Gap’s Evolving View of Ethics

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Gap Inc.’s evolving approach to ethics illustrates a central problem in global apparel production: a brand can design and sell clothing without owning every factory in which the products are made, yet it still has responsibility for the labor conditions created by its purchasing practices and supplier relationships (International Labour Organization, 2017; United Nations, 2011). The original case focuses on wages, health, safety, physical abuse, monitoring, customer reaction, shareholder priorities, and the concerns of store employees. Those questions remain relevant, but ethical performance cannot be established merely by appearing on a corporate-citizenship list or publishing a self-assessment. Customers and investors need evidence that policies change working conditions. Gap’s 2025 Impact Report describes continued work concerning supply-chain opportunity, women’s empowerment, responsible materials, and broader social goals, but company reporting should be evaluated together with independent audits, worker testimony, remediation outcomes, and transparency about failures (Gap Inc., 2026).

Do Customers Notice Gap’s Effort to Use More Worker-Friendly Suppliers?

Some customers are likely to respond positively when a company acknowledges labor abuses, publishes standards, discloses suppliers, and demonstrates corrective action. Ethical sourcing can strengthen trust, particularly among consumers who care about wages, safety, forced labor, child labor, gender equality, and environmental impacts. However, customer response is not uniform. Many buyers prioritize price, style, convenience, quality, or brand identity, and some may not know how a garment was produced. Others distrust corporate sustainability claims because the information is written by the company itself.

Gap’s efforts can impress customers only when they appear credible. Credibility requires specific goals, measurable indicators, time-bound progress, independent verification, and honest disclosure of unmet targets. A statement that the company “monitors factories” is not enough. Consumers need to know how many facilities were assessed, what violations were found, whether workers received back pay, whether retaliation occurred, and whether purchasing practices contributed to excessive overtime. Public recognition can support reputation, but it should not become evidence substituted for worker outcomes.

The Limits of Consumer Pressure

Consumer demand can encourage ethical improvement, but responsibility should not be shifted entirely to individual shoppers. Supply chains are complex, labels provide limited information, and inexpensive clothing may be the only affordable option for some households. Governments, brands, suppliers, investors, unions, and industry bodies possess greater power to change wages, contracts, safety systems, and enforcement. Ethical consumption matters, but it cannot replace labor law and corporate accountability.

From Compliance to Human-Rights Due Diligence

Early factory-monitoring programs often treated ethics as a checklist: inspectors visited facilities, noted violations, and required corrective plans. This approach can identify visible problems, but factories may prepare for audits, coach workers, falsify records, or shift production to subcontractors. Human-rights due diligence is broader. It asks the company to identify actual and potential harms, prevent and mitigate them, track results, communicate transparently, and provide or support remedy when the company caused or contributed to harm. It also examines the brand's own decisions, such as lead times, order changes, price pressure, and payment terms (Organisation for Economic Co-operation and Development, 2018; United Nations, 2011).

What Other Working-Condition Issues Should Gap Examine?

Beyond wages and physical safety, Gap should examine working hours, overtime consent, freedom of association, collective bargaining, harassment, gender-based violence, discrimination, maternity protection, sanitation, heat stress, dormitory conditions, chemical exposure, fire protection, machine guarding, emergency exits, and access to grievance mechanisms. Migrant workers may face recruitment fees, document retention, language barriers, or threats connected to immigration status. Temporary and home-based workers can be hidden from ordinary factory audits. The company also needs controls against unauthorized subcontracting, because work may be moved from an approved factory to a less visible site (Organisation for Economic Co-operation and Development, 2018).

Living Wages and Wage Compliance

Legal minimum wages and living wages are not identical. A factory may comply with the statutory minimum while workers still cannot meet reasonable costs of food, housing, healthcare, transport, education, and emergencies. Gap should report how wage levels compare with credible local benchmarks and what role its purchasing prices play. Brands cannot demand higher wages while negotiating prices that leave suppliers without enough margin to pay them. Wage improvement requires supplier productivity, fair pricing, stable orders, worker representation, and government policy (International Labour Organization, 2017).

