Total
U.S. (1)	$ 7,471	$ 2,461	$ 1,829	$ 1,428	$ 12	$ 13,201
Canada	679	332	192	33	—	1,236
Other regions	84	981	95	19	—	1,179
Total	$ 8,234	$ 3,774	$ 2,116	$ 1,480	$ 12	$ 15,616

(1) U.S. includes the United States and Puerto Rico.
(2) Fiscal 2023 includes incremental sales attributable to the 53rd week.
(3) Primarily consists of net sales from revenue-generating strategic initiatives.

We defer revenue when cash payments are received in advance of performance for unsatisfied obligations related to our gift cards, licensing agreements, outstanding loyalty points, and reimbursements of loyalty program rewards associated with our credit card agreement. For fiscal 2024, the opening balance of deferred revenue for these obligations was $337 million, of which $233 million was recognized as revenue during the period. The closing balance of deferred revenue for these obligations was $273 million as of February 1, 2025.

For fiscal 2023, the opening balance of deferred revenue for these obligations was $354 million, of which $253 million was recognized as revenue during the period. The closing balance of deferred revenue for these obligations was $337 million as of February 3, 2024.

In April 2021, the Company entered into agreements with Barclays and Mastercard relating to the Credit Card programs. The Company received an upfront payment of $60 million related to the agreements prior to the program launch in May 2022, which is being recognized as revenue over the term of the agreements. We also receive revenue sharing from our credit card agreement for private label and co-branded credit cards.

Note 4. Income Taxes

For financial reporting purposes, components of income (loss) before income taxes are as follows:

	Fiscal Year		
($ in millions)	2024	2023	2022
United States	$ 977	$ 463	$ (280)
Foreign	160	93	141
Income (loss) before income taxes	$ 1,137	$ 556	$ (139)

The tax expense for income taxes consists of the following:

($ in millions)	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022
Current:			
Federal	$ 194	$ 63	$ (35)
State	29	12	6
Foreign	43	43	50
Total current	266	118	21
Deferred:			
Federal	(1)	(40)	24
State	21	(6)	15
Foreign	7	(18)	3
Total deferred	27	(64)	42
Total tax expense	$ 293	$ 54	$ 63

The difference between the effective tax rate and the U.S. federal statutory tax rate is as follows:

	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022
Federal statutory tax rate	21.0 %	21.0 %	21.0 %
State and local income taxes, net of federal benefit	4.4	2.5	(13.7)
Tax impact of foreign operations	(2.4)	(0.7)	(28.1)
Valuation allowances	3.5	(11.0)	(3.6)
Impact of divestiture activity	—	(1.6)	(21.6)
Other	(0.7)	(0.5)	0.7
Effective tax rate	25.8 %	9.7 %	(45.3)%

During fiscal 2023, we recorded a $65 million benefit for changes in U.S. and foreign valuation allowances and a $32 million benefit related to a U.S. transfer pricing settlement related to our sourcing activities.

During fiscal 2022, we recorded a $37 million expense related to foreign divestiture activity.

Deferred tax assets (liabilities) consist of the following:

($ in millions)	February 1, 2025	February 3, 2024
Gross deferred tax assets:		
Operating lease liabilities	$ 1,037	$ 1,021
Accrued payroll and related benefits	108	86
Accruals	177	176
Inventory capitalization and other adjustments	51	75
Deferred income	43	53
Federal, state, and foreign net operating losses	179	197
Other	49	22
Total gross deferred tax assets	1,644	1,630
Valuation allowances	(261)	(233)
Total deferred tax assets, net of valuation allowances	1,383	1,397
Deferred tax liabilities:		
Depreciation and amortization	(126)	(154)
Operating lease assets	(839)	(802)
Other	(18)	(11)
Total deferred tax liabilities	(983)	(967)
Net deferred tax assets	$ 400	$ 430

As of February 1, 2025, we had approximately $812 million of state and $552 million of foreign loss carryovers in multiple taxing jurisdictions that could be utilized to reduce tax liabilities of future years. We also had approximately $46 million of foreign tax credit carryovers as of February 1, 2025.

Approximately $677 million of state losses expire between fiscal 2025 and fiscal 2044, and $135 million of the state losses do not expire. Approximately $235 million of the foreign losses expire between fiscal 2025 and fiscal 2044, and $317 million of the foreign losses do not expire. The foreign tax credits begin to expire in fiscal 2029.

Valuation allowances are recorded if, based on the assessment of available evidence, it is more likely than not that some portion, or all, of the deferred tax asset will not be realized. Management must analyze all available positive and negative evidence regarding realization of the deferred tax assets and make an assessment of the likelihood of sufficient future taxable income. We have provided valuation allowances of $261 million on certain federal, state, and foreign deferred tax assets that were not deemed realizable based upon estimates of future taxable income.

The activity related to our unrecognized tax benefits is as follows:

($ in millions)	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022
Balance at beginning of fiscal year	$ 343	$ 344	$ 359
Increases related to current year tax positions	13	12	11
Prior year tax positions:			
Increases	22	21	1
Decreases	(1)	(30)	(24)
Lapse of Statute of Limitations	(1)	(1)	—
Cash settlements	(1)	(3)	(2)
Foreign currency translation	(1)	—	(1)
Balance at end of fiscal year	$ 374	$ 343	$ 344

Of the total unrecognized tax benefits as of February 1, 2025, February 3, 2024, and January 28, 2023, approximately $354 million, $325 million, and $326 million, respectively, represents the amount that, if recognized, would favorably affect the effective income tax rate in future periods.

During fiscal 2024, 2023, and 2022, net interest expense of $17 million, $4 million, and $12 million, respectively, has been recognized on the Consolidated Statements of Operations relating to income tax liabilities.

As of February 1, 2025 and February 3, 2024, the Company had total accrued interest related to income tax liabilities of $66 million and $49 million, respectively. There were no accrued penalties related to income tax liabilities as of February 1, 2025 or February 3, 2024.

The Company conducts business globally, and as a result, files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world, including such major jurisdictions as the United States, Canada, France, the United Kingdom, China, Hong Kong, Japan, and India. We are no longer subject to U.S. federal income tax examinations for fiscal years before 2009, and with few exceptions, we also are no longer subject to U.S. state, local, or non-U.S. income tax examinations for fiscal years before 2010.

The IRS has examined the Company’s federal income tax returns and has sought to disallow research credits for tax years 2009 through 2013. Having exhausted all administrative avenues, the Company filed a petition in U.S. Tax Court on December 20, 2024. The Company believes the research credits taken are appropriate and intends to defend its position. The gross amount of research credits at issue for tax years 2009 through 2013 is approximately $41 million.

The Company engages in continual discussions with taxing authorities regarding tax matters in the various U.S. and foreign jurisdictions in the normal course of business. As of February 1, 2025, we do not expect any material impacts to the Consolidated Statements of Operations due to the settlement of audits within the next 12 months.

Note 5. Goodwill and Other Intangible Assets

The following goodwill and other intangible assets are included in other long-term assets on the Consolidated Balance Sheets:

($ in millions)	February 1, 2025	February 3, 2024
Goodwill	$ 207	$ 207
Trade names	$ 59	$ 54
Intangible assets subject to amortization	$ 54	$ 54
Less: Accumulated amortization	(44)	(36)
Intangible assets subject to amortization, net	$ 10	$ 18

The amortization expense for intangible assets subject to amortization recorded in cost of goods sold and occupancy expenses on the Consolidated Statements of Operations was $8 million, $9 million, and $9 million for fiscal 2024, 2023, and 2022, respectively.

We did not recognize any impairment charges for goodwill or other intangible assets in fiscal 2024, 2023, or 2022.

Note 6. Debt and Credit Facilities

Long-term debt recorded on the Consolidated Balance Sheets consists of the following:

($ in millions)	February 1, 2025	February 3, 2024
2029 Notes	$ 750	$ 750
2031 Notes	750	750
Less: Unamortized debt issuance costs	(10)	(12)
Total long-term debt	$ 1,490	$ 1,488

The scheduled maturity of the Senior Notes is as follows:

($ in millions)	Principal	Interest Rate	Interest Payments
October 1, 2029 (1)	$ 750	3.625%	Semi-Annual
October 1, 2031 (2)	750	3.875%	Semi-Annual
Total issuance	$ 1,500		

(1) On or after October 1, 2024, includes an option to redeem the 2029 Notes, in whole or in part at any time, at stated redemption prices.
(2) Includes an option to redeem the 2031 Notes, in whole or in part at any time, subject to a make-whole premium, prior to October 1, 2026. On or after October 1, 2026, includes an option to redeem the 2031 Notes, in whole or in part at any time, at stated redemption prices.

We have $1.5 billion aggregate principal amount of the 3.625 percent senior notes due 2029 ("2029 Notes") and 3.875 percent senior notes due 2031 ("2031 Notes") (the 2029 Notes and the 2031 Notes, collectively, the "Senior Notes"). As of February 1, 2025, the aggregate estimated fair value of the Senior Notes was $1.34 billion and was based on the quoted market prices for each of the Senior Notes (level 1 inputs) as of the last business day of the fiscal year. The aggregate principal amount of the Senior Notes is recorded in long-term debt on the Consolidated Balance Sheet, net of the unamortized debt issuance costs.

Our ABL Facility has a $2.2 billion borrowing capacity and generally bears interest at a per annum rate based on Secured Overnight Financing Rate ("SOFR") (subject to a zero floor) plus a margin, depending on borrowing base availability. The ABL Facility is scheduled to expire in July 2027 and is available for working capital, capital expenditures, and other general corporate purposes.

There were no borrowings under the ABL Facility as of February 1, 2025 and February 3, 2024.

We also have the ability to issue letters of credit on our ABL Facility. As of February 1, 2025, we had $46 million in standby letters of credit issued under the ABL Facility.

The Senior Notes contain covenants that may limit the Company's ability to, among other things: (i) grant or incur liens and (ii) enter into sale and lease-back transactions. The Senior Notes are fully and unconditionally guaranteed on a senior unsecured basis, jointly and severally, by each of our existing wholly owned domestic subsidiaries that is a borrower or guarantor under our existing ABL Facility. These guarantees also extend to each of our future wholly owned domestic subsidiaries that is a borrower or guarantor under any credit facility of the Company, any guarantor, a guarantor of capital markets debt of the Company, or any guarantor in an aggregate principal amount in excess of a certain amount.

The ABL Facility is secured by specified U.S. and Canadian assets, including a first lien on inventory, certain receivables, and related assets. The ABL Facility contains customary covenants restricting the Company's activities, as well as those of its subsidiaries, including limitations on the ability to sell assets, engage in mergers or other fundamental changes, enter into capital leases or certain leases not in the ordinary course of business, enter into transactions involving related parties or derivatives, incur or prepay indebtedness, grant liens or negative pledges on its assets, make loans or other investments, pay dividends or repurchase stock or other securities, guarantee third-party obligations, engage in sale and lease-back transactions and make changes in its corporate structure. There are exceptions to these covenants, and some are only applicable when unused availability falls below specified thresholds. In addition, the ABL Facility includes, as a financial covenant, a springing fixed charge coverage ratio which arises when availability falls below a specified threshold.

Note 7. Fair Value Measurements

The Company measures certain financial assets and liabilities at fair value on a recurring basis. The Company categorizes financial assets and liabilities recorded at fair value based upon a three-level hierarchy that considers the related valuation techniques.

There were no material purchases, sales, issuances, or settlements related to recurring level 3 measurements during fiscal 2024 or 2023.

Financial Assets and Liabilities

Financial assets and liabilities measured at fair value on a recurring basis and cash equivalents are as follows:

		Fair Value Measurements at Reporting Date Using		
($ in millions)	**February 1, 2025**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets:				
Cash equivalents	$ 310	$ 302	$ 8	$ —
Short-term investments	253	132	121	—
Derivative financial instruments	33	—	33	—
Deferred compensation plan assets	36	36	—	—
Other assets	3	—	—	3
Total	$ 635	$ 470	$ 162	$ 3
Liabilities:				
Derivative financial instruments	$ —	$ —	$ —	$ —

($ in millions)	February 3, 2024	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash equivalents	$ 1	$ —	$ 1	$ —
Derivative financial instruments	7	—	7	—
Deferred compensation plan assets	31	31	—	—
Other assets	4	—	—	4
Total	$ 43	$ 31	$ 8	$ 4
Liabilities:				
Derivative financial instruments	$ 8	$ —	$ 8	$ —

We have highly liquid fixed and variable income investments classified as cash equivalents and short-term investments. All highly liquid investments with original maturities of three months or less at the time of purchase are classified as cash and cash equivalents on the Consolidated Balance Sheets. Our cash equivalents are comprised of money market funds and time deposits recorded at amortized cost, which approximates fair value, as well as debt securities recorded at fair value using market prices for identical or similar assets. We also have highly liquid investments with original maturities of greater than three months and less than two years that are classified as short-term investments on the Consolidated Balance Sheet. These debt securities are also recorded at fair value using market prices for identical or similar assets.

There were no material realized or unrealized gains or losses or impairment charges related to short-term investments during fiscal 2024.

Derivative financial instruments primarily include foreign exchange forward contracts. See Note 8 of Notes to Consolidated Financial Statements for information regarding currencies hedged against the U.S. dollar.

We maintain the Gap, Inc. Deferred Compensation Plan ("DCP"), which allows eligible employees to defer base compensation and bonus up to a maximum percentage, and non-employee directors to defer receipt of a portion of their Board fees. Plan investments are directed by participants and are recorded at market value and designated for the DCP. The fair value of the Company's DCP assets is determined based on quoted market prices, and the assets are recorded within other long-term assets on the Consolidated Balance Sheets.

See Note 12 of Notes to Consolidated Financial Statements for information regarding employee benefit plans.

Nonfinancial Assets

Long-lived assets, which for us primarily consist of property and equipment and operating lease assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. The estimated fair value of the long-lived assets is based on discounted future cash flows of the asset or asset group using a discount rate commensurate with the risk. For operating lease assets, the Company determines the estimated fair value of the assets by comparing discounted contractual rent payments to estimated market rental rates using available valuation techniques. These fair value measurements qualify as level 3 measurements in the fair value hierarchy.

See Note 1 of Notes to Consolidated Financial Statements for further information regarding the impairment of long-lived assets.

We recorded the following long-lived asset impairment charges in operating expenses on the Consolidated Statements of Operations:

	Fiscal Year		
($ in millions)	2024	2023	2022
Operating lease assets (1)	$ —	$ 4	$ 33
Store assets (2)	1	3	18
Total impairment charges of long-lived assets	$ 1	$ 7	$ 51

(1) The impairment charge reduced the then carrying amount of the applicable operating lease assets of $51 million and $248 million to their fair value of $47 million and $215 million during fiscal 2023 and 2022, respectively. There were no material impairment charges for operating lease assets during fiscal 2024.

(2) The impairment charge reduced the then carrying amount of the applicable store assets of $2 million, $4 million, and $21 million to their fair value of $1 million, $1 million, and $3 million during fiscal 2024, 2023, and 2022, respectively.

Note 8. Derivative Financial Instruments

We operate in foreign countries, which exposes us to market risk associated with foreign currency exchange rate fluctuations. We use derivative financial instruments to manage our exposure to foreign currency exchange rate risk and do not enter into derivative financial contracts for trading purposes. Consistent with our risk management guidelines, we hedge a portion of our transactions related to merchandise purchases for foreign operations and certain intercompany transactions using foreign exchange forward contracts. These contracts are entered into with large, reputable financial institutions that are monitored for counterparty risk. The currencies hedged against changes in the U.S. dollar are the Canadian dollar, Japanese yen, British pound, New Taiwan dollar, and Euro. Cash flows from derivative financial instruments are classified as cash flows from operating activities on the Consolidated Statements of Cash Flows.

Derivative financial instruments are recorded at fair value on the Consolidated Balance Sheets as other current assets, other long-term assets, accrued expenses and other current liabilities, or other long-term liabilities.

Cash Flow Hedges

We designate foreign exchange forward contracts used to hedge forecasted merchandise purchases and related costs denominated in U.S. dollars made by our international subsidiaries whose functional currencies are their local currencies as cash flow hedges. The foreign exchange forward contracts entered into to hedge forecasted merchandise purchases and related costs generally have terms of up to 24 months. The effective portion of the gain or loss on the derivative financial instruments is reported as a component of other comprehensive income (loss) and is recognized into net income (loss) during the period in which the underlying transaction impacts the Consolidated Statements of Operations.

Other Derivatives Not Designated as Hedging Instruments

We use foreign exchange forward contracts to hedge our market risk exposure associated with foreign currency exchange rate fluctuations for certain intercompany balances denominated in currencies other than the functional currency of the entity with the intercompany balance. The gain or loss on the derivative financial instruments that represent economic hedges, as well as the remeasurement impact of the underlying intercompany balances, is recorded in operating expenses on the Consolidated Statements of Operations in the same period and generally offset each other.

Outstanding Notional Amounts

As of February 1, 2025 and February 3, 2024, we had foreign exchange forward contracts outstanding in the following notional amounts:

($ in millions)	February 1, 2025	February 3, 2024
Derivatives designated as cash flow hedges	$ 363	$ 381
Derivatives not designated as hedging instruments	419	568
Total	$ 782	$ 949

Quantitative Disclosures about Derivative Financial Instruments

The fair values of foreign exchange forward contracts are as follows:

($ in millions)	February 1, 2025	February 3, 2024
Derivatives designated as cash flow hedges:		
Other current assets	$ 20	$ 6
Accrued expenses and other current liabilities	—	2
Derivatives not designated as hedging instruments:		
Other current assets	13	1
Accrued expenses and other current liabilities	—	6
Total derivatives in an asset position	$ 33	$ 7
Total derivatives in a liability position	$ —	$ 8

All of the unrealized gains and losses from designated cash flow hedges as of February 1, 2025 will be recognized in income within the next 12 months at the then-current values, which may differ from the fair values as of February 1, 2025 shown above.

