

2017 SUSTAINABILITY REPORT



**GENUINE
RESPONSIBILITY™**

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MESSAGE FROM THE PRESIDENT AND CEO



Gildan was founded on the basic principle that the best strategy was to own our manufacturing facilities, focus on our customers, embrace our entrepreneurial spirit and treat everyone with respect and dignity. I am pleased to say, that more than 30 years later, these same principles remain in place and continue to guide our decisions, business strategies and our vision of Making Apparel Better™.

I am very pleased to share with you Gildan's 2017 Genuine Responsibility™ Report, which highlights our efforts in all matters related to corporate social responsibility and our progress towards our 2020 social and environmental goals.

This year we completed a comprehensive materiality assessment which gave us valuable insights and helped us establish our social, environmental and community priorities for the coming years. The assessment also helped us to map our strategic plan to the United Nations Sustainable Development Goals (SDGs), established to combat climate change, reduce global poverty and address inequality.

As one of the world's largest manufacturers of activewear, underwear and socks we understand clearly that our success and future growth demands that we pursue continuous improvements by constantly integrating sustainable solutions and investing in innovative technologies. These actions are foremost guided by our commitments to care for our people, conserve the environment and create strong communities.

Making Apparel Better™

Our vision is to harness the strength of our vertically-integrated business model, which encompasses our large scale, manufacturing expertise and the unwavering commitment to operate responsibly and create value in everything we do for our stakeholders:

- For our Customers by delivering superior quality, value-driven products
- For the Communities where we operate by acting responsibly while creating positive economic impacts

- For our Employees by creating safe and supportive work environments where they are supported in their development and empowered to contribute to the company's success
- For our Shareholders by driving operational excellence, consistent sales and earnings growth and superior return on investments
- For the Environment by pursuing continuous improvement and investing in sustainable innovations to reduce our impact on future generations

Transparency

It is clear that consumers are increasingly demanding visibility on how the products they buy are manufactured. As a vertically-integrated outlier in the global apparel industry with over 90% of our revenues generated by products manufactured within our company-owned facilities, Gildan is well positioned to deliver that transparency. We are publishing our 14th CSR report, sharing with stakeholders our achievements, challenges and path forward.

Caring for our People

We strongly believe that our people are the most important resource in our company and a critical driver of our success. Any company can acquire the machines that we buy, but very few companies can match Gildan for the strength of our people, the quality of their skills and our collective dedication to making great products and operating responsibly.

Our commitment to our people goes beyond ensuring fair wages to include strong benefits that deliver positive impacts to their daily lives and communities. Last year alone we provided more than 2 million hours of training and development to our 50,000 employees.

In line with the Company's Diversity and Inclusion policies and underlying principles, introduced in 2016, we are pleased to see that women currently make up more than 42% of management positions and close to 47% of our overall employee base globally.

We have implemented programs such as the Women's Empowerment Program in collaboration with World Vision® Honduras, the Women's Leadership Lecture Series and a variety of mentoring initiatives to inspire, engage and support women in developing their leadership skills.

Conserving the Environment

We know that water and climate change are fundamental priorities for both our Company and our stakeholders. We set 2020 goals to reduce our water intensity, energy usage, GHG emissions and waste per kg of product by 10%, from our owned operations when compared to our 2015 baseline year.

We have already met our 2020 goal for water reduction and have achieved good results in other metrics as we continue to work towards those targets. We continue to recycle or repurpose over 86% of our total company waste.

Being transparent also means sharing our misses. This past year, with the integration of acquired facilities, the building of a new facility in Honduras and exceptional rainfall which impacted our access to quality feedstock for our Biomass steam generation systems, we saw an atypical increase in both our GHG emissions and landfill waste intensity. However, we remain confident that our continuing investments will allow us to meet our 2020 goals.

Creating Strong Communities

As a major employer in many of the regions where we operate, we have the opportunity to help build stronger communities with investments in healthcare, education and community engagement programs.

We partnered with Pencils of Promise through our American Apparel brand to help raise awareness and support for child literacy. We launched a Pencils of Promise collection that contributed U.S. \$220,000 in 2017 to build, during the summer of 2018, new schools, improve classroom environments and provide support for teachers in Guatemala and Ghana.

In Bangladesh, we donated more than U.S. \$75,000 to Room to Read® in support of more than 160 girls in the Girls' Education Program and established a library and literacy program at a school in Dhaka.



Once again last year our employees showed their shared commitment to their communities during our 5th annual Glow Run, a 5k run and fundraising event. In 2017, the event united more than 12,000 Gildan employees and their families in Honduras, Nicaragua and the Dominican Republic and raised more than U.S. \$100,000 to support local projects.

Recognized for our Commitment to CSR

We are always pleased to be recognized for our collective efforts and ongoing commitments to operate sustainably and responsibly. In 2017, Gildan was included in the Dow Jones Sustainability World Index (DJSI World Index) for the fifth consecutive year, once again as the only North American company in the Textiles, Apparel and Luxury Goods industry group listed in the DJSI World Index.

For the 10th consecutive year, Gildan also received the FUNDAHRSE CSR seal that

recognizes organizations in Honduras that demonstrate leading practices related to employee and community relations, human rights, labour, governance, environmental and operational practices.

Delivering Sustainable Apparel

I invite you to read our report and learn more about how we are Making Apparel Better. Our achievements are a result of the commitment of our management and employees to help Gildan play a leading role in the industry and distinguish ourselves through our actions.

I would like to thank all the people that contributed to these achievements, and to our customers, shareholders and other stakeholders for trusting us to continue delivering value in everything we do.

[signed]

Glenn J. Chamandy

President and Chief Executive Officer

MESSAGE FROM THE VICE PRESIDENT, CORPORATE CITIZENSHIP



I am pleased to deliver our 2017 Genuine Responsibility Report, based on the Global Reporting Initiative (GRI) Standards: Comprehensive option that showcases our results, highlights our challenges and provides detailed information related to the wide variety of initiatives we have undertaken in 2017.

Last year was again marked by significant growth at Gildan, with the successful integration of three acquisitions and the construction of a state-of-the-art textile facility in Honduras. Aside from delivering on our CSR programs this year,

we conducted our second materiality assessment to help identify the social, environmental and economic issues that are most critical to the long-term success of our business.

The social issues of highest importance that emerged were human and labour rights, health and safety as well as traceability. For the environment, the most pressing issues were water utilization, wastewater management and chemical safety. The identification of these issues has helped guide our efforts in setting our strategic priorities and key focus areas for the coming years.

As part of our efforts this past year we have also mapped our priorities to the United Nations Sustainable Development Goals (SDGs) which are detailed in the Strategy section. We have set aspirational goals to contribute to these areas in a way that leverages our scale, our strengths and our collaboration with suppliers, partners, NGOs and industry groups.

Investing in our People

We believe that by providing employees with good quality employment opportunities in safe and supportive work environments, we increase the prosperity of not only our employees, but their families and communities. We are very proud to provide opportunities for employees to upgrade their skill sets and education levels through company offered training programs, high school

education equivalency programs as well as scholarships for their continued professional development.

Treading Softly

Management of water was identified in our materiality assessment as a key focus area in our operations. We are continuously working to increase water efficiency and piloting research projects to reduce our water extraction loads by reintegrating recovered water back into our processes.

In 2017, we successfully reduced our water intensity per kg of production by 10% through continued investments such as the replacement of our jet dyeing machines at our textile facilities in Honduras. These machines harness new technology and mechanical design to significantly decrease the water usage per kg of fabric produced. Another large contributor to this decrease was the installation of controls and flow meters at well pumps in order to better manage water use in our facilities at our Rio Nance complex.

Currently, our wastewater is predominantly managed through our Biotop system which uses gravity, bacteria and sunlight to return clean water back to the environment. We also use biological reactors for some effluent, which relies on biological oxidation to treat the wastewater.

In 2017, we saw a decrease in bunker fuel consumption by 19% when compared to consumption from 2016, mainly attributed

to our increased use of renewable energy as a result of improved efficiencies in our biomass boilers.

We continue our efforts to reducing energy intensity in our operations. The main project identified to achieve this target is the installation of high efficiency chillers which run on steam that is produced by our biomass steam generation process. A second project is the installation of hot water heat recovery systems at all of our textile facilities. This process allowed us to generate approximately 3,700,000 m³ of hot water by harnessing thermal energy recovered from within our outgoing wastewater. This project also reduced the heat of the effluent entering the Biotop system, enhancing the efficiency of the overall system as a by-product of the cooler effluent. Other projects undertaken in 2017 included steam and condensate line insulation to minimize thermal loss, lighting retrofits to lower consumption fixtures and improved compressed air management processes.

Contributing to Improved Social Infrastructure in our Communities

Gildan is proud of the positive economic impact we create beyond the scope of our operations and direct employment. Over the last 15 years, we have led the industry in developing local infrastructure in our communities and assisting in the development of local business, with the goal of creating a more sustainable economic environment in these regions.

Last year, Gildan's operations in the region purchased material and services in excess of USD\$150 million from Central American and Caribbean Basin suppliers.

One of the Company's initial philosophies in expanding production into the regions where we operate was to "Think globally, Manage locally" by favoring local candidates for management positions. Last year, 83% of all management positions (Director and up) were filled with local talent.

Recognizing that home ownership is an important stepping stone in the evolution of developing countries, we donated U.S. \$150,000 in down payments to employees in Honduras seeking to purchase a new home, as part of our Employee Housing program in collaboration with local government initiatives and banking institutions. The program enabled over 240 employees to purchase their first homes.

Gildan also contributed U.S. \$518,000 towards the refurbishment of a newborn unit at the Mario C. Rivas Hospital in San Pedro Sula, Honduras which provides care and services to more than 3,000 infants annually.

Achieving Positive Impacts for All

I am very proud of the progress Gildan has made and the ongoing work we are doing. I believe that the vision of Making Apparel Better will only be achieved through continued collaboration across our value chain and investments in sustainable innovation.

By caring for our people, conserving the environment and creating strong communities we can continue to deliver sustainable growth and generate positive impacts on each of the lives we touch.

[signed]

Claudia Sandoval

Vice President, Corporate Citizenship

VISION, MISSION AND VALUES



VISION

Making Apparel Better™

By owning vertically-integrated world-class factories and developing expertise in every step in the process we uncover efficiencies and resource savings most cannot see. We leverage our large scale and global reach to create positive impacts on how apparel is made by investing in technology, continuous improvements and sustainable solutions.

MISSION

Create Value in Everything We Do

We create value for customers by delivering superior quality products for the whole family at everyday low prices. We have a positive influence on the communities where we operate by acting responsibly and generating positive economic impacts. We empower our employees to succeed while treating them with respect and dignity, because we know they are a key to our success. We aim to drive earnings and sales growth, strong returns on investment and ongoing operational excellence to create value for our shareholders. We accept our responsibility to pursue continuous improvement and invest in sustainable solutions to reduce our impacts on future generations.

VALUES

We Act Like Entrepreneurs

At Gildan, we are determined to pursue excellence and constantly challenge the status quo. As a founding principle of Gildan's DNA, our entrepreneurial spirit reflects our leadership's passion to do more and continuously do better. Throughout the entire organization, we have instilled a sense of ownership and accountability to continue to drive our future growth and success. There is no limit to what we can achieve!

We Operate Responsibly

At Gildan, we understand that operating responsibly is critical to achieving our long-term goals. Our genuine commitment to best practices in every area of the company and to operating ethical, safe and sustainable manufacturing facilities influences every decision we make, down to the smallest detail. We are proud to be respected for both the quality of our products and how we make them. Everyday apparel, done right!

We Believe In our People

At Gildan, we value empowerment and teamwork everywhere we operate, because we know that when we roll up our sleeves and work together, nothing is beyond our reach. The pride that we have in every product we make and every life we touch can be seen through our commitment to our employees, customers, investors and partners worldwide. Success starts and ends with our people!

COMPANY OVERVIEW



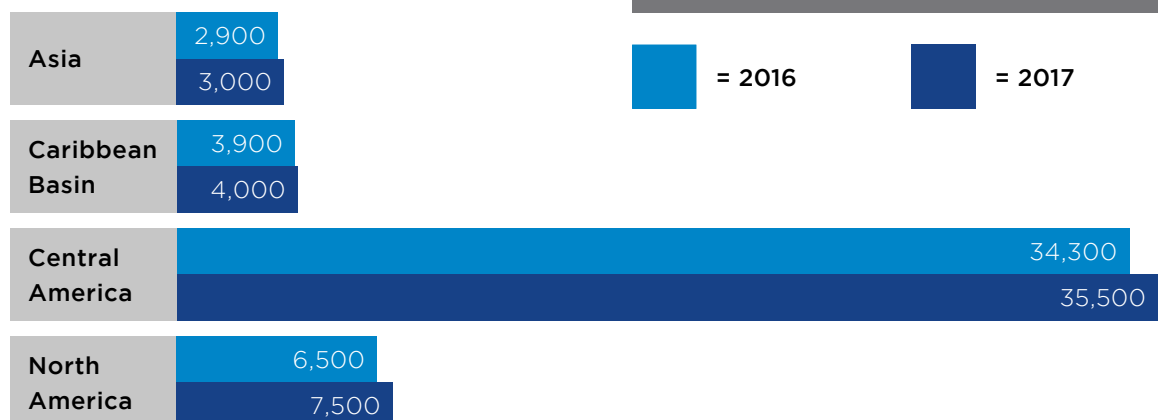
ABOUT GILDAN

Gildan is a leading manufacturer and marketer of everyday basic apparel which markets its products in North America, Europe, Asia-Pacific and Latin America, under a diversified portfolio of Company-owned brands, including Gildan®, American Apparel®, Comfort Colors®, Gold Toe®, PowerSox®, Anvil®, Alstyle®, Secret®, Silks®, Kushyfoot®, Secret Silky®, Therapy Plus™, Peds® and MediPeds® and under the Under Armour® brand through a sock licensing agreement providing exclusive distribution rights in the United States and Canada.

Gildan designs, manufactures and markets activewear, underwear, socks, hosiery, and legwear products. Our products are sold to wholesale distributors, screenprinters or embellishers, as well as to retailers that sell to consumers through their physical stores and/or e-commerce platforms. In addition, we sell to consumers through our own direct-to-consumer platforms.

Since its formation, the Company has consistently made significant capital investments in developing its own large-scale, low-cost, vertically-integrated manufacturing operations, encompassing yarn production, textile manufacturing, garment assembly and distribution. The vast majority of Gildan's operations are located in Central America, the Caribbean Basin, North America and Bangladesh. Owning the facilities where most of the products are made enables the Company to ensure it operates as a socially-responsible manufacturer employing industry-leading labour and environmental practices in adherence to its comprehensive corporate social responsibility program, named Genuine Responsibility™, which is consistently applied across all regions where we operate.

TOTAL NUMBER OF EMPLOYEES BY REGION AS OF THE END OF FISCAL 2017 (ROUNDED NUMBERS)








SUPPLY CHAIN TRANSPARENCY AND TRACEABILITY

As a vertically-integrated manufacturer, producing the vast majority of our products internally, we benefit from tremendous visibility across our supply chain. At the end of 2017, we employed close to 50,000 employees worldwide, mostly within our manufacturing operations. Gildan's corporate headquarters are located in Montreal, Canada and its manufacturing operations are strategically located in Honduras, Nicaragua, the Dominican

Republic, Mexico, the U.S., Canada and Bangladesh.

Our products are sold through a vast network of distribution centers, operated internally or through third-party providers, that are strategically located to most efficiently service our customers globally.

An [interactive map](#) is made public on our corporate website. The following table provides a summary of our primary manufacturing operations by region.

<div></div> <div>Sewing Facilities⁽¹⁾</div> <div>Central America Honduras (4 facilities) Nicaragua (3 facilities)</div> <div>Caribbean Basin Dominican Republic (2 facilities)</div> <div>Mexico Ensenada Hermosillo Agua Prieta</div> <div>Asia Bangladesh</div>	<div></div> <div>Textile Facilities</div> <div>Central America Honduras (4 facilities)</div> <div>Caribbean Basin Dominican Republic</div> <div>Mexico Agua Prieta</div> <div>Asia Bangladesh</div> <div></div> <div>Garment-Dyeing Operation</div> <div>Central America Honduras</div>	<div></div> <div>Yarn-Spinning Facilities⁽²⁾</div> <div>United States Clarkton, NC Cedartown, GA Columbus, GA (2 facilities) Salisbury, NC (2 facilities) Mocksville, NC</div> <div></div> <div>Sock/Sheer Manufacturing Facilities</div> <div>Canada Montreal, QC</div> <div>United States Hildebran, NC</div> <div>Central America Honduras (2 facilities)</div>
<div>1. We also use the services of third-party sewing contractors, within long-term relationships, to satisfy the remainder of our sewing requirements.</div>		<div>2. We also purchase yarn, within long-term relationships, from third-party manufacturers, primarily in the U.S. to satisfy the remainder of our yarn requirements.</div>

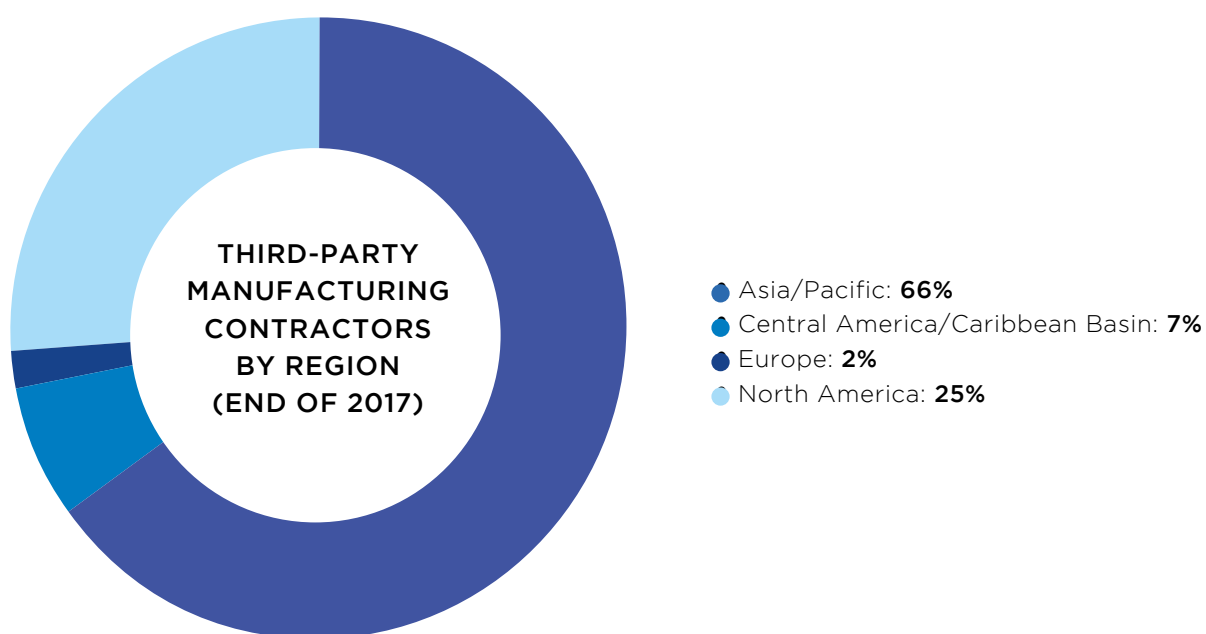
RESPONSIBLE SOURCING

The vast majority of our revenues are generated from products that are manufactured in facilities that we own and operate. Outsourced production represents less than 10% of our total sales volume. By the end of 2017, our contractor base included 105 third-party manufacturing facilities that actively produced throughout the year.

When the decision is made to outsource production to a new contractor and prior to awarding any contracts, we evaluate their ability to comply with the principles of our Code of Conduct and their social responsibility practices. At the same time, the Company also evaluates the proposed contractor's ability to meet our requirements for quality and price.

All contractors are engaged by written, legally-binding commercial agreements. A contractual clause is included in all of our commercial agreements to ensure that Gildan's contractors and suppliers receive, understand and acknowledge our Code of Conduct. As a standard practice, this clause stipulates that compliance with our Code of Conduct is a condition of doing business with Gildan. It is included in the following agreements:

- Third-party manufacturing contractor agreements
- Raw material supplier agreements
- Third-party service providers at our owned manufacturing locations (including security, cafeteria, transportation and maintenance staffing)
- Agreements for major equipment purchases



2017-2018 HIGHLIGHTS

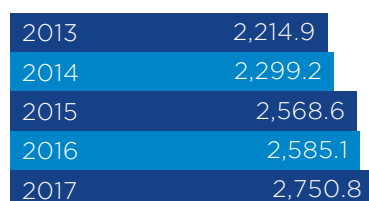


YEAR IN REVIEW

Financial Highlights

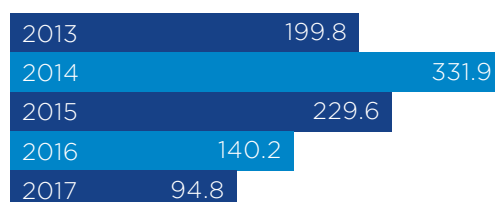
\$2.75B in revenue
\$519M in free cash flow
\$413M returned to shareholders

NET SALES



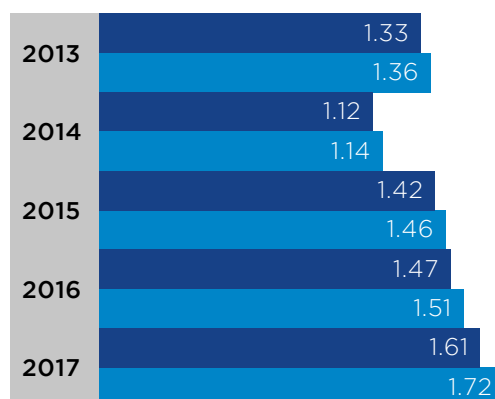
In U.S. \$ millions

CAPITAL EXPENDITURES



In U.S. \$ millions

DILUTED EARNINGS PER SHARE



In U.S. \$

■ = Diluted earnings per share

■ = Adjusted diluted earnings per share⁽¹⁾

⁽¹⁾ is a non-GAAP financial measure.
See definition in 2017 Annual Report p.45

MANUFACTURING HIGHLIGHTS

Expanding our Manufacturing Capacity

The construction of our new facility, Rio Nance VI, in Honduras, was completed in 2017 and is expected to start ramping up by mid-2018 to support future growth.

PROJECTS / ACQUISITIONS

Acquisition of American Apparel®

The acquisition provides the opportunity to grow American Apparel® sales by leveraging the Company's extensive printwear distribution networks and adding an iconic brand to our direct-to-consumer business.



Acquisition of 100% Interest in an Australian-Based Activewear Distributor.

The acquisition supports the Company's international sales growth strategy and enhances distribution capabilities in the region.

Acquisition of Two Yarn-Spinning Facilities Located In Columbus, Georgia.

The acquisition will help the Company meet its long-term yarn capacity growth needs.

RECOGNITIONS



Included in Dow Jones Sustainability World Index for a Fifth Consecutive Year

Gildan was included in the Dow Jones Sustainability World Index (DJSI World Index) for a fifth consecutive year and the DJSI North American Index for the second consecutive year.



Received Bronze Class Distinction in the Robecosam 2017 Sustainability Yearbook

For the fifth consecutive year, Gildan qualified for inclusion in the 2017 RobecoSAM Sustainability Yearbook, receiving the Bronze Class distinction this year for its strong sustainability performance.



Received the Distintivo ESR® Award for the 2nd Year

The Distintivo ESR® aims to recognize companies' efforts to voluntarily and publicly undertake the commitment to implement socially-responsible management and continuous improvement initiatives as part of their culture and business strategy.



