

CORPORATE CITIZENSHIP INTERIM REPORT 2010



SCOPE OF THIS INTERIM REPORT

This Interim Report, which provides a brief update on our activities during 2010, should be read in conjunction with our most recent complete Corporate Citizenship Report covering the 2008-2009 period. The complete report was prepared following the Global Reporting Initiative (GRI) G3 Guidelines, as well as the GRI Apparel and Footwear Sector Supplement, which ensure a high standard of quality, credibility and comparability for the measured Corporate Citizenship data. Published biennially, it is available online at www.gildan.com/corporate.

The Interim Report discloses information related to Gildan-owned facilities and offices in North America, Central America and the Caribbean Basin during Gildan's 2010 fiscal year. Where deemed relevant, Gildan's long-term sewing contractors in Haiti and yarn-spinning joint-venture mills in the U.S. have been included. Information pertaining to a manufacturing facility acquired mid-year in Bangladesh will not be included in this report, but will be included in our next complete report, to be published in 2011.

At Gildan, we are committed to continuously improving our industry-leading performance related to the environment, our employees, communities and governance, and to maintaining an open dialogue with our stakeholders. Should you have any questions and/or comments about this Interim Corporate Citizenship Report, please contact us at cc@gildan.com.

CORPORATE CITIZENSHIP STRATEGIC PRIORITIES



EMPLOYEES — COMMITTED TO INDUSTRY-LEADING
WORKING CONDITIONS AND LABOUR PRACTICES
IN EVERY LOCATION IN WHICH WE OPERATE

ENVIRONMENT — COMMITTED TO DEVELOPING
INNOVATIVE ENVIRONMENTAL SOLUTIONS THAT
REDUCE IMPACTS IN ALL OF OUR OPERATIONS

COMMUNITIES — COMMITTED TO OUR
NEIGHBOURS THROUGH SUPPORT FOR YOUTH
EDUCATION AND HUMANITARIAN AID

GOVERNANCE — COMMITTED TO MAINTAINING OUR
STRONG CORPORATE GOVERNANCE CULTURE OF
INTEGRITY, ACCOUNTABILITY AND TRANSPARENCY

GLENN J. CHAMANDY PRESIDENT AND CHIEF EXECUTIVE OFFICER

Gildan demonstrated again in 2010 that it is possible to grow sales, market share, employment and profitability while reducing environmental impacts, improving labour practices and supporting the communities in which we operate. We believe that these goals are compatible and that achieving them is a key driver of our competitive advantage.

This year, we focused on further implementing and expanding our Corporate Citizenship initiatives. We have created a department led by Rick Petersen, Executive Vice President, Corporate Citizenship. Rick was given the mandate to continue to improve our leading environmental, labour and community involvement practices while ensuring that they are effectively communicated among employees and external stakeholders.



Gildan's success to date has, to a large extent, been based on building and operating state-of-the-art facilities in Central America and the Caribbean Basin and ensuring that they – along with all of our operations – meet our high environmental and labour standards. Considerable progress was once again made this year with respect to emissions, water usage and treatment, employee compensation and productivity, as well as investment in local communities.

As a first step in the development of a new hub to service the European and Asian markets, midway through the year we acquired an integrated textile/sewing facility near Dhaka, Bangladesh. Since the acquisition, we have been improving working conditions and compensation for our approximately 2,000 employees, initiating training, generating productivity gains, and improving environmental performance. We are confident that, in spite of the challenges we will surely face, we will succeed in developing a facility that meets our high expectations and those of our customers and other stakeholders while providing employment in this region.

The year 2010 was also marked by the devastating earthquake in Haiti that destroyed one of our sewing contractors' facility and took the lives of 67 of its employees. We immediately launched a relief and reconstruction effort that provided food, shelter, medicine, and funding for reconstruction. Gildan and our employees contributed approximately \$570,000 to support our contractors and employees in their efforts to deal with this tragic situation. Thanks to the determination of our Haitian colleagues, the facilities have returned to normal operation and employees have begun to rebuild their lives.

Signed: Glenn J. Chamandy

RICK PETERSEN EXECUTIVE VICE PRESIDENT, CORPORATE CITIZENSHIP



The nature and scope of environmental and social challenges that companies face continue to increase. Yet, for those committed to social responsibility, environmental sustainability and ethical conduct, the opportunities are significant.

At Gildan, innovation in our facilities is shrinking our environmental footprint, collaboration with academic institutions is improving occupational health and safety, cause marketing is promoting charitable giving among our customers, and stakeholder dialogue is helping us improve our performance.

With significant growth in sales, production and employment in 2010, our focus was on ensuring that we have the systems and supporting programs in place to deliver on our commitments.

One such example was the completion of an integrated Corporate Citizenship database, which allows us to access and interpret a long list of environmental and social performance indicators — turning good data into efficient and strategic information. In environment, the biomass energy generation facility is now fully operational in the Dominican Republic and we have launched similar facilities in Honduras, creating a true “win-win-win” situation by reducing greenhouse gas emissions, lowering costs, and creating a local market for what was formerly a waste product. In 2010, we also completed our first Life Cycle Assessment of a white t-shirt, which gives us insights into our environmental footprint before, during and after manufacturing.

With a continuing focus on protecting and improving the health and safety of our now approximately 28,000 employees, we began implementing a three-to-five-year ergonomics program at a first sewing facility in Honduras. Developed in partnership with the Ergonomics Center of North Carolina State University, this program is designed to identify and address ergonomic risks through training, exercise and applicable engineering and administrative controls. While we have some way to go to achieve the program’s highest level, we are already seeing significant improvements and a high level of ownership and enthusiasm among our employees for the initiative.

Midway through the year, I had the opportunity to join Gildan’s executive management team to help develop and implement an approach to Corporate Citizenship that combines our employee, environmental, community and communications practices. Our task is to ensure that we continue delivering on our commitment to excellence in environmental performance, employee practices, and community investment, and that our leadership position is broadly communicated and reflected in our reputation among all stakeholders. We believe that this combination of operational excellence and proactive communications will continue to reinforce Gildan’s position among the ranks of the world’s top performing and most trusted companies.

While we will be providing detailed metrics on existing initiatives and reporting on new or revised priorities in our next full report in 2011 (with updates on our website), this Interim Report provides an update on our plans and progress on employees, environment, communities, and corporate governance.

Signed: Rick Petersen

COMPANY OVERVIEW

GILDAN IS A LEADING VERTICALLY-INTEGRATED MANUFACTURER AND MARKETER OF LARGE VOLUME BRANDED BASIC APPAREL FOR REPLENISHMENT CUSTOMERS. WE OPERATE HIGHLY-EFFICIENT, LARGE-SCALE ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE FACILITIES. WE DELIVER HIGH-QUALITY LOW-COST PRODUCTS, CREATING SUPERIOR VALUE FOR ALL GILDAN STAKEHOLDERS.

2010 FINANCIAL AND SALES HIGHLIGHTS

- SALES GROWTH OF 26%
- EPS GROWTH OF 104%
- FREE CASH FLOW OF \$176 MILLION
- APPROXIMATELY 600 MILLION SHIRTS SOLD WITH THE GILDAN LABEL
- IN EXCESS OF 600 MILLION PAIRS OF SOCKS SOLD
- PRODUCTS SOLD IN 34 COUNTRIES

Gildan is a vertically-integrated manufacturer and marketer of quality branded basic apparel products, including T-shirts, fleece, sport shirts, socks, and underwear — all produced using 100% cotton or cotton and synthetic fibre blends.

