



2018

**GENUINE
RESPONSIBILITY™**
SUSTAINABILITY REPORT

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*All amounts in this report are in U.S. dollars unless otherwise indicated.

*GENUINE
RESPONSIBILITY™*

Message from the President and CEO

I am pleased to present our 15th consecutive Genuine Responsibility™ Sustainability Report, transparently sharing the results of our efforts in environmental, social and governance (ESG) initiatives during 2018.

While 2018 was not without its challenges, including weather-related impacts and other supply-chain disruptions—the power of our people, the strength of our manufacturing expertise and our entrepreneurial spirit helped us move through these challenges and deliver on many of our objectives, both financial and ESG focused.

As one of the world's largest vertically-integrated manufacturers of everyday family apparel, we understand that employing strong ESG practices is not only our responsibility but a critical driver of our overall success and a key element for future growth. Our commitment to operating responsibly and sustainably is embedded in our business strategies and powered by the culture we have fostered since the Company's inception 35 years ago.

At Gildan, we believe that this commitment positions us well to capture opportunities in the rapidly changing world of apparel. Consumers are increasingly linking their purchases and trust to brands that demonstrate transparency and strong commitments to sustainability. Since we have direct control over almost every step

of the manufacturing process, from yarn-spinning to finished garments, we are well positioned to meet those evolving demands. Our history shows us that investments we make in sustainable solutions and technologies, to drive continuous improvements and operational efficiencies, deliver value to our people, the planet and our shareholders.

Our people remain the heart and soul of our Company and that is why one of our primary areas of focus is the health and safety of our employees and the work environments we provide. We believe that by providing employees with safe jobs, fair wages and opportunities for development, both personal and professional, we contribute to the prosperity of not only our employees, but their families and ultimately their communities.

Since the origin of our Company, we have leveraged our vertical integration and manufacturing expertise to deliver great quality, value-driven products. As we went through 2018, we continued the integration of our Global Quality System (GQS) into our newly acquired facilities, which further ensures the quality of our products. Our Gildan® brand was one of the first large brands of everyday family apparel to deliver products under the Oeko-Tex Standard 100 certification, a globally-recognized certification of product safety. We are pleased to have added some of our additional brands under that certification standard in this past year.

Gildan is also proud of the positive economic impact we create beyond the scope of our operations and direct employment. Over the last 15 years, we have been a leader in developing local infrastructure in our communities and assisting in the development of local industries, with the goal of creating a more sustainable economic environment in these regions. For example, last year Gildan's operations in Central America and the Caribbean Basin purchased close to \$200 million of

materials and services from suppliers in these regions.

I am very proud of the progress Gildan has made, and the ongoing work we are doing, but remain realistic in understanding that we have more to do. We are committed to working diligently towards our 2020 goals, understanding that we need to remain adaptable to changing conditions and market realities. I believe that the vision of Making Apparel Better™ will only be achieved by harnessing the power of our people, fostering continued collaboration across our value chain, and continuing to invest in sustainable innovation.



Glenn Chamandy

President and CEO
Gildan Activewear Inc.



Message from the Vice President, Corporate Citizenship

I would like to welcome you to our 2018 Genuine Responsibility™ Sustainability Report. I am very proud of the efforts we have undertaken this year and pleased to share our results with you in our 15th consecutive report, which has been prepared under the framework of the Global Reporting Initiative (GRI) Standards: Comprehensive Option.

In this year's report you will find a wide array of content that showcases our results, highlights our challenges and provides detailed information related to the many initiatives we have undertaken. In 2018, we met our 10% reduction target for GHG emission due to a change in the methodology used to calculate our emissions. Although results for our goals related to energy and landfill waste intensity show a decrease compared to 2017 results, relative to our 2015 baseline target our results reflect an increase of 3%. Our water intensity increased year-over-year by 11.9% and remains relatively flat to our 2015 baseline. The main drivers of these results included the integration of new yarn-spinning facilities in the U.S. and an increase in production complexity and headcount

resulting from changes in our product mix. Nonetheless, we remain committed to our 2020 targets and will continue to drive improvements and pursue technologies and solutions which will allow to achieve our goals.

Over the last year, we have continued to concentrate our efforts on those issues most material to our stakeholders, including a critical focus on human and labour rights, health and safety as well as traceability. With respect to the environment, energy and water optimization, wastewater management and chemical safety were key areas of focus.

Caring for Our People

As the largest employer in many of the regions where we operate we accept our responsibility to safeguard the health and safety of our people. Our strategy in this area is a collaborative one, with more than 90% of our workers represented by employees on Health and Safety Committees. Once again this year, we were pleased to invest in our people, empowering them to share in our success with more than 5.1 million hours of training, free medical care in all of our non-U.S. facilities and more than \$13.6 million in supplemental benefits, such as subsidized meals, free transportation, vaccines, medicine and vitamins.

Conserving the Environment

We continued to deliver a full spectrum of energy initiatives this past year, including the systematic review of our emissions factors, optimized biomass operations and a fuller deployment of heat recovery systems. Renewable energy, which represented 40% of the Company's total energy use in 2018, remains a large focus for our operations in Honduras and the Dominican Republic.





Creating Stronger Communities

Gildan believes that we have a responsibility to be an active participant in the communities where we operate, beyond the direct employment impacts we deliver. This starts with buying locally wherever possible, a directive which not only benefits Gildan by reducing lead times and costs, but also allows suppliers to build capacity in the regions where we operate.

During the year, we have also continued to partner with community organizations to target and respond to the different needs in the regions where we operate. Through various projects, we donated close to \$2 million to these communities in 2018, and have been able to count on our employees' involvement to generate a sustainable impact.

Responsible Production and Sourcing

Our Social Compliance program for labour practices and working conditions is designed to proactively ensure that all of our company-owned facilities, as well as our third party contractors and suppliers, comply with our Code of Conduct, local and international laws and the best practice industry codes that we adhere to, including Worldwide Responsible Accredited Production (WRAP) and the Fair Labor Association (FLA). In 2018, 181 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. Additionally, we have updated our Social & Sustainable Compliance Guidebook, which now includes additional benchmarks and identified emerging risks, including migrant workers, modern slavery, and child labor, as well as updates reflecting the 2017 changes to our Code of Conduct. As you look through this year's report, I encourage you to specifically look out for the case studies, as

they present the men and women behind the success of our Company and provide real-life examples of the tremendous efforts we undertake to continue to deliver value for all stakeholders.

I am pleased by our results and, along with our team, feel encouraged for the future as we continue to pursue our goals. We hope to have our labour compliance program reaccredited by the Fair Labor Association (FLA), a process which began during 2017. In the coming months, we understand that we have much more work to do, as we all drive towards our vision of Making Apparel Better™.

Claudia Sandoval

Vice President,
Corporate Citizenship



About Gildan

Gildan is one of the world's largest vertically-integrated manufacturers of everyday basic apparel, including activewear, underwear, socks, hosiery, and legwear. Our founding business model, of owning and operating the manufacturing facilities that produce the vast majority of the products we sell, sets us apart from most major global apparel companies. This direct control of almost the entire manufacturing process, from raw materials to finished products, allows the Company to ensure that responsible and sustainable practices are deployed throughout the complete value chain.

Gildan's vision statement, Making Apparel Better™, perfectly captures the essence of our Company and the culture we have built over the last 35 years. Across the full spectrum of our business, our founding entrepreneurial spirit drives us to pursue continuous improvements, constantly looking for better ways to operate and to create value for all our stakeholders.

We sell our activewear products primarily in “blank” or undecorated form, without imprints or embellishment. Activewear products are primarily sold to wholesale distributors within the imprintables channel, who then sell the blanks to screenprinters/embellishers who decorate the products with designs and logos, and in turn sell the embellished/imprinted activewear into a highly diversified range of end-use markets in more than 60 countries in North America, Europe, Asia-Pacific, and Latin America. In addition to socks and underwear for men, ladies, and kids, as well as other hosiery products such as pantyhose and leggings, we also sell our activewear products to various retailers. These retailers

include mass merchants, dollar stores, department stores, national chains, sports specialty stores, craft stores, food and drug retailers, and price clubs, all of which sell to consumers through their brick and mortar outlets. Consumers also buy our products through our retail customers' e-commerce platforms and our own websites. In addition to selling our products to retailers, we manufacture for and sell to select leading global athletic and lifestyle consumer brand companies who distribute these products within the retail channel.

A GLOBAL BUSINESS

Gildan directly employs more than 50,000 employees and currently operates 30 manufacturing facilities globally – primarily located in Honduras and Nicaragua in Central America; the Dominican Republic in the Caribbean Basin; Canada, the U.S. and Mexico in North America; and Bangladesh in Asia. We also have offices and distribution centers worldwide.

As a publicly-traded company, listed on both the New York Stock Exchange (NYSE- GIL) and the Toronto Stock Exchange (TSX-GIL.TO), we are held to the highest standards of corporate governance and reporting. Our corporate head office is located in Montreal, Canada, and our global sales and marketing office is located in Barbados. An [interactive map](#) of our owned facilities can be viewed on our corporate web site.

PRODUCTS

The products we produce and sell range across the full gamut of everyday family apparel, including t-shirts, sweatshirts, polo shirts, underwear, socks, panty hose and other forms of legwear. These products are marketed and sold under one of our 13 Company-owned brands.

We also manufacture products for select leading global athletic and lifestyle brands, and certain retail customers who market the products which we manufacture under their own brands. These customers have come to trust Gildan as a strategic partner for several reasons, including our large scale, strong commitment to responsible and sustainable practices, manufacturing expertise and underlying financial strength. We also sell socks under the Under Armour® brand through a sock licensing agreement providing exclusive distribution rights in the United States and Canada.

GILDAN®

ANVIL®

American Apparel

COMFORT COLORS®

ALSTYLE®
APPAREL & ACTIVEWEAR

PRIM + PREUX

GOLDTOE®
EST. 1934

POWERSOXX®
ORIGINAL

Silks

SECRET

peds®
INCLUDE YOUR FEET

kushyfoot

Therapy Plus

Product safety and quality

We are committed to delivering high quality, value-driven products. Our Global Quality System (GQS), based on international standards for quality management such as ISO 9001, ensures consistency in the quality of our products as well as in the overall quality of our processes. Our proactive and preventive approach involves standards and quality controls for raw materials, manufacturing processes and the finished products we ship to our customers.

Quality KPIs are systematically monitored through all processes and reviewed on a monthly basis by top management, driving product improvements and specific action plans. Our dedicated facility-level Quality Assurance teams ensure our Quality Policy and GQS

principles are consistently implemented, and report to our Vice President, Global Quality Assurance.

We take the safety of our products very seriously. Our Restricted Substance Code of Practice (RSCP) guides our manufacturing processes – defining materials that do not contain substances that are harmful to humans or the environment. Our raw material suppliers must adhere to the stringent standards of our RSCP, which restricts more than 1,000 chemicals and aligns the most robust standards in the industry. More information can be found in Safe Chemistry, on [p.58](#).

Our Restricted Substances List (RSL), aligns with the Oeko-Tex 100 Product Class II certification, an internationally recognized product health and safety standard, which requires regular independent and accredited laboratory testing of our raw materials and finished products. The annual renewal process is an integral part of our Product Safety Management. Health and safety impacts were assessed for 90% of our product and service categories in 2018.

Non-compliance incidents related to products

In 2018, we worked with the U.S. Consumer Product Safety Commission and Health Canada to issue a voluntary recall of Alstyle® infant onesies manufactured in Mexico and sold between August 2015 – September 2017 due to a risk that the snaps could detach and pose a choking hazard. In addition, the Company was sued in May 2018 by a consumer for failing to comply with a specific California regulation, Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code sections 25249.6 et seq. (“Proposition 65”) because the plastic used in the packaging of our Kushyfoot shoe flats allegedly contained Diisononyl phthalate [DINP] which is listed under Proposition 65 as a chemical known to the State of California to cause cancer. The lawsuit was settled in March 2019.

Consumer trends

Gildan has a robust practice in place to regularly monitor and evaluate our customer's satisfaction, with both our products and our performance as a business partner. This includes customer surveys, stakeholder research, performance reviews and other mechanisms.

In addition to these efforts, we also monitor the general trends in all our active markets to ensure our products and business model remain relevant and structured to achieve our growth objectives.

In these efforts we undeniably have seen a shift in consumer trends across almost all of our markets. We are seeing growing public scrutiny surrounding environmental, social and governance (ESG) topics. Further demands on companies to operate responsibly, to integrate sustainability into their strategic plans and to adopt more transparent reporting has created new dynamics in the relationships between manufacturers, customers and consumers. Gildan believes we are very well positioned to respond to these changing demands. We have also witnessed an important change in the speed at which consumer trends emerge, and have engineered our manufacturing network and business structure to best leverage our scale, investments in technology and proximity to market to better capture opportunities as they arise. The continued shifts in consumer behavior, enabled by the rapid digitization of commerce, have also created differentiated brand strategies. Large retailers are increasingly moving their brand strategies towards their own private label brands. This trend has created tremendous opportunities for Gildan to become the supplier of choice for these brands because of our core strengths of large scale, operational expertise and leadership in environmental, social and governance practices.

COMMUNICATIONS

The majority of communication initiatives related to Environmental, Social and Governance (ESG) initiatives are generated within the Corporate communications team and broadcast internally or externally across a wide variety of platforms. Product brand marketing is managed from within the Company's sales and marketing offices in Barbados, which oversees all customer and consumer-facing marketing efforts, along with sales, product development and merchandising management as well. Gildan's product brand marketing teams are increasingly engaging consumers and customers in ESG related content, in line with the increasing demand for transparency on these topics from these critical stakeholders.



VERTICAL INTEGRATION

We pride ourselves in being a different kind of apparel company. Our vertically-integrated manufacturing model means we have direct control over almost all of our tier 1, 2 and 3 supply processes, enabling us to uncover operational and resource efficiencies that disconnected value chains can rarely achieve.

Over 90% of our annual sales are generated from products that are manufactured within the Company's owned and operated manufacturing network.



COTTON



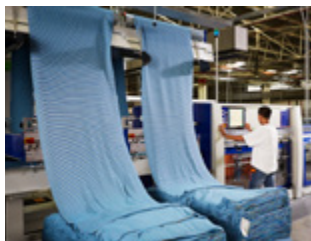
Gildan's predominant fibre is cotton, specifically U.S. cotton. Gildan is one of the largest domestic consumers of U.S. cotton, sustainably grown and ethically harvested by proud American farmers.

YARN SPINNING



Fibres are sent to our state-of-the-art yarn-spinning facilities in the U.S., where we produce enough yarn to circle the globe every 150 seconds.

TEXTILES



Yarn is knit into fabric, dyed to color and cut to shape in some of the world's largest and most efficient textile facilities, located in Honduras, the Dominican Republic, Mexico and Bangladesh.

SEWING



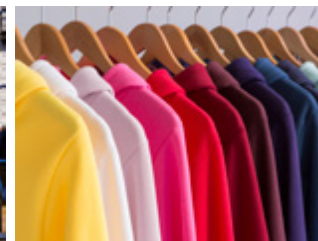
Gildan's sewing operations employ the largest percentage of our people. As the last guardians of product quality, these highly skilled and dedicated employees are the heart and soul of our success.

DISTRIBUTION



Gildan's company-owned and contracted distribution centres leverage strategic placement and state-of-the-art technology to service our global customers.

CONSUMERS



Millions of consumers use our products every day, trusting us to deliver high quality, value driven apparel made responsibly and sustainably.

Why Vertical Integration Matters!

Optimizing resources and efficiencies: Our direct control and ability to influence almost every aspect of the production process enables us to optimize resources, minimize waste and increase efficiencies that minimize our impact on the environment.

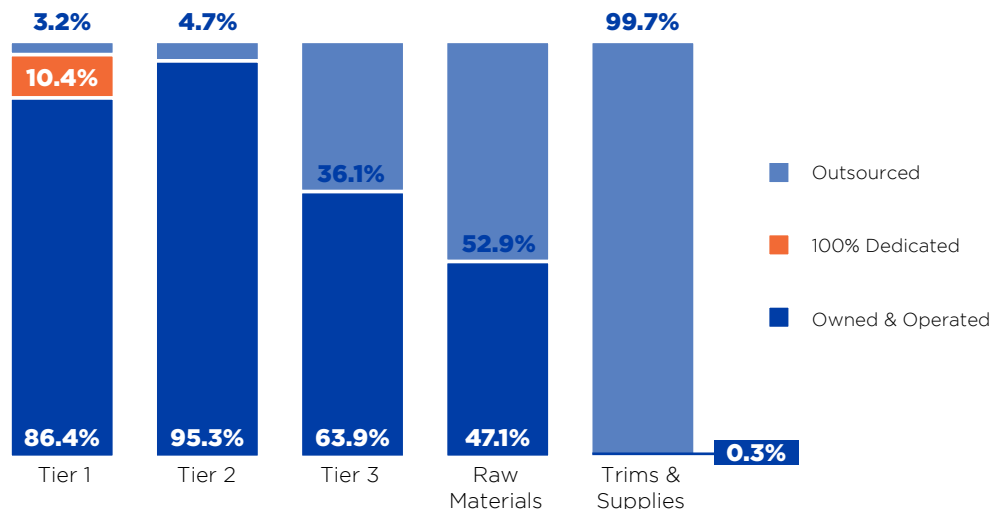
Life-cycle approach: Every aspect of the production process is evaluated through the lens of its total impact – we can make decisions that create optimal results over the entire life cycle of a product, not only during a specific phase.

Long-term outlook: Because we own the factories, we are willing to invest in technology, sustainable innovation and, most importantly, training and development programs that continuously improve our products, reduce our impacts and create value for all stakeholders.

Empowering people: With more than 50,000 employees worldwide, we understand the value that an engaged workforce brings to our Company – we do not hesitate to invest in our employees' development, both professional and personal.

Low cost producer: Our vertical integration, combined with the investments we have made in new technology, capacity expansion and sustainable solutions, have allowed the Company to become one of the world's most cost-efficient apparel manufacturers.

Our Supply Chain Ownership*



Tier 1: Facilities where finished products are manufactured.

Tier 2: Facilities where textiles that will be used in finished products are manufactured

Tier 3: Yarn facilities where yarns that will be used to make textiles are manufactured

Raw Materials: Cotton and other fibres which are used to make yarns

Trims & supplies: Trims, chemicals, packaging and other materials needed to manufacture and distribute our products

Outsourced

Production outsourced to third party contractors

100% dedicated

Production outsourced to third party contractors whose operations are 100% dedicated to Gildan production

Owned & Operated

Production is done in facilities that are operated by Gildan. People manufacturing these products are Gildan employees.

*percentages of ownership across supply chain based on COGS

VISION, MISSION AND VALUES

Our vision, mission and values reflect the beliefs we have held from our origins 35 years ago. Aside from having direct control of the facilities where our products are made, we understand that our success is driven by investing in technology and innovation, empowering our people to pursue continuous improvement and fostering a culture where acting responsibly and operating sustainably are core to our operations.

Our vision: Making Apparel Better™

Our vision is a long-term aspirational goal for what we want to achieve through our collective efforts. Far beyond simply making great quality products, our vision is to leverage our vertically-integrated manufacturing model and the expertise and scale we have built over the years, to positively influence how apparel is made. We seek to improve the impacts we have on our people and their communities, the environment and all our stakeholders.

Our mission: Creating value in everything we do

Our mission is what drives us each and every day. It defines the basic question every Gildan employee looks to answer in their daily decisions, actions and impacts.

For customers: We create value for customers by delivering superior quality products for the whole family at everyday low prices.

For communities: We have a positive influence on the communities where we operate by acting responsibly and generating positive economic impacts.

For employees: We empower our employees to succeed while treating them with respect and dignity, because we know they are the key to our success.

For shareholders: We drive consistent earnings and sales growth, superior returns on investment and ongoing operational excellence to create value for our shareholders.

For the future: We accept our responsibility to pursue continuous improvement and invest in sustainable solutions to reduce our impacts on future generations.

Our values

Our core values embody the DNA of our Company. These values reflect input from every level of our Company - from our CEO to the factory floor. Employees were asked what attributes they believed best described Gildan, and the results were built into our three core values:



We Act Like Entrepreneurs

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.



We Operate Responsibly

We understand that operating responsibly is critical to achieving our long-term goals. Our genuine commitment to operating ethical, safe and sustainable manufacturing

facilities influences every decision we make, down to the smallest detail. We take pride in not only the quality of our products but in how they are made.



We Believe in Our People

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.



2018 Highlights

The Company delivered strong financial results once again in 2018, despite a challenging environment that included weather related events, social unrest in some of the countries where we operate, and a changing retail environment in North America.

\$2.9B▲6%
in revenue

\$1.66▲3%
in GAAP diluted earnings per share

\$1.86▲8%
in adjusted diluted earnings per share¹

\$538.5M
in cash flow from operating activities

\$125.2M
in capital expenditures

\$429M
in free cash flow¹

\$462M
returned to shareholders

Growth Drivers

These strong results are a testimony to the strength of our people, the resiliency of our business models and the keen focus we maintained on pursuing our strategic growth drivers.



Growing Share
in Fashion Basics



Driving International
Growth



Leveraging Brands
Through E-commerce



Capitalizing on Mass
Shift to Private Label



Growing with Global
Lifestyle Brands

2018 was a very busy year from an operational perspective, with the continued expansion of manufacturing capacity, the realignment of our Sales and Marketing divisions into one consolidated structure, the consolidation of distribution facilities, the further expansion of sales into new markets and the consolidation of hosiery manufacturing. During the year, our capital expenditures were largely focused on textile and sewing capacity expansion, distribution and IT investments and several initiatives that reduced our environmental footprint and created better resiliency across our operations to help mitigate the risk of events like extreme weather, social unrest and uncertainty in global trade structures.

In 2018, the Company started the ramp up of production of its newest textile facility, Rio Nance 6, located in Honduras. This added capacity allowed Gildan to start consolidating production previously performed in its AKH textile facility into the new facility and take full advantage of the enhanced sustainable infrastructure within the Rio Nance compound. We expect this transition of production to generate measurable positive impacts in terms of water efficiency, renewable energy use, wastewater management and other metrics (see feature on [p.49](#)).

More than

1 billion

garments and

400 million

pairs of socks manufactured in 2018

¹ Please refer to "Definition and reconciliation of non-GAAP financial measures" in the 2018 Management's Discussion and Analysis.

SUSTAINABILITY HIGHLIGHTS

96%

Gildan employees represented by formal Health and Safety Committees

47%

the total workforce, and 38% of managers, are women

\$4,118,994

spent on employee training and development

40%

total energy use from renewable sources

2

Installation of two new biological wastewater treatment systems

89%

of non-hazardous waste recycled or repurposed in 2018

\$200M

spent with local suppliers in Central America and the Caribbean

84%

of managers are local talent

close to
\$2 million

in cash and in-kind contributions to local causes



RECOGNITION

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM 

Dow Jones Sustainability Index

Included in the DJSI for a sixth consecutive year.



Distintivo ESR® Award

For the third consecutive year, we received this award at the Latin American Conference of Socially Responsible Companies for our CSR activities in the Dominican Republic.



FUNDAHRSE CSR Seal

Awarded to Gildan for the 11th consecutive year by the Foundation for Corporate Social Responsibility for demonstrating leading practices related to corporate social responsibility in Honduras.



RobecoSAM 2018 Sustainability Yearbook: Bronze Class Distinction

Included for the sixth consecutive year



Best Corporate Sustainability Report - Consumer Products

Awarded by the Finance and Sustainability Initiative (FSI) to Canadian public companies with excellent sustainable development reporting.



One of Montreal's Top Employers

This designation by Canada's Top 100 Employers in an annual competition that recognizes employers in Greater Montréal that lead their industries in offering exceptional places to work.

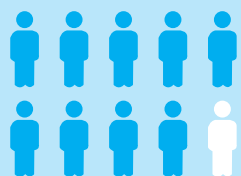


At Gildan, our vision of Making Apparel Better™ doesn't simply refer to the quality of our products, or even our production processes and their impacts – it refers to every aspect of operating a business, and every impact and interaction we have with all of our stakeholders. We aim to operate our business in the best possible way – with responsibility and integrity at our core – that creates value in everything that we do.

Governance and Risk Management

GOVERNANCE

We believe that high standards of corporate governance are an important factor in the overall success of our Company. We strive to foster a culture of integrity, accountability and transparency throughout our organization, starting from the top.



9 out of 10
Board members are independent from management

Reflecting our view that an independent Board of Directors is crucial to ensuring effective oversight of Company management, nine out of ten of our Board members are independent, including the Board Chair. The only non-independent Board member is our current President and CEO, who is a founder of the Company. These independent Board members meet without the presence of management at each quarterly, annual and special Board meeting, and only independent Board members sit on the Board's three committees: the Audit and Finance Committee, the Compensation and Human Resources Committee, and the Corporate Governance and Social Responsibility Committee.

Our Board of Directors follows comprehensive [Corporate Governance Guidelines](#) which go beyond compliance with Canadian and U.S. legislation and stock exchange requirements. These Guidelines are regularly reviewed to ensure they remain consistent with regulatory developments, evolving industry trends and best practices.

Our Board of Directors is also committed to diversity and has adopted a [Board Diversity Policy](#) which embodies its approach to achieving a mix of Board members who represent a broad diversity of backgrounds and perspectives. Since the Board Diversity Policy was adopted in November 2015, the percentage of women on our Board of Directors has increased from 22% to 30%.

In order to ensure a robust and comprehensive compliance framework for integrity and ethics 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, among others. The Compliance Steering Committee is ultimately accountable to the Board of Directors and reports on important compliance matters to the Board's Corporate Governance and Social Responsibility Committee on a quarterly basis.

For more information, please visit the [Governance](#) page of our corporate website.

