

2011 CORPORATE CITIZENSHIP REPORT

(WEB VERSION)





Gildan's commitment to leadership in operating responsibly is an integral and guiding part of our overall business strategy.



In 2011, for the fourth consecutive year, Gildan was awarded with the FUNDAHRSE Seal, recognizing our high standards and strong commitment toward CSR.



Gildan has been publishing corporate citizenship reports since 2004.

HOME > COMPANY



MESSAGES FROM MANAGEMENT

A strong commitment to have leading practices

One of Gildan's strategic objectives is to continue to invest in its commitment to maintaining a leadership position in its corporate citizenship practices.



COMPANY OVERVIEW

Being part of your life

Leading activewear brand in the screenprint market in the U.S. and Canada, Gildan is also one of the world's largest suppliers of branded and private label socks.



OUR APPROACH

Building on well-defined strategic priorities

Our overall business strategy reflects our commitment towards our employees, the environment, our communities and the products we make



GOALS AND TARGETS

Measuring to better improve

We have implemented substantial measuring processes which allow us to continuously improve our programs.



REPORTING

Reporting on our results since 2004

Gildan was among the first companies in its industry to report its social and environmental results on an annual basis.



STAKEHOLDERS & PARTNERS

Sharing ideas and building consensus

Our belief is that engagement should be mutually beneficial, that the focus should be on common ground and creative solutions, and that the outcome should lead to real value for both the company and its stakeholders.



GOVERNANCE

Adopting and adhering to the highest standards

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.



RECOGNITION

Being recognized

Although this is not the reason why we are committed to continuously improve our corporate citizenship practices, we are proud to say that Gildan's programs have been recognized for years by many different organizations.



HOME > COMPANY > MESSAGES FROM MANAGEMENT

MESSAGE FROM THE PRESIDENT AND CEO

One of Gildan’s strategic objectives continues to be to invest in its commitment to maintaining a leadership position in its corporate citizenship practices. This is becoming an even greater priority due to our increasing global presence, as we continue to grow our sales and market share, expand our production operations around the world and have come to employ close to 30,000 people worldwide.

During the past year, we continued to advance our best practices as we built on our leadership position in the apparel industry in corporate citizenship and sustainable development. We increased our recycling efforts with the initiation of a cotton waste recycling project which has allowed us to introduce recycled material in our manufacturing process. We have also expanded our biomass operations in Honduras, with new facilities to support our hosiery manufacturing operations. During fiscal 2012, we are adding an additional facility to support our textile manufacturing operations in Honduras. We are proud of these advancements as they not only serve to reduce our footprint on the environment but also drive shareholder value as they result in a direct reduction in our energy consumption and production costs.

As part of our initiatives for the coming year, we will be focusing on integrating our corporate citizenship practices with our recent acquisition of a vertically integrated textile and sewing facility in Bangladesh, as well as the sourcing relationships we acquired through our acquisition of GoldToeMoretz. We recognize the importance of consistently applying our practices at all our locations and with all our business partners as we continue to expand the globalization of our supply chain.

In recognition of our continuing achievements and commitment to corporate sustainability, for the third consecutive year, Gildan was recognized as one of Canada’s top 50 Best Corporate Citizens by Jantzi-Sustainalytics / Maclean’s magazine.

Finally, I am pleased to introduce Peter Iliopoulos, our Senior Vice-President, Public and Corporate Affairs who recently assumed leadership of our corporate citizenship department. Peter will draw on his ten years of experience at Gildan to further expand on our leading corporate citizenship initiatives. Peter and I are excited for the opportunities which lie ahead and we are confident that Gildan will continue to lead by example in social and environmental responsibility.

Glenn J. Chamandy
President and Chief Executive Officer



MESSAGE FROM THE SENIOR VICE-PRESIDENT, PUBLIC AND CORPORATE AFFAIRS

Having spent the past ten years as part of Gildan's management team, I was recently provided with the opportunity to assume the leadership of Gildan's corporate citizenship department. I am appreciative of the confidence shown in me by both the executive management team and our Board of Directors and fully commit to continue to build on Gildan's excellent record and standing in the area of corporate social responsibility.

Our corporate citizenship platform, Gildan Genuine Stewardship, focuses on our four core pillars of people, environment, community and product. My vision is to translate our past, present and future accomplishments in each of these areas into the reputation of a brand people can trust. This image will be reflected not only in the quality of the products we offer our public, but also in our personal engagement in the communities in which we operate, our unwavering commitment to offer the best possible working conditions to our employees and our continued focus on reducing the impact our operations have on the environment.

Our primary initiatives for the coming year will be to develop a strong and effective management system for both our social and environmental practices, globalize our community involvement program, continue to strengthen our relationships and credibility with our various external stakeholders, and introduce targets in the area of social and environmental responsibility to further demonstrate the importance of our corporate citizenship commitment and provide measurable goals which we will be accountable for on an ongoing basis.

We are pleased to launch our new web-based reporting platform which provides us with a more modern and dynamic format to effectively communicate our message, progress and achievements to each of our stakeholders. We encourage you to take a few moments and navigate through our website and gain a better understanding of what Genuine Gildan is all about.

I am looking forward to the challenges which lie ahead and in working with a talented group of individuals as we collaboratively execute initiatives to maintain and improve upon our leadership position in the industry.

Peter Iliopoulos
Senior Vice-President, Public and Corporate Affairs





HOME > COMPANY > COMPANY OVERVIEW

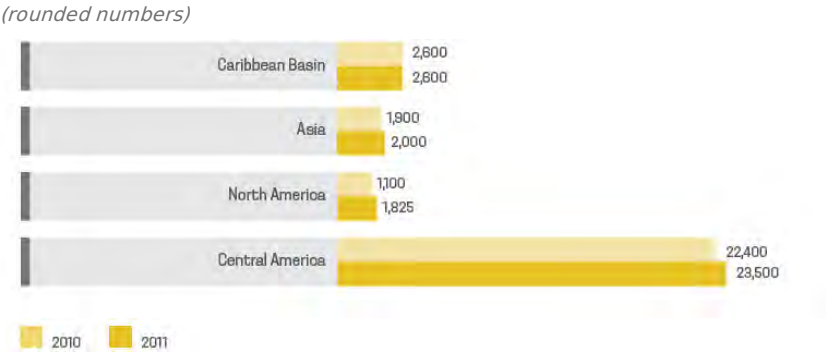
Gildan is a marketer and globally low-cost vertically-integrated manufacturer of quality branded basic apparel. Gildan® is the leading activewear brand in the screenprint market in the U.S. and Canada. The brand is continuing to grow in Europe, Mexico and the Asia-Pacific region. The Company sells T-shirts, sport shirts and fleece as undecorated blanks, which are subsequently decorated by screenprinters with designs and logos. The Company is also one of the world’s largest suppliers of branded and private label athletic, casual and dress socks sold to a broad spectrum of retailers in the U.S. Gildan markets its sock products under a diversified portfolio of company-owned brands, including Gold Toe®, PowerSox®, SilverToe®, Auro®, All Pro®, GT®, and the Gildan® brand. The Company is also the exclusive U.S. sock licensee for the Under Armour® and New Balance® brands. In addition to socks, the Company is pursuing a strategy to grow its sales of branded underwear and activewear products in the U.S. retail market. With approximately 30,000 employees worldwide, Gildan owns and operates highly efficient, large-scale, environmentally and socially responsible manufacturing facilities in Central America and the Caribbean Basin and has begun the development of a manufacturing hub in Bangladesh to support its planned growth in Asia and Europe.

More information on the Company can be found on Gildan’s website at www.gildan.com.

2011 FINANCIAL AND SALES HIGHLIGHTS

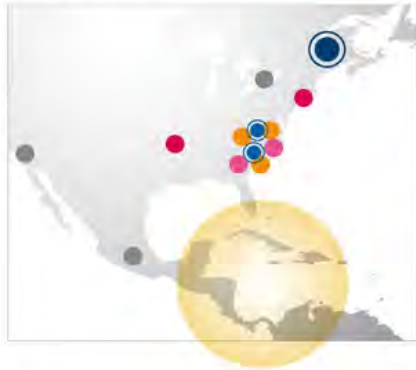
- Net Sales Growth of 32%
- EPS Growth of 20%
- EBITDA of \$312.5 million generated
- Approximately 600 million shirts sold with the Gildan label
- In excess of 650 million pairs of socks sold
- Products sold in 34 countries

TOTAL NUMBER OF EMPLOYEES PER REGION



MAP OF OUR 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)
Newton-Greensboro, NC (United States)

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)
Conover-Broyhill-Mebane, NC (United States)
Choloma (Honduras)

Third-party logistics providers

Mississauga, ON (Canada)
Redlands, CA (United States)
Mexico City (Mexico)
Manchester (United Kingdom)
Meer (Belgium)
Shanghai (China)

MANUFACTURING

Textile manufacturing facilities for activewear and underwear

Rio Nance (Honduras)–Three facilities⁽¹⁾
Bella Vista (Dominican Republic)

Sock manufacturing facilities

Rio Nance (Honduras)–Two facilities

Yarn-spinning facilities

Clarkton, NC (United States)⁽²⁾
Cedartown, GA (United States)⁽³⁾

Sewing facilities

San Miguel, Villanueva, San Jose and San Antonio (Honduras)
San Marcos and Rivas (Nicaragua)
Santo Domingo (Dominican Republic)

Sourcing and contractor management

Port-au-Prince (Haiti)⁽¹⁾
Shanghai–Hong Kong (China)

Integrated textile and sewing facility

Savar, Dhaka (Bangladesh)

(1) The third facility started operations in September 2011 and is being ramped up.

(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.



HOME > COMPANY > OUR APPROACH

Gildan's commitment to leadership in operating responsibly is an integral and guiding part of our overall business strategy underlining our responsibility to our employees, the environment, our communities and the products we make.

The Gildan Genuine Stewardship strategic priorities are:

- PEOPLE
Commitment to industry-leading working conditions and labour practices at each of our worldwide locations
- ENVIRONMENT
Commitment to the development and implementation of innovative solutions that reduce the environmental impact of our operations throughout our entire supply chain
- COMMUNITY
Commitment to our neighbours through dedicated support for youth and humanitarian aid
- PRODUCT
Commitment to a responsible product line through sustainable solutions



HOME > COMPANY > GOALS & TARGETS

PEOPLE

Policies and Procedures

Goal

Complete the development of Gildan’s social management system following the classical “Plan-Do-Check-Act” and continuous improvement principles.

Timeline:

2014

Progress:

Ongoing



Goal

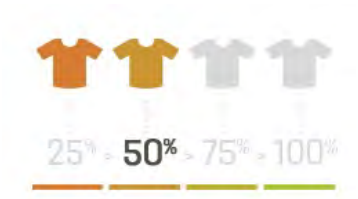
Continue implementation of Gildan's Ergonomics program at all of our sewing, textile and hosiery facilities in Honduras (up to level 5 - World-class level - of the ECNC model)

Timeline:

2014

Progress:

Ongoing



Database

Goal

Add new social indicators to Gildan’s social and environmental database in order to expand on internal and external reporting

Timeline:

2012

Progress:

Completed



Goal

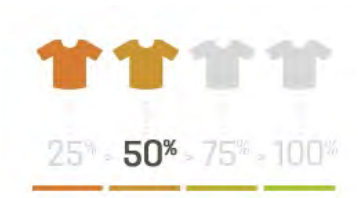
Conduct an annual refresher training to users in all regions

Timeline:

Yearly

Progress:

Ongoing



Employee Engagement

Goal

Conduct a global employee survey

Timeline:

2012

Progress:

Ongoing



ENVIRONMENT

Policies and Procedures

Goal
Complete the development of Gildan’s environmental management system to comply with the ISO14001 standard in Honduras

Timeline:
2013

Progress:
Ongoing



Energy

Goal
Establish energy reduction targets

Timeline:
2012

Progress:
Ongoing



Goal
Identify new initiatives to further reduce energy consumption

Timeline:
2012

Progress:
Ongoing



Greenhouse Gas (GHG) Emissions

Goal
Establish GHG emissions reduction targets

Timeline:
2012

Progress:
Ongoing



Goal
Identify new initiatives to further reduce GHG emissions

Timeline:
2012

Progress:
Ongoing

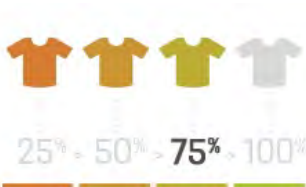


Waste

Goal
Establish waste reduction targets

Timeline:
2012

Progress:
Ongoing



Goal
Identify new initiatives to further reduce waste

Timeline:
2012

Progress:
Ongoing



Water

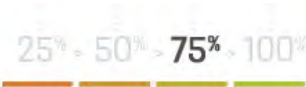
Goal
Establish water reduction targets

Timeline:



2012

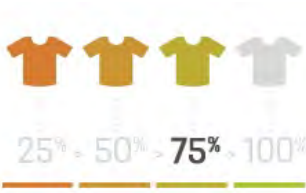
Progress:
Ongoing



Goal
Identify new initiatives to further reduce water consumption

Timeline:
2012

Progress:
Ongoing



Database

Goal
Add new environmental indicators to Gildan’s social and environmental database in order to expand on internal and external reporting

Timeline:
2012

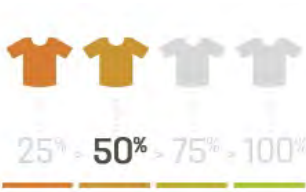
Progress:
Completed



Goal
Conduct an annual refresher training to users in all regions

Timeline:
2012

Progress:
Ongoing



COMMUNITY

Existing Policies and Procedures

Goal
Review Gildan’s community investment policy, its areas of focus and the procedures to further standardize the program

Timeline:
2012

Progress:
Ongoing



Goal
Expand Gildan’s volunteering program

Timeline:
2012

Progress:
Ongoing



New Initiatives

Goal
Establish major charitable partnerships with organizations whose mission is in line with Gildan’s community involvement objectives

Timeline:
2012

Progress:
Ongoing



PRODUCT

New Initiatives

Goal



Improve our cotton traceability system to ensure sustainable sourcing.

Timeline:

To be confirmed

Progress:

Started





HOME > COMPANY > REPORTING

To date, Gildan has published eight Corporate Citizenship Reports covering the Company's initiatives since 2004. Due to the large quantity of information and in order to offer readers a friendlier and dynamic format, we are migrating all of the information to this new dedicated website. For social and environmental responsibility professionals, the information in this website has been structured based on the Global Reporting Initiative (GRI) G3.1 Guidelines. Gildan has presented its reporting for 2010-2011 to the Global Reporting Initiative's Report Services which have concluded that it fulfills the requirement of Application Level A (pdf - 354.7Kb).

The GRI Index will help you navigate through the different guidelines. The GRI guidelines, developed by a wide range of international stakeholders, have been adopted to enhance the quality, credibility and comparability of the information we report. These guidelines were applied in the collection and interpretation of all data presented within the report and provide a widely-accepted, credible framework for reporting on the economic, environmental and social performance of an organization, irrespective of size, sector or location. Additionally, guidelines contained in the GRI Apparel and Footwear Sector Supplement were also followed.

This website's information focuses on Gildan's 2010 and 2011 fiscal years and discloses information on issues pertaining to Gildan-owned locations in North America, Central America and the Caribbean Basin and any significant impact resulting from operations therein. When deemed relevant, we have included data from earlier years.

Information concerning the Gildan-owned facility in Bangladesh was only included for fiscal year 2011. However, environmental data excludes Bangladesh as we are in the process of implementing our environmental management system at this location. Environmental data for Bangladesh will be reported in future years. When deemed relevant, Gildan's yarn-spinning joint-venture mills in the U.S. and long-term sewing contractors in Haiti have also been included. Information pertaining to GoldToeMoretz, which was acquired in April 2011, has not been included in our 2011 data, as the Company was acquired mid-year.

This website contains information on topics and matters that reflect the organization's sustainability programs and initiatives with regard to corporate governance, people's well-being, community engagement, environmental protection and product sustainability. We report on these initiatives as we believe they are of interest to our stakeholders, more specifically our employees, shareholders, customers, business partners, governments, local authorities, civil society organizations and the communities within which we operate.

MATERIALITY

Data collected and compiled within this report is the result of a collaborative effort by Gildan staff throughout the Company's many locations with a variety of measurement techniques having been adopted. The criteria used to determine materiality for information included in this report was based predominantly on benchmarking exercises. The following factors were also taken into account: principal concerns in the apparel industry, relevant and applicable laws and regulations, international agreements such as the ILO Conventions, as well as considering any perceived impact or risk to our operations. As we further formalize our CSR strategy and programs, we anticipate refining what is considered material in our reporting efforts.

REVIEW

A Gildan Disclosure Committee has reviewed information contained herein to ensure our stakeholders are provided with a proper representation of our performance for the 2010 and 2011 fiscal years.

We invite you to go to the GRI Index section for the list of indicators addressed in this report. You can click [here](#) to consult our previous Corporate Citizenship Reports.

Should you have any questions and/or comments about this website or our responsible practices in general, please contact us at cc@gildan.com.

GILDAN'S INTEGRATED SOLUTION TO TRACK SOCIAL AND ENVIRONMENTAL PERFORMANCE

Gildan continues to make progress in measuring and managing our social and environmental performance 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 solution that enables us to track key social and environmental performance indicators including energy use, solid and liquid waste, water consumption, emissions, spills, reforestation, training, compensation, employee diversity, and pay equity.

Available in English, French and Spanish, the new platform links operational systems at all facilities with internal and third-party auditing, action planning, and follow-up. The new tool also enables us to generate detailed monthly, quarterly and annual reports for internal use and public disclosure.

In the coming year, we will continue to develop this solution in order to increase the number of indicators to be tracked. We also want to continuously improve the tool in order to make it friendlier to the users and use it as one of our main management tools for environmental and social performance data.

"Our new Corporate Citizenship Integrated Solution has completely changed our way of reporting by integrating all elements into a single tool that allows us to not only analyze our performance at the global level, but also at the regional level, and use this information to leverage performance and create improvements."

Julie Cournoyer
Corporate Social Responsibility Manager

RIO PRINCIPLE

The precautionary principle is defined in Article 15 of the Rio Declaration of the United Nations Conference on Environment and development (1992) as a principle to be used where there are threats of serious or irreversible damage to human safety or environmental degradation. It should be applied as a preventive measure in order to reduce the environmental impact of products and ensure consumers are protected against possible harm.

At Gildan, we implement preventive measures which ensure human safety and environmental protection, such as:

- Gildan's Environmental Code of Practice and Environmental Management System
- Oeko-Tex® Standard 100 certification
- Corporate risk management approach and risk approach to climate change
- Ergonomics Program to avoid musculoskeletal disorders
- Root Cause Analysis



HOME > COMPANY > REPORTING > GRI INDEX

Gildan has presented its reporting for 2010-2011 to the Global Reporting Initiative’s Report Services which have concluded that it fulfills the requirement of Application Level A (pdf - 354.7Kb).



LEGEND : ● = Full coverage ◐ = Partial coverage N/A = Not applicable 🔒 = Not disclosed

STRATEGY AND ANALYSIS

NUMBER	DESCRIPTION	STATUS	REFERENCE AND EXPLANATION
1.1	Statement from the most senior decision-maker of the organization.	●	Messages from Management
1.2	Description of key impacts, risks, and opportunities.	●	2011 Annual Report

* = Is core

ORGANIZATION PROFILE

NUMBER	DESCRIPTION	STATUS	REFERENCE AND EXPLANATION
2.1	Name of the organization.	●	Gildan website/Company overview Company overview
2.2	Primary brands, products, and/or services.	●	Gildan website/Company overview Gildan Online Gildan Imprintables Company overview
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	●	Gildan website/Company overview 2011 Annual Information Report Company overview
2.4	Location of organization's headquarters.	●	Gildan website/Company overview 2011 Annual Information Report Company overview
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	Gildan website/Company overview 2011 Annual Information Report Company overview
2.6	Nature of ownership and legal form.	●	Gildan website/Company overview 2011 Annual Information Report Company overview

2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	●	Gildan website/Company overview 2011 Annual Information Report 2011 Annual Report Company overview
2.8	Scale of the reporting organization.	●	Gildan website/Company overview 2011 Annual Report 2011 Annual Information Report Company overview
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	●	Gildan website/Company overview 2011 Annual Report 2011 Annual Information Report Company overview
2.10	Awards received in the reporting period.	●	Recognition

* = Is core

REPORT PARAMETERS

NUMBER	DESCRIPTION	STATUS	REFERENCE AND EXPLANATION
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	●	Reporting
3.2	Date of most recent previous report (if any).	●	Reporting
3.3	Reporting cycle (annual, biennial, etc.)	●	Reporting
3.4	Contact point for questions regarding the report or its contents.	●	Reporting
3.5	Process for defining report content.	●	Reporting
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	●	Reporting
3.7	State any specific limitations on the scope or boundary of the report.	●	Reporting
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	●	Reporting
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	●	Reporting
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	●	Reporting
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●	Reporting
3.12	Table identifying the location of the Standard Disclosures in the report.	●	GRI Index
3.13	Policy and current practice with regard to seeking external assurance for the report.	●	This report has not been assured externally.

* = Is core

GOVERNANCE, COMMITMENTS, AND ENGAGEMENT

NUMBER	DESCRIPTION	STATUS	REFERENCE AND EXPLANATION
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	●	2011 Annual Information Report 2011 Proxy Circular Governance
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	●	2011 Proxy circular Governance
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	●	2011 proxy Circular Governance
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	2011 Proxy Circular Governance
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangement), and the organization's performance (including social and environmental performance).	●	2011 Proxy circular Governance
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	2011 Proxy Circular Governance
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	●	2011 Proxy Circular Governance
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	ⓘ	Code of Ethics Code of Conduct Environmental Code of Practice
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	●	2011 Proxy Circular Governance
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	●	2011 Proxy Circular Governance
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	Reporting
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	●	Stakeholders & Partners
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	●	Stakeholders & Partners
4.14	List of stakeholder groups engaged by the organization.	●	Stakeholders & Partners
4.15	Basis for identification and selection of stakeholders with whom to engage.	ⓘ	Stakeholders & Partners
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	ⓘ	Stakeholders & Partners
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	●	Stakeholders & Partners

* = Is core

DISCLOSURES ON MANAGEMENT APPROACH (DMAS)

NUMBER	DESCRIPTION	STATUS	REFERENCE AND EXPLANATION
DMA SCP	Management approach for supply chain aspects, goals and performance, policy, organizational responsibility, training and awareness, monitoring and follow up and additional contextual information.	●	2011 Annual Information Report Our Approach Governance Goals & Targets Code of Conduct Social Compliance
DMS EC	Management approach for economic aspects, goals and performance, policy and additional contextual information.	●	2011 Annual Information Report
DMA EN	Management approach for environmental aspects, goals and performance, policy, organizational responsibility, training and awareness, monitoring and follow up and additional contextual information.	●	Our Approach Governance Goals & Targets Policies & Procedures
DMA LA	Management approach for labour aspects, goals and performance, policy, organizational responsibility, training and awareness, monitoring and follow up and additional contextual information.	●	Our Approach Governance Goals & Targets Code of Conduct Working Conditions Social Compliance
DMA HR	Management approach for human rights aspects, goals and performance, policy, organizational responsibility, training and awareness, monitoring and follow up and additional contextual information.	●	Our Approach Governance Goals & Targets Code of Conduct Working Conditions Social Compliance
DMA SO	Management approach for society aspects, goals and performance, policy, organizational responsibility, training and awareness, monitoring and follow up and additional contextual information.	●	Our Approach Governance Code of Ethics Goals & Targets Community Development Donations
DMA PR	Management approach for product responsibility aspects, goals and performance, policy, organizational responsibility, training and awareness, monitoring and follow-up and additional contextual information.	●	Our Approach Governance Goals & Targets Life Cycle Assessment Product Safety

* = Is core

SUPPLY CHAIN STANDARDS AND PRACTICES

NUMBER	DESCRIPTION	STATUS	REFERENCE AND EXPLANATION
AF1 *	Code of conduct content coverage.	●	Code of Conduct
AF2 *	Parties and personnel engaged in code of conduct compliance function.	●	Methodology
AF3 *	Compliance audit process.	●	Methodology
AF4 *	Policy and procedures for receiving, investigating, and responding to grievances and complaints.	●	Grievance Mechanisms

AF5 *	Strategy and scope of efforts to strengthen capacity of management, workers and other staff to improve in social and environmental performance.	●	Code of Conduct Contractors & Suppliers
AF6 *	Policies for supplier selection, management, and termination.	●	Code of Conduct Methodology
AF7 *	Number and location of workplaces covered by code of conduct.	●	Company overview Code of Conduct Contractors & Suppliers
AF8 *	Number of audits conducted and percentage of workplaces audited.	●	Audits
AF9 *	Incidents of non-compliance with legal requirements or collective bargaining agreements on wages.	●	Unions Findings
AF10 *	Incidents of non-compliance with overtime standards.	●	Findings
AF11 *	Incidents of non-compliance with standards on pregnancy and maternity rights.	●	Findings
AF12 *	Incidents of the use of child labor.	●	Findings
AF13 *	Incidents of noncompliance with standards on gender discrimination.	●	Findings
AF14 *	Incidents of non-compliance with code of conduct.	●	Findings
AF15 *	Analysis of data from code compliance audits.	●	Findings
AF16 *	Remediation practices to address non-compliance findings.	●	Remediation
AF17 *	Actions to identify and mitigate business practices that affect code compliance.	●	Remediation

* = Is core

ECONOMIC

NUMBER	DESCRIPTION	STATUS	REFERENCE AND EXPLANATION
EC1 *	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	🕒	2011 Annual Report Community Development Donations
EC2 *	Financial implications and other risks and opportunities for the organization's activities due to climate change.	●	2011 Annual Report GHG Emissions
EC3 *	Coverage of the organization's defined benefit plan obligations.	🕒	2011 Annual Report
EC4 *	Significant financial assistance received from government.	●	2011 Annual Report
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	🔒	This is confidential information for Gildan.
EC6 *	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	🕒	Community Development
EC7 *	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	●	Community Development

EC8 *	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	●	Community Development Donations
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	🕒	Community Development

* = Is core

ENVIRONMENT

NUMBER	DESCRIPTION	STATUS	REFERENCE AND EXPLANATION
AF18 *	Programs to replace organic-based adhesives and primers with water-based adhesives and primers	N/A	This indicator is not applicable to our business. Gildan does not use adhesives or primers in its processes.
AF19 *	Practices to source safer alternatives substances to those on the restricted substances list, including description of associated management system.	🕒	Environmental Code of Practice
EN1 *	Materials used by weight or volume.	🔒	This is competitive information for Gildan.
EN2 *	Percentage of materials used that are recycled input materials.	🕒	Raw Material
EN3 *	Direct energy consumption by primary energy source.	🕒	Metrics
AF20 *	List of environmentally preferable materials used in apparel and footwear products.	●	Raw Material
EN4 *	Indirect energy consumption by primary source.	🕒	Metrics
EN5	Energy saved due to conservation and efficiency improvements.	●	Energy Energy Efficiency Projects Metrics
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	🔒	We do not report on this yet as we have thus far not developed programs and policies in order to reduce energy consumption associated with the use of our products. Gildan will be working on developing programs and policies to reduce energy consumption related to the use of our products (eg: electricity requirement for washing, etc.) in the coming years.
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	🔒	We do not report on this yet as we have thus far not develop programs and policies in order to reduce indirect energy consumption associated with use of energy-intensive materials, subcontracted production, business-related travel and employee commuting.
AF21 *	Amount of energy consumed and percentage of the energy that is from renewable sources.	●	Energy Renewable Energy Energy Efficiency Projects Metrics
EN8 *	Total water withdrawal by source.	🕒	Water Metrics
EN9	Water sources significantly affected by withdrawal of water.	●	Water
EN10	Percentage and total volume of water recycled and reused.	🕒	Wastewater Management
EN11 *	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	N/A	We do not operate in or adjacent to protected areas.
EN12 *	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	N/A	We do not operate in or adjacent to protected areas.
EN13	Habitats protected or restored.	●	Biodiversity



EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	●	Biodiversity
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	●	Biodiversity
EN16 *	Total direct and indirect greenhouse gas emissions by weight.	🕒	GHG Emissions Metrics
EN17 *	Other relevant indirect greenhouse gas emissions by weight.	🔒	We do not currently measure this indicator.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	GHG Emissions Metrics
EN19 *	Emissions of ozone-depleting substances by weight.	●	Other Emissions Metrics
EN20 *	NOx, SOx, and other significant air emissions by type and weight.	●	Other Emissions Metrics
EN21 *	Total water discharge by quality and destination.	🕒	Wastewater Management Metrics
EN22 *	Total weight of waste by type and disposal method.	🕒	Waste Metrics
EN23 *	Total number and volume of significant spills.	🕒	Spills
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	🔒	We do not have formal processes in place to collect this data.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	●	Wastewater Management
EN26 *	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	●	Life Cycle Assessment
EN27 *	Percentage of products sold and their packaging materials that are reclaimed by category.	N/A	We do not reclaim packaging material of sold products.
EN28 *	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	●	Findings
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	●	GHG Emissions Life Cycle Assessment
EN30	Total environmental protection expenditures and investments by type.	●	Environmental Policy

* = Is core

LABOUR PRACTICES AND DECENT WORK











NUMBER	DESCRIPTION	STATUS	REFERENCE AND EXPLANATION
LA1 *	Total workforce by employment type, employment contract, and region, broken down by gender.	🕒	Employment Practices Metrics
LA2 *	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	🕒	Employment Practices
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	🕒	Wages & Benefits

AF22 *	Policy and practices regarding the use of employees with non-permanent and non-fulltime status.	●	Employment Practices Metrics
AF23 *	Policy regarding the use of home working.	🔒	A policy is in the process of being developed
AF24 *	Policy on the use and selection of labor brokers, including adherence to relevant ILO Conventions.	🕒	Code of Conduct Contractors & Suppliers
AF25 *	Policy and practices on wage deductions that are not mandated by law.	●	Code of Conduct
AF26 *	Policy on working hours, including definition of overtime, and actions to prevent excessive and forced overtime.	●	Code of Conduct Remediation
LA4 *	Percentage of employees covered by collective bargaining agreements.	●	There is currently no employees covered by a collective bargaining agreement.
LA5 *	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	●	Facility Closures
AF27 *	Policy and actions to protect the pregnancy and maternity rights of women workers.	●	Code of Conduct
AF28 *	Percentage of foreign migrant workers as a portion of total workforce, broken down by region.	🔒	We do not currently track this indicator. We are planning to report on this indicator in future years.
AF29 *	Percentage of workplaces where there is one or more independent trade union(s), broken down by: Workplace with a collective bargaining agreement and Workplaces without a collective bargaining agreement. Also provide information broken down by country.	●	There is currently no employees covered by a collective bargaining agreement. Unions
AF30 *	Percentage of workplaces where, in the absence of a trade union, there are worker-management committees, broken down by country.	🕒	Grievance Mechanisms
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	●	Health & Safety
LA7 *	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	🕒	Health & Safety
LA8 *	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	●	Health Clinics Employee Engagement Programs
LA9	Health and safety topics covered in formal agreements with trade unions.	🔒	
AF31 *	Initiatives and programs (training) to respond to, reduce, and prevent the occurrence of musculoskeletal disorders and also general health and Safety incidents.	●	Health & Safety Ergonomics Program
LA10 *	Average hours of training per year per employee by gender, and by employee category.	🕒	Training & Development
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	Training & Development
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	🕒	Training & Development
LA13 *	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	🕒	2011 Proxy Circular Members of the Board of Directors Employment Practices Metrics
AF32 *	Actions to address gender discrimination and to provide opportunities for the advancement of women workers.	●	Code of Conduct Health & Safety

LA14 *	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.		We do not currently track this indicator. We hope to report on this indicator in the future.
LA15 *	Return to work and retention rates after parental leave, by gender.		We are currently not collecting this level of information.

