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THE SUSTAINABLE ACCOUNTING STANDARDS BOARD (SASB) DEVELOPS INDUSTRY-SPECIFIC STANDARDS TO GUIDE THE DISCLOSURE OF FINANCIALLY MATERIAL SUSTAINABILITY INFORMATION FOR THEIR INVESTORS. GILDAN SUPPORTS EFFORTS TO COLLECT ACCURATE ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) DATA FOR THE INVESTMENT COMMUNITY. IN 2021, WE TRANSITIONED OUR REPORTING TO ALIGN WITH THE SASB FRAMEWORK TO DRIVE CONSISTENCY AND COMPARABILITY OF SUSTAINABILITY PERFORMANCE DATA ACROSS OUR SECTOR. WE WILL CONTINUE TO EVALUATE ADDITIONAL SASB METRICS IN FUTURE DISCLOSURES.

THE FOLLOWING INDEX PROVIDES ESG INFORMATION FOR THE 2020 CALENDAR YEAR, REFERENCING SASB'S REPORTING FRAMEWORK FOR THE "CONSUMER GOODS SECTOR – APPAREL, ACCESSORIES & FOOTWEAR" SECTOR.

ESG SASB INDEX

2020

TOPIC	METRIC	SASB CODE	DATA RESPONSE
Management of Chemicals	Discussion of processes to maintain compliance with restricted substances regulations.	CG-AA-250a.1	<p>Our processes to manage restricted substances are described in our Restricted Substances Code of Practice (RSCP) on our website and in our 2020 ESG report.</p> <p>We monitor and review our processes related to high-risk chemicals and follow all applicable laws and regulations. Our process includes three steps:</p> <ol style="list-style-type: none"> 1. Acknowledgement and agreement with the RSCP by suppliers and manufacturing contractors. 2. Gathering of information on raw material before it is purchased and evaluating it using the Safety Data Sheet Screening Process, certification as Eco-Passport or Oeko-Tex® Standard 100, and third-party laboratory testing. 3. Classification of raw material under one of the following: Approved, Approved with Condition, and Rejected. <p>Our processes to manage restricted substances are described in our Restricted Substances Code of Practice (RSCP) on our website and in our 2020 ESG Report. See: Website > Responsibility > Resources > Codes and Policies > Restricted Substance Code of Practice</p> <p>See also: 2020 ESG Report > Environment > Water > Chemical Management Standards > p.33</p>
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-AA-250a.2	<p>Gildan is committed to identifying comprehensive and innovative solutions to ensure that its products comply with all consumer product safety laws and other regulatory requirements as those requirements become effective, to providing its customers with all required information, and to meeting its customers' individual needs. Consequently, we periodically perform a broad range of product testing at reputable and accredited third-party laboratories to ensure compliance to consumer product safety requirements.</p> <p>Our Company-owned chemical facility is fully staffed with chemical engineers and industry specialists, allowing us greater oversight to manage risks and hazards associated with chemical products. We monitor and conduct periodic revisions of high-risk chemicals as required in our Restricted Substances Code of Practice (RSCP). The RSCP includes all banned and restricted substances in all of the countries where we operate and sell our products, as well as CPSIA requirements, REACH (SVHC list), Washington State Substance List, and California Proposition 65. We also include industry and NGO practices, standards, and initiatives; and our customers' own RSLs. All substances relevant to the textile industry are included in our RSL.</p> <p>OEKO-TEX: Gildan®, Comfort Colors®, Alstyle®, and Anvil® by Gildan® branded products are certified by the internationally recognized Oeko-Tex® Standard 100, which allows producers and consumers to objectively assess the presence of harmful substances in textiles and apparel products based on approximately 100 human-ecological and performance-related test parameters. Achieving the Oeko-Tex® Standard 100 involves meeting strict standards including the absence of restricted chemicals and subjecting the supply to an annual independent validation through an accredited laboratory testing of raw materials and finished products.</p> <p>Our processes to manage restricted substances are described in our Restricted Substances Code of Practices (RSCP) on our website and in our 2020 ESG Report. See: Website > Responsibility > Resources > Codes and Policies > Restricted Substance Code of Practice</p> <p>See also: 2020 ESG Report > Environment > Water > Chemical Management Standards > p.33</p>
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreements	CG-AA-430a.1	<p>We are one of the world's largest vertically integrated manufacturers of apparel, and approximately 90% of our total revenues come from products manufactured in our own facilities. We depend on only a small number of suppliers relative to our overall supply chain.</p> <p>We do not currently audit our Tier 1 and Tier 2 facilities for compliance with wastewater discharge permits and/or contractual agreements. However, 100% of Gildan-owned facilities are assessed for wastewater compliance. In addition, our Tier 1 facilities in America sew cut parts that are processed in our own textile facilities (Tier 2) where we measure wastewater parameters. Additionally, our third-party auditing process includes ensuring that we are compliant with relevant regulatory requirements related to wastewater discharge permits and/or contractual agreements.</p>
	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	CG-AA-430a.2	<p>We are one of the world's largest vertically integrated manufacturers of apparel, and approximately 90% of our total revenues come from products manufactured in our own facilities. We depend on only a small number of suppliers relative to our overall supply chain. To date, more than 40% of our Tier 1 suppliers completed the Higg FEM.</p> <p>More details on how we manage the environmental performance of our suppliers is contained in our 2020 ESG Report. See: 2020 ESG Report > Environment > Our Approach to the Environment > Managing Our Supply Chain > p.25</p>