Selected as One of Montréal's Top Employers

First published in 2006, Montréal's Top Employers is an annual competition organized by the editors of Canada's Top 100 Employers. This special designation recognizes the employers in Greater Montréal that lead their industries in offering exceptional places to work.



Received the Award for Best Corporate Sustainability Report – Consumer Products from the Finance and Sustainability Initiative (FSI)

This annual competition aims to promote excellence in sustainable development reporting among Canadian public companies.

Received the 2017 Entrepreneurial Orchid Award for CSR

Gildan was recognized by the Presidency of the Republic of Honduras and the Secretariat of Economic Development for its CSR projects, which includes its social investment in various community projects focused on strengthening education, improving health childcare services in the Northern Zone and facilitating access to housing for its employees in 2015 and 2016.

Received 2017 Ethibel EXCELLENCE Investment Register

Gildan was selected for inclusion in the Ethibel EXCELLENCE Investment Register. This selection by Forum ETHIBEL indicates that the company performs better than average in its sector in terms of Corporate Social Responsibility (CSR).



2017 FUNDAHRSE CSR Seal

Gildan was once again a recipient of the FUNDAHRSE CSR Seal awarded by the Foundation for Corporate Social Responsibility in Honduras (FUNDAHRSE) for the 10th consecutive year. The CSR seal recognizes Honduran companies that demonstrate leading practices related to corporate social responsibility, with Gildan being the only apparel company to receive this distinction 10 years in a row.

A photograph of three business professionals in a modern office setting. A man in a light blue button-down shirt and khaki pants is holding a white document and looking down at it. Two women, one in a white patterned top and glasses, and another in a leopard print top, are standing next to him, also looking at the document. The background is blurred, showing office lights and structures.

REPORTING

Our Genuine Responsibility™ report, written in accordance with the GRI Standards: Comprehensive option, allows us to transparently report on our activities and demonstrate accountability and progress on issues that are material to the apparel industry as well as of interest to our main stakeholder groups.

REPORT METHODOLOGY AND ASSURANCE



REPORTING

Content

Gildan has published a sustainability report covering the Company's initiatives since 2004. This sustainability report reflects the activities that occurred in the 2017 calendar year and discloses information on issues pertaining to Gildan owned operations in North America, Central America, the Caribbean Basin and Asia as well as any significant impacts derivative thereof. Information about our third-party manufacturing contractors and raw material suppliers has also been included where it is material and available.

This report contains information on topics and matters that reflect the organization's programs and initiatives with respect to labour practices, sustainability and social impact. We report on these initiatives as we believe they are material to the apparel industry as well as of interest to our main stakeholder groups – more specifically, our employees, shareholders, customers, business partners, governments, local authorities, civil society organizations and the communities in which we operate.

Unless specified otherwise, data concerning our third-party manufacturers covers contractor facilities approved for production during the reporting period. When deemed relevant, we have included data from previous years which is clearly indicated as such where applicable.

Exclusions

Information pertaining to our Alstyle® and Peds® facilities, which were acquired on May 26, 2016 and August 22, 2016 respectively,

has been included in this report. Information pertaining to the American Apparel® products manufactured in our facilities has also been included in this report. Information pertaining to the Australian-based activewear distributor and yarn-spinning manufacturer which were acquired in 2017 has not been included in this report, but will be included in our next reporting year.

Methodology

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.

This report has been written in accordance with the GRI Standards: Comprehensive option. The GRI Standards, developed by a wide range of international stakeholders, have been adopted to enhance the quality, credibility and comparability of the information reported. These guidelines were applied in the collection and interpretation of all data presented within the report, providing a widely accepted framework for reporting on the economic, environmental and social performance of an organization, irrespective of size, sector or location.

The GRI Content Index included at the end of this report clearly references the location of materiality-related disclosures in this document, which allows readers to better navigate through Gildan's most material themes.

This report has been registered through the GRI Standards Report Registration System and is publicly available in their [List of GRI](#)

Standards Reports and the [GRI Sustainability Disclosure Database](#).

ASSURANCE

Corporate Citizenship, a global management consultancy specializing in sustainability and corporate responsibility, has undertaken limited assurance of selected environmental, health and safety performance data, as described below within Gildan's sustainability report for the year ended December 31, 2017.

- Total annual energy usage
- Total water usage
- Total waste
- Total wastewater effluents
- Total Scope 1 greenhouse gas (GHG) emissions
- Total Scope 2 greenhouse gas (GHG) emissions – location based¹
- Total inorganic air emissions
- Total refrigerants
- Lost-time injury frequency rate - employees
- Severity rate - employees

The [assurance statement](#) includes a declaration of independence. Corporate Citizenship has complied with the requirements for independence, professional ethics and quality control as stipulated by ISAE 3000.

Review

All material information contained herein has been reviewed internally to ensure our stakeholders are provided with a proper representation of our performance in 2017.

Readers can consult the GRI Content Index for a list of indicators addressed in this report. Questions and/or comments about this report or our sustainability practices in general, may be addressed to cc@gildan.com.

Sustainability reports from previous years are archived on our [site](#).

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 address human safety and environmental protection, such as:

- Restricted Substances Code of Practice
- Environmental, Health and Safety Management System
- Global Quality System
- Oeko-Tex® Standard 100 certification
- A risk approach to climate change
- Ergonomics program to avoid musculoskeletal disorders
- Root-cause analysis

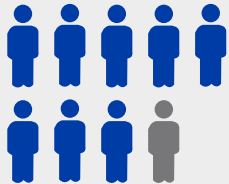
¹ Gildan's Scope2 CO₂e emissions were calculated using only the location-based methodology.

GOVERNANCE AND RISK MANAGEMENT



GOVERNANCE

In 2017,



**8 out of 9
Board members
were independent
from management**

Gildan is committed to maintaining a culture of integrity, accountability and transparency in corporate governance. We consider strong and transparent corporate governance practices to be both an integral part of our labour practices, sustainability and social-impact commitments as well as an important factor in our overall business success.

Our strength in corporate governance begins with our Board of Directors, comprised of members who are independent of management, with the exception of the Company's founder and current CEO. Only independent directors sit on the Board's three committees, ensuring the Board is well positioned to perform its stewardship role of overseeing management of Gildan's business and affairs, with the objective of increasing shareholder value. The Company's Board is led by a non-executive, independent Chairman, which we believe contributes to the Board's ability to function independently of management and provide effective oversight.

Our commitment drives us to adopt 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's

shares are listed. Our [Corporate Governance Guidelines](#) reflect our commitment and we review and update these guidelines regularly to ensure they remain consistent with evolving industry trends and best practices. As part of the Board's commitment to maintaining an ongoing engagement process with the Company's shareholders, the Board has once again offered shareholders the opportunity to cast, at the annual shareholders' meeting, an advisory vote on the Company's approach to executive compensation as disclosed in its management [proxy circular](#). The Board has offered shareholders a "say on pay" each year since 2012.

Gildan remains dedicated to the highest standards of integrity and ethics as well as to environmental and social performance, all of which are embodied in our Code of Ethics, Code of Conduct, Environmental Policy and Restricted Substances Code of Practice. In fact, 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 and Social Responsibility 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. Management provides a comprehensive report on corporate social responsibility and environmental matters to the Corporate Governance and Social Responsibility Committee at each of its quarterly meetings and highlights to the Committee key developments, issues and risks in these areas.

In order to ensure that Gildan implements a robust and comprehensive compliance framework for integrity and ethics and for environmental and social performance

throughout the organization, the Corporate Governance and Social Responsibility Committee has established the Compliance Steering Committee. The Compliance Steering Committee is an executive-level management committee that operates under the leadership of the President and Chief Executive Officer and is responsible for overseeing the Company's global compliance programs in such areas as ethics, environment, labour,

health and safety and sustainability. The Compliance Steering Committee is ultimately accountable to the Board of Directors and reports on important compliance matters to the Corporate Governance and Social Responsibility Committee on a quarterly basis.

For more information, please visit the [Corporate governance page](#), in the Company section of our corporate website.

GOVERNANCE BOARD AND COMMITTEES DIVERSITY AND ATTENDANCE RECORD (2017)					
Board	Minorities	Women	Members in 30-50 age group	Members over 50 years of age	Attendance Record
Board of Directors	11%	35%	0%	100%	97%
Audit and Finance Committee Members	25%	25%	0%	100%	94%
Compensation and Human Resources Committee Members	0%	50%	0%	100%	95%
Corporate Governance and Social Responsibility Committee Members	16%	50%	0%	100%	100%
Please note that these percentages reflect the composition of the Board of Directors and its committees as at the end of our fiscal year 2017.					

Code of Ethics

Gildan is committed to maintaining high ethical standards in all of our operations and business practices worldwide. The [Code of Ethics](#) sets forth Gildan's standards and expectations of conduct by all employees with regards to ethics and integrity and serves as a framework to guide employees in making decisions that are consistent with the Company's core values. The 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 acknowledgment that they have read and understood the Code of Ethics. Designated members of management are also required to re-certify their compliance with the Code of Ethics on an annual basis.

Gildan also expects all of its suppliers, agents, contractors, consultants, licensees and all other business partners to follow similar ethical principles when doing business with Gildan. These expectations are embodied in Gildan's Social, Environmental, Health and Safety Guidebook.

The standards and expectations outlined in the Code of Ethics 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. In 2017, Gildan provided over 10,050 man-hours of training, specifically on the Code of Ethics.

Anti-Corruption Policy and Compliance Program

Gildan requires strict adherence to its Anti-Corruption Policy and Compliance Program. Failure to comply could result in disciplinary action up to and including termination. Corruption impedes the development of trustworthy markets; it can potentially hurt

our company as well as the communities where we operate. It is paramount for Gildan to operate in an ethical manner and we expect the same from our business partners.

Gildan has implemented a multi-tiered compliance framework to mitigate the risk of improper conduct by employees and key business partners. This framework, which is overseen by the Compliance Steering Committee, is underpinned by robust policies and compliance programs, including Gildan's Code of Ethics and Anti-Corruption Policy and Compliance Program. In addition to ongoing monitoring and reporting, all Gildan supervisory positions are required to formally certify compliance with the Anti-Corruption Policy and Compliance Program, on an annual basis.

RISK MANAGEMENT

Gildan's internal audit department conducts periodic reviews to ensure that management has implemented robust compliance programs and procedures as mentioned above. All Gildan business units are analyzed for risks related to corruption and fraud as part of the Company's internal control system and risk management policies.

Gildan's internal control system and risk management policies include Gildan's Code of Ethics as well as an Integrity and Social Responsibility Hotline. The hotline, which is managed by a third-party service provider, allows employees to confidentially and anonymously report any concerns relating to ethics, fraud, corruption or any other breaches of the Code of Ethics. The Compliance Steering Committee has established an Ethics and Fraud Compliance Committee which is responsible for overseeing the Code of Ethics. The Ethics and Fraud Compliance Committee reviews all calls received through the hotline service,

and are required to communicate any significant issues to the Compliance Steering Committee, which in turn must report to the Corporate Governance and Social Responsibility Committee of the Board of Directors, if necessary.

Furthermore, our Enterprise Risk Management (ERM) department has put in place a process to identify, monitor and manage Strategic and Operational risks in the company's business and strategy, including risks pertaining to social and environmental factors.

These Key Strategic and Operational risks are compiled in a registry by the ERM department, presented and reviewed by the Board of Directors on a yearly basis.

MATERIALITY ASSESSMENT



MATERIALITY

Gildan defines materiality as a topic of high importance to stakeholders and high impact on business. In 2014, Gildan conducted its first formal, company-wide external stakeholder assessment and materiality analysis to identify topics most relevant to Gildan and to better inform its sustainability strategy.

In 2017, Gildan worked with an independent third-party to facilitate our second materiality assessment, and to aid in identifying the social, environmental and economic issues that are most critical to our stakeholders and to the long-term success of our operations. The process helped to shape our Genuine Responsibility™ strategy and reporting.

The materiality assessment consisted of the following:

Issues Identification

A list of emerging issues that are relevant to the apparel sector and the business was created. Issues were categorized by topic:

- Business practices
- Employees
- Environment
- Product
- Society

The list of topics was used to facilitate discussions around how the Company should prioritize these topics based on their impact on the business and importance to stakeholders.

Internal Stakeholder Interviews

Senior leaders from Gildan's different business functions and brands were interviewed in order to gain a better understanding of trends, opportunities and challenges across the business. Topics emphasized or mentioned across multiple interviews were classified into four different areas: opportunities, challenges, industry trends and external factors.

External Stakeholder Focus Groups

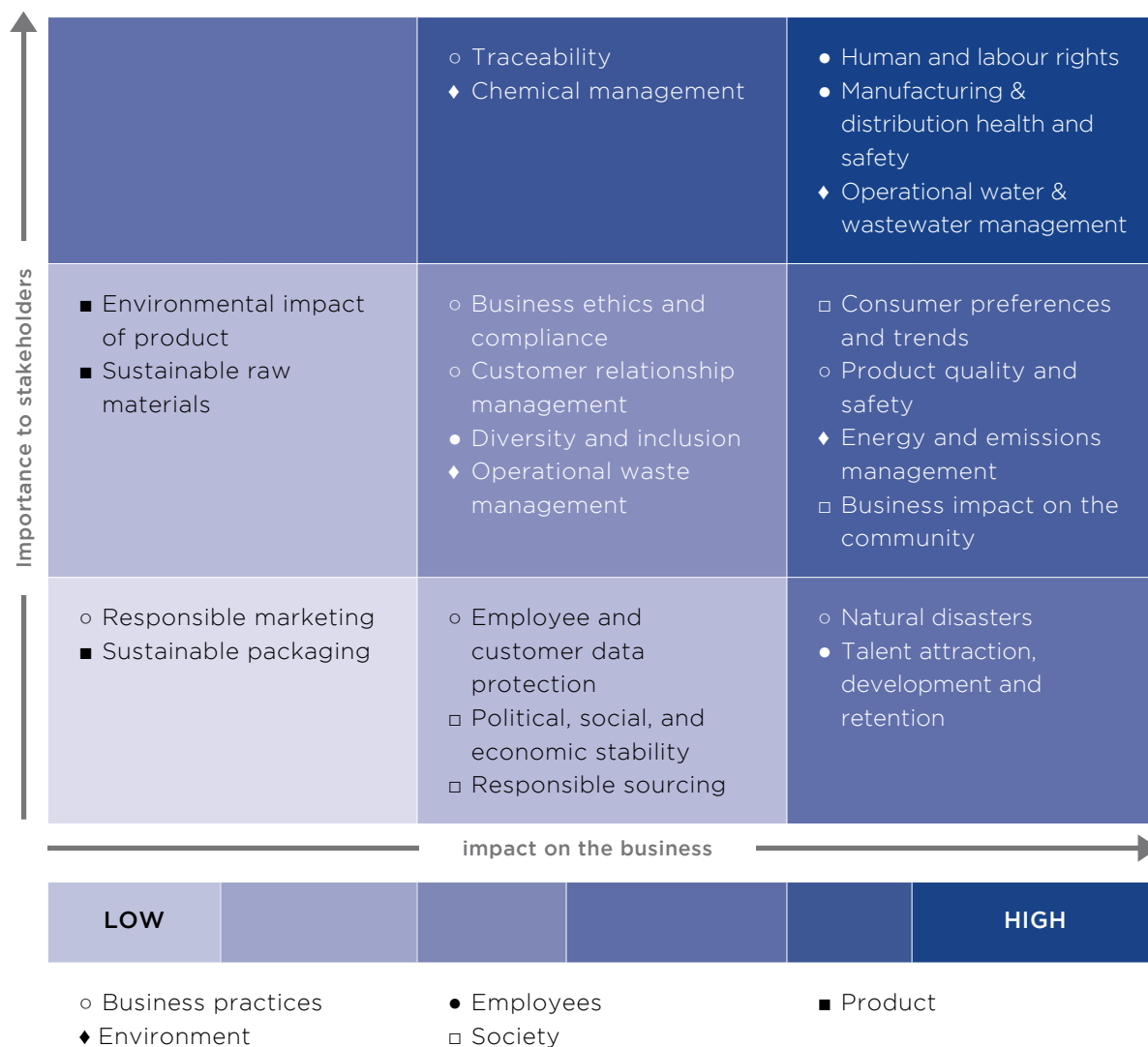
Using our list of topics we conducted focus groups to engage more than 25 external stakeholders, in an open discussion on the importance of each topic. The topics were rated by stakeholders, and then weighted by degree of importance to them and by impact on business. The stakeholder groups included:

- Civil society organizations (labour rights and human rights non-profits)
- Printwear and retail customers
- Investors

Matrix Development

As indicated in the matrix, human and labour rights, health and safety and water management emerged as the most material topics based on

their relevance to our manufacturing operations. Traceability and chemical management are also material issues of particular concern.



Material Topics	Applicable GRI Standard	Boundary
Human and labour rights	402, 406, 408, 409, 412	Within and outside
Operational water and wastewater management	303, 306	Within and outside
Manufacturing and distribution employees health and safety	403	Within and outside



STRATEGY

Our commitment to leading CSR practices is deeply embedded within our overall corporate strategy and recognized as a key driver of our business success. We believe that our goals will be achieved by caring for our people, conserving the environment and creating strong communities through our labour practices, sustainability programs and social initiatives.

GENUINE RESPONSIBILITY™ STRATEGY



In 2017, Gildan initiated a review of our overall Genuine Responsibility™ strategy with the intention to better align our priorities with the results of an exhaustive materiality assessment and to best reflect the Company's evolving reality within a fast-moving industry.

This revision was guided by a number of influences, both internal and external, but was mostly driven by the results of our materiality assessment which establish three material topics across the full spectrum of our stakeholders. The three areas identified as the most important to our various stakeholders and having the largest potential impacts to the long-term growth and success of our business, are as follows:

- Human and labour rights
- Health and safety
- Operational water and wastewater management

Although our updated Genuine Responsibility™ strategy focuses on the aforementioned material topics, we continue to be committed to the implementation of responsible and

leading practices in areas such as diversity and inclusion; chemical and waste management; actions towards climate change, as well as community engagement programs.

We recognize that we can leverage our large scale, financial strength and operational expertise in manufacturing to improve these areas in a way that benefits our people, their communities and the environment, staying true to our vision of Making Apparel Better™.

In 2017, we began the process of mapping our strategies and priorities to the United Nation's Sustainable Development Goals (SDGs). This process led us to build on our existing Genuine Responsibility™ strategy by identifying key focus areas to align with the SDGs and to renew our commitments to operating responsibly. We believe our Genuine Responsibility™ goals will be achieved by caring for our people, conserving the environment and creating strong communities through our labour practices, sustainability programs and social initiatives.

Material Topics	Commitments	Key Focus Areas	Mapping to UN SDGs
Human and labour rights Health and safety	CARING FOR OUR PEOPLE A commitment to maintaining industry-leading working conditions and labour practices at each of our worldwide locations and making investments that empower our people to succeed	Ensure safe and ergonomic workplaces Empower women at work Respect freedom of association Fair wage	
Operational water and wastewater management	CONSERVING THE ENVIRONMENT A commitment to the development and implementation of innovative solutions that reduce the environmental impact of our operations throughout our entire supply chain. A commitment to designing and manufacturing a responsible product line that incorporate sustainable solutions	Optimize water use Safe chemical management Address climate change	
Human and labour rights	CREATING STRONG COMMUNITIES A commitment to assisting our neighbours through dedicated support for education, active living, entrepreneurship and the environment	Encourage community engagement, education and active living	

ALIGNMENT WITH UN SUSTAINABLE DEVELOPMENT GOALS



The 2030 Agenda for Sustainable Development: 17 Goals and 169 Targets to Change the World

Born at the United Nations Conference on Sustainable Development in Rio de Janeiro in 2012, the Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. The 17 goals balance the three dimensions of sustainable development – the social, economic and environmental. They are interconnected, which means that success in one area influences the success of others.

Gildan as an Agent for Sustainable Development

Manufacturing is a foundation of economic development, employment and social stability, where industrialization has a job multiplication effect with positive impacts on society.

Every one job in manufacturing creates 2.2 jobs in other sectors (source: https://www.un.org/sustainabledevelopment/wp-content/uploads/2016/08/9_Why-it-Matters_Goal-9_Industry_1p.pdf). Considering the scale of our operations, Gildan has identified areas where the Company can align its sustainability efforts with the global framework the UN proposes by way of the SDGs.

Alignment with Goals 4, 8, 9 and 12



Quality education is the foundation for improving people's lives and sustainable development. This goal ensures that all girls and boys complete free primary and secondary schooling by 2030. It also aims to provide equal access to affordable vocational training, to eliminate gender and wealth disparities, and achieve universal access to a quality education.

For Gildan, investing in education can have a transformational impact as it builds job and life skills and prepares future generations to contribute to their communities. 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.

Gildan recognizes that it is important to provide employees with ongoing education through various types of training programs designed to develop and improve the technical, administrative and interpersonal skills necessary to succeed. We believe that continuous development is essential to upgrading both technical and behavioral competencies within our workforce. Moreover, skills and development training positions employees for future growth and opportunities within the Company.

We believe supporting education helps address some of our stakeholders' most pressing needs. By strengthening the infrastructure, economy and talent of communities in which we work, we contribute to the continued success of

both Gildan and its communities. We provide targeted support to three areas of education:

- **Technical skills**
We invest in technical education programs that assist employees and individuals in the community to develop the varied skills required across our diverse operations from yarn-spinning to distribution.
- **Health and wellness programs**
We support community education programs focused on hygiene, nutrition, environmental protection and violence prevention.
- **Investments in infrastructure**
We contribute to building and upgrading educational infrastructure to provide safe, nonviolent and inclusive learning environments.



The SDGs promote sustained economic growth, higher levels of productivity and technological innovation. Encouraging entrepreneurship and job creation is the key to this, as are effective measures to eradicate forced labour, slavery and human trafficking. With these targets in mind, the goal is to achieve full and productive employment and decent work, for all women and men by 2030.

At Gildan, we believe that our employees are what set us apart, and this is reflected in our actions on a daily basis in each of the countries where we operate. The Company is committed to diversity and inclusion at all levels in the workplace, and to ensuring there are no systemic barriers or biases in the Company's policies, procedures and practices.

As a responsible corporate citizen and in line with its core value to operate responsibly, Gildan is committed to the fair and ethical treatment of people throughout the Company's

supply chain. We strive to ensure respect for human rights, freedom of association and collective bargaining, the prohibition of all forms of forced labour and child labor in the production of our apparel as well as the absence of harassment, discrimination or prejudice under any form. In addition, the Company seeks to offer a safe and healthy work environment, making occupational health and safety a top priority at Gildan.

The Company works closely with employees and communities investing in education and training of the highest possible quality. Gildan believes this provides people with the skills that match labour market demands, giving them access to a decent job, social protection and basic services, as well as levelling the playing field so that all aspiring people can attain productive employment regardless of their gender, income level or socio-economic background.



Industrialization drives economic growth, creates job opportunities and thereby reduces income poverty. Investments are crucial to achieving sustainable development and empowering communities in many countries. It has long been recognized that growth in productivity and incomes, and improvements in health and education outcomes require investment in infrastructure.

Gildan owns and operates highly efficient, large-scale manufacturing facilities in North America, Central America, the Caribbean Basin and Bangladesh. With approximately 50,000 employees, these state-of-the-art facilities are operated under industry-leading best practices.

Gildan was founded on the vision that owning our factories, investing in technology and pursuing continuous improvement is the best way to operate and to make apparel better. Our vertically-integrated model is at the

foundation of our business strategy and the key to our ability to act as a leading corporate citizen, ensuring that employees are provided with rewarding, safe and healthy work environments and that we become a valued member of the communities where we operate. It allows us to positively influence each part of the overall production process and all activities across our business.