* = Is core









HUMAN RIGHTS

NUMBER	DESCRIPTION	STATUS	REFERENCE AND EXPLANATION
HR1 *	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.		Methodology
HR2 *	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.		Methodology Audits
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.		Code of Conduct Training & Development
HR4 *	Total number of incidents of discrimination and corrective actions taken.		Findings
HR5 *	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.		Unions Findings
HR6 *	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.		Findings
HR7 *	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.		Findings
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.		Contractors & Suppliers
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	N/A	In 2010-2011, we did not have any incidents of violations involving rights of indigenous people. Gildan has a strict policy against all kind of discrimination including ethnicity.
HR10 *	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.		Audits
HR11 *	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.		Grievance Mechanisms Unions

* = Is core










SOCIETY

NUMBER	DESCRIPTION	STATUS	REFERENCE AND EXPLANATION
SO1 *	Percentage of operations with implemented local community engagement, impact assessments, and development programs.		Community Development
SO9 *	Operations with significant potential or actual negative impacts on local communities.		We do not currently track this indicator.
SO10 *	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.		We do not currently track this indicator.
AF33 *	Priorities in community investment strategy.		Donations

AF34 *	Amount of investment in worker communities broken down by location.		This information is competitive for Gildan.
SO2 *	Percentage and total number of business units analyzed for risks related to corruption.		Code of Ethics
SO3 *	Percentage of employees trained in organization's anti-corruption policies and procedures.		All employees are trained on the Gildan Code of Ethics. Code of Ethics
SO4 *	Actions taken in response to incidents of corruption.		Code of Ethics
SO5 *	Public policy positions and participation in public policy development and lobbying.		This information is confidential for Gildan
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.		In 2010-2011, Gildan did not make any contributions to political parties, politicians or related institutions.
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.		In 2010-2011, we had no legal actions for anti-competitive behavior, anti-trust or monopoly practices.
SO8 *	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.		We did not receive any non-monetary sanctions during the 2010-2011 fiscal years. Findings

* = Is core

PRODUCT RESPONSIBILITY

NUMBER	DESCRIPTION	STATUS	REFERENCE AND EXPLANATION
PR1 *	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.		Product Safety Oeko-Tex® Standard 100 certification
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.		During the 2010-2011 fiscal years, we had no incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of our products.
PR3 *	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.		We currently do not provide sustainability impacts information on our product labels.
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.		During the 2010-2011 fiscal years, we had no incidents of non-compliance with regulations and voluntary codes concerning product and services information and labeling.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.		We do not have a formal customer satisfaction process in place yet.
PR6 *	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.		We are complying with all the laws applicable in the countries where we operate.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.		During the 2010-2011 fiscal years, we had no incidents of non-compliance with regulations and voluntary codes concerning marketing communications.
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		During the 2010-2011 fiscal years, we have not received any complaints regarding breaches of customer privacy and losses of customer data.
PR9 *	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		During the 2010-2011 fiscal years, we had no incidents of non-compliance with laws and regulations concerning the provision and use of products and services.

* = Is core



HOME > COMPANY > REPORTING > REPORTS

All our Corporate Citizenship Reports can be found below.

2010 INTERIM CORPORATE CITIZENSHIP REPORT

 [Read the report \(pdf - 2.2Mb\)](#)

2008-2009 CORPORATE CITIZENSHIP EXECUTIVE SUMMARY 2008-2009 CORPORATE CITIZENSHIP REPORT

 [Read the Executive Summary report \(pdf - 1.6Mb\)](#)

 [Read the complete report \(pdf - 2.1Mb\)](#)

2008 INTERIM CORPORATE CITIZENSHIP REPORT

 [Read the report \(pdf - 1.4Mb\)](#)

2007 CORPORATE CITIZENSHIP REPORT

 [Read the report \(pdf - 2.5Mb\)](#)

2006 CORPORATE CITIZENSHIP REPORT

 [Read the report \(pdf - 1.9Mb\)](#)

2005 CORPORATE CITIZENSHIP REPORT

 [Read the report \(pdf - 1.4Mb\)](#)



HOME > COMPANY > STAKEHOLDERS & PARTNERS

At Gildan, we believe that a key step towards achieving our corporate citizenship goals is to adopt a structured approach to engaging and involving stakeholders whose contributions and perspectives allow us to collaborate and learn from one another in the pursuit of concrete, viable solutions.

The goal we share with our stakeholders is to work toward improving the lives of workers producing our products, ensuring an ethical and stimulating work environment, and respecting and enhancing the local communities in which we operate. To engage in dialogue, share ideas and build consensus, we invite groups representing workers and factories, students, colleges, trade unions, academia, governments, local communities and consumers to communicate with us.

This can be done through a variety of methods, including face-to-face meetings, focus groups or round tables facilitated by external independent facilitators, workshops and seminars, confidential questionnaires, and anonymous feedback. Our belief is that engagement should be mutually beneficial and transparent, that the focus should be on common ground and creative solutions, and that the outcome should lead to real value for both the company and its stakeholders.

Gildan has been affiliated and/or dialoguing with the following organizations chosen for their pertinence to our Company.

WORLDWIDE RESPONSIBLE ACCREDITED PRODUCTION (WRAP)

All of Gildan's mature sewing facilities are certified with the Worldwide Responsible Accredited Production (WRAP) or are currently in the process of being re-certified. The four contractor sewing facilities producing for Gildan in Haiti are also WRAP certified.

WRAP is an independent, non-profit organization dedicated to the promotion and certification of lawful, humane and ethical manufacturing throughout the world. WRAP promotes a code of conduct that ensures that core labour concepts are understood and practiced on the shop floor and by management. WRAP relies upon independent, third-party monitors to certify that factories are in compliance with WRAP's Code of Conduct.

[Read more about WRAP.](#)

FAIR LABOR ASSOCIATION (FLA)

Gildan's labour compliance program was accredited by the Fair Labor Association (FLA) on June 13, 2007. The Company was the first vertically-integrated basic activewear apparel manufacturer to receive accreditation.

The FLA is a Washington, D.C.-based non-profit organization whose goal is to promote adherence to international labour standards and improve working conditions worldwide. It represents a multi-stakeholder coalition of companies, universities and non-governmental organizations committed to a rigorous program of code of conduct implementation, monitoring and remediation in order to bring manufacturing sites into compliance with FLA standards.

Gildan is proud to have received such accreditation from the FLA. The FLA's method of annual public reporting, its strict Workplace Code of Conduct, and the fact it employs internal and external independent audits were all key elements that prompted Gildan to seek FLA membership in 2004.

[Click here \(pdf - 30.3Kb\)](#) to read the press release announcing the accreditation from the FLA.

BETTER WORK

Gildan has been participating in the International Labour Organization's Better Work Programme through its contractors in Haiti. This program is a unique partnership program developed by the International Labour Organization (ILO) and the International Finance Corporation (IFC). Launched in February 2007, the program aims to improve compliance with labour standards and competitiveness in global supply chains. It is offered in specific countries, where the ILO and IFC work together to mobilize necessary resources for projects specific to each country.

CARBON DISCLOSURE PROJECT

Gildan has also been participating in the Carbon Disclosure Project (CDP) since 2008. The CDP works with organizations worldwide to drive transparency and effectiveness of reporting processes with regards to international disclosures of corporate greenhouse gas emissions and climate change strategies.

LBG CANADA

In January 2011, Gildan completed the process to become part of LBG (London Benchmarking Group) Canada. LBG Canada is a network of companies setting the highest standard in community investment in Canada. Through an annual assessment, companies adopt a recognized global approach to value community investments and report results with greater credibility and confidence. By gaining insights and tools, professionals advise on how to maximize the impact of investments and demonstrate the strength of community partnerships, to ultimately achieve measurable success.

LBG Canada's experts will support Gildan in reviewing and updating our Community Investment and Involvement (CII) program, as well as our Employee Volunteering program.



MAQUILA SOLIDARITY NETWORK

The Maquila Solidarity Network (MSN) is a labour and women's rights advocacy organization that promotes solidarity with grassroots groups in Mexico, Central America and Asia, and works to improve conditions in maquiladora factories and export processing zones.

Through dialogue with MSN, we have applied their input in the development of a remediation plan following the closure in 2004 of our El Progreso plant in Honduras. We continue to remain in dialogue with MSN regarding our corporate social responsibility practices.

[Click here to access MSN website.](#)

WORKER RIGHTS CONSORTIUM

The Worker Rights Consortium (WRC) is a non-profit organization created by college and university administrations, students and labor rights experts. The WRC's purpose is to assist in the enforcement of manufacturing Codes of Conduct adopted by colleges and universities.

In January of 2005, Gildan collaborated with WRC in order to fully comply with the different codes of conduct it subscribes to, including the U.S. university and colleges codes of conduct, and to achieve a successful resolution of the outstanding issues with the organization. The first step in this process was the conclusion of an agreement with WRC regarding the granting of first-hire opportunities to former El Progreso employees at a new plant which Gildan was building in Choloma, Honduras.

[Click here \(pdf - 90.7Kb\) to read a copy of this agreement](#)

[Click here \(pdf - 70.3Kb\) to read WRC's statement to its members](#)

Since then, Gildan has been collaborating with the WRC on other situations, primarily related to freedom of association.

OTHERS

- Adozona
- Anitec
- Asociacion Hondurena de Maquiladores
- Asociacion Nacional de Industriales
- Cámara de Comercio e Industrias de Choloma
- Fundharse
- UNIRSE



HOME > COMPANY > GOVERNANCE

Gildan is 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 eight out of our nine 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, with the objective of increasing shareholder value. Gildan has been recognized for its accomplishments in corporate governance, including receiving high rankings in The Globe and Mail's "Report on Business" corporate governance rankings for the past five years.

Gildan is committed to adopting and adhering to the highest standards in corporate governance, a commitment that includes adopting practices that go beyond simple compliance with applicable Canadian and U.S. securities legislation and the requirements of the Toronto and New York stock exchanges where Gildan shares are listed. Our Corporate Governance Guidelines reflect this commitment and we revise these guidelines on an ongoing basis in order to respond to evolving industry trends and best practices. This year, as part of the Board's commitment to maintaining an ongoing engagement process with the Company's shareholders, the Board has decided to offer shareholders the opportunity to cast at the 2012 annual shareholders' meeting an advisory vote on the Corporation's approach to executive compensation as disclosed in its management proxy circular.

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.

For more information on corporate governance, please visit the corporate governance page, in the investor relations section.

QUICK FACTS

- Eight out of nine board members are independent from management
- Gildan counts on a Code of Ethics, an Environment Policy, an Environmental Code of Practice, and a Code of Conduct
- Only independent directors sit on the board's three committees
- Gildan obtained high rankings in corporate governance in the Globe and Mail's "Report on Business" five years in a row (2007-2011)



HOME > COMPANY > GOVERNANCE > CODE OF ETHICS

Gildan is committed to maintaining high ethical standards at all of our operations and business practices worldwide. The Gildan Code of Ethics is intended to set out Gildan's standards and expectations of conduct by all employees with regards to integrity, ethics, confidentiality and conflicts of interest. This Code of Ethics applies at all times, without exception, to all employees of Gildan worldwide, as well as to the members of Gildan's Board of Directors. Newly hired employees must sign an acknowledgement that they have read and understood the Code of Ethics and the Code of Conduct. Designated members of management are also required to re-certify their compliance with these codes on an annual basis.

The Gildan Code of Conduct defines Gildan's values and acts as a framework in guiding our operations and business practices, as well as those of our contractors, consultants, agents and suppliers.

The content and application of these codes fall under the mandate of Gildan's Executive Management Committee. The standards and expectations outlined in the codes are not exhaustive and should be interpreted together with other Gildan policies and practices, as well as common sense standards of conduct and individual conscience.

View the  Code of Ethics and the Code of Conduct.

2010-2011 INFORMATION RELATED TO GRI INDICATORS S02 AND S04



As part of the Company's compliance with the requirements of the Sarbanes-Oxley Act, a company-wide risk assessment was performed which includes risks relating to financial reporting and continuous disclosure compliance, as well as fraud risks. In addition, certain key internal controls which are tested as part of these compliance requirements also serve to address corruption risk, such as tests of disbursements and related controls, and various annual certifications by business segment management. These internal certifications include compliance with the Company's Code of Ethics and Code of Conduct, and more specifically, compliance with the Company's anti-corruption policy adopted by the Board of Directors in 2004. The Company also has an integrity and social responsibility hotline program in place that is managed by a third-party service provider, which allows employees to anonymously report any concerns relating to ethics, corruption or any other breaches of the Code of Ethics and Code of Conduct. The Company has an "Employee Concerns and Questionable Acts Committee" which reviews all calls received through the hotline service, with a requirement to communicate any significant issues to executive management and the Company's Audit and Finance Committee.




Gildan requires strict adherence to its Code of Ethics and Code of Conduct and associated policies, including its anti-corruption policy. Failure to comply could result in disciplinary action up to and including termination.




No incidents of corruption were reported through the certification process or otherwise identified during fiscal 2010 or 2011.



HOME > COMPANY > GOVERNANCE > MEMBERS OF THE BOARD OF DIRECTORS

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

Read more about our Board of Directors

GOVERNANCE BOARD AND COMMITTEES – AS OF FY2011 END

BOARD	% MINORITY	% FEMALE	% OF MEMBERS IN 30-50 AGE GROUP	% MEMBERS OVER 50 YEARS OF AGE	% ATTENDANCE RECORD
AUDIT AND FINANCE COMMITTEE MEMBERS	17%	0%	0%	100%	97%
COMPENSATION AND HR COMMITTEE MEMBERS	0%	17%	0%	100%	97%
CORPORATE GOVERNANCE MEMBERS	17%	17%	0%	100%	100%



HOME > COMPANY > RECOGNITION

Canada

GILDAN RECOGNIZED AS ONE OF CANADA'S 50 BEST CORPORATE CITIZENS – 2009-2012

Every year in June, Maclean's magazine presents its inaugural list of Canada's 50 Best Corporate Citizens. Each of the 50 companies featured on this list is either Canadian-listed or a wholly-owned subsidiary of a foreign-listed company with significant operations or brand presence in Canada. In 2009, 2010, 2011 and 2012, Gildan was included in the Top 50 list of Socially Responsible Corporations.



The 50 most Socially Responsible Corporations were selected on the basis of their performance across a broad range of environmental, social and governance indicators tracked by Jantzi-Sustainalytics. Most of the companies rank at the top of their respective peer groups in Jantzi's Canadian Social Investment Database (CSID) or the databases of its global research partners, having demonstrated strong performance in areas such as environmental management, impact on local or First Nations communities, treatment of employees, and their record on human rights issues.

The following Gildan initiatives were highlighted in the 2009, 2010, 2011 and 2012 ranking articles:

- Conducting biodiversity inventories in Honduras and the Dominican Republic.
- Incorporation of textile clippings (waste) in our fleece products, as a means of reducing waste and the use of virgin cotton in our manufacturing process.
- Some 8,000 Central Americans were surveyed to identify their most pressing community needs, allowing to better support economic development in the regions where Gildan operates.
- The only Canadian apparel manufacturer accredited by the Fair Labor Association.
- Implementation of a health and safety scorecard and an ergonomics program at our sewing facilities.
- Development of our own biological system, the Biotop[®], to treat wastewater from our manufacturing processes in Honduras and the Dominican Republic.
- Demonstrated leadership in dealing with the El Progreso closure.
- One of the few Canadian apparel companies that publishes a corporate citizenship report.
- Donation of more than half a million dollars through the Gildan Haiti Relief and Reconstruction Fund.
- Implementation of employee policies, including freedom of association, working conditions and elimination of discrimination.
- Introduction of a labour compliance program accredited by the Fair Labor Association.
- Opening of fully equipped medical clinics at our manufacturing facilities in Central America and the Caribbean Basin.
- Creation of biomass steam generation projects at our textile facilities in the Dominican Republic and Honduras.

Jantzi-Sustainalytics' process includes a thorough examination of company documents, media sources, online databases, government sources and NGO research, as well as direct correspondence with key stakeholders. Jantzi-Sustainalytics' analysts use a Best-of-Sector[™] methodology to compare companies within a given peer group to industry best practices. Jantzi-Sustainalytics' research is used by some of the world's largest institutional and individual investors who consider environmental, social and governance performance, in addition to financial performance, in the management of their investments. For more information on the rating criteria, visit www.sustainalytics.com.

Nicaragua

COMPANY OF THE YEAR AWARD BY ANITEC (NICARAGUA) – 2011

During the Nicaraguan Business Day's celebrations organized by the Superior Council of Private Business of Nicaragua (COSEP) and its 19 affiliated chambers and associations, business leaders and other companies are recognized for their contribution to business, economic and social development of the country.

Gildan Nicaragua was recognized as Company of the Year in the manufacturing sector by the Nicaraguan Association of the Textile and Apparel Industry (ANITEC). Gildan was selected for its social responsibility projects, the increase in investment and the creation of new employment opportunities in Nicaragua.

Honduras

FUNDAHRSE SEAL FOR SOCIAL RESPONSIBILITY – 2008-2011

In 2011, for the fourth consecutive year, the Foundation for Corporate Social Responsibility in Honduras (Fundación Hondureña de Responsabilidad Social Empresarial - FUNDAHRSE) has awarded Gildan with the FUNDAHRSE Seal (Sello FUNDAHRSE). This recognition is given to companies demonstrating high standards and a strong commitment toward Corporate Social Responsibility (CSR).

Gildan was selected out of many companies in Honduras that were pre-screened and invited to apply for the award. In order to earn this recognition, companies had to respond to an extensive questionnaire of over 200 questions related to environmental practices, employee and community relations, governance, marketing, and purchasing practices. Companies which obtained a rating higher than the standard set by FUNDAHRSE were selected as recipients of the award.

Honduras

RECOGNITION FOR THE BREASTFEEDING PROGRAM IMPLEMENTED IN VILLANUEVA – 2011

From August 1st to August 7th, more than 170 countries celebrate the World Breastfeeding Week, which aims to promote breastfeeding and to improve babies' health around the world. During that week, Gildan was recognized from the *Instituto Hondureño de Seguridad Social* (IHSS) for our support to breastfeeding within our Villanueva facility. Gildan's sewing facilities are equipped with a breastfeeding room within our medical clinics. The medical staff also provides employees with a monthly maternity workshop, which objective is to help our pregnant employees to comply with the mandatory conferences requested by the IHSS.

Our employees can attend these in-house training sessions given by our nurses in only one day and without having to pay additional transportation costs to go to the IHSS offices, where the training is usually provided.

Dominican Republic

PLAN LEA AWARD – 2011

During the fourth quarter of 2011, Gildan was recognized by the Listin Diario, a local Dominican Republic newspaper, for its contribution to education during 2011. The Company donated 500 educational packages that highlighted the use of the newspaper for educational purposes. These educational packages were used during trainings called "Reading and Learning with newspapers" for more than 100 teachers of 18 schools, and 500 students from the community of Guerra.

This initiative is part of a national education program and of Gildan's support to the teachers from Guerra. This program has been implemented in Dominican Republic for many years now and it is oriented to help students obtain a high quality education in a sustainable manner.

Canada

TOP 20 - ANNUAL CORPORATE GOVERNANCE RANKING OF CANADIAN PUBLIC CORPORATIONS BY THE GLOBE AND MAIL (2007-2011)

Gildan has ranked in the Top 20 in the "Report on Business" section of the Globe and Mail, one of Canada's leading national newspapers, for five consecutive years, placing first in 2008. Gildan is now among the rare manufacturing companies to have reached this position from among more than 180 publicly-listed companies (excluding income trusts) listed on the TSX/S&P Composite Index, which is dominated mostly by banks, insurers and other companies long recognized for leading governance practices.

The "Report on Business" rates Canada's corporate governance practices using a rigorous set of criteria designed to go beyond the minimum mandatory rules imposed by Canadian securities regulators and to include evolving best practices. The ranking considers governance practices in four key areas: board composition, compensation, shareholder rights, and disclosure.

Corporate governance is an important factor in Gildan's overall success and the Company is proud to have been recognized for its accomplishments over the past years.

North America

RANKED 6TH IN THE AS YOU SOW'S SURVEY "TOWARD A SAFE, JUST WORKPLACE: APPAREL SUPPLY CHAIN COMPLIANCE PROGRAMS" - 2010

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.

Honduras

"BUILDING A BETTER WORLD" AWARD – 2010

On December 10th 2010, Gildan was one of only four companies, and the only manufacturer, to receive the "Building a Better World" Award, which recognizes organizations promoting policies, initiatives and information campaigns about HIV / AIDS as part of their corporate citizenship platform. The Award is given by the Honduran National Business Council (COHEP) and CHF International, a non-profit organization aiming to be a catalyst for long-lasting positive change in low and moderate income communities, helping them improve their social, economic and environmental conditions.

In 2010 and in 2011, our Honduran facilities participated in an HIV / AIDS awareness and prevention campaign to mark the World AIDS Day, held on December 1st. During this campaign, which lasted from November 15th to December 15th, the Samaritan's Purse, an international organization providing spiritual and physical aid to hurting people around the world, was invited to speak about HIV / AIDS prevention and offer on-site HIV tests for employees at all of our facilities. The distinctive HIV/AIDS Red Ribbon Lapel Pins were also distributed.

More than 9,000 employees participated in the campaign.

Dominican Republic

RENAEPA RECOGNITION (NATIONAL BUSINESS SUPPORT NETWORK FOR PROTECTING THE ENVIRONMENT) – 2009-2010

In 2009 and 2010, Gildan was recognized for complying with the environmental guidelines of the National Business Support Network for Protecting the Environment (RENAEPA). RENAEP recognized Gildan for complying with its guidelines, including compliance with the country's environmental laws, implementation of clean energy programs and development of training programs promoting environmental preservation at Gildan's textile facility located in the community of Guerra, in the Dominican Republic. RENAEP's primary mission is to promote preservation of the Dominican Republic's natural resources and environment, via integration of the business sector. More than 85 local and international companies are members of RENAEP, including multinational companies such as Gildan.

Canada

QUÉBEC'S TOP 20 MOST RESPONSIBLE COMPANIES – 2009

On May 30th, 2009, *Les Affaires* business newspaper published its top 20 most responsible companies ranking out of the 120 largest public

corporations that have their head office based in the province of Quebec. Gildan made the top five rankings in the following four categories out of a total of six:

- 1st in Human Rights
- 2nd in Labour Relations
- 2nd in Governance
- 3rd in Ethics and Responsibility

The practices of the 120 companies were evaluated by *Groupe Investissement Responsable*, a consulting firm specialized in environmental, social and governance issues.

Canada

TOP 3 FINALISTS: SOCIAL RESPONSIBILITY GRAND PRIZE CATEGORY OF THE “PRIX QUÉBÉCOIS DE L’ENTREPRISE CITOYENNE” – 2009

The “Prix québécois de l’entreprise citoyenne” recognizes the efforts of companies headquartered in the province of Quebec, Canada, that help establish and promote innovative practices in business ethics and sustainable development. The practices of 120 companies were evaluated based on the originality of their actions, any practical and measurable impact they had, and the alignment of these actions with the company’s values, mission and general practices. Gildan was one of three finalists in the Social Responsibility Grand Prize category.

Honduras

AURUM AWARD NOMINATION – 2009

In 2009, Gildan was nominated for the Aurum Award, an annual award granted by the *Universidad Tecnológica Centroamericana (Unitec)* of Honduras, to ten companies operating in Tegucigalpa and San Pedro Sula. The Aurum Award is granted based on an image-ranking study, where consumers identify companies they admire most. The survey measures product quality, customer service, work environment, and corporate social responsibility policies and programs encompassing environmental and community issues. Unitec’s goal is to motivate local businesses to continue strengthening their CSR policies, on matters such as sound employment practices, environmental and community programs, as well as contributions to the development and growth of Honduras.

Canada

KORN/FERRY INTERNATIONAL AWARD – 2007

In January 2007, Gildan’s Board of Directors was awarded with the “Lighthouse” prize for best corporate governance among mid-sized businesses in Quebec, Canada. The Korn/Ferry International prize has been awarded for the past five years to companies that have demonstrated both exceptional financial performance and high corporate governance standards and have distinguished themselves in the areas of ethics, social responsibility and transparency in communications.

Canada

GILDAN AWARDED A MERCURIAD PRIZE IN THE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT CATEGORY – 2007

Gildan was honoured with a Mercuriade prize in the Social Responsibility and Sustainable Development category at the 26th Mercuriades held on April 19, 2007 at Montréal’s Palais des congrès. The winning companies in nine different categories were revealed at a gala soirée attended by Québec’s Premier as well as 1,000 members of Québec’s business community.

The Social Responsibility and Sustainable Development category aims to honour the work of a Québec company that stands out due to its implementation of policies that are in keeping with strong ethics and sound governance. The company must also show that it implements responsible environmental, community and social strategies, and must engage in transparent communications.

The Mercuriades competition is organized by the Fédération des chambres de commerce du Québec (FCCQ) to celebrate Québec business by honouring the successes and achievements of many Québec companies that stand out for their talent, vision and savoir faire.

Honduras

CAFTA REGIONAL DEVELOPMENT AWARD – 2006

In 2006, Gildan received the CAFTA Regional Development Award, which honours companies in Honduras which have contributed to the development of the textile industry in Central America. Gildan was the only company in the Honduran textile sector chosen to receive this award, which is also an acknowledgement of Gildan’s innovative spirit and vertical integration of its Honduran-based business. Gildan contributes to the economic development in this country by offering jobs and opportunities to thousands of Hondurans.

Canada

CANADIAN AWARDS FOR INTERNATIONAL COOPERATION: EXCELLENCE IN CORPORATE AND ETHICAL RESPONSIBILITY – 2003

Gildan’s commitment toward corporate citizenship was recognized in 2003 when Gildan won one of the Canadian Awards for International Cooperation, the Award for Excellence in Corporate Social and Ethical Responsibility, which is sponsored by Nexen Incorporated and given to companies that have directly helped developing countries or countries in transition to progress socially and economically. Recipients for the 11th Canadian Awards for International Cooperation were selected by a eight-member committee representing the Canadian Manufacturers and Exporters, the private sector, the institutional sector, the non-governmental organizations’ community and two representatives from the Canadian International Development Agency.



HOME > COMPANY > NEWS

Recent press releases:

MARCH 15, 2012 - GILDAN ACTIVEWEAR LAUNCHES NEW CORPORATE CITIZENSHIP WEBSITE

Montreal, Thursday, March 15, 2012 – Gildan Activewear Inc. announced today that it has launched a new website dedicated exclusively to its corporate citizenship practices. The new website – Gildan Genuine Stewardship – includes the Company's eighth consecutive Corporate Citizenship Report and contains information about its sustainability programs and initiatives, which have been developed around four core pillars: People well-being, Environmental protection, Community engagement, and Product sustainability. The website is available at www.genuinegildan.com.