ETHICS

We are dedicated to maintaining high ethical standards in all of our operations and business practices worldwide. We understand that our conduct and interactions with fellow employees, customers, suppliers and other stakeholders all affect the integrity and credibility of the Company as a whole. Our Code of Ethics, Anti-Corruption Policy, Code of Conduct, Human Rights Policy and other programs and policies provide guidance to our employees on ethical behaviours and acceptable business practices. In 2018, we also adopted a Global Anti-Harassment Policy to ensure that all employees worldwide are able to enjoy an environment and employment opportunities that are free from any form of harassment. The Board's Corporate Governance and Social Responsibility Committee is responsible for monitoring compliance with these policies and codes.

Policies and codes alone are not enough to ensure sound business practices, so we invest in ongoing training and awareness initiatives to ensure that these standards are embedded in our everyday practices and culture and are clearly understood. Every year, we run several mandatory review and re-certification programs related to the Company's codes and policies, the results of which are reported directly to the Corporate Governance and Social Responsibility Committee of the Board of Directors. In 2019 we plan to conduct a new Company-wide Code of Ethics compliance training program to reinforce the ethical standards and expectations set forth in the Code. This global training will be deployed to all employees and will include not only the Code of Ethics, but the Code of Conduct, the Human Rights Policy, the Global Anti-Harassment Policy and the Anti-Corruption Policy as well.

29,080

hours of training on
Gildan's Code of Conduct

27,794

hours of training on
Gildan's Code of Ethics

Code of Ethics

Our [Code of Ethics](#) provides a framework for guiding our operations and business practices, and sets forth Gildan's standards and expectations of conduct by all of our global employees, from our factory workers to the Board of Directors. The Code of Ethics addresses conflicts of interest, anti-corruption laws, integrity and confidentiality of corporate records and information, protection and use of corporate assets, employee relations, protection of human rights, health and safety matters, insider trading and compliance with laws and reporting of unethical or illegal behavior. Compliance with the Code of Ethics is monitored by the Corporate Governance and Social Responsibility Committee, which receives quarterly reports from the Compliance Steering Committee.

We strive to increase awareness of and compliance with the Code of Ethics across the organization through several compliance programs and processes. All new employees are required, as part of the Company's onboarding process, to acknowledge that they have read and understood the Code of Ethics. In addition, on an annual basis over 800 employees in administrative and

management positions are required to re-certify their compliance with the Code. These results are tracked and reported to the Corporate Governance and Social Responsibility Committee at each fourth quarter meeting. We also deploy mandatory policy awareness training across the organization when new policies are adopted. Finally, during 2019 we plan to conduct a Company-wide training program on our Code of Ethics and other key policies. This training program will be repeated on a regular basis to reinforce our policies and ensure that Code of Ethics standards remain top of mind for our employees.

We expect all of Gildan's business partners, including suppliers, agents, contractors, consultants and licensees, will adhere to the same ethical standards that we adopt internally. We monitor this compliance through due diligence, compliance certification processes and social compliance audits. We reserve the right to use all available legal recourses to terminate relationships with business partners who do not meet the high standards of conduct outlined in our Code of Ethics, Code of Conduct, Human Rights Policy and Restricted Substances Code of Practice.

Anti-Corruption Policy and Compliance Program

Our [Anti-Corruption Policy and Compliance Program](#) encompasses the anti-corruption laws of all of the countries in which Gildan conducts business and sets out in detail our position against bribery and all other forms of prohibited payments, including facilitation payments. We require strict adherence to the Policy by our employees; failure to comply can result in disciplinary action up to and including termination.

We have implemented a robust compliance program that includes training, certification and ongoing monitoring.

All employees in management positions and above, as well as other key personnel, are required to formally certify compliance with the Anti-Corruption Policy and Compliance Program on an annual basis through mandatory online certification. During 2018, we also launched a Company-wide online training on our Anti-Corruption Policy, which was successfully completed by 99% of administrative and management employees. In addition, designated 'Anti-Corruption Compliance Officers' from each of our hubs, covering all of our operations, certify on a quarterly basis to the Compliance Steering Committee that they are not aware of any instances of solicitations for prohibited payments or of non-compliance with the Anti-Corruption Policy. Finally, our internal audit department conducts periodic reviews in our hubs to test the effectiveness of the compliance program.

For 2018, we are proud to report that we had no instances of corruption incidents during the year, including no employees dismissed or disciplined for corruption and no business partner contracts terminated or not renewed due to violations of anti-corruption laws.

Code of Conduct

The Gildan [Code of Conduct](#) guides our activities wherever we operate, and is aligned with internationally recognized standards such as the International Labor Organization (ILO) and the Fair Labor Association (FLA). It is divided into 12 distinct code principles which clearly state our position on key labour and business practices, and requires our employees, partners and stakeholders to strictly adhere to its principles. The Code has been translated into all of the main languages spoken in the areas where our products are made including English, French, Spanish, Haitian Creole, Polish, Bengali, Chinese, Vietnamese, Khmer, Urdu, Korean, Italian, Hindi, Tamil

and Sinhalese, and is prominently displayed in all of our owned and third-party contractor facilities. Code of Conduct training is performed annually through a variety of mechanisms, including online platforms, and interactive programs such as presentations and workshops. Our in-house social compliance teams conduct due diligence and audits on third-party contractor facilities in order to ensure ongoing compliance with the Code of Conduct.

Ethics and Compliance Hotline

To ensure that employees, suppliers and other partners feel confident to report any suspected misconduct, we provide a confidential Ethics and Integrity Hotline, managed by a third-party service provider. Although both our Code of Ethics and our Code of Conduct includes specific provisions prohibiting retaliation, harassment or intimidation of any kind, anyone who wishes to report suspected misconduct can do so anonymously by phone or by submitting an online report. All calls and messages are reviewed by the Ethics and Fraud Compliance Committee, which is required to communicate any significant issues to the Compliance Steering Committee, and then to the Corporate Governance and Social Responsibility Committee of the Board of Directors, if necessary. During 2018, we received 41 reports through the Ethics and Integrity Hotline.

RISK MANAGEMENT

A critical element of our business strategy is the principle of sound risk management practices, which we have implemented to address the most material risks to the Company. Effective risk oversight is an important priority for our Board of Directors and our Board has implemented a risk governance framework to understand critical risks in the Company's business

and strategy, oversee the systems in place to identify and manage business risks and opportunities and foster an appropriate culture of risk awareness across the Company.

The Board implements its risk oversight function both as a whole and through its committees. The Board oversees both the processes in place to identify business risks and opportunities and the implementation of processes to manage such risks and opportunities. The Audit and Finance Committee of the Board oversees the management of financial risk stemming from fluctuations in foreign currency, interest rates and equity and commodity prices, as well as risks related to the Company's financial statements, the financial reporting process and accounting matters. The Compensation and Human Resources Committee of the Board oversees risk identification and management in relation to executive compensation and employee health and safety at the Company's operations worldwide. Finally, the Corporate Governance and Social Responsibility Committee of the Board monitors compliance with the Company's policies and practices relating to business ethics, bribery and corruption, corporate social responsibility, environmental compliance, security and product safety.

While the Board oversees risk management, it is Gildan's management that is charged with managing risk on an ongoing basis. A dedicated team, comprised of business professionals with a wide variety of financial, accounting and operations skills, is responsible for developing and executing against the Company's risk management strategies. Our overarching Risk Management Framework includes specific processes and policies that allow for the continuous review and assessment of the risks to our Company, including operational, financial, compliance, strategic and other risks. The results of this process are communicated directly to the Company's senior executive management team and annually to

the Board of Directors. Our internal audit department conducts periodic reviews to ensure that management has implemented robust compliance programs and procedures to mitigate risks.

The Compliance Steering Committee, chaired by the President and Chief Executive Officer, is responsible for monitoring the Company's compliance with applicable laws and regulations as well as with its policies, procedures and programs across the organization. The Compliance Steering Committee provides the Corporate Governance and Social Responsibility Committee with quarterly reports on the Company's ethics and compliance activities and programs, including any compliance risks or issues that are identified by the Compliance Steering Committee or brought to its attention through the Company's whistleblowing procedures.

The Financial Risk Management Committee, which is co-chaired by the President and Chief Executive Officer and the Executive Vice-President, Chief Financial and Administrative Officer, is responsible for overseeing the implementation of policies, procedures and strategies to manage the Company's financial risks. The Financial Risk Management Committee provides a quarterly report to the Board's and Finance Committee on the Company's financial risk exposure to foreign currency, interest rate and commodity price fluctuations, its liquidity and cash positions and its hedging strategy. All of our principal risks are detailed in our Annual Report to Shareholders. Some of the risks we have been focused on over the past year include cybersecurity and other business interruption events such as weather and social disturbance. A discussion of our environmental risks, including ongoing risks as a result of climate change, which are considered as part of our risk management activities, can be found in the Environment section of this report.

Finally, none of our owned-manufacturing facilities are located in high risk locations with regards to migrant labour, or protected or indigenous territory as described in the International Labor Organization (ILO) 169 Convention. In 2018, we did not receive any social or economic fines or sanctions.

DATA PROTECTION

Data protection and cybersecurity are topics that we take very seriously at our Company. All Gildan administrative and office employees receive mandatory training on protecting information and cybersecurity including elements from our Information Security Policy and Information Assets Protection Policy. Specialized groups such as our financial teams receive additional specialized training on issues such as social engineering. Our IT developers are all trained in secure software development practices. In addition, our information security team, which manages data protection at Gildan, regularly tests all office employees on a rotating basis with phishing tests. This has significantly increased Gildan's resilience to email phishing attempts. Employees are regularly reminded to report suspicious activity to our IT department, and any suspected loss of sensitive information to our legal department.

OTHER MATTERS

In 2018, no legal actions were taken against us for anti-competitive behavior or violations of anti-trust and monopoly legislation and no substantiated complaints have been received regarding breaches of customer privacy.

We have also reported in our annual financial statement that we received assistance from the government of the U.S. for the amount of \$10.1 million for yarn production.





GENUINE RESPONSIBILITY™ STRATEGY

Genuine Responsibility™ is the overarching framework of programs, policies and practices that governs Gildan's operations and business in all areas related to environmental stewardship, social impacts and governance practices. Developed over the last 15+ years, this comprehensive framework serves to guide the decisions we make, the actions we take and the future we envision for our Company across three central pillars: Caring for Our People, Conserving the Environment and Creating Stronger Communities.

Our experience as a vertically-integrated manufacturer and large employer in the regions where we operate, has reinforced the fundamental principle that operating responsibly and integrating sustainable solutions into

our business and operations is critical to our financial success, an important enabler of our future growth and a key component of the positive value we create for all our stakeholders.

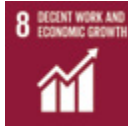
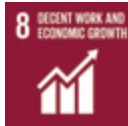
Our Genuine Responsibility™ Strategy has been developed by focusing on the most material issues to our Company, with consideration to leveraging our strengths in support of the United Nation's Sustainable Development Goals. We have identified these issues through a formal materiality assessment (executed in late 2017) which encompasses areas of concern to our stakeholders that are the most important to them and that have the biggest potential to impact our business.

We have identified the top five most material issues as:

- Human and labour rights
- Occupational health and safety
- Operational water and wastewater management
- Chemical management
- Energy and emissions management

We have also identified other important issues which shall remain within the focus of our Genuine Responsibility™ programs, such as Diversity and Inclusion, Climate Change, and Traceability. For more details on the full results of our Materiality Assessment please see our [Genuine Responsibility website](#).

Genuine Responsibility™ Summary

Pillars	Material Issues	Relevant UN SDGs
CARING FOR OUR PEOPLE A commitment to maintaining industry-leading working conditions and labour practices at each of our worldwide locations by: • Creating a safe and ergonomic workplace • Empowering women at work • Respecting freedom of association • Offering competitive benefits	• Human and Labour Rights • Occupational Health and Safety • Diversity and Inclusion	 
CONSERVING THE ENVIRONMENT A commitment to the development and implementation of sustainable innovative solutions that reduce the environmental impact of our operations and products throughout our entire supply chain by: • Minimizing water use • Ensuring safe chemical management • Addressing climate change • Optimizing energy use and generation	• Operational Water and Wastewater Management • Chemical Management • Energy and Emissions Management • Climate Change	 
CREATING STRONGER COMMUNITIES A commitment to contribute to our communities and have a positive impact by helping them become stronger and more resilient by: • Investing in local economic development • Advancing access to education and fostering entrepreneurship spirit • Encouraging healthy and active lifestyles • Promoting environmental conservation	• Business Impact on the Community	 

Program Governance

The execution of our Genuine Responsibility™ programs is managed by a dedicated team of skilled professionals located in the regions where we operate, all reporting to the Vice President of Corporate Citizenship.

Understanding the important role that good governance plays in ensuring sound practices and transparent reporting, our Board of Directors' Corporate Governance and Social Responsibility Committee has the specific responsibility to oversee Gildan's policies and practices in the areas of environment, labour, health and safety

and other sustainability issues including community engagement and stakeholder relations.

Our management team provides a comprehensive report on environmental, social and governance matters to the Board's Corporate Governance and Social Responsibility Committee at each of its quarterly meetings and highlights key developments, issues and risks in these areas. This committee, as our other two Board committees, is composed exclusively of independent directors, and its members have a wealth of experience in ESG subject areas.

Alignment with UN Sustainable Development Goals

The UN 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. They comprise 17 interconnected goals addressing the three dimensions of sustainable development – social, economic and environmental. We believe that we bear a responsibility to link our Genuine Responsibility™ initiatives to the SDGs and help support these goals and create a better world for all.

Our Genuine Responsibility™ programs aim to leverage our core strengths, enabled by our underlying business model, to positively influence outcomes in areas that are material to our business and operations, and as such we have selected four specific SDGs against which we believe we can create positive impacts.

4 QUALITY EDUCATION

**Why it matters to us**

Quality education is the foundation for improving people's lives and sustainable development. Investing in education builds job and life skills,

and can have a transformational impact on 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.

How we are helping

We support community education programs focused on hygiene, nutrition, environmental protection and violence prevention. These programs address the pressing needs of some of our stakeholders and contribute to building

and upgrading educational infrastructure to provide safe, nonviolent and inclusive learning environments in communities.

We also focus on the ongoing development of our employees. Continuous development through training is essential to improve the technical, administrative and interpersonal competencies of our workforce and position our employees for future growth and opportunities within the Company. This creates benefits for the Company, our employees, their families and the communities where we operate.

8 DECENT WORK AND ECONOMIC GROWTH

**Why it matters to us**

We understand that sustainable economic development is achieved through the creation of long-lasting, stable and productive jobs. At Gildan,

we truly value our employees and believe that by empowering them in their roles, encouraging their entrepreneurial spirit and investing in their personal development and growth, we will realize business success as well.

How we are helping

We strive to create value for our people, their families and the communities where we operate by treating every employee with respect and dignity, offering progressive compensation and benefit programs, providing a safe and healthy work environment, investing in training and development initiatives, and

fostering a culture where employees feel empowered to achieve their goals and share in our success without ever facing harassment or discrimination of any kind. We are committed to diversity and inclusion at all levels in the workplace, including ensuring there are no systemic barriers or biases in the Company's policies, procedures and practices.

Although the vast majority, more than 90%, of our revenues are generated by the products produced in our own facilities, we understand our responsibility in these areas extends to our complete supply chain. Our sourcing and procurement practices are guided by the same Genuine Responsibility™ framework and aim to ensure respect for human rights, freedom of association and collective bargaining, and the prohibition of all forms of forced labour and child labour in the production of everything we sell.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

**Why it matters to us**

Innovation in industry and investments in infrastructure drive economic growth, create job opportunities and empower communities. 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.

How we are helping

Our vertically integrated model is at the foundation of our business strategy and allows us to positively influence each part of the overall production process. We own and operate large scale manufacturing facilities in North

America, Central America, the Caribbean basin and Bangladesh, where we are a significant employer and contributor to local industry and innovation. We have invested close to USD \$1.5B over the last 10 years and we are proud of our manufacturing facilities, models of state of the art technology, innovation and sustainable solutions.

We have also committed to supporting local industries, wherever possible, by prioritizing a 'buy local' strategy. In 2018 this resulted in our purchases of more than USD \$200M from local suppliers in Central America, the Caribbean Basin, North America and Bangladesh.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

**Why it matters to us**

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, and embedding social and environmental responsibility into the long-term strategy of the business.

How we are helping

Our vertically-integrated manufacturing model allows us to directly influence and implement responsible practices throughout the entire manufacturing processes - from the selection of raw materials to the final products. We are committed to continuous improvement in production and distribution by finding innovative and sustainable solutions that drive positive outcomes for all stakeholders.

Stakeholders and partners

To achieve our vision of Making Apparel Better™, we pursue proactive engagement and collaboration with stakeholders, including employees, customers, local communities, shareholders, investors, governments and NGOs. Strong relationships with our stakeholders allow us to learn from one another, collaborate and fulfill our mission of creating value in everything we do. In order to ensure a structured and accountable approach to stakeholder engagement, we have a [Stakeholder Engagement Policy](#) that defines how we manage stakeholder relationships.

One of the key areas we believe our stakeholders can help provide insight for us is in 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. We invite groups representing workers, students, colleges, trade unions, academia, governments, local communities and consumers to communicate, share ideas and build consensus on these issues with us. This is done through a variety of methods, including face-to-face meetings, focus groups or roundtable sessions 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. In 2018, we were affiliated and/or in dialogue with the organizations listed in the table chosen for their pertinence to our Company and our industry. Over the years, we have also been collaborating with organizations such as the Americas Group, Maquila Solidarity Network

and the Worker Rights Consortium on specific labour issues in Latin America.

A full list of our stakeholder engagement activities can be found in the appendix on [p.70](#) of this report.

Organization	Area of Focus	Relationship
SUSTAINABLE APPAREL COALITION (SAC)	Environmental/Social	The organization provides the apparel industry with tools and platforms to create a common sustainable standard for the apparel industry. Gildan has been a member of SAC since 2013 and a member of Gildan's senior management team served on the Board of the SAC from 2013 to 2016.
CARBON DISCLOSURE PROJECT (CDP)	Environmental	Since 2008 we have participated in the CDP to disclose our environmental performance and climate change impact.
FAIR LABOR ASSOCIATION (FLA)	Labour rights	Member of the FLA since 2003. Gildan's social compliance program has been accredited by FLA since 2007 and Gildan was the first vertically-integrated manufacturer to be accredited. We are subject to periodic audits by FLA to ensure we implement systems and procedures to uphold FLA's standards in our supply chain.
ILO BETTER WORK IN HAITI AND NICARAGUA	ILO fundamental Labour Rights	Gildan participates in the International Labour Organization's (ILO) Better Work Programme through its third-party contractors in Haiti and owned facilities in Nicaragua. The program aims to improve compliance with labour standards and competitiveness in global supply chains.
WORLDWIDE RESPONSIBLE ACCREDITED PRODUCTION (WRAP)	Social compliance	All of our sewing facilities are WRAP certified.
SUPPLIER ETHICAL DATA EXCHANGE (SEDEX)	Social compliance	Gildan is a member of Sedex, which provides member companies with a secure web-based platform for storing and sharing SMETA audit reports. Being a member of Sedex demonstrates our willingness to share information.
CENTRAL GENERAL DE TRABAJADORES HONDURAS (CGT)	Freedom of Association and Collective Bargaining Agreement	Most of Gildan's employees are affiliated with this Union federation. Gildan has engaged with CGT during the collective bargaining agreement negotiation process for three unions in Honduras.
WORLD VISION HONDURAS	Community development	We have partnered with World Vision Honduras since 2012 to implement programs that support children's development by improving the quality of education, promoting environmental conservation, fostering leadership and violence prevention in communities. In 2017 - 2018, we invested more than \$120,000 in this program.
ETHISPHERE	Ethics	Gildan has joined Ethisphere's Business Ethics Leadership Alliance (BELA), a global community of companies who recognize the value of ethical leadership and who are working together to move forward with ethics and integrity.

“The CGT is a federation to which several Gildan employee unions are affiliated, five organizations that represent a high percentage of Gildan’s direct jobs in Honduras. In 2017 we signed collective bargaining agreements for 3 factories, agreeing to more than 40 economic and social clauses. This represents a good step to be the first collective contract that was negotiated in these facilities.”

- Evangelina Argueta
Coordinator of Maquila Project, Central General de Trabajadores (CGT)

“Gildan factories have been WRAP certified for many years now, which demonstrates their commitment to implement industry-leading labour practices. In order to be WRAP certified, facilities must show compliance with our 12 Principles based on the ILO Conventions and focused on ensuring that products are being manufactured under lawful, humane and ethical conditions.”

-Avedis Seferian
President & CEO, Worldwide Responsible Accredited Production (WRAP)



GOALS AND TARGETS

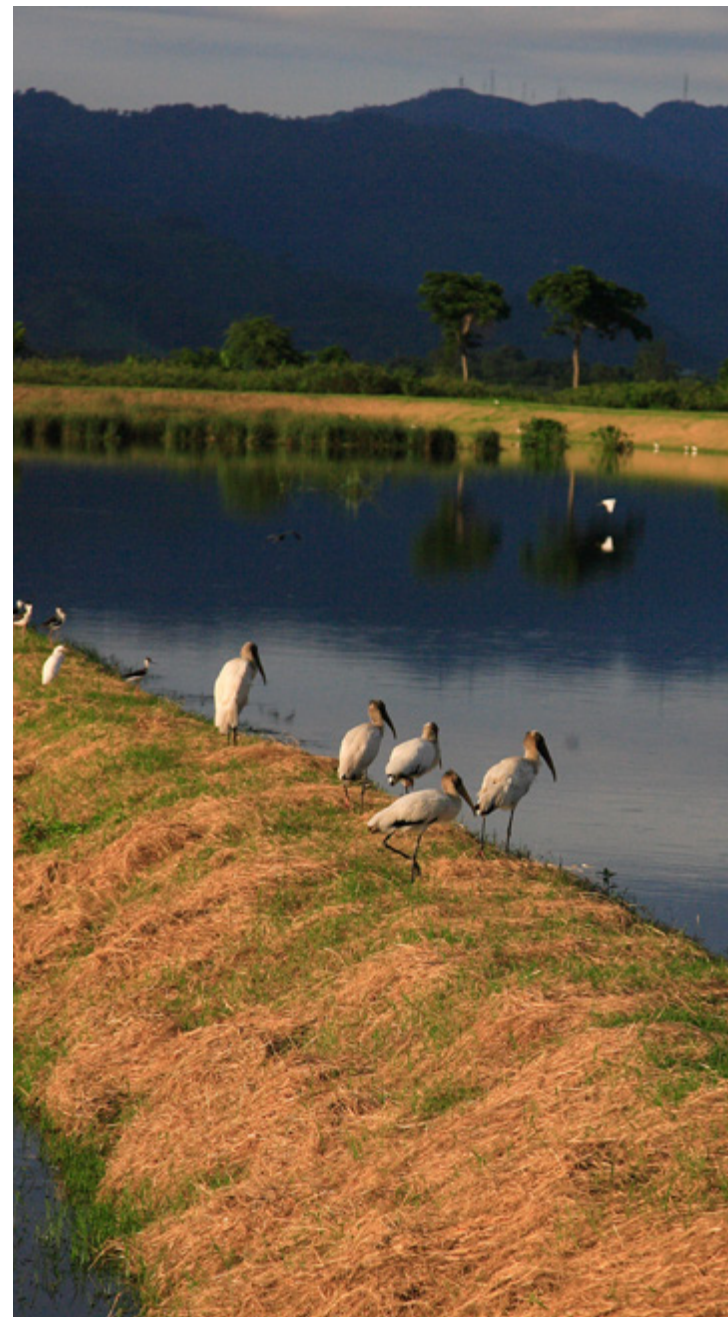
In 2015, we set 5-year goals for our business within our three priority areas, and aligned with our key focus areas within those. In 2017, some of our environmental targets and baseline metrics were adjusted to account for acquisitions. This was detailed in our 2017 report. The following table summarizes all our previously reported 2020 goals, and the progress we made against them during the past year.



CARING FOR OUR PEOPLE	
GOAL	2018 PROGRESS
Set in 2017: Expand and harmonise health and safety programs.	In 2018 we focused on strengthening our Health and Safety structure across our manufacturing operations, as well as in our yarn and distribution facilities in the US. We also started the standardization process of health and safety procedures across the different operating units globally. We are also working towards implementing a database for health and safety metrics which will track both lagging indicators (Accidents, First Aids, Lost Time), and leading indicators (observations, near misses, inspections).
Set in 2017: By 2020, implement a near-miss reporting program covering 100% of textile and sewing facilities.	
Set in 2017: By 2020, all of our contractors worldwide will be trained in Gildan's Social and Sustainable Compliance Guidebook .	Gildan's Social and Sustainable Compliance Guidebook was updated in 2018 and is to be launched globally in 2019 at our owned facilities as well as our contractors' facilities worldwide. The original Guidebook was created in 2004 to provide social compliance guidelines for auditing purposes. The updated Guidebook will be the new framework that Gildan and its business partners will follow in order to maintain sustainable practices.
Set in 2018: By 2020, implement a Leadership Development Program for our 1,500 supervisors in owned textile and sewing facilities in Central America.	Progress in 2018: As part of the diagnose phase of our Leading the Gildan way program, during 2018 we carried out focus groups, workshops and a needs assessment in our textile and sewing facilities in Central America to identify key leadership drivers. Additionally, 113 managers and first line supervisors from across our locations participated in the program during 2018.
Updated in 2017: By 2018, update ergonomic baseline for 71% of Gildan-owned manufacturing facilities.	We updated our ergonomic baseline for 65% of our Gildan-owned manufacturing facilities. We were not able to meet our goal since our ergonomics experts were unable to visit three of our facilities due to travel restrictions related to social unrest during 2018.
Set in 2017: By 2019, 71% of Gildan-owned manufacturing facilities will test the Fair Labor Association (FLA) fair wage methodology.	The FLA is launching an updated online tool in 2019 to provide new trends related to fair wages for the apparel sector; As a participating member, we collaborated and applied the tool in 48% of our owned manufacturing facilities.
Set in 2017: Continue supporting stakeholder research on fair wage in the different countries where we operate.	
Set in 2017: Continue an open and constructive dialogue with labour stakeholders including unions, civil society organizations and governments.	In 2018 we continued our open dialogue and collaboration with labour groups in Central America, Mexico and Haiti to address issues such as childcare and freedom of association. We became signatories of the new Industry Commitment to Responsible Recruitment with the American Apparel and Footwear Association (AAFA) and FLA to ensure migrant workers in the global supply chain are not subjected to forced labour.
Set in 2017: Continue to develop initiatives that will empower female employees and create further opportunities in management positions	We have implemented programs that provide women with training, networking opportunities and resources to help them build their personal toolkit for success. In 2018, we increased the percentage of women in top management positions by 5.5%.