Sustainable consumption and production is about promoting resource and energy efficiency, sustainable infrastructure and providing access to basic services, green and decent jobs and a better quality of life for all. Its implementation helps to achieve overall development plans, reduce future economic, environmental and social costs, strengthen economic competitiveness and reduce poverty.

As awareness of global environmental and social issues grows, consumers are increasingly seeking out companies that are genuinely committed to positive social and environmental impacts. In parallel, investors are looking for companies with leading sustainability programs because they usually co-exist with strong operational performance and long-term financial success. Since the inception of our Company, our goal has been to operate the most cost and resource-efficient manufacturing facilities, producing responsibly-made apparel, embedding social and environmental responsibility into the long-term strategy of the business.

It is increasingly in businesses' interest to find new solutions that enable sustainable consumption and production patterns, but this demands a better understanding of environmental and social impacts of products and services. Businesses can also use their innovative power to design solutions that can both enable and inspire individuals to lead

more sustainable lifestyles, reducing global impacts and improving well-being.

One of the ways we strive to reach this goal is through our vertically-integrated manufacturing model, which allows us to directly influence almost every step within the manufacturing processes – from raw cotton to final products. This model enables us to uncover and initiate positive environmental and social impact changes throughout our entire supply chain and continuously set high standards in our manufacturing processes.

Our Genuine Responsibility™ program provides a robust and transparent framework for all of the Company's activities and is recognized as a critical part of our overall corporate strategy and a key driver of long-term business success. As we look to the future, it is clear that our Genuine Responsibility™ journey is ongoing and that we must remain committed to continuous improvement objectives and look beyond ourselves to uncover innovative and sustainable solutions that can drive positive outcomes for all stakeholders.

GOALS AND TARGETS

In previous reporting years Gildan established goals and targets related to our three commitments: People, Environment, and Communities. This section encompasses our progress towards these goals.

Gildan's baseline year is 2015. Last year, Gildan established new reduction targets for its owned sites for energy consumption, greenhouse gas emissions, water consumption as well as waste sent to landfill. As part of this exercise, Gildan partnered with a third-party consultant in order to review reporting from previous years in terms of the indicators linked to reduction targets to account for the Company's recent acquisitions.

Accordingly, the baseline year of 2015 has been adjusted and reports from subsequent years will be updated when a significant cumulative change in the baseline year metrics is triggered. The following conditions will trigger an adjustment if a significant change is identified:

- A structural change of Gildan's organizational boundaries (i.e. merger, acquisition or divestiture)

- A change in calculation methodologies or emission factors
- Additional or new data or methodology are available on source data that was not previously available; or
- A significant* error or a number of cumulative errors in the inventory are discovered

*"Significant" is typically defined as a cumulative change (+/-) of five percent (5%) or larger in total base year figures

When errors from previous reporting years have been identified, they have been corrected and validated with our third-party consultant to align the calculation methodology across all years in order to ensure an accurate comparison.

We are confident that the exercise we undertook to adjust our baseline year incorporated the Company's recent acquisitions and will provide an accurate record in terms of our environmental target reporting.

Gildan's 2015 - 2020 Baseline Progress

CARING FOR OUR PEOPLE	
Goal	2017 Progress
2014: Integrate Fair Labor Association (FLA) Social Compliance Initiative (SCI) methodology into current social compliance program and monitoring practices and tools.	In 2017, Gildan completed the review of its social compliance program which is now aligned with all the FLA in addition to including best practices in the industry. Integration of the SCI methodology is still under review.
2014: 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).	In this context, during 2017, we reassessed our existing program to ensure that it supports our manufacturing operations. This assessment enabled our EHS professionals to form a diagnostic of our Ergonomics program as a whole and to identify areas for improvement. As a result, we have developed new facility objectives, KPIs and a performance matrix specifically for Ergonomics. We will also introduce measures to safeguard administrative staff. These initiatives will be further developed in 2018.

CARING FOR OUR PEOPLE

Goal	2017 Progress
2017: Reduce work-related injury and severity rates by 10%.	When comparing the results with 2016, we can see that this objective was met on the severity rate (31.4% decrease) and partially met on the work-related injury rate (5.5% decrease).

CONSERVING THE ENVIRONMENT

Goal	2017 Progress
2020: Gildan will reduce its GHG emissions intensity per kg of product, by 10% from our owned operations when compared to our 2015 baseline year.	Since 2015, Gildan increased its GHG emissions intensity resulting from its owned operations, per kg of product by 20%. Although we saw an increase in our GHG footprint for 2017, Gildan continues to be committed to meeting our 2020 goal. Due to changing market conditions and to challenges related to the quality of the available biomass, in 2017 we were forced to rely more heavily on bunker fuels than in previous years.
2020: Gildan will reduce its energy intensity per kg of product, by 10% from our owned operations when compared to our 2015 baseline year.	In comparison with our 2015 base year, our energy intensity increased by 9% in 2017. The main drivers of this result were the combined effects of the integration of acquired yarn-spinning facilities, completion of the ramp-up of existing yarn-spinning facilities in the U.S. and the negative impacts of lower quality Biomass feedstocks in Honduras. We remain committed to achieving this goal by leveraging existing projects and integrating new technologies into our manufacturing systems.
2020: Gildan will reduce its water intensity per kg of product, by 10% from our owned operations when compared to our 2015 baseline year.	Since 2015, Gildan has decreased its water intensity by 10%. Refurbishment efforts leading to the replacement of our jet-dyeing machines at our textile facility in Honduras (Rio Nance 1) contributed to the reduction of our water consumption.
2020: Gildan will reduce landfill waste intensity per kg of product, by 10% from our owned operations when compared to our 2015 baseline year.	<p>In comparison to our 2015 base year, the Company saw an increase of landfill waste intensity of 40%. This increase in landfilled wastes for 2017 is atypical and we are continuing to develop key initiatives to reduce waste and reach our 10% reduction goal by 2020. We will continue to improve the landfill waste deferral rate of the least performing facilities by implementing successful programs taken from our better performing facilities.</p> <p>In 2017 we managed to recycle or repurpose 86% of our total waste.</p>

CONSERVING THE ENVIRONMENT

Goal	2017 Progress
2016: Complete the development of Gildan's environmental management system based on the ISO14001 standard in the Dominican Republic, Bangladesh, Canada and the U.S.	The implementation at our facilities globally is 100% complete.

CREATING STRONG COMMUNITIES

Goal	2017 Progress
2012: Develop Gildan's new community investment policy, its areas of focus and the procedures to further standardize the program across all of our countries of operation.	The Community Investment Policy was developed and identified four key focus areas: education, entrepreneurship, environment and active living. The criteria for eligibility were established to guide funding decisions. The policy was shared with the program managers in each country, and their leadership teams. All countries will follow the guidelines within the policy to ensure that our contributions are focused in areas that most closely aligned with our organizational values and our core strengths.
2018: Implement our new community engagement plan leveraging our four core areas of focus and aligned to our identified SDGs mentioned above to maximize our impact within communities.	In light of specific regional needs, it was determined that the allocation of funding would be prioritized by local leadership.

A woman with long brown hair, wearing a white lab coat over a green shirt and blue jeans, stands in a classroom. She is smiling and holding a baby doll. In the foreground, two young girls with long dark hair, wearing pink shirts, are seated at a dark wooden desk, looking towards the woman. The background features a whiteboard and a wooden wall.

CARING FOR OUR PEOPLE

Our people are simply the most valued resource we have. We recognize the important role they play in our current success and long-term growth. We are committed to empowering them to succeed by creating healthy, safe work environments, investing in their personal and professional development and never wavering on our commitment to treat them with respect and dignity.

CARING FOR OUR PEOPLE



As one of the world's largest apparel manufacturers, we recognize first-hand the importance of our people to our business success and embrace our responsibility to treat our 50,000 direct employees with respect and provide them with rewarding, safe and healthy work environments. We strive to foster a company culture where employees are valued and where we invest in their development so they are empowered to share in our success.

The Company recognizes the value of the benefits that we provide beyond wages: in areas such as primary medical care and other wellness programs, subsidized meals, financial assistance, free transportation and access to training and development programs that empower our employees both professionally and personally. Our responsibility to our people also extends to ensuring work environments that are always free of harassment, discrimination or prejudice of any form. Our employees have access to confidential mechanisms to report grievances and non-compliances without any concern of repercussions. Our commitment to delivering these programs has positively impacted the quality of life of our employees, their families and the communities where we operate.

A key focus area for the Company is to ensure safe and ergonomic workplaces and provide a positive work environment. This is why Gildan will continue to develop initiatives that build on our existing health and safety practices and make certain that

our conditions are amongst the best in the apparel industry.

Our Company culture values the idea that the workplace should also offer opportunities for development. We pride ourselves on promoting a true spirit of inclusiveness that celebrates diversity. More than 42% of our management positions are held by females, but we understand there is more ground to cover. We strive to empower women at work by strengthening training and development programs with the objective of creating an increased number of advancement opportunities for our female employees.

Gildan values an engaged and empowered workforce that contributes to improving our operations and as such we foster open dialogue and genuine collaboration with our employees. We engage with civil society organizations and other stakeholders to define and implement best practices. We fundamentally respect our employees' rights to freedom of association and collective bargaining.

As an accredited member of the Fair Labor Association (FLA) we are aligned with its principles and support their research on fair wage in the regions where we operate.

ENSURE SAFE AND ERGONOMIC WORKPLACES



Ensuring a safe and healthy work environment is a fundamental priority within our operations. Significant resources are dedicated to assessing employee and material movements with a focus on minimizing the impacts on our people and optimizing efficiencies. In line with our commitment to ensuring our employees' well-being, occupational health and safety is a top priority at Gildan. It is an integral part of our human resources and manufacturing strategies, as highlighted throughout our [Global Health and Safety Policy](#).

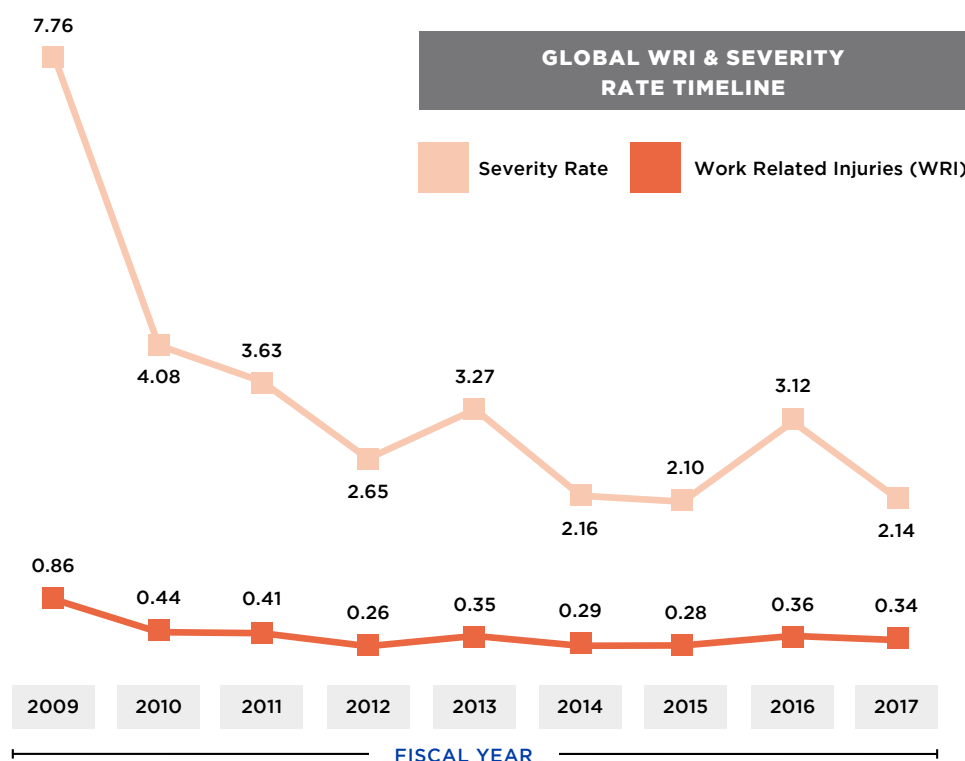
Apparel manufacturing inherently poses the potential hazards of exposure to repetitive movements and vibrations, as well as issues related to incorrect posture, which can all contribute to musculoskeletal disorders. Gildan has implemented measures to improve

our ergonomic practices at all of our facilities with a goal of mitigating worker discomfort and preventing workplace injuries.

In 2008, Gildan implemented an internal health and safety performance scorecard (Global Safety Scorecard) in order to keep track of work-related injuries as well as their severity. The scorecard covers all Gildan-owned facilities and contains data related to first aid, injuries, lost-time accidents, musculo-skeletal disorders, lost work days, working hours, injury and severity rates.

The injury and severity rate indicators are based on the Occupational Safety and Health Administration (OSHA) principles. The injury rate indicator is used to show how many accidents occurred in a 200,000 hour work period while the severity rate indicator shows the gravity of the accidents during the same amount of hours worked. This severity rate is based on the number of lost days, which is an indicator of the severity of any accident.

Overall, Gildan experienced an improvement in health and safety performance this past year. In 2017, the work-related injury rate decreased slightly from 0.36 to 0.34 and the severity rate decreased from 3.12 to 2.14. This reflects the continuation of a long-term trend of improvement in our health and safety performance. As shown in the chart on page 37, over the past nine years our work-related injury rate has decreased by



60% and our severity rate by 72%.

For fiscal year 2017, one of our objectives was to improve our global safety rates by 10%. When compared with the 2016 results, we can see that the objective was met on the severity rate (31.4% decrease) and partially met on the work-related injury rate (5.5% decrease).

The work-related injury and severity rates have been independently reviewed in accordance with the International Standard on Assurance Engagements (ISAE) 3000 reporting standard. Gildan uses the “operational control” approach to establish its organizational boundary.

To enhance our current practices, we will continue to reinforce the importance of proper case management of all accidents

by determining the root cause and implementing proper action plans to address any issues and eliminate risk.

HEALTH AND SAFETY BENCHMARKING

When compared to the OSHA’s Apparel Manufacturing group, whose latest results are from 2016, we can see that Gildan has experienced a significantly lower rate of accidents, as well as lower severity involving days away from work since 2010. Gildan’s results have consistently been below the OSHA benchmarks. For the 2017 reporting year, Gildan’s work-related injury rate was 0.34 while the last reported OSHA benchmark, from 2016, was 2.0. Gildan also had better results on the number of cases involving days away from work (0.15 versus the 2016 benchmark of 0.40 for the industry).

HEALTH AND SAFETY COMMITTEES

87%

Facilities with a formal joint management-worker EHS committee

38,500

Gildan employees represented by formal health and safety committees

Formal Health and Safety Committees, composed of managers, supervisors and production workers, have been established at nearly all Gildan-owned production facilities as well as many of our administrative offices and distribution centers. These committees meet to discuss performance data and to develop preventive measures for implementation at their respective locations.

The committees are also responsible for performing facility inspections to identify any potential health and safety risks. They participate in regular fire and safety drills, as well as suggest improvements to our health and safety programs. These improvements are implemented by Health and Safety Managers who are also responsible for developing related procedures at our sewing, textile and hosiery operations.

In 2017, approximately 77% of Gildan employees were represented by formal health and safety committees.

HEALTH AND SAFETY TRAINING

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

- General safety rules
- Safety Data sheets
- Emergency response and first aid
- Evacuation and brigade procedures
- Forklift safety
- Industrial safety training
- Fire control and prevention
- Personal protective equipment
- Hazardous waste management
- Work permit/lock-out/tag-out
- Electrical hazards
- Spill response
- Working at heights
- Chemical identification and use
- Accident reporting and investigation
- Hot work permit

There were 72,429 man-hours of training conducted on Gildan's environmental, health and safety policies and procedures in 2017.

HEALTH AND SAFETY COMPLIANCE

All Gildan-owned facilities are subject to Environmental Health and Safety (EHS) audits. These audits are conducted on a regular basis by in-house internal corporate social responsibility auditors, in addition to external social compliance auditors. We are also audited by our clients regarding EHS specifically on facilities that carry out their production.

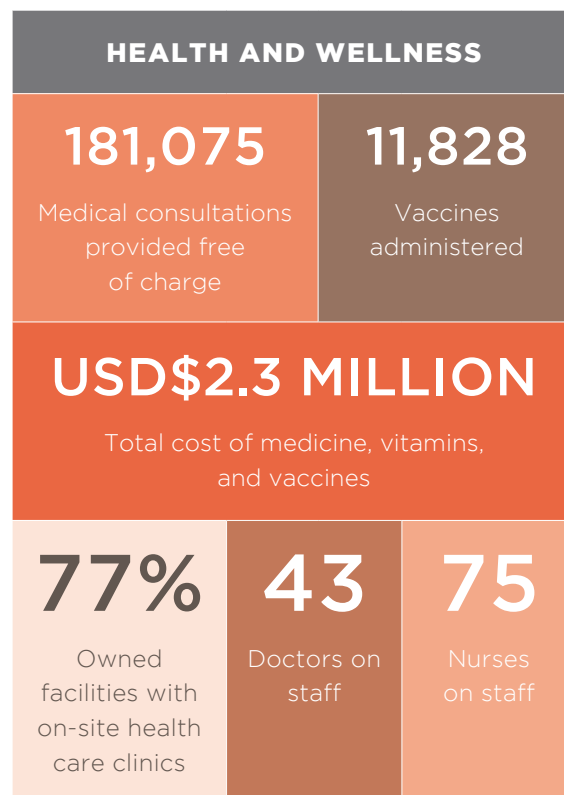
ERGONOMICS

In the textile and garment manufacturing industry, subtle hazards such as exposure to repetitive movements and vibrations, as well as incorrect posture are risks associated with musculoskeletal disorders (MSDs). When compared to other industries, the occurrence of other types of acute injuries, illnesses and fatal accidents is very low. It is important to also consider that there are other non-occupational components (general health, non-work leisure, play and physical daily living activities) that may also contribute to the incidence of MSDs.

In 2008, Gildan partnered with the Ergonomic Center of North Carolina (ECNC) to develop and implement an Ergonomics Program for all our facilities. The ECNC helped Gildan to identify and troubleshoot ergonomic risks. Although our current model is based on the ECNC methodology, in 2017 we reassessed our model with a view to creating a more tailor-made program that takes into consideration the specifics of our operational layout.

Consequently, the assessment will enable our management team to update our manufacturing ergonomics baseline, form a diagnostic of our program as a whole and identify areas for improvement through a progressive and comprehensive approach. To this end, we will develop new facility objectives, KPIs, a performance matrix specifically for ergonomics and introduce measures to safeguard administrative staff. These initiatives will be further developed in 2018.

HEALTH AND WELLNESS



Primary Healthcare in Manufacturing Facilities

Gildan provides primary healthcare to all of its employees at owned facilities in Mexico, Honduras, Nicaragua, the Dominican Republic and Bangladesh through fully-equipped medical clinics at each of our manufacturing facilities. The medical clinics operate 24 hours a day, 7 days a week. While focusing on workplace-related health issues, our medical team of 43 doctors and 75 nurses worldwide also provide services such as preventative health screenings, pre-natal care and vaccinations.

Employees can visit the medical center in the event of a minor injury or accident. However, medical staff also provides consultations and general treatment for health issues such as colds, flus, fever, respiratory and gastric symptoms or illnesses. The medical teams also work to deliver information regularly to raise general health awareness.

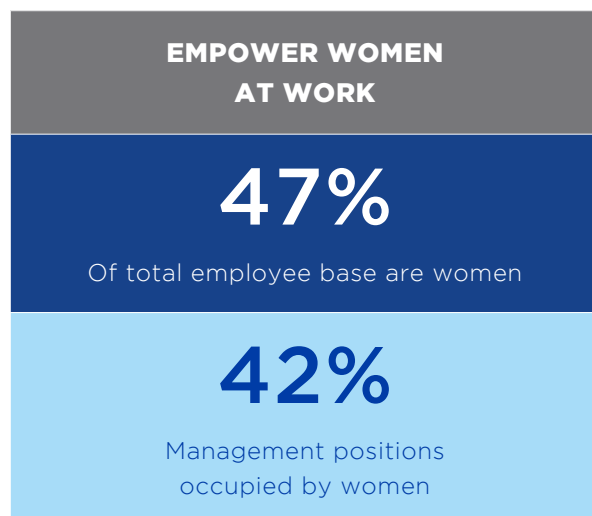
In 2017, 181,075 consultations were delivered at our on-site medical clinics globally. In fact, a wealth of services was provided, including the administration of 11,828 vaccinations at no cost to employees.

In addition to basic health care services, the Company holds free maternity workshops moderated by Gildan's on-site medical staff in the Dominican Republic, Mexico, Nicaragua and Honduras. These workshops provide training on various topics, such as:

- Special care for pregnant women
- Exercise techniques to facilitate birth
- Caring for newborns (hygiene and preparing the home for baby's arrival)
- Breastfeeding techniques

HEALTH AND SAFETY PROGRAMS/INITIATIVES			
Country	Initiative	Activity	Employee Participation
Honduras	Stress Management	"Saving Our Family" training and counselling program	1562 Participants
Honduras	Weekly Talks	"5 Minutes for Safety" team meetings	100%
Honduras	Awareness Campaigns	"Know Your Risks", "Actuo Seguro, Cuido mi vida" interactive campaigns	100%
Honduras	GilSafe	HS management system	100%
Dominican Republic	Prevention Program	Safety risks prevention certification	26 Participants
Dominican Republic	EHS Programs	"Actuo Seguro, Cuido mi vida" focused on creating a culture of self-care and prevention in the workplace	100%
Bangladesh	Awareness Campaigns	Health and Safety Week, Anti-Smoking and Chewing, PPE and Ergonomics, Fire Safety and Disaster, Breastfeeding clinic	95% to 100%
Nicaragua	GilSafe	HS management system	100%
USA	Health Fair	Flu shots, blood pressure checks, nutrition and fitness activities	80%

EMPOWER WOMEN AT WORK



Women's Empowerment Program

Gildan first implemented the Women's Empowerment Program three years ago in collaboration with the Walmart Foundation and World Vision® Honduras. The program supports women by helping them to develop the skills they need to become more active decision-makers and leaders in their jobs and their families. The Women's Empowerment Program is unique in that it helps employees recognize their capabilities and equips them with the tools needed to balance demands from both work and home. All facilities reported improved team work dynamics and recognized new leaders within their teams. Many of the participants agreed that workshop subjects such as communications and self-esteem had a great impact in their lives.

The program offers over 56 hours of training as well as the opportunity to learn

about subjects such as management, finance, communications and health. At the end of the program, a group of women graduates who demonstrated strong leadership potential were selected to be trainers for the next round of candidates. The cycle then repeats itself to sustain the program in each facility. An interesting aspect of the program is that men can also receive basic training by learning to recognize some of the challenges women face and ways to support them.

To date, more than 1,580 Gildan employees in Honduras, both men and women, have participated in this training. Gildan is committed to implementing the Women's Empowerment Program at all of its facilities in Honduras.

International Women's Day

Gildan hosted a series of developmental activities across the company during the month of March 2017. The Company's headquarters in Montréal hosted a panel discussion led by the President of the Association of Québec Women in Finance, featuring three employees at different stages of their careers. The women shared their journey, insight on proactive career management as well as ongoing personal and professional development strategies. The event was kicked off by our Chief Financial and Administrative Officer who also acts as the executive sponsor for diversity and inclusion at Gildan. Gildan also invited some members of the association, known as an established, dynamic network offering tools and

development opportunities to further the careers of its members. In 2017, the event was attended by 60 participants.

Women's Leadership Series

Starting in the Fall of 2017, Gildan launched a Women's Leadership Series featuring inspirational and empowering stories shared by successful women. These sessions were designed to foster the development of Gildan's employees, but even more importantly to emphasize women's unique and important place in society.