Our foreign exchange forward contracts are subject to master netting arrangements with each of our counterparties and such arrangements are enforceable in the event of default or early termination of the contract. We do not elect to offset the fair values of our derivative financial instruments on the Consolidated Balance Sheets and as such the fair values shown above represent gross amounts. The amounts subject to enforceable master netting arrangements are not material for all periods presented.

See Note 7 of Notes to Consolidated Financial Statements for disclosures on the fair value measurements of our derivative financial instruments.

The pre-tax amounts recognized in net income (loss) related to derivative instruments are as follows:

	Location and Amount of Gain Recognized in Net Income (Loss)					
	Fiscal Year 2024		Fiscal Year 2023		Fiscal Year 2022	
($ in millions)	Cost of goods sold and occupancy expenses	Operating expenses	Cost of goods sold and occupancy expenses	Operating expenses	Cost of goods sold and occupancy expenses	Operating expenses
Total amount of expense line items presented on the Consolidated Statements of Operations in which the effects of derivatives are recorded	$ 8,859	$ 5,115	$ 9,114	$ 5,215	$ 10,257	$ 5,428
Gain recognized in net income (loss):						
Derivatives designated as cash flow hedges	$ (15)	$ —	$ (18)	$ —	$ (33)	$ —
Derivatives not designated as hedging instruments	—	(35)	—	(11)	—	(57)
Total gain recognized in net income (loss)	$ (15)	$ (35)	$ (18)	$ (11)	$ (33)	$ (57)

Note 9. Common Stock

Common and Preferred Stock

The Company is authorized to issue 2.3 billion shares of common stock. We are also authorized to issue 60 million shares of Class B common stock, which is convertible into shares of common stock on a share-for-share basis. Transfer of the Class B shares is restricted. In addition, the holders of the Class B common stock have six votes per share on most matters and are entitled to a lower cash dividend. No Class B shares have been issued as of February 1, 2025.

The Company is authorized to issue 30 million shares of one or more series of preferred stock, which has a par value of $0.05 per share, and to establish at the time of issuance the issue price, dividend rate, redemption price, liquidation value, conversion features, and such other terms and conditions of each series (including voting rights) as the Board deems appropriate, without further action on the part of the stockholders. No preferred shares have been issued as of February 1, 2025.

Share Repurchases

Share repurchase activity is as follows:

	Fiscal Year		
($ and shares in millions except average per share cost)	2024	2023	2022
Number of shares repurchased (1)	3	—	11
Total cost	$ 75	$ —	$ 123
Average per share cost including commissions	$ 23.86	$ —	$ 11.59

(1) Excludes shares withheld to settle employee tax withholding payments related to the vesting of stock units.

In February 2019, the Board approved a $1.0 billion share repurchase authorization. The February 2019 repurchase program had $401 million remaining as of February 1, 2025. All common stock repurchased is immediately retired.

Note 10. Share-Based Compensation

Share-based compensation expense is as follows:

($ in millions)	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022
Stock Units	$ 121	$ 74	$ 26
Stock options	2	3	7
Employee stock purchase plan	3	3	4
Share-based compensation expense	126	80	37
Less: Income tax benefit	(22)	(14)	(14)
Share-based compensation expense, net of tax	$ 104	$ 66	$ 23

No material share-based compensation expense was capitalized in fiscal 2024, 2023, or 2022.

There were no material modifications made to our outstanding stock options and Stock Units in fiscal 2024, 2023, or 2022.

General Description of Stock Option and Stock Unit Plans

The 2016 Long-Term Incentive Plan (the "2016 Plan") was last amended and restated in May 2023. Under the 2016 Plan, nonqualified stock options and Stock Units are granted to officers, directors, eligible employees, and consultants at exercise prices or initial values equal to the fair market value of the Company's common stock at the date of grant or as determined by the Compensation and Management Development Committee of the Board.

As of February 1, 2025, there were 311,586,781 shares that have been authorized for issuance under the 2016 Plan.

Stock Units

Under the 2016 Plan, Stock Units are granted to employees and members of the Board. Vesting generally occurs over a period of three to four years of continued service by the employee in equal annual installments for the majority of the Stock Units granted. Vesting is immediate in the case of members of the Board.

In some cases, Stock Unit vesting is also subject to the attainment of pre-determined performance metrics and/or the satisfaction of market conditions ("Performance Shares"). At the end of each reporting period, we evaluate the probability that the Performance Shares will vest. We record share-based compensation expense on an accelerated basis over a period of three to four years once granted, based on the grant-date fair value and the probability that the pre-determined performance metrics will be achieved. We use the Monte Carlo method to calculate the grant date fair value of Performance Shares containing a market condition. The Monte Carlo method incorporates option-pricing model inputs to value the Performance Shares and estimate the total shareholder return ranking among our peer group.

A summary of Stock Unit activity under the 2016 Plan for fiscal 2024 is as follows:

	Shares	Weighted-Average Grant-Date Fair Value Per Share
Balance as of February 3, 2024	18,822,475	$ 11.72
Granted	6,398,770	$ 23.21
Granted, with vesting subject to performance and market conditions	2,228,916	$ 25.83
Vested	(5,881,262)	$ 11.63
Forfeited	(3,720,849)	$ 18.17
Balance as of February 1, 2025	17,848,050	$ 16.28

A summary of additional information about Stock Units is as follows:

($ in millions except per share amounts)	Fiscal Year 2024	2023	2022
Weighted-average fair value per share of Stock Units granted	$ 23.89	$ 9.41	$ 11.92
Fair value of Stock Units vested	$ 68	$ 82	$ 83

The aggregate intrinsic value of unvested Stock Units as of February 1, 2025 was $430 million.

As of February 1, 2025, there was $188 million (before any related tax benefit) of unrecognized share-based compensation expense related to unvested Stock Units, which is expected to be recognized over a weighted-average period of 1.8 years. Total unrecognized share-based compensation expense may be adjusted for future forfeitures as they occur.

Stock Options

We have stock options outstanding under the 2016 Plan. Stock options generally expire the earlier of 10 years from the grant date, three months after employee termination, or one year after the date of an employee’s retirement or death. Vesting generally occurs over a period of four years of continued service by the employee, with 25 percent vesting on each of the four anniversary dates.

There were no stock options issued to employees during fiscal 2024 or 2023. The fair value of stock options issued to employees during fiscal 2022 was estimated on the date of grant using the following assumptions:

	Fiscal Year 2022
Expected term (in years)	4.6
Expected volatility	51.7 %
Dividend yield	4.0 %
Risk-free interest rate	2.5 %

A summary of stock option activity under the 2016 Plan for fiscal 2024 is as follows:

	Shares	Weighted-Average Exercise Price Per Share
Balance as of February 3, 2024	4,885,718	$ 21.59
Granted	—	$ —
Exercised	(1,206,015)	$ 11.52
Forfeited/Expired	(535,456)	$ 28.90
Balance as of February 1, 2025	3,144,247	$ 24.21

A summary of additional information about stock options is as follows:

($ in millions except per share amounts)	Fiscal Year 2024	2023	2022
Weighted-average fair value per share of stock options granted	$ —	$ —	$ 4.66
Aggregate intrinsic value of stock options exercised	$ 17	$ 7	$ 2
Fair value of stock options vested	$ 3	$ 6	$ 13

Information about stock options outstanding and exercisable as of February 1, 2025 is as follows:

	Intrinsic Value as of February 1, 2025 (in millions)	Number of Shares as of February 1, 2025	Weighted-Average Remaining Contractual Life (in years)	Weighted-Average Exercise Price Per Share
Options Outstanding	$ 10	3,144,247	3.8	$ 24.21
Options Exercisable	$ 9	2,894,965	3.6	$ 24.76

Employee Stock Purchase Plan

Under our Employee Stock Purchase Plan (“ESPP”), eligible U.S. and Canadian employees are able to purchase our common stock at 85 percent of the closing price on the New York Stock Exchange on the last day of the three-month purchase periods. Accordingly, compensation expense is recognized for an amount equal to the 15 percent discount. Employees pay for their stock purchases through payroll deductions at a rate equal to any whole percentage from 1 percent to 15 percent. There were 935,816, 1,945,332, and 2,337,159 shares issued under the ESPP in fiscal 2024, 2023 and 2022, respectively. As of February 1, 2025, there were 9,700,716 shares reserved for future issuances under the ESPP.

Note 11. Leases

Net lease cost recognized on our Consolidated Statements of Operations is summarized as follows:

	Fiscal Year	
($ in millions)	2024	2023
Operating lease cost	$ 891	$ 823
Variable lease cost	363	443
Net lease cost	$ 1,254	$ 1,266

As of February 1, 2025, the maturities of lease liabilities based on the total minimum lease commitment amount including options to extend lease terms that are reasonably certain of being exercised are as follows:

($ in millions) Fiscal Year		
2025	$	858
2026		832
2027		695
2028		582
2029		489
Thereafter		1,565
Total minimum lease payments		5,021
Less: Interest		(1,036)
Present value of operating lease liabilities		3,985
Less: Current portion of operating lease liabilities		(632)
Long-term operating lease liabilities	$	3,353

During fiscal 2024 and 2023, non-cash operating lease asset activity, net of remeasurements and modifications, was $784 million and $544 million, respectively. As of February 1, 2025 and February 3, 2024, the minimum lease commitment amount for operating leases signed but not yet commenced, primarily for retail stores, was $59 million and $62 million, respectively.

As of February 1, 2025 and February 3, 2024, the weighted-average remaining operating lease term was 7.2 years and 7.7 years, respectively, and the weighted-average discount rate was 6.4 percent for operating leases recognized on our Consolidated Financial Statements.

As of February 1, 2025 and February 3, 2024, the Company's finance leases were not material to our Consolidated Financial Statements.

See Note 1 of Notes to Consolidated Financial Statements for additional disclosures related to leases.

Note 12. Employee Benefit Plans

We have two qualified defined contribution retirement plans, the GapShare 401(k) Plan and the GapShare Puerto Rico Plan (the “GapShare Plans”), which are available to employees who meet the eligibility requirements. The GapShare Plans permit eligible employees to make contributions up to the maximum limits allowable under the applicable Internal Revenue Codes. Under the GapShare Plans, we match, in cash, all or a portion of employees’ contributions under a predetermined formula. Our contributions vest immediately. Our matching contributions to the GapShare Plans were $48 million, $49 million, and $49 million in fiscal 2024, 2023, and 2022, respectively.

We maintain the Gap, Inc. Deferred Compensation Plan, which allows eligible employees to defer base compensation and bonus up to a maximum percentage, and non-employee directors to defer receipt of a portion of their Board fees. Plan investments are directed by participants and are recorded at market value and designated for the DCP. The fair value of the Company’s DCP assets is determined based on quoted market prices, and the assets are recorded within other long-term assets on the Consolidated Balance Sheets. As of February 1, 2025 and February 3, 2024, the assets related to the DCP were $36 million and $31 million, respectively. As of February 1, 2025 and February 3, 2024, the corresponding liabilities related to the DCP were $36 million and $31 million, respectively, and were recorded within other long-term liabilities on the Consolidated Balance Sheets. We match all or a portion of employees’ contributions under a predetermined formula. Plan investments are elected by the participants, and investment returns are not guaranteed by the Company. Our matching contributions to the DCP in fiscal 2024, 2023, and 2022 were not material.

Note 13. Earnings (Loss) per Share

Weighted-average number of shares used for earnings (loss) per share is as follows:

	Fiscal Year		
(shares in millions)	**2024**	**2023**	**2022**
Weighted-average number of shares—basic	376	370	367
Common stock equivalents (1)	8	6	—
Weighted-average number of shares—diluted	384	376	367

(1) For fiscal 2022, the dilutive impact of outstanding options and awards was excluded from dilutive shares as a result of the Company's net loss for the period.

The anti-dilutive shares related to stock options and Stock Units excluded from the computation of weighted-average number of shares—diluted were 2 million, 6 million, and 11 million for fiscal 2024, 2023, and 2022, respectively, as their inclusion would have an anti-dilutive effect on earnings (loss) per share.

Note 14. Commitments and Contingencies

We are a party to a variety of contractual agreements under which we may be obligated to indemnify the other party for certain matters. These contracts primarily relate to our commercial contracts, operating leases, trademarks, intellectual property, financial agreements, and various other agreements. Under these contracts, we may provide certain routine indemnifications relating to representations and warranties (e.g., ownership of assets, environmental or tax indemnifications), or personal injury matters. The terms of these indemnifications range in duration and may not be explicitly defined. Generally, the maximum obligation under such indemnifications is not explicitly stated, and as a result, the overall amount of these obligations cannot be reasonably estimated. Historically, we have not made significant payments for these indemnifications. We believe that if we were to incur a loss in any of these matters, the loss would not have a material effect on our Consolidated Financial Statements taken as a whole.

As a multinational company, we are subject to various Actions arising in the ordinary course of our business. Many of these Actions raise complex factual, tax, and legal issues and are subject to uncertainties. As of February 1, 2025, Actions filed against us included commercial, intellectual property, customer, employment, securities, and data privacy claims, including class action lawsuits. The plaintiffs in some Actions seek unspecified damages or injunctive relief, or both. In addition, we have filed a petition in the U.S. Tax Court to defend research credits taken in prior years. See Note 4 of Notes to Consolidated Financial Statements for further details. Actions are in various procedural stages and some are covered in part by insurance. As of February 1, 2025 and February 3, 2024, we recorded a liability for an estimated loss if the outcome of an Action is expected to result in a loss that is considered probable and reasonably estimable. The liability recorded as of February 1, 2025 and February 3, 2024 was not material for any individual Action or in total. Subsequent to February 1, 2025 and through the filing date of March 18, 2025, no information has become available that indicates a change is required that would be material to our Consolidated Financial Statements taken as a whole.

We cannot predict with assurance the outcome of Actions brought against us. Accordingly, developments, settlements, or resolutions may occur and impact income in the quarter of such development, settlement, or resolution. However, we do not believe that the outcome of any current Action would have a material effect on our Consolidated Financial Statements taken as a whole.

Note 15. Segment Information

We identify our operating segments according to how our business activities are managed and evaluated. As of February 1, 2025, our operating segments included: Old Navy Global, Gap Global, Banana Republic Global, and Athleta Global. Each of our brands serves customer demand through our store and franchise channel and our online channel, leveraging our omni-channel capabilities that allow customers to shop seamlessly across all of our brands. Additionally, our products, suppliers, customers, methods of distribution, and regulatory environment are similar across our brands. We have determined that each of our operating segments share similar qualitative and economic characteristics, and therefore the results of our operating segments are aggregated into one reportable segment as of February 1, 2025. We continually monitor and review our segment reporting structure in accordance with authoritative guidance to determine whether any changes have occurred that would impact our reportable segments.

Gap Inc.'s chief operating decision maker ("CODM") is our President and Chief Executive Officer. The CODM reviews measures of segment profit or loss by comparing budgeted versus actual and forecasted results, for purposes of assessing performance, allocating resources, and making decisions. The measure of segment assets is reported on the Consolidated Balance Sheets in total.

The following table presents information for segment profit (loss) and significant expenses:

	Fiscal Year		
($ in millions)	**2024**	**2023**	**2022**
Net sales	$ 15,086	$ 14,889	$ 15,616
Cost of goods sold	6,984	7,202	8,317
Occupancy expenses (1)	1,875	1,912	1,940
Operating expenses (2)	5,115	5,215	5,428
Operating income (loss)	$ 1,112	$ 560	$ (69)

(1) Occupancy expenses include lease and other occupancy related cost, depreciation, and amortization related to our store operations, distribution centers, information technology, and certain corporate functions.

(2) Operating expenses primarily include payroll and benefits expenses, advertising expenses, information technology expenses and maintenance costs, and other administrative expenses.

Long-lived assets, excluding long-term deferred tax assets, by geographic location are as follows:

($ in millions)	**February 1, 2025**	**February 3, 2024**
U.S. (1)	$ 5,700	$ 5,614
Other regions	582	605
Total long-lived assets	$ 6,282	$ 6,219

(1) U.S. includes the United States and Puerto Rico.

See Note 3 of Notes to Consolidated Financial Statements for disaggregation of revenue by channel and by brand and region.

Note 16. Divestitures

On February 1, 2022, we completed the transition of our Gap Italy operations to a third party, OVS, to operate Gap Italy stores as a franchise partner. On August 10, 2022, we completed the transition of our United Kingdom and Ireland online operations to a franchise partner through a joint venture with Next Plc. The impacts upon divestiture were not material to our results of operations for fiscal 2022.

We sold our distribution center in Rugby, England for $125 million on September 30, 2022. As a result of this transaction, the Company recognized a pre-tax gain on sale of $83 million within operating expenses on the Consolidated Statement of Operations during fiscal 2022.

We completed the transition of our Old Navy Mexico operations to a third party, Grupo Axo, to operate Old Navy Mexico stores as a franchise partner, on August 1, 2022. As a result of this transaction, the Company recognized a pre-tax loss of $35 million within operating expenses on the Consolidated Statement of Operations during fiscal 2022.

On November 7, 2022, we signed agreements to transition our Gap Greater China operations to a third party, Baozun, to operate Gap Greater China stores and the in-market website as a franchise partner, subject to regulatory approvals and closing conditions. On January 31, 2023, the Gap China transaction closed with Baozun. The impact upon divestiture was not material to our results of operations for fiscal 2023. The Gap Taiwan operations will continue to operate as usual until regulatory approvals and closing conditions are met.

Note 17. Supply Chain Finance Program

Our voluntary SCF program provides certain suppliers with the opportunity to sell their receivables due from us to participating financial institutions at the sole discretion of both the suppliers and the financial institutions. We are not a party to the agreements between our suppliers and the financial institutions and our payment terms are not impacted by whether a supplier participates in the SCF program.