CONSERVING THE ENVIRONMENT

GOAL	2018 PROGRESS
2015 - 2020: Gildan will reduce its GHG emissions intensity by 10%, per kg of product, from our owned operations.	During 2018, we decreased our GHG emissions intensity by 27% when compared to our 2015 baseline. We surpassed our 10% reduction target due to a change in the methodology used to calculate our emissions.
2015 - 2020: Gildan will reduce its energy intensity by 10%, per kg of product, from our owned operations.	In 2018, our energy intensity decreased by 5% compared with 2017 results. However, when compared to our 2015 baseline, we have increased our energy intensity by 3%, primarily due to the integration of our yarn-spinning facilities in the interim years. We are committed to reach our 2020 energy intensity goal through the implementation of new technologies and strengthening current improvements.
2015 - 2020: Gildan will reduce its water intensity by 10%, per kg of product, from our owned operations.	Although we had been improving our water intensity performance over the previous two years, in 2018 our water intensity was relatively flat versus the 2015 baseline. The unanticipated impacts of water use in air-conditioning our yarn-spinning operations and changing product mix are the principal drivers of these results. We remain committed to further improving our water management processes in our manufacturing operations.
2015 - 2020: Gildan will reduce landfill waste intensity by 10%, per kg of product, from our owned operations.	In 2018, our landfill waste intensity decreased by 19.5%, a significant improvement when compared to the 2017 results, by improving our waste management process in our manufacturing facilities. When compared to our 2015 baseline, we can report a 3% increase. We are continuing to focus on our reduction efforts to meet our 2020 goal.
Set in 2017: 80% of raw materials suppliers will have completed all required forms confirming compliance against our new revised RSCP.	In 2018, 52% of all raw material suppliers had completed all required updated forms and documentation confirming their full compliance against Gildan's new RSCP launched in 2017.
Set in 2017: Conduct a water risk assessment for our Central America, Caribbean and Mexico operations by 2022.	In 2018, we have identified potential partners to conduct a water risk assessment for our Honduras manufacturing operations. We look forward to start this process during 2019 and provide results going forward.



CREATING STRONGER COMMUNITIES

GOAL	2018 PROGRESS
Set in 2017: By 2020, increase by 25% the number of sponsored schools at Gildan's manufacturing locations	In 2018, 27 schools were part of Gildan's education programs in our manufacturing locations, which was an increase of 28.5% from 2017.
Set in 2017: By 2019, conduct a Social Impact Study in order to better measure Gildan's positive impact on society for our Central American operations	In 2018, we identified a partner that will help us conduct a Social Impact Study. The study is underway and we anticipate that the results will be shared in our 2019 Genuine Responsibility™ Sustainability Report.
Set in 2016: Continue leveraging local capacity to support education, active living, entrepreneurship and environmental programs.	During the reporting period we have carried out projects to support education, active living, entrepreneurship, and environmental awareness in the communities where we operate. Our community contributions in these areas totaled close to \$2 million in 2018. Detailed information on projects can be found in our Community section.
Set in 2017: Continue working with local vocational training organizations to strengthen employees' and community technical skills.	We provided employees with more than 5 million hours of technical training in our manufacturing facilities. We have also started coaching and mentoring programs that allow employees to advance in their career. As such, 17% of our open positions were filled by internal candidates in 2018, representing an increase of 7.1% compared to the previous year.





At Gildan we understand that our most important resource is our people. They play an equally important role in our success as do the investments we make in equipment, technology and innovation.

Simply put, we depend on our people to carry out our vision of Making Apparel Better™. As such, we recognize our responsibility to provide them with rewarding, safe and healthy work environments where they are empowered to succeed. We strive to foster a culture that will allow them to develop and perform to their best by giving them the training and development opportunities they need and creating fair and equal opportunities for success, while treating everyone with respect and dignity and providing valuable benefits tailored to community needs.

I Goals I

Health & Safety

By 2018, update the ergonomic baseline for 71% of Gildan-owned manufacturing facilities

Progress in 2018: We updated our ergonomic baseline for 65% of our Gildan-owned manufacturing facilities. We were not able to meet our goal since our ergonomics experts were unable to visit three of our facilities due to travel restrictions related to social unrest during 2018.

By 2020, implement a near-miss reporting program in our textile and sewing facilities to help identify potential causes of injuries and reduce risks.

Progress in 2018: As the first steps in implementing this program this past year, we strengthened our Health and Safety structure across our manufacturing operations, as well as in our yarn and distribution facilities in the US. We also started standardizing health and safety procedures across the different operating units globally. We look forward to implementing a database for health and safety metrics which will track not only lagging indicators (Accidents, First Aids, Lost Time) and leading indicators (observations, near misses, inspections).

By 2020, implement a leadership training program for our 1,500 supervisors in owned textile and sewing facilities in Central America.

Progress in 2018: Progress in 2018: As part of the diagnose phase of our Leading the Gildan way program, during 2018 we carried out focus groups, workshops and a needs assessment in our textile and sewing facilities in Central America to identify key leadership drivers. Additionally, 113 managers and first line supervisors from across our locations participated in the program during 2018.

Wages & Benefits

By 2019, 71% of Gildan-owned manufacturing facilities will test Fair Labor Association (FLA) fair wage methodology and online tool

Progress in 2018: This year, 48% of Gildan-owned manufacturing facilities deployed the FLA fair wage tool.

Supply Chain

By 2020, all worldwide contractors will be trained in Gildan's Social & Sustainable Compliance Guidebook.

Progress in 2018: Our Social and Sustainable Compliance Guidebook was updated in 2018 and will be launched in 2019 to our employees and contractors worldwide.

Our Workplace

Our first responsibility towards our employees is providing them with safe and healthy work environments. Gildan's performance in this area, with accident and injury rates that are significantly better than the industry standards, is achieved by collaborating with our employees and getting them to play an active role in creating a safety culture. In 2018, over 83% of our facilities featured employee-driven Health and Safety committees, representing 96% of our manufacturing employees. We also invested in workplace infrastructure and implemented comprehensive monitoring and management processes.

Our commitments also include contributions towards facilitating healthy living for our employees. We provide them with free onsite medical clinics and primary care, and run a variety of health awareness campaigns as well as a comprehensive ergonomics program focused on mitigating the risks of musculoskeletal disorders.

HEALTH AND SAFETY

Health and Safety is a top priority for our management team. We recognize that our operations, and the manufacturing industry in general, inherently involve potential risks and hazards, and it is our duty to manage these risks and hazards appropriately to ensure the safety and wellbeing of our employees. As we own and operate most of the facilities where our products are made, we are able to directly influence and exercise control on operations and practices aimed at providing safe workplaces (see vertical integration, p.9).

Understanding that technology and innovation have a role to play, we have made significant capital investments in modern equipment and technologies that optimize efficiencies, reduce waste and most importantly reduce impacts on our people. Over the last 10 years, we have invested over \$1.5 billion in our facilities, installing state-of-the-art technologies and equipment designed with strict safety standards in place.

The structural safety of our facilities is validated by independent experts on a regular basis. Fire safety is also a very important concern for the Company. All of our company-owned facilities have built-in fire suppression systems, fire safety exits and all employees actively participate in regular fire and safety drills. In Bangladesh, where fire safety is a national issue, our facility was successfully audited in 2018 by the Bangladesh Fire and Safety Accord. At this facility we have a dedicated Fire and Safety committee in order to involve employees in mitigating risks and improving the effectiveness of preparedness and response activities. Elsewhere, across our manufacturing network, our Health and Safety Committees (see below) are responsible for managing fire safety.

More details on our approach can be found in our [Global Health and Safety Policy](#).

Health and Safety Performance

Continuous improvement can only be achieved if processes are carefully measured and monitored so we diligently scrutinize work-related injury and severity rates throughout our operations to identify any areas where progress could be made. Although our work-related injury and severity rates increased slightly over the past year, our performance continue to significantly outpace industry standards. Our results are consistently better

than Occupational Safety and Health Administration (OSHA) benchmarks in the Apparel Manufacturing group. In 2018 our work-related injury rate was 0.44, compared to 2.4 from the OSHA² Apparel Manufacturing 2017 benchmark; we also had fewer days away from work (0.15 versus 0.5 for the industry). The slight increase this year relates mainly to the rise in the number of injuries in some of our distribution centers following organizational changes in these locations. We will work hard in 2019 to ensure we stay on our long term track of improvement in our health and safety performance. As shown in the chart, over the past ten years our work-related injury rate has decreased by 50% and our severity rate by 67%.



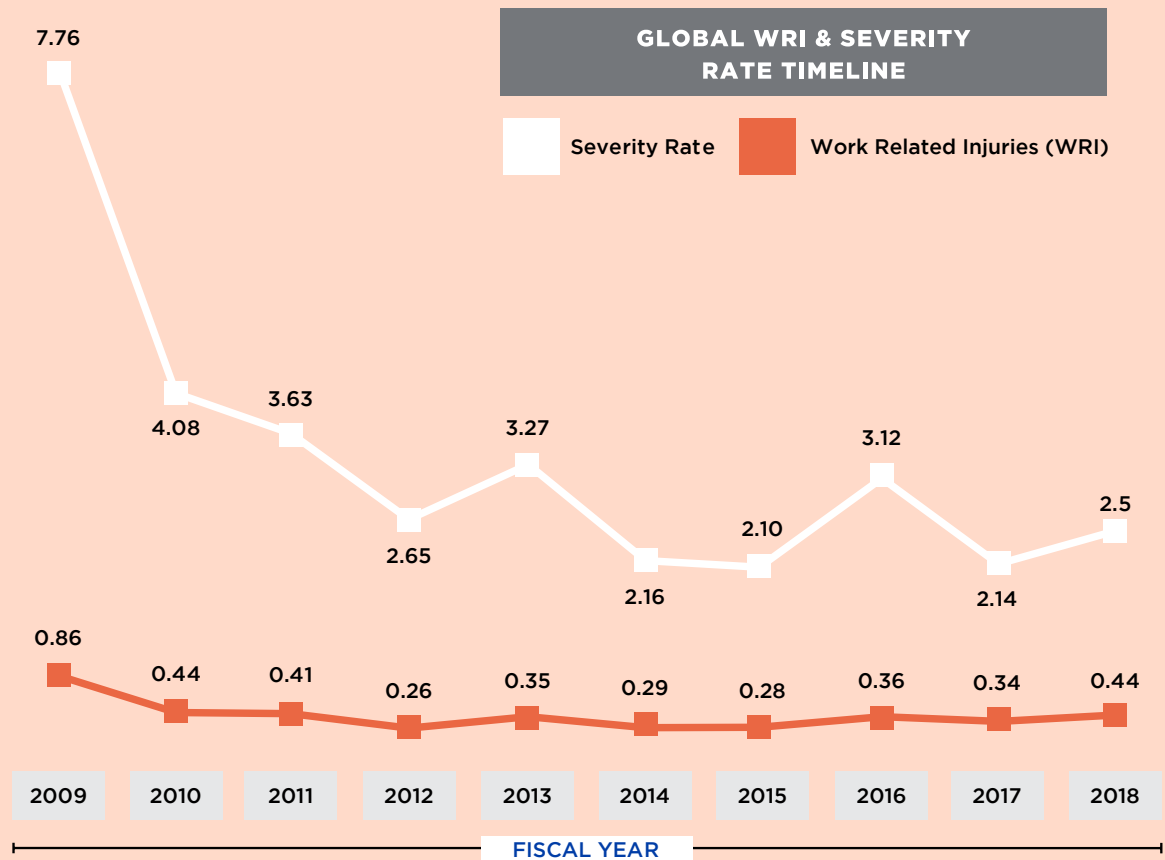
² The injury and severity rate indicators are based on the Occupational Safety and Health Administration (OSHA) principles. The injury rate indicator is used to show how many accidents occurred in a 200,000 hour work period while the severity rate indicator shows the gravity of the accidents during the 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. The work-related injury, lost-time injury and severity rate tables 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.

Health and Safety Metrics 2018

Fatalities	0
Work-Related Injury Rate	0.44
Severity Rate	2.50
Days Away From Work Rate	0.15
Lost-time injury frequency rate (LTIFR) for employees/million hours worked	0.75
Lost-time injury frequency rate (LTIFR) for sewing contractors/million hours worked ³	9.28

Global Work Related Incidents ten-year trends

Over the past ten years, Gildan has acquired several companies and opened new facilities and distribution centers, significantly increasing our production capacity and number of facilities, whilst at the same time decreasing our injury rates.



³ Relates to our dedicated sewing contractors in Haiti only. During the year we have also begun this process in other locations and look forward to expanding the scope to other key sewing contractors.

Health and Safety Management

The Company's health and safety programs are monitored by two committees: a Global Health and Safety Steering Committee, which is comprised of senior management and which is responsible for ensuring that the organization has everything needed in place to drive and support a vision of safety excellence; and a Health and Safety Technical Committee, which is comprised of all Health and Safety Managers and key representatives from each hub, and which is responsible for the deployment and the monitoring of safety programs. These committees also address safety trends and share best practices across the business to ensure that all locations are working at the same high level. Our Facility Managers at each site are responsible for ensuring the implementation of health and safety management programs.

To keep track of work-related injuries, we use a Global Safety Scorecard. This performance scorecard is used at all of our owned facilities and contains data related to first aid, injuries, lost-time accidents, musculoskeletal disorders, lost work days, working hours, injury and severity rates. The scorecard is reviewed by our Global Health and Safety Director and is reported to the Compensation and Human Resources Committee of the Board of Directors on a quarterly basis. Whenever an incident occurs, we fully investigate the cause and implement action plans to address any issues and eliminate future risks. We are also working to implement a "near miss" program where our employees will report any near misses in order to help us identify health and safety risks and prevent potential injuries.

All of our owned facilities are subject to periodic audits conducted by in-house health and safety coordinators and internal corporate social responsibility auditors to ensure compliance with health and safety standards. We

are also audited by external third-party social compliance auditors, as well as by selected customers at the facilities where their products are made.

96%
of Gildan employees are
represented by formal Health
and Safety Committees.

Local Health and Safety Committees

Our joint management-worker Health and Safety Committees, present at nearly all of our production facilities as well as many of our administrative offices and distribution centers, are composed of managers, supervisors, union representatives (if applicable) and production workers. The committees meet monthly to review operational performance and discuss preventive measures to be implemented. Committee members also perform facility inspections to identify any potential health and safety issues, review any health and safety accidents that may have occurred during the review period and create recommendations for improvements to our health and safety programs, which are implemented as appropriate by our Health and Safety Managers.

In order to make sure our committees remain fully able to carry out their role, we provide re-training as appropriate.

Health and Safety Training

158,191 hours of training were conducted on Gildan's environmental, health and safety policies and procedures in 2018. This is an **increase of 117%** from 2017, largely due to an expansion of the program across our yarn-spinning and distribution activities. Training sessions occur at all levels and at all owned facilities, and include **general safety rules and procedures, emergency procedures, hazard management, specialized safety training** relating to work practices such as forklift use, accident response and more.

HEALTH AND WELLNESS

Employees within our manufacturing operations are exposed to health risks associated with repetitive movements and their general work environments. Our efforts in this area are largely focused on fostering proper work methods and carefully assessing material handling, equipment positioning and physical ergonomic environments within which our employees perform their work. We offer free medical clinics at all our non-U.S. manufacturing sites to ensure our employees can access the consistent healthcare they need, available quickly, conveniently and free of charge. We encourage our employees to live healthy lifestyles and strive to provide them with the information and resources they need in order to do so.

Ergonomics

Apparel manufacturing inherently poses the hazards of exposure to repetitive movements and vibrations as well as issues related to incorrect posture, which can all contribute to musculoskeletal disorders. As a result, we have focused considerable attention on shop floor ergonomics, material handling processes and innovative equipment layout to reduce the potential effects on our employees and optimize the production environment.

We have partnered with ergonomic experts to identify and address ergonomic risks and deliver leading ergonomic programs at all of our facilities. In 2017, we started a project to develop a more tailor-made program that takes into consideration the specifics of each operational layout. As a result, we've identified further areas for improvement, and in 2018 we set new objectives, KPIs and a performance matrix for ergonomics. We also began to implement our new initiatives, starting with the identification of the early symptoms of musculoskeletal disorders through our on-site medical teams, and provided over 200 hours of training on new ergonomics trends to our Health and Safety Committees and worker/union groups.

Employees at our three largest facilities can visit schools for back and shoulder health. These in-house clinics are accessible to employees at all times and focus on stretching and exercise sessions to promote correct posture and techniques to mitigate the risks of back and shoulder injuries. In 2018, we evaluated the locations of our schools with a view to expanding the service to more facilities and improving the range of services offered.

In Barbados, approximately
14%
of employees were trained on
ergonomics and workstation
assessments during 2018.

Healthcare in manufacturing facilities

Access to high-quality, affordable and consistent healthcare can be challenging in many of the areas where we operate. To ensure that our employees receive the healthcare they need, we operate fully-equipped medical clinics at each of our manufacturing facilities in Mexico, Honduras, Nicaragua, the Dominican Republic and Bangladesh. The clinics are staffed by qualified doctors and nurses and are open 24 hours a day, 7 days a week, providing employees with primary care in the event of a minor injury or accident, and preventative care in the form of regular screenings, vaccinations and other services.

These clinics deliver tremendous value to our employees, by lowering the cost of health care, reducing lost work-time and transportation costs of external clinics and most importantly, allowing the employees to be treated by the same medical staff over time, which ensures a continuity of care which can be difficult to obtain in the public or private systems in the regions where we operate. In addition, medical staff provide consultations and treatment for other health issues and illnesses, pre-

natal care, administer free vaccinations, and work to raise general health awareness. Maternity workshops by our medical staff are offered to pregnant employees in the Dominican Republic, Mexico, Nicaragua and Honduras, which cover pregnancy health, birth support and information on breastfeeding and caring for newborns.

We also respond to local healthcare needs. For example, in Honduras, there was an increase in mumps cases during 2018. We worked with the country's Health Ministry to provide employees with more than 5,000 free vaccines which were administered by our medical staff on-site. In Bangladesh, we provided HIV/AIDS awareness and prevention talks to 3,000 employees.

In 2018, we continued to expand the service offered by our medical clinics by increasing the numbers of doctors and nurses on staff to 54 (from 43 in 2017) and 89 (from 75 in 2017) respectively. Our medical teams provided more than 260,000 medical consultations during the year, and administered more than 17,000 vaccines.





23 facilities with a health clinic on site



262,706 medical consultations provided free of charge at on-site clinics



17,256 vaccines administered



89 nurses on staff



54 doctors on staff



\$889,000 Total cost of medicine, vitamins, and vaccines

Healthy lifestyles

We encourage our employees to live healthy lifestyles. Over the year we held 19 health fairs at facilities in Honduras, Nicaragua, Dominican Republic and the United States aimed at providing health and wellness services such as flu shots and blood pressure checks, as well as increasing awareness of health and nutrition issues. We also ran stress management workshops to help our employees manage stress. At other sites, we ran Health Kiosks which offered nutrition and healthy lifestyle programs, and a breast screening examination program at two of our yarn-spinning facilities in the U.S. and our offices in Barbados. At our manufacturing facilities we

promote a "Take Care of Myself" program focused on creating a culture of self-care and prevention of health issues.

We also run other on-site activities to increase awareness and improve musculoskeletal wellness – for example, in Nicaragua we held a 'Zumbathon' with participation from 3,900 employees - and have created programs which provide information to our employees on proper postures, material handling and proper lifting techniques.

We have partnered with local gyms to offer employee discounts on memberships at many of our locations in the U.S., Canada, Barbados and Honduras.

Saving our Family Program

This assistance program responds to the needs of employees in Honduras and the Dominican Republic 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 that provide co-development opportunities and encourage participants' personal growth through others' experiences, are also offered to address issues that affect many people. Some topics explored during these sessions include: women reaching their full potential, self-happiness, joy in motherhood, family budgeting, health awareness, raising teenagers, children and self-esteem, the value of work and perseverance.

In 2018, the program offered more than 2,441 sessions for workers in these countries, as well as group trainings, and talks and messages through the facilities' speaker systems. In Honduras, the program reached a monthly average of 13,600 employees.



Motofest

Transportation is a challenge in developing countries and some of our employees own a motorcycle to travel to and from work. Recognizing that there have been high rates of motorcycle accidents in Central America, we ran a motorcycle awareness and accident prevention campaign for more than 300 interested employees in Honduras.



Employee Assistance Program

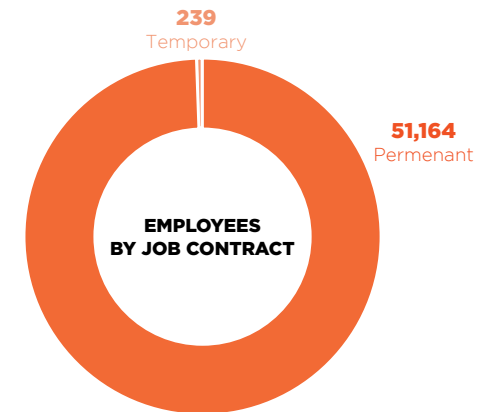
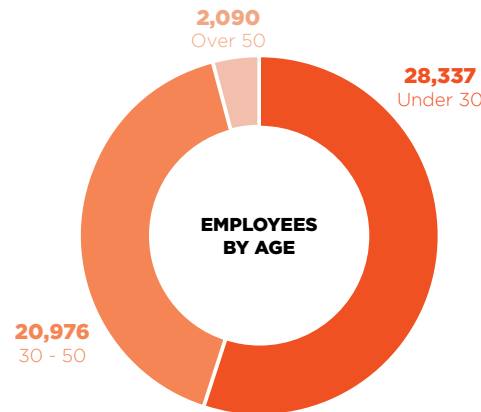
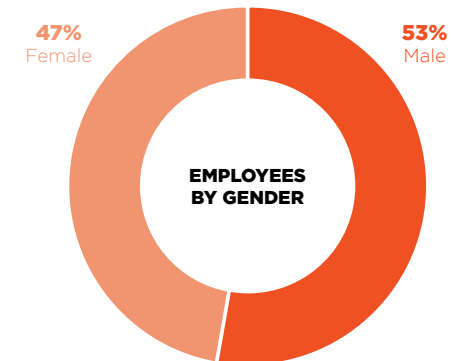
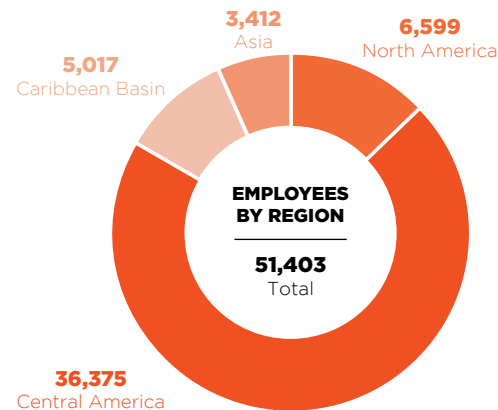
Our Employee Assistance Program (EAP) offers free and confidential counseling and stress management support to all of our employees in North America and Barbados. This service provides guidance to employees and their families and gives them the opportunity to talk to professionals confidentially, when dealing with workplace challenges or personal issues (e.g. work-life balance, marital problems, eldercare issues, family stress, financial issues and legal counseling).

Our Workforce

As the employer of more than 50,000 employees, we understand and accept our responsibility for the impacts we have on their lives. Our people are our most important resource, and we want to create a culture where our employees feel they can develop and grow with us.

We aim to recruit people into permanent positions rather than temporary contracts – in fact, fewer than 500 of our employees are employed on a temporary basis. Not only is this good for the job stability of our employees, it also makes good business sense, allowing us to efficiently train, develop and retain highly-skilled employees. We also host a small number of third-party service provider employees in our facilities for security, catering, transportation and housekeeping. We monitor our third-party service providers through compliance audits to ensure that the fundamental labour rights of their employees, including issues such as hours of work, wages and benefits are upheld according to local laws.

None of our owned manufacturing facilities are located in high risk locations with regards to migrant labour. However, we are identifying organizations to develop programs for migrant workers in our sourced product supply chain. Our position on supply chain transparency is publicly available on our [Corporate website](#).



DIVERSITY AND INCLUSION

Inclusiveness is part of Gildan's culture and is an important element of our success. We strive to foster a culture that embraces the diversity of our employees, our business and our communities, where each individual is valued and has the opportunity to reach their full potential and contribute to the Company's success. These principles are embodied in our Diversity and Inclusion Policy, which applies at every level of the organization. The commitment to diversity and inclusion begins at the top. Our Board of Directors has its own

[Diversity Policy](#) and since it was adopted in November 2015, the percentage of women on our Board of directors has increased from 22% to 30%.