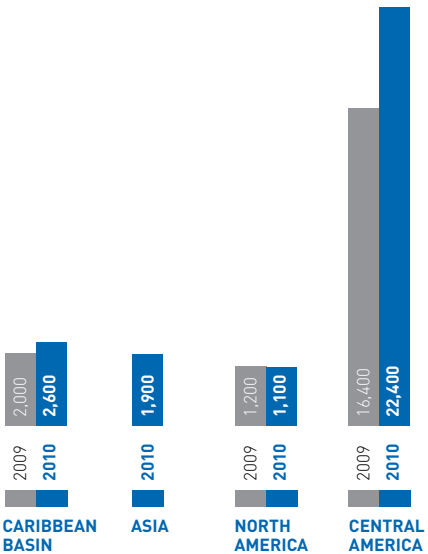
The leading supplier of activewear for the screenprint channel in the United States and Canada and a growing supplier for this market in Europe, Mexico and the Asia/Pacific region, Gildan provides undecorated blanks which are subsequently decorated by screenprinters and sold to a highly diversified range of end-use markets.

We sell socks, underwear and activewear to mass-market and regional retailers in North America under various private-label programs and under the Gildan brand.

Gildan operates manufacturing and distribution facilities in Honduras, the Dominican Republic, Nicaragua, Bangladesh and the United States, has an important contract manufacturing presence in Haiti, and has offices in Canada, the United States, Barbados, Europe, and China.

Committed to excellence in Corporate Citizenship, all of Gildan's operations must comply with our Code of Conduct, Code of Ethics, Environmental Code of Practice and other internal policies, as well as with a wide range of environmental and labour standards and accreditations, including Oeko-Tex Standard 100, Fair Labor Association, and Worldwide Responsible Accredited Production.

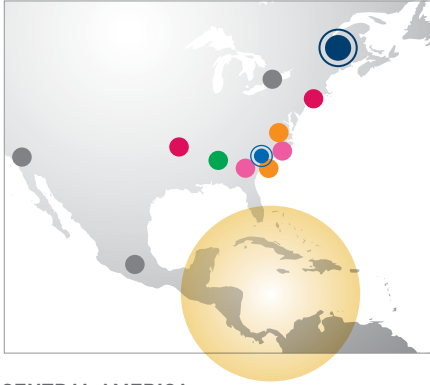
TOTAL NUMBER OF EMPLOYEES PER REGION⁽¹⁾



(1) Approximate numbers at year-end

GILDAN OPERATIONS

NORTH AMERICA



CENTRAL AMERICA AND CARIBBEAN BASIN



EUROPE



ASIA/PACIFIC



CORPORATE HEAD OFFICE

- **Corporate Head Office**
Montreal, QC (Canada)

SALES

- **Sales and marketing offices**
Christ Church (Barbados)
Charleston, SC (United States)⁽¹⁾
- **Regional sales offices**
Bentonville, AR (United States)
New York, NY (United States)
London (United Kingdom)
Shanghai (China)

DISTRIBUTION CENTRES

- **Gildan-operated**
Eden, NC (United States)
Charleston, SC (United States)⁽¹⁾
Choloma (Honduras)
- **Third-party logistics providers**
Mississauga, ON (Canada)
Redlands, CA (United States)
Mexico (Mexico)
Manchester (United Kingdom)
Meer (Belgium)
Shanghai (China)

MANUFACTURING

- **Textile manufacturing facilities for activewear and underwear**
Rio Nance (Honduras) – Two facilities
Bella Vista (Dominican Republic)
- **Sock manufacturing facilities**
Rio Nance (Honduras) – Two facilities
Fort Payne, AL (United States)
- **Yarn-spinning facilities**
Clarkton, NC (United States)⁽²⁾
Cedartown, GA (United States)⁽²⁾
- **Sewing facilities**
San Miguel and Villanueva (Honduras)
San Marcos and Rivas (Nicaragua)
Santo Domingo (Dominican Republic)
- **Sewing contractors**
Port-au-Prince (Haiti)⁽³⁾
- **Integrated textile and sewing facility**
Savar, Dhaka (Bangladesh)⁽⁴⁾

(1) Purchased on November 17, 2009.

(2) Joint-venture with Frontier Spinning Mills, Inc.

(3) Gildan has an administrative office to oversee the production of third-party sewing contractors in the country.

(4) Purchased on March 31, 2010.

EMPLOYEES

COMMITTED TO INDUSTRY-LEADING WORKING CONDITIONS AND LABOUR PRACTICES IN EVERY LOCATION IN WHICH WE OPERATE

We recognize that, by being an employer of choice wherever we operate, Gildan will attract and retain the best talent, improve productivity and enhance our reputation as a preferred supplier. Given our diverse operations, with their wide range of cultures as well as their varied economic, political, legal, and social systems, this is a challenge, but one filled with opportunity. Nevertheless, we are committed to instituting the best working conditions in the apparel industry for the approximately 28,000 employees on whom our success depends each day.

LABOUR COMPLIANCE

Gildan is committed to achieving the highest standards of labour practices, working conditions and an open dialogue with non-governmental organizations, members of the labour movement, and other interest parties.

Every Gildan employee is required to comply with our Code of Conduct, which is based on International Labour Organization conventions and encompasses code elements of the Fair Labor Association (FLA) and Worldwide Responsible Accredited Production (WRAP) codes. Our Code includes strict practices related to hours of work, gender equality, age of majority, overtime, harassment, and protecting the right of freedom of association, and many other best practices. A copy of the Code can be found at www.gildan.com/corporate. To reinforce its implementation, we offered extensive Code training and promotion in every facility throughout 2010.



- (1) One of the many suggestion boxes installed in our plants
- (2) Broadcast of a Gildan TV report on ergonomics on one of the TVs installed in our facilities in Honduras
- (3) Behind the scenes while filming one of the Gildan TV reports



GRIEVANCE MECHANISMS

Identifying employee-related issues early is crucial to ensuring not only basic Code compliance but also to creating an engaging workplace. At Gildan, we accomplish this through formal grievance mechanisms featuring:

- OPEN DOOR POLICY TO ENCOURAGE ANY EMPLOYEE TO ACCESS MANAGEMENT ON ANY MATTER;
- MONTHLY EMPLOYEE/MANAGEMENT ROUNDTABLES WITH CLEAR DELIVERABLES AND FOLLOW-UP;
- SUGGESTION BOXES;
- A TOLL-FREE INTEGRITY AND SOCIAL RESPONSIBILITY HOTLINE AND WEBSITE LINK, ENABLING EMPLOYEES TO ANONYMOUSLY REPORT CONCERNS IN ENGLISH, FRENCH, SPANISH, CREOLE AND SOON IN BENGALI; AND
- EMPLOYEE ACCESS TO EXTERNAL PARTIES, INCLUDING NGOS.

We proactively promote these grievance mechanisms and also provide specific training. In 2010, for example, employees in Honduras participated as actors and cinematographers in the production of a training video on grievance mechanisms. After this popular video was shown on cafeteria television screens, awareness and understanding of the mechanisms improved significantly.

As for reported complaints, each is investigated and followed up by management teams or, if submitted through the Hotline, by the Employee Concerns and Questionable Acts Committee or, if senior management is implicated, the Board of Directors.



- (1) Lesvia Torres, Operator at one of our Honduran sewing facilities, wearing a mask to protect herself against suspended particulates
- (2) Sign outlining the emergency evacuation procedure
- (3) Fire safety training session in a sewing facility
- (4) BSR report on occupational health and safety at Gildan's facilities



HEALTH AND SAFETY

At Gildan, occupational health and safety are top priorities. In addition to our ongoing monitoring and remediation activities, we launched a number of key initiatives in 2010.