The website was developed according to the disclosure and reporting standards of the Global Reporting Initiative's (GRI) G3.1 Sustainability Reporting Guidelines and the pilot version of the Apparel and Footwear Sector Supplement. GRI's guidelines, which were developed by a diverse group of international stakeholders, are designed to enhance the quality, credibility, transparency, and comparability of the information in the report. GRI reviewed Gildan's reporting for 2010 and 2011 and concluded that it fulfills the requirement of Application Level A. The Application Levels – A, B or C – indicate the extent to which the Guidelines have been applied in a company's reporting and communicate which parts of the Reporting Framework have been addressed.

"We decided to centralize our corporate citizenship information on a web platform in order to provide our many stakeholders with more timely and user-friendly access to information on our initiatives and accomplishments in this area," explained Peter Iliopoulos, Gildan's Senior Vice-President of Public and Corporate Affairs. "With our new web-based reporting platform, which is available in English, French, and Spanish, we are now able to effectively and promptly share our messages, progress, and achievements with each of our stakeholders in a more modern and dynamic format."

Gildan is continually striving to improve its global program and is proud to report the following achievements for 2011:

People

- Provided close to one million hours of employee training
- Continued the implementation of the Ergonomic Culture Maturity Model (ECMM), a world-class ergonomics program developed by the Ergonomic Center of North Carolina (ECNC) at its manufacturing facilities
- Reduced the injury and severity rates by 24% and 5% respectively
- Performed 63 social monitoring audits, including at least one visit to each of its production and third party contractor facilities
- Approximately 47,000 medical visits by our employees at our on-site medical clinics in Central America and in the Dominican Republic

Environment

- Completed the construction of its third biomass steam generation system
- Decreased its total greenhouse gas emissions intensity by 13%
- Recycled 92% of its total waste
- Reduced its waste sent to landfills by 28%

Community

- Donated more than \$100,000 in scholarship grants to the Instituto Politécnico Centroamericano (IPC) in Honduras
- Donated \$100,000 to Homeboy Industries, the winning charity of the first "I Support . . ." program
- Employees continued to show their commitment to their communities by volunteering in various activities at local schools, foster homes, nursing homes, and shelters, as well as in fundraising and reforestation events

Product

- Expanded its recycling efforts by introducing a cotton waste recycling project
- Renewed its Oeko-Tex® Standard 100 certification for all of its Gildan-branded products manufactured in Central America and the Caribbean Basin

About Gildan

Gildan is a marketer and globally low-cost vertically-integrated manufacturer of quality branded basic apparel. Gildan® is the leading activewear brand in the screenprint market in the U.S. and Canada. The brand is continuing to grow in Europe, Mexico and the Asia-Pacific region. The Company sells T-shirts, sport shirts and fleece as undecorated blanks, which are subsequently decorated by screenprinters with designs and logos. The Company is also one of the world's largest suppliers of athletic, casual and dress socks sold to a broad spectrum of retailers in the U.S. Gildan markets its sock products under a diversified portfolio of company-owned brands, including Gold Toe®, PowerSox®, SilverToe®, Auro®, All Pro®, GT®, and the Gildan® brand. In addition, the Company supplies selective national retailer brands. The Company is also the exclusive U.S. sock licensee for the Under Armour® and New Balance® brands. In addition to socks, the Company is pursuing a strategy to grow its sales of branded underwear and activewear products in the U.S. retail market. With approximately 30,000 employees worldwide, Gildan owns and operates highly efficient, large-scale, environmentally and socially responsible manufacturing facilities in Central America and the Caribbean Basin and has begun the development of a manufacturing hub in Bangladesh to support its planned growth in Asia and Europe. More information on the Company can be found on Gildan's website at www.gildan.com and more information on its corporate citizenship practices can be found at www.genuinegildan.com.

CONTACT:

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In 2011, 985,286 hours of training were provided globally, representing an increase of 106% from 2010.



In 2011, injury and severity rates decreased by 24% and 5% respectively from 2010.



Each year, a number of employee volunteering activities are organized locally at the various Gildan locations.

HOME > PEOPLE

What sets Gildan apart is our people. At Gildan, we value our employees, but more than that, we transform this sentiment into action on a daily basis in each of the countries in which we operate. As we ask the people who have chosen to work alongside us to give us the best of themselves, we believe that we owe it to them to provide a comfortable, satisfying and stimulating work environment.

Gildan's ability to attract and retain the best talent in its sector is due in large part to its outstanding reputation in the countries in which it operates, which provides the Company increased productivity and results.

Each day the Gildan group meets the challenge of fulfilling the needs of its employees in North America, Central America, the Caribbean Basin and most recently Bangladesh, representing a wide range of cultures, as well as diverse economic, political, legal, and social systems. In the face of these complexities, we remain committed to instituting the best working conditions in the apparel industry for the approximately 30,000 employees on whom our success depends every day.



CODE OF CONDUCT

Guidelines for an ethical workplace

Our Code of Conduct guides our activities wherever we operate and clearly states our position on a number of labour practice issues.



WORKING CONDITIONS

Ethical and stimulating work environment

Through competitive working conditions, we want to attract, motivate and retain the best talent in all the countries in which we operate.



SOCIAL COMPLIANCE

Commitment to the highest standards of labour practices

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 independent internal and third-party audits each year.



EMPLOYEE ENGAGEMENT PROGRAMS

Supporting our employees and their communities

We develop and implement various programs to better communicate with our employees and to support them in the many aspects of their lives.



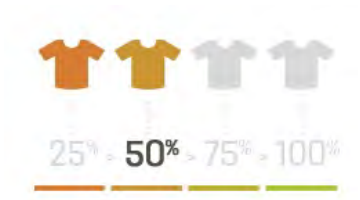
HOME > PEOPLE > GOALS & TARGETS

Policies and Procedures

Goal
 Complete the development of Gildan’s social management system following the classical “Plan-Do-Check-Act” and continuous improvement principles.
Timeline:
 2014
Progress:
 Ongoing



Goal
 Continue implementation of Gildan's Ergonomics program at all of our sewing, textile and hosiery facilities in Honduras (up to level 5 - World-class level - of the ECNC model)
Timeline:
 2014
Progress:
 Ongoing

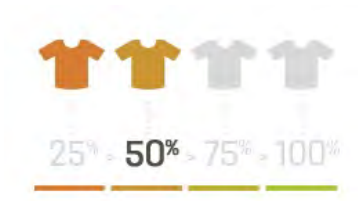


Database

Goal
 Add new social indicators to Gildan’s social and environmental database in order to expand on internal and external reporting
Timeline:
 2012
Progress:
 Completed



Goal
 Conduct an annual refresher training to users in all regions
Timeline:
 Yearly
Progress:
 Ongoing



Employee Engagement

Goal
 Conduct a global employee survey
Timeline:
 2012
Progress:
 Ongoing





HOME > PEOPLE > CODE OF CONDUCT

Our day-to-day operations are governed by the Gildan Code of Conduct, which was developed in 2005. The Code functions as a guideline for an ethical workplace. Gildan management was very deliberate in basing these guidelines on internationally recognized standards such as the International Labor Organization (ILO) conventions. In today’s workplace, international labour standards – conventions that are standardized globally and to which all individuals are held accountable – are an essential component of industry.

The Gildan Code of Conduct also encompasses principles set forth by the Fair Labor Association (FLA), whose stated purpose is to protect workers’ rights and improve working conditions worldwide, as well as the Worldwide Responsible Accredited Production’s (WRAP) set of principles. It takes into account best practices commonly agreed upon in the area of social responsibility.

What does the Gildan Code of Conduct include?

Our Code of Conduct guides our activities at each of our global operation and clearly states our position on a wide range of labour practice issues including hours of work; gender equality; age of majority; work schedule; harassment; protecting the right of freedom of association; and many other best practices that Gildan management feels are integral to both our organization and our people.

Every employee and management team member is required to comply with the Gildan Code of Conduct.

Click  here (pdf - 261.4Kb) to see our Code of Conduct in poster format.

Read more about Code of Conduct compliance.

CODE OF CONDUCT INTERNAL TRAINING

Employees are trained on the key elements of our Code of Conduct.

Human Resources and Corporate Social Responsibility Managers give new direct employees a presentation on the Gildan Code of Conduct, as well as on topics related to corporate citizenship, policies, regulations, rights and obligations. Furthermore, all new employees are provided with the details of our Code of Conduct and are required to acknowledge in writing they have read and understood all aspects of the Code of Conduct. This provides new employees with a good knowledge about the Gildan Code of Conduct, while also introducing them to the concept of Corporate Citizenship and the role it plays within our Company.

Ad hoc refresher courses on the Code of Conduct or on specific topics, such as workplace harassment, are also provided to prevent and address potential workplace issues. For instance, in 2011, training sessions on the Code of Conduct were held in Central America. Moreover, to ensure employees remember and follow the principles outlined in the Code of Conduct as they go about their daily activities, posters reiterating key conduct principles are displayed around common areas at both Gildan-owned and contractor facilities.

GILDAN VENDOR GUIDEBOOK

We work with both our own facilities’ and contractors’ management teams on an ongoing basis to improve their labor compliance performance, by providing them with a comprehensive guidebook they can always refer to: the Gildan Vendor Guidebook. This guidebook, is a practical tool that covers principles of International Labor Organization convention standards and policies that must be implemented in order to protect and promote workers’ rights. More specifically, Gildan Vendor Guidebook contains the following:

- A detailed discussion on how to implement an integrated approach to meeting Gildan Code of Conduct and labour compliance standards;
- Policies and operating procedures for each labour compliance standard;
- A management system approach to labour compliance, which outlines the benefits of adopting an integrated approach rather than an issue-focused and fragmented approach.



HOME > PEOPLE > CODE OF CONDUCT > CONTRACTORS & SUPPLIERS

When a decision is made to outsource production to a new contractor, we apply a comprehensive selection process to assess the contractor's ability to comply with our cost structures and quality standards, as well as with our labour and environmental standards. This selection process includes a thorough analysis of the contractor's social responsibility practices through the completion of a self-assessment questionnaire on critical issues outlined by Gildan. In addition, Gildan performs a preliminary audit assessment prior to engaging any contractor.

CONTRACTUAL REQUIREMENTS

To ensure that Gildan's major contractors and suppliers respect the Gildan Code of Conduct, we included a clause in the commercial agreement governing our contractual relationship which stipulates that contractors must abide by our Code. This practice encompasses the following agreements:

- Sewing agreements (for all long-term suppliers)
- Short-term sewing agreement (for all short-term suppliers)
- Agreement with our biomass suppliers
- Yarn Supply agreement with our joint-venture partner
- Agreements for major equipment purchases
- Agreements with our trims, dyes and chemicals, and thread suppliers
- All other types of commercial agreements

CONTRACTOR TRAINING

At each of our long-term Haitian sewing contractors, we have been providing training on our Code of Conduct to all new employees on an ongoing basis.

Also, as part of the Better Work Haiti program, our Haitian contractors' employees received training on various labour issues. In 2011, managers from our four Haitian contractor facilities attended the following sessions:

- Human Resources planning
- Mastering recruitment for key positions
- Securing employee loyalty
- Organizing successful training sessions
- Communicating effectively

In 2010-2011, in addition to Code of Conduct training, security personnel in Central America and in the Dominican Republic (all of whom are employed by sub-contractors) also received training on labour and human rights as part of their induction training, as per our commercial agreement with contractors. Designed specifically for security employees hired by third-party contractors, this new training program focuses on situations these particular employees might face while performing their duties on behalf of Gildan.



HOME > PEOPLE > CODE OF CONDUCT > CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT

In 2010, the California Legislature passed a new law, The California Transparency in Supply Chains Act of 2010 (SB 657), which requires manufacturers and retailers of goods with annual worldwide gross receipts over \$100 million to provide consumers with information regarding their efforts to eradicate slavery and human trafficking from their supply chains.

Human trafficking can take many forms, including forced and child labour, as defined in the following ILO Conventions:

- ILO Convention on Forced Labour, No. 29;
- ILO Convention on Abolition of Forced Labour, No. 105;
- ILO Conventions on the Worst Forms of Child Labour, No. 182.

Gildan's current Code of Conduct, which was launched in 2005, guides our activities at each of our operating locations and clearly states our position on a wide range of labour practices. This Code is based on the ILO conventions and its associated compliance benchmarks, which address forced labour, child labour, wages and benefits, working hours, harassment and abuse, as well as health and safety.

We monitor working conditions each year at all owned and contracted facilities manufacturing our products. As a Company whose labour compliance program is accredited by the Fair Labor Association (FLA), the Gildan facilities and the facilities of our manufacturing contractors are subject to the FLA's rigorous monitoring, remediation and verification system. The FLA accredits monitors and uses internal auditors to conduct unannounced verifications.

Please read below for details on how Gildan complies with each point of the California Transparency in Supply Chains Act.

1. Company engages in verification of product supply chains to evaluate and address risks of human trafficking and slavery.

Gildan evaluates risk associated with its supply chain by evaluating contractors through its pre-sourcing assessment which guides our business decisions and relationship with the manufacturing contractors we use.

These assessments are designed to ensure that, at a minimum, all facilities manufacturing our products comply with our own strict internal Code of Conduct, local and international laws, and the codes to which we adhere, including those of Worldwide Responsible Accredited Production (WRAP) and the FLA. When external suppliers are used, they must also adhere to these codes. This is, in fact, a condition for doing business with Gildan.

To ensure that we deliver on our commitment to employees, customers and other stakeholders to meet or exceed our strict Code of Conduct requirements, we conduct a series of independent internal and third-party audits each year. For instance, in 2011, sixty-three monitoring audits were performed. Of these, forty were conducted by Gildan's internal auditors or by external auditors on Gildan's behalf, and twenty-three were conducted by external auditors or assessors for WRAP, the FLA, Better Work or by customers. For more information regarding Gildan's auditing process, please refer to point 2 below.

2. Company conducts audits of suppliers to evaluate supplier compliance with company standards for trafficking and slavery in supply chains. The disclosure shall specify if the verification was not an independent, unannounced audit.

Gildan audits all of its owned and contracted manufacturing facilities yearly. The majority of the audits are conducted by our trained internal auditors and we also use third-party auditors in some instances.

Gildan audits its contractors' facilities according to its Code of Conduct. Assessments are based on the standards of our Gildan Vendor Guidebook, which we provide to all our contractors. Our auditing and monitoring tools include:

- Facility self-assessment questionnaire
- Audit guidelines and management action plan
- Management interview form
- Monitoring guidelines
- Worker interview guidelines

Gildan uses a sampling methodology, based on the SMETA guidelines, to determine the number of documents to be reviewed and the number of individuals to be interviewed.

Additionally, some of our contractors have been participating in the ILO Better Work Programme. Gildan's manufacturing facilities as well as its contractors are also audited by the FLA, WRAP and customers. Please read the Social Compliance section of our website for more information.

3. Company requires direct suppliers to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business.

To ensure that Gildan's major contractors and suppliers respect the Gildan Code of Conduct, we include a clause in the commercial agreement governing our contractual relationship which stipulates that contractors must abide by our Code.

4. Company maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking.

Non-conformance with the Gildan Code of Conduct can result in a corrective action or termination, depending on the number of non-conformances found and their severity. Although Gildan will always first seek for sustainable remediation, we may terminate a business relationship with a contractor if it is deemed necessary. Our team of internal auditors work with contractors to develop action plans to resolve any instances of non-compliance.

5. Company provides company employees and management who have direct responsibility for supply chain management with training on human trafficking and slavery, particularly with respect to mitigating risks within supply chains of products.

All Gildan direct employees are trained on the key elements of our Code of Conduct. At each of our long-term sewing contractors, we have been providing training on our Code of Conduct on an ongoing basis to all new employees. Our internal monitoring teams continuously receive different types of training on social compliance and human rights issues. They also work closely with our management team and the ones of our contractors to ensure they are knowledgeable of our Code requirements and understand the issues linked to social compliance.



HOME > PEOPLE > WORKING CONDITIONS

Gildan offers an ethical, stimulating work environment. The Company aims to provide a positive work climate for all of its employees.

The majority of our permanent production workers earn significantly more than the legally-mandated minimum industry wages in all the countries in which we operate. In addition, our employees receive valuable competitive benefits, such as 24-hour access to Gildan medical clinics, free transportation to and from work and subsidized meals.

In the coming years, Gildan will continue to develop initiatives which will build on our existing employee relations practices and ensure our health and safety practices are among the best in the apparel industry. We will also continue to strengthen our training and development programs with the objective of creating an increased number of advancement opportunities for our employees.



HOME > PEOPLE > WORKING CONDITIONS > EMPLOYMENT PRACTICES

On a global scale, Gildan favours permanent employment positions rather than temporary contracts.

There are many reasons for this practice:

- Optimize financial investment in employee training and development:
 - Training new employees involves a significant financial cost; therefore, Gildan is most interested in investing in people who will make a longer-term commitment to the Company for a long time
- Minimize the costs associated with the recruitment of new employees
- Ease of integrating permanent employees compared to temporary contractual employees into the Company’s culture and values

In some cases, hiring temporary employees is necessary, for instance:

- To work on a specific project (with a clear end date) assuming we do not have the capacity or expertise internally
- To fulfill temporary needs
- When experiencing a busier than normal workflow
- When it takes longer to find suitable permanent resources and someone is needed in the meantime
- Summer interns:
 - We believe it is important to offer students real-work experience which provides them with the opportunity to apply what they have learned in their studies.

2011 GILDAN-OWNED FACILITIES - EMPLOYEES BY CONTRACT TYPE AND BY REGION

	PERCENTAGE OF TEMPORARY CONTRACT EMPLOYEES	PERCENTAGE OF PERMANENT CONTRACT EMPLOYEES
BANGLADESH	6.4%	93.6%
BARBADOS	3.9%	96.1%
CANADA	8.0%	92.0%
DOMINICAN REPUBLIC	0.7%	99.3%
HAITI*	2.4%	97.6%
HONDURAS	0.5%	99.5%
NICARAGUA	0.2%	99.8%
UNITED STATES	0%	100%
OTHER REGIONS (INCLUDING ASIA, EU)	0%	100%

* Haiti: this information only includes Gildan employees working at our administrative office in Haiti which is responsible for monitoring Haitian contractors including compliance to our Code of Conduct. The employees of our contractors in Haiti are not included in this data.

- A permanent employment contract is an employee contract for full-time or part-time work for an indeterminate period of time.
- Temporary employment contract is defined as a fixed-term contract of employment that ends when a specific time period expires or when a specific task, which has a time estimate attached, is complete.

2011 PERCENTAGE OF NEW EMPLOYEE HIRES BY AGE GROUP AND GENDER WITHIN EACH REGION

COUNTRY	AGE GROUP		GENDER	
	18-30 (%)	ABOVE AGE 30 (%)	FEMALE (%)	MALE (%)
BARBADOS	46	54	85	15
CANADA	36	64	53	47
CENTRAL AMERICA	81	19	47	53
DOMINICAN REPUBLIC	76	24	59	41
UNITES STATES	36	64	45	55
OTHER REGIONS	33	67	67	33

PROVIDING EQUAL OPPORTUNITY

In North America, we comply with equal-wage laws, such as the Quebec Employment Equity Act and the U.S. Equal Employment Opportunity Commission (EEOC). In other regions, where no such laws exist we adhere to a policy of non-discrimination based on race, age, color, sex, religion, national origin, disability, citizenship status, and other protected classifications. This policy, in line with our Code of Conduct, clearly stipulates that no employee will be subject to any type of discrimination.



2011 Gildan-owned facilities - Employees by gender

- Male 53%
- Female 47%



HOME > PEOPLE > WORKING CONDITIONS > WAGES & BENEFITS

Gildan has developed and implemented a competitive compensation structure that helps in attracting, motivating and retaining the best talent in each of the countries in which we operate.

In particular in Central America and the Caribbean Basin, Gildan is proud of its record in creating well-paying jobs with attractive benefits, such as access to free medical assistance; subsidized transportation to and from work; and subsidized meals. We also empower workers by providing them with the opportunity to upgrade their skill sets and education level. The majority of our permanent production employees earn significantly more than the legally-mandated minimum industry wages in all the countries where we operate. This has had a direct and positive impact on the quality of life of our workers and their families.

Gildan also offers incentives above basic salaries to employees who exceed certain objectives. These bonuses which represent compensation over and above their basic wages, reward workers whose performance is above average, similar to the model found in many North American companies.

Minimum Wages in Latin America

Countries in Latin America typically have various categories for the application of minimum wage compensation. The legally-mandated minimum wage in most of Latin America countries will vary depending on the industry sector. The various industry sectors include agriculture, services, industrial, banking and textile sectors.

Most countries have a minimum wage that applies for the textile industry. Wages in the manufacturing or industrial sectors can be used to compare with salaries in the textile industry as they relate to similar activities.

REWARDING EMPLOYEE DEDICATION AND PERFORMANCE

Performance Appraisal

Gildan has established a performance appraisal process for indirect salaried employees, which assesses employee performance using both objectives and competencies. Indirect hourly employees also participate in a site-specific performance review process, where criteria are more specifically related to production performance.

Short-Term Incentive Plan

Indirect employees are eligible for a short-term incentive plan. The plan provides annual bonuses when the Company's key financial profitability and growth objectives are met. The plan also recognizes individual and team efforts towards achieving superior financial results.

Long-Term Incentive Plan

The Long-Term Incentive Plan (LTIP) was first implemented in 1998 for the granting of stock options and was subsequently amended to, among other reasons, allow for the Board of Directors to grant Treasury RSUs and Non-Treasury RSUs, to officers and key employees of the Company and its subsidiaries. The primary objective of the LTIP is to encourage individuals to work towards, and participate in, the growth and development of the Company and to assist the Company in attracting, retaining and motivating its officers and key employees. The LTIP is administered by the Board of Directors, which has delegated the LTIP responsibilities to the Compensation and Human Resources Committee.

Read more about our Long-Term Incentive Plan in the Management Proxy Circular.



HOME > PEOPLE > WORKING CONDITIONS > TRAINING & DEVELOPMENT

Gildan offers its employees a wide range of training opportunities throughout the year in order to build on their competencies, increase their knowledge, and to heighten their awareness of the principles outlined in the Gildan Code of Conduct.

Employees are eligible for both external professional training and in-house training courses which are available based on each employee’s training needs. Depending on pre-defined parameters, the Company will cover certain related expenses.

In 2011, 985,286 hours of training were provided globally, representing an increase of close to 100% compared to 2010 (506,222 hours). This increase is related primarily to the ramping up of new manufacturing facilities over the course of 2011, which includes the training of a large number of new employees.

In Central America and in the Caribbean Basin*, in 2011, detailed man-hours of training per category for employees can be broken down as follows:

CATEGORY	HOURS
EMPLOYEE INDUCTION AND CODE OF CONDUCT	98,815
HUMAN DEVELOPMENT	136,660
TECHNICAL TRAINING	551,971
HEALTH & SAFETY	73,292
PRODUCTION	32,704
MAINTENANCE	46,751
QUALITY	35,067
TECHNICAL-CHEMICAL	4,639

** Haiti: this information only includes Gildan employees working at our administrative office in Haiti which is responsible for monitoring Haitian contractors including compliance to our Code of Conduct. The employees of our contractors in Haiti are not included in this data.*

INDUCTION TRAINING

Upon commencement of their employment with Gildan, employees attend an induction training or information session where they are introduced to Gildan, its principles, policies, and procedures, the Code of Conduct, corporate citizenship principles, Gildan Quality System (GQS), and with their specific job responsibilities. The training also includes topics relating to enabling workers to better understand the environment in which they will be working, as well as informing them of their rights and obligations.

TECHNICAL TRAINING

At Gildan, we recognize that ongoing employee training is a key factor in upgrading workforce competencies. As such, we place great emphasis on “on-the-job training” for our workers. Immediately upon hiring, direct production employees receive technical training specific to their job responsibilities, such as the equipment operator training that is provided to all lift operators at our Charleston facility, or advanced training in Word, Excel and other software applications for our administrative staff in Barbados. Learning the right techniques and safety protocols from the onset allows employees to easily adapt to their new work environment and allows them to quickly integrate into their role and responsibilities.

At Gildan-owned facilities in Central America and the Caribbean Basin, as well as at our contractor facilities in Haiti, sewing modules are reserved exclusively for new employee training. These modules are also used to teach new sewing procedures throughout the course of the year.

In 2011, we conducted approximately 490,000 hours of training on dedicated sewing modules in Honduras and more than 60,000 in Nicaragua.

Specifically at our textile facility in the Dominican Republic (Dortex), the Dortex Training System (DTS) was created to reinforce our commitment to technical training. In FY2011, 89 employees from the various textile operations were trained according to the DTS.

In the Dominican Republic, 25 of our employees obtained their Lean Six Sigma certification in the fall of 2011. The Lean Six Sigma training is a methodology that aims to improve various processes by reducing their variability, thus leading to the elimination of defects and/or errors in manufacturing products or delivering services to clients.

In addition, we provide both on-site and off-site technical, managerial and leadership education, as well as labour law training to

Directors, Supervisors and Coordinators in Central America and the Caribbean Basin. At our Charleston, SC offices, supervisor/manager training was also initiated in 2011 to offer employees in these positions a training encompassing such issues as time/attendance, corrective action procedures, employee relations, and effective supervisor training.



INTERNAL TRAINING ACADEMY

In March 2011, Gildan created an Internal Training Academy in Nicaragua to provide all direct employees the opportunity to be trained in additional technical areas such as mechanics, as well as in supervisory and instructional roles. This will allow the Company to identify and train internal talent and provide these individuals with the opportunity to be promoted within the Company. Eighty employees participated in the first stage of the program.

LEADERSHIP PROGRAM IN HONDURAS: THE FRANKLIN COVEY PROJECT

In 2011, the Gildan Training & Organizational Development department in Honduras began the implementation of a Leadership Program with the internationally recognized leadership training firm, Franklin Covey™, in order to provide a two-year training program adapted specifically to the needs of Vice Presidents, Directors and Managers. The program's objective is to ensure that senior executives are aligned with the Company's vision, mission and values, and to strengthen the overall leadership of our organization.

In order to expand the Leadership Program among the Honduran employees, Gildan created an Internal Facilitators Academy with a group of 13 executives who received a Franklin Covey certification and will roll out the program to all levels.

IN-HOUSE TRAINING

At the majority of our locations, we have initiated a series of in-house training sessions in order to enhance employee knowledge on subjects specific to Gildan, share best practices and recognize employees' expertise and competencies.

In Central America alone, the total number of hours spent on in-house training increased significantly from 188,001 hours in 2010 to 569,619 hours in 2011.

Gildan also encourages the mobility of its employees from one hub or facility to another in order to allow for cross-training within the organization.

Topics covered at these in-house training sessions include:

- **Gildan operations**
Introduction to Gildan's product line; Cotton 101
- **Human Resources**
Leadership training; employee motivation; organizational skills; new employee training; conflict resolution; change management; labour code; performance appraisal process; insurance plans; and disciplinary process
- **Quality**
Gildan Quality System, ISO 9001, quality control, auditor training
- **Health and Safety**
Preparation of internal brigades, facility safety training across all areas, including fire control and chemical handling
- **Technical**
Operator skills development; knitting; cutting and dyeing procedures; Instituto Politécnico Centroamericano technical training (refrigeration and air conditioning); basic electrics training
- **Finance**
Finance 101 for non-finance professionals, IFRS training
- **Corporate Citizenship**
Code of Conduct, Ergonomics, Environment

PERSONAL DEVELOPMENT

Gildan recognizes that over the course of one's employment, it is important to provide employees with ongoing education through various types of training designed to improve the technical, administrative and interpersonal skills necessary in their present job or related to possible future growth. Specific employee training requirements are identified through the Performance Appraisal process.

Through the Gildan tuition reimbursement program, in some countries, we reimburse tuition fees to employees who participate in continuing professional development programs offered through universities or professional associations.

In addition, at the majority of our locations, we provide language courses to employees who are required to communicate in French, English or Spanish in performing their duties.

Gildan supports employees whose job performance and job satisfaction improve as a result of the skills and knowledge acquired through training and development programs.

Educatodos Program in Honduras

Basic education and literacy are taken for granted in many parts of the world and unfortunately, these fundamental rights are not available in many regions. Recognizing this, since 2003 Gildan has supported Educatodos, a program developed in partnership with the Honduran Ministry of Education and the United States Agency for International Development to offer primary and secondary education classes in underprivileged regions. Government funding for the program was suspended in 2009 due to the political instability in Honduras at the time. However, in August 2010, the program was officially re-launched, with more than 340 employees enrolling. Also in 2010, Gildan continued to expand the program across to include its textile and sewing facilities in Honduras.

In July 2011, we celebrated the graduation of more than 300 employees at our textile and sewing facilities that had participated in the Educatodos program. For the first time since the implementation of the program, the graduation celebration was held in the presence of the Honduran Secretary of Education. Gildan also signed an agreement committing to continue the program into 2011-2012 in order to benefit the increasing number of employees interested in continuing their high school education.