TOPIC	METRIC	SASB CODE	DATA RESPONSE										
Labour Conditions in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	CG-AA-430b.1	<table border="1"> <thead> <tr> <th>Labour conditions in the supply chain</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Percentage of Tier 1 supplier facilities that have been audited to a labour code of conduct</td> <td>100</td> </tr> <tr> <td>Percentage of supplier facilities beyond Tier 1 that have been audited to a labour code of conduct</td> <td>0</td> </tr> <tr> <td colspan="2"><i>Due to the government mandated COVID-19 restrictions, in 2020, we accepted external social compliance certifications from our suppliers, including those from the Worldwide Responsible Accredited Production (WRAP), SEDEX Members Ethical Trade Audit (SMETA), and Business Social Compliance Initiative (BSCI).</i></td> </tr> <tr> <td>Percentage of total audits of supplier facilities that were performed by an independent third-party auditor</td> <td>73</td> </tr> </tbody> </table> <p>Tier 2 suppliers must complete a pre-audit/self-assessment questionnaire in order to validate basic EHS and labour conditions at the factory. Our Social Compliance Program only covers our Tier 3 facilities. More detail is provided in the 2020 ESG report. See: 2020 ESG Report > Governance > Our Unwavering Business Ethics and Integrity Standards > Ensuring High Ethical Standards among our Suppliers and Contractors > p.66 See also: Website > Responsibility > Resources > Codes and Policies > Code of Conduct Gildan's Code of Conduct and Social and Sustainable Compliance Guidebook guides our labour audit process: Website > Responsibility > Resources > Codes and Policies > Social and Sustainable Compliance Guidebook</p>	Labour conditions in the supply chain	2020	Percentage of Tier 1 supplier facilities that have been audited to a labour code of conduct	100	Percentage of supplier facilities beyond Tier 1 that have been audited to a labour code of conduct	0	<i>Due to the government mandated COVID-19 restrictions, in 2020, we accepted external social compliance certifications from our suppliers, including those from the Worldwide Responsible Accredited Production (WRAP), SEDEX Members Ethical Trade Audit (SMETA), and Business Social Compliance Initiative (BSCI).</i>		Percentage of total audits of supplier facilities that were performed by an independent third-party auditor	73
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Priority non-conformance rate and associated corrective action rate for suppliers' labour code of conduct audits	CG-AA-430b.2	<p>See ESG Report for non-conformance (non-compliance) and corrective action rate: 2020 ESG Report > Social > Respecting Human Rights and Supporting Ethical Labour Practices > 2020 Performance > p.43</p> <p>Audit Methodologies and Criteria: CG-AA-430b.1 contains information regarding processes on how we evaluate our suppliers. Additionally, our audit methodologies and criteria are described in detail in our publicly available Social and Sustainable Compliance Guidebook under Assessment Results and Consequences. We have internal processes, which outline the steps that our internal auditors use to conduct their audits. See: Website > Responsibility > Resources > Codes and Policies > Social and Sustainable Compliance Guidebook</p> <p>Our Monitoring Guidelines serve as a reference for internal auditors to use while conducting audits. The categories below describe thresholds related to non-conformance and contractor expectations related to remedial efforts.</p> <ul style="list-style-type: none"> • Minor non-conformity: Low-risk issue where improvement towards best practices is necessary. Remediation time frame: six months. • Moderate non-conformity: Negative impact on workers' rights and safety (non-critical). Remediation time frame: up to two months, depending on type of violation. • Major non-conformity: Serious violation of the Gildan Code of Conduct, other codes supplier adheres to, and/or the law, resulting in a severe impact on individual rights and/or physical safety. Remediation time frame: immediately. <p>See: Website > Responsibility > Resources > Codes and Policies > Code of Conduct</p> <p>Efforts to Increase Supply Chain Transparency: Gildan's Social and Sustainable Compliance Guidebook outlines our approach with respect to increasing supply chain transparency and to build capacity among our suppliers in order to improve labour conditions. See: Website > Responsibility > Resources > Codes and Policies > Social and Sustainable Compliance Guidebook See also: Website > Responsibility > Resources > Modern Slavery Act Transparency Statement</p> <p>Building Capacity with Suppliers: See: 2020 ESG Report > Governance > Our Unwavering Business Ethics and Integrity Standards > Our Approach > p.65 See also: 2020 ESG Report > Social > Respecting Human Rights and Supporting Ethical Labour Practices > Living Wage > p.44 See also: 2020 ESG Report > Governance > Our Unwavering Business Ethics and Integrity Standards > Ensuring High Ethical Standards among our Suppliers and Contractors > p.66</p>											
Description of the greatest (1) labour and (2) environmental, health, and safety risks in the supply chain	CG-AA-430b.3	<p>We have identified the following potential labour risks in our supply chain:</p> <ol style="list-style-type: none"> 1. Risks related to inappropriate compensation practices: Most of the non-compliance incidents found in this category include lack of payment of social insurance which is an industry-wide issue in some countries where suppliers are located. This could potentially result in workers not being covered under their countries' social insurance program. 2. Risk of excessive working hours: Most of the non-compliance incidents found in this category include lack of an effective system to control worker overtime. This could potentially result in employees working excessive hours that violate local regulations and Gildan's policies and procedures. <p>We have identified the following potential environmental health and safety risks in our supply chain:</p> <ol style="list-style-type: none"> 1. Environmental non-compliance: This includes expired environmental licenses, absence of appropriate permits for waste, and non-compliance with Gildan's EHS policies and procedures. 2. Negative impacts to the surrounding environment: This includes improper practices being implemented by our suppliers that could result in adverse environmental impacts. 3. Risk of unsafe working conditions: This includes suppliers lacking the appropriate health and safety management procedures and/or failing to adopt Gildan's health and safety policies or procedures. <p>The following actions have been implemented to reduce labor and environmental risks:</p> <p>Social and Sustainable Compliance Audit Monitoring System: Our Social and Sustainable Compliance Guidebook describes policies and procedures we expect our suppliers to put in place to mitigate risks related to social and environmental compliance matters. See: Website > Responsibility > Resources > Policies > Social and Sustainable Compliance Guidebook</p> <p>Stakeholder engagement: See: Website > Responsibility > Resources > Policies > Stakeholder Engagement Policy. See also: 2020 ESG Report > Stakeholder Engagement > p.19</p> <p>Ethical Labour practices: More information regarding our ethical labour practices is contained in our 2020 ESG Report. See: 2020 ESG Report > Social > Human Rights and Ethical Labour Practices > Addressing Child and Forced Labour > p.44</p> <p>COVID-19 Safety Risks: During 2020, our Social Compliance team issued a questionnaire to third-party suppliers to assess their biosafety measures and provide recommendations. The assessment focused on ensuring health and safety practices, availability of medical services, and biosafety measures were in place. Ninety-two percent of contractors who completed the assessment reported they had trained their employees and staff on biosafety measures, and approximately 98% reported they had implemented biosafety measures in their facilities. Some of the measures implemented included temperature checks, wearing PPE (masks/face shields), providing hand sanitizer, sanitizing workstations, enforcing social distancing, and daily reminders to comply with mandatory safety protocols. Ninety-six percent of contractors reported they had an active emergency response system led by their facility's senior management to ensure that biosafety measures were effectively implemented, and 66% reported their facilities have a clinic with at least one doctor and one nurse available during working shifts. One-hundred percent of contractors that provide transportation to employees reported they ensure vehicles are sanitized on a regular basis.</p>											