We strongly believe that every employee must be treated with respect and dignity by the Company and by their colleagues and that supporting a diverse workplace is a business imperative that helps Gildan attract and retain the brightest and most talented individuals. Our diversity and inclusion strategy encompasses three key areas:

- Talent Acquisition: Attracting and engaging a diverse pool of candidates, with a particular focus on

female leaders and local talent.

- **Employee Development:** Maintain and enhance an inclusive culture across the Company through training, development, succession planning, talent management and mentorship of diverse top internal talent.
- **Strategic Partnerships:** Establish partnerships based on targeted needs, including with professional organizations that promote diversity and inclusion, universities and others that support the socio-economic development of diverse communities.

For more information on our approach please see our [Diversity and Inclusion Policy](#).

Inclusive Leadership Training

In 2018, we partnered with Linkage, an organization that specializes in leadership development and coaching, to provide Inclusive Leadership training workshops to over 180 of our senior leaders worldwide. The focus of the workshops was on uncovering unconscious bias, the business case for inclusion, uniqueness and belonging and the effects of privilege. Following the training, participants surveyed noted being more self-aware of their own biases and their impacts and committed to sharing their learnings with their teams, which supports continuous efforts to keep inclusion top of mind.

An interactive webinar/workshop version of this training was further shared with 100 first-level managers and supervisors from various locations as part of our “Leading the Gildan Way” leadership development program (see Training and Development). In 2019, the webinar will be shared with a second level of managers and supervisors, with a long-term goal of extending this training to all employees.

We are proud to have supported our LGBTQ employees through the following initiatives during 2018:

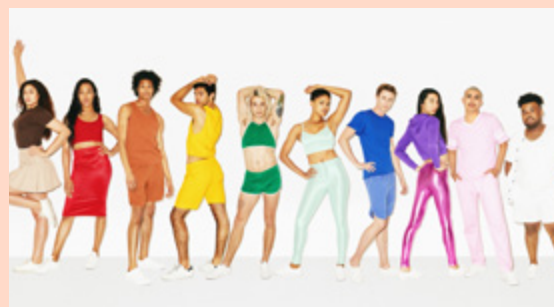
Montreal’s Pride Festival

American Apparel sponsored the Montreal Pride Festival in 2018. We invited employees in the Montreal area to participate in the ten-day festival and encouraged them to attend the parade in support of this event celebrating diverse and inclusive communities.



“They O.K.” Campaign

“They O.K.” is an inclusive campaign launched by American Apparel® in 2018 and modelled by members of the LGBTQ community. All proceeds of this special pride capsule collection were donated to The Trevor Project, an organization providing crisis intervention and suicide prevention services to LGBTQ people under the age of 25.



Empowering Women at Work

As part of our overall commitment to diversity and inclusion, we want to break down the barriers for women to be successful in the workplace and help them to develop leadership skills that will serve them well in their personal and professional lives. Helping women advance is not only the right thing to do, it benefits our Company as it builds our future talent pipeline and develops diversity in management roles, which leads to more effective management and more productive work environments. We have implemented programs that provide women with training, networking opportunities and resources to help them build their personal toolkit for success.

Percentage of women at different levels of the Company

Total employee base

47%

Management positions

38%

Junior / first level management positions

40%

Top management positions

20%

Women's Empowerment Program

The Women's Empowerment Program in Honduras is a joint effort with the Walmart Foundation and World Vision® Honduras to help women develop leadership skills. The program consisted of women and men, receiving more than 56 hours of training in areas such as management, finance, communications and health, in order to support women with the challenges they face. At the end of each program, a group of women graduates, who demonstrate strong leadership potential, are selected to be trainers for the next round of candidates. All facilities have reported improved team work dynamics and recognized new leaders within their teams as a result of the program. More than 1,580 Gildan employees in Honduras have participated in this training to date.



Taking the Stage

In February 2018 we launched our "Taking the Stage" series in Honduras: one-hour talks by Gildan executives to inspire and empower women leaders and propel their development across the organization. Our executives share their career paths and provide insight into developing leadership competencies and overcoming challenges, as well as engage in discussions with participants and answer questions from listeners. So far, over 300 women have benefited from these motivational talks, and the series will continue throughout 2019.



International Women's Day

To celebrate International Women's Day in 2018, we hosted a series of developmental activities across the Company. We also published a video interview series with three of our female leaders who shared their path to management roles, emphasizing the importance of mentorship, and thanking all our female employees for their contribution and inspiration.



Partnership with Catalyst

We continue to be a strong supporter of Catalyst, a leading global, non-profit organization with a mission to accelerate progress for women through workplace inclusion. Through our partnership, our employees worldwide can access an extensive range of resources including educational webinars, virtual events, research and social networking. In 2018, Catalyst visited the corporate office in Montreal twice to give training on unconscious bias and intentional inclusion in the workplace.



Partnership with the Association of Quebec Women in Finance (AFFQ)

In early 2018, we launched a partnership with the AFFQ, a dynamic network offering tools and development opportunities to further the careers of women in finance and other business fields. Through the partnership, male and female employees in Canada were offered free membership to the AFFQ, giving them access to a variety of developmental opportunities such as networking events, leadership development workshops and mentoring.



COMPENSATION & BENEFITS

Investing in our people is a cornerstone of our success, and we want to reward their contribution by providing them with compensation and benefits that create value for them, both professionally and personally. Providing a fair living wage is fundamental, but in many of the communities where we operate, it's not enough. We recognize our responsibility to contribute to a higher standard of living for our employees by offering benefits that help better meet their overall needs, such as free onsite medical clinics, vaccination and medicine programs, parental leave, financial assistance, subsidized meals, and free transportation.

For some locations salaried administrative employees are allowed flexible working schedules where operations permit and with agreement from managers. In addition, our family, emotional and financial wellness programs, such as Saving our Family, offer employees support for employees in all areas of their life, including support for making the most of their non-work time.

Fair Wages

In all areas where our Company's manufacturing facilities are located, employees earn more than the legally-mandated minimum industry wages. We believe that employees have the right to a fair wage for a regular work week that is sufficient to cover basic needs and provide some level of discretionary income.

In order to ensure that the salaries and total benefits offered to employees are sufficient to meet their basic needs, the Fair Labor Association (FLA) has developed a tool which will help to standardize the measurement of living wages at factories and comparable benchmarks. Gildan, as an active participating member of the FLA, has agreed to participate in these efforts, having tested the tool in 2018 in 48% of our facilities. By 2019, we expect that more than 70% of Gildan-owned manufacturing facilities will have been evaluated based on the FLA living wage methodology.

Additionally, we conducted our own research throughout our manufacturing hubs to take into account inflation trends relating to food and housing amongst other

factors. These learnings have guided the Company in the development of several initiatives as outlined below. The participation of workers in the negotiation of Collective Bargaining Agreements in our unionized facilities has also played an important role in helping inform us of employees needs.

Better Finances

There are many financial barriers facing our employees in the communities where we operate, especially outside of North America. We want to help them and their families make the most of their opportunities with the following programs:

Employee Cooperatives

To encourage and incentivize employees to set aside and accumulate savings and have access to loans at lower rates, we facilitate the creation of employee Cooperatives, which similar to credit unions, provide employees with better access to loans, at advantageous interest rates, which can be difficult to obtain in some countries. Participation is voluntary and available to non-management employees, who freely elect a Board of Directors from amongst themselves annually,



30,802 employees who received free transportation



33,153 employees who received subsidized meals



42,651 Christmas baskets distributed to employees



\$6,504,970
Cost of the free transportation



\$6,261,579
Cost of the subsidized meals



\$1,751,274
Cost of Christmas baskets distributed to employees



and can be terminated at any time. Gildan provides professional advisors from our Finance department and external auditors to ensure that the Cooperatives are independent legal entities and properly managed and operating in compliance with local regulations.

Over 15,600 employees in Honduras are affiliated with Cooperatives and were granted over \$10.5 million in loans. In the Dominican Republic, more than 2,600 employees benefited, and received loans amounting to over \$1.5 million.

Grocery and Household Staples

In order to help our employees in Nicaragua save time and money, we have an arrangement with a local store to provide employees with food and other household products at discounted prices compared to the market. Almost 100% of employees at this facility take advantage of this benefit.

As a result of the program's success, a similar program has been implemented this year at our new Rio Nance textile complex in Honduras where an onsite supermarket offers non-perishable food, household essentials and personal care items at discounted prices for the 8,500 workers located at the complex. The one-stop shop allows employees to purchase items conveniently through a variety of payment methods, including payroll deduction which provides interest-free credit. They can also order goods through a form available at their facility and have items delivered directly to their workplace. We strive to use local suppliers to source items for the store, creating further

economic benefits for the community as well as reducing transportation costs and associated environmental impacts.



Escribiendo tu futuro

In Nicaragua, we support the continued education of our employees' children by distributing more than 6,704 back-to-school kits. The kits include essentials such as notebooks, pens, pencils, crayons, geometry sets and modelling dough.



TRAINING AND DEVELOPMENT PROGRAMS

We believe that continuous development and learning is essential to empower our employees for growth and future opportunities within the Company, as well as for growing the Company itself. We invest in training and development programs that help our employees expand their technical, professional and interpersonal skills, beginning with induction training soon after their first day of work. As part of this training, employees are introduced to the Company, its principles, policies and procedures, their new work environment and role, and to their rights and obligations. All of our employees are introduced to our Code of Ethics, Code of Conduct and other codes and policies.

At the majority of our locations, we provide in-house training sessions on both technical skills and human development subjects such as finance, leadership skills and competency development. We also provide resources, updated on a quarterly basis, including books, articles, videos, TedTalks, podcasts, and self-assessments to develop our employees' competencies globally. We provide language courses to employees who are required to communicate in French, English or Spanish in the course of their duties.

Individual employee training needs are assessed through our formal performance management program (see below). Through this process, employees and their managers can identify competencies for improvement and request training in particular areas. Where necessary, local Human Resource teams will create new internal training courses or find access to external ones, in order to ensure that development needs are met. We encourage the pursuit of continuing education by covering certain expenses related to education and professional development programs offered through universities or professional associations.

In addition to training and coaching, we also strive to build our employees' competencies by giving them opportunities to participate in projects and assignments throughout our operations that would normally be outside the scope of their role. In 2018, we initiated the deployment of a mentoring program with a selected group of leaders to provide them the tools and guidance to advance in their career. This approach has provided impactful and rewarding experiences for employees including internal promotions and international transfers, and the Company has also seen better employee engagement and increased productivity as a result. In 2018, 17% of open positions were filled by internal candidates.

69,653
training hours
for Human
Development

4,649,343
training hours
allocated for the
development of
manufacturing
employees' technical skills

5,185,734
total number of
training hours

\$4,118,994
total cost of
training

"The mentoring program was very useful, and I was grateful that a VP would take time to support us in developing skills and teaching us about the organization, motivation and other topics. My immediate supervisor's support from beginning to end was very important in the process. The greatest impact on me personally was improving my time management skills and understanding how to develop others under my supervision. I was able to share some of the topics that I learned with my team, to motivate them and show them growth opportunities, as well as providing better training for them so that they may develop as auditors. As a result of this program, I continue to be motivated to learn new ideas. I would highly recommend this program."

- Maria Isabel Reynaud, participant of Mentoring Program 2018, recently promoted to Regional Quality Manager

Leading the Gildan Way

As the roles and responsibilities of supervisors are increasing in the workplace, we need to ensure that all the first line supervisors and managers are provided with the tools required to succeed. In 2018, we launched a new global Leadership Development program called Leading the Gildan Way, a comprehensive training program created with Development Dimensions International (DDI), which consist of a series of modules that will address relevant leadership and behavioral aspects. As part of the diagnose phase of the program to identify key leadership drivers, in 2018 we carried out focus groups with our supervisors in Honduras, as well as workshops with the management team to understand leadership needs, and desired objectives as related to KPIs. Participants have started training to address common employee questions/needs, regarding payroll, labor relations, and other internal processes. 113 managers and

first line supervisors from across our locations participated in the program over 10 months. Through five modules - Self-assessment as Leader, People and Teams, Communication and Change, Driving Performance, and Being a Champion - we provided our managers with resources to assist them in their development as a Gildan leader. The program included online learning, in-class sessions, and co-development activities with peers.

Participants reported improved leadership skills such as decision making, delegation, problem-solving, conflict resolution, team management, and communication, and strongly believed that the program gave them a continuous learning mind-set on a daily basis. Participants' immediate managers were surveyed two months after the completion of the program, and 99% reported that they could observe an improvement in job performance and an application of the acquired skills and knowledge, and

that the program had contributed in a tangible way to improving the quality of their employee's work.



"After the program, I could observe a significant improvement in interpersonal skills, empathy, active listening to the team's needs, and considering opinions before providing an instruction."

- Juan M., Plant Manager, San Marcos

"There was improvement in following up critical programs, demonstrated stronger leadership skills, and influencing the rest of the team positively."

- Gustavo J., Senior Technical Manager, Dyehouse

Performance Management

At Gildan, we see performance management as an ongoing communication process between managers and employees that promotes a transparent and open dialogue which we believe is a key driver of our employees' engagement. In 2018, 100% of employees went through some form of performance management process:

For direct employees (e.g. operators in the production facilities), the performance appraisal process is based on the competencies required by their position. Individual and team performance is assessed against pre-set objectives in areas ranging from production efficiency to quality and safety. We believe this type of assessment works best for these roles by helping to clarify performance expectations, align priorities and objectives, identify training needs, increase employee engagement, and ultimately increase individual and organizational performance. It also helps us make better human resource decisions in areas such as succession planning, promotions, salary increases and more.

For indirect employees and managers, the performance management process includes the establishment of expectations at the beginning of each year, by using the Gildan Performance Appraisal Tool (GPAT), which enables employees and their manager to set objectives aligned with organizational and departmental goals, and helps employees identify and build on their competencies through professional development plans. At any point of the year, employees can easily update and modify their development plans. To ensure employees are on track, there is a mid-year review, to discuss the first 6 months of the year and re-align goals or expectations if necessary, and an overall assessment at the end of the year. In 2018, 13,769 employees received performance appraisals using the GPAT.

EMPLOYEE ENGAGEMENT

We define an engaged workforce as one where employees feel passionate about their jobs and are committed to Gildan. We believe that success starts and ends with our people. As such, employee engagement is an important pillar of our human resources strategy and it is an element we want to continuously measure and aim to improve. We want to drive employee engagement through a culture of empowerment and recognition that will foster an attractive, positive and adaptable work environment. Strong relationships with our employees starts with open and transparent two-way communication, listening to their feedback and acting upon it.

We have worker-management committees and/or round tables in most of our facilities which allow employees to share their opinions and contribute to the management of various workplace issues including health and wellness, workplace safety, environment stewardship and more. We also provide other mechanisms to allow employees to share their opinions, such as suggestion boxes and pulse surveys in many of our facilities.

Global Engagement Survey

We conduct a comprehensive global employee engagement survey every few years, and during the intervening years, we conduct many smaller pulse surveys. For our comprehensive engagement surveys, we use Aon's proven model to measure engagement and compare results over time. In our last global employee engagement survey, our overall engagement score of 71% positioned us above the apparel peer group of Aon's database, and within their top quartile of best employers globally. Our next comprehensive engagement survey will take place in 2019. With this survey, we will assess

any progress we've made, measure engagement in our newly acquired facilities, and we will also be able to assess and address any areas of opportunity.

In 2017 and 2018, we conducted a number of 'pulse' surveys - targeted shorter surveys - throughout the organization. Pulse surveys allow us to conduct a deeper analysis within a particular division, function or unit. Over 8,000 employees were surveyed through 23 different pulse surveys and the overall weighted average for engagement amongst these employees was 69%. The flexibility and speed of result-generating tools allow leaders to immediately take actions where needed.

In addition to our global engagement survey, during 2019 we will also introduce global monthly one question pulse surveys to measure general satisfaction globally on one specific topic.

EMPLOYEE RIGHTS

We have strictly applied codes and policies designed to protect the rights of employees in Gildan's operations and supply chain, including our Code of Ethics, Code of Conduct, and Human Rights Policy. We believe that all employees have the right to be free from discrimination or harassment, receive a fair wage (see benefits section), be treated with respect and dignity, have opportunities to have their voices heard and be part of a supportive network of peers. To this end, we maintain open and collaborative relationships with employees through their involvement with internal working groups and committees, in order to ensure their views are represented within the Company, and to ensure they have a mechanism to report any infractions to us so that they can be addressed immediately.

Freedom of Association

We fundamentally respect our employees' rights to form or join any organization or association of their choosing, including unions. We also respect their rights to engage in collective bargaining with us. Around 55% of our global employees are currently covered by a collective bargaining agreement in place between unions and corresponding facilities.

55%

Percentage
of Employees
Covered by
a Collective
Bargaining
Agreement

28,332

Number
of Employees
Covered by
a Collective
Bargaining
Agreement

Grievance mechanisms

Early identification of issues is crucial to ensuring compliance with our Code of Ethics, our Code of Conduct and any other Company policy. We have an open-door policy to encourage employees to contact management on any matter and receive immediate feedback. We also host roundtables organized by management and employees to define best practices, identify grievances and collectively develop action plans for remediation. Roundtables vary by region in terms of frequency. We also offer options to report grievances anonymously at all of our administrative offices and manufacturing facilities, including through our Integrity and Social Responsibility Hotline and in suggestion boxes. In all cases, employees can report their grievances without fear of reprisals.

As discussed in the Ethics section of this report, our confidential Integrity and Social Responsibility Hotline, administered by an independent third party, is available to all employees, suppliers and others in multiple languages to report any suspected misconduct in any area. Complaints are reported on a quarterly basis to the Ethics and Compliance Committee, the Compliance Steering Committee, the Audit and Finance Committee of the Board of Directors, and the Chair of the Compensation and Human Resources Committee of the Board of Directors. The hotline is tested annually by the Company's internal audit department. In 2018, we received a total of 41 calls, the majority of which related to minor Human Resources issues, specifically labour issues and workplace conduct.

As noted above, one of our grievance mechanisms is to provide suggestion boxes, in which employees can anonymously place written comments. Suggestion boxes are situated on the production floor and in the cafeterias of all our manufacturing facilities in Mexico, Central America, the Caribbean Basin and Bangladesh. We also have suggestion boxes at our Barbados offices and in a number of locations in the U.S. Written messages are retrieved from the boxes on a regular basis by a regional, non-management employee. The majority of concerns pertain to Human Resources matters, operational issues and personnel management. We aim to fully resolve 100% of issues raised in a timely manner. The table below shows the number of suggestions received and resolved within 2018.

Suggestions Received and Resolved in 2018

	Number of Employees	Suggestions Received	Suggestions Resolved
Total	47,961⁴	2,990	2,699

⁴ Total number of Gildan permanent employees that have access to suggestion boxes.

To ensure new employees are aware of the resources available to them and how they can be used, we provide training on grievance mechanisms as part of their orientation process. In 2018, grievance mechanism training was provided to a total of 35,303 employees throughout Bangladesh, Honduras, Mexico, Nicaragua, and the Dominican Republic.

Human Rights

We are committed to respecting human rights. Our [Human Rights Policy](#), which is based on the United Nations' Guiding Principles, sets clear standards that Gildan-owned manufacturing facilities as well as its contractors are required to follow. The policy is complemented with our Code of Ethics and Code of Conduct which includes principles related to workers' fundamental rights such as Freedom of Association, Non-discrimination, prohibition of forced labour and child labour.

The Compliance Steering Committee oversees the Company's global compliance programs in order to ensure a robust and comprehensive compliance framework for integrity and ethics throughout the organization. The Compliance Steering Committee is ultimately accountable to the Board of Directors, and reports on important compliance matters to the Board's Corporate Governance and Social Responsibility Committee on a quarterly basis. Respect to human rights is supervised by our Corporate Citizenship department, validating compliance through our Social Compliance audit program and reporting any violation to human rights on a quarterly basis to our Board of Directors (for more information see Social Compliance and Monitoring section in [p.46](#)). The Human Resources team plays a key role in ensuring respect to human rights on a day-to-day basis.

Policies to prevent human rights adverse impacts

As detailed in our Governance and Risk Management section, our Code of Ethics sets out the Company's standards of integrity and expectations for ethical behaviour. Our Code of Conduct also serves as a guideline to respect human rights in our owned facilities. Compliance with our Code of Conduct is a condition of doing business with us, and all our contractors must consent through their commercial agreements that they have received, understood and acknowledge our Code. Additionally, we have grievance mechanisms in place to ensure employees have confidential channels to report violations related to human rights.

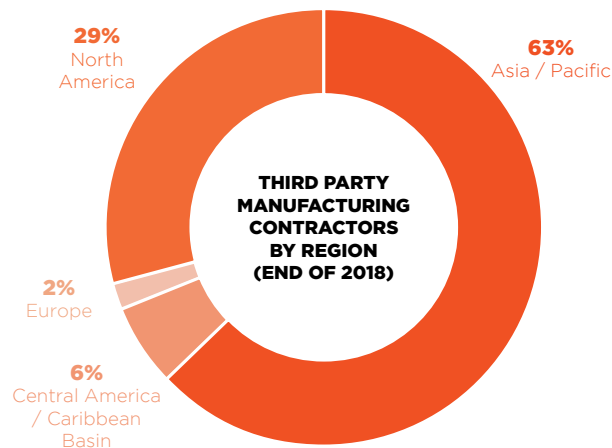
As part of our commitment to respecting human rights in October of 2018, Gildan joined the Industry Commitment to Responsible Recruitment Developed in conjunction with the American Apparel & Footwear Association and the Fair Labor Association. The commitment is a proactive industry effort to address potential forced labor risks for migrant workers in the global supply chain. Signatories of the commitments must ensure that no workers pay for their job, workers retain control of their travel documents and have full freedom of movement. In addition, all workers are informed of the basic terms of their employment before leaving home.



Our Supply Chain

As described in the Vertical Integration section of this report on [p.9-10](#), the vast majority of our products are manufactured in facilities that we own and operate, from yarn-spinning to finished product. This gives us unprecedented control over the entire process, and allows us to ensure responsible and sustainable practices are implemented. Outsourced production represents less than 10% of our total production in terms of revenue. At the end of 2018, our contractor base included 93 third-party manufacturing facilities that actively produced throughout the year, 20 of which represented more than 85% of our total outsourced production.

We expect the same high social and environmental standards from both our owned and for contractor facilities. Our industry-leading Social Compliance Program encompasses both of these groups and includes a comprehensive program of audits.



RESPONSIBLE SOURCING

Compliance with our ethical, social and environmental standards is a condition of doing business with Gildan and becoming part of our supply chain. Our third-party manufacturing contractors and key raw material suppliers are all required to formally acknowledge these standards and agree to comply with them throughout the term of their relationship with us.

Before taking on new contractors, we fully evaluate their ability to comply with the principles of our Code of Conduct our quality standards and cost expectations. We do this through mandatory audits conducted either by our experienced internal auditors or in some instances by a third-party auditor. Internal teams assess the results and assign an audit rating to the facility which determines whether we will do business with them or not. If a potential contractor fails an initial audit, we may choose to re-audit them after a six-month period. The 2018 audit cycle included assessments of 21 potential third-party contractor facilities, two-thirds of which were unable to demonstrate adequate levels of compliance with our standards. Consequently, Gildan did not award business to these facilities. During the course of 2018 the Company also exited an additional 9 existing third-party contractor facilities as part of an effort to consolidate and strengthen compliance within our supplier base.

Once we enter into a relationship with a third-party contractor, our regional social compliance teams work with contractors to educate and assist the development of sound labour practices, effective labour compliance management systems, policies and procedures, and implement remediation where required. Our contractors are regularly assessed for compliance.

Contractor Training Programs and Initiatives

In June 2018, we hosted our 3rd Suppliers Summit in Honduras, an all-encompassing event that focused on the continual growth and strengthening of our partnerships with our manufacturing suppliers globally. With more than 100 participants from 65 local and international companies, we had representation from Mexico, China, India, the United States and Honduras. Attendees were invited to presentations that covered a wide array of subjects including Corporate Social Responsibility, distribution routes, and how today's trends and tomorrow's innovations impact Gildan's production.

During 2018 we also implemented our Integrity and Social Responsibility Hotline at selected contractors' facilities. In 2019, we will begin training contractors on our updated [Social and Sustainable Compliance Guidebook](#), which now includes additional benchmarks and emerging risks including migrant workers, modern slavery, and child labor, as well as updates reflecting the 2017 changes to our Code of Conduct. The Guidebook provides guidelines for social compliance and is aligned with the FLA and international labour standards. We look to have all our contractors worldwide trained on this by 2020.

SOCIAL COMPLIANCE AND MONITORING

Our industry-leading Social Compliance Program for labour practices and working conditions is designed to proactively ensure that all of our company-owned facilities, as well as contractors, comply with our Code of Conduct, local and international laws, and the best practice industry codes that we adhere to, including those of the Worldwide Responsible Accredited Production (WRAP) and the Fair Labor Association (FLA). Our social compliance program has been accredited by the FLA since 2007, at which point Gildan became the world's first vertically-integrated apparel manufacturer to receive this accreditation.

Our Social Compliance team is composed of experienced, certified auditors of labour, health and safety, and environmental considerations. Employees in these positions undergo a series of training sessions when they are first hired, and receive regular training in emerging labour risks, personalized training plans, and annual performance evaluations to ensure they continue to have all the capabilities needed to fulfill their responsibilities and develop their skills. They monitor compliance at Company-owned and contractor facilities through various tools including regular audits.