The workshops took place in two phases, the first being a larger session with 300-400 women who attended the speaker presentation. The second session was a smaller group of high-potential employees who received additional one-on-one training. The objective of this series was to provide guidance on developing leadership skills as well as key elements such as taking ownership over one's career.

Partnership with Catalyst

Gildan signed a partnership with Catalyst, a leading global, non-profit organization with a mission to accelerate progress for women through workplace inclusion. Catalyst represents a community of leaders committed to expanding opportunities for women and business. Employees have access to an extensive spectrum of resources including educational webinars, virtual events, research and social networking. They can take advantage of all the resources that Catalyst provides to learn about diversity and inclusion in the workplace.

RESPECT FREEDOM OF ASSOCIATION

27,469

Number of employees represented by an independent trade union

54%

Percentage of employees covered by a collective bargaining agreement

The Company fully recognizes an employee's right to form or join any organization or association of their choosing, including unions. We also respect workers' rights to engage in collective bargaining with the Company. In 2017, 26,716 employees (54% of Gildan's total employees) were covered by a collective bargaining agreement in place between unions and corresponding facilities.

FAIR WAGE

The subject of fair wage and the accurate development of specific benchmarks and metrics remains a challenging one for our industry. As included in our Code of Conduct, the Company supports the notion that employees should receive compensation sufficient to cover basic needs and provide some discretionary income.

We also recognize the significant value of the benefits that we provide beyond wages; in areas such as primary medical care and other wellness programs, subsidized meals, financial assistance, free transportation and access to training and development programs that empower our employees both professionally and personally. Our commitment to delivering these programs has positively impacted the quality of life of our employees, their families and their communities.

25,354

Number of employees who received daily free transportation

\$4,886,023

Cost of the free transportation

39,429

Number of employees who received daily subsidized meals

\$15,815,521

Cost of the subsidized meals

40,981

Christmas baskets distributed to employees

Since 2012, Gildan has conducted small pilot projects throughout our manufacturing hubs to gain a better understanding of fair wages, including an analysis of salaries and paid in-kind benefits that we provide employees. In addition, we have been analyzing trends related to inflation in regards to food and housing, as well as other studies developed by local authorities and civil society organizations.

The Fair Labor Association (“FLA”) developed a tool to standardize the measurement of fair wages at factories. Using this tool, we completed a data collection for our sewing and textile facilities throughout our manufacturing hubs. The information collected helped us to create comparison tables that were shared with senior management.

As this is an important element to the overall working conditions we offer our employees, Gildan will continue to focus its efforts on ensuring the salaries and total benefits offered to its employees are sufficient to meet basic needs as reflected by the provision on compensation and benefits included in our Code of Conduct. As further developments are made to the FLA tool, we will continue our work in this area.

EMPLOYMENT PRACTICES

As an important driver in maintaining our operational excellence and highly-skilled workforce, Gildan favours permanent employment positions over temporary

contracts, which represent a very marginal percentage of our total employment. We believe that maintaining a permanent body of employees allows for optimization of the financial investment related to employee training and development as there is a significant cost associated with the recruitment and training of new employees.

In some cases, we recognize that hiring temporary employees is necessary – often driven by short-term surges in demand from our markets. Although not our preference, hiring temporary employees allows us to best fulfill our customers’ needs.

The Company has also implemented a broad-based Internship Program, focused primarily in our administrative hubs in Canada, the U.S. and Barbados. These comprehensive programs provide students with hands-on work experience giving them opportunities to apply what they have learned in their studies within real-world business situations.

The Company also has a number of third-party service providers with workers onsite in the areas of security, cafeteria, transportation and housekeeping.

CLASSIFICATION OF GILDAN EMPLOYEES WORLDWIDE BY REGION AND GENDER				
Region	Permanent Employees		Temporary Employees	
	Male	Female	Male	Female
North America	3,183	4,050	87	155
Central America	19,379	15,855	204	76
Caribbean Basin	2,052	1,894	5	20
Asia	1,450	1,635	0	0
TOTAL	26,064	23,434	296	251

GILDAN EMPLOYEES BY AGE			
	Under 30	30 to 50	Over 50
North America	2,093	3,588	1,794
Central America	21,024	14,206	284
Caribbean Basin	2,025	1,867	79
Asia	1,635	1,419	31
TOTAL	26,777	21,080	2,188

Diversity and Inclusion

The strength of our people worldwide is what has allowed us to grow into a leading apparel manufacturing company, and this belief is fully supported by Gildan's executives and management who play a key role in continuously encouraging empowerment, diversity and inclusion. The Company's Core Values guide our business strategies and the decision-making process with respect to hiring, promotions, and retention.

Our [Diversity and Inclusion policy](#) serves as a guide for the implementation of our

diversity strategy. As a global company, with operations in several countries, we celebrate and cultivate our differences as a driver of our success through greater diversity in our organization. These initiatives support a culture that encourages the development of each individual, enabling them to be recognized and empowered to reach their full potential.

We are committed to ensuring that there are no systemic barriers or biases in the Company's policies, procedures and practices. We believe that supporting a diverse workplace is a business imperative that helps Gildan attract and retain the brightest and most talented individuals.

Our approach to diversity rests on talent acquisition, employee development and community involvement.

Talent Acquisition
<ul style="list-style-type: none"> • Increase current efforts to focus on female and minority representation to drive results • Encourage diverse slates of candidates for all positions • Develop a pool of passive candidates from women leadership organizations and diverse student associations
Employee Development
<ul style="list-style-type: none"> • Establish a culture of sponsorship of top internal talent • Identify and consider women and minorities in succession planning and talent review discussions • Assess the need for mentors and coaching • Implement Diversity & Inclusion training • Assess training and development programs/initiatives
Community Involvement
<ul style="list-style-type: none"> • Support professional organizations that promote diversity and inclusion by establishing mutually beneficial partnerships with them. • Continue to invest time and resources in the communities in which we operate in order to support their ongoing socio-economic development

Performance Appraisals

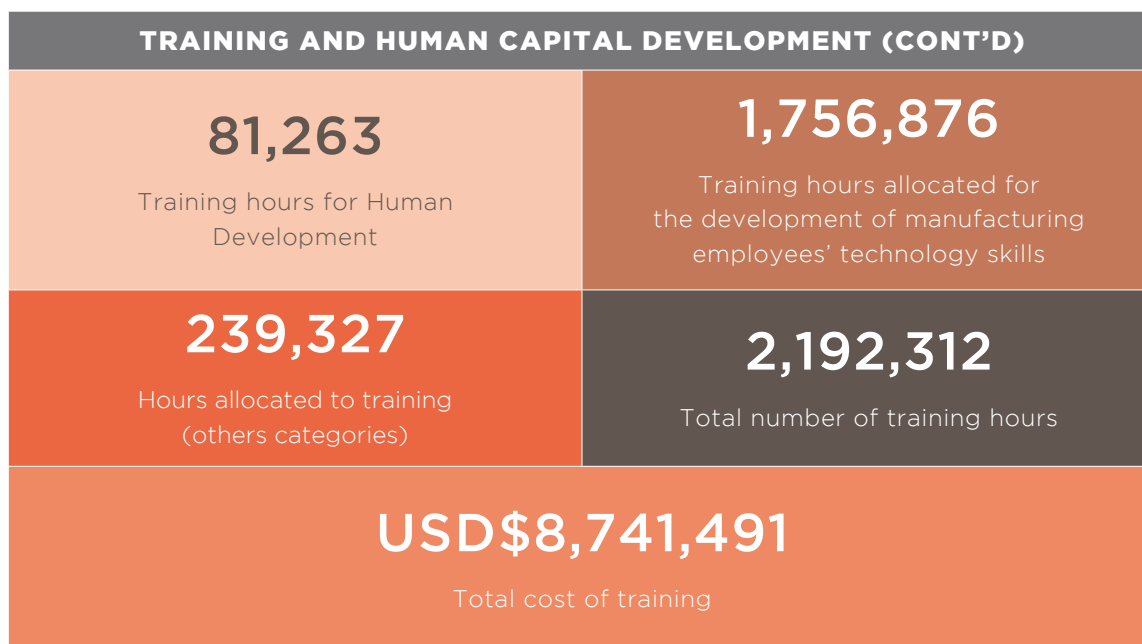
At Gildan, performance management is an ongoing process of communication between managers and employees which enables performance data to be compiled throughout the year, promoting transparent and open collaboration. Gildan has a well-established performance appraisal process. For all indirect employees and managers, our process is carried out on an ongoing basis that starts with a discussion of expectations at the beginning of the fiscal year. In addition, a review is conducted at mid-year and an overall assessment of the employees' objectives and competencies fulfillment is done at the end of the year. The performance evaluations take into account objectives for individual performance-related compensation. The Gildan Performance Appraisal Tool (GPAT) enables employees and their supervisor to set SMART objectives that are aligned with the organizational and departmental goals. This cascading of objectives ensures that all employees

are working toward goals that are key to organizational success. In 2017, 12,997 employees received performance appraisals through this process.

The performance appraisal process for direct employees (e.g. operators in the production facilities) is based on the competencies required by their position. Individual and team performance is also assessed against pre-set objectives in factors ranging from production efficiency to quality and safety. This management by objective (MBO) process brings important benefits to both the employee and the organization. Some examples of the benefits achieved include: increased individual and organizational performance, better alignment of priorities and objectives, clarification of performance expectations, increased employee engagement, improved training needs identification and better decision-making in regard to all human resource processes (e.g. succession planning, promotions, salary increases, variable compensation payments).

Training and Development Programs

TRAINING AND HUMAN CAPITAL DEVELOPMENT	
<div>28,746</div> <div>Training hours on Gildan's Code of Conduct</div>	<div>10,050</div> <div>Training hours on Gildan's Code of Ethics</div>
<div>72,429</div> <div>Training hours EHS policies and procedures</div>	<div>3,621</div> <div>Training hours on Restricted Substances Code of Practice</div>
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Gildan recognizes that it is important to provide employees with ongoing education through various types of training designed to develop and improve the technical, administrative and interpersonal skills necessary to succeed. We believe that continuous development is essential to upgrading both technical and behavioural competencies within our workforce, and that skills and development training positions employees for growth and future opportunities within the Company. In 2017, the Company filled 9.86% of all open positions with internal candidates.

Soon after hiring, Gildan employees participate in onboarding sessions, where they are introduced to the Company, its principles, policies and procedures. Moreover, we present our Code of Conduct, our corporate social responsibility practices, the Global Quality

System (GQS), and other specifics related to their new responsibilities. The session also covers topics intended to help employees better understand their new work environment as well as to inform them of their rights and obligations.

The Code of Conduct has been translated from its original English version into several languages, notably French, Spanish, Haitian Creole, Polish, Bengali, Chinese, Vietnamese, Khmer, Urdu and Korean. The Code of Conduct is prominently displayed in all owned and third-party contractors facilities.

By way of the annual appraisal tool, we are able to identify and build on our employees' competencies by tailoring development plans for them. By way of an annual appraisal tool. In doing so, we are able to identify and build on our employees' competencies by tailoring

development plans for them. We are also able to follow employees' progress and adopt the necessary measures to address any gaps between their actual performance and objectives.

Gildan helps to build competencies by providing training and coaching (on-the-job, internal or external) and through practical employee participation in various projects or assignments throughout our organization. This approach has brought about positive results that include better employee engagement, retention and increased productivity, while delivering impactful and rewarding experiences for employees including internal promotions, international transfers and cross functional assignments.

Depending on pre-defined parameters, tuition reimbursement programs are available in some regions, where Gildan will cover certain expenses for employees who participate in continuing

education and professional development programs offered through universities or professional associations.

The Company offers, at some of our locations, second language courses to employees who are required to communicate in French, English or Spanish in the course of their duties.

In 2017, over 2.1 million man-hours of training were provided globally, which represents an average of 44 man-hours of training per employee. At the majority of our locations, we have introduced a series of in-house training sessions on subjects specific to Gildan, to share best practices and to enhance our employees' expertise and competencies. Topics covered during these in-house training sessions are numerous.

Category	Examples of Internal Training Programs	
Induction and Code of Conduct	<ul style="list-style-type: none"> • Code of Conduct • Grievance mechanisms • Ethics and compliance 	<ul style="list-style-type: none"> • Anti-corruption • Corporate social responsibility
Environment, Health and Safety	<ul style="list-style-type: none"> • Accident prevention • Accident investigation • Emergency procedures and hazard communication • Fire safety • First aid and blood borne pathogens • Personal protective Equipment • Lockout/tag out 	<ul style="list-style-type: none"> • Electrical safety • Forklift certification • Respiratory protection and hearing conservation • Manual handling • ISO14001:2015 • ISO9001:2008 • Restricted substances Code of Practice
Human Development	<ul style="list-style-type: none"> • Business knowledge • Finance • Performance management and recognition 	<ul style="list-style-type: none"> • Competency development • Leadership and organizational skills
Technical Training	<ul style="list-style-type: none"> • Quality management 	<ul style="list-style-type: none"> • Information technology

Contractor Training Programs/Initiatives

In 2017, Gildan issued a new Restricted Substances Code of Practice (RSCP) and therefore provided all trims, packaging and chemical suppliers with a training packet with information on Gildan's new code. The RSCP sets out chemical compliance and transparency guidelines for raw materials used in Gildan's products and vendors were required to complete a compliance form and test request form.

In Honduras, the Product Innovation and Quality Assurance team gathered 60 participants, representing 27 trims and packaging suppliers, to present our quality handbook with requirements and guidelines on how to meet Gildan's supply chain quality expectations. Topics related to quality, environment and procurement were also covered.

Other initiatives included:

Activity/Topic	
ASIA	Metal and foreign objects
CARIBBEAN BASIN	Health and safety training geared toward contractors working onsite to promote safety and to ensure compliance with the company's standards
	"Doing Business with Gildan" event to provide contractors and suppliers the necessary tools to ensure their participation and continuity in our company business through the understanding of the Code of Ethics, adherence with the Code of Conduct as well as the adoption and enforcement of Anti-Corruption laws.
	Training on Gildan's Restricted Substances Code of Practice (RSCP)
CENTRAL AMERICA	Training on Gildan's Restricted Substances Code of Practice (RSCP)

SOCIAL COMPLIANCE AND MONITORING

The successful implementation of our Social Compliance Program for labour practices and working conditions at all our geographical hubs is a testament to our commitment to operating responsibly. Our Social Compliance Program was accredited by the Fair Labor Association (FLA) in 2007, making Gildan the first vertically-integrated apparel manufacturer to receive this accreditation. The program is designed to ensure that all of our owned and third-party contractor facilities comply with our Code of Conduct, local and international laws and the codes to which we adhere, including those of Worldwide Responsible Accredited Production (WRAP) and FLA.

Internal Auditing Methodology

Gildan adopted mandatory auditing as part of its comprehensive Social Compliance Program over ten years ago. All Gildan-owned and third-party contractor facilities are subject to a complete internal audit based on a risk assessment that evaluates country risk, order volume, the facility's rating and previous audit performance. As a policy, internal audits are unannounced; however under certain extraordinary circumstances we may choose to schedule the audit on a semi-announced basis, where a facility is given a window in which a Gildan auditor may visit without further notification.

Internal audits are conducted by regional audit teams who have been thoroughly trained on our monitoring guidelines and social compliance programs. Gildan also periodically mandates third-party audit service providers to conduct internal audits, on its behalf, in some regions.

Monitoring Tools

Gildan's auditing and monitoring tools encompass our own social compliance requirements and best practices, but also account for the requirements from major customers as well. These tools include:

- A facility self-assessment questionnaire
- Audit guidelines
- Monitoring guidelines
- Management interview form
- Worker interview guidelines
- Standard audit reporting template
- Management action plan templates

Auditor Training

Internal auditors are recruited and selected based on a set of competencies needed to perform well in their role. New hires follow a series of orientation and training sessions to ensure that they develop the capabilities needed to fulfill their responsibilities. Yearly performance evaluations are conducted to identify training gaps and to develop a personalized training plan designed to enhance each employee's capabilities and to continuously develop their skills.

Basic requirements for all compliance staff and/or third-party monitors include:

- Understanding of Gildan's Code of Conduct
- Knowledge of local laws
- Knowledge of Gildan's Social, Environmental, Health and Safety Guidebook and/or SMETA or the FLA benchmarks
- Understanding of Gildan's internal monitoring system and related tools such as the Gildan Corporate Social Responsibility Database

FLA, WRAP and Other External Audits

External audits are also regularly conducted at Gildan-owned and contractor facilities. These audits are usually conducted by third-party monitoring firms, which have been mandated by the Fair Labor Association (FLA), Worldwide Responsible Apparel Production (WRAP), Better Work or by one of our customers. On a quarterly basis, we perform a comparison of internal and external audit findings to reconcile the differences between our respective methodologies and to identify any emerging trends.

Audits – Fiscal 2017

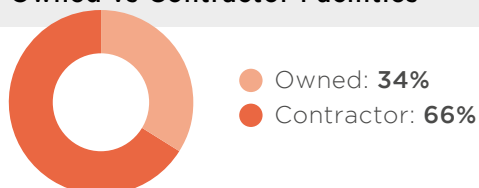
In 2017, 238 complete audits were conducted at our owned facilities, third-party contractor facilities and select raw material supplier facilities throughout Asia, Central America, the Caribbean Basin and North America. Of these, 148 audits were conducted by our internal auditors or by third-party auditors on Gildan's behalf and 90 audits were conducted by external auditors mandated by the FLA, Better Work and WRAP or by customers.

The 2017 audit cycle included assessments of 23 potential third-party contractor facilities, 14 of which were unable to demonstrate adequate levels of compliance with our standards and were excluded from consideration. During the course of 2017, 11 existing third-party contractor relationships were terminated in an effort to consolidate and strengthen compliance within our supplier base.

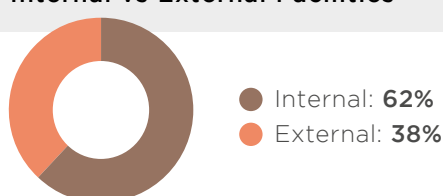
Overall, 100% of our owned manufacturing and textile production facilities and 79% of our active manufacturing contractor facilities were audited at least once by our internal auditors and/or by third-party auditors in connection with Gildan's production in 2017.

Company-owned yarn-spinning facilities situated in the United States where risk of non-compliance is relatively low, were not audited in 2017, but will be visited in 2018 based on our risk assessment.

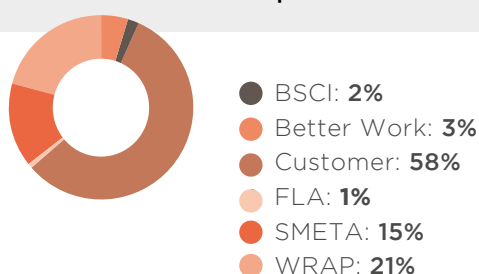
Social Compliance Audits Owned vs Contractor Facilities



Social Compliance Audits Internal vs External Facilities



External Social Compliance Audits



Audit Findings – Fiscal 2017

Facilities producing for Gildan are audited to monitor working conditions against Gildan's Code of Conduct and its related benchmarks, as outlined in our Social, Environmental, Health and Safety Guidebook.

All non-compliances are recorded and tracked in our Corporate Social Responsibility data platform. As an integral part of a transparent and robust social compliance program, we report audit results to our Corporate Governance and Social Responsibility Committee on a quarterly basis.

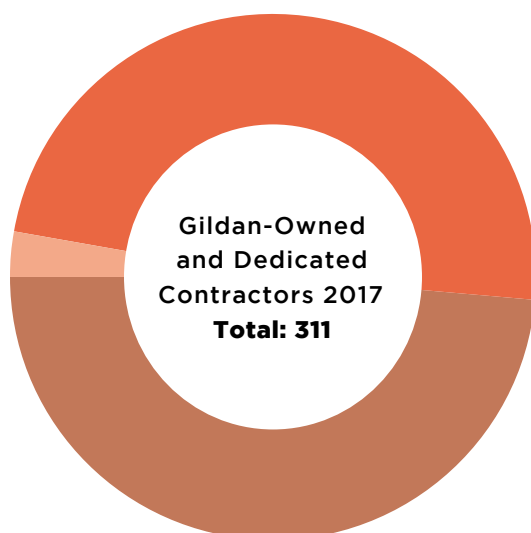
The following information summarizes the non-compliances at Gildan's owned and contractor facilities during the 2017 audit cycle.

Internal Social Audits Findings - Gildan-Owned and Dedicated Facilities

A total of 311 labour-related non-compliances were found at Gildan-owned and dedicated facilities during the 2017 internal audit cycle. These findings were categorized as follows:

GILDAN OWNED & DEDICATED CONTRACTORS - 2017	
Environment, health & safety	224
Record keeping	21
Code & company policies, procedures & awareness	16
Hours of work	11
Grievance system	9
Legal information	7
Discipline	7
Forced labour	5
Harassment & abuse	5
Non-Discrimination (Pregnancy/Woman's Rights)	3
Non-discrimination	1
Compensation & benefits	1
Subcontracting	1
TOTAL	311

The severity levels of these non-compliances were classified as follows:



- Minor: **151** (48.5% of findings)
- Moderate: **151** (48.5% of findings)
- Major: **9** (3% of findings)
 - Environment, health & safety: **3**
 - Harassment & abuse: **3**
 - Non-discrimination: **1**
 - Forced labour: **1**
 - Compensation & benefits: **1**

There were nine major non-compliances at our owned and dedicated contractor facilities in 2017. These major non-compliances are not recurrent findings, however, given their severity all issues were addressed with appropriate corrective action plans.

The majority of the 2017 non-compliances (72%) related to health and safety. Our audit assessment questionnaire includes a rigorous health and safety component, since this area is heavily regulated. In fact, health and safety benchmarks represent nearly 57% of our questionnaire, which explains why most non-compliances are concentrated in this area. Moreover, the health and safety of our employees is a key focus area and priority for our company and stakeholders. These non-compliances include:

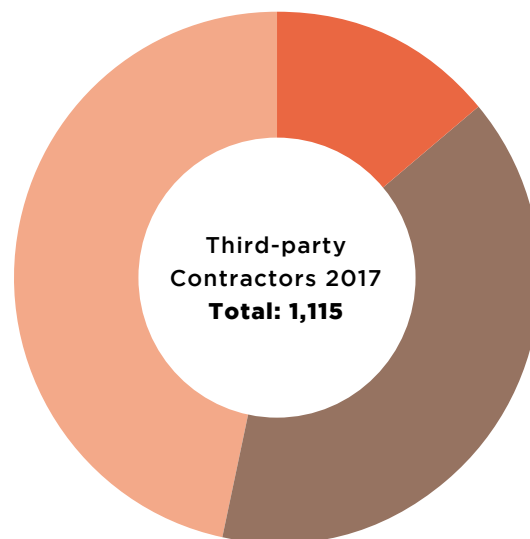
- Fire safety (blocked aisles, uncovered electrical panels, faulty emergency lights, exposed wiring, faded evacuation markings)
- Inadequate use of personal protective equipment
- Machine safety (missing or misuse of needle or eye guards)
- Chemical safety (eye wash stations, unlabelled containers)
- General cleanliness and sanitary conditions (e.g. cafeteria, food handling certificates, general housekeeping)

Internal Social Compliance Audits - Third-Party Contractor Facilities

A total of 1,115 labour-related non-compliances were found at our third-party contractor facilities during the 2017 audit cycle. These findings were categorized as follows:

THIRD-PARTY CONTRACTORS - 2017	
Environment, health & safety	738
Hours of work	114
Record keeping	85
Legal information	71
Compensation & benefits	26
Code & company policies, Procedures & awareness	25
Environment	14
Dormitories	8
Discipline	7
Child labour	6
Non-discrimination	5
Subcontracting	5
Freedom of association	4
Grievance system	4
Freedom of movement	3
TOTAL	1,115

The severity levels of these non-compliances were classified as follows:



- Minor: **440** (40%)
- Moderate: **518** (46%)
- Major: **157** (14%)
 - Hours of work: **46**
 - Legal information: **32**
 - Environment: **27**
 - Record keeping: **18**
 - Health & safety: **15**
 - Compensation benefits: **13**
 - Child labour: **4**
 - Subcontracting: **1**
 - Discipline: **1**

This represents a slight increase in the total number of non-compliances when compared to 2016.