HOME > PEOPLE > WORKING CONDITIONS > HEALTH & SAFETY

At Gildan, occupational health and safety is a top priority. In 2008, Gildan implemented an internal health and safety performance scorecard in order to keep track of work-related injuries and severity. Covering all of our Gildan-owned facilities, the scorecard contains data relating to first aid, injuries, lost-time accidents, musculo-skeletal disorders, lost work hours, work days, injury rate, and severity rate.

The injury rate is an indicator showing how many accidents occurred for every 200,000 hours worked.

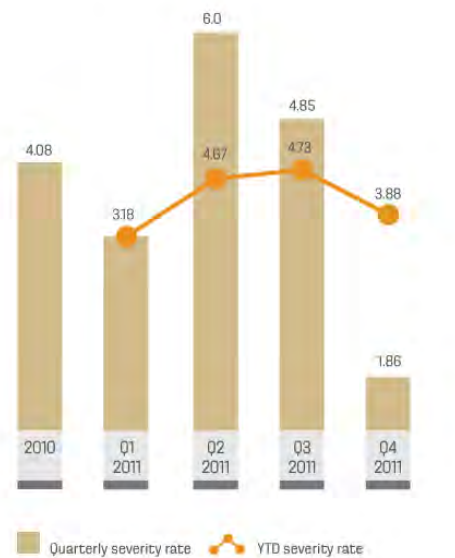
The severity rate indicates the gravity of the accidents which occurred during the same amount of hours worked. This rate is based on the number of lost days which is an indicator of the severity of any accident.

In 2011, on a global scale, injury and severity rates decreased by 24% and 5% respectively from 2010. In 2010-2011, we did not have any work-related fatalities.



Data based on Occupational Safety and Health Administration (OSHA) calculations.
 $(\text{Total Amount of Accidents} / \text{Total Work Hours}) \times 200,000$
Factor 200,000 is derived from 50 working weeks at 40 hours per 100 employees.

Severity rate



Data based on Occupational Safety and Health Administration (OSHA) calculations.
 $(\text{Total Lost Days} / \text{Total Work Hours}) \times 200,000$
 Factor 200,000 is derived from 50 working weeks at 40 hours per 100 employees.

HEALTH AND SAFETY COMMITTEES

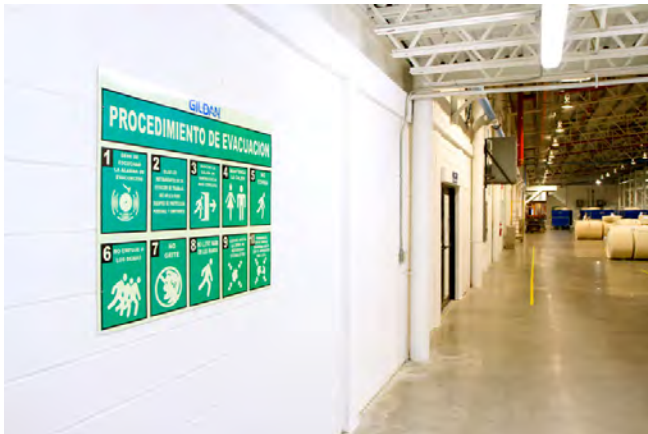
At all Gildan-owned facilities and at many of our administrative offices, we have established formal Health and Safety Committees composed of managers, supervisors and production workers, who meet once a month to discuss preventive measures to be implemented. Committees also review health and safety accidents which occurred during that period and suggest improvements to our health and safety programs. These suggested improvements are implemented by Health and Safety Managers who are also responsible for developing related procedures at our sewing and textile operations.



HEALTH AND SAFETY TRAINING

Each year, Gildan provides a number of health and safety training sessions to employees at all levels at all of its facilities. These sessions include:

- general safety rules
- inspection check sheets
- emergency response and first aid
- evacuation and rescue procedures
- forklift security
- industrial security training
- fire control and prevention
- ear protection and back safety
- extinguisher use
- hazardous waste management
- work permit/lock-out/tag-out
- personal protective equipment
- electrical hazards
- spill response
- working at heights
- chemical identification and use
- accident reporting and investigation



HEALTH AND SAFETY COMPLIANCE PERFORMANCE

All Gildan-owned facilities are subject to specific health and safety audits that are performed on a regular basis by an in-house safety coordinator and internal corporate social responsibility monitors, as well as external social compliance auditors.

Health and Safety Audits Conducted at All Gildan-owned Sewing Facilities:

- **Once per work shift**
Production work station safety
- **Once a month**
Cafeteria sanitary conditions
Facility safety
Maintenance and condition of equipment
Labelling and maintenance of chemicals
Housekeeping (includes textile facilities)

At our textile facilities, we currently only perform the housekeeping audit, which includes safety items. But starting in 2012, some of the audits mentioned above will be consolidated into the housekeeping audit. This will allow us to more easily compare facilities' performance.

CONTINUOUSLY IMPROVING OUR OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

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), to analyze and strengthen our occupational health and safety (OHS) management by becoming part of BSR's DR-CAFTA Responsible Competitiveness Project.

BSR and FUNDAHRSE began the project by conducting internal and external stakeholder interviews which provided input for a health and safety materiality analysis for our San Miguel sewing facility in Honduras. The results showed that this facility's stakeholders were mostly interested in ergonomics. BSR and FUNDAHRSE then conducted an OHS management systems best practices benchmark and gap analysis to determine areas for continuous improvement. The final stage of the project consisted of the creation of a peer-to-peer training program to empower workers to actively contribute to factory OHS trainings, both by helping decide the content and by reinforcing with their peers the concepts presented in trainings. The complete study can be found [here](#).

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 in order to share preventive and corrective actions following accidents
- Incorporation of health and safety indicators into manager and supervisor evaluations at all levels
- Improvement of 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 FUNDAHRSE into the Occupational Health and Safety Training Program

- 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 employee absenteeism and turnover.

During 2011, as an outcome of the project, more than 4,000 San Miguel employees were retrained in ergonomics, using the same methodology as that developed with BSR. In 2011, both the number of accidents at San Miguel and the employee turnover rate were positively impacted by the initiatives mentioned above.

LOCAL INITIATIVES

At Gildan, we are proud of the fact that numerous programs are being developed for implementation at our locations with an objective towards improving our employees' knowledge regarding general health issues, thus contributing to their overall well-being. These initiatives are designed to address the specific needs of our employees according to their geographic location.

Staying informed about Health and Safety

Our employees receive health and safety information through various means of communication depending on their location: bulletins, flyers, emails, meetings and notification from health care partners.

Cafeteria Certifications

In keeping with its commitment to provide its employees with clean and hygienic cafeteria services, Gildan is implementing a food safety program (Programa Alimentos Seguros or PAS) at all its cafeterias in Honduras. The program provides Gildan with useful tools in order to continuously improve the quality of its cafeterias and its employees' satisfaction, while reducing absenteeism due to food-transmitted outbreaks or diseases. Through this program, Gildan has benefitted from consulting services provided by AgroBioTek Internacional, the organization responsible for the development of the program. This was complemented by training sessions on food handling, with the objectives of informing cafeteria personnel on their respective roles with regard to food safety, as well as coaching them on the auditing process to quickly detect non-conformities and how to implement corrective actions to address these in accordance with international norms.

Our San Miguel and Choltex facilities completed the implementation in June of 2011 and received their gold certification confirming that they are compliant with international norms in terms of hygienic food handling. The gold certification is the highest level that can be reached within the program.

Health Care Programs

In most of the countries in which we operate, public and private healthcare programs are lacking. To make up for the deficiencies in the social security systems (which includes access to medical care), Gildan physicians at each facility have analyzed public health tendencies of common illnesses (including influenza, HIV and other sexually transmitted diseases, dengue, and conjunctivitis) in the countries in which we operate. Based on the findings, Gildan has implemented preventive programs for employees, such as presentations, bulletin board postings, brochures, and loud speaker announcements.

For instance, at our facilities in Central America and the Caribbean Basin, we implemented a preventive program for respiratory illness, which is the main cause of illness in these regions due to their tropical climate. In Nicaragua, a preventive program was implemented on leptospirosis as an increase in reported cases has been noted in the country.

Health Fairs in Central America and the Caribbean Basin

We have been organizing Health fairs at our Honduran facilities since 2007 and in Nicaragua since 2009. During these events, many organizations join Gildan's medical staff to provide our employees with information on various medical conditions, nutrition and other health care-related topics. They also receive important information on medical treatment for concerns such as diabetes, dental, ophthalmological and gynecological care, among others.

In 2010-2011, Gildan provided numerous medical services, such as general medicine, pediatrics, ophthalmology, gynecology, vaccines, vitamins, laboratory exams, orthopedics, dentist, HIV tests, to more than 12,500 employees in Honduras.

In 2011, more than 1,500 employees participated in health fairs in Nicaragua.

In the Dominican Republic, health fairs are part of the Family Days organized each year at our Dortex facility. In 2011, more than 5,500 employees and members of their families attended the health fairs, during which conferences were offered to employees on subjects linked to health.

Women's Health

In Honduras, our health care teams educate female employees to recognize signs of cervical cancer, and provide free testing to those who wish to be tested. Between the first campaign in 2007 and the end of 2011, 750 female employees, which represents 10% of our current Honduran female workforce, have undergone the cytology. This test was made available through a partnership between Gildan and the Honduran government, which donated the equipment required for this test. In the future, Gildan will be highlighting this campaign in order to ensure that female employees understand the importance of the issue and participate in future testing.

Gildan's Pink Tour: Breast Cancer Awareness Campaign

In October 2010, Gildan launched a breast cancer awareness campaign at all of its facilities. The campaign, which is referred to as Gildan's Pink Tour, has now become an annual event at the Company's facilities in Honduras. During the campaign, facilities were decorated with pink ribbons and balloons. Physicians gave presentations about breast cancer detection and prevention, and answered employee questions on the topic. In 2010, more than 10,000 employees participated in Gildan's Pink Tour.

In 2011, in addition to the activities mentioned above, Gildan partnered with the National Breast Cancer Prevention Committee, San Pedro Sula's Social Programs office, and many other organizations to participate in a breast cancer awareness walk where the Company was represented by more than 80 participating employees.

Pregnancy Workshops and Breastfeeding Clinic

In 2011, one of our nurses from our Villanueva facility in Honduras was trained to develop a workshop required by the Social Security Institute (IHSS) for all pregnant employees in order to comply with the Honduran Health Secretary's standards and procedures. This workshop is also mandatory in order for women to receive their maternity leave. The objective is to provide pregnant women with information to help them become physically and mentally prepared to give birth and to the changes that motherhood will introduce into their lives. The workshop covers the following topics:

- Breathing techniques
- General physical preparation exercises
- Importance and advantages of breastfeeding
- Guidance on delivery phases, waiting time at home, when to go to the hospital, and high-risk situations

Among the multiple benefits of this workshop, one key advantage is that it gives employees the convenience of receiving the training at the Company's facilities over one day, compared to the four-day workshop given externally by the IHSS.

A total of 166 women participated in the workshop since its inception.

In October 2010, at our Villanueva facility in Honduras, we also inaugurated a breastfeeding clinic to support our female employees who are returning to work after having given birth and are still breastfeeding. During the International Breastfeeding week, in August 2011, our sewing facility in Villanueva was recognized for its program.

Other facilities in Honduras and in Nicaragua also offer breastfeeding areas allowing mothers to extract and store milk.

HIV / AIDS Awareness Campaign

In 2010 and 2011, our Honduras facilities participated in an annual HIV / AIDS awareness and prevention campaign during which Samaritan's Purse, an international organization providing spiritual and physical aid, was invited to speak about HIV / AIDS prevention. More than 9,000 employees participated in the campaign. The organization also offered on-site HIV testing for employees who wished to be tested.

Gildan was one of only four companies, and the only manufacturer, to receive the Building a Better World Award, which recognizes organizations promoting policies, initiatives and information campaigns about HIV / AIDS as part of their corporate citizenship platform. The Award is given by the Honduran National Business Council (COHEP) and CHF International, a non-profit organization aiming to be a catalyst for long-lasting positive change in low and moderate income communities, helping them improve their social, economic and environmental conditions.

Safety Bowl

At our distribution facility in Eden, North Carolina, the idea of implementing the Safety Bowl program was first raised during one of the worker-management committee meetings. Based on a football game's rules, the participating employees are divided into teams and achieve points and yardage for various safety categories such as safety inspections, no recorded accidents, no first aid accidents, and identification of team safety ideas. Similarly, teams can also be penalized for certain safety items. At the end of the year, the team with the most points gets a day off, as well as a trophy and plaque which are displayed in the employees' break room.





HOME > PEOPLE > WORKING CONDITIONS > ERGONOMICS PROGRAM

Safeguarding and improving the health and safety of our employees is a priority for Gildan and an integral part of our operations. As repetitive movements are an inherent part of the sewing process and because they can cause discomfort and possibly injury, Gildan has implemented measures to improve ergonomic practices at all its facilities with a view toward preventing workplace injuries.

In the textile and sewing industry, it is known that the main risk of developing musculoskeletal disorders (MSDs) arises from cumulative exposure to subtle hazards, including repetitive movements, incorrect postures and vibrations that are commonly associated with MSDs. Compared to other industries, the occurrence of other types of acute injuries, illnesses and fatal accidents in this industry is very low. Aside from the hazards related to the work environment, it is important to take into consideration that there are other non-occupational components (general health, non-work leisure, play and physical daily living activities) that also contribute to the development and incidence of MSDs.

At the end of 2008, Gildan initiated discussions with the Ergonomic Center of North Carolina (ECNC) to partner in the development and implementation of a three-to-five-year best-in-class Ergonomics Program. We selected the ECNC for its leading reputation in ergonomic practices and for its rigorous standards and extensive experience with large companies operating in the apparel industry. The mandate of the program was to identify and troubleshoot ergonomic risks.

DEVELOPING THE GILDAN ERGONOMICS PROGRAM

A senior ergonomist from the Center has been allocated to Gildan to further develop our Ergonomics Program. As part of his initial assessment in Honduras, in May 2009, the ergonomist conducted a study in which he interviewed management and workers, toured four facilities, and reviewed the details of Gildan's Ergonomics Program, including all medical data maintained by the Company.

The study performed by the ECNC thoroughly evaluated targeted jobs and the processes that are considered to pose a high risk to Gildan employees. The Center drafted specific recommendations which address hazards that are commonly associated with MSDs. Recommendations have been implemented and are encompassed in Gildan's Ergonomics Program.

Based on the Ergonomic Culture Maturity Model (ECMM), which rates competency in ergonomic practices, the ECNC program provides a roadmap to help companies progress up the ladder from the "Fire-fighting" level to "World-class" status within three to five years.



SUMMARY OF ELEMENTS OF ECMM AND LEVELS

EIGHT ELEMENTS OF THE ECMM	LEVELS OF IMPLEMENTATION
<ul style="list-style-type: none">• Injury Management• Education and Training• Program Compliance & Audit• Management Leadership• Employee Involvement and Accountability• Plant Ergonomics Team• Risk Assessment and Hazard Control• Prioritization and Analysis	<ul style="list-style-type: none">• Level 1: Fire-fighting• Level 2: Reactive• Level 3: Compliance• Level 4: Preventive• Level 5: World-class

The matrix used by the ECNC includes the following key elements:

- **Employee Involvement and Accountability** to establish guidelines and implement a safety disciplinary policy which includes expectations regarding behaviours and participation
- **Management Leadership** to ensure resource availability and program measurement
- **Injury Management** to identify employees with early symptoms and to better track injury trends in order to identify root causes and mitigate risks
- **Education and Training** to support ergonomics awareness and specific training for employees at high risk
- **Program, Compliance and Audit** to implement all program components and audit performance
- **Plant Ergonomics Team** to establish multidisciplinary teams to manage the program
- **Risk Assessment and Hazard Control** to apply controls to identified risks
- **Prioritization and Analysis** to react effectively to incidents

Gildan will reach Level 3 – “Compliance” – at all of its facilities in Honduras by mid-2012. When Level 5 “World-class” of the program is implemented, it will signify that we have systems in place to efficiently identify root causes of injury based on symptoms and pathology. On a practical level, it will mean that Gildan is equipped to initiate actionable items to control hazards and mitigate risk to our employees.

We have also begun to introduce this Ergonomics Program to our other company-owned facilities. This process will be completed in three to five years.

All facilities in Central America now have a functional Ergonomics Committee, which is responsible for risk analysis and implementing processes to reduce the potential for employee injury.



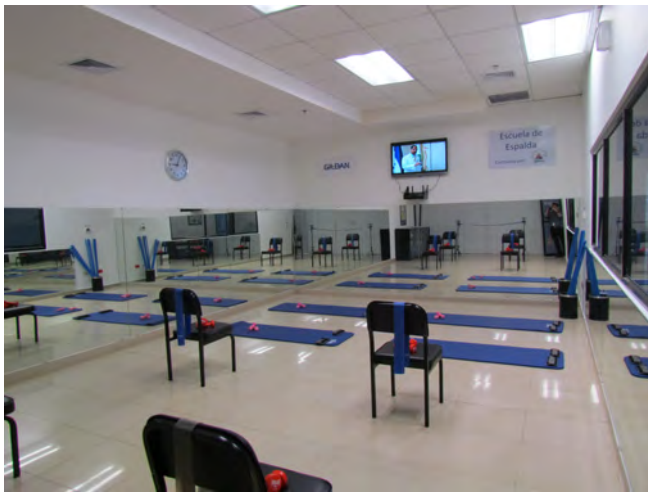
GILDAN’S SCHOOLS FOR BACK HEALTH: A FIRST IN HONDURAS

In March of 2012, as part of its ongoing implementation of a world-class Ergonomics Program and its commitment towards its employees’ health, Gildan inaugurated two Schools for back health. These schools were developed based on a program created by the Honduran Social Security Institute’s Regional Rehabilitation Centre. Seven doctors and 24 nurses from Gildan’s medical team were certified as instructors to provide theoretical and practical sessions to employees. These sessions aim at educating employees on how to take care of their health in order to prevent back pain and improve their overall quality of life. They also include exercises which contribute to reducing pain, preventing relapses and reducing work-related medical leaves.

One of the two Schools for back health is located at our second sock manufacturing facility (Río Nance 4) in Choloma and will service employees at our entire Río Nance manufacturing complex. The other school is located at Gildan’s largest sewing facility in San Miguel. Based on the success of the first two schools, Gildan will evaluate the possibility of opening additional schools at other Company locations.

Employees who will participate in this program, which includes a series of 10 training sessions, will be selected by our doctors through a medical screening process.

Gildan is the first company in Honduras to implement such a program.



WORKING TOWARD IMPROVED ERGONOMICS FOR OUR EMPLOYEES: QUICK FACTS ABOUT OUR ACHIEVEMENTS IN HONDURAS

- By mid-2012, Gildan will have reached Level 3 – “Compliance”. We expect to achieve the next level – “Preventive” – by 2012-2013, followed by the “World-class” level by 2013-2014.
- A team of more than 20 employees composed of EHS Managers, Chiefs, Officers and Coordinators for both the textile and sewing operations is dedicated to raising the Company’s Ergonomics Program to the highest standard.
- In Honduras alone, Gildan has 16 doctors and 28 nurses on staff ready to meet the health needs of our employees.
- Each facility has a Health and Safety Committee and an Ergonomics Committee, composed of approximately 7 employees from various positions and departments.
- All Ergonomics Committee members are trained in MSD identification; prioritization of ergonomic stressors; root cause determination; risk analysis techniques; development of control measures; and design criteria. In addition, they interact directly with production employees to identify risks, receive feedback and implement ergonomics controls.
- In total, Gildan and the ECNC have trained approximately 90 staff experts in ergonomics in Honduras and in Nicaragua who in turn lead the implementation of the Ergonomics Program at each facility.
- To sustain the full functioning of the Program at each facility, approximately 8,000 employees have been trained in ergonomics. This training includes topics such as postures; types of injuries; early symptom indicators; medical intervention; and preventive measures related to work and everyday activities.

- Ergonomics is also included as part of the induction process undertaken by all new employees.

THE GILDAN COMMITMENT TO EXCELLENCE IN ERGONOMICS

As part of the initial review conducted by the ECNC in 2009 with respect to Gildan's ergonomics practices, the ECNC's Senior Ergonomist highlighted the following evidence of Gildan's commitment toward achieving a culture of excellence in ergonomics:

- Tremendous executive leadership support for creating a "peerless" Ergonomics Program
- Cross-functional ergonomics teams have been formed at the plants with the purpose of identifying potential hazards and applying controls to mitigate ergonomics risks
- Strong medical presence in the plant provides a mechanism for reporting discomfort and potential injuries, as well as following up on and monitoring symptoms proactively
- Employees have an opportunity to voice concerns about their work areas
- Training of new hires includes awareness training on body mechanics
- Awareness posters reminding employees of potential job hazards
- In addition to two standard 15-minute rest breaks, employees have two mandatory breaks per day dedicated to exercises designed to help them develop better postures and practice muscle relaxation



HOME > PEOPLE > WORKING CONDITIONS > HEALTH CLINICS

Gildan provides frontline healthcare to all its employees in Central America and the Dominican Republic through fully equipped medical clinics at each of our manufacturing facilities. While focusing on workplace-related health issues, our medical team, composed of 23 doctors and 35 nurses are also often called upon to provide such services as pre-natal care and vaccinations.

During 2011, our doctors from our on-site medical clinics in Central America and in the Dominican Republic provided more than 47,000 medical attentions to our employees.

During 2010 and 2011, more than 21,000 drug prescriptions were filled at one of the clinics at our manufacturing site in Honduras in order to address our employees' health issues. This represents a total of over 315,000 prescribed drugs that were donated by the Company to employees through the drugstore.

In 2010, in Honduras and Nicaragua:

- 4,396 employees were vaccinated free of charge against tetanus
- 7,930 against H1N1
- 60 against Hepatitis B

In 2011:

- 493 Honduran employees were vaccinated free of charge against tetanus
- 1,993 employees in the Dominican Republic were vaccinated free of charge against tetanus
- 232 Nicaraguan employees were vaccinated free of charge against tetanus and 112 against pneumococcus
- 150 of our Nicaraguan employees' children were vaccinated free of charge against H1N1

In the Dominican Republic, Nicaragua and Honduras, in addition to basic health care services, all pregnant employees are also eligible to receive medical advice related to their pregnancy from Gildan's on-site medical staff. At the majority of our facilities in Central America, when employees register for this program, they are given training on various topics such as:

- Special care for pregnant women
- Exercise techniques to facilitate birth
- Care for the newborn (breastfeeding techniques, hygiene and preparing the home environment)

DRUGSTORE

In May 2010, in partnership with the Instituto Hondureño de Seguridad Social, Gildan opened a new drugstore adjacent to our Rio Nance complex clinic in Honduras. All employees working at the complex can benefit from this service.

AN INDUSTRIAL NURSE FOR OUR CHARLESTON EMPLOYEES

At our Charleston, North Carolina facility, our employees also benefit from the presence of an onsite industrial nurse. As an integral part of the Gildan safety program, this nurse provides assistance with pre-employment screening requirements, assistance to employees who are injured on the shop floor, and other illnesses/injuries that may occur during the course of work. In addition, the nurse also works on safety policies and procedures. The nurse's contribution has resulted in an enhanced health care program on several fronts: health and safety awareness; greater medical presence; on-site pre-employment screening; on-site work-related injury assistance; employee morale; and reduced lost time from work.



HOME > PEOPLE > WORKING CONDITIONS > GRIEVANCE MECHANISMS

Early identification of employee-related issues is crucial to ensuring not only basic Code of Conduct compliance but also to creating an engaging workplace, by supporting effective and genuinely open lines of communication between managers and workers. At Gildan, both at our administrative offices and our manufacturing facilities, we accomplish this through formal grievance mechanisms featuring:

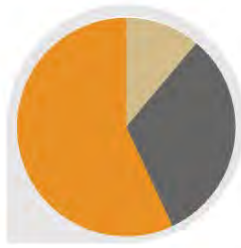
- **Open Door Policy** to encourage any employee to contact management on any matter and receive immediate feedback
- Employee management **roundtables** with clear deliverables and follow-up:
 - Roundtables are organized by the management team and employees in order to identify best practices, discuss grievances, and to collectively develop an action plan for remediation
 - Provide immediate feedback to the employee
 - The frequency of the roundtables varies according to the region: monthly, bi-monthly, or quarterly basis
- **Worker-management committees**
 - Several worker-management committees have been created at our various locations in order to share opinions and help manage a variety of issues in the workplace
 - In addition to the health and safety and ergonomics committees, other committees have been established and meet monthly to discuss subjects including transportation, cafeteria and environmental initiatives, or to address specific issues in a particular facility or office
 - The following are examples of committees that were created, and of some of the excellent initiatives that have been developed as a result.
 - In Honduras, an environmental committee has been created to oversee all environmental activities at our textile complex, such as recycling, reforestation, and circulation of educational bulletins
 - In the Dominican Republic, various committees were formed for employees from various shifts to work on opinion survey results and establish an action plan to work on identified areas of improvement
 - In Barbados, a staff committee is responsible for planning staff activities. It also acts as an information conduit for employees
- **Suggestion boxes**
 - Suggestion boxes located on the production floor and in cafeterias at every manufacturing facility in Central America and the Caribbean Basin are one of the grievance mechanisms used by the employees to report their concerns
 - In 2011, in order to ensure transparency in the process, our facilities in Honduras implemented a new procedure to review and follow up on the concerns raised by the workers:
 - Written messages from the boxes are collected every other week by a regional employee who is independent from the facility management
 - In 2012, this new process will be implemented in Nicaragua and the Dominican Republic

In Honduras, we have received a total of 1,284 suggestions in 2011. The majority of the concerns related to complaints with middle management, cafeteria and salary issues, as well as to complaints which can be resolved through the human resources offices.

Over the years, many successful programs have been initiated based on employee suggestions originating from these suggestion boxes, such as the implementation of the Credit Union program in Rio Nance 4 in Honduras, the construction of a covered parking area for motorcycles at San Miguel, and the establishment of the Green Committee in Barbados.

- **Toll-free Integrity and Social Responsibility Hotline and website link**
 - A toll-free Integrity and Social Responsibility Hotline is available 24 hours a day, seven days a week, enabling Gildan employees to anonymously and/or confidentially report concerns in English, French, Spanish, and Creole -- and soon in Bengali to include our recently acquired facility in Bangladesh
 - This hotline is part of our whistle blowing policy launched in 2004 and is used as a tool for reporting alleged violations of the Gildan Code of Conduct and Code of Ethics
 - The hotline is tested annually by the Company's internal audit department

In 2011, we received a total of 19 complaints; the majority of which related to Human Resources issues, and more precisely to labour issues and workplace conduct. Every complaint has been investigated and followed up by the Employee Concerns and Questionable Acts Committee at the Company's Head Office



2011 Hotline complaints classification

Human resources concerns	57%
Internal controls	11%
General concerns	32%

Each one of the reported complaints is investigated and followed up by management teams or, if submitted through the Hotline, by the Employee Concerns and Questionable Acts Committee. If senior management is involved in the complaint, the Board of Directors is consulted.

USING CREATIVITY TO PROMOTE GRIEVANCE MECHANISMS

At Gildan, we proactively promote available grievance mechanisms and we provide specific training on these mechanisms as part of the induction training for new employees. Colourful posters promoting the grievance mechanisms and the Integrity and Social Responsibility Hotline are also displayed in the common areas of our facilities and offices.

Creative communication means have been developed to continually remind employees of the existence of these mechanisms and to encourage them to use them. For example, in 2010, employees in Honduras participated as actors and cinematographers in the production of a training video on grievance mechanisms.

Throughout 2011, this video aired on Gildan TV at each of our facilities in Honduras. After this popular video was shown on cafeteria television screens, awareness and understanding of the mechanisms improved significantly in Honduras. In order to build on this great success, a similar video was produced in Nicaragua and the Dominican Republic.





HOME > PEOPLE > WORKING CONDITIONS > FACILITY CLOSURES

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

In 2011, Gildan closed the remaining sock manufacturing operations in Ft. Payne, Alabama and consolidated the production at its new vertically-integrated facility in Honduras. The relocation of production capacity was required in order to further improve supply chain efficiencies, reduce manufacturing costs and maintain the Company's competitiveness against Asian imports and other global producers. Close to 300 employees in Fort Payne were affected by this reorganization.

All affected employees in 2010 and 2011 received a minimum 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 collaboration with local organizations.



HOME > PEOPLE > WORKING CONDITIONS > UNIONS

Gildan's Code of Conduct and management team support the rights of workers to freedom of association. The Company recognizes an employee's right to form or join any organization or association of their choosing, including a union, and their right to engage in collective bargaining with the Company.

DOMINICAN REPUBLIC

In connection with its textile operations in the Dominican Republic, the Company was previously a party to a collective bargaining agreement with a union registered with the Dominican Ministry of Labor, covering approximately 900 employees. The collective bargaining agreement was terminated in February 2011 upon the mutual consent of the Company and the union, although it is still claiming to represent a majority of the factory workers. Notwithstanding the termination of the agreement, the Company is continuing to provide all of the benefits to the employees covered by the original agreement. A second union is also claiming that it represents the majority of the workers at the plant and has filed a third-party complaint alleging violation of freedom of association with the Fair Labor Association (FLA), an international labour standards monitor of which Gildan is a participating company. The Company collaborated with the FLA in a verification of the majority representation claim of the second union and has entered into negotiations with this union for the purposes of completing a collective bargaining agreement.

