



**Gildan Activewear Inc.
Tax Strategy (Taxation Policy)
Fiscal Year 2025**

Introduction

Gildan Activewear Inc. (“Gildan” or the “Company”) is a Canadian corporation incorporated under the Canada Business Corporations Act. Gildan is a leading manufacturer of everyday basic apparel. The Company’s product offering includes activewear, underwear and socks, sold to a broad range of customers, including wholesale distributors, screenprinters or embellishers, as well as retailers that sell to consumers through physical stores and/or e-commerce platforms, and to global lifestyle brand companies. The Company markets its products in North America, Europe, Asia Pacific and Latin America, under a diversified portfolio of Company-owned brands including Gildan®, American Apparel®, Comfort Colors®, Gildan® Hammer®, GoldToe®, Peds®, as well as Champion®, which is under an exclusive licensing agreement.

The Company has various foreign subsidiaries primarily situated in the United States, Central America, the Caribbean, Europe and the Asia Pacific region. Its vertically integrated, large-scale manufacturing facilities are primarily located in Central America, the Caribbean, the United States and Bangladesh. As a global organization with operations in many countries around the world, tax is a critical element of the Company’s corporate responsibility. The purpose of this policy is to outline the Company’s guiding principles in relation to taxation matters in all jurisdictions in which it operates¹.

Company’s business model and tax structure

The Company has established a unique business model that has allowed it to compete effectively and execute its growth strategy. Its operating profits are taxed in each jurisdiction in which it operates, complying with all applicable tax laws and regulations. Historically, the Company has benefited from a low overall effective tax rate, primarily due to the concentration of its sales, marketing, and manufacturing activities—and the resulting profits—in low-tax jurisdictions across Central America and the Caribbean. However, beginning in 2024, the implementation of the Organization for Economic Co-operation and Development’s (“OECD”) global minimum tax framework (Pillar Two) by several jurisdictions in which the Company operates has introduced a

¹ This policy disclosure is also considered to comply with the duty of the Company to publish on behalf of a British sub-group its tax strategy pursuant to the *Finance Act 2016*, (c. 24) Part 2 (*United Kingdom*) (hereafter the “UK”). Any comments made in this policy disclosure should be read as if specific references were made to UK taxation, UK tax matters or the UK tax authorities (Her Majesty’s Revenue and Customs).

minimum effective tax rate of 15%. As a result, the Company's overall effective tax rate has increased in recent tax years. The Company is fully committed to complying with the new global minimum tax rules and continues to monitor legislative developments and guidance to ensure timely and accurate adherence across all affected jurisdictions.

Company's risk management and tax compliance

The Company follows an internal Taxation Policy to support effective risk management and governance in all tax matters. Aligned with the Company's business strategy, Code of Ethics, and Code of Conduct, the Taxation Policy is intended to mitigate unnecessary risk and protect the Company's reputation across all jurisdictions.

The Company's centralized in-house tax department, based at the corporate head office, applies the Taxation Policy consistently across all jurisdictions. The policy is communicated to all in-house tax professionals during onboarding and is reviewed annually. The tax team, led by the Vice President of Global Tax (a member of the Company's leadership), consists of qualified professionals responsible for all tax matters.

The Company is committed to adhering to all applicable global and local tax compliance, reporting, and regulatory requirements. The tax department closely monitors legislative developments in all relevant jurisdictions. Tax positions and filings are reviewed and adjusted as needed based on changes in tax law, new information, and audit conclusions.

The Company, from time to time, engages external tax advisors in the relevant jurisdiction to obtain independent, expert advice, particularly in the context of potential acquisitions, internal reorganizations, compliance matters, and legislative developments.

Company's governance arrangements in relation to tax

The Audit and Finance Committee, a committee of the Company's Board of Directors, is responsible for overseeing the Company's compliance with applicable tax laws globally. The Vice President of Global Tax provides regular updates to the Committee on tax compliance and tax risk matters, ongoing tax audits, and relevant legislative developments. The Vice President of Global Tax reports directly to the Executive Vice-President, Chief Financial Officer.

The Compliance Steering Committee, an executive-level committee of which the Vice President of Global Tax is a member, established by the Board of Directors and chaired by the President and Chief Executive Officer has overall responsibility for compliance matters, including tax. The Compliance Steering Committee has formed a Tax Compliance Committee, chaired by the Vice President of Global Tax, which oversees the Company's global tax compliance programs and regulatory filing requirements. The subcommittee quarterly reviews and discusses updates on tax compliance across all jurisdictions.

Company's acceptable level of tax risk

The Company, through its in-house taxation department, continues to proactively assess and manage tax risks, while maintaining a conservative risk tolerance. The tax department generally assesses tax risks based on a variety of criteria, including the integrity of the corporate structure, commercial drivers, materiality, complexity, and optics. When appropriate, tax risks are communicated to the Board of Directors, and significant tax decisions may be submitted for their review and approval.

The Company aims to maintain a level of tax risk that aligns with its overall business strategy. Tax planning and risk assessments are generally undertaken with potential acquisitions, organic business and geographical expansions, internal reorganizations, and compliance matters.

Company's approach when in dealing with tax authorities

The Company is committed to maintaining cooperative relationships with the relevant tax authorities, ensuring its full adherence to local and global tax laws and regulations of each country and jurisdiction in which it operates. The Company is further committed to submitting all tax returns on time, to promptly answering any queries the tax authorities may have, and to acting with transparency. Where appropriate, the Company will seek rulings from the relevant tax authorities.

Company's tax reporting framework

The Company reports its income tax accounts in accordance with International Financial Reporting Standards (IFRS), as reflected in the consolidated financial statements. Independent assurance over the reported tax figures is provided as part of the independent external audit report of the annual financial statements. The Company also complies with all applicable country-by-country reporting and substance reporting requirements in the jurisdictions in which it operates.

Company's approach to transfer pricing

The Company's approach to transfer pricing mirrors the operating model of the business. All intra-group transactions are conducted under the arm's length principle. On an annual basis, the tax department prepares the transfer pricing documentation, including the relevant economic analysis to support the intra-group transfer pricing for all significant transactions. The Company closely monitors the evolution of the transfer pricing guidance provided by the OECD, relevant domestic legislation, and reviews how any new guidance or legislation applies to the Company.

Annual update: no substantive changes were made to this policy.
Last updated May 2025