



September 23, 2015

Jen Schaeffers  
Executive Director  
CKNW Kids' Fund  
2000 - 700 W. Georgia St.  
Vancouver, BC, V7Y 1K9

Dear Ms. Schaeffers,

In light of the recent letter sent to you by Stephanie Smith, President of the B.C Government and Service Employees' Union, I would like to take the opportunity to introduce you to Gildan and provide you with an overview of our Corporate Social Responsibility program. I can assure you that Gildan is fully dedicated to being a socially responsible employer at all of our geographical hubs and committed to adhering to progressive hiring and employment practices.

Over the years, Gildan has implemented an extensive social responsibility compliance program to ensure our employees are treated with respect and fairness. Gildan is committed to having all of its own manufacturing facilities and contractors comply with its strict internal code of conduct which encompasses local and international laws, the code of conduct of the Fair Labor Association (FLA), the Worldwide Responsible Accredited Production's (WRAP) set of principles and best practices in the industry. The twelve principles of our code of conduct present the Company's position on child and forced labour, employment relationships, compensation and benefits, hours of work, health and safety, environment, freedom of association, harassment or abuse, grievance procedures, discrimination as well as documentation and inspection.

Gildan's Code of conduct is the base for the development of our social compliance program, which was accredited in June 2007 by the FLA, a multi-stakeholder coalition of companies, universities and non-governmental organizations committed to the implementation of a rigorous code of conduct based on the fundamental labour standards of the International Labor Organization. Gildan was the first vertically-integrated basic activewear apparel manufacturer to have its labour compliance program accredited by the FLA. Participating companies in the FLA are eligible for accreditation after a three-year period during which the FLA verifies their compliance with its workplace code of conduct requirements. Accreditation is the FLA's most advanced recognition of a company's labour compliance program.

To ensure that our Code of Conduct principles are respected, we regularly conduct internal and external audits. In 2014, a total of 244 monitoring visits were performed by internal and external auditors at our Gildan-owned facilities as well as third party contractors the Company uses to source production. Each audit is followed by an action plan which allows us to identify remediation actions and areas of improvement. Our approach to sustainable compliance encompasses the identification of non-compliant situations and finding root causes to develop long-term solutions.

In addition, Gildan's sewing facilities have been certified by WRAP, an independent, non-profit organization dedicated to the promotion and certification of lawful, humane and ethical manufacturing throughout the world. WRAP promotes a set of principles which ensures that core labour concepts are understood and practiced on the shop floor and by management. WRAP relies upon independent, third-party monitors to certify that factories are in compliance with its set of principles.

Our own strict set of standards provide our employees with fair wages and benefits, paired together with healthy, safe and pleasant working conditions. We also provide our employees with additional benefits, such as free medical care and subsidized transportation and meals. Over the years, we have also built houses and schools, provided medical supplies, offered educational programs and delivered other basic necessities, where needed, to improve the quality of life of our employees and their communities. In every country where Gildan has operations, the Company partners with the community in order to implement sustainable programs in the areas of education and humanitarian aid. For instance, in Honduras, Gildan spearheaded the development of an industry-wide initiative to create the Central American Polytechnic Institute (IPC), a technical school which has graduated over 6,000 students since its inception in 2005. To date, Gildan has invested over \$1.5 million into the IPC.

Gildan provides frontline healthcare to its employees in Central America (Honduras and Nicaragua), the Dominican Republic and Bangladesh through fully equipped medical clinics at each of these manufacturing facilities. While focusing on workplace-related health issues, our medical team composed of 27 doctors and 55 nurses are also often called upon to provide such services as pre-natal care and vaccinations. Medical staff provides medical attention and general treatment for various medical issues including ergonomic related matters.