HAITI

In September 2011, a new union named Sendika Ouvriye Takstil ak Abiman ("SOTA") was formed in Haiti to represent workers in the country. Since the formation of the union, various non-governmental organizations have alleged that six of the seven members of the leadership committee representing the union have been fired due to their union activity. Four of the six individuals in question worked for the Genesis factory in Port-au-Prince which is a third party contractor in Haiti supplying Gildan with sewing production. This allegation was confirmed in an independent investigation completed by Better Work Haiti in November 2011. Better Work is a program sponsored by the International Labor Organization and the International Finance Corporation which was launched in 2007 with the goal of improving compliance with labour standards and competitiveness in global supply chains.

After numerous discussions between the various parties and after significant pressure applied by Gildan on Genesis to reinstate the workers, an agreement was reached in January 2012 between the union, the contractors and the impacted workers resulting in their reinstatement. This has been confirmed to us in writing by both Genesis and the union leader. Furthermore, the Worker Rights Consortium (WRC) has issued a public report confirming the agreement reached by the parties.



HOME > PEOPLE > SOCIAL COMPLIANCE

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

A key example of our commitment to being a socially responsible employer at all our geographical hubs is the successful implementation of our Social Compliance Program for labour practices and working conditions. This program is designed to ensure that, at a minimum, all our facilities comply with our own strict internal Code of Conduct, local and international laws, and the codes to which we adhere, including those of Worldwide Responsible Accredited Production (WRAP) and the Fair Labor Association (FLA). When external suppliers are used, they must also adhere to these codes. This is, in fact, a condition for doing business with Gildan.

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



HOME > PEOPLE > SOCIAL COMPLIANCE > METHODOLOGY

Gildan’s facilities have been audited for more than seven years through independent internal and external audits.

All Gildan-owned and long-term contractor facilities are subject to a complete internal or external audit each year. Internal audits are conducted by independent internal regional monitors thoroughly trained on our monitoring guidelines and social compliance program and reporting directly to the Vice-President for corporate citizenship responsible for the Central America and Caribbean regions. Internal compliance auditors are selected and hired based on the job description, which includes a list of required competencies established for the position. Candidates for these positions are recruited and selected based on the identified competencies. New hires follow a series of orientation and training sessions to ensure they have the capabilities needed to fulfill their responsibilities. Yearly performance evaluations are conducted to identify training gaps, among other things, and to develop a personalized training plan designed to enhance each employee’s capabilities and continuously develop their skills. External audits are also conducted by third-party auditors on our behalf.

Basic training required for all compliance staff and/or third-party monitors includes:

- Training on Gildan Code of Conduct
 - Corporate Citizenship staff are required to have been involved in audits either with the FLA, WRAP or with customers’ monitoring programs
 - Speak the local language of their region, with the exception of Haiti where we work with an interpreter in Creole
 - Knowledge on the local laws of their particular area and country
 - Third-party monitors work with trained staff and have been using either their own tools, or those of SMETA or the FLA to conduct external monitoring
 - Corporate Citizenship internal auditors are trained on the Gildan Corporate Citizenship Program and internal monitoring system and tools
- In addition to the internal audits, external audits are also conducted on an ongoing basis at Gildan-owned and contractors’ facilities. These audits are performed by third-party monitoring organizations mandated by the Fair Labor Association (FLA), Worldwide Responsible Apparel Production (WRAP), and by our customers.

Follow-up audits are also conducted at least once a year to assess each facility’s progress and to verify if corrective measures have been implemented to remedy initial findings.

MONITORING TOOLS

In addition to taking into account our own labour compliance requirements and best practices, our auditing and monitoring tools encompass the ones from our major retail customers.

Gildan's monitoring tools include:

- Facility self-assessment questionnaire
- Audit guidelines and management action plan
- Management interview form
- Monitoring guidelines
- Worker interview guidelines

Gildan uses a sampling methodology, based on the SMETA guidelines, to determine the number of documents to be reviewed and the number of individuals to be interviewed.

Gildan's Monitoring Guideline

NUMBER OF WORKERS (EXCLUDING MANAGERS)	LENGHT OF AUDIT	INDIVIDUAL INTERVIEWS	GROUP INTERVIEWS	TOTAL EMPLOYEES INTERVIEWED	WORKERS FILES ANALYZED (WORKING HOURS AND WAGE COMPLIANCE)	TIME SPENT ON INTERVIEWS
1-100	1 DAY	6 (OR TOTAL NUMBER OF WORKERS IF LESS THAN 5)	1 GROUP OF 4	10	10	2.5 HOURS
101-500	2 DAYS	6	4 GROUPS OF 5	26	26	6 HOURS
501-1000	3 DAYS	12	6 GROUPS OF 5	42	42	8.5 HOURS
1001-2000	4 DAYS	20	8 GROUPS OF 4	52	52	12.5 HOURS

Over 2000	4 DAYS	30	10 GROUPS OF 4	70	70	15 HOURS
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ACQUISITION DUE DILIGENCE AND INTEGRATION PROCESS

As Gildan is expanding its presence in emerging markets, the compliance role during the due diligence process is crucial. In order to ensure we make responsible acquisitions, our due diligence process for potential acquisitions takes into account social and environmental risks. Environmental and labor laws, regulations compliance, and compliance to Gildan’s internal social and environmental standards are also considered.

In 2010-2011, we undertook a due diligence process while considering the acquisition of a manufacturing facility in Bangladesh (🇧🇩 Shahriyar) and the acquisition of 🇺🇸 GoldToeMoretz:

- During the Shahriyar acquisition process, we mandated a third-party firm to conduct a thorough social compliance audit, in addition to an environmental due diligence.
- For the GoldToeMoretz acquisition, we performed a detailed review of the past external social compliance audits conducted by their customers. We also visited their most important suppliers to ensure they were aligned with our ethical practices. An environmental due diligence was also performed.

Once an acquisition is completed, we work with the new company to integrate our social and environmental policies and compliance programs by examining gaps and developing action plans to implement corrective actions in a timely manner. The main steps of the integration process are:

- Rolling out of the Code of Conduct and employee awareness training
- Training of auditors
- Performance of internal audits



HOME > PEOPLE > SOCIAL COMPLIANCE > AUDITS

FISCAL 2010

In 2010, 74 monitoring audits were performed, representing at least one visit to each of our 35 production facilities. This includes Gildan-owned facilities, as well as short- and long-term contractors.

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

Seventeen follow-up audits were conducted at Gildan-owned and contractor 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 WRAP, the FLA, Better Work, or by customers.



2010 Audits
complete vs follow up

Complete	77%
Follow up	23%



2010 Audits
internal vs external

Internal	66%
External	34%



2010 Audits
Gildan-owned vs
contractor facilities

Gildan	50%
Contractors	50%



2010 External
audits

Customers	44%
Better Work	16%
Other standards	4%
WRAP	28%
FLA	8%

FISCAL 2011

In 2011, sixty-three monitoring audits were performed, representing at least one visit to each of our 20 production facilities (including Gildan-owned facilities, as well as short- and long-term contractors), except for our Bangladesh facility where the audit will be conducted at the beginning of 2012.

Forty-three complete social compliance audits were conducted at both Gildan and short- and long-term contractor facilities in the United States, Asia, Central America, and the Caribbean Basin. Of these, twenty-two were conducted by Gildan's internal auditors or by external auditors on Gildan's behalf, and twenty-one were conducted by external auditors or assessors for WRAP, the FLA, Better Work or by customers.

Twenty follow-up audits were conducted at Gildan and contractor facilities. Of these, eighteen were conducted by Gildan's internal auditors or by external auditors on Gildan's behalf, and two were conducted by external auditors for Better Work.



**2011 Audits
complete vs follow up**

Complete	68%
Follow up	32%



**2011 Audits
internal vs external**

Internal	63%
External	37%



**2011 Audits
Gildan-owned vs
contractor facilities**

Gildan	63%
Contractors	37%



**2011 External
audits**

Customers	43%
Better Work	22%
WRAP	26%
FLA	9%



HOME > PEOPLE > SOCIAL COMPLIANCE > FINDINGS

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.

2011 INTERNAL SOCIAL COMPLIANCE AUDIT FINDINGS - GILDAN-OWNED FACILITIES

A total of 150 labor-related non-conformities were found in Gildan-owned facilities (10 facilities) during 2011: one major, 82 moderate and 67 minor. As new facilities were in the process of being ramped up in 2011, the number of non-conformities slightly increased.

Most of the 2011 findings (approximately 80%) related to environmental health and safety issues. As this is a highly regulated area, it is the section of our assessment questionnaire that contains the most questions.

The only major finding at a Gildan-owned facility in 2011 was related to delays caused by the local government for the approval of a business license at a new facility which was ramping-up its construction and began production during the year.

The findings at Gildan-owned facilities involved:

- Record keeping, such as incomplete employee contracts.
 - Human Resources employees training has been supplemented to ensure that employees are knowledgeable regarding all requirements of employee contracts.
- Hours of work, such as overtime in excess of the prescribed 60 hours per week.
 - For more details on this temporary issue and its remediation, please refer to the case study presented in the Remediation section.
- Fire safety, such as blocked emergency exits, blocked electrical panel and other minor electrical deficiencies.
 - We have found that non-conformities in this area are often linked to employee negligence. Raising our employees' awareness, through the use of bulletin boards and refresher training courses, and reiterating rules and procedures during health and safety committee meetings, are various ways in which Gildan works toward improving compliance in this area.
- General cleanliness and sanitary conditions, such as cafeteria hygiene and overall upkeep and sanitation in facilities and bathrooms.
 - A sanitation procedure was developed for proper food handling and storage in cafeterias.
 - Regarding overall upkeep and sanitation in our facilities, our quality team is working on developing cleaning manuals as well as a list of procedures to be posted in various areas.
- Machine safety, such as missing needles or eye guards, safety lights on lift-trucks and other missing or deficient safety devices on machines.
 - Refresher training in these areas is important in order to increase employee awareness of the essential nature of keeping these safety devices on the machine, to ensure their own safety.
 - Informing the maintenance department when a safety device is missing on a machine is also a key safety element. Simultaneously, it is also important that the maintenance department replaces missing machine parts or safety items in a timely manner.
- Chemical safety, such as unlabelled containers.
 - For more details on this issue and its remediation, please click [here](#).

In all of the above-mentioned issues, employees, supervisors and management accountability and discipline is very important in order to enforce rules and procedures established on that front. It is necessary to continually increase employee awareness of these rules and procedures. This is why environmental, and health and safety training are essential. At the same time, when there is an obvious case of negligence, supervisors must also apply progressive disciplinary measures consistently as a demonstration of their commitment to Gildan values and practices

In every non-conformity case, detailed remediation plans and, where indicated, in-depth root cause analyses were implemented.



2011 Gildan-owned facilities non-conformities by category



2010 INTERNAL SOCIAL COMPLIANCE AUDIT FINDINGS - GILDAN-OWNED FACILITIES

A total of 103 labor-related non-conformities were found in Gildan-owned facilities (13 facilities) during 2010. Out of these non-conformities, 58 were moderate and 45 were minor.



2010 Gildan-owned facilities non-conformities by category



LONG-TERM HAITIAN CONTRACTOR FACILITIES

A total of 79 labor-related non-conformities were found at our long-term Haitian contractor facilities (four facilities) during 2010. Of these non-conformities, four were major, 36 moderate and 39 minor.

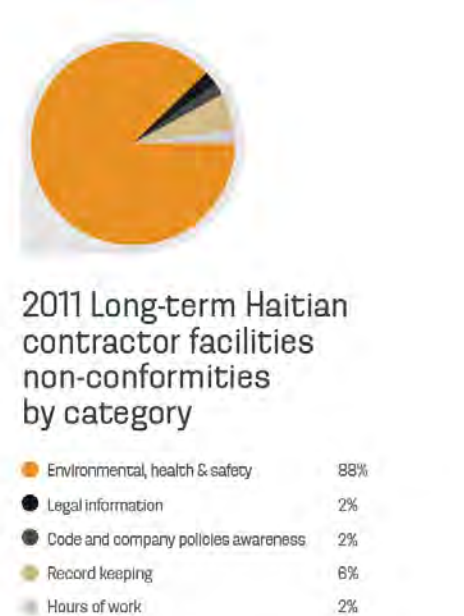
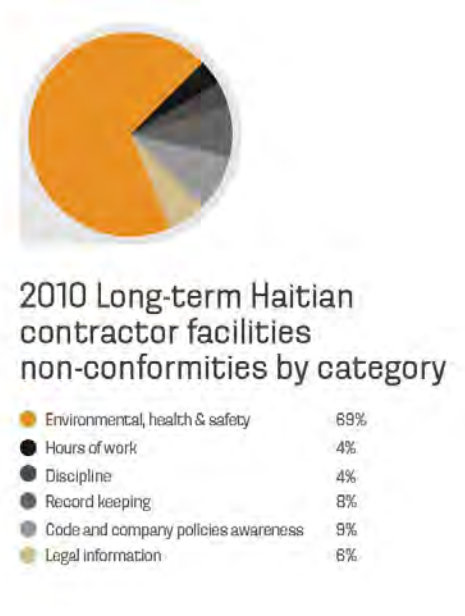
During 2011, a total of 48 labor-related non-conformities were found in our Haitian contractor facilities (four facilities): two of them being major, 28 moderate and 18 minor.

Out of the total of six major findings found at our long-term Haitian contractors during 2010 and 2011, four were related to delayed payments of social security benefits to employees. As soon as these non-conformities were reported, we requested immediate retroactive payments to workers, and contractor management resolved the issue. This situation has not affected health care assistance to workers. One notice of non-conformity was related to the absence of a business license, which was not available at the facility at the time of the audit. The business license was made available at the follow-up audit. Finally, during the most recent audit at one of our contractors' facility in 2011, we identified that the temperature in the workplace was too high. The contractor will remediate this issue during the December closing period in order to make the necessary constructions.

The findings at long-term Haitian contractor facilities involve:

- Lack of Code of Conduct awareness.
 - Gildan's corporate social responsibility coordinator in Haiti provided a Gildan Code of Conduct refresher training course to employees in 2010.
- Record keeping, such as incomplete employee contracts.
 - Although these matters have been remediated, we will continue to work with the contractor management team to enforce best practices in this area.

- Fire safety, related primarily to blocked emergency exits, blocked electrical panels and other minor electrical deficiencies.
 - We have found that non-conformities in this area are often linked to employee negligence. Raising employees' awareness through the use of bulletin boards, courses, and reiterating rules and procedures during health and safety committee meetings, are various ways in which Gildan works toward improving compliance in this area. We will continue to work with the contractor management team to enforce best practices in this area.
- General cleanliness and sanitary conditions, such as workplace temperature, as mentioned above.
 - Non-conformities were also related to inadequate cafeteria and washroom facilities. While some of these non-conformities have already been fixed, we are currently working with our contractor management teams to resolve the remaining concerns in a timely manner.
- Machine safety, such as missing needles or eye guards, safety lights on lift-trucks and other missing or deficient safety devices on machines.
 - We will work with the contractor management team to enforce best practices in this area.



2010-2011 INFORMATION RELATED TO GRI INDICATORS HR5-HR6-HR7

In its effort to ensure that no children are employed in its facilities and the facilities of its contractors, Gildan’s Code of Conduct minimum working age provision has been set to 18 years. Even though in most countries it is legal to work at age 15 or 16, many restrictions apply to young workers (ILO Minimum Age Convention, 1973). For example, young workers are not allowed to perform hazardous duties or work at night (ILO Night Work of Young Person (Industry) Convention, 1919). According to our interpretation of the ILO convention on child labor, we believe that it is appropriate to exclude young workers from our facilities and have decided to set our minimum working age at 18 years. When we acquired our facility in Bangladesh in 2010, a country identified as having significant risk for child labor incidents as it has not ratified ILO Convention 138 on child labor, we conducted a complete screening of employees to confirm that they were all above the age of 18.

Child labor is continually monitored through audits conducted by either Gildan’s internal or third-party auditors in order to alleviate the risk of child labour incidents. In 2010 and 2011, there were no incidents related to child labour either at Gildan-owned facilities or at its contractor facilities.

Although Gildan’s Code of Conduct prohibits the use of forced or compulsory labour, we had one finding associated with involuntary overtime at one of our facilities.

With regards to freedom of association, we experienced two situations during the reporting period. For more details on these issues, please consult our Unions section.



HOME > PEOPLE > SOCIAL COMPLIANCE > REMEDIATION

Remedial actions are verified through follow-up audits and through the use of our Corporate Citizenship database, where facilities can provide details on their remediation actions as well as evidence supporting such actions. We also review the status of all non-conformities on a quarterly basis and report on remediation to the Board of Directors.

Persistent or recurrent findings are given special attention in order to ensure proper remediation is implemented for these concerns as well as assess whether persistent pattern is developing in several facilities. For example, in 2010, a persistent pattern of non-conformity occurred relating to the handling and labelling of chemicals. The issue was brought to the attention of senior management and corrective action was taken to store chemicals in safe containers intended for the handling of chemicals. Employees at all facilities were provided training on the proper handling of chemicals.

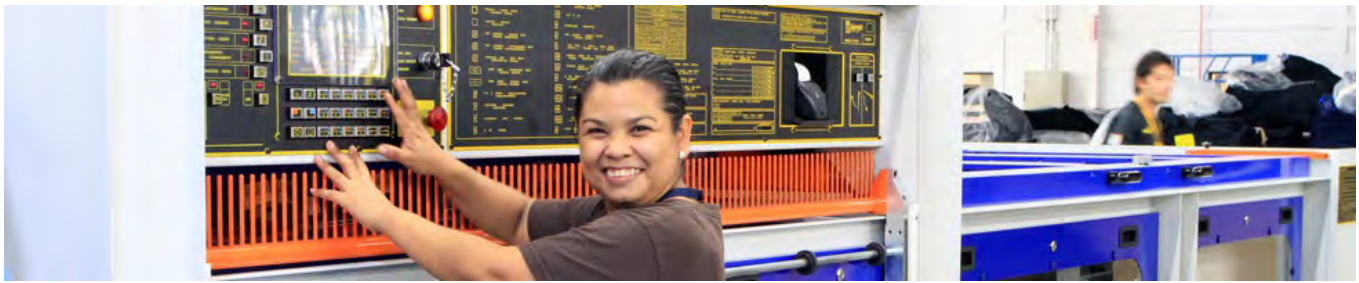
In 2011, we improved our root cause tracking system in our database by linking each finding identified during internal audits to a pre-defined root cause that the user can choose from. With this new functionality, we will be able to conduct further analysis on the most recurrent root causes. We will then be able to report on these root cause statistics at the end of each fiscal year.

AN EXAMPLE OF THE REMEDIATION PROCESS

For the Americas region, the Company operates two main hubs as part of its manufacturing operations, one in Central America and the other in the Caribbean Basin. The Caribbean Basin manufacturing hub operates a textile facility in the Dominican Republic, and sewing facilities in the Dominican Republic and Haiti (third-party contractors). In the past two years, the tragic earthquake and the difficult political situation in Haiti were extraordinary circumstances that impacted our supply chain.

This situation resulted in a number of work stoppages at our contractor facilities, which in turn resulted in the accumulation of fabric at our Dominican Republic textile facility, while demand for our products continued to be strong in the marketplace. As a response, in order to service the demand in the marketplace, the additional inventory was transferred to sewing facilities in Honduras, Nicaragua and the Dominican Republic, causing a temporary situation involving excessive overtime. This issue was reported in 9 of the 12 audits conducted in Central America and in the Dominican Republic, where some workers exceeded the number of regular and overtime working hours.

Although these were unusual circumstances, the Company performed an evaluation of policies and training relating to working hours. Opportunities for improvement were found, for instance, plant managers met with coordinators and supervisors to explain the situation and create awareness about the prohibition of working more than 60 hours per week. The Human Resources Department established a system to monitor accumulated hours on a weekly basis and developed a communication plan with plant management to advise them on the number of hours worked by each employee at each facility. In September 2011, two independent third-party audits were performed and the issue of overtime did not arise.



HOME > PEOPLE > EMPLOYEE ENGAGEMENT PROGRAMS

When individuals begin working at Gildan, they become a valued member of a larger family. This is why we feel it is important for us to develop and implement various programs to better communicate with our employees, to support them in the many aspects of their lives – professional, family, and personal –, to encourage them to adopt a healthy and active lifestyle, and to recognize and reward their unique contribution to our Company.

At Gildan, we believe that such initiatives have the power to make a difference in improving our employees' quality of life at work and at home.

Here are a few examples of local initiatives.

GILDAN TV

In 2009, the Communications Department in Central America identified the need for a better and more efficient mean of communication to our employees. After conducting surveys across our facilities, television was identified as the communication vehicle of preference by our employees. Gildan TV was created in response to this survey and it has become our newest tool in providing our employees information in an easy-to-digest, attention-grabbing manner.

The Gildan closed-circuit TV system allows plant management to broadcast messages to employees through TV monitors which are located throughout our textile and sewing plants, as well as at our health clinics and cafeterias.

The content that airs on Gildan TV is mainly educational and is developed to strengthen awareness of the Company's policies, activities, employee success stories, and community programs, among other items.

In fact, as part of our TV programming, we have decided to include motivational clips composed of success stories from our own employees who have been able to make great changes in their lives thanks to Gildan. Employees with personal, family or work success stories were identified from several facilities, and were pleased to share their stories through Gildan TV as a way of motivating their peers.

After having witnessed the positive results of Gildan TV in Honduras, this creative way of communicating information to employees was extended to other locations. Our Barbados office has also implemented the system and our Charleston facility is in the final stages of introducing Gildan TV.



EMPLOYEE ASSISTANCE PROGRAM

Gildan's Employee Assistance Program is offered to all of our employees in Canada, in the United States and in Barbados, and provides one-on-one counseling to employees dealing with issues such as family matters, and personal, legal or financial problems. In 2011, we implemented the program in Charleston.

Specific to the Las Americas facility in the Dominican Republic, a partnership has been established with the Fenix Foundation to provide employees and their immediate family with psychological support, as needed, in the presence of addiction, personal challenges or domestic violence situations.

COOPERATIVES

Our Honduras and Dominican Republic sewing and textile facilities have formed independent cooperatives in order to provide an incentive and to encourage employees to accumulate savings. These cooperatives assist employees with greater access to loans, which can be difficult to obtain in these countries, and at low interest rates compared with those available through standard banking channels. Participation in these cooperatives is voluntary and may be terminated at any time.

The cooperatives operate as independent legal entities supervised by an administrative manager. All cooperatives are exclusively available for non-management employees, who freely elect a Board of Directors among themselves on a biannual basis. As the cooperatives are located within our facilities, the finance department and external auditors are mandated with ensuring they are properly managed and operated in compliance with local regulations.

In Honduras, 11,320 employees are affiliated with these cooperatives. We are proud to report that in 2010-2011, approximately U.S. \$ 10,350,000 was granted in loans. More than \$15 million dollars have been loaned to employees in Honduras through the cooperatives since 2007 to October 2011.

In the Dominican Republic, Gildan is affiliated with an independent cooperative, which operates at Industrial Free Zone Las Americas, to offer this program to its employees. During fiscal 2011, our employees in that region received a total of 4,600 loans, which amounted to U.S.\$ 1,330,000.

THANK YOU CARDS

In 2011, our Charleston facility initiated a unique way of rewarding employees whose behavior and contribution to the Company are outstanding: Thank You Cards.

The rationale behind this initiative is to encourage peer-to-peer recognition for outstanding performance and to foster a sense of community within the Gildan organization. How it works? Employees who notice a peer performing above and beyond what is required, or who makes a contribution in one of the eight areas listed below, are encouraged to write a Thank You card and present the appropriate section of the card to their co-worker as an acknowledgement of their special contribution. The other section of the card is given to the Human Resources Department for the employee's file. Employees who receive a card then become eligible to receive a Thank you gift through a draw held among all recipients for a given period.

The eight categories are:

- Ethics and integrity
- Awareness of laws/rules/company policies/procedures
- Integrity of records
- Protection of company assets
- Employee relations
- Health and safety
- Customer relations
- Social responsibility

These areas are closely linked to our Code of Conduct, values, priorities and best practices.

WHEN BABY ARRIVES

At our facilities in Central America and in the Dominican Republic, our pregnant employees are given a baby shower celebration before their maternity leave. The Company uses this opportunity to present a variety of gifts including diapers, baby care products, and a complete and well-balanced meal which reinforces the importance of a healthy nutrition.

GILDAN'S SAVING OUR FAMILY PROGRAM IN HONDURAS

An assistance program called Saving our Family, which has been in place at a number of our textile and hosiery facilities in Honduras since 2009, was extended to all our Honduran facilities in 2011. This program responds to a need expressed by many of our employees, who requested support in handling personal issues and family situations in an effective and non-confrontational manner. The Saving our Family Program provides employees with free access to confidential counseling conducted by a certified professional specialized in marriage and family affairs. In 2012, we will be expanding this program to our Nicaraguan facilities.

FAMILY DAYS

At our Dortex facility in the Dominican Republic, Gildan sponsors Family Days, which are held twice a year. During these two-day events called "Juntos en familia," employees are encouraged to invite relatives, visit the facility, share a lunch at the Company's expense, and take part in lots of games, food, raffles and contests. Our objective in doing this is to foster employees' pride in their jobs and for their relatives to better understand the type of work they do.

In 2011, more than 5,500 employees and members of their families attended the events, during which conferences are also offered to employees on subjects linked to health. Dental consultations are also available for children.



CHILDREN'S FESTIVAL

Gildan has been celebrating an annual Children's Festival at both of its sewing facilities in Nicaragua since we started our operations in 2004. The Festival, which is held in December, is dedicated to our employees' children. This year, more than 3,000 boys and girls enjoyed a day filled with sports activities, a variety of games, as well as plenty of food and candy.

CELEBRATING EARTH DAY AT GILDAN

During the week of April 30th 2011, our Honduras and Nicaragua facilities celebrated Earth Day through various activities.

Honduras

1. The Earth Day Fair was organized to offer our employees' children a range of enjoyable activities centered around the environment and conservation.
 1. A children's drawing contest was the highlight of the day, with the enthusiastic participation of more than 80 children ranging from 5 to 14 years of age.
 2. Presentations were made to educate children on a number of topics related to the environment, such as the importance of recycling and reforestation.
 3. Children were invited to calculate their personal environmental footprint and enjoy different games.
2. Approximately 30 employees volunteered to participate in a reforestation activity at our San Miguel sewing facility.

Nicaragua

Gildan's Nicaragua sewing facilities also joined in on the Earth Day celebrations by organizing a drawing contest in which employees' children were invited to participate. A total of 300 children happily participated in the contest and the award ceremony that followed.



COMMITTED TO AN ACTIVE WAY OF LIFE

In several of our locations, we have put programs in place to encourage our employees to adopt an active, healthy way of living. For instance, in the Dominican Republic, a Gildan Sport program was implemented to promote an active lifestyle and encourage team spirit among our employees. As part of this program, a Gildan basketball team was created, which has proved to be extremely popular.

In addition, our employees in Barbados held a three month "Commit to be Fit" competition, which included exercise routines and healthy lifestyle tips. Participating staff were divided into teams, with Gildan employees acting as trainers for each group. At our head office in Montreal, we established partnerships with gyms located close to our various offices in order to offer discounts to employees wishing to join.





HOME > PEOPLE > EMPLOYEE ENGAGEMENT PROGRAMS > EMPLOYEE VOLUNTEERING PROGRAM

Each year, a number of employee volunteering activities are organized locally at the various Gildan locations. For instance, reforestation activities are being held in Honduras, Nicaragua and in the Dominican Republic. Gildan teams contributed to their communities by painting a school’s walls in Honduras, delivering school supplies and toys to children in Central America, or serving meals to the elderly in Nicaragua or at the Old Brewery Mission in Montreal, Canada.

In addition, the Company provides support to employees who volunteer their personal time to community projects through The Gildan Employee in the Community Program, in which, Gildan makes a donation in cash to the organizations in which employees do volunteer work.

“REGALANDO SONRISAS CON GILDAN”

Employees at two of our sewing facilities in Honduras (San Miguel and San Jose) have volunteered to develop the “Regalando Sonrisas con Gildan” (Giving Smiles with Gildan) campaign. Each year since 2004, just before Christmas, our employees have donated toys to children living in underprivileged communities near Gildan’s facilities. In 2010, more than 100 employees volunteered to participate in the delivery of more than 4,800 toys.



CELEBRATING SENIOR DAY IN NICARAGUA

In December, Nicaraguans celebrated Senior Adult Day during an afternoon filled with activities organized by the Nicaraguan Institute of Social Security (INSS), such as music, dance, poetry, and games for the elderly to enjoy. In 2010, Gildan Rivas donated food for the 500 seniors attending the event, at which a group of employees volunteered to serve food.

BLOOD DRIVES IN EDEN

Twice during 2011, employees at our distribution facility in Eden, North Carolina, participated in a blood drive organized by Gildan in collaboration with the American Red Cross. A total of 66 employees volunteered to donate blood, resulting in a total of 55 units of blood collected.