Recognizing an opportunity to improve occupational health and safety, we joined forces with Business for Social Responsibility (BSR) and the *Fundación Hondureña de Responsabilidad Social Empresarial* (FUNDAHRSE), or Honduran Foundation for Business Social Responsibility, to analyze our occupational health and safety management system. We began by consulting with a wide range of stakeholders, including government (Ministry of Labour, Honduran Social Security), NGOs (Maquila Solidarity Network, Workers Rights Consortium, Codemuh), and the Fair Labor Association in order to benchmark our overall systems. Based on the analysis, a number of operational strengths were identified, including robust policies, procedures and metrics, and the recently implemented ergonomics program. The report also made recommendations which resulted in improvements, including better accountability, training, and standardized procedures. The report of these consultations and the resultant program is available at http://drcrafta.bsr.org/en/demo_projects/view/gildan.

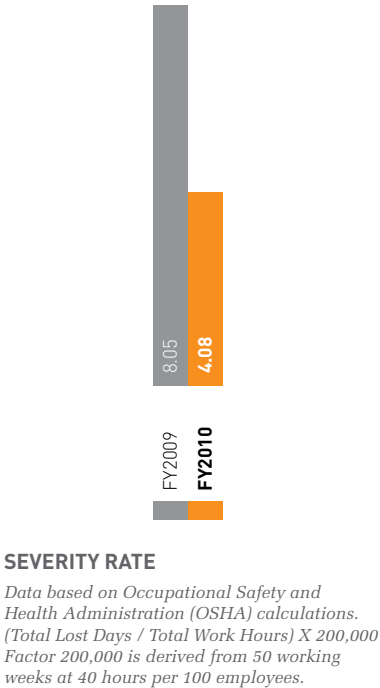
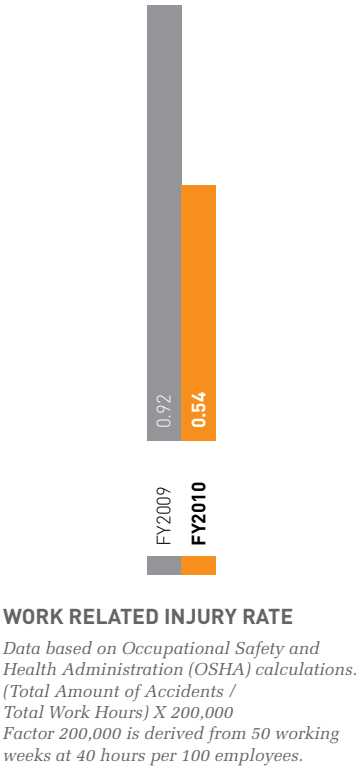


From this work emerged a series of initiatives designed to create corporate management systems that encourage preventive measures for occupational illnesses and on-the-job accidents, along with the continuous improvement of health and safety issues. The project's immediate results included:

- CREATION OF A GLOBAL HEALTH AND SAFETY COMMITTEE, INCLUDING REPRESENTATIVES FROM EVERY REGION;
- INCORPORATION OF HEALTH AND SAFETY INDICATORS INTO MANAGER AND SUPERVISOR EVALUATIONS AT ALL LEVELS;
- IMPROVED MANAGER AND SUPERVISOR RESPONSE TIMES WITH RESPECT TO IMPLEMENTING HEALTH AND SAFETY SUGGESTIONS AND TAKING CORRECTIVE ACTION TO ENSURE COMPLIANCE;
- INCLUSION OF THE PROJECT'S RECOMMENDATIONS IN THE REGIONAL MANAGER'S ANNUAL IMPLEMENTATION GOALS;
- INCORPORATION OF EMPLOYEE CONCERNS IDENTIFIED DURING INTERVIEWS CONDUCTED BY BSR AND FUNDHRSE INTO THE OCCUPATIONAL HEALTH AND SAFETY TRAINING PROGRAM; AND
- MORE DYNAMIC WORKER INVOLVEMENT IN THE OCCUPATIONAL HEALTH AND SAFETY PROGRAMS.

Expected longer-term results include higher compliance with our health and safety policies, a decrease in health and safety risks as a result of preventive measures, and fewer absences and employee rotations.

WORK RELATED INJURY AND SEVERITY RATES



ERGONOMICS PROGRAM

A pilot ergonomics program, developed in 2009 in partnership with the Ergonomics Center of North Carolina State University, was implemented in 2010 with very positive results. Based on the Ergonomic Culture Maturity Model, the program provides a roadmap to help companies move up the ladder from the “Firefighting” level to “World Class” status within three to five years. Key elements of the program include:

- EMPLOYEE INVOLVEMENT, TO ESTABLISH GUIDELINES WITH EMPLOYEE INPUT;
- MANAGEMENT LEADERSHIP, TO ENSURE RESOURCE AVAILABILITY AND PROGRAM MEASUREMENT;
- INJURY MANAGEMENT, TO IDENTIFY EMPLOYEES PRESENTING EARLY SYMPTOMS AND INJURY TRENDS;
- EDUCATION AND TRAINING, TO SUPPORT ERGONOMICS AWARENESS AND SPECIFIC TRAINING FOR THOSE AT HIGH RISK;
- PROGRAM COMPLIANCE AND AUDIT, TO IMPLEMENT ALL COMPONENTS AND AUDIT PERFORMANCE;
- PLANT ERGONOMICS TEAM, TO ESTABLISH MULTIDISCIPLINARY TEAMS TO MANAGE THE PROGRAM;
- PRIORITIZATION AND ANALYSIS, TO IDENTIFY RISKS; AND
- RISK REDUCTION AND CONTROL, TO APPLY CONTROLS TO IDENTIFIED RISKS.

To date, all facilities in Central America have a functional ergonomics committee, review early symptoms reported to medical staff, and have been trained to perform risk analysis and processes. Among other initiatives, we have trained over 4,000 employees in correct working postures, screened a new employee-generated video and disseminated a variety of visual aids. Additionally, we have implemented ergonomics exercise breaks at all sewing facilities.



- (1) Employees at the San Miguel sewing facility practicing exercises from Gildan's ergonomics program
- (2) Employees and their family members receiving health care services during the 2010 health fair at our Villanueva sewing facility
- (3) Employee's child receiving a flu shot during a vaccination campaign against H1N1 at our Villanueva sewing facility



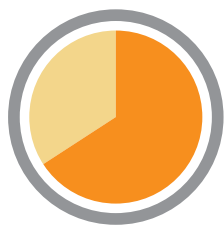
HEALTH CLINICS

With fully equipped medical clinics at our manufacturing facilities, Gildan provides frontline healthcare to all its employees in Central America and the Dominican Republic. While focusing on workplace-related health issues, our 43 Gildan-employed doctors and nurses are often also called upon to provide such services as pre-natal care and vaccinations.

In 2010, 4,396 employees in Honduras and Nicaragua were vaccinated free of charge against tetanus; 7,930 against H1N1; and 60 against Hepatitis B.

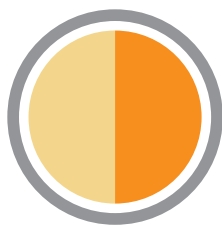
In partnership with the *Instituto Hondureño de Seguridad Social*, in May 2010 Gildan opened a new drugstore adjacent to our Choloma complex clinic in Honduras. This facility provides employees with quick access to general and preventive medicine, medication, lab tests, and a quality physician/patient relationship — all of which are rare in the local community.