Gildan also has a number of controls and safety procedures implemented at its owned facilities in order to ensure the overall safety of its entire workforce. At Gildan, occupational health and safety practices are a top priority. At all Gildan owned facilities and at many of our administrative offices, we have established formal Health and Safety Committees composed of managers, supervisors and production workers, who meet once a month to discuss preventive measures to be implemented. In total, Gildan has a team of 45 employees composed of EHS Managers, Chiefs, Officers and Coordinators for both the textile and sewing operations who are dedicated to raising the Company's ergonomics program to the highest standard. Committees also review health and safety accidents and suggest improvements to our health and safety programs. These suggested improvements are implemented by health and safety managers who are also responsible for developing related procedures at all of our sewing and textile operations. Additionally, each year, Gildan provides a number of health and safety training sessions to employees at all levels at each of its facilities.

Gildan is working with the Ergonomic Center of North Carolina (ECNC) to partner in the development and implementation of a best-in-class ergonomics program. We selected the ECNC for its leading reputation in ergonomic practices and for its rigorous standards and extensive experience with large companies operating in the apparel industry. The mandate of the program was to identify and troubleshoot ergonomic risks. This 5-level ergonomics program is currently being implemented at all Gildan manufacturing locations in Central America, the Dominican Republic and Bangladesh.

As part of the Company's ergonomic practices, in addition to two standard 15 minute rest breaks, employees have two mandatory breaks per day dedicated to exercises designed to help them develop better postures and practice muscle relaxation. All ergonomics committee members are trained in musculoskeletal disorder (MSD) identification; prioritization of ergonomic stressors; root cause determination; risk analysis techniques; development of control measures; and design criteria. In addition, they interact directly with the production employees to identify risks, receive feedback and implement ergonomics controls. In total, Gildan and the ECNC have trained approximately 137 staff experts in ergonomics in Honduras and Nicaragua who in turn have led the implementation of ergonomics programs at each facility since the beginning of the program. To sustain the full function of the program at each facility, more than 13,000 employees in Central America were trained in ergonomics in 2014. This training includes topics such as postures; types of injuries; early symptom indicators; medical intervention; and preventative measures related to work and everyday activities. Ergonomics is also included as part of the induction process undertaken by all new employees.

Over the last few years, Gildan has worked in a spirit of collaboration and maintains ongoing constructive dialogue on a wide range of issues with both internationally recognized NGOs and local NGOs operating in the communities in which we have operations. We have quickly found that this proactive approach has helped us arrive at mutually satisfactory resolutions to any issues that might arise at one of our plants or at our third party contractors. We are committed to continuing to engage with responsible organizations.

In response to concerns raised by CODEMUH, a Honduras NGO, to the FLA, Gildan submitted a detailed and comprehensive report to the FLA concerning the company's ergonomics programs at each of its facilities. In 2013, the FLA filed an overall positive report concerning Gildan's ergonomics practices and provided some recommendations which Gildan has since implemented. The FLA's review was conducted by independent experts, chosen by the FLA, who have extensive expertise in the region.

Finally, I would like to highlight that Gildan was recently included in the Dow Jones Sustainability World Index (DJSI World) for a third consecutive year and currently is the only North American company to be named to DJSI World under the Textiles, Apparel and Luxury Goods sector. The Dow Jones Sustainability Indices (DJSI) track the financial performance of the leading sustainability-driven companies worldwide. These indices serve as benchmarks for investors who integrate sustainability considerations into their investment philosophy. The annual DJSI review is based on a thorough analysis of corporate economic, environmental and social performance carried out by RobecoSAM, an investment specialist focused exclusively on sustainability investing. The analysis covers issues such as supply chain standards and labour practices, environmental policy/management systems, corporate governance and risk management.

We invite you to visit Gildan's Corporate Citizenship website at [www.genuinegildan.com](http://www.genuinegildan.com) where you can find more detailed and transparent information on our governance and labour practices, community involvement and environmental sustainability programs.

Please do not hesitate to contact me should you require additional information.

Yours truly,



Peter Iliopoulos  
Senior Vice President, Public & Corporate Affairs  
Gildan Activewear Inc.

C.C: Stephanie Smith, President B.C Government and Service Employees' Union  
Ian Huntley, President, BrandAlliance, BC  
Terie Vickers-Craig, Director of Vendor Relations, BrandAlliance  
Claudia Sandoval  
John Martin  
Ted Krason