We may agree to side letters with participating financial institutions related to the SCF program that require us to transfer a certain amount of cash to be used as collateral for our payment obligations in a specified period. These collateral amounts, if applicable, are classified as restricted cash on our Consolidated Balance Sheets. There were no collateral amounts under the SCF program as of February 1, 2025 and February 3, 2024. The collateral amount under the SCF program was $30 million as of January 28, 2023. Additionally, our lenders under the ABL Facility who also participate in the SCF program have their related financings secured pursuant to the terms of the ABL Facility.

The Company's outstanding obligations under the SCF program were $387 million and $373 million as of February 1, 2025 and February 3, 2024, respectively, and were included in accounts payable on the Consolidated Balance Sheets. A rollforward of our outstanding obligations under the SCF program for fiscal 2024 is as follows:

($ in millions)	Fiscal Year 2024
Obligations outstanding at beginning of fiscal year	$ 373
Invoices added during the fiscal year	2,685
Invoices settled during the fiscal year	(2,671)
Obligations outstanding at end of fiscal year	$ 387

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this Annual Report on Form 10-K. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining an adequate system of internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f). Management conducted an assessment of our internal control over financial reporting based on the framework established by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control—Integrated Framework* (released in 2013). Based on the assessment, management concluded that as of February 1, 2025, our internal control over financial reporting is effective. The Company's internal control over financial reporting as of February 1, 2025 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which is included in Item 8 of this Form 10-K.

Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting that occurred during the fourth quarter of fiscal 2024 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information.

During the 13 weeks ended February 1, 2025, none of our directors or Section 16 officers adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408(a) of Regulation S-K, except as follows:

On December 13, 2024, Horacio (Haio) Barbeito, President and CEO of Old Navy, adopted a trading plan intended to satisfy the affirmative defense of Rule 10b5-1(c) to sell up to 396,367 shares of Gap Inc. common stock. Unless otherwise terminated pursuant to its terms, the plan will terminate on April 30, 2025, or when all shares under the plan are sold.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

Part III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this item is incorporated herein by reference to the sections entitled “Proposal No. 1—Election of Directors—Nominees for Election as Directors,” “Proposal No. 1—Election of Directors—Director Selection and Qualification,” “Corporate Governance—Board Committees—Audit and Finance Committee,” "Corporate Governance—Insider Trading Policy and Restrictions on Hedging and Pledging" and "Beneficial Ownership of Shares—Delinquent Section 16(a) Reports" in the 2025 Proxy Statement. See also “Information about our Executive Officers” in Part I, Item 1 of this Form 10-K.

The Company has adopted a code of ethics, our Code of Business Conduct, which applies to all employees including our principal executive officer, principal financial officer, controller, and persons performing similar functions. Our Code of Business Conduct is available on our website, www.gapinc.com, under “Investors, Corporate Compliance.” Any amendments and waivers to the Code will also be available on the website.

Item 11. Executive Compensation.

The information required by this item is incorporated herein by reference to the sections entitled “Compensation of Directors,” “Corporate Governance—Board Committees—Compensation and Management Development Committee—Compensation Committee Interlocks and Insider Participation,” “Compensation Discussion and Analysis,” "Compensation Committee Report" and “Executive Compensation” in the 2025 Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this item is incorporated herein by reference to the sections entitled “Equity Compensation Plan Information” and “Beneficial Ownership of Shares—Beneficial Ownership Table” in the 2025 Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item is incorporated herein by reference to the sections entitled "Proposal No. 1—Election of Directors—Director Independence," “Corporate Governance—Policies and Procedures with Respect to Related Party Transactions” and “Corporate Governance—Certain Relationships and Related Transactions” in the 2025 Proxy Statement.

Item 14. Principal Accounting Fees and Services.

Information about aggregate fees billed to us by our principal accountant, Deloitte & Touche LLP (PCAOB ID No. 34) is incorporated herein by reference to the section entitled “Proposal No. 2—Ratification of Selection of Independent Accountant—Principal Accounting Firm Fees” in the 2025 Proxy Statement.

Part IV

Item 15. Exhibits, Financial Statement Schedules.

1. Financial Statements: See “Index to Consolidated Financial Statements” in Part II, Item 8 of this Form 10-K.
2. Financial Statement Schedules: Schedules are included in the Consolidated Financial Statements or notes of this Form 10-K or are not required.
3. Exhibits: The exhibits listed in the below Exhibit Index are filed or incorporated by reference as part of this Form 10-K.

Exhibit Index

		Incorporated by Reference				
Exhibit No.	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed/ Furnished Herewith
3.1	Restated Certificate of Incorporation.	10-Q	1-7562	3.1	August 30, 2024	
3.2	Amended and Restated Bylaws (effective August 15, 2022).	10-Q	1-7562	3.3	August 26, 2022	
4.1	Indenture, dated as of September 27, 2021, by and among the Registrant, the Guarantors party thereto and U.S. Bank National Association as trustee, registrar and paying agent.	8-K	1-7562	4.1	September 28, 2021	
4.2	Form of 3.625% Senior Note due 2029, included as Exhibit A-1 to the Indenture.	8-K	1-7562	4.2	September 28, 2021	
4.3	Form of 3.875% Senior Note due 2031, included as Exhibit A-2 to the Indenture.	8-K	1-7562	4.3	September 28, 2021	
4.4	Description of Registrant's securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.					X
10.1	Fourth Amended and Restated Revolving Credit Agreement dated as of July 13, 2022.	10-Q	1-7562	10.1	November 22, 2022	
10.2	Amendment No. 1, dated as of March 27, 2024, to Fourth Amended and Restated Revolving Credit Agreement, dated as of July 13, 2022.	10-Q	1-7562	10.4	May 31, 2024	
10.3*	Credit Card Program Agreement, dated as of April 8, 2021, by and among the Registrant, Old Navy, LLC, Banana Republic, LLC, Athleta LLC and Barclays Bank Delaware.	10-Q	1-7562	10.4	May 28, 2021	
10.4†	Executive Management Incentive Compensation Award Plan.	DEF 14A	1-7562	App. A	April 7, 2015	
10.5†	Deferred Compensation Plan, amended and restated effective January 1, 2023.	10-K	1-7562	10.12	March 14, 2023	
10.6†	Amended and Restated 2011 Long-Term Incentive Plan (effective February 26, 2014).	8-K	1-7562	10.1	March 6, 2014	
10.7†	2016 Long-Term Incentive Plan (effective May 17, 2016).	DEF 14A	1-7562	App. A	April 5, 2016	
10.8†	Amended and Restated 2016 Long-Term Incentive Plan (effective February 22, 2017).	10-K	1-7562	10.30	March 20, 2018	
10.9†	Amended and Restated 2016 Long Term-Incentive Plan (effective May 21, 2019).	DEF 14A	1-7562	App. A	April 9, 2019	
10.10†	Amended and Restated 2016 Long-Term Incentive Plan (effective May 11, 2021).	DEF 14A	1-7562	App. B	March 30, 2021	
10.11†	Amended and Restated 2016 Long-Term Incentive Plan (effective May 9, 2023).	DEF 14A	1-7562	App. A	March 29, 2023	

10.12†	Amended and Restated 2016 Long-Term Incentive Plan (effective July 1, 2024).					X
10.13†	Form of Non-Qualified Stock Option Agreement under the 2011 Long-Term Incentive Plan.	8-K	1-7562	10.2	March 6, 2014	
10.14†	Form of Non-Qualified Stock Option Agreement under the 2011 Long-Term Incentive Plan.	8-K	1-7562	10.1	March 6, 2015	
10.15†	Form of Non-Qualified Stock Option Agreement under the 2011 Long-Term Incentive Plan.	10-K	1-7562	10.60	March 21, 2016	
10.16†	Form of Non-Qualified Stock Option Agreement under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.1	March 9, 2017	
10.17†	Form of Non-Qualified Stock Option Agreement under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.1	March 16, 2018	
10.18†	Form of Non-Qualified Stock Option Agreement under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.1	March 15, 2019	
10.19†	2020 Form of Non-Qualified Stock Option Agreement under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.1	March 13, 2020	
10.20†	2021 Form of Non-Qualified Stock Option Agreement under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.1	March 9, 2021	
10.21†	2022 Form of Non-Qualified Stock Option Agreement under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.1	March 11, 2022	
10.22†	2023 Form of Non-Qualified Stock Option Agreement under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.1	March 10, 2023	
10.23†	2021 Form of Performance Share Agreement under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.3	March 9, 2021	
10.24†	2022 Form of Performance Share Agreement under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.3	March 11, 2022	
10.25†	2023 Form of Performance Share Agreement under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.3	March 10, 2023	
10.26†	2024 Form of Performance Share Agreement under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.2	March 15, 2024	
10.27†	Form of Amendment No. 1 to 2024 Performance Share Agreement under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.1	October 11, 2024	
10.28†	2020 Form of Restricted Stock Unit Award Agreement under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.2	March 13, 2020	
10.29†	2021 Form of Restricted Stock Unit Award Agreement under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.2	March 9, 2021	
10.30†	2022 Form of Restricted Stock Unit Award Agreement under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.2	March 11, 2022	
10.31†	2023 Form of Restricted Stock Unit Award Agreement under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.2	March 10, 2023	
10.32†	2024 Form of Restricted Stock Unit Award Agreement under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.1	March 15, 2024	
10.33†	Form of Director Stock Unit Agreement and Stock Unit Deferral Election Form under the 2011 Long-Term Incentive Plan.	10-Q	1-7562	10.10	June 8, 2011	
10.34†	Form of Director Stock Unit Agreement and Stock Unit Deferral Election Form under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.4	March 9, 2017	
10.35†	2020 Form of Director Stock Unit Agreement and Stock Unit Deferral Election Form under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.4	March 13, 2020	
10.36†	2024 Form of Director Stock Unit Agreement and Stock Unit Deferral Election Form under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.3	March 15, 2024	

10.37†	Letter Agreement dated March 5, 2020 by and between Mark Breitbard and the Registrant.	10-K	1-7562	10.57	March 17, 2020	
10.38†	Letter Agreement dated March 6, 2020 by and between Katrina O'Connell and the Registrant.	10-K	1-7562	10.74	March 17, 2020	
10.39†	Letter Agreement dated June 2, 2022 by and between Horacio Barbeito and the Registrant.	10-Q	1-7562	10.3	August 26, 2022	
10.40†	Letter Agreement dated July 21, 2023 by and between Richard Dickson and the Registrant.	8-K	1-7562	10.1	July 26, 2023	
10.41†	Summary of Relocation Benefits for Richard Dickson.	10-Q	1-7562	10.6	August 25, 2023	
10.42†	Letter Agreement dated July 18, 2023 by and between Chris Blakeslee and the Registrant.	10-K	1-7562	10.60	March 19, 2024	
10.43†	The Gap, Inc. Senior Executive Severance Plan (effective July 1, 2024).	8-K	1-7562	10.1	June 28, 2024	
10.44†	Participation Agreement with Chris Blakeslee under The Gap, Inc. Senior Executive Severance Plan.	10-Q	1-7562	10.2	August 30, 2024	
10.45†	Form of Inducement Restricted Stock Unit Agreement with Richard Dickson under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.2	July 26, 2023	
10.46†	Form of Make-Whole Restricted Stock Unit Agreement with Richard Dickson under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.3	July 26, 2023	
10.47†	Form of Make-Whole Performance Share Agreement with Richard Dickson under the 2016 Long-Term Incentive Plan.	8-K	1-7562	10.4	July 26, 2023	
10.48†	Form of Make-Whole Restricted Stock Unit Agreement with Chris Blakeslee under the 2016 Long-Term Incentive Plan.	10-K	1-7562	10.66	March 19, 2024	
10.49†	Form of Make-Whole Performance Share Agreement with Chris Blakeslee under the 2016 Long-Term Incentive Plan.	10-K	1-7562	10.67	March 19, 2024	
19	Securities Law Compliance Manual.					X
21	Subsidiaries of Registrant.					X
23	Consent of Independent Registered Public Accounting Firm.					X
31.1	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer of The Gap, Inc. (Section 302 of the Sarbanes-Oxley Act of 2002).					X
31.2	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer of The Gap, Inc. (Section 302 of the Sarbanes-Oxley Act of 2002).					X
32.1	Certification of the Chief Executive Officer of The Gap, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2	Certification of the Chief Financial Officer of The Gap, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
97	Gap Inc. Executive Compensation Recoupment Policy.	10-K	1-7562	97	March 19, 2024	
101	The following materials from The Gap, Inc.'s Annual Report on Form 10-K for the year ended February 1, 2025, formatted in Inline XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income (Loss), (iv) the Consolidated Statements of Stockholders' Equity, (v) the Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements.					X

104	Cover Page Interactive Data File (embedded within the Inline XBRL document).	X

† Indicates management contract or compensatory plan or arrangement.

* Certain portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE GAP, INC.

Date:	March 18, 2025	By	/s/ RICHARD DICKSON **Richard Dickson** **President, Chief Executive Officer, and Director** **(Principal Executive Officer)**
Date:	March 18, 2025	By	/s/ KATRINA O'CONNELL **Katrina O'Connell** **Executive Vice President and Chief Financial Officer** **(Principal Financial and Accounting Officer)**

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date:	March 18, 2025	By	/s/ SALAAM COLEMAN SMITH Salaam Coleman Smith, Director
Date:	March 18, 2025	By	/s/ ELISABETH B. DONOHUE Elisabeth B. Donohue, Director
Date:	March 18, 2025	By	/s/ ROBERT J. FISHER Robert J. Fisher, Director
Date:	March 18, 2025	By	/s/ WILLIAM S. FISHER William S. Fisher, Director
Date:	March 18, 2025	By	/s/ TRACY GARDNER Tracy Gardner, Director
Date:	March 18, 2025	By	/s/ KATHRYN A. HALL Kathryn A. Hall, Director
Date:	March 18, 2025	By	/s/ AMY MILES Amy Miles, Director
Date	March 18, 2025	By	/s/ CHRIS O'NEILL Chris O'Neill, Director
Date:	March 18, 2025	By	/s/ MAYO A. SHATTUCK III Mayo A. Shattuck III, Director
Date:	March 18, 2025	By	/s/ TARIQ SHAUKAT Tariq Shaukat, Director

Exhibit 4.4

**DESCRIPTION OF REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF
THE SECURITIES EXCHANGE ACT OF 1934**

The Gap, Inc. ("Gap", the "Company," "our" and "us") has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: our common stock. The following summary of the terms of our common stock is based upon our Restated Certificate of Incorporation ("Certificate of Incorporation") and our Amended and Restated Bylaws ("Bylaws"). This summary does not purport to be complete and is subject to, and is qualified in its entirety by express reference to, the applicable provisions of our Certificate of Incorporation and our Bylaws, which are filed as exhibits to our Annual Report on Form 10-K and are incorporated by reference herein. We encourage you to read our Certificate of Incorporation, our Bylaws and the applicable provisions of the Delaware General Corporation Law (the "DGCL") for more information.

DESCRIPTION OF COMMON STOCK

Authorized Capital Shares

Our Certificate of Incorporation authorizes the issuance of 2,300,000,000 shares of common stock and 30,000,000 shares of preferred stock. All outstanding shares of our common stock are fully paid and nonassessable. As of March 18, 2025, no shares of preferred stock are issued or outstanding.

In addition, our Certificate of Incorporation authorizes the issuance of 60,000,000 shares of Class B common stock, which is convertible into shares of common stock on a share-for-share basis. Transfer of the shares of Class B common stock is restricted. In addition, the holders of the Class B common stock have six votes per share on most matters and are entitled to a lower cash dividend. As of March 18, 2025, no shares of Class B common stock are issued or outstanding, and we are not permitted to issue shares of Class B common stock as long as our common stock is listed on the New York Stock Exchange.

Voting Rights

Except as otherwise provided by law, holders of our common stock have voting rights on the basis of one vote per share on each matter submitted to a vote at a meeting of stockholders, subject to any class or series voting rights of holders of our preferred stock. Our stockholders may not cumulate votes in elections of directors. As a result, the holders of our common stock and (if issued) preferred stock entitled to exercise more than 50% of the voting rights in an election of directors can elect all of the directors to be elected if they choose to do so. In such event, the holders of the remaining common stock and preferred stock voting for the election of directors will not be able to elect any persons to the board of directors.

Dividend Rights

Holders of our common stock, subject to any prior rights or preferences of preferred stock outstanding, have equal rights to receive dividends if and when declared by our board of directors out of funds legally available therefor.

Liquidation Rights

In the event of our liquidation, dissolution or winding up and after payment of all prior claims, holders of our common stock would be entitled to receive any of our remaining assets, subject to any preferential rights of holders of outstanding shares of preferred stock.

Other Rights and Preferences

Holders of our common stock have no preemptive rights to subscribe for additional shares of common stock or any of our other securities, nor do holders of our common stock have any redemption or conversion rights.

Listing

Our common stock is listed on the New York Stock Exchange under the symbol "GAP."

Transfer Agent

The transfer agent and registrar for our common stock is Equiniti Trust Company.

Effect of Certain Provisions of Our Certificate of Incorporation and Bylaws and the Delaware Anti-Takeover Statute

Certain of the provisions of our Certificate of Incorporation, Bylaws and the DGCL could discourage a proxy contest or the acquisition of control of a substantial block of our stock. These provisions could also have the effect of discouraging a third party from making a tender offer or otherwise attempting to obtain control of Gap, even though an attempt to obtain control of Gap might be beneficial to Gap and its stockholders.

Preferred Stock

As noted above, the rights, preferences and privileges of holders of common stock may be affected by the rights, preferences and privileges granted to holders of preferred stock.

Pursuant to our Certificate of Incorporation, our Board of Directors has the authority, without further action by the stockholders, to issue shares of preferred stock in one or more series, and to fix the rights, preferences and privileges of each series, which may be greater than the rights of the common stock. It is not possible to state the actual effect of the issuance of any additional series of preferred stock upon the rights of holders of our common stock until the Board of Directors determines the specific rights of the holders of that series. However, the effects might include, among other things:

- Restricting dividends on the common stock;
- Diluting the voting power of the common stock;
- Impairing the liquidation rights of the common stock; or
- Delaying or preventing a change in control of Gap without further action by the stockholders.