Raw Materials Sourcing	Description of environmental and social risks associated with sourcing priority raw materials	CG-AA-440a.1	The description of environmental and social risks, which includes risks associated with sourcing raw materials, are described in SASB CG-AA-430b.3.														
	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	CG-AA-440a.2	<p>We source 90% of our cotton from the United States. The following table represented our percentage of raw materials in 2020 that were third party certified.</p> <table border="1"> <thead> <tr> <th>Raw materials with third-party certification</th> <th>Percentage certified by third party</th> <th>Name of external environmental/sustainable certification</th> </tr> </thead> <tbody> <tr> <td>Raw material 2: Yarn (sourced)</td> <td>33%</td> <td>OEKO-TEX® Standard 100</td> </tr> <tr> <td>Raw material 4: Trims</td> <td>100%</td> <td>OEKO-TEX® Standard 100</td> </tr> <tr> <td>Raw Material 5: Cotton</td> <td>3%</td> <td>Better Cotton Initiative</td> </tr> <tr> <td>Raw Material 6: REPREVE®</td> <td><1%</td> <td>REPREVE®</td> </tr> </tbody> </table> <p>For a full description of our sustainable materials see 2020 ESG Report > Environment > Circular Economy> Sustainable Materials > p.35</p>	Raw materials with third-party certification	Percentage certified by third party	Name of external environmental/sustainable certification	Raw material 2: Yarn (sourced)	33%	OEKO-TEX® Standard 100	Raw material 4: Trims	100%	OEKO-TEX® Standard 100	Raw Material 5: Cotton	3%	Better Cotton Initiative	Raw Material 6: REPREVE®	<1%
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