SERVING MEALS AT THE OLD BREWERY MISSION

In keeping with Gildan’s commitment to supporting communities, in 2011 two groups of 14 Gildan employees in Montreal volunteered to participate in a unique experience at the Old Brewery Mission, by serving an evening meal to hundreds of homeless people.



HOME > PEOPLE > METRICS

CLASSIFICATION OF GILDAN EMPLOYEES WORLDWIDE BY GENDER AND AGE GROUP

	MALE	FEMALE	18-30	30+
2010	53%	47%	66%	34%
2011	53%	47%	65%	35%

GILDAN EMPLOYEES WORLDWIDE BY CONTRACT TYPE

	2010	2011
TEMPORARY	1.8%	2.4%
PERMANENT	98.2%	97.6%

WORK-RELATED INJURY AND SEVERITY RATES 2008-2011

	2008	2009	2010	2011
INJURY RATE	1.8	0.92	0.54	0.41
VARIANCE INJURY RATES		- 49%	- 41%	- 24%
SEVERITY RATE	10.9	8.05	4.08	3.88
VARIANCE SEVERITY RATES		- 26%	- 49%	- 5%



Gildan reduced its energy intensity by 5% in 2011



27% of our energy consumption comes from renewable sources



While production volume increased by 17%, greenhouse gas emissions intensity across all Gildan facilities decreased by 13% from 2010 to 2011



In 2010 and 2011, Gildan recycled 80% and 92% respectively of our total waste.

HOME > ENVIRONMENT

At all levels of its operations, Gildan is keenly aware of the fact that we operate as part of a greater whole – the environment in which we live and work. This translates into a heightened sense of responsibility to preserve our existing environmental resources and, as well, to develop processes designed to reduce as much as possible the effect of our activities on our physical surroundings.

In an era of growing resource depletion and environmental degradation, a narrow, compliance-based approach will not generate the kind of results we need to reduce our environmental footprint, improve the lives of those who work for us or live near us, and ensure our long-term competitiveness. Gildan is therefore committed to developing innovative environmental solutions that make the best use of our manufacturing facilities and our focus on operational excellence.

Gildan's environmental program accomplishes two core objectives: it reduces our environmental impact while preserving the external natural resources the Company utilizes.



ENERGY

Improving energy efficiency to reduce our environmental impact

Gildan is committed to reducing our reliance on fossil fuels by finding alternate sustainable energy sources and production processes.



WATER

Optimizing our water use throughout our processes

We are continually devising ways to minimize our water use and enhance the quality of our wastewater effluent.



EMISSIONS

Creativity in finding alternate sustainable energy sources

Gildan is committed to reducing its greenhouse gas emissions through energy conservation efforts.



WASTE

Continuously reducing waste through reuse and recycling

One of our key objectives with regard to environmental sustainability is waste reduction through recycling and the establishment of waste prevention measures at all stages of the production cycle.



BIODIVERSITY

Preserving the health of our ecosystem

At Gildan, we are passionate about not only preserving, but enhancing the environment in which we live and work.



POLICIES AND PROCEDURES

Developing strong guidelines to lead our actions

Gildan has implemented specific tools and programs to implement our environmental practices and ensure we meet our environmental sustainability objectives.



ENVIRONMENTAL COMPLIANCE

Going beyond legal requirements

We implemented a number of evaluation and verification methods to ensure that we are compliant with all applicable environmental laws and regulations, as well as our internal Environmental Policy.



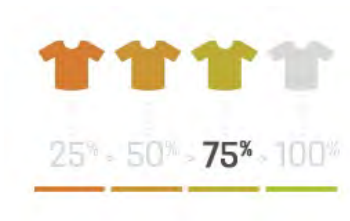
HOME > ENVIRONMENT > GOALS & TARGETS

Policies and Procedures

Goal
Complete the development of Gildan’s environmental management system to comply with the ISO14001 standard in Honduras

Timeline:
2013

Progress:
Ongoing

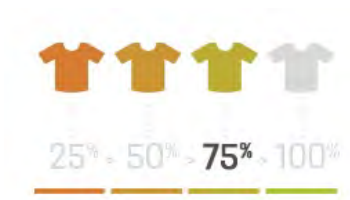


Energy

Goal
Establish energy reduction targets

Timeline:
2012

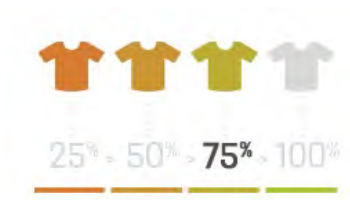
Progress:
Ongoing



Goal
Identify new initiatives to further reduce energy consumption

Timeline:
2012

Progress:
Ongoing

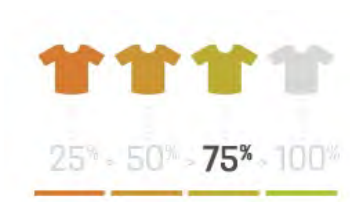


Greenhouse Gas (GHG) Emissions

Goal
Establish GHG emissions reduction targets

Timeline:
2012

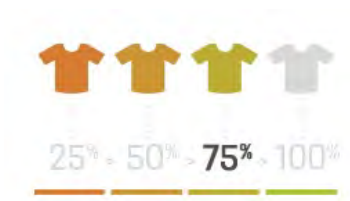
Progress:
Ongoing



Goal
Identify new initiatives to further reduce GHG emissions

Timeline:
2012

Progress:
Ongoing



Waste

Goal
Establish waste reduction targets

Timeline:
2012

Progress:



Ongoing



Goal

Identify new initiatives to further reduce waste

Timeline:

2012

Progress:

Ongoing



Water

Goal

Establish water reduction targets

Timeline:

2012

Progress:

Ongoing



Goal

Identify new initiatives to further reduce water consumption

Timeline:

2012

Progress:

Ongoing



Database

Goal

Add new environmental indicators to Gildan’s social and environmental database in order to expand on internal and external reporting

Timeline:

2012

Progress:

Completed



Goal

Conduct an annual refresher training to users in all regions

Timeline:

2012

Progress:

Ongoing



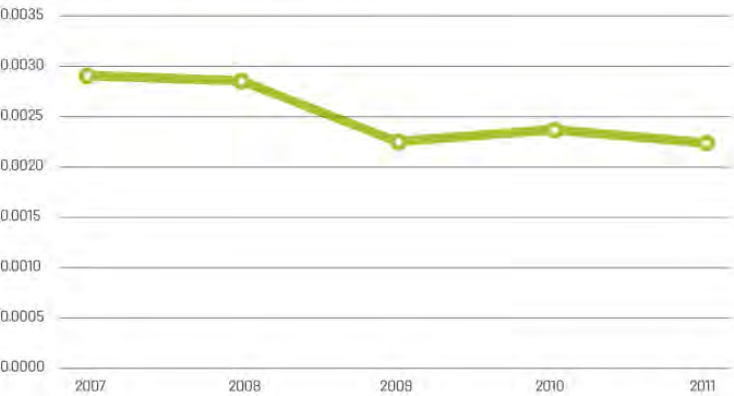


HOME > ENVIRONMENT > ENERGY

Energy consumption is directly linked to greenhouse gas emissions and climate change. Gildan's greatest sources of energy are bunker fuel and electricity. Bunker fuel is used primarily to heat water necessary for our dyeing and compacting process – it is classified as “direct energy”. The balance originates from purchased electricity, classified as “indirect energy”. Our yarn-spinning process at our joint-venture facility in the United States represents a large part of the electricity we use.

In 2011, the global energy consumption by all facilities – including Haitian contractors, but excluding our Bangladesh facility – and offices, including direct and indirect energy, was approximately 4,227,527 Gigajoules, compared to 3,810,039 Gigajoules in 2010. While production volume increased by 17%, energy consumption only increased by 11%.

2007-2011 Energy intensity
(Gigajoule per kg of products)



In 2011, we reduced significantly our bunker fuel consumption, resulting in an 18% reduction. This is largely attributable to the increased use of biomass instead of bunker fuel.



2011 Energy use per process

● Textile manufacturing	73%
● Sewing operations	5%
● Hosiery manufacturing	14%
● Distribution centers	2%
● Others	6%



HOME > ENVIRONMENT > ENERGY > RENEWABLE ENERGY

Like most manufacturing facilities in the countries in which we operate, the energy source used by our plants has traditionally come from fossil fuels, particularly bunker oil. Fossil fuels have been the focus of much attention in recent years as they generate greenhouse gas emissions, which have a damaging effect on the environment, thus contributing to global warming. In addition, fossil fuels are non-renewable — and increasingly costly — resources.

Gildan is in the process of finalizing the transition of its steam generation plants from fossil fuels to biomass steam generation in Central America and in the Caribbean Basin. As a first step, in February of 2010, we completed the installation of a biomass system in our Dominican Republic textile manufacturing facility. We are pleased to report that this system is now supplying the vast majority of our steam requirements. Likewise, in Honduras, our two hosiery facilities have been using biomass systems since August and November 2010. We're particularly excited to announce that a similar biomass system — which will be our largest — is currently under construction and will provide the steam needed to power our three textile facilities in Honduras. This newest addition to our environment-conscious strategy is scheduled to be operational in May 2012.

Once completed and fully ramped up for all five Honduras facilities, annual bunker fuel savings are estimated at approximately 19,000,000 gallons.

In the Dominican Republic, the system substitutes fossil fuel with biomass such as agricultural residues and selected packaging and production leftovers.

In Honduras, the burning biomass consists of a variety of agro-forestry residues – mainly African palm - and non-fossil industrial residues from Gildan's production processes. Within the next year, cultivated crops harvested from agricultural energy plantations will be mixed with the above, representing roughly 95% of the biomass mixture.

KEY BENEFITS OF THE HONDURAS BIOMASS SYSTEMS

- The dedicated energy crops plantations at our textile facilities provide numerous and diversified jobs in urban and rural areas, reducing migration flow to the cities.
- The energy from plantation-grown biomass is considered a carbon neutral process, therefore, it does not contribute to global warming and climate change.
- Biomass crops combustion generates less ash than coal with the advantage that the generated ash can be used as organic soil fertilizer.
- Biomass crops contain very low levels of sulfur.
- Biomass crops are a local source of fuel, independent of fluctuating oil prices. Their use in developing countries greatly reduces economic pressures resulting from oil derivatives and increases the country's energy autonomy.
- Biomass is a reliable, long-term fuel supply.
- Biomass supports the development of agro-industries for the production of renewable and clean energy.



HOME > ENVIRONMENT > ENERGY > ENERGY EFFICIENCY PROJECTS

Improving energy efficiency and thereby reducing our environmental impact remains a priority at all of our facilities.

Gildan's current condensate return rates, at all of its textile and hosiery facilities, are close to 90%, which translates into substantial conservation of both energy and water. Condensate is the liquid resulting after steam energy has been used in a heat transfer process. Condensate is warm water containing chemical additives that can be reused to produce steam, at just one-third of the cost of generating steam from fresh water and new chemicals. Much of the energy consumed in our processes is used to heat the water used in the fabric dyeing process. Several heat recuperation systems have been incorporated into the condensate return loop, boiler's surface and bottom purges - used to clean solids accumulations. Using these heat recovery systems, we are able to pre-heat water and have it available when required by our different processes, thus reducing the amount of steam needed to reach the process temperature. This way, Gildan reduces its energy and consumption costs and engages in effective water conservation.

GILDAN'S ACHIEVEMENTS IN REDUCING VARIOUS TYPES OF ENERGY CONSUMPTION

- The hot water heating project was completed at four Gildan facilities - our textile facility in the Dominican Republic, as well as two textile facilities and a hosiery facility in Honduras. The remaining textile and hosiery facilities in Honduras will be completed by the end of 2012 as we ramp up production at these locations. Also noteworthy, the bunker heating control system and condensate recovery process at just one of our textile facilities in Honduras will save approximately 2,000 gallons of bunker fuel per month.
- At one of our facilities in Honduras, cold water supply to one of our processes has been switched to hot water use, thus reducing our bunker consumption by 200 gallons per day. This shift will be implemented at our four other Honduras facilities by the end of 2012.
- In 2010, we completed a project which aims at reducing operating steam pressure of our compactors from 80 psi to 30 psi at two of our textile facilities in Honduras, providing an estimated bunker fuel saving of 600 gallons per month.
- Boiler management and combustion control systems were installed at one textile facility and the two hosiery facilities in Honduras during 2010. This type of system provides better control of energy consumption, resulting in an approximate bunker fuel saving of 3,000 gallons per month. Combined with the addition of bunker flow meters installed at all our textile and hosiery facilities in Honduras, this instrumentation provides us with the tools necessary for quantifying the exact amount of energy consumed, thus helping us to better manage it. Water and steam flow meters were also installed for dryers and dyeing machines, allowing us to measure the amount of steam used and therefore giving us better control over our water and energy use. We are also utilizing this type of measuring device for our chemical dispensing equipment in order to obtain more accurate results with regard to our energy and chemical consumption.
- At our San Miguel sewing facility in Honduras and at our two sewing facilities in Nicaragua, the lighting system was changed from 75W lamps (wattage originally installed in the facilities) to 59W lamps. This reduced our energy consumption without impacting workers' vision, safety or production quality. Our second sewing facility in Honduras is in the process of installing 59W lamps, and our new hosiery facility will be equipped with the new generation of LED lights. This will further reduce our electricity consumption, as well as our air conditioning requirements, as LED lighting does not produce heat. We will publish the results of these initiatives over the course of 2012.




HOME > ENVIRONMENT > WATER

Water is consumed extensively in our dyeing process. For this reason, we are continually devising ways to minimize our water use and enhance the quality of our wastewater effluent. While our effluent waters are in compliance with local regulations, our goal is to exceed regulatory requirements and to recycle more water throughout the various stages of our manufacturing processes. In addition, we are continuing to research programs designed to enable water recycling.

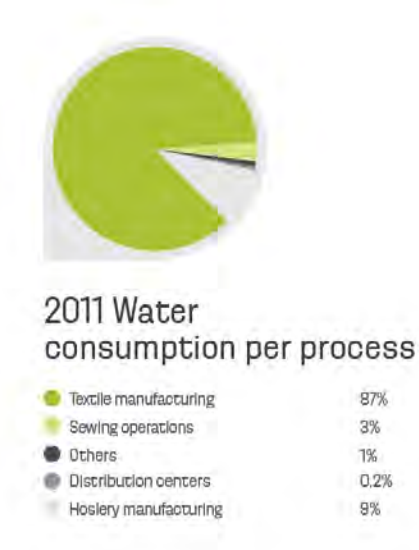
WATER CONSUMPTION

In 2010, Gildan completed the installation of water meters at all of its facilities and has begun measuring water consumption on a more global and consistent basis. As we were in the process of adjusting the meters over the course of 2010, our water consumption data commences from 2011.

In 2011, the global water consumption from all facilities and offices (excluding our Haitian contractors and our Bangladesh facility) was approximately 12,251,696 m3 or 0.0663 m3/kg of products. Based on the U.S. Environment Protection Agency's  Best Management Practices for Pollution Prevention in the Textile Industry, our water consumption represents a good average for the textile industry. Gildan sources the vast majority of its water needs from either wells (98%) and only a small percentage from the city (2%).

The textile facilities consume 87% of Gildan's total water demands, mostly resulting from the dyeing process.

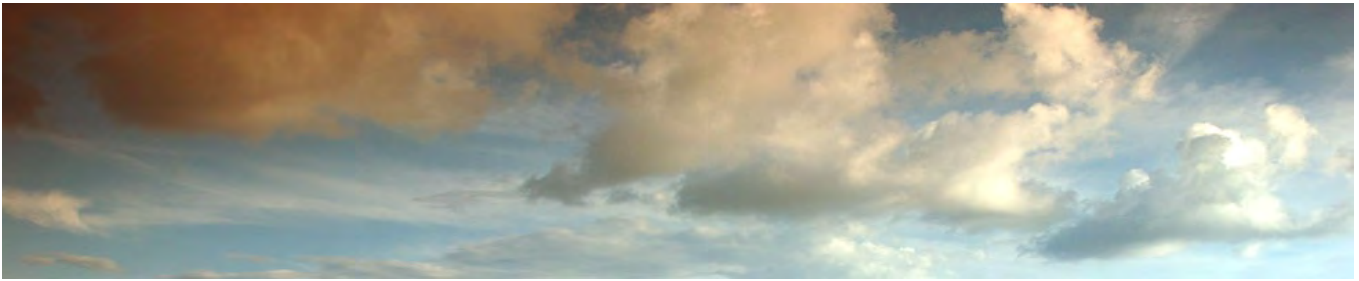
It is important to note that no water source is significantly affected by the withdrawal of water: our withdrawal amounts are below 5% of the annual average volume of any given water body. We do not withdraw water from any Ramsar-listed wetlands or water bodies that are recognized as being particularly sensitive.



WATER EFFICIENCY

As demonstrated in our first life cycle assessment (LCA), which was conducted in 2010, water consumption and disposal have significant environmental impacts. We're continuing to focus our efforts on reducing water use.

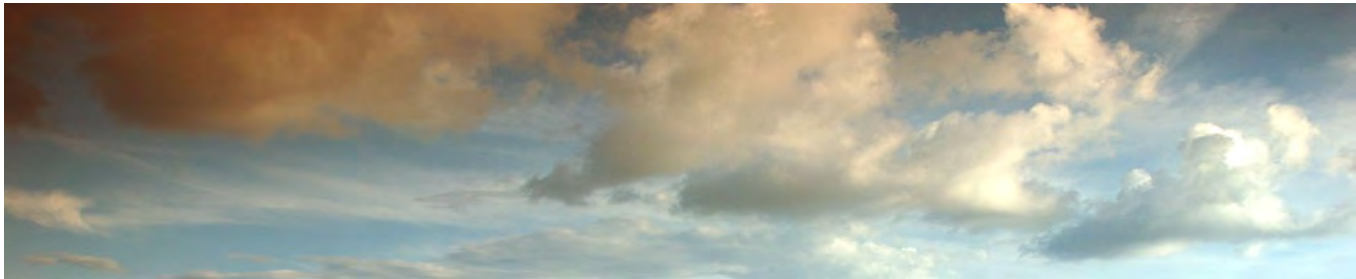
In 2010 and 2011, we completed the testing phase of our brine recovery system in Honduras, which will recycle the salt and water used in the dyeing process, using a significant amount of water. The purpose of this system is to mechanically recover the salt from the dyehouse effluents that contain the highest concentration of salt, in order to reuse it in various stages of our dyeing process. Once this system is fully functional, both our water and salt consumption will decrease. The system will then be implemented in the Dominican Republic.



HOME > ENVIRONMENT > EMISSIONS

Gildan, through its various phases of production, generates different types of emissions into the environment: greenhouse gas (GHG) and other air emissions, wastewater and spills.

We manage these emissions and mitigate their impact on the environment through detailed procedures contained in our Environmental Management System.



HOME > ENVIRONMENT > EMISSIONS > GHG EMISSIONS

The relationship between energy consumption and climate change has been widely recognized. This new reality poses a number of legislative, physical and financial risks to our operations.

Gildan is committed to reducing its greenhouse gas emissions (GHG) through energy conservation efforts. We also aim to reduce our reliance on fossil fuels by finding alternate sustainable energy sources and production processes. This will not only reduce our environmental footprint, it will also lower costs and improve our operational efficiencies.

While production volume increased by 17%, greenhouse gas emissions intensity (tons of CO₂eq per kg of product) across all Gildan facilities decreased by 13% from 2010 to 2011. This improvement was achieved via a greater focus on energy efficiency throughout the Company, as well as our increased use of renewable energy.

MEASURING GREENHOUSE GAS EMISSIONS

We have been measuring greenhouse gas emissions since 2006 at Gildan-owned facilities and offices, as well as at our Haitian contractors' facilities. Gildan has been participating in the Carbon Disclosure Project since 2008. Concurrently, we have concentrated our efforts on the implementation of energy efficiency projects as well as renewable energy initiatives, such as the biomass project, in order to reduce our greenhouse gas emissions.

In 2011, the global greenhouse gas emissions from all facilities and offices (including Haitian contractors, but excluding our Bangladesh facility), including direct and indirect emissions, were reduced from those of 2010. Specifically, in 2011, our absolute greenhouse gas emissions were measured at approximately 346,663 tCO₂eq, compared to 338,810 tCO₂eq in 2010.

- 53 % of these emissions were direct emissions
- 47% were indirect emissions from purchased electricity

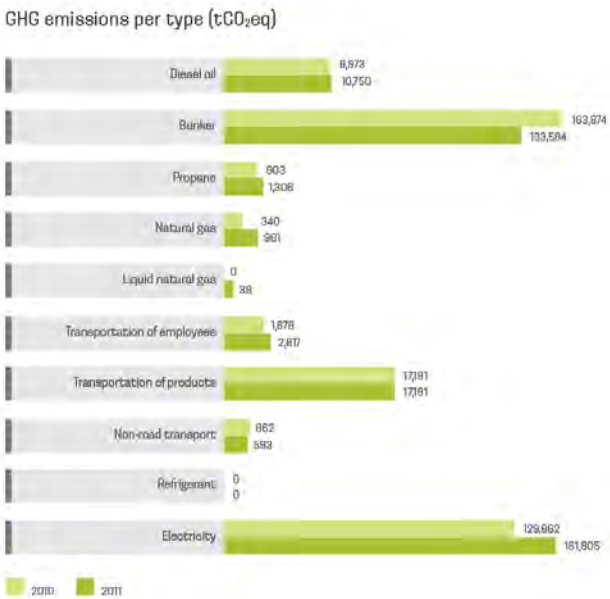
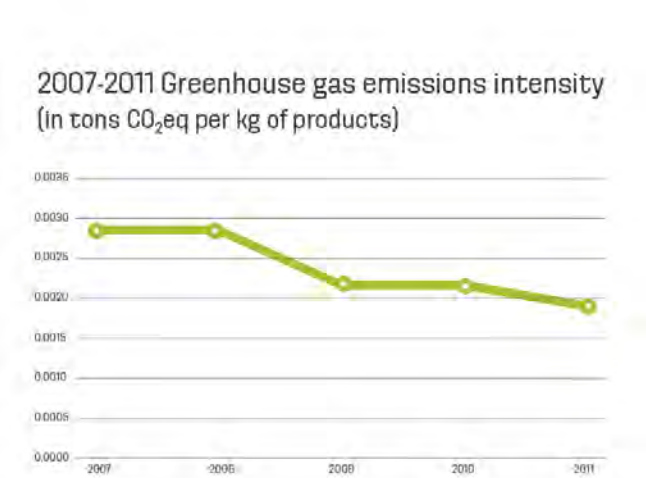
Direct greenhouse gas emissions originate primarily from:

- Combustion of fossil fuel to generate electricity; heat and steam; works in progress and finished products; transportation of raw materials and transport for employees using Gildan-owned vehicles;
- Fugitive emissions, mainly from handling and use of refrigerants

Each activity has a specific source of greenhouse gas emissions. Electricity represents the main source of emissions for all our operations, with the exception of dyeing operations, for which bunker fuel combustion remains the main source of emissions.

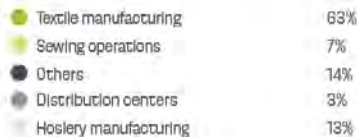
Absolute indirect greenhouse gas emissions are generated at sources owned or controlled by other organizations with the use of purchased electricity. Indirect emissions increased in 2011 as the result of the ramp-up of a new hosiery facility and the expansion of our sewing operations in Honduras. Operations for these facilities consume a significant quantity of electricity, specifically for the knitting and sewing machines. In addition, as we completed the ramp-up of our new distribution center in Charleston (United States), we increased our air conditioning use and consequently the electricity consumption at this facility.

In 2011, Gildan decreased greenhouse gas emissions intensity by 13% compared to 2010, which represents the greatest single year reduction achievement since the Company has been tracking such data.





2011 Greenhouse gas emissions per process (in tons CO₂eq)



TRANSITION TO NATURAL GAS

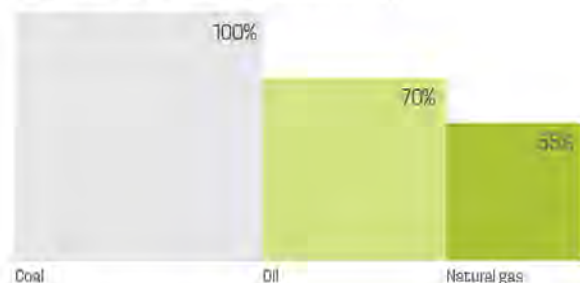
In 2011, we started using liquid natural gas at our Dominican Republic textile facility. Liquefied natural gas, or LNG, is natural gas (predominantly methane, CH₄) that has been converted temporarily to liquid form for ease of storage or transport. The advantages of LNG include the following:

- Liquefied natural gas takes up roughly 1/600th the volume of natural gas in the gaseous state.
- It is odorless, colorless, non-toxic, and non-corrosive.
- This reduction in volume makes LNG much more cost efficient to transport over long distances where pipelines do not exist. Where moving natural gas by pipelines is not possible or economical, it can be transported by specially designed cryogenic sea vessels (LNG carriers) or cryogenic road tankers.

Gildan's transition to natural gas is primarily attributed to the following:

- Natural gas is the cleanest of all the fossil fuels: its combustion emits fewer pollutants into the atmosphere than other fossil fuels.
- The use of natural gas does not contribute significantly to smog formation as its combustion releases very small amounts of sulfur dioxide and nitrogen oxides, virtually no ash or particulate matter, and lower levels of carbon dioxide, carbon monoxide, and other reactive hydrocarbons (bunker or coal) than other fossil fuels.
- As illustrated in the graph entitled *Comparison of CO₂ emissions levels between coal, oil and natural gas*, the combustion of natural gas emits almost 30% less carbon dioxide than oil, and just under 45% less carbon dioxide than coal.
- For this reason, it can be used to help combat smog formation in those areas where ground level air quality is poor.

Comparison of CO₂ emissions levels
between coal, oil and natural gas (percentage)



RISKS RELATED TO GREENHOUSE GAS EMISSIONS

Our manufacturing plants generate air emissions, which are controlled by the installation of specific chimneys and filters. For the years 2010 and 2011, the environmental protection requirements did not have a significant financial or operational impact on the Company's capital expenditures, earnings and competitive position. To manage Gildan's exposure to regulatory changes, the Company works with its local management teams, who are regularly informed of potential changes to regulations that might be instituted by local governments. It

allows Gildan to be proactive and to continue improving its processes and technologies.

Physical impacts related to climate change can affect individual facilities. Most of our facilities are located in geographic regions that are exposed to the risk of, and have experienced in the past, hurricanes, floods and earthquakes. Naturally, such events could have a material adverse impact on our business. To manage the physical risks mentioned above, Gildan has built its facilities to withstand difficult climate conditions and are above the 100 years flood lines.

Our facilities have been constructed on raised land, using structural design and materials capable of resisting hurricanes. In addition, the Company is protected by an insurance policy that covers loss of assets and business interruption in the event of natural disasters such as earthquakes, hurricanes and floods. Our local management teams monitor climate conditions on a regular basis and adequate emergency response plans are implemented at all sites, in order to protect employees and assets in case such natural disasters occur.



HOME > ENVIRONMENT > EMISSIONS > WASTEWATER MANAGEMENT

THE GILDAN BIOTOP® SYSTEM

Gildan has created a highly efficient biological wastewater treatment system at its Honduras and Dominican Republic plants. The Biotop® system has been in use since the facilities’ inception, in 2002.

The purpose of the system is to treat wastewater through a series of lagoons in which pH is naturally stabilized. Biotop® is a wastewater treatment process that has yielded excellent results while maintaining an extremely rich ecosystem just beside our production facilities. It provides a number of important advantages over traditional chemical-treatment based systems:

- Bacteria virtually eliminate 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 area lagoons
- Water treated by this biological system is suitable for agricultural use in surrounding communities which in fact helps local farmers
- The system does not consume fossil fuels
- The 40-day retention time in the system protects against sudden changes in production or accidental spills of dangerous liquids in the production process
- Water entering the local ecosystem is free of all contaminants and is continuously monitored for compliance with local requirements
- The clean water is then released into a drainage channel that flows into the nearest river

The water discharged in the Biotop® is monitored in accordance with the following indicators: biological oxygen demand (BOD5); chemical oxygen demand (COD); pH, total dissolved solids (TDS); total suspended solid (TSS), oxygen; oil and grease; temperature; coliform bacteria; colour; nitrogen kjedahl; nitrogen ammonia; phosphorus; detergents; phenols; sulfide; and heavy metal.

Gildan does not discharge water into any protected rivers or wetlands.

We enforce a strict control of all the effluents discharge from our wastewater treatment. Each facility is obligated to meet the local regulation as well as the Gildan standards. The Gildan standards for effluents were created to establish a target level for all the facilities. If we operate in a country where there is no specific regulation for the wastewater or where the regulation is very basic, the facility is nevertheless obligated to meet the stringent Gildan Corporate Standard. To develop this standard, we have listed the regulations of all the countries in which we operate, in addition to widely-accepted international standards, and selected the highest norm to include in the Gildan Corporate Standard, which is applied at all of our facilities.