Charter and Bylaw Provisions

Our Bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election of directors, other than nominations made by or at the direction of our Board of Directors.

Our Bylaws include an exclusive forum provision. This provision provides that, unless Gap consents in writing to the selection of an alternative forum, the sole and exclusive forum for certain actions or proceedings involving us shall be the Court of Chancery of the State of Delaware. Such suits will include (1) any derivative action or proceeding brought on behalf of Gap, (2) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer, employee or agent of Gap to the Company or its stockholders, (3) any action or proceeding asserting a claim against Gap arising pursuant to any provision of the DGCL, the Certificate of Incorporation or the Bylaws or (4) any action or proceeding asserting a claim against Gap governed by the internal affairs doctrine.

Certain Transactions

Under Delaware law, the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless a corporation's certificate of incorporation or bylaws, as the case may be, requires a greater percentage. Certain provisions of our Certificate of Incorporation related to business combinations may only be amended by an affirmative vote of the holders of 66-2/3% or more of the outstanding voting stock.

Our Certificate of Incorporation provides that business combinations with interested stockholders will require the supermajority vote of 66-2/3% of the voting power of all classes of Gap's voting stock, voting together as a single class (with each share of Class B common stock having two votes per share), to approve such transaction.

An "interested stockholder" is defined in our Certificate of Incorporation as a person (other than our subsidiaries) who or which:

- Is the beneficial owner of more than 5% of the voting power of (a) all outstanding shares of common stock, (b) all outstanding shares of Class B common stock or (c) all outstanding shares with voting rights;

- Is our affiliate and at any time within the two-year period before the date in question owned or was the beneficial owner of more than 5% of the voting power of (a) all outstanding shares of common stock, (b) all outstanding shares of Class B common stock or (c) all outstanding shares with voting rights; or

- Is an assignee of or has otherwise succeeded to (by means other than through a public offering) any shares of our stock with voting rights which were owned by an interested stockholder at any time in the preceding two years.

A "business combination" is defined in our Certificate of Incorporation to mean:

- A merger or consolidation of us or any of our subsidiaries with an interested stockholder;

- A merger or consolidation of us or any of our subsidiaries with another corporation which, after such merger or consolidation, would be an affiliate of an interested stockholder;

- A sale, lease, exchange, mortgage, pledge, transfer or other disposition of our property or the property of any of our subsidiaries representing 5% or more of our overall book value to an interested stockholder or an affiliate thereof, or the issuance or transfer by us to an interested stockholder or an affiliate thereof of our securities, or the securities of any of our subsidiaries, in exchange for cash, securities or other property having such fair market value; or

- Any recapitalization or reclassification of our securities, or any merger or consolidation, that has the effect of increasing the voting power of an interested stockholder.

A business combination will not need to receive the supermajority vote described above if it meets one of the following tests:

- The business combination is approved by a majority of the members of the Board of Directors who are not affiliated with the interested stockholder and who were Board members prior to the interested stockholder becoming an interested stockholder or who were recommended by a majority of such Board members; or

- The consideration to be paid by the interested stockholder in the business combination meets various tests designed to ensure that the form and amount of consideration to be paid by the interested stockholder is fair to the other stockholders.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the DGCL, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;

- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines "business combination" to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;

- any sale, lease, exchange, mortgage, transfer, pledge or other disposition of 10% or more of either the assets or outstanding stock of the corporation involving the interested stockholder;

- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;

- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or

- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 defines "interested stockholder" as an entity or person who, together with affiliates and associates, beneficially owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

Exhibit 10.12

THE GAP, INC. 2016 LONG-TERM INCENTIVE PLAN
(As Amended and Restated Effective as of July 1, 2024)

THE GAP, INC., having adopted The Gap, Inc. 2016 Long-Term Incentive Plan (formerly known as the “1996 Stock Option and Award Plan,” the “2006 Long-Term Incentive Plan” and “2011 Long-Term Incentive Plan”) (the “Plan”) effective as of March 26, 1996, and having amended the Plan on several subsequent occasions, hereby amends and restates the Plan in its entirety, effective as of July 1, 2024, as follows:

SECTION 1
BACKGROUND, PURPOSE AND DURATION

1.1 Background. The Plan permits the grant of Nonqualified Stock Options, Incentive Stock Options, SARs, Restricted Stock, Unrestricted Stock, Performance Units, Performance Shares, and Stock Units.

1.2 Purpose of the Plan. The Plan is intended to increase incentive and to encourage Share ownership on the part of Employees, Consultants and Nonemployee Directors. The Plan also is intended to further the growth and profitability of the Company and to permit the grant of performance-based equity awards.

1.3 Duration. This amended and restated Plan is effective as of July 1, 2024 and shall remain in effect thereafter unless terminated earlier under Section 11. However, without further stockholder approval, no Incentive Stock Option may be granted under the Plan after May 17, 2026.

SECTION 2
DEFINITIONS

The following words and phrases shall have the following meanings unless a different meaning is plainly required by the context:

2.1 “1934 Act” means the Securities Exchange Act of 1934, as amended. Reference to a specific section of the 1934 Act or regulation thereunder shall include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

2.2 “Affiliate” means any corporation or any other entity (including, but not limited to, partnerships and joint ventures) controlling, controlled by, or under common control with the Company.

2.3 “Applicable Laws” means the requirements relating to the administration of equity compensation plans under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Shares are listed or quoted and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plan.

2.4 “Award” means, individually or collectively, a grant under the Plan of Nonqualified Stock Options, Incentive Stock Options, SARs, Restricted Stock, Unrestricted Stock, Performance Units, Performance Shares, or Stock Units.

2.5 “Award Agreement” means the written agreement (which may be electronic) setting forth the terms and conditions applicable to each Award granted under the Plan.

2.6 “Board” or “Board of Directors” means the Board of Directors of the Company.

2.7 “Code” means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder shall include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

2.8 “Committee” means the committee appointed by the Board (pursuant to Section 3.1) to administer the Plan. Unless otherwise determined by the Board, the Compensation and Management Development Committee of the Board shall constitute the Committee.

2.9 “Common Stock” means the common stock of the Company.

2.10 "Company" means The Gap, Inc., a Delaware corporation, or any successor thereto.

2.11 "Consultant" means any consultant, independent contractor, director of an Affiliate, or other person who provides significant services to the Company or an Affiliate, but who is neither an Employee nor a Director.

2.12 "Deferral Period" means the period of time during which Stock Units, Performance Units, or Performance Shares are subject to deferral limitations under Section 9.

2.13 "Determination Date" means, as to a Performance Period, any time when the achievement of the applicable Performance Goal(s) associated with the applicable Performance Period remains substantially uncertain; provided, however, that if the Determination Date occurs on or before the date on which 25% of the Performance Period has elapsed, the achievement of such Performance Goal(s) shall be deemed to be substantially uncertain.

2.14 "Director" means any individual who is a member of the Board.

2.15 "Disability" means a permanent and total disability within the meaning of Code Section 22(e)(3), provided that in the case of Awards other than Incentive Stock Options, the Committee in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Committee from time to time.

2.16 "Dividend Equivalents" means a Participant's right to receive cash or Shares for each Share represented by an Award held by such Participant in an amount equal to the ordinary dividends paid on an equivalent number of Shares. Any Dividend Equivalents credited with respect to an Award shall be settled in cash or Shares only if, when and to the extent the Award vests, provided that settlement of earned Dividend Equivalents may be deferred as set forth in Section 10.9. The value of amounts payable with respect to any Award or portion of any Award that does not vest shall be forfeited. Notwithstanding the foregoing, unless otherwise determined by the Committee, no Dividend Equivalent right shall be granted to the extent such grant could result in the payment of any tax under Code Section 409A. In addition, no Dividend Equivalents shall be granted with respect to SARs or Stock Options.

2.17 "Employee" means any employee of the Company or an Affiliate. Except as otherwise determined by the Company, a person shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company or the employing Affiliate or (ii) transfers between locations of the Company or between the Company, any Affiliate, or any successor. Neither service as a Director nor payment of a director's fee by the Company shall be sufficient to constitute "employment" by the Company.

2.18 "Exchange Program" means a program established by the Committee (i) providing for the repurchase of outstanding and unexercised Options or Stock Appreciation Rights by the Company whether in the form of a cash payment or otherwise or (ii) under which outstanding Awards are amended to provide for a lower Exercise Price or surrendered or cancelled in exchange for (a) Awards with a lower Exercise Price, (b) a different type of Award or awards under a different equity incentive plan, (c) cash, or (d) a combination of (a), (b) and/or (c). Notwithstanding the preceding, the term Exchange Program does not include any (i) action described in Section 4.3 or any action taken in connection with a change in control transaction nor (ii) transfer or other disposition permitted under Section 10.5. For the purpose of clarity, each of the actions described in the prior sentence, none of which constitute an Exchange Program, may be undertaken (or authorized) by the Committee in its sole discretion without stockholder approval.

2.19 "Exercise Price" means the price at which a Share may be purchased by a Participant pursuant to the exercise of an Option.

2.20 "Fair Market Value" means the fair market value of a Share on a particular date, as determined by the Committee in good faith. Unless otherwise determined by the Committee, the fair market value shall be the closing stock price of Shares as reported on the New York Stock Exchange (NYSE) on the relevant date (or, if no closing stock price is reported for the relevant date, on the last trading day for which a closing stock price of Shares is reported on the NYSE).

2.21 "Fiscal Year" means the fiscal year of the Company.

2.22 "Grant Date" means, with respect to an Award, the date that the Award was granted. The Grant Date of an Award shall not be earlier than the date the Award is approved by the Committee.

2.23 "Incentive Stock Option" means an Option to purchase Shares which is designated as an Incentive Stock Option and that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Code Section 422 and the regulations promulgated thereunder.

2.24 "Nonemployee Director" means a Director who is not an Employee.

2.25 "Nonqualified Stock Option" means an option to purchase Shares that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

2.26 "Option" means an Incentive Stock Option or a Nonqualified Stock Option.

2.27 "Parent" means a "parent corporation" of the Company whether now or hereafter existing, as defined in Code Section 424(e).

2.28 "Participant" means an Employee, Consultant, or Nonemployee Director who has an outstanding

Award.

2.29 "Performance Goals" means the goal(s) (or combined goal(s)) determined by the Committee (in its discretion) pursuant to Section 5 to be applicable to a Participant with respect to an Award.

2.30 "Performance Period" means any Fiscal Year or such other period as determined by the Committee in its sole discretion during which performance objectives or other vesting criteria must be met.

2.31 "Performance Share" means an Award of Performance Shares granted to a Participant pursuant to Section 9.

2.32 "Performance Unit" means an Award of Performance Units granted to a Participant pursuant to Section 9.

2.33 "Period of Restriction" means the period during which Shares of Restricted Stock, Unrestricted Stock, Stock Units, Performance Units, or Performance Shares are subject to forfeiture and/or restrictions on transferability and therefore, the Shares covered by the Award are subject to a substantial risk of forfeiture. As provided in Section 8 and 9, such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Committee, in its discretion.

2.34 "Plan" means The Gap, Inc. 2016 Long-Term Incentive Plan, as set forth in this instrument and as hereafter amended from time to time.

2.35 "Restricted Stock" means an Award granted to a Participant pursuant to Section 8.

2.36 "Retirement" shall, in the case of an Employee, have the meaning, if any, set forth in the Employee's Award Agreement; provided, however, that with respect to Awards granted prior to May 17, 2011, "Retirement" shall have the meaning set forth in GapShare (the Company's "401(k)" plan) as of the Grant Date of the applicable Award. With respect to an Award granted to a person who is a Consultant at the time of grant, no Termination of Service shall be deemed to be on account of "Retirement". With respect to a Nonemployee Director, "Retirement" means a Termination of Service at or after the age of 72 or such other meaning provided by the Committee in an Award Agreement.

2.37 "Rule 16b-3" means Rule 16b-3 promulgated under the 1934 Act, and any future regulation amending, supplementing or superseding such regulation.

2.38 "Section 16 Person" means a person who, with respect to the Shares, is subject to Section 16 of the 1934 Act.

2.39 "Shares" means the shares of the Company's common stock, $0.05 par value.

2.40 "Stock Appreciation Right" or "SAR" means an Award, granted alone or in connection with a related Option, that pursuant to Section 7 is designated as a SAR.

2.41 "Stock Unit" means an Award of Stock Units granted pursuant to Section 9.

2.42 "Subsidiary" means any corporation in an unbroken chain of corporations beginning with the Company as the corporation at the top of the chain, but only if each of the corporations below the Company (other than the last corporation in the unbroken chain) then owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

2.43 "Tax Obligations" means tax and social insurance liability obligations and requirements in connection with the Awards, including, without limitation, (a) all federal, state, and local taxes (including the Participant's FICA obligation) and all non-U.S. taxes that are required to be withheld by the Company or the employing Affiliate, and (b) any other Company (or employing Affiliate) taxes the responsibility for which (i) the Participant has agreed to bear or (ii) where permitted by governing authorities outside the U.S., taxes the Company may choose to pass on to Participants, in each case with respect to the applicable Award (including on the grant, vesting or exercise thereof or purchase or issuance of Shares thereunder).

2.44 "Termination of Service" means (a) in the case of an Employee, a cessation of the employee- employer relationship between the Employee and the Company or an Affiliate for any reason, including, but not by way of limitation, a termination by resignation, discharge, death, Disability, Retirement, or the disaffiliation of an Affiliate, but excluding any such termination where there is a simultaneous (i) reemployment of the individual by the Company or an Affiliate, or (ii) with respect to Awards (other than Incentive Stock Options) granted on or after January 28, 2003, engagement of the consulting services of the individual by the Company or an Affiliate; (b) in the case of a Consultant, a termination of the service relationship between the Consultant and the Company or an Affiliate for any reason, including, but not by way of limitation, a termination by resignation, discharge, death, Disability, or the disaffiliation of an Affiliate, but excluding any such termination where there is a simultaneous (i) re- engagement of the services of the individual by the Company or an Affiliate, or (ii) with respect to Awards granted on or after January 28, 2003, employment of the individual by the Company or an Affiliate; and (c) in the case of a Nonemployee Director, a cessation of the Director's service on the Board for any reason, including, but not by way of limitation, a termination by resignation, death, Disability, Retirement or non-reelection to the Board, but excluding, with respect to Awards granted on or after May 17, 2011, any such cessation where there is a simultaneous (i) re-engagement of the services of the individual by the Company or an Affiliate, or (ii) employment of the individual by the Company or an Affiliate.

2.45 "Unrestricted Stock" means an Award granted to a Participant pursuant to Section 8.

SECTION 3
ADMINISTRATION

3.1 The Committee. The Plan shall be administered by the Committee. The Committee shall consist of not less than two (2) Directors who shall be appointed from time to time by, and shall serve at the pleasure of, the Board. The Committee shall be comprised solely of Directors who both are (a) "non-employee directors" under Rule 16b-3, and (b) "outside directors" under Code Section 162(m).

3.2 Authority of the Committee. It shall be the duty of the Committee to administer the Plan in accordance with the Plan's provisions. Subject to the provisions of the Plan, the Committee shall have all powers and discretion necessary or appropriate to administer the Plan and to control its operation, including, but not limited to, the power to (a) determine which Employees and Consultants shall be granted Awards, (b) prescribe the terms and conditions of such Awards or amendments thereto, (c) determine which Nonemployee Directors shall be granted Awards and the terms and conditions thereof, provided that such Awards shall be subject to Board approval if so required by the Committee Charter, (d) interpret the Plan and the Awards, (e) adopt such procedures and subplans as are necessary or appropriate to permit participation in the Plan by Employees, Consultants and Nonemployee Directors who are foreign nationals or employed outside of the United States, (f) implement an Exchange Program, (g) implement or permit (i) an action described in Section 4.3, and/or (ii) a transfer or other disposition permitted under Section 10.5, (h) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith, and (i) interpret, amend or revoke any such rules. Notwithstanding the preceding, the Committee shall not implement an Exchange Program without the approval of the holders of a majority of the Shares that are present in person or by proxy and entitled to vote at any Annual or Special Meeting of Shareholders of the Company. With respect to Nonemployee Directors, all references in the Plan to the Committee's discretion shall be subject to this Section 3.2 and shall require Board approval if so required by the Committee Charter.

3.3 Delegation by the Committee. The Committee, in its sole discretion and on such terms and conditions as it may provide, may delegate all or any part of its authority and powers under the Plan to one or more

Directors or officers of the Company in accordance with Applicable Laws; provided, however, that the Committee may not delegate its authority and powers (a) with respect to Section 16 Persons, or (b) in any way which would jeopardize the performance-based compensation exception under Code Section 162(m) or the exemption under Rule 16b-3.

3.4 Decisions Binding. All determinations and decisions made by the Committee, the Board, and any delegate of the Committee pursuant to the provisions of the Plan shall be final, conclusive, and binding on all persons, and shall be given the maximum deference permitted by law.