Audits

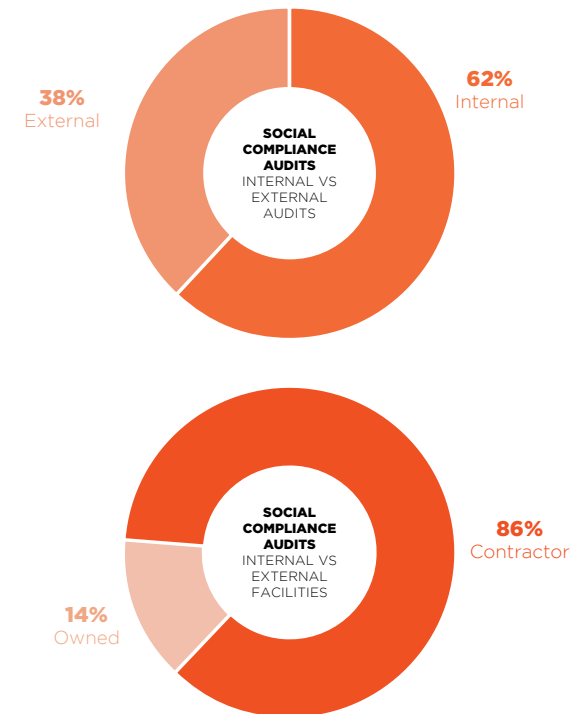
During 2018, we updated our approach to auditing, adopting a risk-based approach, in which facilities are assessed based on the risk assessments that evaluate country risk, order volume, the facility's rating and previous audit performance. In general, audits are unannounced, but under some exceptional circumstances, when travel restrictions dictate, we may choose to schedule the audit on a semi-announced basis, giving the facility a window in which we may visit.

All non-compliances are recorded and tracked in our Corporate Social Responsibility data platform.

Audit results are categorized from Green to Black, based on the number and severity of the findings against our Code of Conduct and the benchmarks outlined in our Social and Sustainable Compliance Guidebook. Green and Yellow ratings are cleared for continued business, Orange and Red require improvement within a set time period; a Black rating will result in termination of the contract, for existing contractors, once open orders are completed. If a contractor achieves an Orange or Red rating following an audit, our internal social compliance team will partner with the facility's management to remediate any issues found and establish an action plan (see Remediation of Audit Findings). Systematic follow-ups are conducted to verify the progress made towards resolving the issues, with the objective of helping 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, we reserve the right to end the business relationship. Audit results are reported to our Board of Directors on a quarterly basis.

In 2018, 181 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. We completed 84% of our scheduled audits in 2018, with a number of audits postponed due to travel restrictions related to social unrest in several of our manufacturing locations. 112 of the completed audits were conducted by our internal auditors or by third-party auditors on our behalf, and 69 audits were conducted by external auditors mandated by the FLA, Better Work and WRAP or by customers. For our North American yarn-

spinning facilities, 50% were audited, based on our risk assessment.



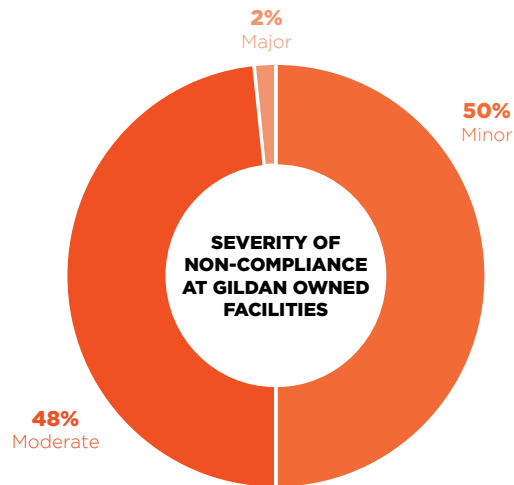
OVERVIEW OF 2018 AUDIT FINDINGS

In 2018, the average number of non-compliances for Gildan-owned and dedicated contractors decreased, and we also noted a decrease in the average number of major non-compliances by third-party contractors. During the year, we chose to terminate 6 third-party contractor relationships due to unsatisfactory remediation efforts and compliance with our standards.

Calibration between internal and external audits is an important part of our process of continuous improvement. Where possible, we undertake to reconcile the results of internal and external audits and use those comparisons in training our internal audits teams for future work.

Internal audit findings at Company owned and dedicated facilities

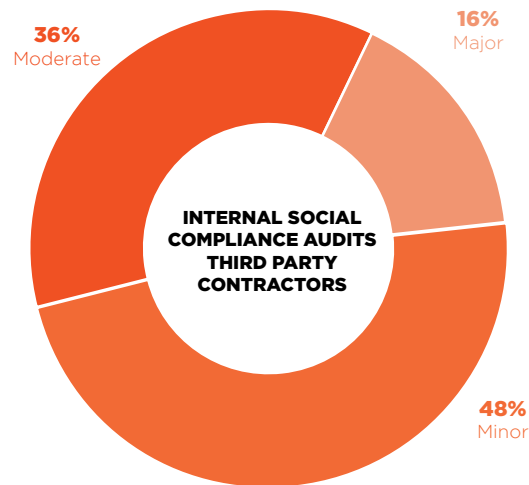
A total of 191 labour-related non-compliances were found at Gildan owned facilities during the 2018 internal audit cycle, of which 98.5% were classified as minor or moderate severity. There were 3 instances of major non-compliance found, one of which related to harassment and abuse, one to freedom of movement, and one to disciplinary action. These major non-compliances are not recurrent findings, and all were addressed with appropriate corrective action plans.



The vast majority of the 2018 non-compliances (78%) related to health and safety. Our audit assessment questionnaire includes a rigorous health and safety component representing more than half of our questionnaire, which explains why most non-compliances are concentrated in this area. Health and safety non-compliances include issues relating to fire safety, machine safety, chemical safety, inadequate use of personal protective equipment, and general cleanliness and sanitary conditions.

Internal audit findings at contractor facilities

We audited 63% of actively producing third-party contractor facilities at least once in 2018. A total of 505 labour-related non-compliances were found at our third-party contractor facilities during the 2018 audit cycle, 16% of which were classified as major severity.



The major non-compliances were largely attributable to hours of work, legal information, compensation, benefits and record keeping (72%), Health and safety (23%) with the remaining issues totaling 5% of the major non-compliances determined during the past year.

The majority of the minor and moderate findings at third party contractor facilities related to Environmental Health and Safety issues, with other significant areas being hours of work, legal information, and record keeping.

Remediation of Audit Findings

Following an internal audit at a company-owned or third-party contractor facility, a management action plan (MAP) is developed and shared with the facility. Our regional social compliance teams work with facility managers to provide advice and recommendations on how best to address any issues, make changes where necessary and put in place sustainable remediation actions. Progress on the MAP is tracked through our Corporate Social Responsibility data platform. Facilities provide details and evidence of their corrective actions, which are subject to verification through follow-up audits. Facilities are expected to implement corrective actions and to demonstrate improvements within a prescribed timeframe. If a zero-tolerance issue occurs at our owned facilities, action plans will need to be established within one week; these will be reviewed and approved by senior management, and an exhaustive investigation would be conducted to confirm sustainable improvements. If a contractor facility is not able to demonstrate improvements within our prescribed timeframe, we reserve the right to terminate our relationship with them.

Our teams use a root-cause analysis process 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. Recurrent findings are given special attention to ensure that proper remediation is implemented. We also assess whether or not a trend is developing throughout several facilities or in a particular region so that any issues of particular concern can be identified and addressed at an early stage. The status of all non-compliances and their corrective actions are reported to Gildan's Board of Directors on a quarterly basis.



As one of the world's largest manufacturers of apparel, socks and underwear we understand that our operations have an impact on the environment. As part of our vision of Making Apparel Better™, we are committed to constantly looking for ways to reduce our impacts. Our vertical integration gives us oversight over the entire manufacturing process of the products we make, allowing us to uncover efficiencies many apparel companies cannot even see. We have invested in innovative technologies and solutions to help optimize our use of natural resources, minimize waste and maximize reuse and recycling. These sustainable practices not only help conserve the environment, but also contribute to deliver strong financial results for our business.

/ Goals /

In 2015, we set the following 2020 environmental goals for our Company owned operations. In each case, our baseline year is 2015. We are continuing to work hard to look for ways to improve our performance against each of these goals over the next two years.

Goal	2018 performance compared with 2017	2018 performance compared with 2015 baseline
10% reduction in GHG emissions intensity	Decreased our GHG emissions intensity by 28%	Decreased our GHG emissions intensity by 27%. In 2018 we met our 10% reduction target due to a change in the methodology used to calculate our emissions.
10% reduction in energy intensity	Decreased our energy intensity by 5.24%	Increased our energy intensity by 3%. This was attributable to further vertical integration of yarn-spinning operations, changes to product mix that entailed higher energy demand for textiles and the ramp up of our new textile facility in Honduras.
10% reduction in the water intensity	Increased water intensity by 11.9%	Water intensity has decreased slightly by 0.1%. The unanticipated impacts of water use in air-conditioning our U.S.-based yarn-spinning operations and changing product mix are the principal drivers of these results. We remain committed to further improving our water management processes in our manufacturing operations.
10% reduction of landfilled waste intensity	Decreased landfill waste intensity by 19.5%	Increased our waste intensity by 3%. Over the last 3 years we have substantially increased our employee base, driving large contributions from cafeteria, office and other domestic waste streams. The launch and ramp up of our new Honduras textile facility also contributed to landfill waste through one-time use shipping crating and materials. We remain confident that we will continue to make progress towards our 2020 goals.

We also set the following environmental goal for our raw material suppliers:

80% of raw materials suppliers will have completed all required forms confirming compliance against our new revised Restricted Substances Code of Practice

In 2018, 52% of all raw material suppliers had completed all required updated forms and documentation confirming their full compliance against Gildan's new RSCP launched in 2017.

New Rio Nance 6 Facility



Our newly opened state-of-the-art Rio Nance 6 facility in Honduras is located within our Rio Nance Complex which incorporates many sustainable solutions that help us reduce our environmental impacts. These include:

- Connection to our Biotop system to naturally treat effluent from our textile processes.
- Integration of Heat Recovery system to transfer heat from effluent to water drawn into process.
- Latest and high-efficiency absorption chillers for air-conditioning systems, using thermal energy from steam
- Complete facility with led-lighting (compared to normal lighting system – 50% reduction energy consumption for lighting)
- Real-time automated tracking system to monitor water and energy consumption that drives efficiencies.
- High efficiency air guns, to reduce waste of compressed air
- Water conservation through the installation of controls at well pumps in order to prevent overflow, timer controls and flow meters, using latest dyeing machines generation with more water efficient newer technology.

Energy Efficiency and Climate Change

Climate change is a reality that affects all of our lives and has the potential to create challenges for all businesses in the future. We have invested significantly in technologies and initiatives to reduce our energy consumption, increase renewable energy generation and optimize energy efficiency throughout our operations in order to reduce our impact on the climate. We remain committed to pursuing continuous improvements in every step of the process and investing in new technologies to further reduce our overall footprint.

ENERGY USE

Non-renewable energy consumption is directly linked to greenhouse gas emissions and climate change. 40% of our energy comes from renewable sources, generated within our Biomass thermal generation systems, followed by electricity and bunker fuel. Wet process and fabric drying within our textile operations consume a vast amount of thermal energy, which is largely created by the steam produced with biomass feedstock and, to a lesser extent, bunker fuel when required. These energy sources 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 operations, our U.S.-based yarn-spinning facilities,

as well as our sewing operations account for a 83% of the electricity we use.

In 2018, the global absolute energy consumption for all our facilities and offices, including direct and indirect energy, was 8,047,676 GJ, a reduction of 2.21% from 2017, despite a 3.2% in overall production volume. However, our overall energy use has increased since 2015, largely attributable to overall volume increases, the integration of yarn-spinning operations into our owned manufacturing network and the use of bunker fuel during the ramp-up process of our new Rio Nance 6 textile facility. Regarding our energy-related 2020 goal of a 10% reduction in energy intensity, which is measured as total absolute energy consumed (measured in GJ) divided by production volumes (measured in KG), we have been challenged by production volume increases, the poor availability of quality feedstock for our Biomass systems, changing product mix to more energy intensive fashion and performance styles and lastly the integration of yarn-spinning facilities in the U.S., which are large consumers of energy and where renewables are not yet economically viable replacements. However, in 2018 we focused our efforts on energy efficiency projects and decreased our energy intensity by 5.24% when compared with 2017.

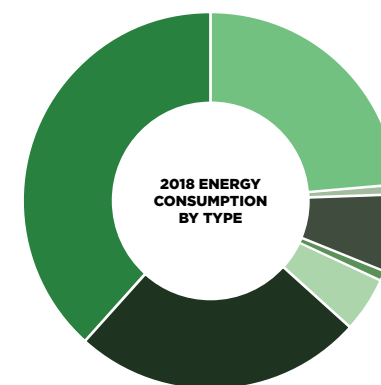
During 2018 we conducted a study to review our environmental projects in order to realign our strategies and achieve the goals and targets we have set for 2020. As a result, we have initiated additional energy efficiency projects, including refurbishing some of the auxiliary services and equipment in our vertically-integrated facility in Bangladesh, as well as across our other facilities, we improved steam generation, condensate recovery, hot water pre-heating, high-efficiency compressed air systems and back-up electricity. We have also installed LED lighting systems in most of our manufacturing facilities.

We remain committed to our energy intensity reduction goal through continued investments into state-of-the-art, high-efficiency textile facilities, further pursuit of renewable energy sources, the implementation of new technologies, and the strengthening of current improvements.

Gildan Energy Consumption⁵

Energy Consumption of Gildan-owned facilities

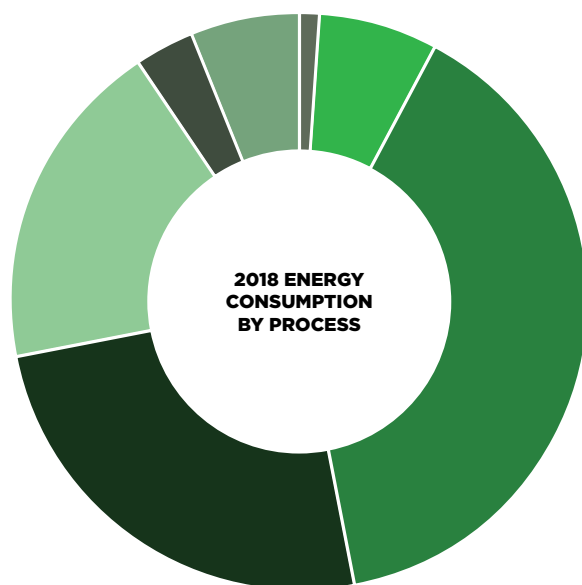
	2018	2017	2016	2015
ABSOLUTE DIRECT ENERGY (GJ)	4,967,859	5,241,222	3,693,122	4,462,943
ABSOLUTE INDIRECT ENERGY (GJ)	3,079,817	2,987,972	2,826,166	2,746,114
ABSOLUTE TOTAL ENERGY (GJ)	8,047,676	8,229,194	6,519,288	7,209,057
TOTAL ENERGY INTENSITY (GJ/KG)	0.03035	0.03203	.02580	0.02943
% INTENSITY VARIATION FROM 2015 BASELINE	3%	9%	-12%	0%
% RENEWABLE ENERGY	40%	43%	30%	42%



By type	2018	By type	2018
Electricity (Indirect)	38.3%	Natural Gas	8.0%
Propane	1.5%	Liquid Natural Gas	0
Fuel Oil (bunker)	10.8%	Biomass	40.4%
Diesel	1.1%	Total Absolute Direct	61.7%

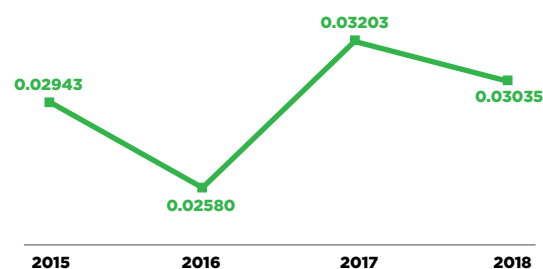
⁵ For all tables and charts, Gildan's numbers have been normalized according to an adjusted baseline to include mergers, acquisitions and divestitures since 2015. For more details on the methodology used for the baseline adjustment, please refer to our Reporting section.

Gildan Energy Consumption⁵

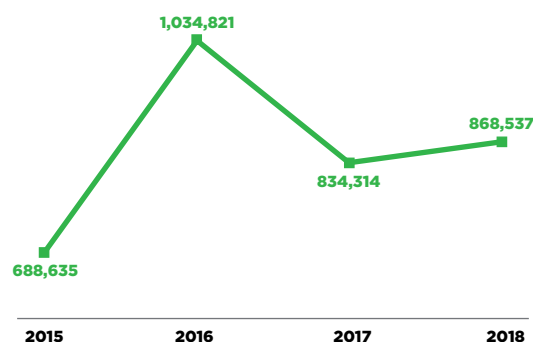


By Process	2018
Distribution Center	1.2%
Hosiery Manufacturing	6.7%
Textile Manufacturing	39.1%
Integrated Manufacturing (Textiles & Sew)	25.2%
Yarn Spinning	18.6%
Sewing Operations	3.1%
Other	6.1%

2015 - 2018 ENERGY INTENSITY⁵
(GJ per kg of products)



2015 - 2018 BUNKER FUEL CONSUMPTION⁵
(Gildan-owned facilities, in GJ)



In 2018, we saw an increase in bunker fuel consumption of 4% when compared to 2017. The increase is due to the commencement of production at our new textile facility, Rio Nance 6, which initially used bunker fuel for steam generation, but will transition to renewable biomass in 2019. In addition, due to challenges related to the quality of available biomass for our Dominican Republic operations, we relied more on the use of bunker fuel compared to previous years. In 2019, we expect to decrease our bunker fuel consumption since our Rio Nance 6 facility will absorb textile production previously manufactured at our nearby AKH facility, which represented 25% of our bunker fuel consumption.

AIR EMISSIONS

Through our various manufacturing processes, the Company generates different types of air emissions which are discharged into the environment. Air emissions include greenhouse gases (GHG) as well as other inorganic air emissions. Gildan's Environmental Management System (EMS) allows us to effectively monitor and manage these emissions and discharges through detailed monitoring systems and procedures, enabling continuous improvement initiatives to be undertaken that target reduction or prevention of these emissions.

Since 2008, we have participated in the Carbon Disclosure Project, reflecting our commitment to transparency in our environmental performance and climate change impact. In 2018, we improved our score on the Climate Change evaluation from C to B.

⁵ For all tables and charts, 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.

Greenhouse Gas Emissions

In 2018, the global absolute GHG emissions (direct and indirect) from all our manufacturing facilities and office locations were 431,247 Mt CO₂eq, down 25% versus 2017 and 21% from 2015, respectively.

- 28% of these emissions were direct emissions
- 72% were indirect emissions from purchased electricity

Indirect electricity represents the main source of GHG emissions for all our operations as most of the electricity we purchase is produced by burning fossil fuels. 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. Other sources include fugitive emissions from the handling and use of refrigerants. Indirect GHG emissions are generated at sources owned or controlled by other parties with the use of purchased electricity.

In 2018 we met our 10% reduction target due to a change in the methodology used to calculate our emissions. We have also started reporting on our biogenic emissions of CO₂ from the combustion of biomass. In 2018, these emissions represented a total of 292,923 metric tons of GHG.

During 2018, we started to collect scope 3 emissions data, specifically information on business travel and employee commuting, which we estimate to be 151 Metric Tons and 170 Metric Tons of CO₂eq respectively from our Central American and Mexico operations. For business

2015-2018 Greenhouse Gas Emissions for Gildan-Owned Facilities^{5,6,7}

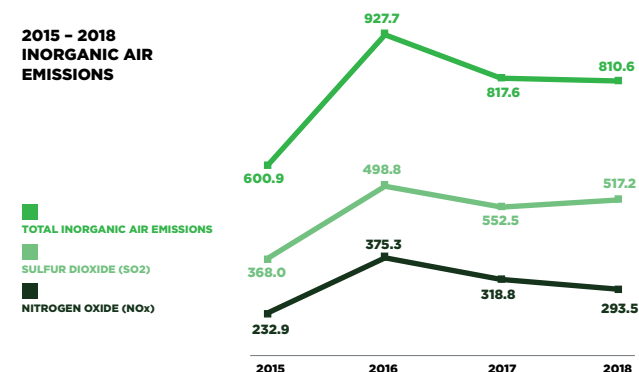
	2018	2017	2016	2015
ABSOLUTE DIRECT GHG EMISSIONS (Scope 1) (tCO ₂ eq)	118,729	102,086	120,121	96,052
ABSOLUTE INDIRECT GHG EMISSIONS *(Scope 2) (tCO ₂ eq)	312,517	475,413	388,199	446,439
TOTAL ABSOLUTE GHG EMISSIONS (Scope 1 and 2) (tCO ₂ eq)	431,247	577,500	508,320	542,490
TOTAL GHG EMISSIONS INTENSITY (Scope 1 and 2) (tCO ₂ eq/kg)	0.00163	0.00225	0.00201	0.00221
% INTENSITY VARIATION FROM 2015 BASELINE	-27%	1%	-9%	0%

travel we are currently only reporting data for employees' air travel from Honduras, which represents just over half of our total employee base. For employees commuting, we are currently reporting data for bus transportation provided by the company in Honduras, Nicaragua and Mexico, which represent 64.3% of total employees.

Inorganic Air Emissions

Bunker fuel, primarily used for heat generation during the dyeing process, and diesel fuel, used by the generators to produce energy when necessary, are the two main contributors of our total inorganic air pollutant emissions. We are working to replace bunker fuel wherever possible with biomass. In 2018, we reduced 7 tons of inorganic air emissions, when compared to 2017, due to a better biomass quality mix. In Honduras we reduced more than 50% in inorganic particles emissions from our biomass operation.

2015 - 2018 INORGANIC AIR EMISSIONS



Ozone Depleting Substances

Gildan is committed to taking proactive measures towards the elimination of hydro chlorofluorocarbons (HCFCs) and synthetic refrigerants, such as the R22 refrigerant in our operations. We no longer use either of these in any new installations.

ENERGY MANAGEMENT

We are committed to minimizing our GHG footprint through energy conservation efforts, and reducing our reliance on fossil fuels by finding alternative sustainable energy sources and production processes. Our primary focus in this area has been to increase our renewable energy sources, for example through investments in our Biomass steam generation systems. We have also initiated several projects to capture thermal energy created within our processes and redistribute it to other systems to lower our overall energy needs.

⁵ For all tables and charts, 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.

⁶ Our Greenhouse Gas Emissions are calculated in line with the GHG Protocol Corporate Accounting and Reporting Standard developed by the World Resources Institute and World Business Council For Sustainable Development. We use operational control as the consolidation approach for our emissions. For 2018, we updated our emission factors, using data from the U.S. EPA (Emission Factors for Greenhouse Gas Inventories, March 2018 and eGRID Summary Tables, February 2018) and International Energy Agency (Emissions Factors, 2018 edition). Data from previous years has not been recalculated in line with this revised approach, meaning the 2018 figures are not comparable with past years' data.

⁷ All our scope 2 emissions are location-based. We are not currently calculating a market-based Scope 2 figure; however, we are exploring options for doing so by obtaining a supplier-specific emission factor at one of our manufacturing locations.

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. In addition to the risk of price volatility, these energy sources 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 its textile operations in Honduras and the Dominican Republic. These 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, and are the Company's principal contributor of renewable energy.

The biomass process is considered carbon neutral because it prevents organic materials from entering landfills and emitting GHGs as they decompose. The ash created during the process remains organic and serves as an effective fertilizer, with low levels of sulphur, for local agricultural processes. In addition, biomass use in developing countries greatly reduces economic pressures resulting from oil price fluctuations, increases the country's energy autonomy and further develops their agro-industries. Biomass is a reliable, long-term fuel supply that reduces our footprint, lowers our costs and creates value from wastes.

In 2018,
40%
of Gildan's total energy was
powered from renewable sources

Energy Efficiency

Optimizing the use of the energy generated and investing in energy efficiency projects is a priority at all our facilities. In last year's report, we noted a number of projects that we planned to implement during 2018 to help reduce our energy intensity. We were able to complete 100% of these planned activities during the year, including:

- Installing high-efficiency absorption chillers that convert thermal energy from our steam generation into cool water to use for the air conditioning of our facilities.
- Installing hot water heat-recovery systems at some of our textile facilities.
- Minimizing thermal energy loss through steam and condensate line insulation.
- Lighting retrofits to high efficiency LED lighting and motion activated fixtures.
- Improved compressed air management practices.

In 2019 we plan to continue installing new technologies that will improve our energy efficiency, including hot water heat-recovery systems at our textile facilities, waste water lint filtration at Rio Nance 1 and 6, an air-mixer system at Rio Nance 4 which will allow us to use outside air without additional conditioning at certain climates and more lighting retrofits.



Energy Efficiency Innovations

Heat Recovery

Our heat recovery systems transfer thermal energy from effluent to heat inbound water needed for our processes, significantly reducing the amount of steam required to reach the required temperature, thus conserving water and reducing energy consumption. This process allowed us to generate approximately 5,100,000 m³ of hot water from wastewater during 2018 and contributed to the reduction of approximately 195,000 metric tons of steam.



Condensate Return

Condensate is the hot liquid by-product resulting from steam energy that has been used in a heat transfer process. The hot water can be reused to produce steam, at one-third of the cost of generating steam from fresh water and new chemicals. During the condensate return process, we also capture and recycle the chemical additives that are present in the condensate to reduce corrosion, resulting in savings of chemical inputs and costs.

In 2018, our condensate return rates at our textile and hosiery facilities in Central America and the Caribbean Basin increased to 95%, and to 90% at our Bangladesh integrated facility, which translated into substantial conservation of both energy and water.



