



CARING



CONSERVING



CREATING



MAKING  
APPAREL  
BETTER™



[genuineresponsibility.com](http://genuineresponsibility.com)



GENUINE  
RESPONSIBILITY™

GILDAN®

ANVIL®


COMFORT COLORS®

ALSTYLE®  
APPAREL & ACTIVEWEAR

American Apparel®

PRIM + PREUX





We manufacture everyday family apparel for customers globally, guided by the belief that caring for our people, conserving the environment and creating stronger communities are key factors in our success and future growth.

*Annual sales of 2.75 Billion in 2017*

*Gildan products are sold in over 60 countries*

#### **MAKING APPAREL BETTER™**

Gildan was founded on the basic principle that the best strategy was to own our manufacturing facilities, focus on our customers, embrace our entrepreneurial spirit and treat everyone with respect and dignity.

More than 30 years later, these same principles remain in place, continuing to guide our business strategies and our vision of Making Apparel Better™.

#### **GENUINE RESPONSIBILITY™**

Our Genuine Responsibility™ program, launched more than 15 years ago, incorporates comprehensive elements that govern everything we do in the areas of corporate, social and environmental responsibility.

Going well beyond “doing the right thing,” Genuine Responsibility™ drives us to look for new and better ways to reduce our footprint and create positive impacts for our people, their families and the communities where we operate.

Over 90% of our total revenues are generated from products we manufacture in our own facilities. This direct control over the entire process, from raw materials to finished garments, allows us to engineer and implement programs that keep our employees safe and healthy, reduce our environmental footprint and remain true to our vision of **MAKING APPAREL BETTER™**

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# CARING

## FOR OUR PEOPLE

We believe that by providing employees with quality employment opportunities in safe and rewarding work environments, we increase the prosperity of not only our employees, but their families and communities as well.

### SAFE AND ERGONOMIC WORKPLACES

Our focus is on creating safe and healthy workplaces for our 50,000 employees through investments in modern equipment and technology, rigorous health and safety programs as well as carefully engineered worker ergonomics, material handling and process design.

Our manufacturing employees have 24/7 access to free onsite medical clinics which provide primary care, free vaccinations and health awareness campaigns throughout the year. In further support of reducing worker strain and potential injury, employees have access to onsite Schools for Back and Shoulder Health for exercise and preventative awareness programs.

**181,075 free medical consultations provided in our 24/7 medical clinics**

### FAIR WAGES

We believe that all employees should be fairly compensated with a wage that covers their basic needs and provides some discretionary income. Our commitment to our employees goes well beyond ensuring fair wages.

We strive to provide benefits that include primary medical care and other wellness programs, subsidized meals, financial assistance, free transportation and access to training and development programs that empower our employees both professionally and personally. We understand that our comprehensive training and education programs, high school education equivalency programs as well as scholarships for employees' continued professional development hold promise for a better future.

**US \$4.9M invested in free transportation for employees in 2017**

**2,192,312 man-hours of training provided**



### FREEDOM OF ASSOCIATION

We recognize our employees' rights to form or join any organization, including unions, and their right to collectively bargain with the Company.

**More than 54% of our employees are represented by a union**

### ETHICAL EMPLOYMENT PRACTICES

All employees have the right to safe and ethically governed workplaces, always free from harassment or prejudice in any form. These rights are upheld through strict adherence to the Company's Code of Conduct and related policies. Employees have access to several grievance mechanisms that allow employees, partners and other stakeholders to report non-compliance with any of our Code elements anonymously and without fear of repercussions.

**100% of employees have access to an anonymous Toll-Free Hotline to voice grievances**

### EVERYDAY APPAREL, DONE RIGHT

Our Code of Conduct and Code of Ethics are the key elements that support our commitment to respecting employees' rights throughout our operations and global supply chain. Our Social Compliance Program ensures that all of our company-owned facilities, as well as our contractors, comply with our Code of Conduct, local and international laws and best practice industry codes. As part of the Company's onboarding training, all employees are provided training on our Code of Conduct, employees' rights and health and safety.

**100% of our company-owned and dedicated manufacturing facilities outside of the USA had complete social compliance audits conducted in 2017**

# CONSERVING

## THE ENVIRONMENT

As one of the world's largest vertically-integrated manufacturers of textiles and apparel, we are able to uncover efficiencies most brands cannot see. Our founding principles drive us to minimize waste, optimize natural resources and pursue continuous improvements in every aspect of our operations.