SECTION 4
SHARES SUBJECT TO THE PLAN, NONEMPLOYEE DIRECTOR LIMIT

4.1 Number of Shares. Subject to adjustment as provided in Section 4.3, the total number of Shares available for grant under the Plan shall not exceed the sum of (a) 218,341,342, (b) the number of Shares (not to exceed 40,225,653) that remain available for grant under the Company's 2002 Stock Option Plan as of the date of obtaining shareholder approval of the amended and restated Plan on May 9, 2006, (c) any Shares (not to exceed 28,019,786) that otherwise would have been returned to the 2002 Stock Option Plan after May 9, 2006 on account of the expiration, cancellation, or forfeiture of Awards granted thereunder, and (d) 25,000,000 Shares. For purposes of this Section 4.1, effective with respect to Awards granted on or after May 9, 2023, each Award shall reduce the number of Shares available for Awards under the Plan by one Share for each Share covered by the Award; provided that each Award other than an Option or SAR granted prior to May 9, 2023 shall reduce the number of Shares available for Awards under the Plan by two Shares for each Share covered by the Award. With respect to SARs and Options, the number of Shares which shall cease to be available under the Plan shall equal the total number of Shares covered by each SAR or Option, as evidenced in the applicable Award Agreement. To the extent an Award under the Plan (other than a SAR or Option) is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan (and in the case of Options or SARs shall reduce the number of Shares available for issuance under the Plan by the number of Shares having a Fair Market Value equal to the cash delivered). Subject to adjustment provided in Section 4.3, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options shall equal the aggregate Share number stated in this Section 4.1, plus, to the extent allowable under Section 422 of the Code, any Shares that become available for issuance under the Plan under Section 4.2. Shares granted under the Plan may be either authorized but unissued Shares or treasury Shares.

4.2 Lapsed Awards. To the extent an Award expires or is cancelled without having been exercised, or is surrendered pursuant to an Exchange Program, or, with respect to Restricted Stock, Unrestricted Stock, Performance Units, Performance Shares, or Stock Units is forfeited to or repurchased by the Company, the unpurchased Shares (or for Awards other than Options and SARs, the forfeited or repurchased Shares) which were subject thereto plus the number of additional Shares, if any, that counted against Shares available for issuance under the Plan in respect thereof using the Share counting rule in effect at the time the applicable Award was granted will become available for future grant or sale under the Plan (unless the Plan has terminated). Notwithstanding the foregoing, and except with respect to shares of Restricted Stock that are forfeited rather than vesting, Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan. Shares used to pay the tax and/or exercise price of an Award will not become available for future grant or sale under the Plan. For the avoidance of doubt, Shares purchased by the Company with the proceeds of a Stock Option exercise shall not again be available for issuance under the Plan.

4.3 Adjustments in Awards and Authorized Shares. In the event of a dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), merger, reorganization, consolidation, recapitalization, separation, liquidation, stock split, reverse stock split, split-up, spin-off, Share combination, repurchase, or exchange of Shares or other securities of the Company or other significant corporate transaction, or other significant change affecting the Shares, the Committee shall adjust the number, kind and class of securities which may be delivered under the Plan, the number, class, kind and price of securities subject to outstanding Awards, and the numerical limits of Sections 4.4, 6.1, 7.1.1, 8.1 and 9.1 in such manner as the Committee (in its sole discretion) shall determine to be appropriate to equitably adjust such Awards. Notwithstanding the preceding, the number of Shares subject to any Award always shall be a whole number. Notwithstanding the foregoing, all adjustments under this Section 4.3 shall be made in a manner that does not result in taxation under Code Section 409A or, for the avoidance of doubt, loss of the performance-based compensation exception under Code Section 162(m) to the extent applicable.

4.4 Limit on Nonemployee Director Awards. Other than the Chairman of the Board, no Nonemployee Director shall be granted Awards in any fiscal year of the Company, taken together with any cash retainers or other similar cash-based payments paid during such fiscal year for services on the Board, having an aggregate value in excess of $500,000. In addition, the non-employee Chairman of the Board shall not be granted Awards in any fiscal year of the Company, taken together with any cash retainers or other similar cash-based payments paid during such fiscal year for services on the Board, having an aggregate value in excess of $700,000. For this purpose, Restricted Stock, Unrestricted Stock, Performance Units, Performance Shares and Stock Units shall be valued based on the Fair Market Value on the Grant Date of the maximum number of Shares covered thereby (or the maximum dollar value thereof with respect to Awards denominated in dollars) and Options and SARs shall be valued using a Black- Scholes or other accepted valuation model, in each case, using reasonable assumptions. For the avoidance of doubt, such limit shall include the value of any Awards that are received in lieu of all or a portion of any cash retainers or other similar cash-based payments. The limits set forth in Sections 6.1, 7.1.1, 8.1 and 9.1 shall not apply to Nonemployee Directors.

4.5 The Committee may grant Awards under the Plan in substitution for stock and stock based awards held by employees of another corporation who become employees of the Company or a Subsidiary as the result of a merger or consolidation of the employing corporation with the Company or a Subsidiary or the acquisition by the Company or a Subsidiary of property or stock of the employing corporation. The Committee may direct that such Awards be granted with such terms and conditions as the Committee considers appropriate in the circumstances. Such Awards shall not reduce the Shares available for issuance under the Plan, nor shall shares subject to such Awards be added back to the Shares available for issuance under the Plan. Additionally, subject to the rules of the applicable stock exchange on which the Shares are listed, in the event that a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consolidation payable to holder of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares available for issuance under the Plan (and shares subject to such Awards shall not be added back to the Shares available for Awards under the Plan); provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not eligible to receive Awards under the Plan prior to such acquisition or combination.

SECTION 5
PERFORMANCE GOALS

5.1 Establishment of Performance Goals. For each Performance Period, the Committee shall establish and set forth in writing the Performance Goals, if any, and any particulars, components and adjustments relating thereto, applicable to each Participant. The Performance Goals, if any, for such Awards will be objectively measurable and will be based upon the achievement of a specified percentage or level in one or more of the following objectively defined and non-discretionary factors preestablished by the Committee: (a) comparable store sales growth; (b) earnings; (c) earnings per share; (d) return on equity; (e) return on net assets; (f) return on invested capital; (g) gross sales; (h) net sales; (i) net earnings; (j) free cash flow; (k) total shareholder return; (l) stock price; (m) gross margin; (n) operating margin; (o) market share; (p) inventory levels; (q) expense reduction; (r) environmental, social, and governance, and human capital targets and metrics, (s) employee turnover; and/or (t) any financial and non-financial criteria (including, without limitation, subjective criteria and individual performance), as established by the Committee in its sole discretion.

5.2 Committee Discretion on Performance Goals. As determined in the discretion of the Committee, the Performance Goals for any Performance Period may (a) differ from Participant to Participant and from Award to Award, (b) be based on the performance of the Company as a whole or the performance of a specific Participant or one or more subsidiaries, divisions, departments, regions, stores, segments, products, functions or business units of the Company, (c) be measured on a per share, per capita, per unit, per square foot, per employee, per store basis, and/or other objective basis, (d) be measured on a pre-tax or after-tax basis, (e) be measured on an absolute basis or in relative terms (including, but not limited to, the passage of time and/or against other companies, financial metrics and/or an index) and (f) take into account other factors (including subjective factors). Without limiting the foregoing, the Committee shall adjust any performance criteria, Performance Goal or other feature of an Award that relates to or is wholly or partially based on the number of, or the value of, any stock of the Company, to reflect any stock dividend or split, repurchase, recapitalization, combination, or exchange of shares or other similar changes in such stock.

5.3 Adjustments. The impact of one or more items (including, but not limited to, one or more of the following) may be taken into account in any manner established by the Committee on or prior to the Determination Date when determining whether a Performance Goal has been attained: (a) changes in generally accepted accounting principles (“GAAP”); (b) nonrecurring items, if any, that may be defined in an objective and non- discretionary manner under U.S. GAAP accounting standards or other applicable accounting standards in effect from time to time; (c) the sale of investments or non-core assets; (d) discontinued operations, categories or segments; (e) legal claims and/or litigation and insurance recoveries relating thereto; (f) amortization, depreciation or impairment of tangible or intangible assets; (g) reductions in force, early retirement programs or severance expense; (h) investments, acquisitions or dispositions; (i) political, legal and other business interruptions (such as due to war, insurrection, riot, terrorism, confiscation, expropriation, nationalization, deprivation, seizure, and regulatory requirements); (j) natural catastrophes; (k) currency fluctuations; (l) stock based compensation expense; (m) early retirement of debt; (n) conversion of convertible debt securities; and (o) termination of real estate leases. Each of the adjustments described above may relate to the Company as a whole or any part of the Company’s business or operations.

SECTION 6
STOCK OPTIONS

6.1 Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to Employees, Consultants and Nonemployee Directors at any time and from time to time as determined by the Committee in its sole discretion. The Committee, in its sole discretion, shall determine the number of Shares subject to each Option, provided that during any Fiscal Year, no Participant shall be granted Options covering more than 18,000,000 Shares. The Committee may grant Incentive Stock Options, Nonqualified Stock Options, or a combination thereof; provided, however, that any Options granted to Consultants or Nonemployee Directors pursuant to this Section 6 shall be Nonqualified Stock Options.

6.2 Award Agreement. Each Option shall be evidenced by an Award Agreement that shall specify the Exercise Price, the expiration date of the Option, the number of Shares to which the Option pertains, any conditions to exercise of the Option, and such other terms and conditions as the Committee, in its discretion, shall determine. The Award Agreement shall also specify whether the Option is intended to be an Incentive Stock Option or a Nonqualified Stock Option.

6.3 Exercise Price. Subject to the provisions of this Section 6.3, the Exercise Price for each Option shall be determined by the Committee in its sole discretion.

6.3.1 Nonqualified Stock Options. In the case of a Nonqualified Stock Option, the Exercise Price shall be determined by the Committee in its discretion but shall be not less than one hundred percent (100%) of the Fair Market Value of a Share on the Grant Date.

6.3.2 Incentive Stock Options. In the case of an Incentive Stock Option, the Exercise Price shall be not less than one hundred percent (100%) of the Fair Market Value of a Share on the Grant Date; provided, however, that if on the Grant Date, the Employee (together with persons whose stock ownership is attributed to the Employee pursuant to Code Section 424(d)) owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries, the Exercise Price shall be not less than one hundred and ten percent (110%) of the Fair Market Value of a Share on the Grant Date.

6.3.3 Substitute Options. Notwithstanding the provisions of Sections 6.3.1 and 6.3.2, in the event that the Company or an Affiliate consummates a transaction described in Code Section 424(a) (e.g., the acquisition of property or stock from an unrelated corporation), persons who become Employees or Consultants on account of such transaction may be granted Options in substitution for options granted by their former employer. If such substitute Options are granted, the Committee, in its sole discretion and consistent with Code Section 424(a) and Code Section 409A, may determine that such substitute Options shall have an Exercise Price less than one hundred percent (100%) of the Fair Market Value of the Shares on the Grant Date.

6.4 Expiration of Options.

6.4.1 Expiration Dates. Except as set forth by the Committee in an Award Agreement, each Option shall terminate no later than the first to occur of the following events:

(a) The date for termination of the Option set forth in the Award Agreement; or

(b) The expiration of ten (10) years from the Grant Date; or

(c) The expiration of three (3) months from the date of the Participant's Termination of Service for a reason other than the Participant's death, Disability or Retirement; or

(d) The expiration of one (1) year from the date of the Participant's Termination of Service by reason of Disability or death; or

(e) The expiration of one (1) year from the date of the Participant's Retirement (except as provided in Section 6.8.2 regarding Incentive Stock Options).

6.4.2 Committee Discretion. The Committee, in its sole discretion, (a) shall provide in each Award Agreement when each Option expires and becomes unexercisable, and (b) may, after an Option is granted, extend the term of the Option (subject to Section 6.8.4 regarding Incentive Stock Options). With respect to the Committee's authority in Section 6.4.2(b), if, at the time of any such extension, the exercise price per Share of the Option is less than the Fair Market Value of a Share, the extension shall, unless otherwise determined by the Committee, be limited to the earlier of (1) the maximum term of the Option as set by its original terms, or (2) ten (10) years from the Grant Date. Unless otherwise determined by the Committee, any extension of the term of an Option pursuant to this Section 6.4.2 shall comply with Code Section 409A to the extent necessary to avoid taxation thereunder.

6.5 Exercisability of Options. Options granted under the Plan shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall determine in its sole discretion. After an Option is granted, the Committee, in its sole discretion, may accelerate the exercisability of the Option.

6.6 Payment. Options shall be exercised by the Participant's delivery of a notice of exercise in such form and manner as the Company may designate to the Secretary of the Company (or its designee), setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares. Upon the exercise of any Option, the Exercise Price shall be payable to the Company in full in cash or its equivalent. The Committee, in its sole discretion, also may permit exercise (a) by tendering previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the total Exercise Price, (b) by cashless or "net" exercise, or (c) by any other means which the Committee, in its sole discretion, determines to both provide legal consideration for the Shares, and to be consistent with the purposes of the Plan. As soon as practicable after receipt of a notification of exercise in such form and manner as the Company may designate and full payment for the Shares purchased, the Company shall deliver to the Participant (or the Participant's designated broker), Share certificates (which may be in book entry form) representing such Shares.

6.7 Restrictions on Share Transferability. The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of an Option as it may deem advisable, including, but not limited to, restrictions related to applicable federal securities laws, the requirements of any national securities exchange or system upon which Shares are then listed or traded, or any blue sky or state securities laws.

6.8 Certain Additional Provisions for Incentive Stock Options.

6.8.1 Exercisability. The aggregate Fair Market Value (determined on the Grant Date(s)) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by any Employee during any calendar year (under all plans of the Company and its Subsidiaries or any Parent) shall not exceed $100,000. To the extent that the aggregate Fair Market Value of the Shares with respect to which an Option designated as an Incentive Stock Option exceeds this $100,000 limit, such Option will be treated as a Nonqualified Stock Option. For purposes of this Section 6.8.1, Incentive Stock Options will be taken into account in the order in which they were granted, the Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted, and calculation will be performed in accordance with Code Section 422 and Treasury Regulations promulgated thereunder.

6.8.2 Termination of Service. No Incentive Stock Option may be exercised more than three (3) months after the Participant's Termination of Service for any reason other than Disability or death, unless (a) the Participant dies during such three-month period, and/or (b) the Award Agreement or the Committee permits later exercise (in which case the Option instead may be deemed to be a Nonqualified Stock Option). No Incentive Stock Option may be exercised more than one (1) year after the Participant's Termination of

Service on account of Disability, unless (a) the Participant dies during such one-year period, and/or (b) the Award Agreement or the Committee permit later exercise (in which case the option instead may be deemed to be a Nonqualified Stock Option). Unless otherwise determined by the Committee, any extension of the term or exercise period on an Option pursuant to this Section 6.8.2 shall comply with Code Section 409A to the extent necessary to avoid taxation thereunder.

6.8.3 Company and Subsidiaries Only. Incentive Stock Options may be granted only to persons who are employees of the Company or a Subsidiary on the Grant Date.

6.8.4 Expiration. No Incentive Stock Option may be exercised after the expiration of ten (10) years from the Grant Date; provided, however, that if the Option is granted to an Employee who, together with persons whose stock ownership is attributed to the Employee pursuant to Code Section 424(d), owns stock possessing more than 10% of the total combined voting power of all classes of the stock of the Company or any of its Subsidiaries, the Option may not be exercised after the expiration of five (5) years from the Grant Date.

SECTION 7
STOCK APPRECIATION RIGHTS

7.1 Grant of SARs. Subject to the terms and conditions of the Plan, a SAR may be granted to Employees, Consultants, and Nonemployee Directors at any time and from time to time as shall be determined by the Committee, in its sole discretion.

7.1.1 Number of Shares. The Committee shall have complete discretion to determine the number of SARs granted to any Participant, provided that during any Fiscal Year, no Participant shall be granted SARs covering more than 18,000,000 Shares.

7.1.2 Exercise Price and Other Terms. The Committee, subject to the provisions of the Plan, shall have complete discretion to determine the terms and conditions of SARs granted under the Plan. The exercise price of each SAR shall be determined by the Committee in its discretion but shall not be less than one hundred percent (100%) of the Fair Market Value of a Share on the Grant Date. After a SAR is granted, the Committee, in its sole discretion, may accelerate the exercisability of the SAR.

7.2 SAR Agreement. Each SAR grant shall be evidenced by an Award Agreement that shall specify the exercise price, the term of the SAR, the conditions of exercise, and such other terms and conditions as the Committee, in its sole discretion, shall determine.

7.3 Expiration of SARs. A SAR granted under the Plan shall expire upon the date determined by the Committee, in its sole discretion, and set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Section 6.4 also shall apply to SARs.

7.4 Payment of SAR Amount. Upon exercise of a SAR, a Participant shall be entitled to receive payment from the Company in an amount determined by multiplying:

(a) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(b) The number of Shares with respect to which the SAR is exercised.

At the discretion of the Committee, the payment upon SAR exercise may be in cash, Shares of equivalent value or a combination thereof, as set forth in the applicable Award Agreement.

SECTION 8
RESTRICTED STOCK AND UNRESTRICTED STOCK

8.1 Grant of Restricted Stock and Unrestricted Stock. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Shares of Restricted Stock and Unrestricted Stock to Employees, Consultants, and Nonemployee Directors in such amounts as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Shares to be granted to each Participant, provided that during any Fiscal Year, no Participant shall receive more than 2,000,000 Shares of Restricted Stock or Unrestricted Stock.

8.2 Restricted Stock or Unrestricted Stock Agreement. Each Award of Restricted Stock or Unrestricted Stock shall be evidenced by an Award Agreement that shall specify any Period of Restriction (if any), the number of Shares granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine. Unless the Committee determines otherwise, Shares of Restricted Stock shall be held by the Company as escrow agent until the restrictions on such Shares have lapsed.

8.3 Transferability. Except as provided in this Section 8, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

8.4 Other Restrictions. The Committee, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate, in accordance with this Section 8.4.

8.4.1 General Restrictions. The Committee may set restrictions based upon continued employment or service with the Company and its Affiliates, the achievement of specific performance objectives (Company-wide, divisional, or individual), applicable federal or state securities laws, or any other basis determined by the Committee in its discretion.

8.4.2 Performance Restrictions. The Committee, in its discretion, may set restrictions based upon the achievement of Performance Goals during the Performance Period. For such Awards, the Performance Goals and Performance Period shall be set by the Committee on or before the Determination Date.