INTERNAL VS EXTERNAL AUDITS FOR 2010

Internal 66%
External 34%



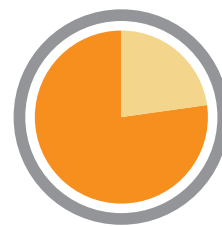
GILDAN-OWNED VS CONTRACTORS AUDITS FOR 2010

Contractors 50%
Gildan 50%



EXTERNAL AUDITS FY 2010

Customers 44%
WRAP 28%
Other standards 20%
FLA 8%



TYPE OF AUDITS FY 2010

Complete 77%
Follow up 23%

SOCIAL COMPLIANCE AUDITS

To ensure that we deliver on our commitments to employees, customers and other stakeholders to meet or exceed our strict Code of Conduct requirements, we conduct a series of internal and independent third-party audits each year.

In 2010, 74 monitoring audits were performed, representing at least one visit to each of our 35 production facilities¹.

Fifty-seven complete social compliance audits were conducted at both Gildan and short- and long-term contractors' in the United States, Asia, Central America and the Caribbean Basin. Of these, 34 were conducted by Gildan's internal auditors or by external auditors on Gildan's behalf, and 23 were conducted by external auditors for the WRAP, the FLA or by customers.

Seventeen follow-up audits were conducted at Gildan and contractors' facilities. Of these, 15 were conducted by Gildan's internal auditors or by external auditors on Gildan's behalf, and 2 were conducted by external auditors for the WRAP, the FLA or by customers.

A total of 103 labour-related non-conformities were found in Gildan-owned facilities during FY 2010, 58 moderate and 45 minor². Overall, 72% of the initial non-compliance findings have been corrected and the balance will be resolved by the end of the second quarter of 2011. The majority of non-compliances were related to fire safety (25%), general cleanliness and sanitary conditions (22%), and machine safety (17%). In every case of non-compliance, detailed remediation plans and, where indicated, in-depth root-cause analyses were implemented.

A detailed report on our audit findings and overall compliance program will be provided in our next complete Corporate Citizenship Report in 2011.

FIGURE 1

CLASSIFICATION OF SOCIAL NON-COMPLIANCE

Fully Compliant: In full compliance with the Gildan Code of Conduct provisions and the other Codes it adheres to, as well as legal requirements.

Minor: Low risk issue. Improvement towards best practices. Remediation time frame: six months.

Moderate: Negative impact on workers' rights and safety (non-critical). Remediation time frame: up to two months, depending on type of violation.

Major: Serious violation of the Gildan Code of Conduct and the other Codes it adheres to and/or the law, resulting in a severe impact on individual rights and/or physical safety. Remediation time frame: immediate.

¹ This number includes Gildan-owned facilities as well as long- and short-term contractors.

² Refer to Figure 1 for a classification of social non-compliance.

HIRING LOCALLY

Gildan has always placed emphasis on developing well-educated and highly motivated local management teams as the most effective way to develop and implement best practices in our manufacturing facilities. By providing employees in each of our operating regions with competitive compensation and benefits, along with advanced training opportunities, we are creating both optimum conditions in our facilities and benefiting the community and economy as well. This has been a key element in our operational success.

PLANT CLOSURES

During 2010, Gildan undertook the consolidation and relocation of approximately 30% of our knitting equipment and all of our remaining wet processing operations located in Ft. Payne, Alabama, to our integrated facilities in Honduras. Additionally, with the opening of our new distribution centre and retail operations in Charleston, South Carolina during the year, we closed the Ft. Payne distribution operations and those of our Martinsville, Virginia facility. While we were able to relocate some employees to other facilities, a total of 348 employees were impacted by this reorganization.

All affected employees received at least a 60-day notification prior to the elimination of their employment, benefits that met or exceeded those required by local law, and were provided with support to facilitate their transition to new jobs and education opportunities through the collaboration with local organizations.

LABOUR UNIONS

In March 2010, Gildan completed good faith negotiations and signed a Collective Bargaining Agreement (CBA) with Sitragil, a union registered with the Ministry of Labour, for the employees at our textile facility in the Dominican Republic. The union was subsequently accused by a rival union of providing fraudulent membership documentation as a basis for entering into collective bargaining negotiations. The second union, Sitragildan, has also claimed that it has obtained the support to represent a majority of employees at our facility, but has not presented any evidence to Gildan or the Ministry of Labour to substantiate their claim.

Since concerns were raised in this matter, Gildan has worked with the FLA, non-governmental organizations and third-party monitors to independently investigate allegations of fraud and interference. We also requested the intervention of the Ministry of Labour in the Dominican Republic to help resolve this situation. The matter is now before the Dominican Republic labour court, which has the authority to determine if Sitragil truly had legal standing to represent the Gildan workers in collective bargaining negotiations.

Since this process began, Gildan has maintained all economic benefits granted to employees under the CBA, and will continue to do so.

ENVIRONMENTAL CODE OF PRACTICE

Demonstrating our dedication to continuous improvement, in 2010 our Environmental Code of Practice was updated to ECP-V7. Key changes included the addition of chemicals related to the apparel sector which are newly banned or restricted by Oeko-Tex, REACH¹, California's Proposition 65, EPA, OSHA and Environment Canada. In total, the new version restricts 840 chemicals, up from 360 in ECP-V6. To facilitate the search for chemicals in the ECP, we created Gildan's Restricted Substance List, which discloses all substances that are restricted, indicating the category of the chemical, the name and the CAS²-Number.

The new regulations have added new requirements for a wide range of product components, including cotton, polyester, chemicals, solvents, threads, trim, accessories, waistband and elastic, bags, ozone depleting substances and fluorinated greenhouse gases and asbestos. Additionally, a new section was created for "Service Chemicals", which are used in boilers, wastewater treatment, chillers, machine maintenance, pest control, cleaning, etc.

ENVIRONMENTAL MANAGEMENT SYSTEM

Using our own environmental management system, we have been tracking how our Environment Policy and Code of Practice are being implemented in all facilities. Verified by twice-yearly internal audits, the system allows us to evaluate our procedures for managing water use, wastewater, energy, chemical handling and storage, raw materials, wastes, biodiversity protection, emissions, and spills control.

In 2010, complete environmental audits were performed in all textile, hosiery, sewing, knitting and dyeing/finishing facilities, during which 103 non-conformities were found, 29% of which were moderate and 71% minor³. There were no major non-conformities. Most of the non-conformities were related to chemical management/spill control (25%), waste management (21%), and fuel management/spill control (15%). Overall, 77% of the non-conformities were corrected during the year, and the balance is scheduled for completion in the first quarter of 2011.

CORPORATE CITIZENSHIP DATABASE

Gildan continues to make progress in measuring and managing our environmental impacts across a growing base of operations and production volume. In order to achieve the next level of performance, in 2010 we developed and implemented a fully automated and integrated database that enables us to track key performance indicators related to energy use, solid and liquid waste, water consumption, emissions, spills, reforestation, and environmental training.

The database — available in English, French and Spanish — will also allow us to track a number of social indicators, including wages, employee diversity, pay equity, and training hours. Equally important, the new platform (which will be fully operational following extensive training in early fiscal 2011) will link operational systems at all facilities with internal and third-party auditing, action planning, and follow-up. The new tool will also enable us to generate detailed monthly, quarterly and annual reports for internal use and public disclosure.