Absorption Chillers

To optimize our energy use, we have installed absorption chillers that capture the thermal energy from within our steam to create cool water that drives many of our facilities' air conditioning systems. This system generated the energy savings equivalent of avoiding the use of 2.9 million gallons of fossil fuels in 2018, and the corresponding environmental impacts in terms of emissions.



Water Management

Water is one of the world's most precious resources, and necessarily plays a large part in the entire life cycle of apparel. It is used in growing the cotton fibres at the start of the process, the dyeing and finishing of the textiles, and significantly during the consumer-use phase with the washing of clothes. We are working hard to make our water use as efficient as possible and ensure wastewater is managed responsibly and sustainably. It is important to note that Gildan does not source cotton or operate facilities in regions of water scarcity.

WATER CONSUMPTION

Gildan sources the vast majority of our water needs from wells (90% in 2018) with the rest supplied by municipalities. Our textile facilities consumed 86% of Gildan's total water demands in 2018, mostly as a result of our dyeing process. We do not use water from any Ramsar-listed wetlands, or from water bodies that are recognized as being particularly sensitive, and our water usage does not significantly affect any water source.

We have set a goal to reduce the water intensity resulting from our owned operations, per kg of product, by 10% from 2015 to 2020. Although we had been on track to achieve this in previous years, in 2018 there was a small increase in our water intensity mainly due to new formulations in the dyeing process for performance and fashion fabrics. We expect to continue reducing our water intensity by further improving our water management processes in our manufacturing operations.

2015-2018 Water Consumption for Gildan-owned facilities⁵

	2018	2017	2016	2015
Absolute Water (M ³)	22,143,282	19,175,838	20,164,545	20,485,536
Water intensity (M ³ /KG)	0.08351	0.07463	0.07979	0.08363
Water intensity variation from 2015 baseline	-0.1%	-10.8%	-5%	0%

2015-2018 Water Withdrawal and Discharge for Gildan-owner facilities⁵

	2018	2017	2016	2015
WITHDRAWAL: TOTAL MUNICIPAL WATER SUPPLIES (Million Cubic Meters)	2.117	0.625	0.718	0.595
WITHDRAWAL: FRESH SURFACE WATER (Lakes, rivers etc.) (Million Cubic Meters)	0	0	0	0
WITHDRAWAL: FRESH GROUNDWATER (Million Cubic Meters)	20.026	18.550	18.513	18.864
DISCHARGE: WATER RETURNED TO THE SOURCE OF EXTRACTION AT SIMILAR OR HIGHER QUALITY AS RAW WATER EXTRACTED (only fresh surface or groundwater) (Million Cubic Meters)	18.08	15.792	16.522	18.305

WASTEWATER MANAGEMENT

Our goal is to manage wastewater in the most environmentally conscious way possible. To do this, we have invested in innovative water treatment systems such as our Biotop bio-organic lagoon system and in biological reactors. We enforce strict controls on all inputs into our facilities and all effluents discharged from our wastewater treatment plants, including ensuring that each treatment facility meets local regulations and that we do not discharge water into any protected rivers or wetlands.

⁵ For all tables and charts in this section, 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.

Wastewater volumes (M³)⁵

	Municipal (Pre-treated ⁶)	Other recipients (Treated ⁶)
2018	3,122,581 ⁹	14,957,321
2017	591,608	15,200,281
2016	765,591	16,701,955
2015	663,280	18,603,641

⁶ Pre-treated totals represent process effluent quantities discharged to a municipal sewage network for later treatment at a municipal waste water 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.

⁹ In 2018, we added U.S. facilities' data to this total, these had not previously been recorded.

Biological wastewater treatment

Biological oxidation is an effective and reliable wastewater treatment process with a low operational cost that eliminates all contaminants and returns clean water to the environment ready to sustain life.

The natural Biotop system treats wastewater through a series of interconnected lagoons that contain bacteria which virtually eliminates all dyes and chemicals, and uses no incremental energy to process the water. Over a forty-day cycle, water flows through the system where a variety of bacteria, microorganisms, fish and wildlife coexist to naturally return clean water to the environment. The water that re-enters the local ecosystem is continuously monitored for compliance with local requirements and corporate standards.

At our Honduras textile facilities, our biological reactors work in tandem with our innovative Biotop system, to guarantee a continuous and safe wastewater treatment system. In 2018 we completed the installation of biological reactors that are now operating at two sewing facilities in Nicaragua to process domestic effluent

and at our vertically-integrated facility in Bangladesh to accommodate capacity expansion. Additionally, we completed the installation of a second biological reactor at our Rio Nance textile facility in Honduras.

In the past two years, we also introduced a filtering system within the Biotop process to capture the fibre lint within the effluent, which improves our wastewater treatment system efficiency. The fibre lint is then repurposed as a fuel stock within our Biomass steam generation systems.



"I wanted to build systems that take advantage of what the region offers naturally - lots of sun, high temperatures and access to wide-open land - and the land outside our Rio Nance complex in Honduras had all the elements to create the perfect system for naturally-occurring water treatment."

It's amazing to work for a company that has the vision and means to invest in these projects. At Gildan we are inspired by natural systems and believe that nature is our biggest ally. Our goal is to continue to try to mimic naturally-occurring cycles so that we harness the power of Earth's amazing ecosystems to reduce our impacts."

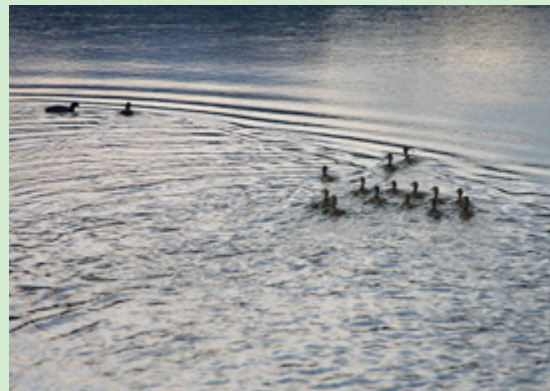
-Ely Pina, Honduran engineer, consultant and designer of our Biotop system

Biodiversity

As part of our overall environmental impact assessments, we conduct third party biodiversity inventories at our facilities in the Dominican Republic and Honduras. Annual inventories are conducted in the Dominican Republic as legally required, while bi-annual inventories are conducted on a voluntary basis in Honduras.

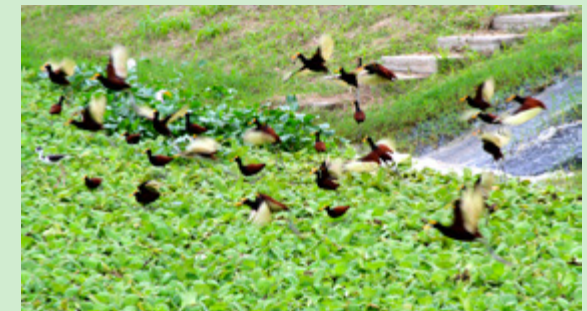
Dominican Republic

Our March 2018 Biodiversity Inventory in the Dominican Republic showed that all 42 species found in abundance in the previous year continued to be present - 35 bird species, 5 reptile species, and 1 each of amphibious and mammal species - mostly in and around our Biotop system. These included the Dominican Republic's national bird, the cigua palmera, a locally protected species, as well as certain endangered species such as the blunt-headed green tree snake and the turkey vulture. The endangered ruddy duck was also reported to be living in close proximity to our facilities as well as the Hispaniolan lizard-cuckoo, a threatened species.



Honduras

The November 2018 inventory at our Honduran manufacturing complex revealed a total of 52 animal species living in or around the Gildan Biotop wastewater treatment plant including 43 bird species, 5 reptile species, 3 fish species and 1 mammal species. All 43 bird species included in the inventory are part of the International Union for Conservation of Nature (IUCN) Red List of Threatened Species in the category "minor preoccupation." The lagoon system remains an important habitat for waterfowl, which shows sustainability both in the number of individuals and in the diversity of species, according to the results of updated fauna monitoring.



Waste Management

Our Waste Management System is based on the 4R-D concept: Reduce, Reuse, Recycle, Recover, and Disposal. This all-encompassing system includes clearly defined policies and procedures that outline our waste classification process, acceptable measures for handling specific waste, site specific information (as relevant) and clearly defined documentation and reporting processes. Our priority is also to ensure we comply with all legal requirements in the countries in which we operate.

To ensure our Waste Management System is correctly and thoroughly implemented, our dedicated on-site environmental staff provides comprehensive training sessions to supervisors and production staff and leads initiatives to identify areas for improvement. All facilities have a waste segregation management program for all production processes, including in cafeterias and common areas. This collaborative approach ensures there is awareness about the importance of waste management to our business and to our employees.

We have set a goal to reduce landfilled waste intensity by 10% (per Kg of product) from our owned operations, compared with our 2015 baseline. In 2018, our landfill waste intensity decreased by 19.5%, a significant improvement when compared to the 2017 results. We have achieved this reduction by improving our waste management process in our manufacturing facilities. When compared to our 2015 baseline, waste intensity has increased by 3% due to an increase in overall manufacturing volumes and a 20.6% increase in number of employees, particularly found in our sewing teams where domestic waste, from cafeterias and other

sources, contribute to increased waste streams. However, we are continuing to focus our reduction efforts to meet our 2020 goal.

2018 Waste by Type (Metric Tons)⁵

	2018	2017	2016	2015
Non-Hazardous Waste				
Recycled Waste	72,768.66	57,668.76	63,630.44	67,545.05
General Solid Waste (Landfill) ⁶	8,913.87	10,732.45	10,223.17	8,016.52
Total Non-Hazardous Waste	81,682.53	68,401.21	73,853.61	75,561.57
Hazardous Waste				
Special Waste ⁷	28.97	25.64	20.34	23.86
Biomedical Waste	3.41	3.96	6.34	2.81
Other Hazardous Waste	560.13	789.52	594.91	643.21
Total Hazardous Waste	592.51	819.12	621.59	669.88
TOTAL ABSOLUTE WASTE	82,275.04	69,220.33	74,475.20	76,231.45
TOTAL WASTE INTENSITY (KG waste / KG production)	0.31028	0.26940	0.29469	0.31122
TOTAL LANDFILL WASTE INTENSITY (KG waste / KG production)	0.03362	0.04177	0.04045	0.03273

⁵Gildan'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.

⁶Landfill waste data for certain sites have been estimated based on historical performance.

⁷The 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.

REDUCE, REUSE, RECYCLE

89%

of non-hazardous waste recycled or repurposed in 2018

19.5%

less waste intensity sent to landfill compared with the previous year

We look at every step of the manufacturing processes to identify opportunities to minimize waste streams and maximize reuse and recycle opportunities. Our continued focus on effective waste management not only has a positive environmental impact; it also results in financial benefits as we achieve cost-savings from the re-use of resources.

Sustainable Packaging

Understanding that sustainable materials play an increasingly important role in our overall product strategies, we use a recycled performance fibre called Repreve® in a number of our brands, and in 2018 received a 'Champion of Sustainability' award from its maker, Unifi Fibres, for using an amount of recycled polyester that equated to recycling 10 million plastic bottles.

Where waste is unavoidable, we then look for ways to recycle or reuse. For example, 100% of cutting room scraps are recycled into fibre for use in manufacturing new products such as textiles, socks, industrial materials and mops.

Sustainable Packaging

As with all of our global environmental initiatives, we do take sustainability considerations into account for our packaging requirements, as per our Environmental Policy. We work with suppliers to design products with reduced packaging, and to reuse recyclable packaging for internal shipment wherever possible. We use reusable containers, such as foldable totes and biodegradable bags for the transportation of chemicals from our Honduran chemical mixing facility, GilChem, to other textile facilities. We also repurpose the packaging and transportation materials, such as pallets, when possible.

Our largest packaging use is the cartons we use to ship the products that we sell to our global network of distributors. These cartons contain recycled content, with more than 70% of the corrugate made with recycled paper, and we also use volume optimization tools to drive down use of packaging and reduce distribution emissions. We are currently looking at options to use recycled polyester for several of our inner pack bags.

Safe Chemistry

We strive to use non-hazardous, bio-eliminable substances in our products and operations in order to ensure the safety of our apparel products for consumers, and to reduce negative impacts on the environment. In addition to legal requirements, as well as those of our customers, we also consider substances that may be harmful but are not necessarily regulated. We have a robust Chemical Management System, which includes each of the steps necessary for the entry of a chemical before its purchase, as well as the control processes necessary for handling them.

Our focus on safe chemistry begins in the design and development stage of our process. This allows us to safely incorporate leading performance features, like wicking and anti-odor properties, while ensuring limited impact to the environment. Harnessing innovative solutions through chemistry allows the Company to reduce our impacts and improve our products. Our investments in a Company-owned chemical facility, fully staffed with leading chemical engineers and industry specialists, has allowed us to implement strict controls on all inputs into our process and greatly reduce the environmental impacts of our operations through the development of innovative solutions. Our multi-disciplinary team, led by a chemical specialist who manages and communicates requirements for sourcing chemical products, includes experts from product development, manufacturing, quality, environment, health and safety, and purchasing.

RESTRICTED SUBSTANCES

Our Restricted Substances Code of Practice (RSCP) sets stringent standards and guidelines that our suppliers of raw materials are required to comply with and includes a Restricted Substance List (RSL). The RSL covers the most important regulated and targeted substances around the textile industry and their potential impact on human health and the environment.

The RSCP process includes reviewing supplier information and filling any gaps with publicly available, scientifically rigorous data and ensures that we choose substances that pass each of the steps of our internal controls. In addition, our third-party manufacturing contractors also must ensure that all our products strictly comply with the elements within the RSCP and chemicals on our RSL.

Our RSCP was revised in 2017 and is continuously updated and aligned with industry leading standards. It has been integrated into all of our operations, including third-party manufacturing contractors and raw material suppliers, so that we can be sure that no hazardous substances are used in the manufacturing of our products at any point in the supply chain.

All raw material proposed for introduction into our operations or products are first evaluated as part of our RSCP process. Suppliers are required to submit Safety Data Sheets (SDS) and complete a self-assessment questionnaire regarding the safety of the proposed materials. We provide Gildan's Restricted Substances List alongside the RSCP which lists all banned and restricted substances in all of the countries where we operate CPSIA, REACH (SVHC list) Washington State and Proposition 65, as well as our customers' own Restricted Substances List. All the most important regulated and targeted substances relevant to the textile industry

are included. Raw materials are classified into three categories – approved, approved with conditions, and rejected. The [full list](#) can be viewed on our website.

To ensure our employees, contractors and suppliers fully understand our requirements, we provide training on the RSCP and the Chemical Management System as required. During 2018, we ran training for 30 of our suppliers in Honduras and Nicaragua, and 200 employees throughout our operations. To ensure strict compliance with all requirements of the RSCP, the Company is in the process of gathering all required updated forms and documentation from raw materials suppliers in order to confirm their full compliance with this updated RSCP. In 2018 we have been able to complete the process with 52% of all raw material suppliers.

Oeko-Tex® Standard 100

Gildan® and Anvil® 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. Meeting this standard involves meeting strict standards regarding restricted chemicals, and regular independent and accredited laboratory testing of raw materials and finished products. For our infant apparel, we are certified by the even more stringent Oeko-Tex 100 Product Class I certification. These certifications show our commitment towards protecting the health of our consumers and employees as well as using environmentally responsible manufacturing processes.

Cotton

Cotton is the primary fibre used in our products, representing more than two-thirds of our total fibre inputs. We primarily purchase U.S. cotton because of its high quality and the industry's strong environmental sustainability and social responsibility practices.

Regulated as a food crop under strict U.S. Department of Agriculture (USDA) and U.S. Environmental Protection Agency (EPA) guidelines, 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, the USDA and various other organizations, U.S. farmers have continuously reduced their environmental footprint by adopting a variety of conservation and precision agricultural practices.

The vast majority of the cotton acreage where the Company's cotton is grown is non-irrigated, harnessing naturally occurring rainwater. 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.

In addition, 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. As a matter of principle, we require all our third-party yarn suppliers to confirm, by means of a signed statement or binding contract, that they do not use or procure any cotton fibre originating from Uzbekistan. In 2013, we

determined that less than 5% of our total cotton supply was at risk of being supplied with fibre from Uzbekistan. We therefore established a cotton traceability framework for our cotton yarn suppliers in Bangladesh in order to ensure that yarns supplied did not contain cotton originating from Uzbekistan. As such, we believe that there is a low risk of cotton originating from this crop be included in any of our products.

Conscious Consumption

We want consumers to join us in Making Apparel Better™ and reduce the end-of-life-cycle impact of our products. In general, people buy significantly more clothes today than any previous generations and have started to treat them as disposable goods. In North America, we send more than 10.5 million tons of clothing to landfill every year.

During 2018, we launched a series of posts on social media providing tips to consumers to reduce their impact on the environment. The engagement rates from consumers has been positive, demonstrating their values are aligned with ours.



Environmental Policy and Management Systems

Reducing the impacts of our operations on the environment is a responsibility that we take very seriously. Our [Global Environment and Energy Policy](#) guides our day-to-day practices at all operating facilities, and applies across all environmental impact areas. To ensure that our policy is upheld at all our operations, and that we are in compliance with all applicable environmental laws and regulations in the countries where we operate, we have a comprehensive Environmental Management System (EMS). We have also invested significantly in systems and technologies to closely measure, monitor and optimize the operational sustainability of our facilities.

Our EMS is based on the ISO 14001 standard and tracks how the Environmental Policy and environmental procedures are being implemented across all of our facilities. The EMS allows us to evaluate our procedures for managing water use, wastewater discharges, energy generation and consumption, chemical handling and storage, raw materials selection, waste generation, biodiversity protection, emissions and spills control. As part of this EMS, each Gildan-owned facility is required to meet objectives and targets that are aligned with overall corporate goals and targets.

As discussed in the Vertical Integration section on p.9-10, the underlying structure of our vertically integrated business model allows us to exercise significant control over a much larger part of our 'supply chain' than is usual in the apparel business. This positions us well to identify environmental and resource efficiencies that may not be

accessible to less vertically-integrated supply chains. Our visibility over nearly the entire process also allows us to adopt a life-cycle approach, where impacts across the total value chain can be modelled in the evaluation of any specific process change. Contractors and suppliers are expected to respect the same high environmental standards that we do. Details of how we work with our contractors and suppliers are provided in the Our Supply Chain section on [p.45](#).

As members of the Sustainable Apparel Coalition (SAC), since 2015 we voluntarily upload environmental data related to water, energy, wastewater, air emissions and chemical management for facilities to the HIGG Index, an online platform to measure and assess our sustainability performance. We also use third-party validation for specific facilities to certify our environmental data, typically in response to customer requests.

ENVIRONMENTAL RISKS

Gildan conducts a complete analysis of potential environmental risks that are specific to the locations where we operate. This risk analysis helps us to prevent and address any adverse impacts that our operations may have on the environment and in the surrounding community. Part of this process includes hosting community meetings and public consultations to discuss relevant issues and address concerns regarding the technical aspects of any proposed project.

Natural disasters are one of the main environmental risks

for our business as a whole. Physical impacts related to climate change can affect individual facilities or groups of facilities located in the same region. 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 one of these events could have a negative impact on our business and our employees.

Our manufacturing plants generate air emissions which are partially offset by the installation of specific scrubbers and filters. In 2018, the environmental protection requirements imposed upon 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 instituted by local regional and federal governments. This allows us to be proactive and to continue improving our processes and technologies.

ENVIRONMENTAL EXPENDITURES AND FINES

To comply with environmental laws, regulations, and our own Environmental Policy, and to continue to improve our practices, the Company incurs environmental expenditures. The total environmental protection expenditures for 2018 were \$7,345,144. This includes total operational costs (including the treatment of effluents; Biotop maintenance; waste disposal and management; emissions treatment; spills clean-up) and other improvement initiatives. An example of one of our environmental investments for 2018 is the installation of our biological reactors in Nicaragua and Bangladesh (see wastewater section).

No fines related to environmental topics were reported during the 2018 period.

AUDITS

Environmental audits are conducted to verify compliance and to evaluate the efficiency and effectiveness of our EMS. The frequency of the environmental audits depends on the manufacturing activities performed at a facility and their potential impact on the environment and our operations. The majority of our facilities are audited once per year and no less than once every 18 months.

Using a root-cause analysis approach, when any instances of non-compliance are revealed, we work closely with the facility to identify the main reasons for the issue and establish action plans to remediate the issue in a sustainable and timely fashion. We continue to visit the sites regularly to ensure corrective action plans are properly implemented.

Audit Findings in 2018

In 2018, 17 environmental audits were performed at our facilities, with 139 instances of non-compliance found. Of these non-compliances, 8 were considered to be major, 86 moderate, and the rest either minor or opportunities for improvement. The bulk of non-compliances relate to internal policies and procedures, specifically:

- Late remediation of non-compliances found in previous environmental audits¹².
- Non-compliances with operational control procedures, mostly in chemical management as well as emergency preparedness and response.
- Management review meetings not executed in a timely manner or some topics not addressed as required in procedures.

Four of the major non-compliances recorded during this period were related to health and safety, mainly focusing on inadequate controls and procedures. Two were related to inadequate chemical management; and the other two were related to past due environmental remediation. Management action plans are in place to remediate these, and our Environment team will monitor the facilities' remediation efforts.

¹² **Classification of Environmental Findings:**

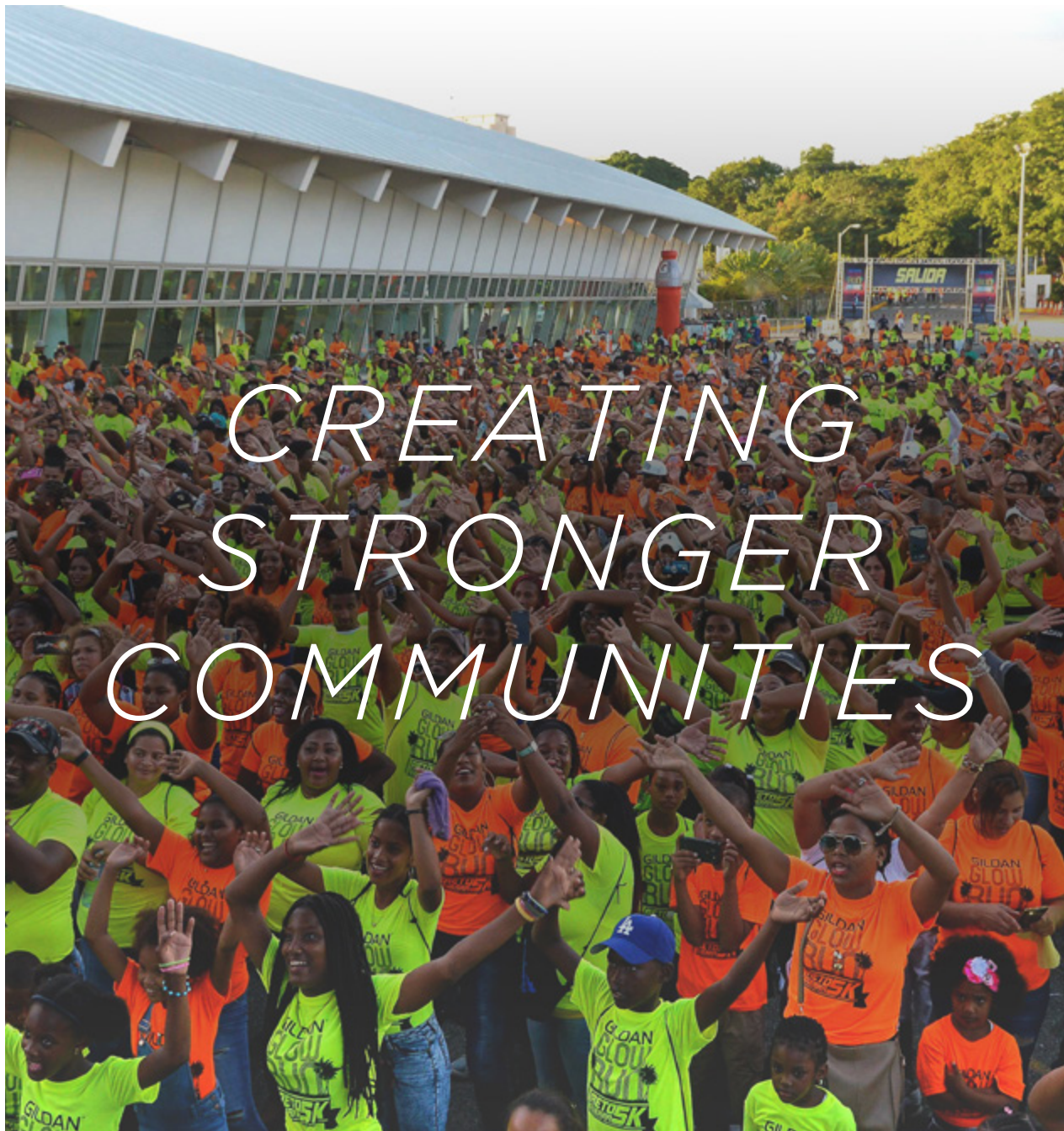
Major Impact: An environmental law is being violated; a major environmental impact is being caused or the risk of causing a major impact to the environment.

Moderate Impact: In the long term there may be environmental impact and to the health of workers; there is a moderate risk of environmental impact.

Minimum Impact: May provoke a minor environmental impact, or the risk of environmental impact is minimal. It's an observation that will help improve the plant environmentally.

Opportunity for improvement: An observation or finding not evaluated as a NC because it doesn't present any immediate or future environmental impact. It is an observation that helps the facility with continuous improvement.





As one of the world's largest apparel manufacturing companies and an important employer in most of the regions where we operate, we recognize that we are in a strong position to stimulate sustainable economic development. Our direct and indirect employment impacts, combined with the investments we make in building facilities, purchasing within local supply networks and supporting industries, are all important contributors to development in the regions where we operate.