The table below is an example of parameters we monitor at our Biotop®: chemical oxygen demand (COD), biological oxygen demand (BOD), total suspended solids (TSS), nitrogen kjeldahl and phosphorous. For each of these parameters, the table shows our own corporate standard, as well as our 2010-2011 measurements. Gildan’s performance for all the parameters is better than the standard.

PARAMETERS

	CHEMICAL OXYGEN DEMAND (COD) [MG/L]	BIOLOGICAL OXYGEN DEMAND (DBO ₅)[MG/L]	TOTAL SUSPENDED SOLIDS (TSS) [MG/L]	NITROGEN KJELDAHL [MG/L]	PHOS- PHORUS TOTAL [MG/L]
GILDAN CORPORATE STANDARD	200.00	50.00	50.00	30.00	5.00
BIOTOP AVERAGE FY 2010	161.85	45.29	44.72	6.16	2.48
BIOTOP AVERAGE FY 2011	131.85	35.35	38.47	4.93	2.80



USE OF A BIOLOGICAL REACTOR TO ENHANCE THE EFFLUENT TREATMENT PROCESS

Following our success with the Biotop® technology, Gildan has initiated a new biological reactor system for the treatment of our most recently constructed textile facility (Rio Nance 5) effluents. The new system is scheduled to commence to operating by April 2012.

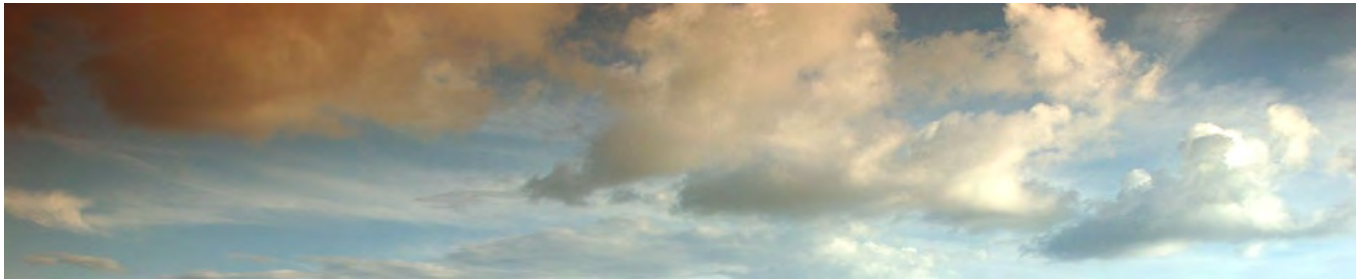
As part of our commitment to reducing our environmental footprint while maintaining operational efficiencies, after careful research and consideration, Gildan has determined that biological oxidation represents an advantageous wastewater treatment process for this facility. This is due to two factors: its positive results and its low operational costs. The biological reactor will work in tandem with the Biotop® in order to guarantee a continuous and safe wastewater treatment system. Gildan's biological reactor represents an environmentally friendly and socially responsible solution.

While researching options for effluent treatment at our new textile facility, Gildan looked for the optimal solution based on the following criteria:

- Environmentally friendly: respect for the ecology has always been one of Gildan's pillars; we must do our best to supply quality apparel while aiming to reduce our environmental footprint to zero. We believe we owe this to future generations.
- Socially responsible: our treatment plants not only clean water, they also create jobs; we focus on improving the quality of life of our employees through training and education programs for them and their families.
- Reliable: the system must run 24/7 and must comply with the latest environmental regulations at all times.
- Long-lasting and technologically-advanced: only leading-edge equipment from the most renowned manufacturers is installed at Gildan facilities in order to ensure maximum quality and continuous support to our production processes.

The biological reactor met all these criteria. In addition, since it does not require a lot of space, this system optimizes land use when the

available land is limited.

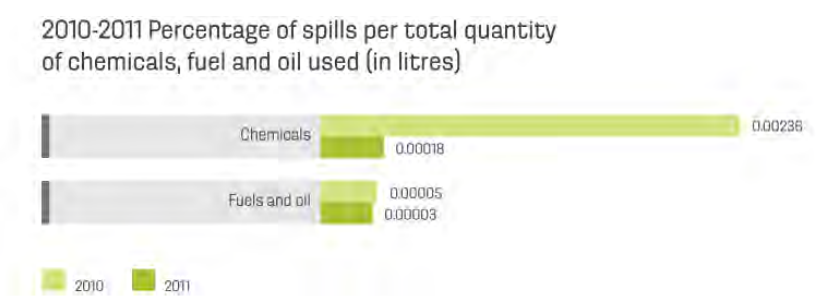


HOME > ENVIRONMENT > EMISSIONS > SPILLS

Gildan’s goal is to prevent all spills resulting from its supply chain, operations and transportation systems. To this end, we have implemented preventive measures and reinforced our retention infrastructure to ensure that spills resulting from human error do not impact the environment. Spill monitoring is a critical part of our Environmental Management System which is done based on a spill reporting procedure. Significant environmental accidents are reported to regulatory authorities. A complete root-cause analysis is conducted to develop sustainable corrective measures to prevent recurrence.

When a spill occurs, our internal spill-control procedure outlines how to secure and manage substances. At each facility, we have an emergency spill brigade that collects the spilled liquid and verifies that residual contaminants are managed appropriately.

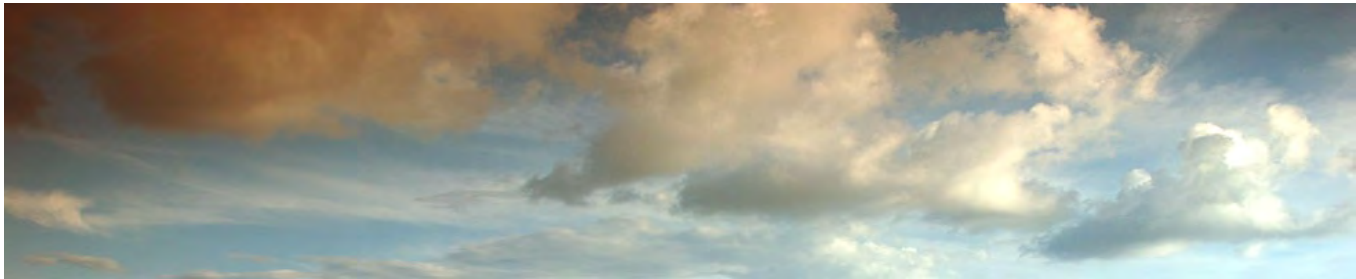
Spilled substances can be either eliminated or recovered: when possible, we recuperate the spilled substance and reuse it in our processes. When it is not possible to recover the spill, either because it contains dirt or other undesired substances, it is eliminated with absorbents or other cleaning methods as required by our spill-management procedures. Eliminated spilled liquids are then sent as hazardous waste to a licensed waste management company for proper disposal.



At this time, the spills data does not include results from both our Haiti contractors and our manufacturing facility in Bangladesh, which was acquired in 2010.

In each reported instance, the spill was over a concrete floor and was cleaned with the appropriate emergency material. There was no resulting environmental impact. Following these incidents, a report was issued and corrective actions were implemented in order to prevent such recurrences at each facility.

In 2011, Gildan conducted a total of 6,600 man-hours of training regarding chemical and spill management.



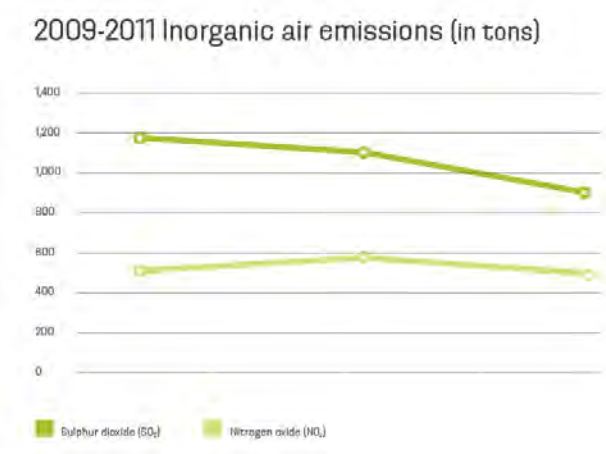
HOME > ENVIRONMENT > EMISSIONS

INORGANIC AIR EMISSIONS

In 2011, our inorganic air pollutant emissions totaled 1,614.4 tons: 1,058.2 tons of sulfur dioxide (SO₂) and 556.2 tons of nitrogen oxide (NO_x).

From 2009 to 2011, Gildan achieved a 23% decrease in SO₂ emissions. This correlates with the Company’s substitution of fuel oil for boilers with biomass at our textile facility in the Dominican Republic as well as at our hosiery facilities in Honduras.

In fact, bunker fuel, used primarily for heat generation during the dyeing process phase, represents the first source of emissions. Diesel, which is used by the generators to produce energy when necessary, also constitutes an important source of emissions.



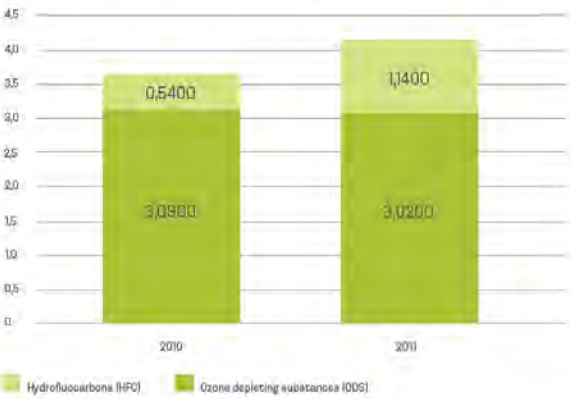
OZONE DEPLETING SUBSTANCES INVENTORY

Gildan is committed to ensure proactive initiatives and rigorous follow up towards the elimination of HCFCs in our processes. In this perspective, Gildan conducted its first ozone depleting substances (ODS) inventory in 2010. The review revealed that the most frequent ODS that can be found in our facilities was the hydrochlorofluorocarbon (HCFC) R22 refrigerant, primarily used in our oldest air conditioning units.

In order to minimize the use of synthetic refrigerant materials, we undertook various initiatives to replace HCFCs inventories with chlorine-free hydrofluorocarbon (HFC), a natural refrigerant material which has an ODS factor of zero. For instance, HCFCs in existing equipment are being gradually replaced by HFC when refilling becomes necessary. All new equipments purchased are HCFCs free.

As a result of these initiatives, in 2011 on a global scale, our total ODS inventory was approximately 3.0 tons, compared to 3.1 tons in 2010 which represents a 2% decrease.

2010-2011 Ozone depleting substances (in tons)





HOME > ENVIRONMENT > WASTE

At Gildan, one of our key objectives with regard to environmental sustainability is waste reduction through recycling and the establishment of waste prevention measures at all stages of the production cycle.

Gildan’s Waste Management System, developed in 2007 and implemented over the course of 2008 and 2009, is based on the 4R-D concept: source Reduction, Reuse, Recycle, Recovery, and Disposal. It consists of identifying and quantifying all waste by type and weight on a monthly basis, and ensuring effective waste management and control.

Implementing this Waste Management System involved several key steps representing best practices, which were communicated to supervisors and production staff at each facility in Central America and the Caribbean Basin through comprehensive training sessions. Dedicated on-site environmental staff supported key steps of the program, including:

- Overview of waste classification
- Process for handling each type of waste
- Site-specific information for cafeteria, office and facility waste reduction and streaming
- Creation of additional facilities to store waste where necessary
- Process for documenting and reporting waste data
- Identification of impact our business has on the environment
- Identification of opportunities to continue raising awareness and integrating waste management practices

The best practices that are part of Gildan’s Waste Management System are designed based on the highest of the following: our own corporate standard or what is required by the laws in the countries in which we operate.

In 2010-2011, Gildan continued to analyze the types of waste generated at each step of the textile and sewing production process in order to identify additional waste that could be recycled through local recycling companies.

Although our total waste intensity increased by 47% in 2011 – due mainly to improved measurement processes and the addition of ashes produced by our biomass systems in our waste inventory - the amount of waste recycled from this total increased considerably. In 2010 and 2011, Gildan recycled 80% and 92% respectively of our total waste. Waste sent to landfills also decreased by 28%.

2010-2011 Waste per type (in tons)



HAZARDOUS WASTE

Gildan’s hazardous waste includes oils and chemicals. Special waste includes batteries and fluorescent lights. At all of our facilities, hazardous waste are reused or disposed of by licensed waste management companies. In Canada, the United States, Honduras and the Dominican Republic, batteries and fluorescent lights are separated for proper disposal by certified companies. Our facilities in Nicaragua are currently seeking certified companies for special waste disposal in order to avoid sending batteries and fluorescent lights to landfills.



HOME > ENVIRONMENT > BIODIVERSITY

The number and diversity of vegetal and animal species is a key indicator of the health of any ecosystem and ultimately influences quality of life for people living in or adjacent to this ecosystem.

Our Environmental Management System (EMS) includes a Biodiversity and Soil Use procedure that specifies that for every tree we cut, we replant ten.

On a global scale, in 2010 and 2011, Gildan planted more than 7,900 trees, along with 17,300 plants and shrubs through reforestation activities led by our employees.

GILDAN EMPLOYEES: MAKING AN ENVIRONMENTAL DIFFERENCE AROUND THE WORLD

At Gildan, we are passionate about not only preserving, but enhancing the environment in which we live and work. With this philosophy in mind, we celebrate environmental events such as Earth Day and Environment Day at all of our facilities in Central America and in the Caribbean Basin.

Honduras

As part of our ongoing commitment to protecting biodiversity, more than 130 employees from our textile facilities in Honduras participated, for the second year in a row, in the Reforestation Day, which took place in September 2011. Our volunteers planted more than 700 trees, along with 3,000 plants and shrubs in the Biotop®, our biological wastewater treatment system.

Nicaragua

In the summer of 2011, 100 employees from our two sewing facilities volunteered in reforestation events to celebrate Environment Day.

A team of volunteers from Gildan’s sewing facility in Rivas planted more than 100 trees in the La Conchagua community near our facilities. Our employees from San Marcos participated in a cleaning and reforestation activity, planting 500 shrubs and plants beside the La Flor River, one of the most affected areas around San Marcos.

Dominican Republic

In October 2011, Gildan’s environmental committee in the Dominican Republic, Huellas Verdes or Green Footprints, together with technicians from the Ministry of Environment of the Dominican Republic, organized its annual reforestation activity to commemorate Reforestation Month.

We are proud to report that in 2011 more than 120 staff volunteers planted 1,400 trees at the Eco Park Vara de Capá.





BIODIVERSITY INVENTORY

Every two years, as part of our overall environmental impact assessments, we conduct, through a third party, biodiversity inventories in the Dominican Republic and Honduras.

Dominican Republic

The most recent inventory of our land in the Dominican Republic, performed in September 2010, revealed increased biodiversity:

- 35 bird species (an increase from 14 in 2009)
- 4 reptile species (an increase from 2 in 2009)
- 1 amphibious species
- 3 fish species
- 2 mammalian species

In addition, 23 of the above species were also found to be living in or around the Gildan Biotop® wastewater treatment plant.

Our inventory process confirmed once again that the Dominican Republic's national bird, Cigua Palmera (*Dulus dominicus*), a locally protected species, continues to live and thrive in the environment of our Biotop® system.

Honduras

In April 2011, the first inventory at our Honduran manufacturing complex revealed that 33 animal species were living in or around the Gildan Biotop® wastewater treatment plant:

- 25 bird species
- 3 reptile species
- 5 amphibious species







HOME > ENVIRONMENT > POLICIES & PROCEDURES

Gildan has implemented specific tools and programs to implement our environmental practices and ensure we meet our environmental sustainability objectives.



HOME > ENVIRONMENT > POLICIES & PROCEDURES > ENVIRONMENTAL POLICY

Gildan's practices are guided by the  Environmental Policy (pdf - 30.5Kb) we adopted in 2003. Rigorously applied at all facilities, the policy describes and reinforces behaviours that ensure that we meet and/or exceed local laws, as well as our own higher standards. This encompasses areas such as water use; wastewater control; waste management; energy; chemical handling; and control of atmospheric emissions, as well as ozone-depleting substances, biodiversity protection and greenhouse gas emissions.

ENVIRONMENTAL EXPENDITURES

Gildan incurs environmental expenditures in order to comply with environmental laws and regulations, our own Environmental Policy and to continue to improve its practices.

The total environmental protection expenditures for 2010 and 2011 were respectively around \$4.5 million and \$9.2 million. This comprises total operational costs (including effluents; Biotop[®] maintenance; waste disposal and management; emissions treatment; spills clean-up) and investment costs.

Examples of investment costs for 2010-2011:

- Additional Biotop[®] lagoons to absorb our production capacity increase in Honduras
- Upgrading of one section of the Biotop[®] system at our textile facility in the Dominican Republic in order to improve the system already in place
- Improvement of waste and fuel storage facilities at various sewing plants
- New biomass project in Honduras
- Equipment purchases for the new biological reactor



HOME > ENVIRONMENT > POLICIES & PROCEDURES > ENVIRONMENTAL CODE OF PRACTICE

Our Environmental Code of Practice (ECP) was created in 2003 and has been integrated into all Gildan-owned facilities. The ECP lists the allowable materials to be used in our manufacturing processes – materials that do not contain substances that are harmful to humans or the environment. Our raw material suppliers are required to agree to adhere to the stringent standards of our Code.

The ECP has multiple benefits:

- It guarantees our customers that our products are clean and safe for their health
- It ensures a safe working environment for our employees
- It minimizes our environmental impact

RAW MATERIAL CLASSIFICATION

Class I: The raw material meets the Gildan Environmental Code of Practice. Therefore, from an environmental perspective, is approved for use in our manufacturing process.

Class II: Results indicate that the testing information provided was insufficient. Therefore, the supplier is required to provide additional information within three months in order to finalize testing before the material is approved for inclusion in our manufacturing process.

Class III: Materials are deemed unacceptable according to the terms of the Gildan Environmental Code of Practice and are therefore rejected. These materials are not used in our manufacturing process.

EMBELLISHING OUR CODE, IMPROVING OUR PRACTICE

As a reflection of our commitment to continuous improvement, our Environmental Code of Practice is regularly updated to include chemicals related to the apparel sector which are newly banned or restricted by Oeko-Tex, REACH, California's Proposition 65, EPA, OSHA, and Environment Canada. In total, the current version of the Code restricts 892 chemicals. To facilitate the search for specific chemicals in the ECP, a Restricted Substance List is included, disclosing all substances that are restricted and indicating the category of the chemical, its name and its Chemical Abstracts Service (CAS) number.

The new regulations have added updated requirements for a wide range of product components, including cotton; polyester; chemicals; solvents; threads; trim; accessories; waistbands and elastics; bags; ozone depleting substances; fluorinated greenhouse gases; and asbestos.

Additionally, a new section has been created to address "Service Chemicals" which are used in boilers; wastewater treatment; chillers; machine maintenance; pest control; and cleaning, among others.



HOME > ENVIRONMENT > POLICIES & PROCEDURES >
ENVIRONMENTAL MANAGEMENT SYSTEM

Using the Gildan Environmental Management System (EMS), we have tracked how our environment policy and environmental procedures are being implemented at all of our facilities. Verified by internal audits which are conducted on a bi-annual basis, the EMS allows us to evaluate our procedures for managing water use; wastewater; energy; chemical handling and storage; raw materials; waste; biodiversity protection; emissions; and spills control.



HOME > ENVIRONMENT > ENVIRONMENTAL COMPLIANCE

At Gildan we have devised a number of evaluation and verification methods to ensure that we are compliant with all applicable environmental laws and regulations, as well as our internal Environmental Policy. As a result of our commitment to the environment and to the health and safety of our employees, we incur capital and other expenditures each year that are aimed at achieving compliance with current environmental standards.

ENVIRONMENTAL ASSESSMENTS

As part of its Environmental Management System, Gildan conducts a complete analysis of potential environmental issues specific to each location where we operate in order to prevent and address any adverse impact that our operations might create at the location and in the surrounding community. Part of this process includes public consultation with members of the community who are invited to ask questions to Gildan representatives involved in implementing the technical aspects of a given project.

In 2010, environmental assessments were conducted in order to obtain our environmental license relating to our Rio Nance complex in Honduras, including the wastewater treatment system, biomass facility, waste management, and other services.



HOME > ENVIRONMENT > ENVIRONMENTAL COMPLIANCE > AUDITS

Environmental audits are conducted on a regular basis in order to evaluate the efficiency and effectiveness of our Environmental Management System and to ensure we comply with laws and regulations, and our own stringent internal standards. Deficiencies are classified as having a major, moderate or minimal impact. We strive to identify the causes of the deficiencies and to take the necessary corrective actions. The frequency of the environmental audit depends on the manufacturing activities being performed at the facility and the level of potential environmental impact those activities might have.

CLASSIFICATION OF ENVIRONMENTAL NON-COMPLIANCE

Major Impact / Major Non-Compliance: Violation of environmental laws causing a high environmental impact or high risk of causing an environmental impact. Time frame for remediation: immediate.

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. Time frame for remediation: two months.

Minor Impact / Minor Non-Compliance: Minor environmental impact or minimal risk of causing such impact. This observation can also refer to the need for initiating environmental continuous improvement measures. Time frame for remediation: six months.

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.



HOME > ENVIRONMENT > ENVIRONMENTAL COMPLIANCE > FINDINGS

In 2011, 12 complete and 16 follow-up environmental audits were performed at all textile, hosiery and sewing, except for two sewing facilities which will be audited during the first quarter of fiscal year 2012. Most of the non-conformities were related to chemical management/spill control (52%), waste management (18%), and fuel management/spill control (15%). There were no major non-conformities.

In 2010, 14 complete and 14 follow-up environmental audits were performed at all Gildan textile, hosiery, sewing and dyeing/finishing facilities, during which time 103 non-conformities were discovered, 29% of which were moderate and 71% minor. The majority of the non-conformities were related to chemical management/spill control (25%), waste management (21%), and fuel management/spill control (15%). There were no major non-conformities.

FINE

In 2011, Gildan received a fine of 101,000 Lempiras (approximately US\$ 5,600) at one of its textile facilities in Honduras. This was due to the annual environmental monitoring reports which were not submitted to the Environmental Authorities (SERNA, Secretaria de Recursos Naturales y Ambiente) using the appropriate form. We had been using the previous version of the form, which contained fewer sections, as our legal representatives had not been informed by SERNA that the form we were using was incomplete. As a result, we challenged the fine, requesting additional time to adjust and re-submit the report. The report was re-submitted on June 28, 2011. We are currently reviewing the forms being utilized at all Gildan facilities in order to ensure that we are using the appropriate form.



HOME > ENVIRONMENT > ENVIRONMENTAL COMPLIANCE > REMEDIATION

In order to address the non-conformities identified through our environmental audits, various remediation actions were initiated in 2010 and 2011 as described below.

- We created and implemented a Chemical Code of Practice, which is a new procedure aiming to improve the chemical management at our facilities in order to reduce spills and chemical accidents. All employees managing chemicals at our facilities were trained on this new procedure;
- We reinforced the environmental awareness among our employees by conducting approximately 13,000 man-hours of training;
- We improved the waste temporary storage area at some facilities to increase the area dedicated to recycling waste;
- The fuel storage area was improved at some facilities by adding oil-water separators to minimize the potential for soil and surface water contamination;
- We enhanced the signage in all areas where chemicals, oils and fuel oils are used;
- Water meters were installed throughout all our facilities enabling our environmental team to measure the water consumption and create water reduction programs; and
- We promoted further recycling across our facilities and offices, including the services areas, to encourage our employees to adopt better practices in this regard.



HOME > ENVIRONMENT > METRICS

When possible, we have disclosed information for up to 5 years.

2007-2011 ENERGY CONSUMPTION

	2011	2010	2009	2008	2007
ABSOLUTE DIRECT ENERGY (GJ)	3,021,019	2,851,347	2,482,951	2,965,019	2,870,723
ABSOLUTE INDIRECT ENERGY (GJ)	1,204,497	956,682	980,801	1,242,596	1,089,053
ABSOLUTE TOTAL ENERGY (GJ)	4,225,516	3,808,029	3,463,752	4,207,615	3,959,776
TOTAL ENERGY INTENSITY (GJ/KG)	0.0229	0.0242	0.0225	0.0288	0.0299
% INTENSITY VARIATION	-5%	7%	-22%	-4%	
% RENEWABLE ENERGY	27%	15%	n/a	n/a	

At this time, the energy consumption data does not include results from our manufacturing facility in Bangladesh which was acquired in 2010.

[Read more about our energy consumption](#)

2007-2011 GREENHOUSE GAS EMISSIONS

	2011	2010	2009	2008	2007
ABSOLUTE DIRECT GHG EMISSIONS (Scope 1) (tCO ₂ eq)	184,858	212,819	214,178	244,656	221,128
ABSOLUTE INDIRECT GHG EMISSIONS (Scope 2) (tCO ₂ eq)	161,805	129,862	120,930	180,772	160,203
TOTAL ABSOLUTE GHG EMISSIONS (Scope 1 and 2) (tCO ₂ eq)	346,663	342,681	335,108	425,428	381,331
TOTAL GHG EMISSIONS INTENSITY (Scope 1 and 2) (tCO ₂ eq/kg)	0.0019	0.0022	0.0022	0.0029	0.0029
% INTENSITY VARIATION	-13%	-0.3%	-25%	0%	

At this time, the greenhouse gas emissions data does not include results from our manufacturing facility in Bangladesh which was acquired in 2010.

[Read more about our GHG emissions](#)

2009-2011 INORGANIC AIR EMISSIONS (IN TONS)

	2011	2010	2009
NITROGEN OXIDE (NO _x)	513.3	576.4	534.7
SULFUR DIOXIDE (SO ₂)	912.6	1,116.7	1,178.7

TOTAL INORGANIC AIR EMISSIONS	1,425.9	1,693.1	1,713.4
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At this time, the inorganic air emissions data does not include results from our manufacturing facility in Bangladesh which was acquired in 2010.

[Read more about inorganic air emissions](#)

2010-2011 OZONE DEPLETING SUBSTANCES (IN TONS)

	VARIATION 2010-2011	2011	2010
CFC INVENTORIES	-100%	0	0.01
HCFC INVENTORIES	-2%	3.02	3.08
HFC INVENTORIES	111%	1.14	0.54
TOTAL REFRIGERANT INVENTORIES	15%	4.16	3.62
TOTAL ODS	-2%	3.02	3.09

[Read more about our inorganic ozone depleting substances](#)

2011 WATER CONSUMPTION

	2011
ABSOLUTE WATER (M ³)	12,251,696
WATER INTENSITY (M ³ /KG)	0.0663

At this time, the water consumption data does not include results from both our Haiti contractors and our manufacturing facility in Bangladesh, which was acquired in 2010.

[Read more about our water consumption](#)

2010-2011 WASTE

	2011	2010
HAZARDOUS WASTE (TONS)	207	152
NON-HAZARDOUS WASTE (TONS)	57,901	33,657
TOTAL ABSOLUTE WASTE (TONS)	58,118	33,810
VARIATION, ABSOLUTE WASTE	72%	
TOTAL WASTE INTENSITY (TONS/KG)	0.0003	0.0002
VARIATION WASTE INTENSITY	47%	

At this time, the waste data does not include results from both our Haiti contractors and our manufacturing facility in Bangladesh, which was acquired in 2010.

[Read more about our waste](#)



In 2010, Homeboy Industries was selected via a panel of judges to receive a donation of \$100,000 as part of the "I Support..." program.



Since 2005, Gildan gave U.S.\$ 966,000 to the Instituto Politécnico Centroamericano, a Honduran technical institute.

HOME > COMMUNITY

Gildan is already amongst the largest employers in the countries where the majority of our manufacturing facilities are located and has an important business presence in Canada (Montreal, Quebec), Barbados and the United States (North Carolina, South Carolina). 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 increasingly 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. Education is therefore one of our key areas of involvement in each of the communities in which we operate. Furthermore, as some of the countries where we operate are more frequently struck with natural disasters, the Company has also been actively involved in providing quick humanitarian aid when necessary.



COMMUNITY DEVELOPMENT

Generating social and economic added-value

In addition to creating diversified employment opportunities, Gildan's presence in a community generates a positive impact on a great variety of local businesses and service providers.



DONATIONS

Supporting youth education and humanitarian aid

We believe that investing in youth education can have a transformational impact as it builds job and life skills and prepares a whole generation to contribute to their own community.



HOME > COMMUNITY > GOALS & TARGETS

Existing Policies and Procedures

Goal
Review Gildan’s community investment policy, its areas of focus and the procedures to further standardize the program

Timeline:
2012

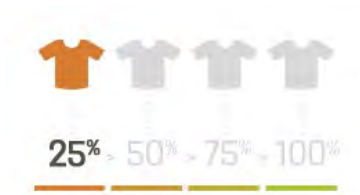
Progress:
Ongoing



Goal
Expand Gildan’s volunteering program

Timeline:
2012

Progress:
Ongoing



New Initiatives

Goal
Establish major charitable partnerships with organizations whose mission is in line with Gildan’s community involvement objectives

Timeline:
2012

Progress:
Ongoing





HOME > COMMUNITY > COMMUNITY DEVELOPMENT

Gildan operates manufacturing and distribution facilities in Honduras, Nicaragua, the Dominican Republic, 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.