8.4.3 Legend on Certificates. The Committee, in its discretion, may legend the certificates representing Restricted Stock to give appropriate notice of the restrictions applicable to such Shares.

8.5 Removal of Restrictions. Except as may be provided in the Award Agreement, Restricted Stock shall be released from escrow as soon as practicable after the last day of the Period of Restriction. The Committee, in its discretion, may accelerate the time at which any restrictions shall lapse or be removed. After the restrictions have lapsed, the Participant shall be entitled to have any legend or legends under Section 8.4.3 removed from his or her Share certificate, and the Shares shall be freely transferable by the Participant, subject to applicable laws. The Committee (in its discretion) may establish procedures regarding the release of Shares from escrow and the removal of legends, as necessary or appropriate to minimize administrative burdens on the Company.

8.6 Voting Rights. During the Period of Restriction, Participants holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Committee determines otherwise.

8.7 Dividends and Other Distributions. During any Period of Restriction, Participants holding unvested Shares of Restricted Stock shall not be entitled to any dividends and other distributions paid or distributed by the Company on the equivalent number of vested Shares. Notwithstanding the foregoing, at the Committee's discretion, the holder of unvested Shares may be credited with such dividends and other distributions provided that such dividends and other distributions shall be paid or distributed to the Participant only if, when and to the extent such Shares vest. The value of dividends and other distributions payable or distributable with respect to any Shares that do not vest shall be forfeited.

8.8 Return of Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed shall revert to the Company and again shall become available for grant under the Plan.

SECTION 9
STOCK UNITS, PERFORMANCE UNITS, AND PERFORMANCE SHARES

9.1 Grant of Stock Units, Performance Units, or Performance Shares. Subject to the terms and provisions of the Plan, Stock Units, Performance Units, or Performance Shares may be granted to Employees, Consultants, and Nonemployee Directors at any time and from time to time, as shall be determined by the Committee, in its sole discretion. The Committee shall have complete discretion in determining the number of Stock Units, Performance Units, or Performance Shares granted to each Participant, provided that during any Fiscal Year no Participant shall receive Stock Units, Performance Units or Performance Shares having, in the aggregate, a grant date value (assuming maximum payout) greater than $20,000,000 or covering more than 2,000,000 Shares (assuming maximum payout), whichever is greater.

9.2 Initial Value of Stock Units, Performance Units, or Performance Shares. Each Stock Unit and Performance Unit shall have an initial value that is established by the Committee on or before the Grant Date. Each Performance Share shall have an initial value equal to the Fair Market Value of a Share on the Grant Date.

9.3 Award Agreement. Each Award of Stock Units, Performance Units, or Performance Shares shall be evidenced by an Award Agreement that shall specify the Performance Period, Period of Restriction, Deferral Period (if any), and such other terms and conditions as the Committee, in its sole discretion, shall determine.

9.4 Performance Objectives and Other Terms. The Committee shall set performance objectives, a Period of Restriction, Deferral Period, or other vesting criteria in its discretion which, depending on the extent to which they are met, will determine the number or value of Stock Units, Performance Units, or Performance Shares that will be paid out to the Participants. Each Award of Stock Units or Performance Units subject to a Deferral Period and each Award of Performance Shares subject to a Deferral Period shall be referred to herein as Deferred Units or Deferred Shares, respectively. Each Award of Stock Units subject to a Period of Restriction shall be referred to herein as a "Restricted Stock Unit." The time period during which the Award is subject to deferral shall be the "Deferral Period".

9.4.1 General Performance Objectives. The Committee may set performance objectives or vesting criteria based upon the achievement of Company-wide, divisional, or individual goals, applicable federal or state securities laws, or any other basis determined by the Committee in its discretion (for example, but not by way of limitation, upon continued employment or service with the Company and its Affiliates).

9.4.2 Performance Objectives. The Committee, in its discretion, may determine that the performance objectives applicable to Stock Units, Performance Units, or Performance Shares shall be based on the achievement of Performance Goals during the Performance Period. For such Awards, the Performance Goals and Performance Period shall be set by the Committee on or before the Determination Date.

9.4.3 Deferral of Awards. The Committee may set such terms and conditions for deferral of payment of an Award granted under this Section 9 in accordance with the following provisions or such other terms and conditions determined by the Committee in its sole discretion:

(a) Deferred Compensation. Each grant shall constitute the agreement by the Company to issue or transfer Shares or cash, or a combination thereof, to the Participant in the future in consideration of the performance of services, subject to the fulfillment during the Deferral Period of such conditions as the Committee may specify.

(b) Consideration. Each grant may be made without additional consideration from the Participant or in consideration of a payment by the Participant that is less than Fair Market Value on the Grant Date.

(c) Deferral Period. Each grant shall provide that the Deferred Units and Deferred Shares covered thereby shall be subject to a Deferral Period, which shall be fixed by the Committee on the Grant Date (or such earlier time required for compliance with Code Section 409A), and any Award may provide for the earlier termination of such period in the event of a change in control of the Company or other similar transaction or event. If the Deferral Period is to terminate on account of a change in control or other similar transaction or event, unless otherwise determined by the Committee, such change in control or other similar transaction or event must constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company (as determined in accordance with Section 409A(a)(2)(A)(v) of the Code and Treasury regulation Section 1.409A-3(i)(5)).

9.5 Earning of Stock Units, Performance Units, or Performance Shares. After the applicable Period of Restriction or Deferral Period has ended, the Participant shall be entitled to receive a payout of the number of Stock Units, Performance Units, or Performance Shares earned by the Participant over the Period of Restriction or Deferral Period, to be determined as a function of the extent to which the corresponding performance objectives or other vesting requirements have been achieved during the Performance Period.

9.6 Form and Timing of Payment. Except as otherwise set forth in an Award Agreement, payment of earned Stock Units, Performance Units, or Performance Shares shall be upon the expiration of the applicable Period of Restriction (subject to any deferral permitted under Section 10.9) or Deferral Period. The Committee, in its sole discretion, may pay such earned Awards in cash, Shares, or a combination thereof, as set forth in the applicable Award Agreement.

9.7 Dividend Equivalents and Other Ownership Rights. During the Period of Restriction or Deferral Period, the Participant shall not have any right to transfer any rights under the subject Award, shall not have any rights of ownership in the Stock Units, Performance Units, or Performance Shares and shall not have any right to vote such Awards, but the Committee may, consistent with the requirements of Code Section 409A (including any exemption therefrom), on or after the Grant Date authorize the crediting of Dividend Equivalents on such shares or units in cash or additional Shares.

9.8 Cancellation. On the date set forth in the Award Agreement, all unearned or unvested Stock Units, Performance Units, or Performance Shares shall be forfeited to the Company.

SECTION 10
MISCELLANEOUS

10.1 No Effect on Employment or Service. Nothing in the Plan shall interfere with or limit in any way the right of the Company to terminate any Participant's employment or service at any time, with or without cause. For purposes of the Plan, transfer of employment of a Participant between the Company and any one of its Affiliates (or between Affiliates) shall not be deemed a Termination of Service. Employment with the Company and its Affiliates is on an at-will basis only.

10.2 Participation. No Employee, Consultant or Nonemployee Director shall have the right to be selected to receive an Award under this Plan, or, having been so selected, to be selected to receive a future Award. A Participant's rights, if any, in respect of or in connection with any Award is derived solely from the discretionary decision of the Company to permit the individual to participate in the Plan and to benefit from a discretionary Award. By accepting an Award under the Plan, a Participant expressly acknowledges that there is no obligation on the part of the Company to continue the Plan and/or grant any additional Awards. Any Award granted hereunder is not intended to be compensation of a continuing or recurring nature, or part of a Participant's normal or expected compensation, and in no way represents any portion of a Participant's salary, compensation, or other remuneration for purposes of pension benefits, severance, redundancy, resignation or any other purpose. The Company and its Subsidiaries and Affiliates reserve the right to terminate the service of any person at any time, and for any reason, subject to applicable laws and such person's written employment agreement (if any), and such terminated person shall be deemed irrevocably to have waived any claim to damages or specific performance for breach of contract or dismissal, compensation for loss of office, tort or otherwise with respect to the Plan or any outstanding Award that is forfeited and/or is terminated by its terms or to any future Award.

10.3 Successors. All obligations of the Company under the Plan, with respect to Awards granted hereunder, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business or assets of the Company.

10.4 Beneficiary Designations. If permitted by the Committee, a Participant under the Plan may name a beneficiary or beneficiaries to whom any vested but unpaid Award shall be paid in the event of the Participant's death. Each such designation shall revoke all prior designations by the Participant and shall be effective only if given in a form and manner acceptable to the Committee. In the absence of any such designation, any vested benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate and, subject to the terms of the Plan and of the applicable Award Agreement, any unexercised vested Award may be exercised by the administrator or executor of the Participant's estate.

10.5 Limited Transferability of Awards. No Award granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will, by the laws of descent and distribution, or to the limited extent provided in Section 10.4. All rights with respect to an Award granted to a Participant shall be available during his or her lifetime only to the Participant. Notwithstanding the foregoing, a Participant may, if the Committee (in its discretion) so permits, transfer an Award granted on or after January 24, 2006, to an individual or entity other than the Company. Any such transfer shall be made in accordance with such procedures as the Committee may specify from time to time; provided, however, that in no event may any Award be transferred for consideration to a third-party financial institution.

10.6 No Rights as Stockholder. Except to the limited extent provided in Sections 8.6 and 8.7, no Participant (nor any beneficiary) shall have any of the rights or privileges of a stockholder of the Company with respect to any Shares issuable pursuant to an Award (or exercise thereof), unless and until certificates (which may be in book entry form) representing such Shares shall have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to the Participant (or beneficiary).

10.7 Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof), or at such earlier time as the Tax Obligations are due, the Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy all Tax Obligations. Notwithstanding any contrary provision of the Plan, if a Participant fails to remit to the Company the amount of such Tax Obligations within the time period specified by the Committee (in its discretion), the Participant's Award may, in the Committee's discretion, be forfeited and in such case the Participant shall not receive any of the Shares covered by such Award.

10.8 Withholding Arrangements. The Committee, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit or require a Participant to satisfy Tax Obligations, in whole or in part by (a) having the Company withhold otherwise deliverable Shares, or (b) delivering to the Company already-owned Shares having a Fair Market Value equal to the amount required to be withheld or remitted which have been held for such period of time required to avoid adverse accounting consequences. The amount of the Tax Obligations shall be deemed to include any amount which the Committee agrees may be withheld at the time the election is made, and to the extent necessary to avoid adverse accounting consequences not to exceed the amount determined by using the minimum federal, state, local or foreign jurisdiction statutory withholding rates applicable to the Participant with respect to the Award on the date that the amount of tax or social insurance liability to be withheld or remitted is to be determined. The Fair Market Value of the Shares to be withheld or delivered shall be determined as of the date the Tax Obligations are required to be withheld or remitted or based on such other methodology that the Company deems to be reasonable, in its sole discretion and in accordance with applicable law.

10.9 Deferrals. The Committee, in its sole discretion, may permit a Participant to defer receipt of the payment of cash or the delivery of Shares that would otherwise be delivered to a Participant under the Plan. In the event of such a deferral, the Committee, in its discretion, may provide that the settlement of Dividend Equivalents attributable thereto shall be also deferred until such time as the Award will be settled in accordance with the Participant's deferral election. Any such deferral election shall be subject to such rules and procedures as shall be determined by the Committee in its sole discretion, which rules and procedures shall comply with the requirements of Code Section 409A, unless otherwise determined by the Committee.

10.10 Elections by Nonemployee Directors. Pursuant to such procedures as the Committee (in its discretion) may adopt from time to time, each Nonemployee Director may elect to forego receipt of all or a portion of the annual retainer, committee fees and meeting fees otherwise due to the Nonemployee Director in exchange for Shares or Stock Units. The number of Shares or Stock Units received by any Nonemployee Director shall equal the amount of foregone compensation divided by the Fair Market Value of a Share on the date the compensation otherwise would have been paid to the Nonemployee Director, rounded up to the nearest whole number of Shares. The procedures adopted by the Committee for elections under this Section 10.10 shall be designed to ensure that any such election by a Nonemployee Director will not disqualify him or her as a "non-employee director" under Rule 16b-3. Unless otherwise determined by the Committee, the elections permitted under this Section 10.10 shall comply with Code Section 409A or an exemption therefrom.

10.11 Fractional Shares. The Company shall not be required to issue any fractional Shares pursuant to this Plan. The Committee may provide for the elimination of fractions or for the settlement thereof in cash.

10.12 Code Section 409A. Unless otherwise determined by the Committee, each Award shall comply with Code Section 409A or an exemption therefrom, and the Committee shall comply with Code Section 409A in establishing the rules and procedures applicable to deferrals in accordance with Section 10 and taking or permitting such other actions under the terms of the Plan that would otherwise result in a deferral of compensation subject to Code Section 409A.

10.13 Recoupment of Awards. Awards are subject to recoupment in accordance with any Applicable Law and any recoupment policy, arrangement or agreement adopted by the Company from time to time.

10.14 Other Policies. Each Award may be subject to the terms and conditions of any policy (and any amendments thereto) adopted by the Company from time to time, which may include any policy related to the vesting or transfer of Awards, provided that in no event will such policy permit that an Award be transferred for consideration to a third-party financial institution. Whether any such policy will apply to a particular Award may depend, among other things, on when the Award was granted, whom the Award was granted to, and the type of Award.

SECTION 11
AMENDMENT AND TERMINATION

11.1 Amendment, Suspension, or Termination. The Board, in its sole discretion, may amend, suspend or terminate the Plan, or any part thereof, at any time and for any reason. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws. The amendment, suspension, or termination of the Plan shall not, without the consent of the Participant, materially and adversely alter or impair any rights or obligations under any Award theretofore granted to such Participant. No Award may be granted during any period of suspension or after termination of the Plan.

SECTION 12
CHANGE IN CONTROL

12.1 Effect of Change in Control on Options and SARs. Except as set forth in an applicable Award Agreement and subject to Code Section 409A, in the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the “Acquiror”), may, without the consent of any Participant, either assume or continue the Company’s rights and obligations under outstanding Options or SARs or substitute for outstanding Options or SARs substantially equivalent options or SARs covering the Acquiror’s stock. Except as set forth in an applicable Award Agreement and subject to Code Section 409A, any Options or SARs which are neither assumed, continued or substituted by the Acquiror in connection with the Change in Control nor exercised as of the Change in Control shall, contingent on the Change in Control, become fully vested and exercisable immediately prior to the Change in Control. Options and SARs which are assumed or continued in connection with a Change in Control shall be subject to such additional accelerated vesting and/or exercisability as the Board may determine, if any.

12.2 Effect of Change in Control on Other Awards. Except as set forth in an applicable Award Agreement and subject to Code Section 409A, in the event of a Change in Control, the Acquiror may, without the consent of any Participant, either assume or continue the Company’s rights and obligations under outstanding Awards other than Options or SARs or substitute for such Awards substantially equivalent Awards covering the Acquiror’s stock (with or without performance conditions in the case of performance-based awards). Except as set forth in an applicable Award Agreement and subject to Code Section 409A, any such Awards which are neither assumed, continued or substituted by the Acquiror in connection with the Change in Control shall, contingent on the Change in Control, become fully vested (with any performance-based Awards vesting at target achievement). Awards which are assumed or continued in connection with a Change in Control shall be subject to such additional accelerated vesting or lapse of restrictions as the Board may determine, if any.

12.3 For purposes of the Plan, except as set forth in an applicable Award Agreement and subject to Code Section 409A, “Change in Control” means the consummation of one or more of the following events:

(i) any “person” (as such term is used in Section 13(d) of the Securities Exchange Act of 1934 (the “Exchange Act”)) is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act) of shares representing more than 50% of the combined voting power of the then outstanding Voting Stock (as defined below in this Section 12.3) of the Company; provided, however, that a “Change in Control” shall not be deemed to occur solely as the result of the acquisition by Doris F. Fisher, John J. Fisher, William Fisher and/or Robert R. Fisher (collectively, the “Fishers”) and the Permitted Designees (as defined below in this Section 12.3) of shares representing in the aggregate more than 50% but less than 75% of the combined voting power of the then outstanding Voting Stock of the Company;

(ii) the Company consolidates with or merges into any other corporation, any other corporation merges into the Company, or the Company effects a share exchange or the Company conveys, sells, transfers or leases all or substantially all (more than 75%) of its assets (other than to one or more of its wholly-owned subsidiaries), and, in the case of any such consolidation, merger or share exchange transaction, the outstanding Common Stock of the Company is reclassified into or exchanged for any other property or securities, unless the shareholders of the Company immediately before such transaction own, directly or indirectly immediately following such transaction, at least a majority of the combined voting power of the then outstanding Voting Stock of the entity resulting from such transaction in substantially the same proportion as their ownership of the Voting Stock of the Company immediately before such transaction, or unless such transaction is effected solely to change the jurisdiction of incorporation of the Company and results in a reclassification, conversion or exchange of outstanding shares of Common Stock solely into shares of Common Stock;

(iii) the Company or the Company and its subsidiaries, taken as a whole, sells, assigns, conveys, transfers or leases all or substantially all (more than 75%) of the assets of the Company or of the Company and its subsidiaries, taken as a whole over a 12-month period, as applicable (other than to one or more wholly-owned subsidiaries of the Company); or

(iv) any time the Continuing Directors (as defined below in this Section 12.3) do not constitute a majority of the Board (or, if applicable, a successor entity to the Company).

For purposes of the above definition of Change in Control, "Continuing Directors" means, as of any date of determination, any member of the Board who (A) was a member of such Board on May 17, 2016 (the "Original Directors") or (B) was appointed, nominated for election, or elected to such Board with the approval of a majority of the Original Directors or Continuing Directors who were members of such Board at the time of such nomination or election.