In addition, we believe that we have a responsibility to be active members of the community. Through our contributions, our community engagement programs aim to enrich people's quality of life by advancing access to education, promoting healthy and active lifestyle, protecting local environments and fostering entrepreneurship. We partner with community organizations to target and respond to the most pressing needs in the regions where we operate, and encourage our employees to get involved with us.

/ Goals /

By 2020, increase the number of schools supported by Gildan in the communities where we operate by 25%, from our 2017 baseline.

In 2018, 27 schools were part of Gildan's education programs in our manufacturing locations, which was an increase of 28.5% from 2017.

Conduct a Social Impact Study by 2019, in order to better measure Gildan's impact on communities for our Central American operations.

The study is underway; results will be shared in our 2019 Sustainability Report.

Local Development

Creating stronger communities by investing in developing local talent, prioritizing local suppliers, and collaborating with local partners, not only drives sustainable economic and social development for our employees, their families and the communities at large, but also helps our company thrive. It is also recognized as a key driver of our future growth.

Economic Impact

Gildan is a major employer in the regions where we operate in Honduras, Nicaragua, the Dominican Republic and Barbados and as a result, we have a large economic and social impact in these countries, especially in the areas around where our facilities and offices are located. This impact goes beyond simply providing direct employment and wages, but also includes indirect employment through our supply and distribution chain. Our investments have created construction and service jobs during the building of new facilities, full time employment positions once the facilities are operational, significant local procurement of raw materials, trims and supplies, as well as other services such as transportation, training and catering.

Over the years, as Central America and the Caribbean Basin have developed into important textile and apparel hubs, several key suppliers have established operations in the regions and are also delivering important economic benefits to these communities.

To better measure and understand the impact of our Central American operations on society, we

are conducting a Social Impact Study. This will help us understand our contribution to local economic development and identify the areas and relationships we should pursue going forward to further leverage our strengths. We expect the results of this study to be available during 2019.

Local suppliers

Recognizing the importance of our impacts on these regions, Gildan has adopted a practice of sourcing locally wherever possible. This allows us to create value for a wide variety of local businesses, allowing them to generate further economic benefits in developing the industries around us. Gildan derives value as well from these relationships through advantages such as reduced transportation costs and lead time. Over the years, we have witnessed the growth of supply chain ecosystems in the regions where we operate that go beyond the typical raw materials, trims and accessory suppliers into areas such as educational and technical training, medical services, transportation, construction, maintenance and food services.

In 2018, Gildan's total expenditures for materials and services with local suppliers in Central America and the Caribbean were close to \$200 million.

Number of Local Suppliers

Country	Number of Local Suppliers
Bangladesh	259
Dominican Republic	652
Honduras	1018
Mexico	707
Nicaragua	463
Grand Total	3099

84%

of all managers are local talent

Local Talent

We are proud of our record of creating stable, well-paying jobs with attractive benefits at all of our manufacturing locations. Our belief is that workers deserve to be paid a fair living wage which surpasses legally-mandated minimum industry wages and encompasses the ideal of providing compensation that covers basic needs and some element of discretionary income.

We also understand the important benefit that our culture of diversity and inclusion delivers for our employees and the Company. One of our founding principles was to 'think globally, but manage locally'. As a result, we believe that it's essential to fill management positions in our facilities with local talent wherever possible. Not only does this provide more opportunities and higher-paying jobs available for members of the local community, we believe it also benefits us by providing motivated and engaged management teams, aligned with local cultures, who are assets to the Company. We provide our employees with the opportunity to upgrade their skill sets and education level through extensive training and development programs that give them opportunities to progress within the Company. In 2018, 556 out of 663 managers at our manufacturing facilities were from the local community. We believe that this approach has a direct and positive impact on the quality of life of our workers, their families and the communities. More information can be found in [Caring for our People](#).

Community Engagement

We strongly believe that we should play an active role in building stronger communities, in ways that goes beyond our business operations. We make financial and in-kind donations to support local needs and strengthen the social and economic development of our local communities. We also provide humanitarian aid and disaster relief, including product donations to help meet basic needs when required, in the locations where we operate.

To ensure we maximize the impact of our support, we ask local teams to manage our investments according to the needs of their community, within our overall corporate guidelines. Our local teams develop relationships with local authorities such as the mayoral office, municipal authorities, local charities, educational bodies and health-related institutions in order to identify projects where the Company could bring added value to benefit the whole community. We encourage our employees to get involved with our community initiatives through employee fundraising and volunteering initiatives, and we invite them to share their local knowledge with us and make suggestions about projects that we could provide impactful support for.

\$1,013,404
in cash donations

\$1,926,093
TOTAL
Community Giving

\$912,689
of in-kind
giving (product,
service or other
non-financial
donations)

PRIORITIES / AREAS OF FOCUS

We believe that we can have the most impact on local communities by supporting initiatives that fall within the following four areas of focus:

- Youth education
- Active living
- The environment
- Entrepreneurship

These priorities reflect our own values and strengths as a business, and align with the four UN Sustainable Development Goals (SDGs), which we have prioritized for support. More details can be found in our [Community Investment Policy](#). To ensure that our impact is sustainable and has a long-term positive effect on communities, we are looking for ways to develop our community program and create longer term partnerships with non-profit organizations that are making significant contributions to the communities they serve.

Young Sustainability Leaders

Launched in the fall of 2018, our Young Sustainability Leaders program brings together many of our Genuine Responsibility™ priorities, and aligns with the UN's Sustainable Development Goals. The aim is to inspire and empower students through targeted education programs to be the next generation of social and environmental entrepreneurs.

We are strong believers that education can be a critical driver of change, and therefore have chosen to support organizations that are giving children the tools and resources to understand

global environmental and social issues, and adopt a mind-set of sustainable practices and conscious consumption. We have chosen to partner with four organizations in Canada, Honduras and the Dominican Republic that we believe can bring about transformational impact and prepare future generations to positively contribute to their communities and the planet.

Some of our partnerships are long-standing, such as the Eco-School program in the Dominican Republic that we have supported since 2010. The program aims to empower students to lead change by engaging them in fun, action-oriented and socially responsible learning. Since the start of our involvement, students have planted 67,591 trees as part of this program.

In Honduras, we partnered with World Vision on a two-year program that empowers children to work together and create action plans to improve the environment, health, sanitation, and violence prevention in their school and community. More than 4,000 children benefited in 10 schools.

To expand the breath of the program and impact more students, we added Canadian partnerships in 2018 - Learning for Sustainable Future and Earth Rangers. Both of these organizations are working with children or young people to educate them on environmental issues and promote sustainable practices.

During 2018, we invested a total of more than \$100,000 in the Young Sustainable Leaders program - \$60,000 in Honduras, and more than \$20,000 each in Dominican Republic and Canada.

Education

Education helps communities develop by strengthening their members' abilities and contribution to the economy. Our investments in education are focused on building the educational infrastructure, providing curriculum support and training for teachers and engaging students in environmental awareness and participation through our Young Sustainability Leaders program (see above). Gildan has been working with a number of schools in communities where we have our manufacturing operations to ensure we implement long-term, sustainable programs. In 2018 we supported 27 schools in Central America, Mexico, the Dominican Republic and Haiti.

In many areas where we operate, children do not have the basic supplies and infrastructure that they need to fully benefit from their education. During 2018 we donated close to 4,500 school kits and supplies to children in Nicaragua, Dominican Republic, Haiti and Barbados. We also donated teaching materials and helped with sanitation and infrastructure repairs and installations in schools in the Dominican Republic and Honduras. The combined value of these programs was above \$40,000.

Gildan Glow Run

On November 17, 2018 we held the fifth annual Gildan Glow Run, raising more than USD \$48,000 to assist in the education of hundreds of low-income children at six Gildan-sponsored schools in the municipality of Guerra, Dominican Republic. More than 2,400 people participated in the 5k event, including employees, family members, community groups and strategic partners. Gildan organizes and is the main sponsor of this event, donating financially and in-kind with event t-shirts.



Active living

We manufacture and market apparel that helps our consumers pursue an active lifestyle, and we prioritize the health and wellness of our employees. By extension, we believe we have a role to play in supporting programs that encourage health, wellness and an active lifestyle in our surrounding communities. We also invest in medical care, disease prevention and health awareness activities that ensure healthier, more productive communities.

Supporting healthier lives in Honduras

Hospital Donations

As part of a \$3.5M commitment we made in 2015 to support community programs in Honduras, we continue to support the largest hospitals in the country by purchasing much-needed medical equipment. In April 2018, we made our final donation for this fund: \$520,000 worth of equipment for the gynecology and pediatric surgery ward of the Leonardo Martinez Hospital in San Pedro Sula. The equipment will provide free services to patients in the Northern Region of the country and is expected to be used for more than 8,000 surgeries annually.



Parks for a Better Life

“Parques para una Vida Mejor” (Parks for a Better Life) is a program created by the Honduran government in partnership with the private sector to recover public spaces, offer a positive and safe social environment and recreational avenues for children and youth, and encourage participation in sports and fitness with a view to improving the health of the population.

In support of this program, Gildan donated \$570,000 to remodel the Majoncho Sosa Park in San Pedro Sula, where we are the largest private employer. The park is the largest in the city, and the second largest in the country, and features energy efficient LED lighting, multi-purpose sports fields, playgrounds, a running track, food kiosks, bathrooms, rest zones and green picnic areas.



Environment

In line with our business priority of protecting environmental resources and reducing the negative environmental impact of our activities, we support community initiatives aimed at creating positive impacts for the environment. We encourage hands-on activities by families, schools and our own employees.

During 2018, employees across the company continued to participate in environmental volunteering and restoration activities such as reforestation. In the Dominican Republic, we made a \$7,000 donation that allowed 4,000 trees to be planted by 100 employee volunteers, and in Nicaragua, our logistical support and donation of \$5,500 enabled 5,200 forest plants to be planted. On Earth Day 2018, employees and their families across our Central American operations participated in environmental activities such as recycling challenges. Over 200 children participated in activities like drawing contests aimed at learning about the environment while having fun.

Entrepreneurship

Entrepreneurship is integrated into our corporate values, and we believe it's an important contributor to for the economic development of communities. Entrepreneurship provides an opportunity for financial self-sufficiency, which strengthens personal situations and increases independence, particularly in women.

Given our entrepreneurial spirit and the breadth of our experience, we can make a significant contribution to support aspiring entrepreneurs. Internally, we support employees and their families that have small family businesses by providing them with the opportunity to showcase and promote their products or services to their

colleagues. Externally, we partner with local NGOs to offer workshops to promote the entrepreneurial spirit.

The Community Startup

In 2018, we launched a new initiative in the Dominican Republic entitled “La Comunidad Emprende” (The Community Startup). Co-funded by the Canadian Embassy and in partnership with the Batey Relief Alliance, the program aims to empower women and young people by providing training, guidance and encouragement for them to pursue their own business. Free workshops and lectures provide practical skills and knowledge that allow participants to discover new ways to support themselves and their families. Twelve workshops and twelve lectures will be held in 2018 and 2019 for more than 180 participants in Guerra, where our textile facility is located and we are the largest employer.

EMPLOYEE INVOLVEMENT

We encourage employees to pursue their personal interests and to support causes that are meaningful to them. We believe this is an effective way to tackle the issues that affect the communities where they live and work. We also facilitate employee-led volunteering activities in all our manufacturing locations worldwide, and in many locations the Company matches funds raised by employee groups for the causes that they care about.

Part of Your Life

Our 'Part of your Life' program invites our employees in Nicaragua to provide ideas for community projects they would like the Company to support, specifically education projects in the communities where they live. All ideas are reviewed by a committee that includes Human Resources, CSR, Engineering, Purchasing, and direct employee representatives, and projects are selected based on feasibility, social impact, timeframe for implementation, and type of project.

In 2018, we selected two projects to support – donating more than \$18,000 to two local schools. At one, the funds were used to build a school cafeteria, and at the other to improve security by repairing fencing.



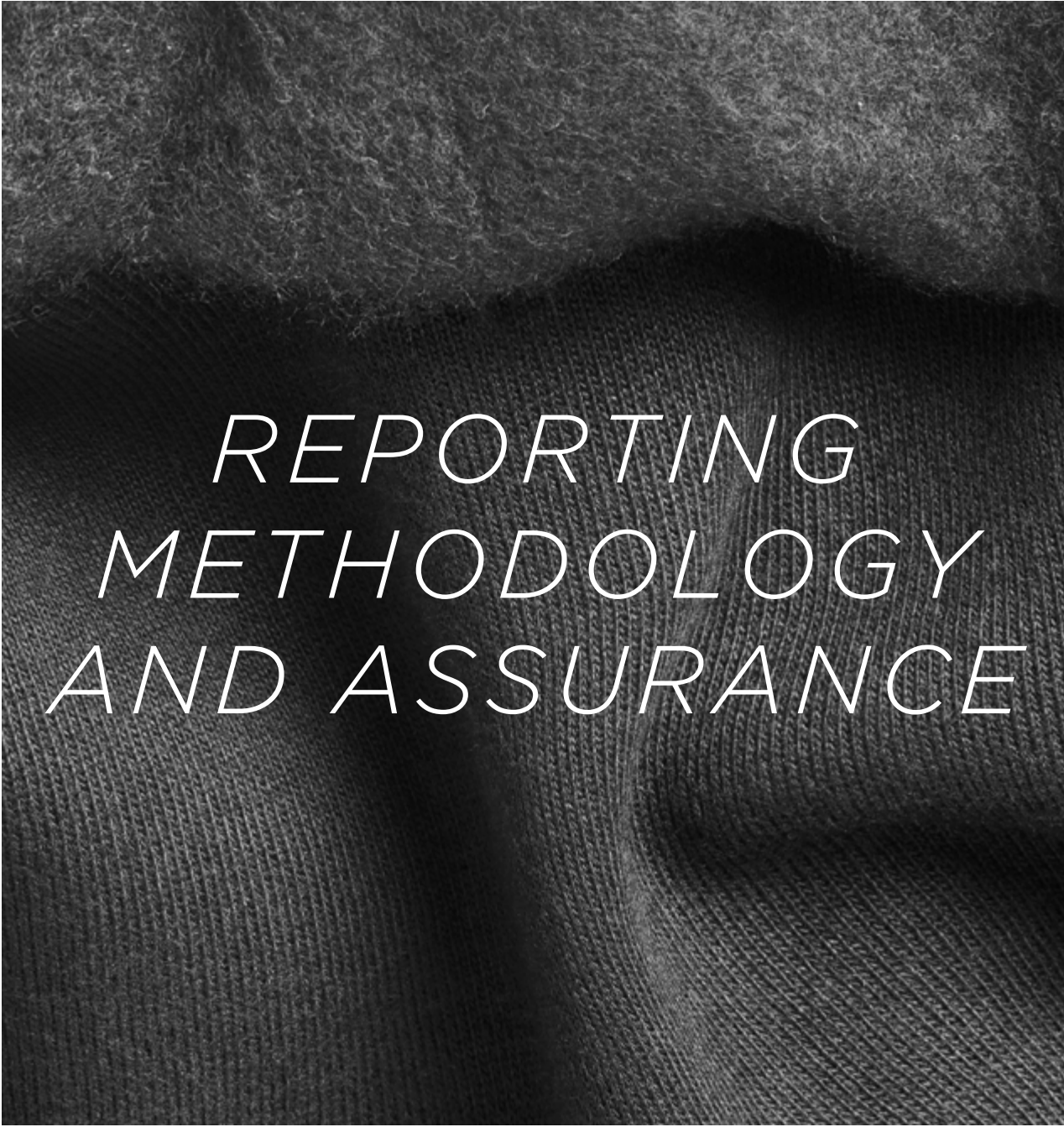
“This project has provided additional security for our kids at school. This is the first company that supports the school and the community where we live.”

- María de Jesús Mora Alemán - Employee at ANNIC Sewing

“Our kids are safer at school now. We attended the inauguration ceremony, and my husband and I, who both work at Gildan, were really proud and thankful to be with the company.”

- Jeny Arias Cerda - Employee at ANNIC Sewing





REPORTING METHODOLOGY AND ASSURANCE

Gildan has published a sustainability report covering the Company's initiatives since 2004. This sustainability report reflects the activities that occurred in the 2018 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 deriving from these. 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 – 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.

Amounts in this report are in USD unless otherwise indicated.

Inclusions/Exclusions

Data for our Rio Nance 6 facility in Honduras has been included for the first time for both health and safety and environmental calculations.

Environmental information pertaining to the Australian-based activewear distributor and U.S.-based yarn-spinning manufacturer acquired in 2017 have been excluded from the 2018 calculations, as well as two distribution centers opened in 2018. Finally, we are not including environmental information from our Barbados office. However, all of these installations have been included in our Health and Safety calculations for the 2018 report.

Methodology

Data collected and compiled within this report is the result of a collaborative effort by Gildan staff throughout the Company's many locations.

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

Review

All material information contained herein has been reviewed internally to ensure our stakeholders are provided with a proper representation of our performance in 2018.

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 ensure 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

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, 2018.

The environmental, health and safety data included in the assurance review includes:

- 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 based
- Partial Scope 3 greenhouse gas (GHG) emissions
- Total inorganic air emissions
- Total refrigerants
- Work-related injury rate for employees
- Lost-time injury frequency rate for employees
- Injury severity rate for employees

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

Appendix: Stakeholder Engagement

Stakeholder	Activity	Frequency	Concerns	Material Topic	More information
Investors/ Shareholders	- Annual General Meeting – includes the opportunity to cast an advisory vote on the Company's approach to executive compensation. - Earnings Release Conference Calls 2017 Materiality Assessment - Earnings Release Conference Calls - Investor perception study - Investor day on-site - On-request meetings with Board members	Annual Quarterly Triennial Quarterly Annual Annual Ad hoc	- Strategy and market landscape - Corporate Social Responsibility	All	
Board of Directors	- Board meetings - Various site visits	Quarterly Ad hoc	Corporate social responsibility	Business ethics and compliance	
Employees	- Global employee engagement survey - Pulse surveys 2017 Materiality Assessment - Worker-Management Committee Meetings - Employee Meetings – Headquarters - Gildan TV Internal Communications - Round tables	Triennial Ad hoc Triennial Monthly Biannual Weekly Bimonthly	- Employee wellbeing - Working conditions - Environmental Sustainability	- Health and safety - Human and labour rights - Operational water and wastewater management	
Customers	2017 Materiality Assessment - Benchmarking - Audits	Triennial 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	As required	- Employee wellbeing - Labour rights - Freedom of association - Actions towards climate change	- Health and safety - Human and labour rights - Responsible sourcing	
Local Communities	- Town hall meetings - Also through relevant NGOs (see above)	Quarterly	- Community development - Education programs - Environment	Business impact on the community	
Students / Academia / Schools	- Mentoring - Internship Program - Participation in research projects	Annually	- Education programs - Job creation - Labour rights	Human and labour rights	
Government	Meetings	As required	- Direct foreign investment - Legal security - Job creation - Corporate Social Responsibility	- Business ethics and compliance - Human and labour rights	

Appendix: People

Percentage of women
in revenue-generating
management positions: **32%**

Classification of Gildan employees worldwide by region and gender

	Permanent Employees		Temporary Employees	
	Male	Female	Male	Female
North America	3,287	3,272	18	22
Central America	19,614	16,600	96	65
Caribbean Basin	2,526	2,453	12	26
Asia	1,601	1,811	0	0
TOTAL	27,028	24,136	126	113
OVERALL TOTAL	51,403			

Gildan employees by age and region

	Under 30	30 to 50	Over 50
North America	1,842	3,117	1,640
Central America	21,953	14,150	272
Caribbean Basin	2,706	2,185	126
Asia	1,836	1,524	52
TOTAL	28,337	20,976	2,090

Total number of new employee hires during the reporting period, by age group, gender and region

Region	Total			Male			Female		
	Under 30	30-50	Above 50	Under 30	30-50	Above 50	Under 30	30-50	Above 50
Asia	6	12	1	3	7	1	3	5	0
Caribbean Basin	1,696	621	17	872	219	13	824	402	4
Central America	8,140	1,131	8	4,698	720	5	3,442	411	3
North America	396	493	210	223	203	109	173	290	101
OVERALL TOTAL	12,731								

Rate of new employee hires during the reporting period, by age group, gender and region

Region	Total			Male			Female		
	Under 30	30-50	Above 50	Under 30	30-50	Above 50	Under 30	30-50	Above 50
Asia	0.01%	0.03%	0.00%	0.01%	0.02%	0.00%	0.01%	0.01%	0.00%
Caribbean Basin	3.90%	1.43%	0.04%	2.00%	0.50%	0.03%	1.89%	0.92%	0.01%
Central America	18.71%	2.60%	0.02%	10.80%	1.65%	0.01%	7.91%	0.94%	0.01%
North America	0.91%	1.13%	0.48%	0.51%	0.47%	0.25%	0.40%	0.67%	0.23%

Total number of terminated employees during the reporting period, by age group, gender and region

Region	Total			Male			Female		
	Under 30	30-50	Above 50	Under 30	30-50	Above 50	Under 30	30-50	Above 50
Asia	2	5	1	0	3	1	2	2	0
Caribbean Basin	953	553	15	497	196	8	456	357	7
Central America	5,008	2,271	34	3,050	1,361	24	1,958	910	10
North America	437	664	418	242	311	159	195	353	259
OVERALL TOTAL	10,361								

Appendix: People

Employee turnover rate during the reporting period, by age group, gender and region

Region	Total			Male			Female		
	Under 30	30-50	Above 50	Under 30	30-50	Above 50	Under 30	30-50	Above 50
Asia	0.00%	0.01%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%
Caribbean Basin	2.19%	1.27%	0.03%	1.14%	0.45%	0.02%	1.05%	0.82%	0.02%
Central America	11.51%	5.22%	0.08%	7.01%	3.13%	0.06%	4.50%	2.09%	0.02%
North America	1.00%	1.53%	0.96%	0.56%	0.71%	0.37%	0.45%	0.81%	0.60%

Employee Remuneration

Avg Monthly Salary (Honduras)

Level	BU	Female to Male Salary Ratio
Top Management	HOS	118%
	REG	88%
Management	REG	105%
	REG	90%
	88%	67%
	HDC	0%
	REG	88%
Senior Co-ordinators & Coordinators (Middle Management)	HOS	104%
	SEW	100%
	TEX	90%
	HDC	87%
	REG	96%
Supervisory	HOS	113%
	SEW	100%
	TEX	103%
	HDC	127%
	REG	116%
Support	HOS	97%
	SEW	100%
	TEX	97%
	HDC	105%
	REG	88%

Total Training Hours

Training provided	Hours
Code of Conduct	29,080
Code of Ethics	27,794
Environment, Health & Safety	158,191
Restricted Substances Code of Practice	3,805
Human Development	69,653
Technical Skills for Manufacturing	4,649,343
Other trainings	247,868
TOTAL	5,185,734

Occupational Illness Frequency Rate (OIFR) - Employees

2018	
OIFR/million working hours	0.001

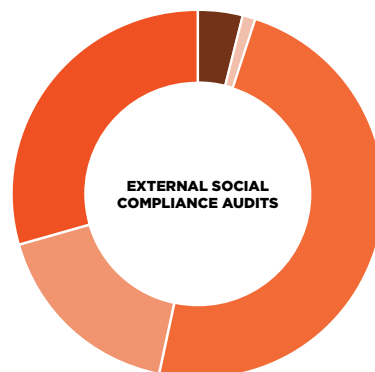
Internal Social Audit Findings - Gildan-Owned and Dedicated Facilities: Labour-related non-compliances by category

2018	
EHS	149
Record Keeping	15
Code & company policies	11
Hours of work	5
Grievance system	0
Legal information	3
Discipline	0
Forced labour	3
Harassment and abuse	2
Non-discrimination (Pregnancy/Women's Rights)	1
Non-discrimination	1
Compensation & Benefits	1
Subcontracting	0
Total	191

Major level non-compliances by category

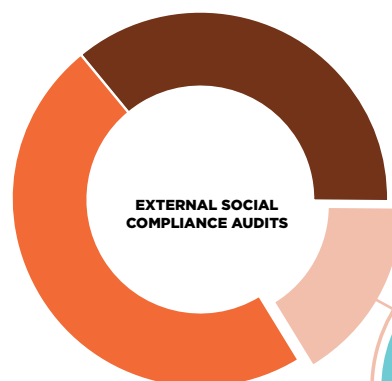
2018	
EHS	0
Harassment & abuse	1
Non-discrimination	0
Forced labour	1
Compensation & benefits	0
Disciplinary Actions	1

Appendix: People



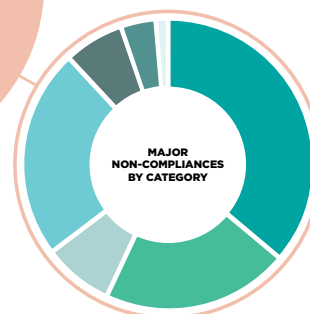
2018

BSCI	4%
Better Work	1%
Customer	48%
Fair Labor Association	0%
SMETA	17%
Worldwide Responsible Accredited Production	29%



2018

Minor	246 (48%)
Moderate	182 (36%)
Major	77 (16%)



Major non-compliances by category

Hours of work	28	Compensation and benefits	5
Legal information	16	Child labour	3
Environment	0	Subcontracting	0
Record keeping	6	Discipline	0
Health and safety	18	Forced Labour	1