FIGURE 2

CLASSIFICATION OF ENVIRONMENTAL NON-COMPLIANCE

Fully Compliant:

In full compliance with the Gildan Environmental Policy and Code of Environmental Practice provisions and the other Codes it adheres to, as well as legal requirements.

Minor Impact /

Minor Non-Compliance:

Minor environmental impact or minimal risk of causing such impact. This observation can also refer to the need for instigating environmental continuous improvement measures.

Remediation time frame: six months.

Moderate Impact /

Moderate Non-Compliance:

Moderate environmental impact that can affect the environment and employees' health in the long term or moderate risk of causing such impact.

Remediation time frame: two months.

Major Impact /

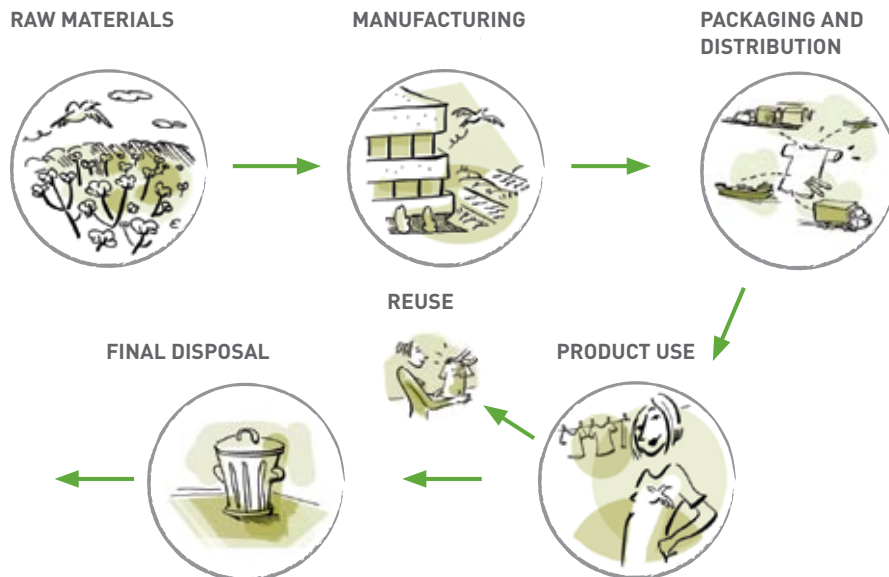
Major Non-Compliance:

Violation of environmental laws causing a high environmental impact or high risk of causing environmental impact.

Remediation time frame: immediate.

- 1 REACH is a European Community Regulation on chemicals and their safe use (EC 1907/2006). It deals with the Registration, Evaluation, Authorisation and Restriction of Chemical substances.
- 2 Chemical Abstracts Service.
- 3 Refer to Figure 2 for a classification of environmental non-compliance.

THE LIFE CYCLE OF A PRODUCT



LIFE CYCLE ASSESSMENT

In 2010, Gildan conducted its first Life Cycle Assessment (LCA) of the key environmental impacts of an average size white Style 2000 t-shirt made with 100% USA cotton, manufactured in Central America and sold in the United States market. The project's goal was to identify the "hotspots" (i.e. most significant impacts) over the entire life cycle — from agriculture through manufacturing and customer use to final disposal.

This assessment model evaluated key impacts on human health, ecosystem quality, resource consumption, climate change, and water. The information gained from this pilot project enabled us to better understand our processes and impacts, validate improvements to processes or

products and identify new ones, manage current risks and anticipate future needs (e.g. market or regulatory).

The LCA showed that, due primarily to electricity generation for washing and drying, the consumer use phase was the main contributor to overall environmental impacts on human health, climate change, and resource depletion. Excluding the consumer use phase, the biggest impact on ecosystems quality was due to cotton agricultural production, primarily through land use and emissions related to fertilizers. Within direct manufacturing, the largest impact relates to energy consumption, particularly during bleaching. Water consumption and waste were also important factors during manufacturing.

For Gildan, this information strongly validated our own understanding and approach to mitigating key impacts. This is especially true for the areas in our supply chain and manufacturing process we influence or control directly. The initial LCA findings are currently being integrated into our overall environmental management system.

- (1) Cotton crop – Gildan sources virtually all of its cotton from the United States
- (2) Mobile press to collect available biomass at different locations
- (3) Biomass feeding lines with full redundancy
- (4) One of the biomass steam generation system's boilers



USA COTTON

USA cotton is the most highly regulated source of cotton in the world (e.g. USDA, FDA) and has increasingly adopted conservation agricultural practices, including sophisticated soil monitoring and topsoil loss management, conservation tillage, and high-efficiency irrigation. The USA cotton crop is also ethically harvested under strict regulatory guidelines.

RENEWABLE ENERGY

Like most manufacturing facilities in the countries where we operate, energy has traditionally come from burning fossil fuels, particularly bunker oil, which generates greenhouse gas emissions. It is also a non-renewable — and increasingly costly — resource.

The biomass steam generation system, which substitutes fossil fuel for biomass such as agricultural residues and selected production wastes, aims to reduce a significant portion of our current bunker fuel use.

In our Dominican Republic textile manufacturing facility, the biomass system was installed in the second quarter of fiscal 2010 and is now supplying the large majority of our steam requirements. Similar biomass steam generation projects were also initiated in 2010 in Honduras. The system at Rio Nance 3 reached full capacity in September 2010, while the Rio Nance 4 system is ramping in alignment with production. The biomass system to supply the Rio Nance 1, Rio Nance 2 and Rio Nance 5 facilities with steam is underway.

ENERGY EFFICIENCY PROJECTS

Improving energy efficiency and thereby reducing our environmental impact remains a priority at all of our facilities. In 2010, key initiatives included reducing operating steam pressure at compactor at two Honduran textile facilities and heating hot water from condensate at all textile and hosiery facilities.

GREENHOUSE GAS EMISSIONS

Gildan has been measuring greenhouse gas (GHG) emissions since 2006 at Gildan-owned facilities and offices, as well as our Haitian contractors' and joint venture's facilities. We have also been participating in the Carbon Disclosure Project⁴ since 2008 and data related to GHG emissions will be published on our website during 2011.

⁴ The Carbon Disclosure Project is an independent not-for-profit organization holding the largest database of primary corporate climate change information in the world. For more information, visit www.cdproject.net.

WATER EFFICIENCY

As demonstrated in our first LCA, water consumption and disposal represent important environmental impacts. As most of our water is consumed in our wet processing operations (i.e. bleaching and dyeing), we continue to focus our efforts on reducing water usage.

In 2010, we implemented new procedures and controls for water consumption and wastewater with detailed indicators that will enable us to publish results in our 2011 Report.

WASTEWATER MANAGEMENT

The highly efficient Biotop® system is our primary biological wastewater treatment facility at our Honduras and Dominican Republic operations, which are responsible for most of our textile production. Treating wastewater through a series of lagoons where pH is naturally stabilized, the system has a number of important advantages over traditional chemical-treatment based systems:

- BACTERIA VIRTUALLY ELIMINATE THE DYES AND CHEMICALS;
- NO ADDITIONAL CHEMICALS ARE INTRODUCED INTO THE SYSTEM;
- VIRTUALLY NO INCREMENTAL ENERGY IS REQUIRED TO PROCESS THE EFFLUENT;
- NO HARM IS DONE TO THE AQUATIC LIFE IN THE RECEIVING RIVER AND ITS ECOSYSTEM. IN FACT, SEVERAL SPECIES OF BIRDS AND FISH HAVE BEEN SPOTTED IN THESE LAGOONS;
- WATER TREATED BY THIS BIOLOGICAL SYSTEM IS SUITABLE FOR AGRICULTURAL USE IN SURROUNDING COMMUNITIES, AND DOES INDEED HELP LOCAL FARMERS;
- FOSSIL FUELS ARE NOT CONSUMED IN OPERATING THIS SYSTEM;
- THE 40-DAY RETENTION TIME IN THE SYSTEM ENSURES AGAINST SUDDEN CHANGES IN PRODUCTION OR ACCIDENTAL SPILLS OF DANGEROUS LIQUIDS IN THE PRODUCTION PROCESS; AND
- WATER ENTERING THE LOCAL ECOSYSTEM IS FREE OF ALL CONTAMINANTS AND CONTINUOUSLY MONITORED TO COMPLY WITH LOCAL REQUIREMENTS.