The major non-compliances observed at our third-party contractor facilities in 2017 related to:

- Legal information (insufficient payment of social insurance, fire-safety certificates, business licenses)
- Record-keeping (missing/incomplete labour contracts and personnel files, inadequate time keeping and payroll records)

- Discipline (punitive wage deductions)
- Hours of work (egregious overtime, work on rest days)
- Compensation and benefits (insufficient payment of overtime, delayed payments)
- Child labour (non-registration of juvenile employees, inadequate verification, failure to comply with juvenile work restrictions)
- Health and safety (non-conforming emergency exits, incorrect fire inspections and/or certificates, presence of fire hazards)
- Unauthorized subcontracting
- Environmental (permits, records, monitoring)

We audited 79% of actively producing third-party contractor facilities at least once in 2017.

Remediation of Audit Findings

Our regional compliance teams possess a wealth of experience and in-depth expertise on effective labour compliance management systems, policies and procedures. We share this knowledge with our contractors' management teams to educate them and assist them in developing sound labour practices to ensure sustainable remediation.

Following an internal audit at a Gildan owned or third-party contractor facility, our regional social compliance teams partner with facility managers to effect change and sustainable remediation as well as to provide advice and recommendations on how best to address certain issues. Following an assessment, a management action plan is drafted and shared with the facility and includes corrective actions and improvements which are to be completed within a prescribed timeframe.

Gildan verifies corrective actions through onsite and desktop follow-up audits. Progress on the management action plan is recorded and tracked in our Corporate Social Responsibility data platform. Facilities can provide details of their corrective actions, as well as provide evidence to support their remediation efforts.

We initiated our root-cause analysis procedure review in 2017. Management teams in our company-owned facilities are required to systematically identify the root cause of every major and moderate non-compliance raised during the audit process in order to prevent similar issues from reoccurring. This is done by having a methodical system in place that helps with the implementation and review of adequate preventive and corrective actions.

Recurrent findings are given special attention to ensure that proper remediation is implemented and careful attention is given to trends that are developing throughout several facilities or in a particular region so that any issues of particular concern can be identified at an early stage and potentially prevented.

All of our management processes, procedures and policies are reviewed periodically to ensure efficiency and relevance of our systems. Thorough reviews of our monitoring and rating systems were undertaken during the first quarter of 2017.

The status of all non-compliances and their corrective actions are reviewed and reported to Gildan's Board of Directors on a quarterly basis.

Reconciliation of Internal and External Audit Findings

On a quarterly basis, we perform a comparison and gap analysis of internal and external audit findings. The purpose of this exercise is to reconcile the differences between our respective methodologies and to identify any emerging trends.

Ongoing Remediation Efforts within Our Contractor Base

In line with the Sourcing Department's strategy to reduce its contractor base and to focus remediation efforts at facilities demonstrating compliance with our Code of Conduct, a total of 11 contractor relationships in Asia were terminated. Moreover, remediation efforts at facilities in Asia have brought about positive results with increases in B ratings by 69% while C and D ratings decreased by 48% and 32% respectively.

2017 Social Compliance Rating System

Rating	Impact on Operations	Follow-Up
A	<ul style="list-style-type: none"> Cleared for continued business 	<ul style="list-style-type: none"> No follow-up. Annual/bi-annual audit based on risk
B	<ul style="list-style-type: none"> Cleared for continued business Must have approved CAP & CAP items closed with proof 	<ul style="list-style-type: none"> Follow up depends on supplier CAP response, desktop audit review Annual/bi-annual audit based on risk
C	<ul style="list-style-type: none"> Must improve/reach at least A or B level within 3 audits. If a factory demonstrates it is improving, Gildan may provide additional time and support to remediate. 	<ul style="list-style-type: none"> Follow-up audit in 3-6 months
D	<ul style="list-style-type: none"> Must improve/reach at least A or B level within the next audit. If no improvement after follow-up, all open orders will be completed and supplier has to be exited within 3 months. 	<ul style="list-style-type: none"> Follow-up audit in 3 months
EXIT	<ul style="list-style-type: none"> Open orders will be completed Future orders cancelled 	<ul style="list-style-type: none"> No follow up

Post-Acquisition Integration and Remediation Efforts

Following the acquisition, Alstyle facilities situated in Mexico have been audited and integrated into our Corporate Social Responsibility program and the sewing facility has achieved WRAP certification.

The American Apparel® brand supplier base currently includes active third-party manufacturing contractors located in different regions. The preliminary activities to gauge compliance levels at these facilities included full scope audits of certain facilities on a risk-based approach, as well as a desktop review of peer audit reports and industry certifications.

New and Potential Third-party Contractors

Our guidelines require that all potential third-party contractors, intended for use in the production of Gildan's family of brands or licensed products, must be subject to auditing to verify their social compliance practices prior to any business being awarded. Audits are conducted by experienced auditors who are thoroughly trained on Gildan's monitoring guidelines and social compliance programs. In some instances, Gildan will mandate a third-party audit service provider to conduct these audits on its behalf.

Internal teams assess the audit results and a rating is assigned based on our Code of Conduct and by the benchmarks outlined in our Social, Environmental, Health and Safety Guidebook. If a potential third-party contractor fails an initial audit at their facility, Gildan may accept to re-audit the facility after a three-month period. Should the contractor fail to demonstrate necessary improvements, the facility will no longer be considered for future business.

Current Third-party Contractors

Third-party contractors involved in ongoing production of Gildan orders are regularly assessed for compliance with our Code of Conduct. If a current contractor achieves a low rating following an audit, our internal social compliance team will partner with the facility's management to remediate any issues found during the audit with the establishment of an action plan. In addition, systematic follow-ups are conducted to verify progress made towards resolving any pending issues. Our objective is to help the facility improve their overall performance and remain in compliance with our Code of Conduct.

If a facility fails to demonstrate sufficient progress and cannot achieve acceptable levels of compliance within a prescribed timeframe, contractually, Gildan reserves the right to end the business relationship with the contractor. In 2017, Gildan chose to cease production at 11 manufacturing contractor facilities due to unsatisfactory compliance with our standards.

GRIEVANCE MECHANISMS

At Gildan, we believe that early identification of employee-related issues is crucial to creating an engaging workplace and supporting effective and genuinely open lines of communication between managers and workers. This is accomplished at all of Gildan's administrative offices and manufacturing facilities through a variety of grievance mechanisms.

To ensure the effectiveness of grievance mechanisms, it is important to inform employees about the resources available to them, to provide a better understanding of their use and equip them with the skills needed to use them effectively. As part of their orientation, new hires receive training on the Code of Conduct and grievance mechanisms. In 2017, training on Gildan's grievance mechanisms was provided to a total of 28,812 employees throughout Honduras, Nicaragua, Dominican Republic, Mexico and Bangladesh. Additional training will be provided throughout our facilities in 2018.

Worker-Management Committees

Several worker-management committees have been created at our various locations in order to ensure a broad spectrum of insights inform our policies, practices and programs. We actively encourage employees to share opinions and recommendations on how to best help manage various workplace issues. In addition to the health and safety and ergonomics committees, other committees have been formed and members meet monthly to provide feedback on various subjects including transportation, cafeteria menu and environmental initiatives or to address specific issues at a particular facility or office.

Open-Door Policy

An open-door policy encourages any employee to contact management on any matter and receive immediate feedback, always without fear of reprisal.

Roundtables

Roundtables are organized by the management team and employees in order to identify best practices, to discuss grievances, and to collectively develop an action plan for remediation in a forum that ensures immediate feedback to issues raised. By the in-person nature of the sessions, anonymity is not possible but all participants are guaranteed freedom of expression without fear of any forms of retribution from management or the Company. The frequency of the roundtables varies by region and may be organized on a monthly, bi-monthly or quarterly basis.

Suggestion boxes

Suggestion boxes are one of the grievance mechanisms put in place to allow employees to report their ideas and concerns anonymously. They are situated on the production floor and in cafeterias of our manufacturing facilities in the North America, Central America, the Caribbean Basin and Bangladesh. Written messages are retrieved from the boxes on a monthly basis by regional, non-management employees. In 2017, the majority of the concerns pertained to Human Resources matters, operational issues and middle management.

Although not all facilities in the U.S. have been equipped with suggestion boxes, our yarn-spinning facilities in Salisbury, NC and facilities in Charleston, SC have installed them.

Country	Suggestions Received
United States	224
Mexico	75
Honduras	3,528
Nicaragua	88
Dominican Republic	389
Barbados	4
Bangladesh	15
TOTAL	4,323

Integrity and Social Responsibility Hotline and Website Link

Over the last decade, increased regulatory scrutiny over financial reporting and controls for enforcement of legislation combating bribery and corruption have changed the environment in which we conduct our business. The Company and its business have grown significantly as well, not only in terms of numbers of employees, but also in terms of scale and geographic scope of our operations.

To ensure the best-in-class service for our employees and the Company, we have partnered with EthicsPoint, a world-class independent company that specializes in handling confidential reporting of workplace and ethical issues and concerns. Employees, customers, suppliers and other stakeholders can report any concerns by either calling the Integrity and Social Responsibility Hotline using a local toll-free number or by submitting a report online. The Hotline is available 24 hours a day, seven days a week, enabling

Gildan's stakeholders to anonymously report concerns in any other language of their choice. All reported information is kept confidential and addressed in a timely manner.

The hotline is a tool for reporting concerns related to potential violations of our Code of Conduct, Code of Ethics, Anti-Corruption Policy and Compliance Program and can include, but are not necessarily limited to matters of:

- Employees, customers, suppliers, and other stakeholders misconduct
- Questionable accounting or auditing practices
- Improper reporting of accounting or operational activities
- Violations of Gildan's policies
- Conflicts of interest
- Discrimination or harassment
- Environmental protection, health or safety law infringement
- Theft, sabotage, vandalism
- Unsafe working conditions

In 2017, we received a total of 61 calls, the majority related to minor Human Resources issues, and more precisely to labour issues and workplace conduct. Every quarter, the complaints received are reported to the Ethics and Compliance Committee of Gildan in addition to the Company's Audit and Finance Committee as well as the Chair of the Compensation and Human Resources Committee.

As part of their annual methodology, the Company's internal audit teams subject the system to periodic tests and trials, the results of which are also communicated to our Board of Directors.

PLANT CLOSURES, DOWNSIZING AND RESTRUCTURING

Restructuring

Effective January 1, 2018, the Company consolidated its organizational structure and implemented executive leadership changes to better leverage its go-to-market strategy across its brand portfolio and to drive greater operational efficiency across the organization. The Company combined its Printwear and Branded Apparel operating businesses into one consolidated divisional operating structure centralizing marketing, merchandising, sales, distribution and administrative functions. This is intended to drive a leaner and more streamlined organization and is expected to provide operational efficiencies as the Company leverages a common infrastructure to maximize the growth potential of its brands.

In 2017, Gildan consolidated some production and distribution facilities in North America.

EMPLOYEE ENGAGEMENT

Employee engagement is at the center of Gildan's human resources strategy. It is our belief that an engaged workforce is one in which employee development and retention are top priorities. Vital to the success of any organization, employee engagement drives employees to feel passionate about their jobs, to be emotionally connected and committed to the company where they work and to flourish in the role they play in the Company's success.

When individuals begin working at Gildan, they become a valued member of a larger community. This is why we believe it is important for us to develop and implement various programs to better communicate with our employees and to support them in their professional and personal lives. These programs encourage them to adopt a healthy

and active lifestyle and look to recognize and reward their unique contribution to the Company. We believe that these initiatives have the power to make a difference in improving our employees' quality of life.

Internal Programs Designed to Engage Employees

Gildan Global Engagement Survey

In 2013 and 2015, Gildan rolled out global engagement surveys to measure employees' emotional satisfaction and intellectual commitment to the Company.

Employees from most of our manufacturing locations were invited to participate in the survey by filling out a questionnaire focused on three key behaviours which are:

- Pride in working for Gildan
- Commitment to growing with Gildan
- Drive to excellence in their day-to-day role

An extensive analysis of the survey results highlighted Gildan's strengths and identified opportunities for increased employee engagement within the Company. The 2015 survey allowed us to measure employee engagement across the organization, to identify workplace factors that have the greatest impact on engagement and to assess changes since the previous survey in 2013. We were pleased to learn that the results of the 2015 survey revealed a significant increase in target areas that were identified as our main priorities in 2013.

We continue to deploy Aon's SAY, STAY and STRIVE tools as a powerful means to ensure our employees are committed to our success and creating favorable impact in the communities where we operate. The improvement results from 2013 to the 2015 results were remarkable (+6% from 2013

survey) and position Gildan above Aon Hewitt's apparel peer group and within Aon's global top quartile of best employers. In addition to the fact that we have reached our target of 70%, the global engagement scores and the engagement scores of both male and female employees increased.

We continue our work on identifying, with our employees, the key initiatives and changes that will maintain our overall improved performance, and on the impact of our actions to foster an even more engaging workplace.

In 2017, we introduced pulse surveys to quickly grasp the engagement level of a representative sample of employees. This flexible approach allows leaders to immediately target and implement actions that will contribute to increasing employee engagement.

Balancing Work-Life

Employee Assistance Program (EAP)

The overall health and wellness of employees is a genuine priority at Gildan and has led us to develop many programs and initiatives in place across our entire organization to help employees in their personal and professional lives.

Training and work-related stress management measures are available to all of our employees in North America and Barbados through an Employee Assistance Program (EAP). The EAP is offered to employees free of charge on a voluntary and confidential basis. This service provides guidance to employees and their families, and gives them the opportunity to talk to professionals when dealing with workplace challenges or personal issues (e.g. bullying and harassment, work-life balance, marital problems, eldercare issues, family stress and legal counselling).

Similar to the EAP, family counseling is available to employees at our Central America locations. In addition, we also provide several localized initiatives to promote health and wellness at each of our operating locations.

Employee Cooperatives

Gildan facilitates the creation of independent Employee Cooperatives formed to incentivize and encourage workers to accumulate savings and to facilitate better access to loans, which can be difficult to obtain in some countries. These initiatives typically allow employees access to loans at lower interest rates than loans extended through standard banking channels. Employee participation in the Cooperatives is voluntary and can be terminated at any time.

Gildan's sewing and textile facilities in Honduras and the Dominican Republic have effectively formed Cooperatives. Over 15,800 employees in Honduras are affiliated and were granted over US \$11,000,000 in loans. More than 2,700 employees in the Dominican Republic benefited from Gildan's affiliation with an independent Cooperative, which granted loans amounting to over US \$1,980,000.

The Cooperatives operate as independent legal entities supervised by an administrative manager. Participation is available to non-management employees, who freely elect a Board of Directors from members biannually. Since Gildan allocates space for the Cooperatives within our facilities, our Finance department and external auditors act to ensure that the Cooperatives are properly managed and operating in compliance with local regulations.

Gildan's Housing Program

An important stepping stone in the evolution of developing economies is home ownership.

Gildan has donated over \$150,000 in down payments for employees looking to purchase a new home. This program was developed in partnership with local banking institutions in Central America. Gildan has given this important opportunity to 240 employees.

[“Escribiendo tu Futuro” Program \(Writing Your Future\)](#)

At the beginning of the 2017 school year, Gildan distributed more than 4,300 back-to-school kits adapted to the specific needs of our employees’ children heading to preschool, elementary and high school in Nicaragua. The kits included essentials such as notebooks, pens, pencils, crayons, geometry sets and modelling dough. The program supports employees’ families with the required tools to start their school year supporting their education needs.

[Saving Our Family Program](#)

This assistance program responds to the needs of employees who have requested support in managing personal issues and family situations in a safe, non-judgmental place. Through this initiative, Gildan provides employees with free access to confidential counselling by a certified professional specialized in marriage and family matters.

In addition to individual counselling, group sessions are also offered to address widespread issues affecting numerous workers. These sessions provide co-development opportunities that encourage participants’ personal growth through others’ experiences. Some topics explored include:

- Women reaching their full potential
- Self-happiness
- Joy in motherhood
- Family budgeting
- Health awareness

- Raising teenagers
- Children and self-esteem
- Value of work
- Perseverance

The program is currently in place in Honduras and the Dominican Republic. In 2017, the program offered more than 2,400 sessions for workers in these countries, as well as training related to self-esteem, stress and interpersonal relations and family matters to over 14,000 employees in Honduras.

[Grocery and Household Staples](#)

Gildan has initiated programs to help our employees to access groceries and basic household products at reduced prices. Since 2016 in Nicaragua, we have arranged for an establishment situated in close proximity to our facilities to provide employees with foodstuffs and other staples at discounted prices compared to market. In 2017 we continued working with one of our facility’s unions to include more products requested by employees such as milk, diapers and coffee. Due to the variety of products available, almost 100% of our employees have decided to use this benefit. The union continues to play an active role in the administration of this program.

CONSERVING THE ENVIRONMENT

Our vertically-integrated business model and large scale have enabled investments in innovative environmental solutions at our manufacturing facilities, where we are maximizing our use of natural resources, increasing our access to renewable energy and treating our wastewater naturally. These sustainable solutions serve to lower our impacts and optimize our wastewater treatment facilities.



CONSERVING THE ENVIRONMENT



As one of the world's largest vertically-integrated manufacturers of activewear, underwear and socks we directly control almost every step in the process of manufacturing our products and we acknowledge that our operations have an impact on the environment and the communities where we operate.

It has long been our philosophy to operate responsibly and to look for ways to reduce our environmental impacts by investing in technology, innovation and sustainable solutions. We believe that our investments and efforts in these areas are a competitive advantage and a critical driver of our long-term business success. More importantly, as the entire apparel industry is increasingly being held to higher standards by our customers and all stakeholders, we believe that innovating and integrating these new solutions into our business are necessary to ensure our future financial success.

Our business model provides us complete visibility across the full production value chain to measure, monitor and optimize both individual aspects and the entire process. This allows us to drive continuous improvements that will deliver value in everything we do.

Gildan's environmental program establishes two core objectives: reduce our environmental impact and preserve the natural resources used in our manufacturing processes.

In 2017, we identified two primary areas of focus related to the environment that are of top importance to our stakeholders and critical to our Company's long-term operational success: **operational water and wastewater management and climate change**.

Water is a very important natural resource across the full lifecycle of our products, from the agricultural phase to the consumer-

use phase. While the consumer-use phase represents the single largest water impact, we work relentlessly to develop more efficient technologies and processes to safeguard this precious resource by **optimizing water use**. It is important to note that Gildan has strategically positioned our textile facilities in regions where water scarcity is typically not an issue.

Climate change remains one of our most important environmental and social challenges. The impact of our business and operations on climate change largely stems from our energy use throughout the manufacturing process and the generation of greenhouse gas emissions (GHGs) therein. This is an important focus for our Company, driving significant investments and innovations in the last 10 years. While we have achieved great results to date, we remain committed to searching for and investing in new technologies in this area.

One secondary area of focus, coming from our materiality assessment, relates to **safe chemical management**. In this area, we are pioneers in our industry by developing internal production, research and development capacities that have allowed us to better control chemical inputs, production and disposal, as well as to drive cost and impact efficiencies.

OPTIMIZE WATER USE

Since 2015, Gildan has decreased its water intensity by 10%. These results have largely been driven by new equipment and technology such as high-efficiency dyeing machines in our Honduras textile hub, integrating timer controls, flow meters and other water management systems in all textile hubs and introducing new chemistry in our wet processes that have optimized dye and rinse

cycles and overall water usage intensity.

Other projects to help achieve this goal include water reclamation systems within our wet processes and condensate capture and return systems in our Biomass steam generation process as described in the Energy Efficiency section of this report.

Water Consumption

Global water consumption from all facilities and offices was 19,175,838 m³ in 2017, down more than 1 million m³ from 2016 levels.

Based on the methodology within the Sustainable Action & Vision for a Better Environment; Footwear, Apparel & Accessories Industry Sustainability Guideline Vol. 2, our average global water consumption for the dyeing of our textiles was calculated in 2017 to be 56-57 liters of water per kilogram of product. The indicated industry average water usage needed to create a white cotton t-shirt is approximately 65-70 liters per kg of product in the apparel industry. As such, Gildan's performance related to water consumption is strong relative to the textile industry average. It should be noted that the average global water consumption reported in the Metrics section of this report is higher since we are a vertically-integrated manufacturer through yarn-spinning, knitting, cutting, sewing and distribution. By consequence, the average global water consumption is representative of all our business operations, not merely our textile facilities.

Gildan sources the vast majority of its water needs from wells (97%) and only a small percentage is supplied by the municipalities (3%). The textile facilities consume 85% of Gildan's total water demands, mostly within our dyeing and finishing processes.

It is important to note that we ensure our

water usage does not significantly affect any water source. Additionally, we do not use water from any Ramsar-listed wetlands, or from water bodies that are recognized as being particularly sensitive.

Gildan's numbers have been normalized according to an adjusted baseline to include mergers, acquisitions and divestitures since 2015. For more details on the methodology used for the baseline adjustment, please refer to our [Reporting section](#).

Water Efficiency

In 2015, Gildan set a goal to reduce the water intensity resulting from its owned operations, per kg of product, by 10% as compared to a baseline year of 2015. We closed 2017 with a 10.4% reduction compared with the 2015 baseline.

Wastewater Management

Effective management of our wastewater effluent is of the utmost concern for Gildan and is an area where we have adopted innovative solutions for many years. Throughout the development of many of these projects we have uncovered several opportunities to improve the quality of our effluent and the efficiency of the system. As we look forward we are continuing to explore technologies that would enable enhanced water recycling within our processes.

The Gildan Biotop System

The Biotop system, located in our Honduran and Dominican Republic manufacturing hubs, is a highly-efficient biological wastewater treatment system that has been in use since these facilities' inception. The purpose of the system is to treat wastewater through a series of interconnected lagoons which naturally eliminate dyes and chemicals from the effluent

and stabilize the wastewaters' pH. Gildan's Biotop wastewater treatment process has yielded excellent results while maintaining an extremely rich ecosystem adjacent to our production facilities. Some of the important advantages of Gildan's Biotop over traditional chemical-based treatment systems include:

- Naturally occurring bacteria is used
- 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
- No fossil fuels are needed to power the system
- 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 treated water is released into a drainage channel that flows into the nearest river

Wastewater sent to the Biotop for treatment 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
- Kjeldahl nitrogen
- Ammoniacal nitrogen
- Phosphorus

- Detergents
- Phenols
- Sulfide
- Heavy metals

Gildan does not discharge water into any protected rivers and/or wetlands. Strict controls are enforced on all the effluents discharged from our wastewater treatment plants. Each treatment facility is required to meet local discharge regulations. Exhaustive biological surveys are performed at least every two years in order to review the impact that the facilities may have on the environment.

WASTEWATER VOLUMES (M3)		
Year	Municipal Pre-treated*	Other Recipients Treated**
2017	591,608	15,200,281
2016	765,591	16,701,955
2015	663,280	18,603,641

**Pre-treated totals represent process effluent quantities discharged to a municipal sewage network for later treatment at a municipal wastewater treatment facility.*

***Treated totals represent effluent quantities discharged to subsurface waters, surface waters, sewers that lead to rivers, oceans, lakes, wetlands and groundwater after treatment in Gildan owned effluent treatment facilities and meeting regional and/or national regulations.*

Biological Reactor

Gildan implemented a series of biological reactors for the treatment of effluents and to increase our wastewater treatment capacity at our textile hubs.