Internal Social Compliance Audits - Third Party Contractor Facilities

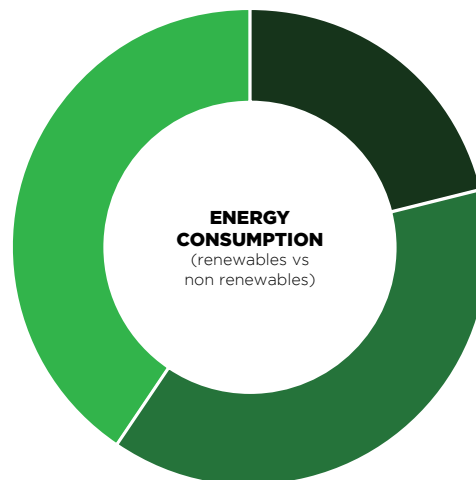
Labour-related non-compliance findings by category

2018	
EHS	272
Hours of work	94
Record Keeping	32
Legal Information	60
Compensation & Benefits	8
Code & company policies, procedures & awareness	14
Environment	1
Dormitories	13
Discipline	1
Child labour	3
Non-discrimination	3
Freedom of Association	2
Subcontracting	1
Grievance system	0
Freedom of movement	1
Total	505

2018	
% of actively producing third-party contractor facilities audited at least once	63%

2018	
Number of contractor relationships that were terminated	9

Appendix: Environment



	Units	2018
NON-RENEWABLE FUELS PURCHASED AND CONSUMED (Fuel Oil, Natural gas, LNG, Propane, Diesel etc)	MWh	476,110.50
NON-RENEWABLE ELECTRICITY PURCHASED	MWh	855,504.72
TOTAL RENEWABLE ENERGY PURCHASED OR GENERATED (biomass, solar, wind, hydroelectric etc)	MWh	903,851.48

Waste

	2018	2017	2016	2015
VARIATION WASTE INTENSITY FROM 2015 BASELINE	-0.3%	-13%	-5%	0%
LANDFILL WASTE PERCENTAGE	11%	16%	14%	11%
Progress of Landfill Waste Intensity from Baseline (%)	3%	47%	31%	0%

Environmental Fines:

- Significant fines or penalties (only those >USD \$10,000) related to environmental or ecological issues:

	2018	2017	2016	2015
Number of violations of legal obligations / regulations	0	0	1	2
Amount of fines / penalties related to the above	0	0	171,000	79,000
Environmental liability accrued at year end	0	0	0	0

Total energy costs: USD \$101,501,046

GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URLs	Part Omitted	Omission Reason	Explanation
GRI 101: Foundation 2016					
General Disclosures					
GRI 102: General Disclosures 2016	Organizational profile				
	102-1 Name of the organization	2018 Annual Information Form, p. 4			
	102-2 Activities, brands, products, and services	2018 Annual Information Form, p. 10-11			
	102-3 Location of headquarters	2018 Annual Information Form, p. 4			
	102-4 Location of operations	2018 Annual Information, p. 4, 10-11			
	102-5 Ownership and legal form	2018 Annual Information, p. 4			
	102-6 Markets served	2018 Annual Information, p. 8-9			
	102-7 Scale of the organization	2018 Report to Shareholders, p. 5-8, 11-17			
	102-8 Information on employees and other workers	Our Workforce, p. 35			
		Appendix: People, p. 71			
	102-9 Supply chain	Vertical Integration, p. 9			
		Our Supply Chain, p. 45			
	102-10 Significant changes to the organization and its supply chain	2018 Report to Shareholders, p. 71			
		2018 Highlights, p. 12			
	102-11 Precautionary Principle or approach	Reporting Methodology & Assurance, p. 68			
	102-12 External initiatives	Code of Conduct			
		Stakeholders & Partners, p. 23			
	102-13 Membership of associations	Stakeholders & Partners, p. 23			
	Strategy				
	102-14 Statement from senior decision-maker	Message from The President and CEO, p. 4			
	102-15 Key impacts, risks, and opportunities	2018 Report to Shareholders, p. 34-43			
	Ethics and Integrity				
	102-16 Values, principles, standards, and norms of behavior	Vision, Mission and Values, p. 11			
		Codes and Policies			
	102-17 Mechanisms for advice and concerns about ethics	Grievance Mechanisms, p. 43			
		Contact			
	Governance				
	102-18 Governance structure	Governance, 2018 Proxy Circular, p. 52-58			
	102-19 Delegating authority	Governance, 2018 Proxy Circular, p. 54-55			
	102-20 Executive-level responsibility for economic, environmental, and social topics	Governance, 2018 Proxy Circular, p. 56			
	102-21 Consulting stakeholders on economic, environmental, and social topics	Grievance mechanisms, 2018 Proxy Circular, p. 56, 62			
	102-22 Composition of the highest governance body and its committees	Governance, 2018 Proxy Circular, p. 50-58, 68-70			
	102-23 Chair of the highest governance body	Governance, 2018 Proxy Circular, p. 52			
	102-24 Nominating and selecting the highest governance body	Governance, 2018 Proxy Circular, p. 54, 59-61			
	102-25 Conflicts of interest	Governance, 2018 Proxy Circular, p. 52-53			

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102-26 Role of highest governance body in setting purpose, values, and strategy	Governance, 2018 Proxy Circular, p. 53-54			
102-27 Collective knowledge of highest governance body	Governance, 2018 Proxy Circular, p. 62-63			
102-28 Evaluating the highest governance body's performance	Governance, 2018 Proxy Circular, p. 59-61			
102-29 Identifying and managing economic, environmental, and social impacts	Governance, 2018 Proxy Circular, p. 64			
102-30 Effectiveness of risk management processes	Governance, 2018 Proxy Circular, p. 64			
102-31 Review of economic, environmental, and social topics	Governance, 2018 Proxy Circular, p. 53, 64			
102-32 Highest governance body's role in sustainability reporting	Governance, 2018 Proxy Circular, p. 56			
102-33 Communicating critical concerns	Grievance mechanisms, 2017 Proxy Circular, p. 58-59			
102-34 Nature and total number of critical concerns	Social Compliance and Monitoring, p. 46 - 47			
	Environmental Audits, p. 61			
	Appendices, p. 72 - 73			
102-35 Remuneration policies	2018 Proxy Circular, p. 20-51			
102-36 Process for determining remuneration	2018 Proxy Circular, p. 20-51			
102-37 Stakeholders involvement in remuneration	2018 Proxy Circular, p. 9			
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.
Stakeholder Engagement				
102-40 List of stakeholder groups	Stakeholders & Partners, p. 23			
	Reporting Methodology & Assurance, p. 68			
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102-41 Collective bargaining agreements	Freedom of Association, p. 43			
102-42 Identifying and selecting stakeholders	Stakeholders & Partners, p. 23			
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102-43 Approach to stakeholder engagement	Stakeholders & Partners, p. 23			
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102-44 Key topics and concerns raised	Genuine Responsibility Strategy, p. 20			
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	Reporting Practice				
	102-45 Entities included in the consolidated financial statements	Reporting Methodology & Assurance, p. 68			
		2018 Report to Shareholders, p. 55-58			
	102-46 Defining report content and topic Boundaries	Genuine Responsibility Strategy, p. 20			
		Reporting Methodology & Assurance, p. 68			
	102-47 List of material topics	Genuine Responsibility Summary, p. 21			
	102-48 Restatements of information	Reporting Methodology & Assurance, p. 68			
	102-49 Changes in reporting	Reporting Methodology & Assurance, p. 68			
	102-50 Reporting period	Reporting Methodology & Assurance, p. 68			
	102-51 Date of most recent report	Reporting Methodology & Assurance, p. 68			
	102-52 Reporting cycle	Reporting Methodology & Assurance, p. 68			
	102-53 Contact point for questions regarding the report	Reporting Methodology & Assurance, p. 68			
	102-54 Claims of reporting in accordance with the GRI Standards	Reporting Methodology & Assurance, p. 68			
	102-55 GRI content index	GRI Standards Content Index			
	102-56 External assurance	Reporting Methodology & Assurance, p. 68			
GRI 201: Economic Performance 2016	103-1 Explanation of the material topic and its Boundary	About Gildan, p. 7			
		Reporting Methodology & Assurance, p. 68			
	103-2 The management approach and its components	2018 Highlights, p. 12			
	103-3 Evaluation of the management approach	2018 Highlights, p. 12			
	201-1 Direct economic value generated and distributed	2018 Report to Shareholders, p. 11, 90-98			
	201-2 Financial implications and other risks and opportunities due to climate change	2018 Report to Shareholders, p. 37			
	201-3 Defined benefit plan obligations and other retirement plans	2018 Report to Shareholder, p. 64, 78, 90			
	201-4 Financial assistance received from government	2018 Report to Shareholders, p. 91			
GRI 202: Market Presence 2016	103-1 Explanation of the material topic and its Boundary	Genuine Responsibility Summary, p. 21			
		Fair Wages, p. 39			
		Local Talent, p. 63			
		Reporting Methodology & Assurance, p. 68			
	103-2 The management approach and its components	Goals and Targets, p. 25			
		Fair Wages, p. 39			
		Local Talent, p. 63			

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	103-3 Evaluation of the management approach	Goals and Targets, p. 25			
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	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Appendix: People, p. 72	This indicator is partially reported	Confidentiality constraints	The information is subject to specific confidentiality constraints.
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GRI 203: Indirect Economic Impacts 2016	202-2 Proportion of senior management hired from the local community	Local Talent, p. 63			
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		Reporting Methodology & Assurance, p. 68			
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GRI 204 : Procurement Practices 2016	203-1 Infrastructure investments and services supported	Economic Impact, p. 63			
	203-2 Significant indirect economic impacts	Economic Impact, p. 63			
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		SDG 8, p. 22			
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GRI 205: Anti-corruption 2016	103-2 The management approach and its components	Program Governance, p. 21			
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	204-1 Proportion of spending on local suppliers	Local Suppliers, p. 63			
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		Code of Ethics, p. 17			
		Anti-Corruption Policy and Compliance Program, p. 17			
	103-2 The management approach and its components	Ethics and Compliance Hotline, p. 18			
		Code of Ethics, p. 12-13			
	103-3 Evaluation of the management approach	Anti-Corruption Policy and Compliance Program, p. 17			
		Risk Management, p. 18			
	205-1 Operations assessed for risks related to corruption	Anti-Corruption Policy and Compliance Program, p. 17			

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	205-2 Communication and training about anti-corruption policies and procedures	Anti-Corruption Policy and Compliance Program, p. 17	This indicator is partially reported	Information unavailable	In 2018, Gildan launched a company-wide online training on its Anti-Corruption Policy for administrative and management employees. In 2019 we plan to conduct a new Company-wide training program to reinforce this Policy.
	205-3 Confirmed incidents of corruption and actions taken	Anti-Corruption Policy and Compliance Program, p. 17			
GRI 206: Anti-competitive Behavior 2016	103-1 Explanation of the material topic and its Boundary	Code of Ethics, p. 21-22			
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	103-2 The management approach and its components	Code of Ethics, p. 17			
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		Ethics and Compliance Hotline, p. 18			
	103-3 Evaluation of the management approach	Risk Management, p. 18			
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Other matters, p. 19			
GRI 300 Environmental Standards Series - Material Topics					
GRI 301: Materials 2016	103-1 Explanation of the material topic and its Boundary	Cotton, p. 59			
		Reporting Methodology & Assurance, p. 68			
	103-2 The management approach and its components	Cotton, p. 59			
	103-3 Evaluation of the management approach	Cotton, p. 59			
	301-1 Materials used by weight or volume	Cotton, p. 59	This indicator is partially reported	Confidentiality constraints	The information is subject to specific confidentiality constraints.
	301-2 Recycled input materials used	Waste Management, p. 57			
	301-3 Reclaimed products and their packaging materials	Waste Management, p. 57			
GRI 302: Energy 2016	103-1 Explanation of the material topic and its Boundary	Genuine Responsibility Summary, p. 21			
		Energy Use, p. 50			
		Reporting Methodology & Assurance, p. 68			
	103-2 The management approach and its components	Program Governance, p. 21			
		Goals and Targets, p. 26			
		Energy Use, p. 50			
		Renewable Energy, p. 53			
		Energy Efficiency, p. 53			
		Energy Efficiency Innovations, p. 54			

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	103-3 Evaluation of the management approach	Goals and Targets, p. 26			
		Energy Use, p. 50			
		Appendix: Environment, p. 74			
	302-1 Energy consumption within the organization	Energy Use, p. 50			
		Appendix: Environment, p. 74			
	302-2 Energy consumption outside of the organization	Energy Use, p. 51			
	302-3 Energy intensity	Energy Use, p. 50			
	302-4 Reduction of energy consumption	Energy Use, p. 50			
Operational Water and Wastewater Management					
GRI 303: Water 2016	103-1 Explanation of the material topic and its Boundary	Genuine Responsibility Summary, p. 21			
		Water Management, p. 55			
		Reporting Methodology & Assurance, p. 68			
	103-2 The management approach and its components	Program Governance, p. 21			
		Goals and Targets, p. 26			
		Water Management, p. 55			
		Environmental Policy and Management Systems, p. 60			
	103-3 Evaluation of the management approach	Goals and Targets, p. 26			
		Water Consumption, p. 55			
		Environmental Policy and Management Systems, p. 60			
	303-1 Water withdrawal by source	Water Consumption, p. 55			
	303-2 Water sources significantly affected by withdrawal of water	Water Consumption, p. 55			
	303-3 Water recycled and reused	Water Consumption, p. 55			
		Wastewater Management, p. 55			
GRI 306: Effluents and Waste 2016	103-1 Explanation of the material topic and its Boundary	Genuine Responsibility Summary, p. 21			
		Wastewater Management, p. 55			
		Waste Management, p. 57			
		Reporting Methodology & Assurance, p. 68			
	103-2 The management approach and its components	Program Governance, p. 21			
		Goals and Targets, p. 26			
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	103-3 Evaluation of the management approach	Goals and Targets, p. 26			
		Wastewater Management, p. 55			
		Waste Management, p. 57			
		Environmental Policy and Management Systems, p. 60			
		Appendix: Environment, p. 74			
	306-1 Water discharge by quality and destination	Wastewater Management, p. 55			
	306-2 Waste by type and disposal method	Waste Management, p. 57	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.
		Appendix: Environment, p. 74			
	306-3 Significant spills		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.
	306-4 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.
GRI 304: Biodiversity 2016	103-1 Explanation of the material topic and its Boundary	Genuine Responsibility Summary, p. 21			
	103-2 The management approach and its components	Biodiversity, p. 56			
		Environmental Policy and Management Systems, p. 60			
	103-3 Evaluation of the management approach	Biodiversity, p. 56			
		Environmental Policy and Management Systems, p. 60			
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		This indicator is not reported	Not applicable	Not material
	304-2 Significant impacts of activities, products, and services on biodiversity		This indicator is not reported	Not applicable	Not material
	304-3 Habitats protected or restored	Environment, p. 66	This indicator is partially reported	Not applicable	Not material
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity, p. 56	This indicator is partially reported	Not applicable	Not material

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GRI 305: Emissions 2016	103-1 Explanation of the material topic and its Boundary	Genuine Responsibility Summary, p. 21			
		Air Emissions, p. 51			
		Reporting Methodology & Assurance, p. 68			
	103-2 The management approach and its components	Program Governance, p. 21			
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		Environmental Policy and Management Systems, p. 60			
	103-3 Evaluation of the management approach	Goals and Targets, p. 26			
		Air Emissions, p. 51			
		Environmental Policy and Management Systems, p. 60			
	Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions, p. 52			
	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions, p. 52			
	Other indirect (Scope 3) GHG emissions	Greenhouse Gas Emissions, p. 52	The indicator is partially reported	Information unavailable	Gildan started to collect Scope 3 data in 2018.
	GHG emissions intensity	Greenhouse Gas Emissions, p. 52			
	Reduction of GHG emissions	Greenhouse Gas Emissions, p. 52			
	Emissions of ozone-depleting substances (ODS)	Ozone Depleting Substances, p. 52			
	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Inorganic Air Emissions, p. 52			
GRI 307: Environmental Compliance 2016	103-1 Explanation of the material topic and its Boundary	Genuine Responsibility Summary, p. 21			
		Environmental Policy and Management Systems, p. 60			
		Reporting Methodology & Assurance, p. 68			
		2018 Annual Information, p. 19			
	103-2 The management approach and its components	Program Governance, p. 21			
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		Environmental Policy and Management Systems, p. 60			
	103-3 Evaluation of the management approach	Goals and Targets, p. 26			
		Environmental Policy and Management Systems, p. 60			
		Appendix: Environment, p. 74			
	307-1 Non-compliance with environmental laws and regulations	Environmental Expenditures and Fines, p. 60			
		Appendix: Environment, p. 74			

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GRI 308: Supplier Environmental Assessment 2016	103-1 Explanation of the material topic and its Boundary	Audits, p. 61			
	103-2 The management approach and its components	Social Compliance and Monitoring, p. 46			
		Audits, p. 61			
	103-3 Evaluation of the management approach	Overview of 2018 Audit Findings, p. 46			
		Audit Findings in 2018, p. 61			
		Appendix: People, p. 73			
	308-1 New suppliers that were screened using environmental criteria	Responsible Sourcing, p. 44			
	308-2 Negative environmental impacts in the supply chain and actions taken	Overview of 2018 Audit Findings, p. 46			
GRI 400 Social Standards Series - Material Topics					
GRI 401: Employment 2016	103-1 Explanation of the material topic and its Boundary	Genuine Responsibility Summary, p. 21			
		Our Workforce, p. 35			
		Reporting Methodology & Assurance, p. 68			
	103-2 The management approach and its components	Program Governance, p. 21			
		Our Workforce, p. 35			
	103-3 Evaluation of the management approach	Appendix: People, p. 71			
	401-1 New employee hires and employee turnover	Appendix: People, p. 71			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits, p. 39			
	401-3 Parental leave		This indicator is not reported	Confidentiality Constraints	Parental leave details per locations is not disclosed publicly.
Operational Water and Wastewater Management					
GRI 403: Occupational Health and Safety 2016	103-1 Explanation of the material topic and its Boundary	Genuine Responsibility Summary, p. 21			
		Our Workplace, p. 29			
		Reporting Methodology & Assurance, p. 68			
	103-2 The management approach and its components	Program Governance, p. 21			
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	103-3 Evaluation of the management approach	Goals and Targets, p. 25			
		Health and Safety Performance, p. 29			
		Health and Safety Metrics, p. 30			
		Global Work Related Incidents ten-year trends, p. 30			
		Social Compliance and Monitoring, p. 46			
		Overview of 2018 Audit Findings, p. 60			
		Appendix: People, p. 72			
	403-1 Occupational health and safety management	Health and Safety, p. 29			
		Global Health and Safety Policy			
	403-2 Hazard identification, risk assessment, and incident investigation	Health and Safety, p. 29			
		Ergonomics, p. 32			
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		Global Health and Safety Policy			
	403-3 Occupational health services	Ergonomics, p. 32			
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	403-4 Worker participation, consultation, and communication on occupational health and safety	Local Health and Safety Committees, p. 31			
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	403-6 Promotion of worker health	Healthy lifestyles, p. 33			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Global Health and Safety Policy			
		Responsible Sourcing, p. 45			
	403-8 Workers covered by an occupational health and safety management system	Global Health and Safety Policy			
	403-9 Work-related injuries	Health and Safety Performance, p. 29	This indicator is partially reported	Confidentiality Constraints	The complete Health & Safety data is not publicly disclosed.
		Health and Safety Metrics, p. 30			
		Global Work Related Incidents ten-year trends, p. 30			
	403-10 Work-related ill health	Appendix: People, p. 72	This indicator is partially reported	Confidentiality Constraints	The complete Health & Safety data is not publicly disclosed.
GRI 404: Training and Education 2016	103-1 Explanation of the material topic and its Boundary	Training and Development Programs, p. 40			
		Reporting Methodology & Assurance, p. 68			
	103-2 The management approach and its components	Program Governance, p. 21			
		Training and Development Programs, p. 40			

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	103-3 Evaluation of the management approach	Performance Management, p. 42			
	404-1 Average hours of training per year per employee	Training and Development Programs, p. 40	This indicator is partially reported	Information unavailable	The information related to the number of hours of training by gender and employee category are not available in every location.
		Appendix: People, p. 72			
	404-2 Programs for upgrading employee skills and transition assistance programs	Training and Development Programs, p. 40			
GRI 405: Diversity and Equal Opportunity 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Performance Management, p. 42			
	103-1 Explanation of the material topic and its Boundary	Genuine Responsibility Summary, p. 21			
		Diversity and Inclusion, p. 35			
		Diversity and Inclusion Policy			
		Reporting Methodology & Assurance, p. 68			
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	103-3 Evaluation of the management approach	Goals and Targets, p. 25			
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	405-1 Diversity of governance bodies and employees	Diversity and Inclusion, p. 35			
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Human and Labour Rights					
GRI 402: Labour Management/Relations 2016	103-1 Explanation of the material topic and its Boundary	Caring for our People, p. 28			
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	103-2 The management approach and its components	Our Workplace, p. 29			
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		Grievance Mechanisms, p. 43			
	103-3 Evaluation of the management approach	Goals and Targets, p. 25			
		Grievance Mechanisms, p. 43			
		Social Compliance and Monitoring, p. 46			
	402-1 Minimum notice periods regarding operational changes		This indicator is not reported	Confidentiality constraints	This internal policy is not publicly disclosed

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GRI 406: Non-Discrimination 2016	103-1 Explanation of the material topic and its Boundary	Genuine Responsibility Summary, p. 21			
		Reporting Methodology & Assurance, p. 68			
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		Social Compliance and Monitoring, p. 46			
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	406-1 Incidents of discrimination and corrective action taken	Overview of 2018 Audit Findings, p. 46			
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GRI 407: Freedom of Association and Collective Bargaining 2016	103-1 Explanation of the material topic and its Boundary	Genuine Responsibility Summary, p. 21			
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	103-2 The management approach and its components	Program Governance, p. 21			
		Goals and Targets, p. 25			
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	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Goals and Targets, p. 25			
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GRI 408: Child Labor 2016	103-1 Explanation of the material topic and its Boundary	Genuine Responsibility Summary, p. 21			
		Reporting Methodology & Assurance, p. 68			
	103-2 The management approach and its components	Program Governance, p. 21			
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		Human Rights, p. 43			
		"Policies to prevent human rights adverse impacts, p. 44"			
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GRI 409: Forced or Compulsory Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Appendix: People, p. 73			
		2018 Statement on Modern Slavery and Human Trafficking			
	103-1 Explanation of the material topic and its Boundary	Genuine Responsibility Summary, p. 21			
		Reporting Methodology & Assurance, p. 68			
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		Appendix: People, p. 72			
		2018 Statement on Modern Slavery and Human Trafficking			
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Appendix: People, p. 72			
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GRI 410: Security Practices	103-1 Explanation of the material topic and its Boundary		This indicator is not reported	Not applicable	Not material
	103-2 The management approach and its components		This indicator is not reported	Not applicable	Not material
	103-3 Evaluation of the management approach		This indicator is not reported	Not applicable	Not material
	410-1 Security personnel trained in human rights policies or procedures		This indicator is not reported	Not applicable	Not material
GRI 411: Rights of Indigenous Peoples	103-1 Explanation of the material topic and its Boundary	Risk management, p. 19			
	103-2 The management approach and its components		This indicator is not reported	Not applicable	Not material
	103-3 Evaluation of the management approach		This indicator is not reported	Not applicable	Not material
	411-1 Incidents of violations involving rights of indigenous peoples		This indicator is not reported	Not applicable	Not material
GRI 412: Human Rights Assessment 2016	103-1 Explanation of the material topic and its Boundary	Genuine Responsibility Summary, p. 21			
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	413-1 Operations with local community engagement, impact assessments, and development programs	Economic Impact, p. 63			
		Community Engagement, p. 64			
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GRI 414: Supplier Social Assessment 2016	103-1 Explanation of the material topic and its Boundary	Social Compliance and Monitoring, p. 46			
		Reporting Methodology & Assurance, p. 68			
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GRI 415: Public Policy 2016	103-1 Explanation of the material topic and its Boundary	Code of Ethics, p. 17			
	103-2 The management approach and its components	Code of Ethics, p. 17			
		Ethics and Compliance Hotline, p. 18			
	103-3 Evaluation of the management approach	Code of Ethics, p. 17			
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	415-1 Political contributions	Gildan Code of Ethics, p. 32			
GRI 416: Customer Health and Safety 2016	103-1 Explanation of the material topic and its Boundary	Product Quality and Safety, p. 7			
		Reporting Methodology & Assurance, p. 68			
	103-2 The management approach and its components	Product Quality and Safety, p. 7			
		Safe Chemistry, p. 58			
	103-3 Evaluation of the management approach	Product Quality and Safety, p. 7			
		Safe Chemistry, p. 58			
	416-1 Assessment of the health and safety impacts of product and service categories	Product Quality and Safety, p. 7			
GRI 417: Marketing and Labeling 2016	103-1 Explanation of the material topic and its Boundary		This indicator is not reported	Not applicable	Not material
	103-2 The management approach and its components		This indicator is not reported	Not applicable	Not material
	103-3 Evaluation of the management approach		This indicator is not reported	Not applicable	Not material
	417-1 Requirements for product and service information and labeling		This indicator is not reported	Not applicable	Not material
	417-2 Incidents of non-compliance concerning product and service information and labeling		This indicator is not reported	Not applicable	Not material
	417-3 Incidents of non-compliance concerning marketing communications		This indicator is not reported	Not applicable	Not material
GRI 418: Customer Privacy 2016	103-1 Explanation of the material topic and its Boundary	Reporting Methodology & Assurance, p. 68			
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GRI 419: Socio-economic Compliance 2016	103-1 Explanation of the material topic and its Boundary	Genuine Responsibility Summary, p. 21			
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	419-1 Non-compliance with laws and regulations in the social and economic area	Risk management, p. 19			

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