Working Hours and Purchasing Practices

Excessive overtime may result from poor factory management, but it can also be caused by brands that place large orders with short deadlines or change specifications late. If a company penalizes delayed delivery while offering unrealistic lead times, suppliers may pressure employees to work unlawful hours. Gap should therefore audit its own commercial teams, not only factory managers. Ethical sourcing must be integrated into forecasting, design calendars, procurement, and vendor evaluation. Buyers should not receive rewards solely for low price and speed if those objectives conflict with labor standards (International Labour Organization, 2017).

Freedom of Association and Worker Voice

Workers need a way to identify problems without depending on an occasional external inspector. Freedom of association and collective bargaining allow employees to negotiate wages, hours, safety, and discipline. Where independent unions face legal or practical restrictions, companies should support credible worker committees and confidential grievance systems while avoiding employer-controlled substitutes. Hotlines should be accessible in local languages and protected against retaliation. Resolution data should be reported without exposing individuals (Organisation for Economic Co-operation and Development, 2018; United Nations, 2011).

Gender-Based Violence and Harassment

Garment workforces in many countries include large numbers of women, while supervisors and owners may be disproportionately male. This power imbalance can create harassment, coercion, pregnancy discrimination, and retaliation. Training alone is insufficient if workers cannot report safely or if production pressure rewards abusive supervision. Gap should require clear policies, independent investigations, survivor-centered support, consequences, and analysis of workplace structures. Women’s empowerment programs are useful when they increase voice and opportunity, but they should not distract from enforceable protection (Organisation for Economic Co-operation and Development, 2018).

Health, Safety, and Climate Risk

Traditional safety programs focus on fire, electrical systems, machinery, buildings, and chemicals. Climate change adds heat stress, flooding, water scarcity, and extreme weather. Workers may labor in poorly ventilated facilities as temperatures rise. Brands need climate-resilience plans that protect employees rather than transferring disruption costs to them. Safety should include paid evacuation, emergency communication, heat breaks, clean water, and continuity of wages after disasters.

Are Shareholders More Interested in Profit Than Working Conditions?

Shareholders are not one group with one motive. Some focus on short-term earnings, while pension funds, long-term investors, and responsible-investment managers may view labor standards as both an ethical concern and a financial risk. Poor conditions can lead to supply disruption, litigation, regulatory penalties, reputational damage, employee turnover, and loss of customer trust. Shareholder proposals and engagement can push companies toward disclosure and due diligence. At the same time, investor pressure for margin growth can encourage lower sourcing costs and faster production, creating conflict with labor goals.

The proper question is not whether investors care about either profit or ethics. It is whether corporate governance recognizes that sustainable value depends on lawful, resilient, and fair operations. Directors should oversee human-rights risk with the same seriousness applied to financial and cybersecurity risk. Executive compensation should not reward financial outcomes while ignoring labor violations (United Nations, 2011).

Stakeholder Theory and Fiduciary Responsibility

Stakeholder theory argues that companies have responsibilities to employees, suppliers, customers, communities, and investors. This does not require management to ignore profitability. A business that cannot remain financially viable cannot sustain employment or remediation. The ethical challenge is to earn returns without externalizing unacceptable costs onto workers who have less bargaining power. Long-term shareholders benefit when governance identifies these costs before they become crises.

What Concerns Might Gap Store Employees Have?

A store employee may worry that the company’s public social stance is inconsistent with their own experience. Retail workers may face unpredictable scheduling, insufficient hours, low pay, sales pressure, understaffing, limited promotion, difficult customer interactions, and safety concerns. If Gap speaks publicly about empowering supply-chain workers but ignores frontline retail employees, staff may view the message as branding rather than principle. Employees may also receive questions from customers about factory conditions without having enough accurate information to respond.