These systems, which leverage biological oxidation as an effective wastewater treatment process, operate at a low operational

cost and work in tandem with the Biotop system, guaranteeing a continuous and safe wastewater treatment system. Gildan's biological reactor represents an additional environmental safeguard and socially-responsible solution with the following advantages:

- Reduced footprint in comparison to the Biotop lagoons
- Reliability: the chosen system must run 24/7 and must comply with the latest environmental regulations at all times
- The use of long-lasting and leading-edge equipment from industry leaders allowing for maximum reliability for the continuous support of our production processes.

In October 2017, our vertically-integrated facility in Bangladesh started a project to upgrade our wastewater treatment plant aligned with our growth in this region. We expect the project to be finished by the end of 2018.

ADDRESS CLIMATE CHANGE

Climate change is a reality that affects our lives and potentially challenges our ability to do business in the future. In our operations and business the largest impact on climate stems from our energy consumption and as such the Company has invested significantly in technologies and initiatives to reduce our energy consumption, increase energy generated from renewable sources and optimize the capture of thermal energy throughout our processes. We remain committed to pursuing continuous improvements in every step in the process and investing in new technologies to further reduce our overall footprint.

Energy

Gildan's main sources of energy include

biomass, bunker fuel and electricity. Bunker fuel and biomass are used primarily to create the steam necessary for our wet processes (dyeing, finishing and compacting) and are classified as "direct energy". The balance of energy required is obtained through the purchase of electricity, which is classified as "indirect energy".

Our textile and hosiery facilities as well as our yarn-spinning facilities located in the US account for a large part of the electricity we consume. Gildan established an energy intensity reduction target, for our owned facilities, of 10% by 2020 over our 2015 baseline. In 2017, our energy intensity increased by 9% when compared to our 2015 baseline. This result was largely attributable to the integration of two acquired yarn-spinning facilities in Georgia, the ramp-up of our remaining yarn-spinning facilities in the U.S. and the poor quality of available BioMass feedstocks.

We believe that this year was an outlier year and feel confident we have the technology and projects in place to allow us to reach our 2020 goal. These projects include:

- The installation of high-efficiency chillers which harness thermal energy that is produced by our biomass steam generation process
- The installation of hot water heat-recovery systems at all of our textile facilities. This process allowed us to generate approximately 3,700,000 m³ of hot water from wastewater. Moreover, this project contributed to the reduction of approximately 140,000 tons of steam no longer required to heat the volume of water previously listed.
- Steam and condensate line insulation efforts in order to minimize thermal energy loss

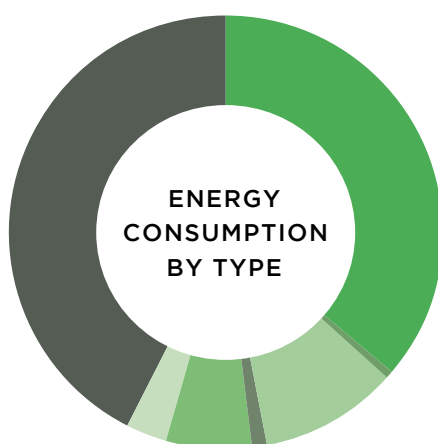
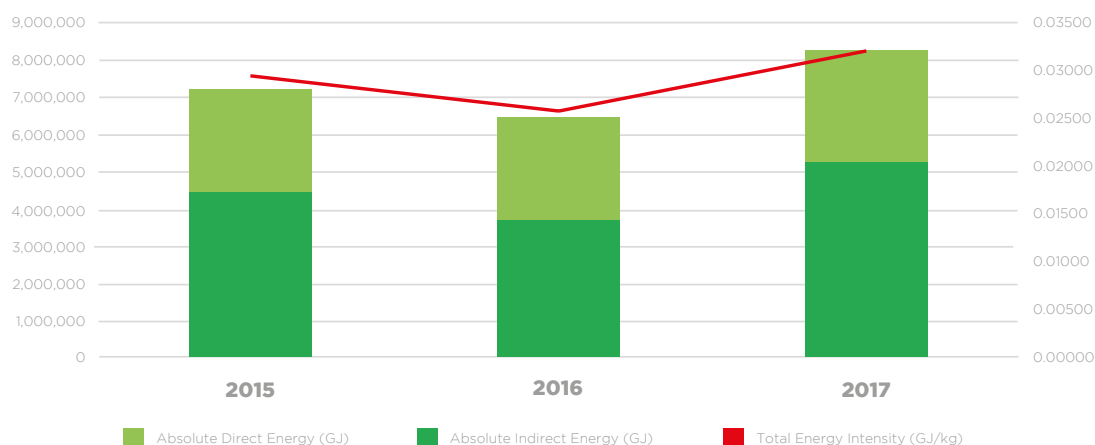
- Lighting retrofits to high efficiency and motion activated fixtures
- Improved compressed air management practices
- 36% of the energy consumption was from indirect purchased electricity sources (Please refer to the Energy Consumption by Type chart for more details)

In 2017, the global energy consumption for all our facilities and offices, including direct and indirect energy, was approximately 8,263,325 gigajoules, compared to 6,519,288 gigajoules in 2016:

The increase from 2016 levels largely reflects the integration of two acquired yarn-spinning facilities in the U.S., the completion of ramping up production capacity at our U.S.-based yarn-spinning facilities and an overall increase in production volumes.

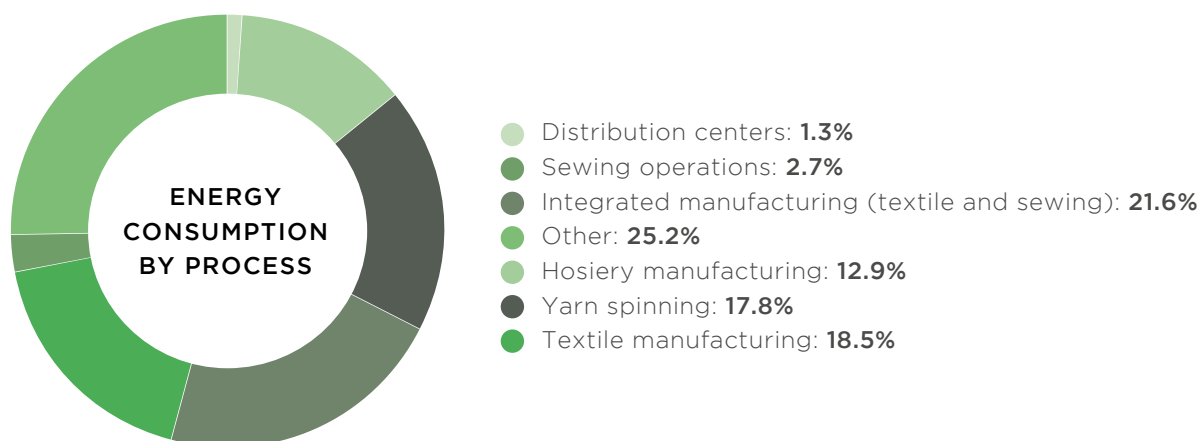
- 64% of the energy consumption was from direct sources

ENERGY TRENDING

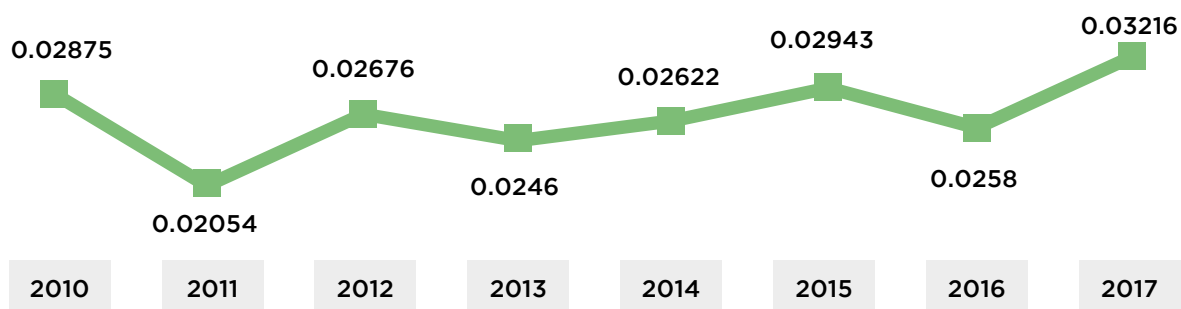


- Liquid Natural Gas: **2.9%**
- Propane: **0.7%**
- Diesel: **1.2%**
- Natural Gas: **6.5%**
- Fuel Oil: **10.1%**
- Biomass: **42.4%**
- Electricity: **36.2%**

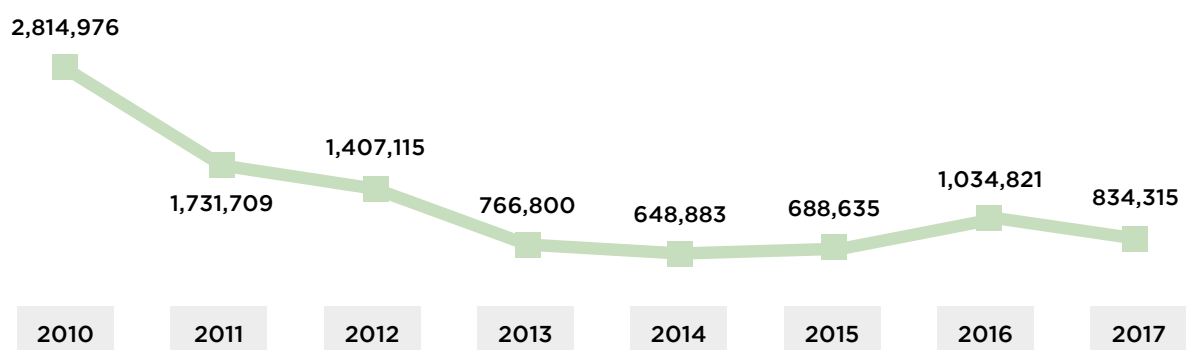
Gildan's numbers have been normalized according to an adjusted baseline to include mergers, acquisitions and divestitures since 2015. For more details on the methodology used for the baseline adjustment, please refer to our [Reporting section](#).



2010 - 2017 ENERGY INTENSITY (GIGAJOULE PER KG OF PRODUCTS)



2010 - 2017 BUNKER FUEL CONSUMPTION GILDAN-OWNED FACILITIES (IN GJ)



In 2017, we saw a decrease in bunker fuel consumption of 19% when compared to 2016. This is mainly attributable to the integration of more efficient Biomass feeder systems and improved efficiencies in boiler operations during 2017.

Renewable Energy

In many of the regions where we operate, we are typically supplied with energy from traditional sources which burn fossil fuels, particularly bunker fuel. Aside from exposing companies to risks of price volatility, these energy sources also result in significantly higher greenhouse gas emissions that contribute to global warming.

Several years ago, Gildan began the process of investing in renewable energy, specifically biomass technologies, for the generation of steam for our textile operations in Central America and the Caribbean Basin. The innovative and large-scale systems burn agricultural, factory and process waste in high-efficiency boilers to generate steam and thermal energy required to power several processes within our textile operations.

In 2017, 43% of Gildan's total energy was powered from renewable sources.

In the Dominican Republic, a steam generation system is fueled by biomass produced from agricultural residue sources, select packaging and production waste.

In Honduras, biomass consists of a variety of agroforestry residues, mainly African palm, cultivated crops harvested from agricultural plantations and non-fossil industrial residues from Gildan's production processes.

Key Benefits of Gildan's Biomass Steam Generation Systems

- The agricultural crops plantations provide numerous and diversified jobs in urban and rural areas
- The energy from agricultural waste 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
- The use of biomass as a fuel source in developing countries 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

Energy Efficiency Projects

Optimizing the use of the energy generated and investing in energy efficiency projects is also a priority at all of our facilities.

Condensate Return

Gildan's current condensate return rates at all of its textile and hosiery facilities in Central America and the Caribbean Basin are close to 90%, followed by 70% at its integrated facility in Bangladesh, which translates into substantial conservation of both energy and water. Condensate is the liquid resulting from a heat-transfer process, where thermal energy has been removed from the steam.

In order to prevent accumulation or calcification within the piping in the system, all

water within the Biomass systems is treated and contains certain chemicals. Another advantage of the condensate return process is the capture and recycling of those chemicals as well, resulting in savings of chemical inputs and costs.

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 also been incorporated into the condensate return loop, boiler's surface and bottom purges, which are used to control the accumulation of solids. By using these heat recovery systems, we are able to pre-heat water and have it available when needed in our different processes, thereby reducing the amount of steam required to reach the process temperature. This way, Gildan reduces its energy consumption costs and engages in effective water conservation.

2017 Reduction Efforts for Various Types of Energy Consumption

Emissions

Through its various manufacturing processes, Gildan generates different types of air emissions which are discharged into the environment. Air emissions include, but are not limited to, greenhouse gases (GHG). Potential discharges into the environment also include wastewater and other chemicals discharged through spills into the soil and/or ground and surface water.

Gildan Environmental Management System (EMS) allows us to effectively monitor and manage these emissions and discharges through detailed procedures, enabling continuous improvement initiatives to be undertaken that target reducing or preventing these emissions into the environment.

GHG Emissions

Gildan is committed to minimizing our GHG footprint through energy conservation efforts and by reducing our reliance on fossil fuels. We aim to decrease our reliance on fossil fuels by finding alternate sustainable energy sources and production processes. Adopting such strategies has additional benefits such as lower operational costs and improved efficiencies.

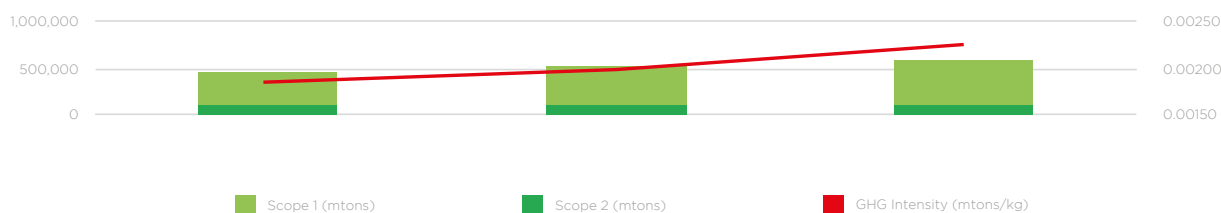
Our current GHG emissions intensity reduction target seeks to achieve a 10% reduction by 2020, for company owned operations, when compared to our 2015 baseline.

In the past year, Gildan increased its GHG emissions intensity resulting from its owned operations per kg of product by 20%. This result is largely attributable to the integration of our yarn-spinning facilities and poor weather conditions which limited the availability and efficiency of our Biomass fuel stock, which required that we use more energy from the traditional grid in our textile manufacturing operations. Although we saw an increase in our GHG footprint for 2017, Gildan continues to be committed to meeting our 2020 goal and believe our numerous projects will allow us to achieve this 2020 goal include:

- Steam and condensate line insulation efforts in order to minimize loss
- LED lighting technology implementation and improved energy efficient compressors
- Conversion of cafeteria oil into biodiesel
- Wastewater heat-recovery expansion

A study is underway to review the environmental projects that will help us to realign our strategies in order to achieve the goals and targets we have set for 2020. The results are expected in the third quarter of 2018.

GREENHOUSE GAS (GHG) TRENDING



Gildan's numbers have been normalized according to an adjusted baseline to include mergers, acquisitions and divestitures since 2015. For more details on the methodology used for the baseline adjustment, please refer to our [Reporting section](#).

Measuring GHG Emissions

We have measured GHG emissions at Gildan-owned facilities and offices since 2006. Gildan has also participated 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, in order to reduce our GHG emissions.

In 2017, the global absolute GHG emissions (direct and indirect) from all our manufacturing facilities and office locations, increased by 26% when compared to those of 2015. Specifically, in 2017, our absolute GHG emissions were measured at 578,791 tCO₂eq compared to 500,251 tCO₂eq in 2016.

- 18% of these emissions were direct emissions
- 82% were indirect emissions from purchased electricity

These increases were mainly caused by the integration of two acquired yarn-spinning facilities in the U.S. and the completion of the ramp up of production capacity at all U.S.-based yarn-spinning facilities, all large users of electricity.

GHG emissions originate from:

- Purchased electricity

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

Each activity has a specific emissions factor used to calculate its corresponding GHG emissions. Electricity represents the main source of emissions for all our operations. Bunker fuel remains the second major source of GHG emissions, despite the fact that we have converted a significant proportion of our steam-generation process to biomass.

Absolute indirect GHG emissions are generated at sources owned or controlled by other organizations with the use of purchased electricity.

Sources for the Emission Factors used for the calculation of our GHG emissions can be found [here \(pdf - 175.1Kb\)](#).

Risks Related to Greenhouse Gas Emissions

Our manufacturing plants generate air emissions which are partially offset by the installation of specific chimneys and filters. The environmental protection requirements with regards to the Company's operations did not have a significant financial or operational

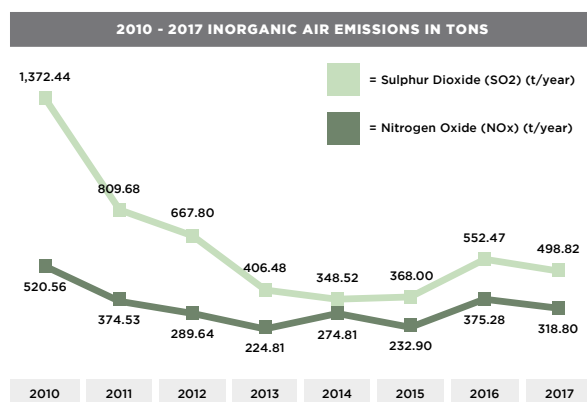
impact on our capital expenditures, earnings and competitive position. To manage our exposure to regulatory changes, we continue to work with our local management teams who are tasked to remain informed on potential changes to regulations that might be insituted by local governments. This allows us to be proactive and to continue our 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, and any such events could have a negative impact on our business.

A study is underway to review the environmental projects that will help us to realign our strategies in order to achieve the goals and targets we have set for 2020. The results are expected in the third quarter of 2018.

OTHER EMISSIONS

Inorganic Air Emissions



In 2017, our inorganic air pollutant emissions totaled 817.6 tons, an increase of 36% (216.7 tons) when compared to 2015 emissions. Sulfur dioxide (SO₂) represents 61% of the total inorganic compound emissions while nitrogen

oxide (NO_x) represents the remaining 39%.

Gildan's substitution of bunker fuel with biomass for the boilers located at our textile facility in the Dominican Republic, as well as at our hosiery and textile facilities in Honduras have contributed to an overall decrease of our SO₂ emissions since 2010. Due to challenges related to the availability of good quality biomass in 2017, we continued to use bunker fuel as an alternate fuel stock for our Biomass boilers.

We expect to be able to further reduce our use of bunker fuel in the future and achieve our 2020 goals, as more reliable supplies of Biomass are secured.

Bunker fuels, primarily used for heat generation during the dyeing process, and diesel fuel used in back-up generators and on-site vehicles, are the two main contributors of our total inorganic air pollutant emissions.

Inventory of Ozone Depleting Substances

Gildan is committed to taking proactive measures towards the elimination of hydro chlorofluorocarbons (HCFCs) in our processes. To this end, Gildan conducted its first inventory of ozone depleting substances (ODS) in 2010.

This action allowed us to identify and reduce over 50% of HFC-134, a refrigerant used at our facilities. The observed decrease was due to the continuous effort of Gildan in order to minimize the use of ODS in our facilities.

Gildan is committed to minimizing the use of synthetic refrigerants, such as the R22 refrigerant by not using these in any of our new installations. Moving forward, natural refrigerants will be the preferred alternative for all new refrigeration equipment. When refilling becomes necessary, the use of HCFCs in existing equipment will be phased out.

Based on this commitment, going forward, all refrigerant replaced in all our existing installations will no longer contain HCFCs.

WASTE

One of the key objectives within our Genuine Responsibility™ program is the reduction of waste. Not only does waste contribute to the issue of landfill and related GHG emissions, it is also a costly loss of potentially valuable resources.

In 2017, we recycle or repurposed 86% of our total waste. Our waste reduction efforts include recycling and the establishment of waste prevention measures at all stages of the production cycle. Proper waste management practices are essential to our operations since we use a variety of materials in our processes. As such, it is important for us to ensure that the majority of these materials are reused and recycled to the greatest extent possible, while ensuring that the remainder of the waste is disposed of in a responsible manner. Waste reduction, reuse and recycling practices are fundamental to Gildan's operations.

Our 2020 goal is to reduce landfilled waste intensity by 10% per kg of product, from our owned operations, when compared to our 2015 baseline year. Since 2015, Gildan has shown an increasing trend in our landfill waste intensity of 33%.

This increase in 2017 is atypical and is largely attributable to the initial development production related to the integration of two acquired yarn-spinning facilities and the completion of the ramp-up of our U.S.-based yarn-spinning operations.

We are continuing to develop key initiatives to reduce waste and achieve our goal. We will continue to improve the landfill waste deferral rate by leveraging best practices across our facilities.

As a first step of the waste reduction identification efforts, our Central American EHS regional team carried out a deep dive at the following manufacturing locations: Nicaragua, Honduras and Dominican Republic. As part of this exercise, the current equipment in use was assessed to determine if it is optimal for the required application. The regional EHS team is also evaluating new waste disposal technologies, equipment and contractors at each location.

Other measures underway at certain manufacturing locations include the re-evaluation of current waste streams in order to maximize recycled wastes and reduce the quantity sent to landfills, elevate employee awareness through training campaigns and reduction-at-source initiatives that include the selection of products with reduced packaging and working with suppliers that enable the return of packaging materials and containers for reuse or repurposing.

Gildan's Waste Management System was developed in 2007 and is based on the 4R-D concepts of 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.

Gildan's Waste Management System includes best practices designed and based on our corporate standards which include, at a minimum, compliance with the legal requirements in the countries in which we operate.

Implementing this Waste Management System involved several key steps representing best practices, which were communicated to supervisors and production staff at each of our company-owned facilities through a series of comprehensive training sessions. Dedicated on-site environmental staff provides support for the key steps of the program which include:

- Overview of the waste classification process
- Acceptable processes for handling different types of waste
- Site-specific information for cafeteria, office and facility waste reduction measures and classification
- Creation of additional facilities to store waste where necessary
- Processes for documenting and reporting waste data
- Identification of the impact our business has on the environment
- Identification of opportunities to continue raising awareness and integrating waste management practices

2015-2017 WASTE BY TYPE (METRIC TONS)			
	2015	2016	2017
Biomedical waste	2.79	6.22	4.04
Hazardous waste	561.18	512.68	757.26
General solid waste	7,225.91	9,618.12	10,014.22
Recycled waste	62,819.10	62,018.26	61,430.91
Special waste	23.54	19.99	25.56

Total hazardous waste: biomedical, hazardous and special waste

Non-hazardous: landfill and recycled waste

Landfill waste data for certain sites have been estimated based on historical performance.

Gildan's numbers have been normalized according to an adjusted baseline to include mergers, acquisitions and divestitures since 2015. For more details on the methodology used for the baseline adjustment, please refer to our reporting section.

The special waste category includes domestic batteries (disposable and rechargeable batteries), industrial batteries, construction, renovation and demolition waste, information and communications technology waste (ICT) and fluorescent lights.

Recycling Waste from Product and Textiles

Gildan proactively recycles in-process waste from the various operations within the manufacturing process. This ranges from recycling fibre waste within yarn-spinning operations back into new yarns to mechanically stripping cutting-room scraps into fibre for use in downstream products. 100% of Gildan's cutting-room scraps are recycled into fibre for use in manufacturing new products, such as textiles, socks, industrial materials, mops and other end uses.

