

Gildan Activewear Inc.

TICKER
 TSE:GIL

MARKET CAPITALIZATION
 US\$7 billion

HEADQUARTERS
 Canada

DISCLOSURES
UK Modern Slavery Act: Yes

California Transparency in Supply Chains Act: Yes

TARGETS

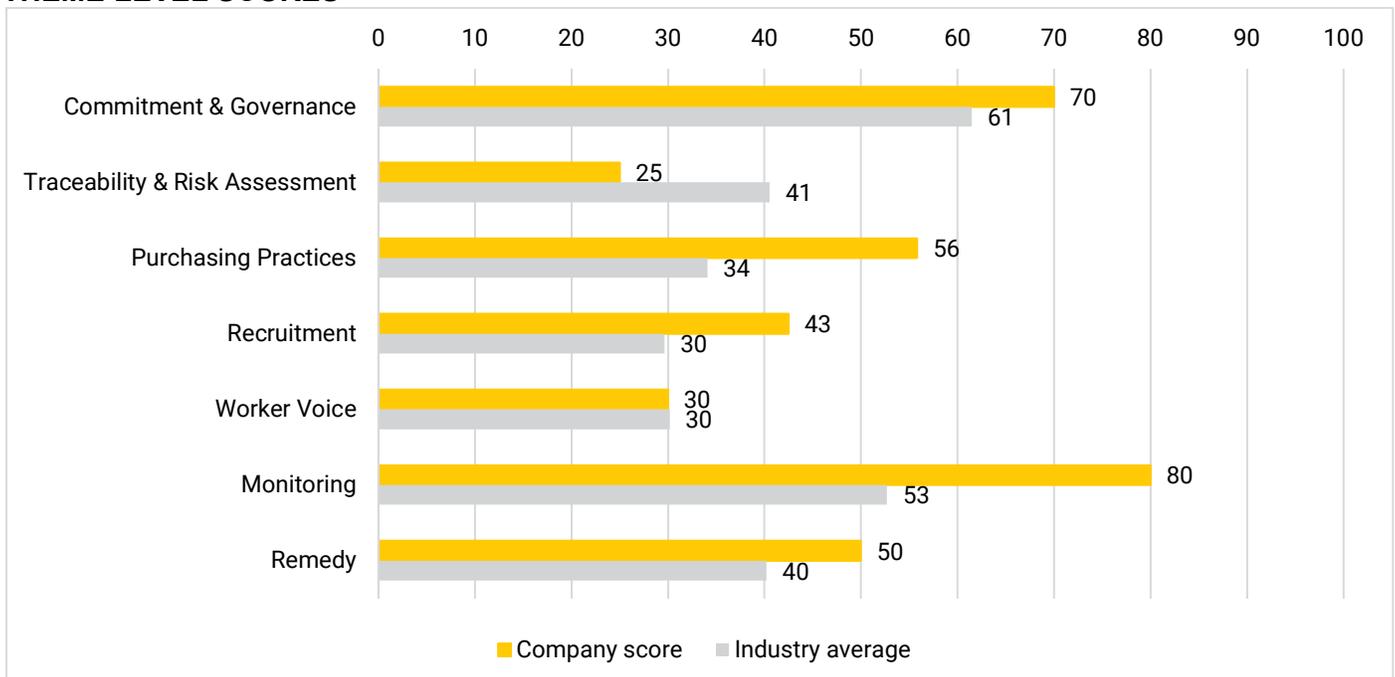
Yes

OVERALL RANKING
15 out of 37

(2018 Rank: 16 out of 43)

OVERALL SCORE
50 out of 100
SUMMARY

Gildan Activewear Inc. (Gildan Activewear), a Canadian activewear manufacturer and distributor, ranks 15th out of 37 companies, disclosing more information on its forced labor policies and practices than its peers. Compared to 2018, it improved its score by three points. This is because it began disclosing carrying out a human rights risk assessment, improving its migrant worker policies, instituting a migrant worker survey, and details on supplier monitoring. It scores higher than average on all themes except Traceability & Risk Assessment and Worker Voice. It discloses having taken limited steps to address the risks of alleged Uyghur forced labor, namely requiring suppliers to certify that they do not source from or manufacture in Xinjiang, and that it monitors risks related to the region. However, it does not disclose how it addresses alleged risks across tiers or engages with rightsholder groups. The company has an opportunity to improve on the themes of Traceability & Risk Assessment, Worker Voice, and Remedy.

THEME-LEVEL SCORES


KEY DATA POINTS**SUPPLIER LIST**

No

IMPROVEMENTS OF FREEDOM OF ASSOCIATION

No

HIGH-RISK RAW MATERIALS¹

Cotton

DATA ON PURCHASING PRACTICES

No

REMEDY FOR SUPPLY CHAIN WORKERS

No

HIGH-RISK SOURCING COUNTRIES

China

LEADING PRACTICES

None.

NOTABLE FINDINGS

Supplier Selection: Gildan Activewear states that it assesses all potential suppliers for compliance with its Code of Conduct, which addresses forced labor. It reports that, in 2019, 47% of potential suppliers were rejected as they were unable to demonstrate compliance. It also states that all suppliers are contractually required to inform Gildan of any subcontracting and that unauthorized subcontracting is monitored as part of its audit process. It discloses one instance of unauthorized subcontracting that was recorded and remediated in 2017.

Recruitment: Gildan Activewear states that it has incorporated the [Employer Pays Principle](#) into its supplier code of conduct. The company also reports that it has conducted surveys at some supplier facilities to identify where migrant workers are in its supply chains.

Corrective Action Plans: Gildan Activewear states that it works with its suppliers to enact corrective action plans to remediate issues discovered during monitoring. It states that it verifies their implementation through follow-up audits. It also discloses potential consequences for suppliers failing to implement corrective actions and the outcomes of this process.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: While it discloses a supplier list of six suppliers, Gildan Activewear is encouraged to disclose the names and addresses of at least its first-tier suppliers, information on its below-first-tier suppliers, the countries from which it sources raw materials at high risk of forced labor, and several data points on its suppliers' workforce.

Worker Voice: To prevent forced labor in its supply chains, Gildan Activewear is encouraged to work with relevant stakeholders to ensure that workers in its supply chains are aware of their labor rights and disclosing evidence of the positive impact of worker engagement. Where there are regulatory constraints on freedom of association, it may consider advancing workplace environments in which workers in its supply chains are able to pursue alternative forms of organizing. Further, it is encouraged to disclose examples of how it improved freedom of association and/or collective bargaining for its suppliers' workers.

Remedy: Gildan Activewear may consider establishing a process to ensure that remedy is provided to workers in its supply chains in cases of forced labor and disclosing details on this process, such as responsible parties, approval procedures, timeframes, and, crucially, engagement with affected

stakeholders. To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers.

ENGAGED WITH KNOWTHECHAIN²

Yes ([Provided Additional Disclosure](#)).

¹ For further details on high-risk raw materials and sourcing countries, see [KnowTheChain's 2021 Apparel and Footwear Benchmark Report](#).

² Research conducted through November 2020 or through February 2021, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the [Business & Human Rights Resource Centre website](#).