For purposes of the above definition of Change-in-Control, "Permitted Designees" means (i) a spouse or lineal descendent by blood or adoption of any of the Fishers; (ii) trusts solely for the benefit of any of the Fishers, one or more charitable foundations, institutions or entities or any of the individuals referred to in clause (i); (iii) in the event of the death of a Fisher, his or her estate, heirs, executor, administrator, committee or other personal representative; or (iv) any Person (as defined below in this Section 12.3) so long as any of the Fishers or any of the individuals referred to in clause (i) are the sole beneficial owners of more than 50% of the Voting Stock of such Person and constitute a majority of the board of directors of such Person, in the case of a corporation, or of the individuals exercising similar functions, in the case of an entity other than a corporation.

For purposes of the above definition of Change in Control, "Person" means any individual, corporation, partnership, joint venture, trust, estate, unincorporated organization, limited liability company or government or any agency or political subdivision thereof.

For purposes of the above definition of Change in Control, "Voting Stock" means all classes of capital stock (shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of the applicable entity, but excluding any debt securities convertible into such equity) of the applicable Person then outstanding and normally entitled to vote in the election of directors.

SECTION 13
LEGAL CONSTRUCTION

13.1 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

13.2 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

13.3 Requirements of Law. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

13.4 Securities Law Compliance. With respect to Section 16 Persons, transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3. To the extent any provision of the Plan, Award Agreement or action by the Committee fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Committee.

13.5 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the State of California (with the exception of its conflict of laws provisions).

13.6 Captions. Captions are provided herein for convenience only, and shall not serve as a basis for interpretation or construction of the Plan.

Exhibit 19

THE GAP, INC.

SECURITIES LAW COMPLIANCE MANUAL FOR COMPANY INSIDERS

Last updated November 2024

Table of Contents

Purpose

This Securities Law Compliance Manual (this "Manual"), and the accompanying attachments, contains important information regarding your obligations to comply with Gap Inc.'s (the "Company's") blackout periods when trading in Gap Inc. stock. This Manual also reminds you of the prohibition on trading on inside information.

Any actions in violation of this Manual will be grounds for appropriate disciplinary action, including termination of employment, or in the case of directors, being asked to resign from the Board of Directors or not being renominated, whether or not the action results in a violation of law, recovery of damages, and the filing of criminal charges. In determining the appropriate consequences resulting from a violation of this Manual, any number of factors, which may include individual culpability, individual cooperation, any past violations, consistency with the consequences for other violations, the extent of harm caused to the Company, the availability of restitution, any penalties assessed by regulators, and the need for deterrence, will be considered.

Persons Subject to this Manual

You are receiving this Manual because you are on the Company's Insider List and, therefore, you are subject to the Company's "blackout period" policy. This Manual also applies to your family members, other members of your household, and entities controlled by you. For more information, see Transactions Subject to this Manual below.

There are generally four reasons you may be included on the Insider List: (1) you are at the Vice President level or above within the Company, (2) you are a director, (3) your role within the Company requires access to certain Company-wide financial information, or (4) you are working on a special project or you hold a special role within the Company that provides you with access to sensitive nonpublic information.

Also note that employees who are not subject to this Manual still are subject to insider trading restrictions to the extent that they possess material nonpublic information. Please see the Company's Insider Trading Policy (Attachment A), which applies to all employees, directors, and other designated insiders.

Transactions Subject to this Manual

This Manual applies to transactions in the Company's securities (collectively referred to in this Manual as "Company Securities"), including the Company's common stock, options to purchase common stock, or any other type of securities that the Company may issue, including (but not limited to) preferred stock, convertible debentures and warrants, as well as derivative securities that are not issued by the Company, such as exchange-traded put or call options or swaps relating to the Company's securities. For purposes of this Manual, Company Securities also include the Company's publicly-traded debt.

Transactions by Family Members and Others. This Manual applies to your family members who reside with you (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone else who lives in your household, and any family members who do not live in your household but whose transactions in Gap Inc. stock are directed by you or are subject to your influence or control (e.g., parents or adult children who consult with you before they trade in Gap Inc. stock). You are responsible for the transactions of these other persons and, therefore, you should make them aware of the need to confer with you before they trade in Gap Inc. stock. You should treat all such transactions for purposes of this Manual and applicable securities laws as if the transactions were for your own account.

Transactions by Entities that You Influence or Control. This Manual applies to any entities that you influence or control, including any corporations, partnerships or trusts. Transactions by these entities should be treated for the purposes of this Manual and applicable securities laws as if these transactions were for your own account.

Trading on Inside Information

As a Company insider, you are subject to certain rules that may limit your ability to buy, sell or gift Company Securities. The principal rule – Rule 10b-5 – prevents you from buying or selling Company Securities when you are aware of “material” information about the Company not known to the public. The essence of Rule 10b-5 can be simply stated: Any person who is aware of “material nonpublic information” (also referred to as inside information) about the Company must not trade in, or advise others to trade in, Company Securities while such information remains undisclosed to the public. Rule 10b-5 also prevents you from gifting Company Securities when you are aware of material non-public information if you know the recipient will sell the Company Securities while such information remains undisclosed to the public. Any person violating this rule may be subject to criminal and civil liability. Please review the Company’s Insider Trading Policy in Attachment A.

The main point for you to remember is that before you (or any family member living with you, any family member whose transactions in Gap Inc. are subject to your influence or control, any other members of your household, or any related entity) buy, sell, or gift Gap Inc. stock, or any other Company Securities, (i) you must be sure that you are not aware of any material nonpublic information, AND (ii) you must follow the pre-clearance instructions below to ensure there is no trading blackout in effect.

Trading Pre-Clearance Instructions
Be sure you are not personally aware of material nonpublic information. **AND** **Send an email to [ ]. An auto-reply email will indicate if a blackout period is in effect or if trading is allowed.** **The Gap Inc. Senior Leadership Team, Finance Vice Presidents and above, and the Board of Directors must also always contact [ ] for trading clearance.** **PLEASE NOTE: The presence or absence of a trading restriction on your E*TRADE Stock Plans account should not be used to determine whether a trading blackout is in effect or to substitute following the Trading Pre-Clearance Instructions above.**

Blackout Policy

All recipients of this Manual are subject to the Company’s policy prohibiting trading during certain periods. The periods when trading is prohibited are referred to as “blackout periods.” The blackout periods are set on the basis of when the Company anticipates that it will issue press releases concerning its sales and earnings results. The theory is that before the Company has publicly disclosed current information about its financial results, it is more likely that employees and directors may be aware of material nonpublic information.

The blackout periods are designed to facilitate your long-term financial planning and to avoid the inconvenience of learning on short notice that you are unable to sell Company stock. However, please note that blackout periods may be extended or invoked during unscheduled periods and without prior notice. **Accordingly, even if your intended transaction falls outside a scheduled blackout period, you may not buy, sell or gift shares of the Company’s stock unless you follow the Trading Pre-Clearance Instructions outlined above.**

The current trading calendar with blackout periods is included in this Manual as Attachment B. The days when trading is not allowed (the blackout periods) are shaded on the calendar. There may be some variations from the dates on this calendar due to unpredictable changes in the issuance of press releases. In addition, business developments may necessitate that a blackout period be extended or invoked (i.e., that people not trade during an unshaded period). Non-blackout periods on the calendar are only predictions made in advance about when employees and directors may not be aware of material nonpublic information. **Remember that no employee or director may trade in or gift Gap Inc. stock, or any other Company Securities, during any period, even during non-blackout periods, if s/he is aware of material nonpublic information.** Therefore, you should view this calendar only as a planning guide to identify periods when you may be able to buy, sell or gift Gap Inc. stock or any other Company securities. For more information, please see the Insider Trading Policy included in this Manual as Attachment A.

Note that should you leave Gap Inc. during a blackout period, you remain subject to the Blackout Policy until the next non-blackout period.

Prohibited Transactions

The Company has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the persons subject to this Manual engage in the following types of transactions:

Standing Orders. Standing orders are prohibited (e.g., limit orders or stop-loss orders) because they allow a broker to buy or sell when the stock hits a specific price and leave you with no control over timing of the transaction. A standing order executed by the broker when you are aware of material nonpublic information could result in unlawful insider trading.

Short Sales. Generally, a short sale involves selling shares that you do not own at a specified price with the expectation that the price will go down so you can buy the shares at a lower price before you have to deliver them. Short sales of the Company's stock (i.e., the sale of a security that the seller does not own) may evidence an expectation on the part of the seller that the securities will decline in value, and therefore have the potential to signal to the market that the seller lacks confidence in the Company's prospects. In addition, short sales may reduce a seller's incentive to seek to improve the Company's performance. For these reasons, all recipients of this Manual are prohibited from short selling or similar transactions in the Company's stock. You may not engage in any short sale, "sale against the box" or any equivalent transaction involving the Company's stock. In addition, Section 16(c) of the Exchange Act prohibits Section 16 officers and directors from engaging in short sales.

Hedging. All recipients of this Manual are prohibited from engaging in hedging transactions related to the Company's stock. Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forward contracts, equity swaps, collars and exchange funds. Such hedging transactions may permit someone to continue to own the Company's stock obtained through employee benefit plans or otherwise but without the full risks and rewards of ownership. When that occurs, the person may no longer have the same objectives as the Company's other shareholders.

Publicly-Traded Derivatives. Given the relatively short-term nature of publicly-traded derivatives, transactions in derivatives may create the appearance that you are trading based on material nonpublic information and focus your attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, all recipients of this Manual are prohibited from engaging in transactions in Company put options, call options or other derivative securities, on an exchange or in any other organized market.

Margin Accounts and Pledged Securities. The Company's Senior Leadership Team and Board of Directors are prohibited from holding Company stock in a margin account as collateral for a margin loan or otherwise pledging Company stock as collateral.

Rule 10b5-1

Rule 10b5-1 allows you under certain conditions to trade in Gap Inc. stock and at the same time assert an affirmative defense to any allegation of insider trading. In December 2022, the SEC amended Rule 10b5-1 to add new conditions to the availability of the rule's affirmative defense and impose disclosure requirements for members of the Board of Directors and Section 16 officers.

The Company's Rule 10b5-1 policy enables Company insiders to establish a trading program (called a 10b5-1 plan) to benefit from the rule. 10b5-1 plans can facilitate greater long-term financial planning and diversification for Company insiders and permit transactions in Gap Inc. stock during blackout periods. They also require advance planning and approval by the Company. More detail on Rule 10b5-1 and the Company's approval requirements for 10b5-1 plans are discussed in Attachment C.

Anti-Trust Law

Under the United States antitrust laws, notification of certain acquisitions of Gap Inc. stock must be filed with the Federal Trade Commission and Department of Justice by both the acquiring person and the Company prior to the purchase or grant of such stock. Annually these agencies update the dollar threshold for acquisitions requiring notification. This includes grants of restricted stock and shares acquired through the exercise of options and settlement of restricted stock units even if the shares are sold immediately. For more information regarding these notification requirements, please contact [ ] in the Legal department.

ATTACHMENTS

Attachment A – Insider Trading Policy

Attachment B – Fiscal Calendar with Blackout Periods

Attachment C – Rule 10b5-1: Insider Trading Plans

Attachment A

The Gap, Inc.
Insider Trading Policy

You may become aware of material nonpublic or "inside" information about Gap Inc. or about another company with which Gap Inc. has a business relationship in the performance of your job. If so, you must hold that information in the strictest confidence and refrain from buying or selling (or telling others to buy or sell) any stock of Gap Inc. or of the other company until the information is publicly disclosed. Buying or selling stock before the information is publicly disclosed could be "insider trading"; disclosing the information to anyone else could be "tipping." You also may not gift any stock of Gap Inc. or of the other company if you know the recipient will sell the stock while such information remains undisclosed to the public. Any of these actions could result in both civil and criminal liability for you and the Company and cause a substantial loss of confidence in the Company and its stock on the part of the public and the securities markets. In addition, any violation of this policy will be grounds for appropriate disciplinary action, up to and including termination of employment, or in the case of directors, being asked to resign from the Board of Directors or not being renominated. In addition, Gap Inc. will not transact in its own securities, except in compliance with applicable securities laws.

Definition of Insiders

This policy applies to all "insiders." An insider is any person (even someone not employed by or providing services to the Company) who is aware of material information regarding the Company that has not been fully disclosed to the public. A person can be an "insider" for a limited period of time with respect to certain material information even though s/he may not generally be exposed to other material information. For example, an assistant who learns that earnings are significantly below expectations may be an insider with respect to that information. Anyone can be an "insider" - not just members of management or directors.

In addition, insiders may be liable for improper transactions by "tippees" (i.e., people to whom they have disclosed material information regarding the Company). Therefore, except in accordance with the Company's Disclosure Policy, you must not disclose any sensitive or confidential information to anyone outside of the Company. You should also not disclose such information, in writing or casually, to any other employee, director or agent unless that employee, director or agent has a need to know the information in order to perform his or her job.

Definition of Material Information

It is not possible to define all categories of material information. Information should be regarded as material if there is a likelihood that it would be considered important by an investor in making a decision regarding the purchase or sale of the Company's stock. While it may be difficult under this standard to determine whether certain information is material, there are various categories of information that would almost always be regarded as material, such as: unanticipated significant changes in the level of earnings, sales, inventory, margins, or expenses; proposed changes in dividends; planned stock splits; new equity or debt offerings; significant proposed acquisitions; significant management changes; significant cybersecurity risks and incidents; and similar matters. As a general rule, if the information makes you think of buying or selling the Company's stock, it may have the same effect on others and probably constitutes material information.

If you have questions as to the materiality of information, or if you think you might be regarded as an insider with respect to certain information, you should contact the Legal department prior to engaging in any transaction in Gap Inc. stock.

Definition of Public Disclosure

Adequate public disclosure requires that the information be widely disclosed (such as to the national wire services through a press release or on the SEC's EDGAR filing system) and that a sufficient period of time elapse for the information to be effectively disseminated to stockholders. There are no formal rules regarding what is adequate public disclosure. As a general rule, information should not be considered fully absorbed by the marketplace until at least one full trading day has passed since the information was released. For example, if the Company were to make an announcement on Monday before the market opens, you should not trade in the Company's stock until Tuesday; however, if the Company were to make an announcement on Monday after market close, you should not trade in the Company's stock until Wednesday.

Penalties for Trading on Inside Information

The purchase or sale of securities while aware of material nonpublic information, or the disclosure of material nonpublic information to others who then trade in the Company's stock, is prohibited by the federal and state laws. Insider trading violations are pursued vigorously by the SEC, U.S. Attorneys, and state enforcement authorities, as well as the authorities of foreign jurisdictions. Punishment for insider trading violations is severe, and could include significant fines and imprisonment. While the regulatory authorities concentrate their efforts on the individuals who trade, or who tip insider information to others who trade, the federal securities laws also impose potential liability on companies and other "controlling persons" if they fail to take reasonable steps to prevent insider trading by company personnel.

In addition, an individual's failure to comply with this Policy may subject the individual to Company-imposed sanctions, including dismissal for cause, or in the case of directors, being asked to resign from the Board of Directors or not being renominated, whether or not the employee's or director's failure to comply results in a violation of law, recovery of damages, and the filing of criminal charges. In determining the appropriate consequences resulting from a violation of this Policy, any number of factors, which may include individual culpability, individual cooperation, any past violations, consistency with the consequences for other violations, the extent of harm caused to the Company, the availability of restitution, any penalties assessed by regulators, and the need for deterrence, will be considered.

Individual Responsibility

Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and to not engage in transactions in the Company's stock while in possession of material nonpublic information. Each individual is responsible for making sure that he or she complies with this Policy, and that any family member, household member or entity whose transactions are subject to this Policy, also comply with this Policy. In all cases, the responsibility for determining whether an individual is in possession of material nonpublic information rests with that individual, and any action on the part of the Company, or any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. You could be subject to severe legal penalties and disciplinary action by the Company for any conduct prohibited by this Policy or applicable securities laws, as described above.

Almost No Exceptions

There are almost no exceptions to the prohibition against insider trading. For example, courts have held that it does not matter that the transaction in question may have been planned or committed to before the insider came into possession of the material information, or that the insider will suffer economic loss as a consequence of not trading. In addition, it does not matter whether the person intended to violate the law or whether the person knew the information was material nonpublic information. Also, there are no limits on the size of a transaction that will trigger insider trading liability; relatively small trades have in the past resulted in SEC investigations and lawsuits.

There are generally only three exceptions to the Company's policy against insider trading:

- A cash exercise of a stock option or settlement of a stock unit award under the Company's plans. However, the sale of the underlying stock, even to cover the cost of exercising the option or payment of withholding taxes, is subject to the insider trading restrictions.

- The purchase of Gap Inc. stock under the Company's Employee Stock Purchase Plan ("ESPP"). However, the sale of your ESPP shares is subject to the insider trading restrictions.

- Trades pursuant to a Company approved Rule 10b5-1 plan (please contact [ ] in the Legal department for more information).