In 2017, Gildan partnered with Sans Soucie to give new life to sheer hosiery waste. This partnership with Katherine Soucie, founder of Sans Soucie Textile and Design, a zero-waste textile and clothing design studio, transforms sheer hosiery waste into new garments and textiles. In 2017, Gildan supplied Sans Soucie with more than 400 lbs of hosiery waste.

ENVIRONMENTAL POLICIES AND PROCEDURES

Gildan has specific tools and programs in place to track its environmental impacts and practices and to ensure our environmental sustainability objectives are met.

Adopted in 2003, Gildan's Environmental Policy guides our day-to-day practices. Gildan's Environmental Policy encompasses areas such as:

- Water use
- Wastewater control
- Waste management
- Energy
- Chemical handling
- Control of atmospheric emissions
- Ozone-depleting substances
- Biodiversity protection
- Greenhouse gas emissions

The policy is applied at all operating facilities and seeks to clearly describe and reinforce behaviours that ensure that we meet and/or surpass expectations found in local laws, as well as our own higher standards.

Environmental Management System

Gildan's Environmental Management System (EMS), which is based on the ISO 14001 standard, tracks how Gildan's Environment Policy and environmental procedures are being implemented across all of our facilities. Gildan's EMS is verified by internal audits conducted on an annual basis. The EMS allows us to evaluate our procedures for managing water use, wastewater discharges, energy consumption, chemical handling and storage, raw materials, waste generation, biodiversity protection, emissions and procedures for spills.

As part of this EMS, each Gildan-owned facility has to set objectives and targets, aligned with the corporate goals and targets.

Restricted Substances Code of Practice

Gildan developed its Environmental Code of Practice (ECP) in 2003, which was revised in 2017 to become our Restricted Substances Code of Practice (RSCP). The RSCP strengthens our commitment to using non-hazardous substances for the manufacturing of our products throughout our supply chain, even before a new chemical or raw material is purchased. Our RSCP lists the allowable materials that can be introduced into our manufacturing operations, ensuring that materials do not contain substances that are harmful to humans or the environment. Our raw material suppliers are required to adhere to the stringent standards set forth by our RSCP. In addition, our third-party manufacturing contractors must also ensure that all our products comply with the RSCP.

The RSCP has multiple benefits:

- Guarantees our customers that our products are clean and safe for their use
- Ensures a safe working environment for our employees
- Minimizes our environmental impact and reputational risk

Raw Material Classification

All raw materials proposed for introduction into our operations or products are first evaluated as part of our RSCP process. Suppliers are required to submit Material Safety Data Sheets (MSDS) and complete a self-assessment questionnaire regarding the safety of the proposed materials. These materials are then classified into three distinct categories:

Approved: The raw materials supplied by third-party manufacturing contractors meet Gildan's Restricted Substances Code of Practice. They are therefore approved for use in our manufacturing process from an environmental perspective.

Approved with conditions: Raw materials are conditionally authorized for limited use in Gildan production in line with internal controls.

Rejected: Raw materials are deemed unacceptable according to the terms of our Restricted Substances Code of Practice and are therefore rejected. These materials are not used in any of our manufacturing processes. A Rejected classification is given to third-party contractors who are unable to provide the required information to complete the RSCP evaluation process or are found to use materials and chemicals deemed as unacceptable according to Gildan's RSCP.

As a reflection of our commitment to continuous improvement, our Restricted

Substances Code of Practice is regularly updated to include substances related to the apparel sector which are banned or restricted by countries regulations and where Gildan products are sold, such as CPSIA, REACH (SVHC list) Washington State and Proposition 65; industry practices such as Oeko-Tex® Standard 100 and customer's RSLs; chemicals highlighted by NGOs and textile sector initiatives such as SIN List and ZDHC; and includes other known harmful chemicals (but not legally regulated) as well as substances with possible relevance of health concerns.

Gildan's RSCP restricts most important regulated and targeted substances. A [Gildan's Substances List](#) is included for easy reference.

Environmental Expenditures

Gildan incurs environmental expenditures in order to comply with environmental laws and regulations, our own Environmental Policy and to continue to improve our practices. The total environmental protection expenditures for 2017 were over approximately \$8 million which includes total operational costs (e.g. the treatment of effluents, biotop maintenance, waste disposal and management, emissions treatment, spill clean-up) and other improvement initiatives.

An example of one of our environmental investments for 2017 is the construction of a decolourant station in our Biotop process in the Dominican Republic to better control the colour parameter.

Monitoring and Environmental Compliance

At Gildan, we have created a number of evaluation and verification methods to help ensure that we are compliant with all applicable environmental laws and regulations in the countries in which we operate, in addition to our internal Environmental Policy.

Capital expenditures are made annually to ensure we are achieving and improving our compliance with current environment standards, further demonstrating our commitment to the environment and the health and safety of our employees.

Environmental Assessments

As part of its Environmental Management System, Gildan conducts a complete analysis of potential environmental risks that are specific to the locations where we operate. This analysis helps us prevent and address any adverse impact that our operations might create at the location and in the surrounding community. Part of this process may include community meetings and public consultations where Gildan representatives can address concerns regarding the technical aspects of any proposed project.

Environmental Fines

No fines related to environmental topics were reported during the 2017 period.

AUDITS - FISCAL 2017

Environmental audits are conducted to evaluate the efficiency and effectiveness of our Environmental Management System. These audits help us ensure that our operations are compliant with local laws and regulations, as well as with our own stringent internal standards. We continually strive to identify the root causes of any deficiencies revealed during an audit and to establish a clear corrective action plan to implement sustainable remediation.

The frequency of the environmental audits depend on the manufacturing activities performed at a given facility and the potential impact such activities might have on the environment and our operations. The majority

of our facilities are audited once per year and a minimum of once every 18 months. In 2017, we conducted 24 complete EHS audits at Gildan-owned facilities.

Classification of Environmental Non-Compliances

Non-compliances are classified as having a major, moderate or minor impact on the environment and/or operations. These three classifications are defined in Gildan's Environmental Management System, as follows:

Major Impact / Major Non-Compliance: A violation of environmental laws causing a high environmental impact or high risk of causing a major environmental impact. The prescribed remediation time is 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 an impact. The prescribed remediation time is 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. The prescribed remediation time is six months.

AUDIT FINDINGS - FISCAL 2017

2017 Environmental Non-Compliances at Gildan-Owned Facilities

In 2017, 24 complete environmental audits were performed at all of our textile, hosiery, and sewing facilities as well as our industrial park installations at the Rio Nance complex in Honduras.

A total of 233 non-compliances were identified during the 2017 audit cycle. The non-compliances were classified as follows:

- 5 major (2.14%)
- 129 moderate (55.36 %)
- 87 minor (37.34 %)
- 12 opportunities for improvement (5.15%)

We experienced a 28% increase in the total number of non-compliances at Gildan-owned facilities compared to 2016. This increase is explained by changes to the environmental audit tool, which now incorporates Health and Safety benchmarks.

The majority of the non-compliances found pertain to internal policies and procedures:

- Non-compliances with operational control procedures, mostly in chemical and waste management as well as emergency preparedness and response
- Late remediation of non-compliances found in previous environmental audits
- Late communication or implementation of action plans to relevant parties in the accomplishment of objectives
- Management review meetings not executed in a timely manner or some topics not addressed as required in procedures

Remediation

In order to address the non-compliances identified through our various environmental audits, actions to remediate were initiated in 2017. Some of which are described below:

- We worked closely with each of the facilities in order to develop action plans to remediate non-compliances in a sustainable and timely fashion.
- We continued to visit and assist the facilities in addressing any doubts with

the implementation of the Environmental Management System.

- We implemented internal verifications of legal environmental requirements to proactively track changes in legal framework
- Chemical training was provided at facilities in order to improve performance in this area.
- We conducted environmental audits at waste management contractor facilities to ensure they are compliant with local laws and Gildan's standards

METRICS

Each absolute data table presented has been independently reviewed in accordance with the International Standard on Assurance Engagements (ISAE) 3000 reporting standard. Gildan uses the "operational control" approach to establish its organizational boundary. Specifically, the assurance scope covered the following 2017 performance data: annual energy, water, effluent and waste usage, scope 1 and 2 greenhouse gas and inorganic gas emissions and refrigerants.

It is important to note, that the 2015 data presented in each of the tables varies from one to the other, as the 2015 data presented in the second table (2015-2017 data) has been back casted/re-baselined from the 2017 data to account for mergers, acquisitions and divestures for that year. For more details on the methodology used for baseline adjustment, please refer to our reporting section.

The following tables represent our current performance towards our goals for 2020.

2015-2017 ENERGY CONSUMPTION FOR GILDAN OWNED FACILITIES			
	2017	2016	2015
Absolute direct energy (Gj)	5,275,353	3,693,122	4,462,943
Absolute indirect energy (Gj)	2,987,972	2,826,166	2,746,114
Absolute total energy (Gj)	8,263,325	6,519,288	7,209,057
Total energy intensity (Gj/Kg)	0.03216	0.0258	0.02943
% Intensity variation from 2015 baseline	9%	-12%	0%
% Renewable energy	43%	30%	42%

2015-2017 WATER CONSUMPTION FOR GILDAN OWNED FACILITIES			
	2017	2016	2015
Absolute water (M³)	19,175,838	20,164,544	20,408,790
Water intensity (M³/Kg)	0.07463	0.07979	0.08332
Water intensity variation from 2015 baseline	-10.40%	-4%	0%

2015-2017 GREENHOUSE GAS EMISSIONS FOR GILDAN OWNED FACILITIES			
	2017	2016	2015
Absolute direct GHG emissions (Scope 1) (tCO ₂ eq)	102,086	120,067	96,007
Absolute indirect GHG emissions *(Scope 2) (tCO ₂ eq)	476,705	380,184	364,610
Total absolute GHG emissions (Scope 1 And 2) (tCO ₂ eq)	578,791	500,251	460,618
Total GHG emissions intensity (Scope 1 and 2) (tCO ₂ eq/kg)	0.00225	0.00198	0.00188
% Intensity variation from 2015 baseline	20%	5%	0%

2015-2017 WASTE FOR GILDAN OWNED FACILITIES			
	2017	2016	2015
Hazardous waste (tons) (Including hazardous, biomedical and special waste)	757.26	621.59	669.87
Non-hazardous waste (tons) (including landfill and recycled waste)	71,450	73,599	72,036
Total absolute waste (tons)	72,207	74,220	72,706
Total waste intensity (Kg/Kg)	0.28103	0.29368	0.29683
Variation waste intensity from 2015 baseline	-5%	-1%	0%
Landfill waste percentage	14%	13%	10%

2010-2017 INORGANIC AIR EMISSIONS (IN TONS) FOR GILDAN OWNED FACILITIES								
	2017	2016	2015	2014	2013	2012	2011	2010
Nitrogen oxide (NO ₂)	318.83	375.28	232.9	274.8	224.1	289.7	374.5	520.6
Sulfur dioxide (SO ₂)	498.75	552.47	368	348.5	406.5	667.8	809.7	1,372.40
Total inorganic air emissions	817.58	927.75	600.9	623.3	630.5	957.5	1,184.20	1,893.00

Raw Material

Cotton

Cotton is the primary fibre used in our products, representing more than two thirds (2/3) of our total fibre inputs. Our Company has selected to primarily purchase U.S. cotton because of its high quality and strong environmental sustainability and social responsibility practices. Sustainably grown and ethically harvested, U.S. cotton remains the optimal choice for our products.

Regulated as a food and fibre crop under strict U.S. Department of Agriculture (USDA), U.S. Environmental Protection Agency (EPA) and governed under the Occupational Safety and Health Administration's (OSHA) standards, cotton grown in the U.S. represents the best combination of quality and value for our products. Under the guidance of the National Cotton Council, USDA and various other organisations, U.S. farmers have continuously reduced their environmental footprint by adopting a variety of conservation and precision agricultural practices.

Close to 70% of the cotton acreage in the regions where the Company's cotton is grown is non-irrigated, using naturally occurring rainwater to irrigate the crops. Conservation

agriculture practices and advanced soil monitoring systems have reduced soil erosion and residual impacts on the environment. GPS positioning and advanced delivery systems allow farmers to be more efficient while planting, fertilizing and harvesting, effectively allowing for a reduction in GHG emissions and environmental impacts on the land and neighbouring ecosystems.

U.S. cotton farmers are required to adhere to strict U.S. labour laws and Occupational Health and Safety Administration (OSHA) regulations which are likely the most stringent in the global cotton industry.

Since 2009, Gildan has proudly displayed the Cotton USA® mark on consumer's product packaging and shipping materials. This internationally recognized mark, licensed by the Cotton Council International, symbolizes the inherent benefits that the U.S. Cotton industry delivers by being a highly regulated crop.



CREATING STRONG COMMUNITIES

Our responsibility is to contribute to our communities and have a positive impact by helping them become stronger and more resilient, investing in local economic development, advancing access to education and promoting healthy and active lifestyles.

CREATING STRONG COMMUNITIES



Gildan operates manufacturing and distribution facilities in Honduras, Nicaragua, the Dominican Republic, Mexico, Bangladesh, Canada and the United States in addition to having offices in Canada, the United States, Barbados, Europe and China. We also have an important manufacturing presence in Haiti.

Gildan is a major employer in Honduras, Nicaragua, the Dominican Republic and Barbados. Accordingly, sizeable and positive social and economic impacts are generated in the surrounding communities where our facilities and offices are located. As a responsible corporate citizen, our key focus is to **encourage community engagement, education and active living.**

Measuring Gildan's Direct and Indirect Economic Impact

We are aware that Gildan's economic impact goes beyond the scope of the organization itself. Measuring our indirect economic impact in the countries in where we operate, across our entire supply chain, requires a more complex analysis. Such analysis takes into account direct employment, which includes the number of employees and their dependents (number of people or relatives depending on these employees) and indirect employment which is the number of jobs a company supports or creates within its supply chain or distribution chain. Since 2010, Gildan has grown its direct employment in Honduras by more than 70% and now supports more than 1,040 local suppliers. In Nicaragua, the number of employees has grown by 45% since 2015 stimulating the economy in the small communities where our factories are located.

Contributing to the Local Economy

NUMBER OF LOCAL SUPPLIERS	
Country	Local Suppliers
Honduras	1,046
Dominican Republic	605
Nicaragua	430
Mexico	670
Bangladesh	315

Gildan's presence in a community generates a positive impact on a great variety of local businesses and service providers. Examples include medical services, training, transportation and food service suppliers, as well as raw materials and accessories suppliers that include dyes, buttons, zippers, boxes and office supplies. We create many business opportunities by buying the majority of our materials locally.

Gildan proudly supports the communities in which we operate, often going well beyond simply creating employment in our facilities. Our significant investments have created construction and service jobs during the building of new facilities, full-time employment positions once the facilities are operational and significant local production of trims, supplies and materials to satisfy the production volumes required to supply these large-scale facilities. Over the years, as Central America and the Caribbean Basin developed into important textile and apparel hubs, we are very pleased to have witnessed several key

suppliers establish operations in the regions, resulting in significant economic benefits. In 2017, Gildan's operations in Central America and the Caribbean Basin purchased in excess of \$150 million worth of materials and services from local suppliers.

Gildan's common practice is to prioritize sourcing from local suppliers. We believe that this shared value creates a win-win situation for both local suppliers and Gildan as we benefit from their proximity while we share the economic benefits of our operations with the people and industries that are closest to us.

Addressing Local Specific Needs

Gildan significantly contributes to the community's development through in-kind and cash donations. Our primary focus is on initiatives centered on education, active living, the environment, entrepreneurship and humanitarian aid efforts. By following the guidelines set forth by our head office as included in our [Community Engagement Policy](#), local teams manage requests and potential projects according to the needs of their community. Gildan also encourages its employees to actively seek opportunities to volunteer their time and energy in their respective communities, either through events organized directly by Gildan or via the employee volunteering program in Canada and the United States. Through these efforts, employee participation in the community has a tangible impact on local institutions.

Gildan's "Part of Your Life" program is yet another way that Gildan addresses local community needs. This program was launched in 2011 in Honduras, expanded to Nicaragua in 2012 and to the Dominican Republic in 2013. Gildan's "Part of Your Life" program, which continues being implemented in Nicaragua, invites our employees to provide ideas for community projects they would like Gildan

to be involved in. The current focus of this program is on supporting education projects in the communities where our employees live. Please refer to our Donations section to obtain more information on the projects that have been selected from our employee suggestions.

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

Building Local Management Teams

Since the very early stages of our international expansion, the Company has adopted a strategy to **think global, manage local**. This strategy has allowed us to effectively build strong teams of local managers and executives that ensure the best alignment between the Company's strategy and the cultural and social differences of each region where we operate.

Aside from creating well-paying jobs and providing attractive benefits, it is crucial for our long-term success to invest in the ongoing development of our people in all the regions where we operate. This creates a dynamic and inclusive company culture that facilitates recruitment and retention of the industry's leading workforce.

We empower workers by providing them with the opportunity to upgrade their skill sets and education level through company-offered training and development programs, which cover the full spectrum of academic, vocational, technical and personal life-skill development. This has had a direct and positive impact on the quality of life of our workers and their families.

548

Number of managers in
manufacturing facilities

474

Number of local managers

86.5%

Percentage of local managers

Gildan has always put an emphasis on putting in place a well-educated and highly-motivated local management teams at each of our operating locations. We believe that this is the most effective way to develop and implement best practices in our manufacturing facilities.

Gildan's common practice is to fill leadership positions in our facilities with local talent. By providing employees with competitive compensation and benefits packages, as well as training opportunities, we create better working conditions in our facilities, which also benefit the families of our employees, their communities and local economies. We believe that this philosophy has been a key factor in our operational success.

In 2017, Gildan's global proportion of local managers was 86.5%.

Employee Volunteering

Gildan organizes and/or facilitates several volunteering activities, often led by employees, at our various manufacturing locations throughout the year. With a focus on authentic employee engagement, we encourage employees to pursue their personal interests and to support causes that are meaningful to them. In this way, our employees contribute to several causes by getting involved and tackling issues that affect people, their communities and the environment.

Moreover, Gildan's Employee in the Community Program lends support to employees who volunteer their personal time to community projects through cash donations to the employees' cause.

EMPLOYEE VOLUNTEERING BY COUNTRY		
	Program / Initiative	Impact
HONDURAS	Pink Cup	Inter-company soccer tournament where 10 teams from Gildan participated in the Love Strips program to benefit CEPUDO Foundation for people suffering from breast cancer
MEXICO	Parque con vida (Hermosillo)	Reforestation of the Nacameri Park with 40 trees (mesquite) native to the region and cleanup efforts
	Parque con vida (Ensenada)	Revitalization of the Villas del Rey I urban park (painting, cleaning and reforestation)
	A Gift, A Smile	Christmas Drive for families in need
	The Kingdom of Children Gabriel House	Collection of clothing and toys for children
	Hogar Juan Pablo II	Collection of personal care and pantry supplies to support the John Paul II retirement home
NICARAGUA	Sowing for Harvest	Reforestation program in partnership with INAFOR
	A Gift, A Smile	Donation of toys in local communities with the highest poverty index.
DOMINICAN REPUBLIC	Giving Smiles	Volunteering program/activities

Donations

As a manufacturer and marketer of apparel and significant employer in each of the regions in which it operates, Gildan accepts its responsibility to have a positive impact in its communities. We understand that the long-term sustainability of our business relies on building healthy communities.

As such we are committed to playing an active role in our local communities through a wide range of projects that draw on our financial and non-financial resources. These activities

create value for the community and for Gildan by contributing to economic development, strengthening social programs and supporting business growth.

We seek to ensure our community investment activities are relevant to who we are and therefore actively seek programs and partnerships which reflect our corporate values of acting as entrepreneurs, operating responsibly, and believing in our people. A list of our most relevant 2017 community projects by country can be found in our Appendix section.

Stakeholders and Partners

At Gildan, we have benefited from collaboration with a wide variety of stakeholder and partners and understand that it is paramount to operating responsibly and to achieving our goals. By adopting a structured approach to engage and involve stakeholders we believe we can learn from one another in the pursuit of mutually supportive relationships.

The common goals we share with our stakeholders are improving the lives of the people involved in manufacturing 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 finding common ground and creative solutions to issues that affect us all, and that the outcome should lead to real value for both the Company and its stakeholders. Gildan has been affiliated and/or in dialogue with the following organizations chosen for their pertinence to our Company and our industry.

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

- Sustainable Apparel Coalition
- Worldwide Responsible Accredited Production (WRAP)
- Fair Labor Association (FLA)
- Better Work
- Supplier Ethical Data Exchange (SEDEX)
- Carbon Disclosure Project (CDP)
- Maquila Solidarity Network
- Worker Rights Consortium
- Americas Group

For more details, please refer to our [Stakeholder Engagement policy](#)

STAKEHOLDER	ACTIVITY	FREQUENCY	CONCERNS	MATERIAL TOPIC
Shareholders	Annual General Meeting Earnings release conference calls conferences and non-deal road-shows	Annual Quarterly Quarterly	Gildan's business performance Gildan's business performance Strategy and market landscape	See materiality matrix
Investors (Institutional)	Investor Relations Day Materiality assessment Earnings release conference calls Investor perception study Comprehensive facility tour On-request meetings with Board members	Ad hoc Triennial Quarterly Annual Biennial/Triennial Ad hoc	Strategy and market landscape Corporate social responsibility	See materiality matrix
Board of Directors	Board meetings	Quarterly	Corporate social responsibility	Business ethics and compliance

STAKEHOLDER	ACTIVITY	FREQUENCY	CONCERNS	MATERIAL TOPIC
Employees	Global employee engagement survey Pulse surveys Materiality assessment Worker-management committee meetings Employee meetings – Headquarters Gildan TV internal communications Round tables	Biennial Ad hoc Triennial Monthly Quarterly Daily Bimonthly	Employee well-being Working conditions Environmental Sustainability	Health and safety Human and labour rights Operational water and wastewater management
Customers	Materiality assessment Benchmarking Audits	As required Biennial As required	Labour rights Responsible sourcing Traceability Product quality Environmental Sustainability	Business ethics and compliance Health and safety Human and labour rights
NGOs	Memberships Audit requests Participation in roundtables, Committee meetings Conferences Webinars Workshops Materiality assessment	Ad hoc	Employee well-being Labour rights Freedom of association Actions towards climate change	Health and safety Human and labour rights Responsible sourcing
Local Communities	Memberships Audit requests Participation in roundtables, Committee Meetings Conferences Webinars Workshops Materiality assessment	Ad hoc	Employee well-being Labour rights Freedom of association Actions towards climate change	Health and safety Human and labour rights Responsible sourcing
Local Communities	Town hall meetings	Quarterly	Community development Education programs Environment	Business impact on the community
Students / Academia / Schools	Mentoring Internship Program Participation in research projects	Annual	Education programs Job creation Labour rights	Human and labour rights
Government	Meetings	Regular	Direct foreign investment Legal security Job creation	Business ethics and compliance Human and labour rights

PATH FORWARD



Our Genuine Responsibility™ journey started almost 15 years ago. Throughout the years, we have implemented leading programs in terms of corporate, social and environmental responsibility and continuously strive to expand them. We remain committed to continuous improvement and the implementation of innovative and sustainable solutions that can drive positive outcomes for all stakeholders.

Caring for our People


We strongly believe that our people are our company's most important resource and a critical driver of our future success. Empowering our people by ensuring a company culture and working conditions where employees are valued and feel good about coming to work every day is our foremost priority. We are very proud of the strength of our people, the quality of their skills and our collective dedication to making great products and operating responsibly.