Our unparalleled investments in sustainable solutions and innovative technologies have helped reduce our environmental impacts and drive our long-term success. Owning our facilities has allowed us to invest in large-scale systems that have reduced our water usage in the production of our garments by 10% since 2015 and enabled us to power 43% of our energy needs from renewable sources.

We lead the industry with many of our innovations such as our BioTop wastewater treatment system that uses bacteria, sunlight and gravity to treat water in a natural process. Additionally, our BioMass steam generation systems use agricultural and

operational waste by-products to produce thermal energy. We are also continuously working to increase water efficiency and piloting research projects to reduce our water extraction loads by reintegrating recovered water back into our processes.

We recycle or repurpose 86% of our waste, thanks to our investments in equipment and technology and by engineering manufacturing processes to minimize waste. We also recycle process waste from some products to become partial inputs in the production of other products.

***Heat recovery systems saved burning 1.5 million gallons of fossil fuels and over 15,000 metric tons of GHG emissions***

***BioMass systems generated reduced GHG emissions by 150,000 metric tons... like taking 32,000 cars off the road***



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# CREATING

## STRONG COMMUNITIES

We are committed to playing an active role in local communities through a wide range of projects focused on youth education, active living, the environment and entrepreneurship. We create value for communities and our company by strengthening social programs and supporting economic development.

### COMMUNITY ENGAGEMENT

We create opportunities for employees to connect with their communities and give something back through employee fundraising or volunteering initiatives.

In 2017, we partnered with Pencils of Promise through our American Apparel® brand to help raise awareness and support for child literacy. The Pencils of Promise collection contributed U.S. \$220,000 in 2017 to build new schools, improve classroom environments and provide support for teachers in Guatemala and Ghana.

*US \$1.6 million invested in community projects worldwide*



### DEVELOPING LOCAL ECONOMIES

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

One of the Company's initial philosophies in expanding production into the regions where we operate was to "think globally, but manage locally" by favoring local management and supporting the development of local supply chains. We have implemented extensive training and development programs for our employees, providing them with opportunities to develop and grow within the Company.

*86.5% of our management positions are staffed with local candidates*

*\$150 million worth of materials & services were purchased from local suppliers in Central America and the Caribbean Basin*

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# PARTNERSHIPS

We understand that our Company is part of a bigger whole. We believe that proactive stakeholder engagement is a big part of operating responsibly and achieving our goals. The common goals we share with our stakeholders are improving the lives of the people involved in manufacturing our products, ensuring an ethical and stimulating work environment, and respecting and enhancing the local communities in which we operate.

Our Company is proud to be associated with leading industry standards and NGO's and to participate in global sustainability initiatives such as:

- *Fair Labor Association (FLA)*
- *Worldwide Responsible Accredited Production (WRAP)*
- *Oeko-Tex Standard 100*
- *ILO Better Work - Haiti*
- *Sustainable Apparel Coalition (SAC)*
- *Carbon Disclosure Project (CDP)*
- *Supplier Ethical Data Exchange (SEDEX)*

## RECOGNITIONS

We have developed our strong programs because of a fundamental belief that operating responsibly and sustainably drives our business success. We are also quite proud to be recognized for our industry leadership.

### **Dow Jones Sustainability Index**

In 2017 Gildan was included in the Dow Jones Sustainability Index for the fifth consecutive year.

### **Bronze Class Distinction in the Robecosam 2017 Sustainability Yearbook**

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

### **Distintivo ESR® Award**

Gildan received the Distintivo award for the 2nd year. Distintivo ESR® aims to recognize companies' efforts to voluntarily and publicly undertake the commitment to implement socially responsible management and continuous improvement initiatives as part of their culture and business strategy.

### **Best Corporate Sustainability Report – Consumer Products (FSI)**

Gildan received the Award for Best Corporate Sustainability Report – Consumer Products from the Finance and Sustainability Initiative (FSI). This annual competition aims to promote excellence in sustainable development reporting among Canadian public companies.

### **2017 Entrepreneurial Orchid Award for CSR**

Gildan has been recognized by the Presidency of the Republic of Honduras and the Secretariat of Economic Development for its various community projects focused on strengthening education, improving child health and care services in the Northern Zone, and facilitating access to housing for its employees in 2015 and 2016.

### **2017 Ethibel EXCELLENCE Investment Register**

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

### **2017 FUNDAHRSE CSR Seal**

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