Attachment B

FISCAL CALENDAR – 2025 – 52 WEEKS

Month	S	M	T	W	Th	F	S
February (4 weeks)	2	3	4	5	6	7	8
	9	10	11	12	13	14	15
	16	17	18	19	20	21	22
	23	24	25	26	27	28	1
Month	S	M	T	W	Th	F	S
March (5 weeks)	2	3	4	5	6	7	8
	9	10	11	12	13	14	15
	16	17	18	19	20	21	22
	23	24	25	26	27	28	29
	30	31	1	2	3	4	5
Month	S	M	T	W	Th	F	S
April (4 weeks)	6	7	8	9	10	11	12
	13	14	15	16	17	18	19
	20	21	22	23	24	25	26
	27	28	29	30	1	2	3
Month	S	M	T	W	Th	F	S
May (4 weeks)	4	5	6	7	8	9	10
	11	12	13	14	15	16	17
	18	19	20	21	22	23	24
	25	26	27	28	29	30	31
Month	S	M	T	W	Th	F	S
June (5 weeks)	1	2	3	4	5	6	7
	8	9	10	11	12	13	14
	15	16	17	18	19	20	21
	22	23	24	25	26	27	28
	29	30	1	2	3	4	5
Month	S	M	T	W	Th	F	S
July (4 weeks)	6	7	8	9	10	11	12
	13	14	15	16	17	18	19
	20	21	22	23	24	25	26
	27	28	29	30	31	1	2

Month	S	M	T	W	Th	F	S
August (4 weeks)	3	4	5	6	7	8	9
	10	11	12	13	14	15	16
	17	18	19	20	21	22	23
	24	25	26	27	28	29	30
Month	S	M	T	W	Th	F	S
September (5 weeks)	31	1	2	3	4	5	6
	7	8	9	10	11	12	13
	14	15	16	17	18	19	20
	21	22	23	24	25	26	27
	28	29	30	1	2	3	4
Month	S	M	T	W	Th	F	S
October (4 weeks)	5	6	7	8	9	10	11
	12	13	14	15	16	17	18
	19	20	21	22	23	24	25
	26	27	28	29	30	31	1
Month	S	M	T	W	Th	F	S
November (4 weeks)	2	3	4	5	6	7	8
	9	10	11	12	13	14	15
	16	17	18	19	20	21	22
	23	24	25	26	27	28	29
Month	S	M	T	W	Th	F	S
December (5 weeks)	30	1	2	3	4	5	6
	7	8	9	10	11	12	13
	14	15	16	17	18	19	20
	21	22	23	24	25	26	27
	28	29	30	31	1	2	3
Month	S	M	T	W	Th	F	S
January (4 weeks)	4	5	6	7	8	9	10
	11	12	13	14	15	16	17
	18	19	20	21	22	23	24
	25	26	27	28	29	30	31

Legend

	Blackout Period – No Trading Allowed
	Pre-clearance to trade is REQUIRED for insiders (see instructions below). Blackout periods can be extended or invoked without notice or imposed with respect to specific individuals or groups. Note that deeper into each quarter, there is a greater chance that the blackout period will be invoked early, so please plan accordingly. Please refer to your Securities Law Compliance Manual for more information.
	Same as yellow, except Senior Leadership Team members and the Board of Directors are prohibited from trading.
	SEC and NYSE Holiday – No Trading
	Additional SEC Holiday
	Earnings Releases – No Trading Allowed

Trading Pre-Clearance Instructions

Be sure you are not personally aware of material nonpublic information.

AND

Send an email to [ ]. An auto-reply email will indicate if a blackout period is in effect or if trading is allowed.

The Gap Inc. Senior Leadership Team, Finance Vice Presidents and above, and the Board of Directors must also always contact [ ] for trading clearance.

PLEASE NOTE: The presence or absence of a trading restriction on your E*TRADE Stock Plans account should not be used to determine whether a trading blackout is in effect or to substitute following the Trading Pre-Clearance Instructions above.

Attachment C

Rule 10b5-1: Insider Trading Plans
(Securities Exchange Act of 1934)

Rule 10b5-1 under the Securities Exchange Act of 1934 allows you under certain conditions to trade in Gap Inc. stock and at the same time assert an affirmative defense to any allegation of insider trading liability that may result from such trades. Rule 10b5-1 makes it legally possible for Company insiders to trade in Gap Inc. stock even when aware of inside information. This can enable you to establish a regular trading plan that can facilitate long-term financial planning and diversification.

Rule 10b5-1 permits public company insiders to establish, at a time when they are not aware of material nonpublic information, a written trading program (called a Rule 10b5-1 plan) for future transactions in their company's stock. In short, you must set the amount to be traded, the price at which the trades are to be executed, and the date of trading, or provide some kind of written formula for determining these items. You and your broker or financial advisor are in the best position to determine what meets your financial needs. Trades are then executed pursuant to this pre-established written plan. However, the purpose of a Rule 10b5-1 plan is not to enable you to time your trades to market fluctuations, but rather to permit you to identify specific times to trade in the future and the quantity of stock to be sold, and also to establish formula prices or events that would trigger a sale.

Rule 10b5-1 only provides an "affirmative defense" (which must be proven by you) in the event there is an insider trading lawsuit. It does not prevent someone from bringing a lawsuit or prevent the media from writing about your sales.

In order to take advantage of the Rule 10b5-1 affirmative defense to insider trading liability:

- You must not be aware of material nonpublic information when you adopt or amend your Rule 10b5-1 plan.
- You must not exercise subsequent influence over your Rule 10b5-1 plan or its trading instructions after the plan is adopted.
- You must not alter or deviate from your Rule 10b5-1 plan or enter into corresponding or hedging transactions with respect to the Company's securities.
- You must act in good faith with respect your Rule 10b5-1 plan throughout the duration of the plan, including with respect to any trading under the plan.
- Your plan must meet certain operational requirements detailed in this policy and described below.

The Company has established certain requirements and rules regarding entering into a Rule 10b5-1 plan or amending such a plan:

- Members of the Company's Senior Leadership Team are strongly encouraged, but not required, to make any trades in Gap Inc. stock under a Rule 10b5-1 plan. Trading in Gap Inc. stock outside of a Rule 10b5-1 plan by members of the Company's Senior Leadership Team requires approval by the Company's Chief Financial Officer and Chief Legal Officer (or by the Chief Executive Officer and either the Chief Financial Officer or the Chief Legal Officer if the other is requesting special approval to trade), including coordination with any stock repurchase program the Company may have underway.

- Gap Inc. has partnered with E*TRADE Financial to administer your Rule 10b5-1 plan(s). You may use another broker of your choice, but please note below that your broker will be required to agree to a "Specific and Limited Release and Indemnification." For contact information for E*TRADE Financial, please contact [ ].

- **The Legal department must pre-approve any Rule 10b5-1 plan or amendment before the plan or amendment is signed by both you and your broker**. It will generally take at least a week to obtain approval from the Legal department, so plan ahead.

- Your Rule 10b5-1 plan (or amendment) can only be adopted (signed) during a non-blackout trading period and only when you are not aware of material nonpublic information and not aware of any current or pending blackout period with respect to the Company's pension plan(s).

- No other trading in Gap Inc. stock is permitted outside your Rule 10b5-1 plan without the consent of the Legal department.

- You can generally only have one Rule 10b5-1 plan in effect at a time. You can adopt a successor Rule 10b5-1 plan if trades under that plan are not scheduled to begin until trades under your predecessor plan are completed or expire without execution; however, if you adopt a successor plan and then terminate your predecessor plan early, the date of termination of your predecessor plan will be deemed to be the date of adoption of your successor plan and will trigger a new "cooling off" period starting from that date.

- You can generally only adopt one single-trade plan during any 12-month period. In general, a single trade plan is a plan that is designed to effect an open-market trade of the total amount of securities in a single transaction.

- You may communicate about your Rule 10b5-1 plan with your Rule 10b5-1 plan broker only in writing after the plan's adoption and while the plan is operational. You must copy the Legal department on all such writings to and from your plan broker. Direct all copies by email to [ ] or by mail to:

  [ ]

- You can terminate your plan at any time, but you must comply with the "cooling-off" periods described in this policy when adopting a new plan. In addition, as described below, amendments to the amount, price or timing (or to a written formula, algorithm or computer program affecting the amount, price or timing) of the purchase or sale of securities are deemed to be a termination of a plan and adoption of a new plan that would trigger a new "cooling-off" period.

- The Company may (on a case-by-case basis) issue a press release after plan adoption or amendment. Additionally, if you are a member of the Company's Board of Directors or a Section 16 officer, the Company must disclose certain information in its Quarterly Reports on Form 10-Q and/or Annual Reports on Form 10-K when you adopt, amend or terminate a Rule 10b5-1 plan (including your name and title; the date of plan adoption, amendment or termination; the duration of the plan; and the aggregate number of securities to be traded under the plan).

- At the sole discretion of the Company, you may be notified to suspend or terminate your plan <u>immediately</u>. The Company is likely to consider exercising this right in certain circumstances such as the following: (i) the Company or any other person publicly announces a tender or exchange offer with respect to Gap Inc. stock, (ii) there is a public announcement of a merger, acquisition, reorganization, recapitalization or comparable transaction affecting the securities of Gap Inc. as a result of which Gap Inc. stock is exchanged or converted into shares of another company, (iii) the Company receives notice of the commencement of any proceedings in respect of or triggered by your bankruptcy or insolvency, (iv) there is a blackout with respect to the Company's pension plan(s) or (v) the Company notifies you that sales under the plan must be suspended pursuant to this Manual or any other Gap Inc. policy. Failure to suspend or terminate your plan(s) immediately will be considered a violation of this Manual and will be grounds for appropriate disciplinary action including termination of employment.

- You must continue to comply with all other applicable securities laws, including Sections 13, 16 (i.e., Form 4 filings and short-swing profit rules) and Rule 144.

- If applicable, your 10b5-1 plan must comply with the Company's Executive Stock Ownership Policy (the "Ownership Policy") at the time it is entered into. For example, if the Ownership Policy is applicable to you and you do not yet satisfy its requirements, your plan may only sell up to 50% of net after-tax shares on future vesting until the requirements are satisfied. If you satisfy the Ownership Policy's requirements, you may put a plan in place to sell shares so long as the sales will not bring you below the minimum stock holding requirement.

- To the extent future stock price fluctuations would result in trades under a plan violating the Ownership Policy, you will not be deemed to violate the Ownership Policy so long as the plan complied with it when the plan was adopted.

For your consideration, the Legal department has a sample Rule 10b5-1 plan. The Company does not endorse this particular trading plan and only provides it for illustrative purposes. To request a copy of the sample plan, please contact [ ] in the Legal department. Your broker may have their own form. In any event, you and your financial advisor are responsible for determining what kind of Rule 10b5-1 plan meets your financial needs and you and your personal representatives are responsible for negotiating the terms of your plan with your broker, not Gap Inc.'s Legal department. **However, we do require the following terms and conditions to be incorporated into your plan to receive Legal department approval:**

- The first trade under a newly adopted Rule 10b5-1 plan cannot occur until:

  - For members of the Board of Directors and Section 16 officers, <u>the first trading day following the longer of (i) 90 calendar days after plan adoption or (ii) two business days following the date when the Company files its Form 10-Q or Form 10-K for the completed fiscal quarter when the plan was adopted, up to a maximum of 120 calendar days</u>.

  - For all other persons, the first trading day following <u>30 calendar days after plan adoption</u>.

  In addition, amendments to the amount, price or timing (or to a written formula, algorithm or computer program affecting the amount, price or timing) of the purchase or sale of securities are deemed to be a termination of a plan and adoption of a new plan, and as a result are subject to the timing restrictions described above.

- You must reserve the ability to terminate the Rule 10b5-1 plan immediately upon notification to your broker by you.

- An authorized officer of the Company's Legal department may contact the broker directly to suspend or terminate any Rule 10b5-1 plan if the Company determines in its sole discretion that it is in the best interests of the Company.

- Your express acknowledgment of receiving this Rule 10b5-1 policy and your acceptance of your continuing obligation to comply with all of its provisions, as may be amended from time to time.

- Your Rule 10b5-1 plan must include the following language in form and substance acceptable to the Legal department ("Client" below refers to you; "Issuer" below refers to Gap Inc.):

  - **Client Release and Indemnification**. In consideration of entering into this Plan, Client agrees to fully and forever waive, release and discharge any and all claims, demands, or causes of action (including for related attorneys' fees and court and litigation costs and expenses), whether known or unknown, against Issuer or its predecessors, successors, or past or present subsidiaries, officers, directors, agents, employees and assigns, with respect to any matter(s) that may arise under this Plan, including but not limited to any decision by the Issuer to suspend trading under this Plan or terminate this Plan, invasion of privacy, or any issues or errors with respect to the adoption, operation, execution of trades or termination of this Plan (with all such matters collectively referred to as "Client Released Matters"), and Client further agrees to defend, indemnify and hold Issuer harmless from any liability that may arise from the Client Released Matters.

  - **[INSERT BROKER NAME] Specific and Limited Release and Indemnification**. In consideration of entering into this Plan, [INSERT BROKER NAME] agrees to fully and forever waive, release and discharge any and all claims, demands, or causes of action (including for related attorneys' fees and court and litigation costs and expenses), whether known or unknown, against Issuer or its predecessors, successors, or past or present subsidiaries, officers, directors, agents, employees and assigns (excluding however the Client), with respect to any matter(s) that may arise under this Plan to the extent that it is caused by [INSERT BROKER NAME] "Culpable Conduct," which is defined as (i) [INSERT BROKER NAME] errors of omission or commission or (ii) [INSERT BROKER NAME] negligence or (iii) [INSERT BROKER NAME] misconduct or misfeasance or (iv) [INSERT BROKER NAME] failure to reasonably perform its obligations under this Plan (with all such matters collectively referred to as "[INSERT BROKER NAME] Released Matters"); excluding from the scope of such [INSERT BROKER NAME] Released Matters any matter, or any proportionate share of a matter, not caused by [INSERT BROKER NAME] Culpable Conduct. [INSERT BROKER NAME] further agrees to defend, indemnify and hold Issuer harmless from any liability that may arise from the [INSERT BROKER NAME] Released Matters solely to the extent of any [INSERT BROKER NAME] Culpable Conduct.

- You must include language in your Rule 10b5-1 plan in form and substance acceptable to the Legal department certifying, as of the date you adopt the plan, that (i) you are not aware of any material nonpublic information about the Company or its securities and (ii) you are entering into the plan in good faith and not as part of a plan or scheme to evade compliance with the federal or state securities laws.

- Any other term or condition that may be required by the Legal department from time to time.

Some brokers, investment bankers and advisors may approach you suggesting a variety of arrangements. However, please do not forget that prior Legal department approval is required. If you have any questions or to seek approval, please contact [ ] in the Legal department.

The Gap, Inc.
Subsidiary List as of February 1, 2025

Athleta (ITM) Inc.	California
Athleta LLC	Delaware
Athleta, Inc.	Delaware
Banana Republic (Apparel), LLC	California
Banana Republic (ITM) Inc.	California
Banana Republic (Japan) Y.K.	Tokyo, Japan
Banana Republic, LLC	Delaware
Context-Based 4 Casting (C-B4) Ltd.	Israel
Context-Based 4 Casting Inc.	Delaware
Corporate HQ Support Mexico, S. de R.L. de C.V.	Mexico
Direct Consumer Services, LLC	California
Drapr Inc.	Delaware
Forth & Towne (Japan) Y.K.	Tokyo, Japan
Gap (Apparel), LLC	California
Gap (Canada) Inc.	Canada
Gap (France) SAS	Paris, France
Gap (Italy) Srl.	Milan, Italy
Gap (ITM) Inc.	California
Gap (Japan) K.K.	Tokyo, Japan
Gap (Puerto Rico), Inc.	Puerto Rico
Gap (RHC) B.V.	Amsterdam, The Netherlands
Gap (UK Holdings) Limited	England and Wales
Gap Europe Limited	England and Wales
Gap International Sales, Inc.	Delaware
Gap International Sourcing (Americas) LLC	California
Gap International Sourcing (California), LLC	California
Gap International Sourcing (India) Private Limited	New Delhi, India
Gap International Sourcing (JV), LLC	California
Gap International Sourcing (U.S.A.) Inc.	California
Gap International Sourcing (Vietnam) Limited Liability Company	Vietnam
Gap International Sourcing Limited	Hong Kong
Gap International Sourcing Pte. Ltd.	Singapore
Gap International Sourcing, Inc.	California
Gap IT Services India Private Limited	India
Gap Supply Chain Management (Shanghai) Co., Ltd	Shanghai, China
Gap Taiwan Limited	Taipei, Taiwan
GPS (Great Britain) Limited	England and Wales
GPS Coalition Limited	England and Wales
GPS Consumer Direct, Inc.	California
GPS Corporate Facilities, Inc.	California
GPS Import Services, S. de R.L. de C.V.	Mexico
GPS Real Estate, Inc.	California
GPS Services, Inc.	California

GPS Strategic Alliances LLC	Delaware
GPSDC (New York) Inc.	Delaware
Intermix Canada Inc.	New Brunswick
MB 550 TFB, LLC	Delaware
Old Navy (Apparel), LLC	California
Old Navy (Canada) Inc.	Canada
Old Navy (ITM) Inc.	California
Old Navy (Japan) Y.K.	Tokyo, Japan
Old Navy International Sourcing, Inc.	California
Old Navy, LLC	Delaware
ON Stores Mexico, S. de R.L. de C.V.	Mexico
Piperlime (Japan) G.K.	Tokyo, Japan
WCB Twenty-Eight Limited Partnership	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-36265, 333-68285, 333-90414, 333-129986, 333-136295, 333-151560, 333-189232, 333-192723, 333-200806, 333-218500, 333-230390, 333-231914, 333-256594, and 333-272229 on Form S-8 of our report dated March 18, 2025, relating to the financial statements of The Gap, Inc. (the “Company”) and the effectiveness of the Company's internal control over financial reporting appearing in this Annual Report on Form 10-K for the fiscal year ended February 1, 2025.

/s/ Deloitte & Touche LLP
San Francisco, California
March 18, 2025

Exhibit 31.1

CERTIFICATIONS

I, Richard Dickson, certify that:

1. I have reviewed this annual report on Form 10-K of The Gap, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 18, 2025

/s/ Richard Dickson

Richard Dickson
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Katrina O'Connell, certify that:

1. I have reviewed this annual report on Form 10-K of The Gap, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 18, 2025

/s/ Katrina O'Connell

Katrina O'Connell
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of The Gap, Inc. (the “Company”) on Form 10-K for the period ended February 1, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Richard Dickson, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Richard Dickson

Richard Dickson
President and Chief Executive Officer
(Principal Executive Officer)
March 18, 2025

Exhibit 32.2

Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of The Gap, Inc. (the “Company”) on Form 10-K for the period ended February 1, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Katrina O'Connell, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Katrina O'Connell

Katrina O'Connell
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)
March 18, 2025