Conserving the Environment

We recognize that water and climate conservation are fundamental priorities to both our Company and our stakeholders. As such, the Company believes that implementing innovative and sustainable solutions, as well as leveraging our strength as a vertically-integrated company, will allow us to reach our environmental goals and reduce our impact throughout our entire supply chain.

Creating Strong Communities

As one of the biggest private sector employers in most of our manufacturing locations, we are in the unique position of being able to stimulate local economies by favouring local suppliers and creating opportunities for new businesses. We want to use both our strengths and our scale to contribute to our communities in an impactful way that will allow them to grow stronger, healthier and more resilient.

MATERIAL TOPICS	COMMITMENTS	GILDAN'S 2015-2020 BASELINE GOALS	MAPPING TO UN SDGs
Human and labour rights Health and safety	CARING FOR PEOPLE A commitment to maintaining industry-leading working conditions and labour practices at each of our worldwide locations.	<ul style="list-style-type: none"> Expand and harmonise health and safety programs. By 2020, all of contractors worldwide will be trained in Gildan's Sustainable Social, Environmental, and Health and Safety Guidebook. By 2018, update ergonomic baseline for 71% of Gildan-owned manufacturing facilities. By 2020, implement a near-miss reporting program Continue supporting stakeholder research on fair wage in the different countries where we operate. By 2019, 71% of Gildan-owned manufacturing facilities will test Fair Labor Association (FLA) fair wage methodology. Continue an open and constructive dialogue with labor stakeholders including unions, civil society organizations and governments. Continue to develop initiatives that will Empower female employees and create further opportunities to rise into management positions 	 

MATERIAL TOPICS	COMMITMENTS	GILDAN'S 2015-2020 BASELINE GOALS	MAPPING TO UN SDGs
Operational water and Wastewater management	<p>CONSERVING THE ENVIRONMENT</p> <p>A commitment to the development and implementation of innovative solutions that reduce the environmental impact of our operations throughout our entire supply chain.</p> <p>A commitment to designing and manufacturing a responsible product line through sustainable solutions</p>	<ul style="list-style-type: none"> By 2020 Gildan will reduce its GHG emissions intensity by 10%, per kg of product, from our owned operations, when compared to our 2015 baseline year. By 2020 Gildan will reduce its energy intensity by 10%, per kg of product, from our owned operations, when compared to our 2015 baseline year. By 2020 Gildan will reduce its water intensity by 10%, per kg of product, from our owned operations, when compared to our 2015 baseline year. By 2020, Gildan will reduce landfill waste intensity by 10%, per kg of product, from our owned operations, when compared to our 2015 baseline year. Reach 80% compliance for all raw material suppliers by the end of 2020 against our RSCP. Conduct a water risk assessment for our Central America, Caribbean and Mexico operations by 2022. 	 
Human and labour rights	<p>CREATING STRONG COMMUNITIES</p> <p>A commitment to assisting our neighbours through dedicated support for education, active living, entrepreneurship and the environment.</p>	<ul style="list-style-type: none"> By 2019, conduct a Social Impact Study in order to better measure Gildan's positive impact on society for our Central American operations. Continue leveraging local capacity to support education, active living, entrepreneurship and environmental programs. Continue working with local vocational training organizations to strengthen employees' and community technical skills. By 2020, increase by 25% the number of sponsored schools at Gildan's manufacturing locations 	 

TRAINING PROGRAMS/INITIATIVES BY COUNTRY			
	Initiative	Activity	Participants
CANADA	Mentoring	Pilot mentorship program for directors to support the growth of high-potential employees	45
	Performance management	Launched an online performance appraisal tool with supporting eLearning capsules	3560
	Competency updates	Self-learning tools to develop top 7 competencies	307
	Supervisor training	Training modules to develop management skills	21
	Change management	Stakeholder management , measuring impact and mitigation plans	35
	Myers-Brigg type Indicators	Understanding of key differences and preferences to improve team dynamics	25
	Recognition	Engaging and motivating employees through recognition and feedback	307
	Accountability	Co-development session on the topic of accountability	15
DOMINICAN REPUBLIC	Situational leadership	Junior Managers learn to develop and motivate	14
	Industrial mechanics	Fundamentals of electrics, welding, hydraulics and pneumatics	42
	Middle management certification	Fundamentals of supervision, feedback and recognition	30
CONTINUE TO NEXT PAGE			

TRAINING PROGRAMS/INITIATIVES BY COUNTRY (CONT'D)			
	Initiative	Activity	Participants
NICARAGUA	Leadership and communication	Workshop to strengthen leadership in management team	14
	Internal facilitators	Knowledge management and transfer	4
	Training supervisors	Leadership training for Supervisors	109
	Development training	Training plan based on performance appraisals	323
	Customer service	Orientation for customer service employees	7
	Team building	Build relations between departments	8
	Mechanics	Program to develop future mechanics	12
	QA certifications	Develop QA auditors	106
CONTINUE TO NEXT PAGE			

TRAINING PROGRAMS/INITIATIVES BY COUNTRY (CONT'D)			
	Initiative	Activity	Participants
HONDURAS	Mentoring	Pilot mentorship program for directors to support the growth of high-potential employees	10
	Active listening	Coaching session for plant managers	25
	First time manager program	Leadership skills development for newly promoted employees	11
	AFIN Internal Training Academy	6-month training program to develop talent pipeline	57
	Team alignment	Group coaching for managers to develop key competencies	72
	Strengthening industrial relations	Bimonthly group mentoring sessions with sewing plant managers	30
	Educados high school program	In partnership with the local government, program allows employees to complete high school education	63
	Recognition and leadership	Training on recognition, communications, empathy and empowerment for middle managers	900
	Freedom of Association and Collective Bargaining	Training for middle management on legal framework	69

EMPLOYEE ENGAGEMENT INITIATIVES BY COUNTRY			
	Initiative	Activity	Participants
BANGLADESH	Family Day	Full day of family activities and entertainment	2800 participants
	We Are With You	Home visits from employees to employees on sick leave	3 participants
USA	Service award	Recognition and gift for years of service	100%
	Shift efficiency	Paid dinner for all employees on a shift	100%
	Holiday dinner	Paid dinner and gift card for all employees	100%
	Perfect Attendance Award	Quarterly recognition and monetary award for employees with perfect attendance	100%
	Employee Referral Program	Monetary award for successful referrals	100%
	External fitness programs	Discounts on gym memberships	Various facilities
	Time-out meeting	Biannual employee meetings with executive management	100%
CANADA	Pulse Surveys	Enabling employee voice	80%
	Health month	Health and wellness activities scheduled throughout the month	Varies
	Stress management	Information and training	Varies
CONTINUE TO NEXT PAGE			

	EMPLOYEE ENGAGEMENT INITIATIVES BY COUNTRY (CONT'D)		
	Initiative	Activity	Participants
CANADA	Subsidized fitness classes	Discount on yoga classes at the office	Varies
	Discounted gym membership	Pre-negotiated rates at select gyms	Varies
	Employee Assistance Program	Professional counseling for personal and professional advice	Varies
DOMINICAN REPUBLIC	Personal finance	Financial management skills for employees	78 participants
	Self-motivation and personal projection	Personal accountability to achieve goals	105 participants
	Communicating with confidence	Communication and active listening techniques	15 participants
	ReconoSer and Dejando Huellas programs	Recognition programs and award	1169 participants
	Know Your Benefits	Awareness campaign	1169 participants
	Breakfast with My Manager	Informal meetings	1069 participants
	Baby showers	Provides pregnant women with baby's essentials	42 participants
NICARAGUA	University partnership	Flexible schedules allowing employees to pursue their studies at Universidad Metropolitana	27 participants
	Recognition program	Activities ranging from thank you cards to departmental recognitions	100%

	EMPLOYEE ENGAGEMENT INITIATIVES BY COUNTRY (CONT'D)		
	Initiative	Activity	Participants
BARBADOS	Wellness Committee	Organizes health and fitness initiatives, such as onsite fitness centre and trainer	Varies
	Staff and Activities Committee	Planning social events and activities for teambuilding and networking	Varies
	Green Committee	Community volunteering and cleanups	Varies
HONDURAS	Years of Service Recognition	Ceremony and badge for 5, 10, 15+ years of service	900 participants
	Siempre Conmigo	Discount on gym memberships	Varies
	Gildan Takes Care of Me	Healthy lifestyle campaigns	Varies

2017 COMMUNITY PROJECTS BY COUNTRY - EDUCATION		
	Initiative	Impact
HONDURAS	World Vision® education and transformation program	More than 4,000 children benefited in 10 schools in different communities.
NICARAGUA	School kits	Delivery of more than 4,300 school kits to employees' children
	Part of Your Life Program Improvement of the Francisco Cordero school in Diriamba	In partnership with Christian Children Fund Canada, the company improved the sanitary conditions to benefit more than 500 pre-school and elementary students.
DOMINICAN REPUBLIC	Donation of materials, paint and repairs to benefit Apolinar Concepción, Arcadia Reyes and Maximo Aviles Schools	More than 500 kids benefitted from the improvements in the three schools located in the Guerra community.
BARBADOS	A capsule collection of hoodies, t-shirts and bags in support of the organization Pencils of Promise (POP) to fund the construction of schools and provide support for teachers in developing nations	Awareness and support for child literacy and contribution of U.S. \$220,000 to build, new schools, improve classroom environments and provide support for teachers in Guatemala and Ghana.
BANGLADESH	Donation to the Room to Read Girls' education and the Literacy program to benefit a school in Dhaka	Gildan inaugurated a library in a school in Dhaka and benefitted 160 girls that are part of the education program.

2017 COMMUNITY PROJECTS BY COUNTRY - ACTIVE LIVING		
	Initiative	Impact
HONDURAS	Refurbishment and equipment for the newborn ward at the Mario Catarino Rivas Hospital	The hospital can now provide better conditions and medical attention to close to 3,000 newborns annually
HONDURAS, NICARAGUA, AND DOMINICAN REPUBLIC	Gildan Glow Run marathon to benefit the Leonardo Martinez Hospital in Honduras, La Mascota Hospital in Nicaragua and Hogar Caridad Misionera in the Dominican Republic	More than 11,000 runners participated in a glow in the dark marathon to benefit local hospitals and organizations

2017 COMMUNITY PROJECTS BY COUNTRY - ENTREPRENEURSHIP

	Initiative	Impact
HONDURAS	GastroBazar event to support employees with personal businesses outside of their work at Gildan and raise funds for a social cause.	This is the second year of the Gastro Bazar which featured up to 40 entrepreneurs and donated more than \$6,000 to the rehabilitation of an injured coworker.

2017 COMMUNITY PROJECTS BY COUNTRY - ENVIRONMENT

	Initiative	Impact
HONDURAS, MEXICO, NICARAGUA, DOMINICAN REPUBLIC AND HAITI	Earth Day celebration and drawing contest for employees and their families	Our Gildan family joins us for celebration of our planet in a fun-filled environmental awareness day.
DOMINICAN REPUBLIC	Reforestation activity to revitalize Centario park and to plant community gardens	More than 1,200 trees were planted by Gildan volunteers.

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Part Omitted	Omission Reason	Explanation
GRI 101: Foundation 2016					
General Disclosures					
GRI 102: General Disclosures 2016	Organizational profile				
	102-1 Name of the organization	2017 Annual Information Form, p. 4			
	102-2 Activities, brands, products, and services	2017 Annual Information Form, p. 11			
	102-3 Location of headquarters	2017 Annual Information Form, p. 4			
	102-4 Location of operations	2017 Report to Shareholders, p. 6-7			
	102-5 Ownership and legal form	2017 Report to Shareholders, p. 4			
	102-6 Markets served	2017 Report to Shareholders, p. 6-7			
	102-7 Scale of the organization	2017 Report to Shareholders, p. 11-17			
	102-8 Information on employees and other workers	Employment Practices, p. 44			
	102-9 Supply chain	Company Overview, p. 11			
		Supply Chain Transparency and Traceability, p. 12			
		Responsible Sourcing, p. 13			
	102-10 Significant changes to the organization and its supply chain	2017 Report to Shareholders, p. 10			
		Plant Closures, Downsizing and Restructuring, Responsible Sourcing, p. 59			
	102-11 Precautionary Principle or approach	Reporting Methodology and Assurance, p. 18			
	102-12 External initiatives	Code of Conduct			
		Stakeholders and Partners, p. 86			
	102-13 Membership of associations	Stakeholders and Partners, p. 86			
	Strategy				
	102-14 Statement from senior decision-maker	A Message from Management			
	102-15 Key impacts, risks, and opportunities	2017 Report to Shareholders, p. 36-45			
	Ethics and Integrity				
	102-16 Values, principles, standards, and norms of behavior	Vision, Mission and Values, p. 10			
		Codes and Policies			
	102-17 Mechanisms for advice and concerns about ethics	Grievance Mechanisms, p. 57			
		Contact			
	Governance				
	102-18 Governance structure	Governance, 2017 Proxy Circular, p. 50-56			
	102-19 Delegating authority	Governance, 2017 Proxy Circular, p. 52-53			
	102-20 Executive-level responsibility for economic, environmental, and social topics	Governance, 2017 Proxy Circular, p. 54			
	102-21 Consulting stakeholders on economic, environmental, and social topics	Grievance mechanisms, 2017 Proxy Circular, p. 54, 60			
	102-22 Composition of the highest governance body and its committees	Governance, 2017 Proxy Circular, p. 50-56, 65-67			
	102-23 Chair of the highest governance body	Governance, 2017 Proxy Circular, p. 50			
	102-24 Nominating and selecting the highest governance body	Governance, 2017 Proxy Circular, p. 52, 57-59			
	102-25 Conflicts of interest	Governance, 2017 Proxy Circular, p. 50-51			
	102-26 Role of highest governance body in setting purpose, values, and strategy	Governance, 2017 Proxy Circular, p. 51-52			
	102-27 Collective knowledge of highest governance body	Governance, 2017 Proxy Circular, p. 60-61			
	102-28 Evaluating the highest governance body's performance	Governance, 2017 Proxy Circular, p. 57-59			
	102-29 Identifying and managing economic, environmental, and social impacts	Governance, 2017 Proxy Circular, p. 62			
	102-30 Effectiveness of risk management processes	Governance, 2017 Proxy Circular, p. 62			
	102-31 Review of economic, environmental, and social topics	Governance, 2017 Proxy Circular, p. 51, 61-62			
	102-32 Highest governance body's role in sustainability reporting	Governance, 2017 Proxy Circular, p. 54			
	102-33 Communicating critical concerns	Grievance mechanisms, 2017 Proxy Circular, p. 56			
	102-34 Nature and total number of critical concerns		The nature and total number of critical concerns communicated to the Board of Directors is not reported.	Confidentiality Constraints	The information is subject to specific confidentiality constraints.
	102-35 Remuneration policies	2017 Proxy Circular, p. 17-49			
	102-36 Process for determining remuneration	2017 Proxy Circular, p. 17-49			
	102-37 Stakeholders involvement in remuneration	2017 Proxy Circular, p. 8			
	102-38 Annual total compensation ratio		This ratio is not disclosed.	Confidentiality Constraints	The information is subject to specific confidentiality constraints.
	102-39 Percentage increase in annual total compensation ratio		This ratio is not disclosed.	Confidentiality Constraints	The information is subject to specific confidentiality constraints.

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Part Omitted	Omission Reason	Explanation
GRI 102: General Disclosures 2016	Stakeholder Engagement				
	102-40 List of stakeholder groups	Reporting Methodology and Assurance, p. 18 Stakeholders and Partners, p. 86			
	102-41 Collective bargaining agreements	Respect Freedom of Association, p. 43			
	102-42 Identifying and selecting stakeholders	Reporting Methodology and Assurance, p. 18 Stakeholders and Partners, p. 86			
	102-43 Approach to stakeholder engagement	Materiality Assessment, p. 24 Stakeholders and Partners, p. 86			
	102-44 Key topics and concerns raised	Materiality Assessment, p. 24 Stakeholders and Partners, p. 86			
	Reporting Practice				
	102-45 Entities included in the consolidated financial statements	Reporting Methodology and Assurance, p. 18			
		2017 Report to Shareholders, p. 57-59			
	102-46 Defining report content and topic Boundaries	Reporting Methodology and Assurance, p. 18 Materiality Assessment, p. 24			
	102-47 List of material topics	Human and Labour Rights (GRI 402, 406, 408, 409, 412), Operational Water and Wastewater Management (GRI 303, 306), Manufacturing and Distribution Employees Health and Safety (GRI 403)			
	102-48 Restatements of information	Reporting Methodology and Assurance, p. 18			
	102-49 Changes in reporting	Reporting Methodology and Assurance, p. 18			
	102-50 Reporting period	Reporting Methodology and Assurance, p. 18			
	102-51 Date of most recent report	Reporting Methodology and Assurance, p. 18			
	102-52 Reporting cycle	Reporting Methodology and Assurance, p. 18			
	102-53 Contact point for questions regarding the report	Reporting Methodology and Assurance, p. 18			
	102-54 Claims of reporting in accordance with the GRI Standards	Reporting Methodology and Assurance, p. 18			
	102-55 GRI content index	GRI Standards Content Index			
	102-56 External assurance	Reporting Methodology and Assurance, p. 18			
GRI 300 Environmental Standards Series - Material Topics					
Operational Water and Wastewater Management					
GRI 303: Water 2016	103-1 Explanation of the material topic and its Boundary	Materiality Assessment, p. 24 Conserving the Environment, p. 63 Reporting Methodology and Assurance, p. 18			
	103-2 The management approach and its components	Optimize Water Use, p. 63 Goals and Targets, p. 31 Metrics, p. 78			
	103-3 Evaluation of the management approach	Monitoring and Environmental Compliance, p. 76 Environmental Management System, p. 75			
	303-1 Water withdrawal by source	Water Consumption, p. 64 Metrics, p. 78			
	303-2 Water sources significantly affected by withdrawal of water	Water Consumption, p. 64			
	303-3 Water recycled and reused	Wastewater Management, p. 64 Metrics, p. 78			
GRI 306: Effluents and Waste 2016	103-1 Explanation of the material topic and its Boundary	Materiality Assessment, p. 24 Conserving the Environment, p. 63 Reporting Methodology and Assurance, p. 18			
	103-2 The management approach and its components	Wastewater Management, p. 64 Goals and Targets, p. 31 Metrics, p. 78			
	103-3 Evaluation of the management approach	Monitoring and Environmental Compliance, p. 76 Environmental Management System, p. 75			
	306-1 Water discharge by quality and destination	Wastewater Management, p. 64 Metrics, p. 78			
	306-2 Waste by type and disposal method	Waste, p. 73 Metrics, p. 78	This indicator is partially reported	Not applicable	This indicator is partially reported as it was not identified as material. Only Wastewater Discharge was identified as material.

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Part Omitted	Omission Reason	Explanation
GRI 306: Effluents and Waste 2016	306-3 Significant spills	Waste, p. 73	This indicator is partially reported	Not applicable	This indicator is partially reported as it was not identified as material. Only wastewater discharge was identified as material.
		Metrics, p. 78			
	306-4 Transport of hazardous waste		This indicator is not reported	Not applicable	This indicator is not reported as it was not identified as material. Only Wastewater Discharge was identified as material.
	306-5 Water bodies affected by water discharges and/or runoff	Gildan does not discharge water in any protected area and does not significantly affect water bodies and its habitat through its water discharges.			
GRI 400 Social Standards Series - Material Topics					
Manufacturing and Distribution Employees Health and Safety					
GRI 403: Occupational Health and Safety 2016	103-1 Explanation of the material topic and its Boundary	Materiality Assessment, p. 24 Reporting Methodology and Assurance, p. 18 Caring for our People, p. 35 Ensure Safe and Ergonomic Workplaces, p. 36			
	103-2 The management approach and its components	Ensure Safe and Ergonomic Workplaces, p. 36 Goals and Targets, p. 31 Metrics, p. 78 Grievance Mechanisms, p. 57			
	103-3 Evaluation of the management approach	Ensure Safe and Ergonomic Workplaces, p. 36 Health and Safety Compliance, p. 38			
	403-1 Workers representation in formal joint management-worker health and safety committees	Health and Safety Compliance, p. 38			
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Ensure Safe and Ergonomic Workplaces, p. 36	The rates reported are not available by gender and region. Occupational disease rate and absenteeism rate are not available.	Information unavailable	The information is not currently available on a global scale. We are currently working on evaluating how we can calculate going forward.
	403-3 Workers with high incidence or high risk of diseases related to their occupation	Ergonomics, p. 39			
	403-4 Health and safety topics covered in formal agreements with trade unions		This information is not disclosed.	Confidentiality Constraints	This information is subject to confidentiality constraints.
Human and Labour Rights					
GRI 402: Labour Management/ Relations 2016	103-1 Explanation of the material topic and its Boundary	Materiality Assessment, p. 24 Reporting Methodology and Assurance, p. 18 Caring for our People, p. 35			
	103-2 The management approach and its components	Goals and Targets, p. 31 Grievance Mechanisms, p. 57			
	103-3 Evaluation of the management approach	Social Compliance and Monitoring			
	402-1 Minimum notice periods regarding operational changes	Retrenchment Guidelines	This indicator is not reported	Confidentiality constraints	This internal policy is not publicly disclosed
GRI 406: Non-Discrimination 2016	103-1 Explanation of the material topic and its Boundary	Materiality Assessment, p. 24 Reporting Methodology and Assurance, p. 18			
	103-2 The management approach and its components	Caring for our People, p. 35 Goals and Targets, p. 31 Grievance Mechanisms, p. 57			
	103-3 Evaluation of the management approach	Social Compliance and Monitoring, p. 49			
	406-1 Incidents of discrimination and corrective action taken	Social Compliance and Monitoring, p. 49 Remediation of Audit Findings, p. 54			

GRI Standard	Disclosure	Page Number(s) and/or URL(s)	Part Omitted	Omission Reason	Explanation
GRI 408: Child Labor 2016	103-1 Explanation of the material topic and its Boundary	Materiality Assessment, p. 24 Reporting Methodology and Assurance, p. 18			
	103-2 The management approach and its components	Caring for our People, p. 35 Goals and Targets, p. 31 Grievance Mechanisms, p. 57			
	103-3 Evaluation of the management approach	Social Compliance and Monitoring, p. 49			
	408-1 Operations and suppliers at significant risk for incidents of child labor	Social Compliance and Monitoring, p. 49 Statement on Modern Slavery and Human Trafficking			
GRI 409: Forced or Compulsory Labour 2016	103-1 Explanation of the material topic and its Boundary	Materiality Assessment, p. 24 Reporting Methodology and Assurance, p. 18			
	103-2 The management approach and its components	Statement on Modern Slavery and Human Trafficking Human and Labour Rights Policy Statement Caring for our People, p. 35 Goals and Targets, p. 31 Grievance Mechanisms, p. 57			
	103-3 Evaluation of the management approach	Social Compliance and Monitoring, p. 49			
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Social Compliance and Monitoring, p. 49 Statement on Modern Slavery and Human Trafficking			
GRI 412: Human Rights Assessment 2016	103-1 Explanation of the material topic and its Boundary	Materiality Assessment, p. 24 Reporting Methodology and Assurance, p. 18			
	103-2 The management approach and its components	Caring for our People, p. 35 Goals and Targets, p. 31 Grievance Mechanisms, p. 57			
	103-3 Evaluation of the management approach	Social Compliance and Monitoring, p. 49			
	412-1 Operations that have been subject to human rights reviews or impact assessments	Social Compliance and Monitoring, p. 49			
	412-2 Employee training on human rights policies or procedures	Training and Human Capital Development, p. 46			
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Responsible Sourcing, p. 13 New and Potential Third-party Contractors, p. 56			



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Making Apparel Better™