- (1) Landscape view of Biotop®
- (2) *Cigüeña cuellinegro*, one of the bird species living around the Biotop®
- (3) Landscape view of Biotop®
- (4) Carolina Mateo, Environmental Manager in the Dominican Republic, holding a *gallareta pico rojo*, one of the bird species living in the Biotop®
- (5) Freshwater turtles living in the Biotop®



BIODIVERSITY

The number and diversity of animal species is a key indicator of the health of any ecosystem and ultimately influences quality of life for people living within or adjacent to this ecosystem. As part of our overall environmental impact assessments, we conduct, through a third-party, an annual biodiversity inventory of our land in the Dominican Republic. In September 2010, the inventory showed:

- 35 BIRD SPECIES (UP FROM 14 IN 2009);
- 4 REPTILE SPECIES (UP FROM 2 IN 2009);
- 1 AMPHIBIOUS SPECIES;
- 3 FISH SPECIES; AND
- 2 MAMMALIAN SPECIES.

Of this increased biodiversity, 23 species were found to be living in or around the Biotop® wastewater treatment facility. The inventory process once again confirmed that the Dominican Republic's national bird, Cigua Palmera (*Dulus dominicus*), a locally protected species, continues to live in our Biotop® system surroundings.



- (1) Employees in the Dominican Republic participating in a reforestation activity that was held on World Environment Day
- (2) Darwing Chávez, Environment, Health and Safety coordinator at our San Marcos facility in Nicaragua
- (3) Marlene Villareal, cleaning supervisor at our Rivas facility in Nicaragua planting trees on Earth Day
- (4) Tree planting was a key employee volunteering activity in 2010





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ENVIRONMENTAL VOLUNTEERING



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Improving our environmental performance in and around our facilities continues to be an operational priority for our employees. This dedication extends to their volunteer activities as well.

Every year, employees participate in a reforestation campaign at our Honduras, Nicaragua and the Dominican Republic facilities. Recognizing that we must harvest trees to build our large state-of-the-art facilities, we have committed to replanting with the same species.

We celebrated Earth Day 2010 with a reforestation activity at the Rivas facility in Nicaragua and celebrated World Environmental Day with two other reforestation activities in Honduras and in the Dominican Republic in which employees took part. In August, employees at our San Marcos facility in Nicaragua participated in the reforestation of the Los Conejitos Park and, in total, Gildan employees planted more than 5,600 trees in 2010.

COMMUNITIES

COMMITTED TO OUR NEIGHBOURS THROUGH SUPPORT FOR YOUTH EDUCATION AND HUMANITARIAN AID

Gildan is already among the largest employers in each of the countries where most of our manufacturing facilities are located and has an important business presence in Barbados, Montreal, and Charleston. In addition to capital investment and payroll, which are significant contributors to local economic development, Gildan is also committed to continuing to play an active role in the community by enhancing our contributions and involvement.

Low literacy rates and lack of job skills in some locations are not only social challenges, but also an impediment to building a strong local workforce that can grow with Gildan. Tough economic times and deficit spending have resulted in government cutbacks in a broad range of social programs as well. When disaster strikes, few communities are prepared to address the immediate and, in some cases, longer-term needs. Faced with such challenges, companies are called upon to do their part.

At Gildan, we believe that investing in youth education can have a transformational impact as it builds job and life skills and prepares a generation to contribute to their own community. This is the primary focus of our community support activities.

We also know — unfortunately from direct experience — that some communities in which we operate are all too prone to natural disasters. However, by contributing funds and logistical support, we also know that we can help them ride out the storm and rebuild.

Given our market reach — we have sold some four billion Gildan-labeled products since we entered into the screenprint channel and are continuing to grow — we have the opportunity to leverage our customer relationships and distribution networks to have a positive impact on society as well.

NORTH AMERICA

CAN A T-SHIRT HELP MAKE A BETTER WORLD?

The “I Support...” program was developed and launched in 2010 during a series of trade shows, in concert with social media outreach. The unique program is designed to encourage people to tell us about the charities they support and how they are making a positive impact on the world. For every Ultra Cotton (style 2000) t-shirt purchased from the Gildan Genuine Color Collection, a percentage of proceeds — up to \$100,000 — will be donated to a registered charity.

This is how it works:

People were asked to register at www.genuinegildan.com to select a registered charity they support and tell us how they are making a positive impact. Registrants could then read other people's stories and vote for those they believe best demonstrate how to make a positive difference in their community. Based on a combination of total number of supporters, the number of votes, or "likes", and a combined average of the number of times a submission has been viewed, a list of ten finalist charities was qualified for a chance to receive the donation of up to \$100,000.

The following ten finalist charities were announced in November 2010:

- AMERICAN CANCER SOCIETY
www.cancer.org
- AMERICAN HEART ASSOCIATION
www.americanheart.org
- CORPORATION CULTURELLE LATINO-AMÉRICAIN DE L'AMITIÉ
www.coclamontreal.org
- CYSTIC FIBROSIS FOUNDATION
www.cff.org
- DISCOVERY!
www.discoveryinstitute.org
- DREW HILDEBRAND TEEN BENEFIT FUND
www.drewhildebrandtbf.com
- HOME BOY INDUSTRIES
www.homeboy-industries.org
- JUVENILE DIABETES RESEARCH FOUNDATION OF WEST TENNESSEE
www.jdrf.org
- PALM BEACH COUNTY MOTORCYCLIST TOYS FOR TOTS
www.billsbikestoyrun.com
- SNOWBALL EXPRESS
www.snowballexpress.org

- (1) Wall of the “I Support” booth, set up in many trade shows across North America in 2010

We created a panel of industry and charity experts to review the ten finalists and determine the single charity recipient.

The recipient of the \$100,000 donation will be revealed in January 2011 at the Las Vegas PPAI trade show. Can a t-shirt help make a better world? Yes it can!



NORTH AMERICA

DANS LA RUE

Gildan's main charitable partnership in Canada for 2010 was *Dans la rue*, a Montreal-based non-profit organization supporting homeless youth. Providing a safe place for kids to go and grow, the organization offers resources adapted to their needs and, above all, shows respect, friendship, and encouragement.

Since our relationship began in 2004, Gildan has donated \$750,000 to this humanitarian cause, much of which has been used to finance the Chez Pops Day Centre cafeteria, which serves an average of 1,000 meals a week. We have also provided thousands of t-shirts.

Once again in 2010, Gildan sponsored the annual fundraising gala "From the Street to the Stars," a unique event at which Montreal's best young chefs showcase their interpretation of street food. And once again, Gildan employees volunteered their time to prepare and host the event. This year, thanks to the participation of over 400 generous (and hungry) guests, the event raised over \$112,000.

