

Business & Human Rights Resource Center,

We are aware of the ongoing issues that have been highlighted at two of Avery Dennison India PVT's facilities in Bangalore, and have been actively engaged in trying to bring about a resolution to these issues since they were first brought to our attention in September 2017.

Workers' rights pertaining to freedom of association and employment contracts are enshrined in both Gap Inc.'s Code of Vendor Conduct and Vendor Compliance Agreements, and violations of these rights are critical violations that can have an impact on our business relationship with any of our manufacturing suppliers.

Over the past twelve months, we have sought to encourage Avery Dennison and the labor organizations and unions representing these workers to engage in good-faith dialogue to fully and sustainably resolve the issues that were highlighted in the International Union League for Brand Responsibility's letter. That the process has been so slow-moving has been of deep frustration to us, which is why we have sought to work with other Avery Dennison customers, as well as the Ethical Trade Initiative, to expedite a resolution.

To that end, on August 16th, The Ethical Trade Initiative, at the request of its members, facilitated a meeting between New Trade Union Initiative (NTUI)/Garment and Textile Workers Union (GATWU) and Avery Dennison, with the expectation that the parties pursue a structured mediation process to resolve the issues raised by NTUI/GATWU. Both parties agreed to pursue such a process to discuss, and to:

- Identify and engage a suitably qualified and mutually acceptable mediator to mediate the process.
- To have the mediator develop terms of reference and a scope of work, with designated timelines and agreed upon participants, which will include communication back to Avery Dennison customers and labor stakeholders.
- On the issue of recognition of GATWU, Avery Dennison management indicated it will revert by August 24 their point of view toward whether this should be within scope of the mediation process, or whether it is an issue that will be addressed through a separate process.

We will continue to update relevant stakeholders on this process as necessary.

Regards,

Daniel Fibiger
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Gap Inc.