Workers may feel proud to represent a company that addresses social issues, but they may fear backlash from customers who disagree with the company's positions. Management should provide clear communication, protect employees from harassment, and avoid requiring frontline staff to defend complex corporate policies without support. Ethical commitments should be reflected in scheduling, pay, training, accessibility, anti-discrimination practice, and employee voice.

Transparency and the Problem-Solution Report

The original case criticizes Gap for providing a problem-solution report rather than a detailed record. Problem-solution reporting can be useful when it explains how a violation was corrected, but selective success stories can conceal the scale of remaining harm. A strong report should include both aggregate data and cases. It should state methodology, scope, limitations, and the role of independent assurance. Changes in supplier numbers should be explained. Reducing the number of sourcing countries may improve oversight, but it may also shift orders away from workers without remedy. Exit decisions require responsible disengagement plans (Organisation for Economic Co-operation and Development, 2018).

Independent Audits and Their Limitations

Independent audits can reduce conflicts of interest, but auditors are not automatically reliable. They may be paid by factories or brands, conduct brief announced visits, or lack worker trust. Quality improves when interviews occur off-site, documents are cross-checked, auditors understand local languages, and worker organizations participate. Audits should be one source of evidence alongside grievances, union reports, injury data, wage records, and unannounced inspections.

Remediation Rather Than Simple Termination

When serious violations occur, terminating a supplier may protect the brand's reputation but leave workers without jobs or compensation. Immediate disengagement is necessary in some situations, especially when severe harm cannot be corrected or management obstructs action. In other cases, the brand should support remediation, pay wage arrears where it contributed, correct safety hazards, and monitor progress. Responsible exit should consider worker income, orders in production, and legal obligations. The ethical goal is to reduce harm, not merely remove the factory from a public list (Organisation for Economic Co-operation and Development, 2018; United Nations, 2011).

Environmental Ethics in Apparel

Labor ethics and environmental ethics are connected. Textile production uses water, energy, dyes, chemicals, and raw materials, while clothing waste contributes to environmental pressure. Workers and nearby communities may bear exposure to pollution. Gap’s sourcing strategy should include chemical management, wastewater, emissions, material traceability, durability, repair, and responsible disposal. Environmental claims should use life-cycle evidence and avoid vague terms such as “green” without definitions.

What Progress Does Gap Currently Report?

Gap Inc.’s 2025 Impact Report, released in June 2026, describes progress toward goals concerning more sustainable fibers, opportunities for women in supply chains, youth programs, equity, and environmental impact (Gap Inc., 2026). These disclosures show that ethics has become part of formal corporate strategy rather than an isolated reaction to 1990s controversies. However, a company report represents management’s account. Stakeholders should compare its targets with independent evidence and ask whether improvements reach workers in the most vulnerable positions.

A Stronger Ethical Governance Model

Gap should maintain board-level oversight of human rights; publish a supplier list and meaningful audit outcomes; integrate ethical criteria into buyer incentives; support worker voice; disclose wage and overtime trends; protect grievance users; and establish remedy procedures. It should evaluate subcontracting, recruitment fees, climate risk, and gender-based violence. Investors should receive enough information to assess both risk and impact. Store employees should experience the same principles through fair scheduling, safety, and opportunity (Organisation for Economic Co-operation and Development, 2018; United Nations, 2011).

Conclusion

Gap’s response to labor controversy demonstrates meaningful evolution, but ethical leadership cannot be measured only through awards, customer impressions, or policy statements. Customers may value worker-friendly sourcing, shareholders may recognize the financial importance of human rights, and employees may feel pride in a responsible brand. Each group will remain skeptical when public commitments are not reflected in wages, safety, voice, purchasing, and remedy. The company’s responsibility extends beyond inspecting suppliers to examining how its own commercial decisions shape factory conditions. Ethical progress is credible when workers can describe improvements in their own lives and when failures are disclosed and corrected rather than hidden (International Labour Organization, 2017; Organisation for Economic Co-operation and Development, 2018; United Nations, 2011).

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