FONDATION DU DR. JULIEN

New in 2010, we supported the *Fondation du Dr. Julien*, which runs two "social pediatrics" projects in Montreal's Hochelaga-Maisonneuve and Côte-des-Neiges districts. The Fondation provides families in these low-income neighbourhoods with the necessary tools and services they need to ensure and enhance their children's physical, cognitive, emotional and cultural well-being.

Our financial and product donation targeted a unique project sponsored by the foundation — Students in the Running. The program provides 11-month mentoring and training to students from inner-city schools, each of whom aims to complete the 42.2 km Montreal Oasis Marathon while staying in school. While focused on running, the program's real benefit is increased self-esteem, goal setting and, above all, determination.



- (1) Group of Gildan volunteers working at Dans la rue's annual fundraising gala "From the Street to the Stars"
- (2) Participants of the "Students in the Running" project sponsored by the Fondation du Dr. Julien



UNITED WAY

United Way is a worldwide movement of nearly 4,000 community-based United Ways in 46 countries and territories. United Way of America is a non-profit organization that works with nearly 1,300 local United Way offices throughout the United States in a coalition of charitable organizations to pool efforts in fundraising and support. The main focus areas of United Way include education, income, and health.

As a charity of choice for employees in our U.S. operations, fund-raising campaigns for United Way were held in the following Gildan facilities: Eden, North Carolina; Martinsville, Virginia, and Fort Payne, Alabama. Local activities raised nearly \$30,000 during 2010.



HAITI

- (1) Donald Coulange, external auditor at Gildan Haiti, outside one of the tents distributed by Gildan
- (2) Typical content of the boxes of food distributed to Gildan employees and to contractors' employees
- (3) Boxes of food being distributed by Gildan
- (4) A contractor's employee carrying a box of food she just received

HAITI EARTHQUAKE

On the afternoon of January 12, 2010, Haiti was struck by a devastating earthquake that resulted in a significant number of fatalities, widespread devastation to the country's physical infrastructure, and dislocation of its many survivors.

The destruction that day included the collapse of a building operated by one of Gildan's sewing contractors, Palm Apparel, with a loss of 67 lives. Gildan immediately pledged its support and collaboration with the owner of Palm to provide special assistance to employees and the families of workers who lost their lives and homes. We also committed to playing an active role in the relief and reconstruction efforts in the country.

A Gildan team from Haiti, the Dominican Republic, Honduras and Montreal was quickly formed to assess the situation, the needs of our employees and those of our contractors, and to formally implement a Relief and Reconstruction Plan.

→ WE DONATED MORE THAN \$570,000 FOR RELIEF AND RECONSTRUCTION EFFORTS IN HAITI THROUGH:

- A CORPORATE DONATION OF \$50,000 TO THE CANADIAN RED CROSS HAITI EARTHQUAKE EMERGENCY FUND; AND
- THE CREATION OF THE GILDAN HAITI RELIEF AND RECONSTRUCTION FUND, WHICH WAS FINANCED BY A COMPANY-WIDE FUND-RAISING OF \$58,000 AND ADDITIONAL CONTRIBUTIONS BY THE COMPANY. THIS FUND FINANCED A STAGING OPERATION SET UP BY THE COMPANY IN THE DOMINICAN REPUBLIC, WHICH DELIVERED:
 - 26,000 BOXES OF FOOD OVER A FOUR-WEEK PERIOD. ALL EMPLOYEES RECEIVED AT LEAST ONE BOX PER WEEK, EACH OF WHICH COULD FEED A FAMILY OF FOUR FOR UP TO FIVE DAYS.
 - MEDICINE, BABY FOOD AND DIAPERS, AS WELL AS 1,300 HIGH QUALITY TENTS.

→ WE FACILITATED BUILDING INSPECTIONS BY THIRD-PARTY ORGANIZATIONS IN ORDER TO ALLOW CONTRACTORS TO RESTART PRODUCTION SAFELY.

→ WE PROVIDED FINANCIAL ASSISTANCE TO CONTRACTORS BY ADVANCING A SIGNIFICANT AMOUNT IN WORKING CAPITAL AND EQUIPMENT, WHICH SUPPORTED THE PROCESS OF REBUILDING AND PROVIDING EMPLOYMENT IN HAITI.

Since Friday, February 12, 2010 when Gildan representatives participated in a memorial service at the Palm site in support of the employees and their families, progress has been made. The Palm Apparel facility has now been relocated and is running normally, providing much needed employment in the region and, because of the resilience and determination of the Haitian people, lives are slowly being rebuilt as well.

For more information, visit our website at www.gildan.com/corporate and click on the Haiti Earthquake icon.



HONDURAS

- (1) IPC student residence
- (2) IPC students
- (3) IPC students in a lab class
- (4) Ethical Fashion Project workshop session regrouping students from IPC and from the University of Delaware

INSTITUTO POLITÉCNICO CENTROAMERICANO (IPC)

Building job skills is the best route to sustainable community development and, in 2005, Gildan spearheaded the development of an industry-wide initiative to create the Central American Polytechnic Institute (IPC) in Honduras. Gildan's initial funding was U.S. \$500,000.

The IPC was the first technical institute in Central America to train people for the textile, apparel and other industries through intensive two- to five-month courses and through one-year technical programs. Gildan has sponsored 50 scholarships per year since 2006 to encourage access to these programs for Gildan employees and their families, as well as to members of the local community. This contribution has totaled U.S. \$360,000 to date.

Recognizing the additional challenge for students who are often away from home for the first time, in 2009, Gildan provided business and technical advice that resulted in the construction of a new full-service student residence. The residence enables Honduran and Nicaraguan students to benefit from the training programs without having to pay expensive fees for transportation or temporary accommodations.

Since its inception, a total of 3,169 students graduated from all IPC programs to date, including over 800 students who graduated from the IPC one-year program, with a 90% job placement record in a wide range of companies in Honduras, including at Gildan.





ETHICAL FASHION PROJECT

The goal of the Ethical Fashion Project is to demonstrate the broad range of factors that should go into designing and producing an “ethical” garment. This includes choosing materials that benefit the environment, opting for suppliers with verifiable fair labour practices, and maintaining responsible interactions and exchanges between the buyers, designers, and suppliers.

In collaboration with the FLA, the IPC and the Department of Fashion and Apparel Studies at the University of Delaware, Gildan participated in the development and launch of an ethical fashion project that encompasses design development through production. Students at the University of Delaware created the designs, Gildan donated fabric, and IPC students created the patterns and produced the final garments.

Thanks to a U.S. \$40,000 grant from Cotton Inc., in 2010 students from the University of Delaware visited the IPC and Gildan’s facilities in Honduras. Following that, students from the IPC completed the exchange program by visiting the University of Delaware.

“Having graduated from IPC has been a unique and gratifying experience through every step I took in order to master the various technical areas of confection. To be part of the first student exchange between the IPC and the University of Delaware is simply unbelievable. I’ve learned a lot through this opportunity to travel to United States and to get to know this culture, and exchange our technical skills with the high level of artistic knowledge possessed by the University of Delaware students, who are great fashion designers. Not only did we develop new projects in which we felt a real fusion between the University of Delaware and the IPC, but we also forged sincere friendships that will last forever.”
Xiomara Rajo, IPC Graduate

“I was working on the project with the University of Delaware in clothing creation and we worked without knowing what the final reward would be. I really enjoyed the knowledge I acquired through the student exchange. The University of Delaware is spectacular, and the Museum of Old Fashions is what I enjoyed visiting the most. I came back from this trip full of new knowledge and ideas that I will be able to put into practice in my work.”
Kenia Jacqueline Cruz, IPC Student

EDUCATODOS RELAUNCH

Basic education and literacy are taken for granted in many places. Unfortunately, this is not the reality everywhere. Recognizing this challenge, since 2003 Gildan has supported Educadores, a program developed in partnership with the Honduran Ministry of Education and the United States Agency for International Development, which offers primary and secondary education classes.

