

Gildan Activewear Inc.

TICKER
 TSX:GIL

MARKET CAPITALIZATION
 US\$7 billion

HEADQUARTERS
 Canada

COMPLIANCE
UK Modern Slavery Act: [Disclosure available, but not compliant](#)
California Transparency in Supply Chains Act: [Yes](#)
COMMITMENTS
[Yes](#)
OVERALL RANKING

16 out of 43

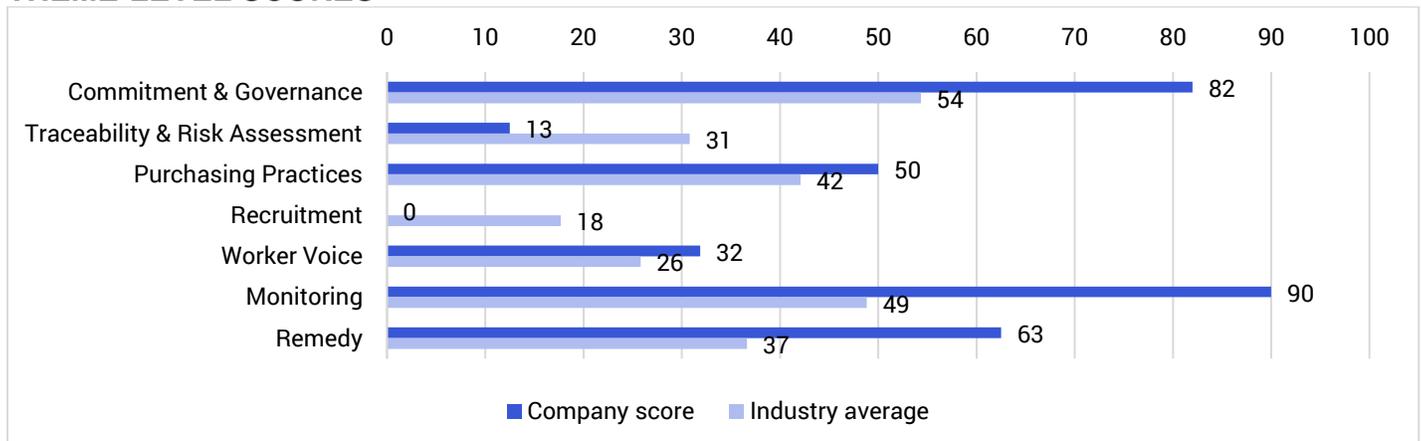
(2016: 9 out of 20)

OVERALL SCORE

47 out of 100

SUMMARY

Gildan Activewear Inc. (Gildan Activewear), a Canadian activewear manufacturer and distributor, owns a number of brands and also operates as a supplier to Nike and as a licensee of Under Armour. The company ranks 16th out of 43 companies, disclosing more information on its forced labor policies and practices than its peers on all themes except Traceability & Risk Assessment and Recruitment. Since 2016, the company has taken some additional steps to strengthen its performance and disclosure. In 2017, the company introduced mandatory onboarding training for its employees on its code of conduct, joined meetings of the Fair Labor Association and the Leadership Group for Responsible Recruitment on the topic of forced labor, remediated an instance of subcontracting, and disclosed the number of workers interviewed during audits. Additional steps the company could take to address forced labor risks in its supply chains include strengthening its disclosure and practices on the themes of Traceability & Risk Assessment, Recruitment, and Worker Voice.

THEME-LEVEL SCORES

 Research conducted through June 2018, or through August 2018 where companies provided additional disclosure or links. For more information, see the full dataset [here](#).

LEADING PRACTICES

Supplier Selection: Gildan Activewear discloses that it evaluates a potential new supplier's ability to comply with its standards prior to awarding it a contract. It notes that its assessments include thorough worker interviews to screen for any instances of forced labor. The company discloses that, in 2017, it assessed 23 potential suppliers, 14 of which were unable to demonstrate compliance with its standards and consequently did not receive contracts.

NOTABLE FINDINGS

Board Oversight: Gildan Activewear states that the responsibility for monitoring and reviewing its environmental and social practices is part of the mandate of its Board of Directors. The Board has delegated responsibility to oversee policies and practices, including in the area of labor, to the Corporate Governance and Social Responsibility Committee (a board committee), which is briefed quarterly by management on key developments, risks, and issues related to corporate responsibility. The company discloses that this quarterly briefing includes information on the results, non-compliances, and status of remediation of social compliance audits at its supplier facilities.

Subcontracting: Gildan Activewear discloses that all of its suppliers are contractually required to inform the company of any subcontracting and that unauthorized subcontracting is monitored as part of its audit process. It discloses that, in 2017, one instance of unauthorized subcontracting had been recorded and remediated.

Monitoring: Gildan Activewear notes that its audits are unannounced and that, in 2017, it audited 79% of third-party contractor facilities at least once. The company discloses guidance for conducting worker interviews during audits, which suggests that between six and 22 workers are interviewed per audit, depending on the size of the workforce. Gildan Activewear discloses that its suppliers are regularly audited by internal staff or external organizations such as the Fair Labor Association, Worldwide Responsible Apparel Production, and the ILO Better Work Programme. It states that it performs a comparison of internal and external audit findings quarterly to reconcile the differences between the audit methodologies and to identify emerging trends. The company also discloses a set of requirements for auditors and publishes audit outcomes.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: The company is encouraged to demonstrate a strong understanding of its supply chains by disclosing the names and addresses of its first-tier suppliers, the countries of below-first-tier suppliers, the sourcing countries of raw materials at high risk of forced labor and human trafficking, and information on its suppliers' workforce.

Recruitment: While the company notes in its additional disclosure that it does "not tolerate" suppliers that charge any recruitment fees, the company is encouraged to formalize this as a supplier requirement in a policy. Further, the company may consider requiring recruitment agencies used by its suppliers to uphold workers' rights and ensuring that workers in its supply chains are not charged fees during any recruitment-related process. The company is also encouraged to confirm that recruitment agencies used by its suppliers are audited and to work with suppliers to ensure that migrant workers' rights are respected (e.g., to confirm workers' passports or other personal documents are not retained).

Worker Voice: To prevent forced labor in its supply chains, the company is encouraged to work with relevant stakeholders to engage with and educate workers in its supply chains on their labor rights. To ensure scalability and effectiveness, the company may consider ensuring that there are worker-to-worker education initiatives on labor rights in its supply chains and measuring and disclosing evidence of the positive impact of worker engagement in its supply chains.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)