In these countries, our operations and activities generate a social and economic added-value in the communities surrounding our facilities and offices, especially where Gildan is a major employer, such as in Honduras or in Barbados.

BUILDING ON LOCAL MANAGEMENT TEAMS

It is common practice at Gildan to hire local employees. We have always placed emphasis on putting in place 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 training opportunities, we are creating both optimum conditions in our facilities and benefiting our employees’ families, the community and economy. This has been a key ingredient in our operational success.

In 2011, Gildan’s global proportion of local managers – director level and up – was 63%.

2011 Percentage of local managers (director level and up) by country

REGION	2011
CENTRAL AMERICA	69%
CARIBBEAN BASIN	18%
NORTH AMERICA	98%
ASIA	81%



CONTRIBUTING TO THE LOCAL ECONOMY

In addition to creating diversified employment opportunities, Gildan’s presence in a community generates a positive impact on a great variety of local businesses and service providers, for instance, transportation, food services and local suppliers for materials such as dyes, buttons, zippers, boxes and office supplies. It is Gildan’s common practice to buy the majority of its materials locally.

2010-2011 Percentage of non-yarn supplies purchased from local suppliers*

REGION	2010	2011
CENTRAL AMERICA	85%	85%
CARIBBEAN BASIN	73%	80%

* Local suppliers are providers of materials and products based in our two main manufacturing hubs.

ADDRESSING LOCAL SPECIFIC NEEDS

Gildan brings a significant contribution to community development through in-kind and cash donations, primarily to youth education and humanitarian aid related causes. These donations are managed locally, following the criteria set at the Company's head office and included in Gildan's Donation Policy. The vast participation of our employees in the various activities organized through our Employee volunteering program has had appreciative impact, and further accentuates Gildan's impact within the local institutions.

Our local management teams and our employees represent our eyes and ears in order to identify the essential needs and investment priorities in their own communities. For instance, in Honduras, a large survey was conducted amongst the employees in 2008 in order to obtain a better portrait of the basic needs of our employees – and at the same time of our communities – in terms of education, health issues, nutrition, etc. A similar survey was conducted in the Dominican Republic in 2010. These exercises provided us with a better understanding of our employees' needs and allowed us to develop and align our employee programs accordingly.

At the beginning of 2011, in Nicaragua, we launched a program called “Part of your Life” through which our employees are invited to provide ideas of community projects they would like the Company to be involved in. One of the first investment project that was selected was the Pedro Chamorro Joaquin School, to which Gildan donated a total of U.S.\$ 22,000 to repair the ceiling of the school's 19 classrooms. These are only a few examples of the many initiatives undertaken by Gildan in each of the local communities in which we operate.

Relationships are also established with local authorities, such as the mayor, municipal authorities, local charities or education and health related institutions, in order to identify other projects that would benefit the whole community and in which Gildan could bring an added-value.

MEASURING GILDAN'S DIRECT AND INDIRECT ECONOMIC IMPACT IN HONDURAS

While we are aware that Gildan's economic impact goes beyond the scope of the organization itself, measuring our indirect economic impact, not only in the countries in which we operate, but across our entire supply chain as well, including cotton farmers and third-party contractors, is a much more complex analysis. Such an analysis takes into account direct employment (number of employees), dependents (number of people or relatives depending on these employees) and indirect employment (number of jobs a company supports or creates within its supply chain or distribution chain).

As a first step, in 2011, we undertook the process of defining our impact in Honduras, where we currently employ the largest proportion of our workforce.

Over the coming years, we will continue to work at better understanding and measuring these types of impacts for our global operations.





HOME > COMMUNITY > DONATIONS

Gildan's Donation Policy focuses on two main areas: youth education and humanitarian aid in regions where Gildan operates.

At Gildan, we believe that investing in youth education can have a transformational impact as it builds job and life skills and prepares a whole 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 overcome such events and rebuild.

EMPLOYEE DONATIONS PROGRAM

Gildan encourages and supports employee giving and volunteering.

Through the Gildan Employee Matching Grant Program, the Company matches donations and/or selected fundraising campaigns made by employees to charitable organizations in Canada, the U.S. and Honduras.

Through the Gildan Employee in the Community Program, the Company provides support to Canadian and American employees who volunteer their personal time to community projects. With this program, Gildan makes a donation in cash to the organizations with which employees do volunteer work.





HOME > COMMUNITY > DONATIONS > DONATION COMMITTEES

Each region in which Gildan operates has a donation committee whose members are responsible for receiving the donations request from local organizations and deciding which projects to support, based on the parameters set in the Company donation policy (youth education and humanitarian aid).

Organizations seeking financial or in-kind donations from Gildan must submit their request in writing. To be considered for support, applicant organizations must respect the following conditions:

- Demonstrate that their project improves quality of life and integrates humanitarian aid, youth and/or education into their respective organization's mission statement or purpose.
- Operate in regions where Gildan has offices and/or facilities.
- Be registered and provide a valid charitable registration number.
- Be financially sound (provide a copy of their most recent financial statements/balance sheet).

Organizations that are not eligible include: religious, political, sectarian or advocacy groups; sports organizations; service or social clubs (e.g., Lions' Club, Knights of Columbus, etc.) and private schools.

Requests are accepted throughout the year. Proposals should include a description of the organization, its mission statement, area and population served, clear details of the project for which the organization seeks funding, amount requested, project budget and description of funding sources. Some other conditions may apply.

Proposals should be forwarded to:

CANADA AND INTERNATIONAL REQUESTS

By mail: Gildan Activewear Donations Committee
600 de Maisonneuve West, 33rd floor
Montréal (Qc) H3A 3J2
Canada

By email: donations@gildan.com

By Fax: 01 (514) 735-8270

For additional information: Please contact Stéphanie Gaucher at 01 (514) 343-8811

UNITED STATES

By mail: Gildan Activewear Donations Committee
602 East Meadow Rd
Eden, NC, 27289
USA

By email: donations-usa@gildan.com

By Fax: 01 (336) 623-9566

For additional information: Please contact Orlando Poteat at 01 (336) 623-9555

CENTRAL AMERICA AND CARIBBEAN BASIN

By mail: Gildan Honduras Textile Company
KM15.5 Carretera
A Puerto Cortés
Rio Nance, Choloma Cortés
HONDURAS

By email: csandoval@gildan.com

By Phone: 01 (504) 2669-6500

By Fax: 01 (504) 2669-6587

For additional information: Please contact Claudia Sandoval

BARBADOS

By mail: Gildan SRL
Newton, Christ Church
BB17047

BARBADOS

By email: ewalkes@gildan.com

By Phone: 01 (246) 753-8109

By Fax: 01 (246) 421-7753

For additional information: Please contact Esther Walkes



HOME > COMMUNITY > DONATIONS > DONATIONS PER COUNTRY

You will find below a few examples of initiatives Gildan contributed to in the communities in which we are presently operating.

DOMINICAN REPUBLIC

Máximo Aviles Blondas

In 2011, in an effort to respond to the needs of communities surrounding its facilities, Gildan identified the El Capacito community, near our Guerra facility in the Dominican Republic, which had an insufficient infrastructure to support the local school.

With a financial contribution of over \$16,000, Gildan supported the construction of a classroom in the local school, Máximo Aviles Blondas. This project benefited kindergarten students who are now able to attend their classes in a favourable learning environment.



Eco Schools

Eco Schools is an international environmental certification program under the leadership of the Foundation of Environmental Education (FEE) that is awarded to educational institutions which 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.

The rights of the program are owned by the Environmental Rights Institute of Dominican Republic (IDARD), and in September 2010, as a member of the National Business Network for Environmental Protection, Gildan committed to sponsor the Eco Schools Program, which took place in four schools located in the Municipality of Guerra, home to our Dominican Republic textile facility. The schools sponsored by Gildan are Futuro Vivo, Arcadia Reyes, Mata Vaca and La Granja schools, which together totals approximately 1,700 students.

The sponsored schools formed environmental committees which developed an assessment to identify environmental issues in their schools. From this assessment, they developed action plans to address the issues found. The students followed this action plan and presented the final projects to Gildan, their peers, teachers, local authorities, representatives of the Ministry of Education and Environment. By the end of 2011, the four schools received their Eco School Certification and Green flag, which attests that the schools comply with the action plan prepared by the students. The program and the flag are recognized by well-known organizations including the United Nations.



HONDURAS

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 \$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. In 2011, this contribution totaled \$466,000.

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 students to benefit from the training programs without having to pay expensive fees for transportation or temporary accommodations.

Since its inception, a total of 3,386 students graduated from all IPC programs, 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 which should be included in designing and producing an “ethical” garment. This consist of choosing materials which 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, 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 \$40,000 grant from Cotton Inc., in 2010, students from the University of Delaware visited the IPC and Gildan’s facilities in Honduras. A few months later, students from the IPC completed the exchange program by visiting the University of Delaware.



Mario Ugarte Technical Institute

In order to better support the development of technical education in Honduras, Gildan has been supporting the Mario Ugarte Technical Center (Centro Técnico Vocacional Mario Ugarte), located in the city of Choloma since 2009. Gildan has to date invested more than \$30,500 to this project.

In 2009, Gildan contributed a \$20,000 donation to the Center to ensure the set up of a modern computer laboratory. This contribution allowed the Center to provide a group of 350 low-income students an hour a day of computer lessons throughout the school year and offer them the opportunity to experience a new learning method by using a smart board. In 2011, Gildan donated additional \$10,500 to the Center to complete the construction of the English and virtual lab to strengthen the institute curriculum.



Escuela Antonio C. Rivera

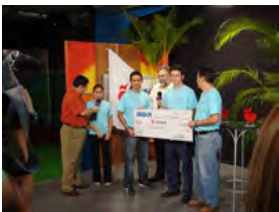
During 2011, Gildan supported the Antonio C. Rivera School, located in the community of Rio Blanquito, near our Choloma facilities. More than 700 students attend this school. Gildan was made aware that the school had serious sanitary issues due to the poor conditions of the latrines and floods in the playground area.

Gildan decided to support the school by building bathroom facilities as well as a sports and recreation area. Gildan also repaired the drainage channels to prevent flooding during the rainy season. The project represented a contribution of more than \$14,000.

Teleton

The Teleton foundation is a non-profit organization created in 1987, which provides physical rehabilitation. The foundation has centres for disabled people in different areas of Honduras. Every December it organizes a campaign to raise money in order to keep their centres running. Gildan and its employees have been supporting this cause since 2004.

Our donations between 2004 and 2010 have totaled more than \$114,000.



NICARAGUA

Escuela Pedro Joaquín Chamorro

At the beginning of 2011, Gildan launched a contest where employees were invited to provide ideas of community projects they would like the Company to be involved in. The Pedro Joaquin Chamorro School was among the projects suggested and ultimately selected.

This school, with more than 400 students, is one of the largest schools in the community of Rivas. Approximately 140 of these students have parents working at our sewing facility in Rivas. A visit was made to the school in order to assess the needs and based on this assessment, Gildan decided to donate a total of \$22,000 in order to repair the ceiling of the school’s 19 classrooms.

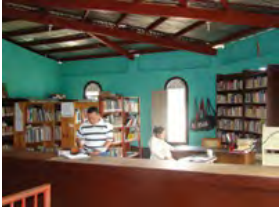
Casa de Cultura in San Marcos

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, a computer centre and also offers music and painting lessons. All services and activities are free.

The San Marcos’ *Casa de Cultura* was grappling with infiltrations in its ceiling infrastructure, which were most importantly affecting its

library, one of the biggest in the Carazõ 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 \$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.



HAITI

Beraca Orphanage

In 2011, Gildan supported the Beraca orphanage located in Ganthier, Haiti, through many different initiatives aiming to improve the quality of life of the residents. In total, the Company donated over \$11,000 to provide for the construction of latrines and a kitchen, purchase the material needed to build the foundations of three houses, buy food, and cover tuition school payments and books that benefitted 25 kids.

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, resulting in 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.
 - 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.

On February 12, 2010, Gildan representatives participated in a memorial service at the Palm site in support of the employees and their families. The Palm Apparel facility has been relocated and is now running normally, providing much needed employment in the region.



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 country and purchased copies for employees who had children or family members who were in the midst of such a transition.

CANADA

Dans la rue

Gildan's main charitable partnership in Canada for the past seven years has been *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 2005, Gildan has donated \$777,500 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.

In 2011, Gildan also sponsored, for the seventh year, 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. Each year, a dozen Gildan employees volunteer to help on the night of the event.



Toujours ensemble

Gildan has been supporting Toujours ensemble since 2005. Toujours ensemble is a non-profit organization that supports school children of Verdun, by helping them with homework, organizing low-cost leisure activities and providing a meeting place after school where they can acquire a sense of belonging. Toujours ensemble supports over 450 students per school year and distributes perseverance scholarships to high school, college and university students.

Gildan has been supporting Toujours ensemble with a donation of T-shirts, sweatshirts, and polos, as well as financial support for scholarships. Gildan's long-lasting partnership with Toujours ensemble is a fine example of the Company's willingness to help young people succeed in school and contribute to improving the quality of life of kids and their families.

Gildan's contribution to date amounts to \$35,000 in cash and \$24,000 in products.

Je Passe Partout

Je Passe Partout, an organization located in the Hochelaga-Maisonneuve neighbourhood of Montréal, also receives the support of Gildan with a yearly donation of \$7,000 since 2006, for a total cumulative contribution of \$42,000. The goals of *Je Passe Partout's* activities are closely linked to the prevention of school failure in an underprivileged area of the city. The aim of the school support program is to motivate children in their academic development and help them acquire a positive attitude with respect to school and their studies.

Fondation de l'athlète d'excellence du Québec

The *Fondation de l'athlète d'excellence du Québec's* mission is to support student athletes financially, in their quest for excellence and to contribute to the promotion of these role models in the Quebec society. Gildan has been financially supporting the Fondation since 2005 via Gildan Leadership Scholarships, which are offered each year to three student athletes who distinguish themselves at school and through community service and who demonstrate a leadership role within their respective team ranks.

Since the commencement of its partnership with the *Fondation*, Gildan has granted 21 scholarships totaling over \$58,000.

Trevor Williams Kids Foundation

The Trevor Williams Kids Foundation is a non-profit organization dedicated to teaching life skills to marginalized youth. The Foundation works with kids from 6-18 years of age from different social, ethnic and cultural backgrounds. The Trevor Williams Kids Foundation reaches nearly 2,000 kids every year through its organized events, leagues and programs. Gildan is pleased to support this great organization, which works with youth and encourages them to stay in school. Gildan has been sponsoring this foundation since 2006 by way of financial support to the Reading Zone program, for a total contribution of over \$48,000, as well as with in-kind donations of T-shirts and hoodies totaling \$21,000.

Literacy Unlimited

Since 2008, Gildan has been supporting Literacy Unlimited, an organization dedicated to the advancement of literacy. With Gildan's financial support, this organization has been able to establish the Oasis School Literacy Program in three high schools located in the Montreal West Island. The program provides free tutorial sessions to high school students who are challenged by low literacy, and therefore at risk of dropping out of school. Gildan's total financial contribution to this organization has amounted close to \$50,000.

UNITED STATES

I Support - 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 and traditional 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. In 2010, Homeboy Industries was selected via a panel of judges to receive a donation of \$100,000.



"The gift from Gildan's I Support program helped underwrite job training at Homeboy Industries. With six social enterprise businesses, Homeboy trains and employs about 175 to 200 youth a year. These youth are moving beyond the gang life into a life of hope by learning skills, completing their education, removing tattoos, and addressing many other issues. Gildan made it possible for Homeboy to offer a pathway to change."

- Fr. Greg Boyle, Founder and Executive Director
Homeboy Industries, recipient of the \$100,000 donation as part of the Gildan "I Support..." 2010 campaign

The second edition of Gildan's "I Support..." program was launched in April 2011 and the Company doubled its commitment by pledging to donate up to \$200,000 to charitable organizations across North America. Gildan will again prove that a T-shirt can make a better world!

With every purchase of Gildan's Softstyle T-shirt (style 64000 and 64000L) Gildan is setting aside a percentage of the profits to fund charitable donations that will be distributed through the program.

Tell us about your favorite charity!

Similar to last year's program, the first component of the 2011 "I Support..." program is based on the participation of Gildan's customers and distributors, as well as the general public, to help determine the charities who will share \$100,000, divided in the following categories:

1. Genuine Stewardship Donation - \$50,000
2. Impact Donation - \$20,000
3. Sustainability Donation - \$10,000
4. Accountability Donation - \$10,000
5. People's Choice Donation - \$10,000

Residents of Canada and the U.S. were asked to tell us about their favorite charity and why it has a genuine positive impact on their community. In 2011, the nomination and voting process was supported through Facebook. Visitors of the GenuineGildan Facebook page could nominate a registered charity and/or "vote" for their favorite stories.

In October 2011, a Top 10 list was announced based on a cumulative mathematical formula that considers the total number of stories submitted for each charity and the total number of “votes” for each story submitted. Donation recipients will be announced at the beginning of 2012.

Network for Good + Gildan = Gildan Good Cards®

One of the new features of the 2011 edition of the “I Support...” Program are the Gildan Good Cards®, created from a partnership with Network for Good, a non profit giving portal that enables online giving to over 1.2 million registered charities in the United States. Through these cards, over 90 different 501(c)3 charities were impacted with an additional \$100,000 in donations over the course of 2011.

The Good Card® is a gift card enabling the recipient to direct a pre-paid \$50 donation, on behalf of Gildan, to a valid United States registered charity of their choice. Gildan offered these cards within its wholesale trade network as well as to individuals who nominated a registered 501(c)3 charity to the “I Support...” program on Facebook.



“Gildan is a great example of a company that understands what it means to be engaged with their community. Even though the corporation operates on a global scale, the ‘I support...’ program allows Gildan to connect with stakeholders at a local level and empowers those individuals to make a difference in the communities in which they live and work. We enjoy our partnership and commend Gildan for using The Good Card® – a gift card for charity – to reward program participants and empower them to support causes close to their hearts.”

- Dan McCabe, Chief Development Officer
Network for Good

To learn more about the “I Support...” program, please visit www.GildanISupport.com or the program’s Facebook page at www.facebook.com/genuinegildan.



In 2010, Gildan conducted its first LCA to identify the most significant environmental impact over the life cycle of a white Style 2000 T-shirt.



Gildan was the first manufacturer catering to the wholesale imprinted activewear market in North America to obtain the Oeko-Tex® Standard 100 certification.

HOME > PRODUCT



LIFE CYCLE ASSESSMENT

Identifying and quantifying our environmental impact

The LCA enabled us to better understand our processes and impacts, validate improvements to processes or products and identify new ones, and manage current risks.



RAW MATERIAL

Using quality and sustainable raw material

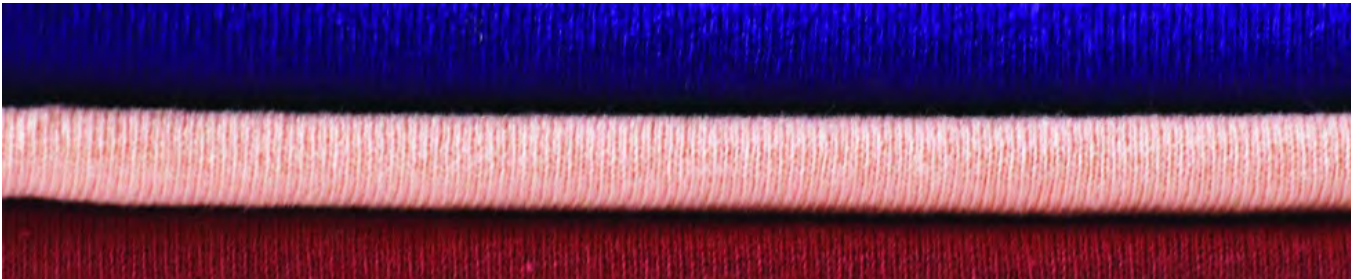
Gildan is continuously seeking to integrate more sustainable raw material, made using ethical practices, in its manufacturing processes.



PRODUCT SAFETY

Ensuring health and environmental protection

Gildan is in compliance with applicable product safety laws and regulations in the jurisdictions in which we operate.



HOME > PRODUCT > GOALS & TARGETS

New Initiatives

Goal
Improve our cotton traceability system to ensure sustainable sourcing.

Timeline:
To be confirmed

Progress:
Started





HOME > PRODUCT > LIFE CYCLE ASSESSMENT

The Life Cycle Assessment (“LCA”) is a tool used to ascertain the environmental impact of a product, process or activity throughout its life cycle – from the extraction of raw materials through to processing, transport, use and disposal with an ultimate goal of developing sustainable policies and programs.

As such, in 2010, Gildan partnered with Quantis – an independent organization providing businesses and governments with tools, guidance and knowledge for achieving sustainability by mastering their life cycle and reducing their environmental impact – to conduct its first LCA. The goal of this exercise was to identify the most significant environmental impact stemming from the manufacturing of an average size white Style 2000 T-shirt made with 100% USA cotton, assembled in Central America and sold into the commerce of the United States. The LCA enabled us to identify and quantify the environmental impact of the “hotspots” (i.e. most significant contributors) over the entire life cycle — from agriculture through manufacturing and customer use to final disposal.

This assessment model evaluated dimensions such as human health, ecosystem quality, resource consumption, climate change, and water consumption. The information gained from the LCA further 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 is a rigorous and holistic method for which ISO 14040:2006 describes the principles and framework towards the assessment of the environmental impact of a product or activity (a system of products) over its entire life cycle (see Figure below). The LCA consists of four distinct phases:

- Goals and scope definition (study model which defines the methodological framework which all other LCA phases must comply with)
- Inventory of all the inputs and outputs related to the product system
- Assessment of the potential impacts associated with these inputs and outputs
- Interpretation of the inventory data and impact assessment results related to the goal and scope of the study

THE LIFE CYCLE OF A PRODUCT



KEY LCA FINDINGS

The LCA showed that, due primarily to electricity generation for washing and drying, the “product use” phase was the main contributor to overall environmental impact on human health, climate change, and resource depletion. Excluding the product use phase, the biggest impact on ecosystems quality stems from the cotton fiber agricultural production, primarily through land use, water consumption and emissions related to fertilizers.

Land occupation measures the reduction of biodiversity caused by the land use. Agriculture, cotton fiber agricultural production in Gildan’s case, is the main contributor to this category. Water consumption is mainly linked to the field irrigation, while emissions related to fertilizers refer to the fertilizer use during cotton cultivation, which generates extensive greenhouse gases emissions (CO₂ and N₂O).

Gildan mostly mitigates this impact by sourcing the vast majority of the cotton used in its own manufacturing sites from the United States, where cotton is grown and harvested using conservation agricultural practices which have lower environmental impact compared to conventional agriculture methods due to the use of integrated pest management, conservation tillage and water efficiency methods. Moreover, as with all U.S. agricultural crops, cotton falls under the monitoring of the Environmental Protection Agency and the U.S. Department of Agriculture. Cotton farmers are constantly monitored against stringent regulations for chemical application concentrations and frequency.

Within the direct manufacturing, the largest impact relates to energy consumption, particularly during the dyeing and bleaching processes. Over the past years, we have been able to reduce this impact by investing in renewable energy sources, such as biomass. Water consumption and waste represents challenging factors within the manufacturing process. As such, Gildan has initiated a fiber and corrugated recycling program as well as reduced its customer packaging. Lastly, Gildan is committed to resource-efficiency in the design and manufacture of its products with a goal of reducing water and energy consumption.

In order to mitigate the environmental impact associated with the consumer use throughout the lifetime of the garment, Gildan has undertaken to modify the care labeling instructions to encourage customer engagement in the use of cold water and air drying.

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.



HOME > PRODUCT > RAW MATERIAL

COTTON

In October 2009, Gildan obtained from the Cotton Council International (CCI) the right to use the internationally recognized COTTON USA Mark, which identifies and distinguishes quality products manufactured with a high content of U.S. cotton, on Gildan's consumer packaging of products manufactured from U.S. cotton.

Gildan is conscious of the inherent benefits of U.S. cotton, which is why we source the vast majority of the cotton used in its own manufacturing sites from the United States. These benefits are associated with various environmental and social advantages as U.S. cotton growers have taken a leadership position globally in developing sustainable agricultural practices and ethical workplace conditions, mainly through the use of new farming and processing technologies minimizing the environmental impact by using less water, land and energy. For example, new fiber varieties requiring less water have decreased irrigation requirements and the use of conservation tillage practices is decreasing tractor fuel needs and consumption, thus reducing the GHG emissions linked to their use. Also, U.S. cotton manufacturers assess human rights issues, such as labor conditions of workers, including but not limited to, safe working conditions and issues such as child labor, forced labor, discrimination and freedom of association.

Some facts about U.S. cotton:

- U.S. cotton is regulated as a food crop as well as a fibre crop by U.S. regulatory agencies (USDA and FDA), therefore subject to the same rigorous environmental standards as food producers
- U.S. cotton growers offer an ethical and safe work environment, respecting employee rights according to the laws and regulations as enforced under O.S.H.A. standards and U.S. law.
- U.S. cotton is a drought and heat-tolerant crop, with two-thirds grown of planted acreage requiring no supplemental irrigation in addition to rainfall.
- Two-thirds of U.S. growers use conservation tillage, which saves about 907 million metric tons of soil per year and over one billion litres of tractor fuel. Conservation tillage is a method different than conventional tillage. It reduces soil erosion and therefore nutrient loss. It also increases the soil moisture and organic matter content in soil.
- U.S. cotton is a net greenhouse gas (GHG) absorber, with more GHG absorbed in the fiber, plants and soil than are emitted during the entire agricultural cycle from field preparation through harvest.
- The majority of the U.S. cotton acreage is managed using the most advanced integrated pest management methods and modern technologies, which play a major role in the reduction of pesticide use
- The U.S. cotton industry is highly regulated and transparent, with multiple third-party audits performed and an oversight from numerous NGOs and governmental departments.

RECYCLED YARN INTO FLEECE PRODUCTS

In 2011, Gildan began to incorporate an increasing portion of its recycled textile clippings (waste) – reclaimed from our facilities in Honduras and the Dominican Republic and later processed in the United States – into its fleece products. Fleece products are currently made from 10% (by weight) of post-industrial fibers certified textile. We will continue to improve this process in order to increase the recycled fiber percentage over the coming years. Gildan's objective is to increase the apportionment of recycled content in our fleece products to 17% (by weight) by the end of fiscal 2012.

Advantages of using recycled yarn:

- Reduces use of virgin cotton
- Reduces use of pesticides, fertilizers, and water used in cotton production and fuel oil used in transportation
- Reduces the quantity of waste going to landfill



HOME > PRODUCT > PRODUCT SAFETY

Gildan is subject to consumer product safety laws and regulations.

In the United States, we are subject to the Consumer Product Safety Improvement Act, as amended by the Consumer Product Safety Improvement Act of 2008, to the Federal Hazardous Substances Act, to the Flammable Fabrics Act, and to the rules and regulations promulgated pursuant to such statutes. These statutes and regulations include requirements for testing and certification for flammability of wearing apparel, for lead content and lead in surface coatings in children’s products, and for phthalate content in child care articles, including plasticized components of children’s sleepwear.

In Canada, we are subject to similar laws and regulations, the most significant of which are the Hazardous Products Act (HPA) and the Canada Consumer Product Safety Act (CCPSA). The CCPSA is aimed at emphasizing industry’s responsibility to provide safe products, strengthening enforcement authorities, providing more and better information for the public, improving the safety of imported products, ensuring better record keeping, and instituting mandatory reporting. The CCPSA also provides for new regulations, such as the textile flammability regulations.

In the European Union, we are also subject to product safety regulations, the most significant of which are imposed pursuant to the General Product Safety Directive. We are also subject to similar laws and regulations in the other jurisdictions in which our products are sold.

Gildan is in compliance in all material respects with applicable product safety laws and regulations in the jurisdictions in which we operate.



HOME > PRODUCT > PRODUCT SAFETY > OEKO-TEX® STANDARD 100 CERTIFICATION

In April 2004, Gildan became the first manufacturer catering to the wholesale imprinted activewear market in North America to obtain the Oeko-Tex® Standard 100 certification. This internationally-recognized eco-label designation provides the textile and apparel industry with a standard to objectively assess the presence of harmful substances in their products. Raw materials, intermediate and end products at all stages of the manufacturing chain, including accessories, are included in a thorough testing process.

The accredited laboratory analysis currently includes around 100 human-ecological and performance-related test parameters based on international recognized testing methods. The primary objective of the laboratory tests are to ascertain the presence of any harmful and prohibited substances, or chemicals which are known to be harmful to health, in the garment and garment parts. The testing also includes simulation tests, which take into account all possible ways by which harmful substances could be absorbed into the human body.

Textile and apparel products may be certified according to Oeko-Tex® Standard 100 only if all components meet the required criteria without exception. The certification, which is renewed on an annual basis, covers all Gildan products manufactured at our facilities in Central America, the Caribbean Basin and Bangladesh.

The Oeko-Tex® Standard 100 is consistent with the Company's own rigorous Environmental Code of Practice, and it should further assure consumers that Gildan is committed to health protecting and environmentally responsible manufacturing processes.

For more information about the certification and the test program, please visit the organization's website at www.oeko-tex.com.





CONTACT US HOME >

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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