Government funding for the program was suspended in 2009 due to the political instability in the country but, in August 2010, the program was officially re-launched. This year, some 340 employees participated in the program and we intend to continue expanding registrations in the future.

BARBADOS

SUMMER LEARNING IS FUN

One of the difficulties identified within Barbados’ education system is the transition to Secondary School once Primary School is completed. The “Summer Learning is Fun” book is an initiative developed by a noted educator in Barbados that is offering a response to this specific issue. The book aims at better accompanying and orienting students towards the level of studies that they will experience in Secondary School, in addition to providing them with tips on how to make a successful transition.

In 2010, Gildan provided funding to assist with the printing and distribution of these books across the island and bought copies for employees who had children or family members who were making that transition.

DOMINICAN REPUBLIC

ECO SCHOOLS

Eco Schools is an international environmental certification program that is awarded to institutions that implement environmental improvements within their facilities and curriculum and in the community. The program, which focuses on water conservation, waste recycling, energy saving and consumption and climate change, actively involves students and members of the community in building awareness and action on environmental sustainability.

As a member of the National Business Network for Environmental Protection, Gildan committed, in September 2010, to sponsor the Eco Schools Program, which is taking place in four schools located in the Municipality of Guerra, home to our Dominican Republic textile facility.



NICARAGUA

- (1) Claudia Sandoval, Vice-President, Corporate Citizenship for Central America and the Caribbean Basin, with students from one of the Guerra schools in which the Eco Schools program sponsored by Gildan was implemented
- (2) The *Arlen Siu* public library, part of the *Casa de Cultura* de San Marcos

CASA DE CULTURA IN SAN MARCOS

San Marcos' *Casa de Cultura* is a cultural centre which promotes arts, history, and cultural activities in the Carazo region, Nicaragua. The *Casa de Cultura* includes the *Arlen Siu* public library, and a computer centre. It also offers music and painting lessons. All services and activities are free.

The San Marcos' *Casa de Cultura* was grappling with infiltrations in the ceiling, which were most importantly affecting its library, one of the biggest in the Carazo region, with an average of 150 young boys and girls visiting every day, and the computer centre, where kids and teenagers go to work on their school projects.

In 2010, Gildan donated more than U.S. \$5,000 of material to repair the ceiling of the *Casa de Cultura*, which benefits the many kids who go there on a regular basis.



GOVERNANCE

COMMITTED TO MAINTAINING OUR STRONG CORPORATE GOVERNANCE CULTURE OF INTEGRITY, ACCOUNTABILITY AND TRANSPARENCY

We consider strong and transparent corporate governance practices to be both an integral part of our environmental and social commitments and an important factor in our overall business success.

Our strength in corporate governance begins with our Board of Directors. With nine out of our ten Board members, including the Chairman, independent of management, and with only independent directors sitting on the Board's three committees, the Board is well-positioned to perform its stewardship role of overseeing the management of Gildan's business and affairs. Underlying this responsibility is the Board's objective of ensuring that management develops and implements plans that represent the interests of all of its stakeholders and maximize shareholder value. Gildan has been recognized for its accomplishments in corporate governance, including high rankings in The Globe and Mail's "Report on Business" for the past four years.



- (1) Robert M. Baylis
- (2) William D. Anderson
- (3) Glenn J. Chamandy
- (4) Russell Goodman*
- (5) George Heller
- (6) Sheila O'Brien
- (7) Pierre Robitaille
- (8) James R. Scarborough
- (9) Richard P. Strubel
- (10) Gonzalo F. Valdes-Fauli

Gildan strives to take a leadership role in corporate governance by adhering to all applicable Canadian and U.S. securities legislation, including the various requirements of the Toronto and New York stock exchanges where Gildan shares are listed. We also continuously evaluate evolving industry trends and best practices and adopt those practices that are best suited for the Company and its shareholders. This year, as is done periodically, the Board and its three committees undertook a thorough review of their formal mandates and updated them to reflect these evolving standards as well as best practices. The Board and committee mandates are available at www.gildan.com/corporate/IR/proxyCircular.cfm.

Gildan remains committed to the highest standards of integrity and ethical behaviour and to environmental and social performance as defined in our Code of Ethics, Code of Conduct and Environmental Code of Practice adopted by our Board of Directors. As part of its formal mandate, overall responsibility for monitoring and reviewing the Company's environmental and social practices falls to our Board of Directors. In order to enhance this oversight role, the Board has delegated to the Corporate Governance Committee the specific responsibility to oversee Gildan's policies and practices in such areas as environment, labour, health and safety and sustainability issues, as well as community and other stakeholder relations.

* Gildan announced the appointment of Russell Goodman to its Board of Directors on December 2, 2010.

RECOGNITIONS

MACLEAN'S 50 CANADA'S BEST CORPORATE CITIZENS

In June 2010 (for the second year in a row), Gildan was recognized as one of Canada's 50 Best Corporate Citizens. The 50 most socially responsible corporations are selected on the basis of their performance across a broad range of environmental, social and governance indicators tracked by Jantzi-Sustainalytics. The selected companies rank at the top of their respective peer groups in Jantzi-Sustainalytics' Global Platform and the results were published in Maclean's Magazine, Canada's leading current affairs magazine.



RECOGNITION FOR GLOBAL SUPPLY CHAIN SOCIAL COMPLIANCE

In November 2010, Gildan joined Levi Strauss and Co., Wal-Mart Stores, Inc., Gap Inc., and Nordstrom with the highest scores on a unique survey of global supply chain compliance programs of U.S. apparel brands and retailers released by the corporate responsibility group, As You Sow. The survey, *"Towards a Safe, Just Workplace: Apparel Supply Chain Compliance Programs"*, features a scorecard and report that provides, for the first time, publicly available comparable baseline data for the evaluation of compliance programs of top apparel companies doing business in the U.S. The project provides information on the substance and scope of programs developed to improve factory working conditions and ranks the resources allocated and initiatives that companies are employing on key compliance actions such as factory auditing, remediation, continuous improvement, collaboration, company management accountability, and transparency.

GLOBAL 1000 SUSTAINABLE PERFORMANCE LEADERS RANKING

This year, Gildan was recognized in the top quartile in the Global 1000 Sustainable Performance Leaders 2009 ranking launched in September 2010. The ranking was produced by CRD Analytics, in partnership with Justmeans, using the Smartview® methodology which evaluates publicly traded companies based on a total of approximately 200 individual performance metrics composed of financial, environmental, social and governance data.

RECOGNITION FOR ENVIRONMENTAL EFFORTS IN THE DOMINICAN REPUBLIC

In June 2010, the National Business Support Network for Protecting the Environment recognized Gildan for meeting its strict criteria, including compliance with the country's environmental laws, implementation of clean energy programs, and the development of training programs promoting environmental preservation. The Dominican Republic award cited a range of unique initiatives at Gildan's textile facility located in Guerra, including our conversion to biomass energy generation and support of Eco Schools in the local community.



CONTACT INFORMATION

For more information on Gildan and our commitment to socially and environmentally responsible business practices, please do not hesitate to contact us:

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For the complete version of the
Gildan 2008-2009
Corporate Citizenship Report,
visit www.gildan.com/Corporate

