

Gildan Reveals its Next Generation ESG Strategy and Future Targets

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English 

(1) Compared to a 2018 baseline

- *Decarbonizing its supply chain in line with the Science Based Targets initiative (SBTi)*
- *Innovating and investing in water reduction initiatives*
- *Heightened focus on circularity and sourcing sustainable raw materials*
- *Strengthening diversity, equity, and inclusion by setting a first-time goal on gender parity*
- *Disclosure plan to align to the Task Force on Climate-related Financial Disclosures (TCFD)*

MONTREAL, Jan. 17, 2022 (GLOBE NEWSWIRE) -- Gildan Activewear Inc. (GIL: TSX and NYSE) is pleased to unveil the Company's Next Generation ESG strategy and future goals. Embedded in the Company's new approach is a commitment to making meaningful advancements by 2030 in the following areas:

- Climate, energy, and water,
- Circularity,
- Human capital management,
- Long-term value creation, and
- Transparency and disclosure.

"From our beginning, we have been re-imagining and building the future of responsible apparel manufacturing. This has made Gildan the Company it is today; recognized for the apparel we make and how we make it," said Glenn Chamandy, President and CEO of Gildan. "ESG has always been integrated into our business strategy and reflected in our market offering. This next generation strategy will push us to deliver even stronger ESG performance and continue to reinforce Gildan as a leading ethical, sustainable, and efficient apparel company."

Gildan's new strategy seeks to tackle global environmental and social priorities aimed at improving the lives of people who make Gildan garments, further protecting the environment, empowering neighbouring communities, and increasing the sustainability of products delivered to customers worldwide.

"Today, we are incredibly proud to unveil our new strategy and goals that were strategically developed to target key material issues that are currently faced by Gildan and, more broadly, the world," said Peter Iliopoulos, Senior Vice-President of Taxation, Sustainability, and Governmental Affairs at Gildan. "As a global, leading vertically integrated apparel manufacturer, Gildan has an opportunity to further its positive contributions in areas in which we can have the most

meaningful impact, and from there have developed actionable key targets, some of which are highlighted below:"

Climate, Energy, and Water

Gildan commits to continuing its fight against climate change by paving the way towards a low carbon future, with a goal of reducing its scope 1 and 2 CO₂ emissions by 30% by 2030¹, aligned with the SBTi and the level of decarbonization required to meet the goals of the Paris Agreement. To that effect, Gildan is pleased to share that the Company has signed the SBTi commitment letter, joining companies worldwide in following a science-based approach in reducing carbon emissions. Gildan also commits to addressing water related risks linked to climate change. As such, Gildan plans to further invest in water efficiency and implement additional water reducing, reusing, and recycling options in its operations with the goal to attain a 20% reduction in water withdrawal from nature by 2030¹.

Circularity

Gildan commits to fostering a circular economy to reduce its environmental impact. In doing so, Gildan intends to source more sustainable and transparent raw materials and enhance sustainable waste management initiatives. This includes sourcing 100% sustainable cotton by 2025 and 30% recycled polyester or alternative fibers and/or yarns by 2027. The Company also plans to achieve zero manufacturing waste by 2027 and to use 75% recycled or sustainable packaging and trim materials by 2027.

Human Capital Management

Importantly, Gildan commits to continue ensuring human rights are respected in its supply chain. Further, Gildan will push health and safety performance to new standards by working to improve employee safety and reducing workplace risks across its operations. To achieve this, Gildan plans to attain the ISO 45001 certification at all its Company-owned and operated facilities by 2028.

On diversity, equity, and inclusion, the Company is setting a first-time goal to improve gender parity. Gildan has already attained gender parity globally in manager level and less senior positions, and by 2027 plans to achieve gender parity for roles at the director level and above.

Long-Term Value Creation

Gildan commits to positively impacting economic development in regions where the Company operates with meaningful community engagement. Gildan intends to incrementally increase allocation of capital towards purposeful and value-driven projects in regions where the Company operates and to gradually reach a contribution of 1% of its pre-tax earnings by 2026. In parallel, the Company will also engage one of its most important stakeholders, its people, and continue to facilitate and encourage employee volunteerism at all levels to further deepen local impact.

Transparency and Disclosure

A key part of Gildan's accountability in reaching these targets will be to transparently share the journey with stakeholders. To that effect, Gildan also commits to further enhancing and strengthening its ESG disclosure across its areas of focus, effectively allowing stakeholders to make more informed ESG-focused decisions and maintaining a high degree of trust and understanding of Gildan.

In 2022, Gildan is planning to further enhance alignment to the TCFD framework through a subsequent disclosure in a stand-alone report, which will detail Gildan's climate-related

governance, strategy, risk management and metrics, and targets.

“We are confident that this new strategy will propel our efforts to greater heights and allow us to become a stronger and more resilient Company,” said Claudia Sandoval, Vice-President of Corporate Citizenship at Gildan. “While Gildan embarked on its ESG journey over two decades ago, we know that the path to sustainability is ongoing, which is why we will continue our journey forward to further strengthen our programs. We also know that it is not enough to set targets. Therefore, we are developing clear and credible roadmaps to address the challenges and opportunities we face to continue to make meaningful positive impacts, and we won’t be doing it alone. Our success depends on the collaboration of all key stakeholders, and we are excited to foster and leverage a global, collaborative approach to bring our goals to life.”

Learn more about Gildan’s Next Generation strategy and 2030 targets [here](#).

Forward looking statement:

Certain statements included in this press release constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Canadian securities legislation and regulations and are subject to important risks, uncertainties, and assumptions. These forward-looking statements include, amongst others, statements related to the Company’s Next Generation ESG strategy and ESG targets, commitments and goals and statements related to the Company’s future allocation of capital. Forward-looking statements generally can be identified by the use of conditional or forward-looking terminology such as “may”, “will”, “expect”, “intend”, “estimate”, “project”, “assume”, “anticipate”, “plan”, “foresee”, “believe”, or “continue”, or the negatives of these terms or variations of them or similar terminology. The purpose of the forward-looking information or statements included in this press release is to provide the reader with a description of the Company’s Next Generation ESG strategy and ESG targets, commitments and goals. This information may not be appropriate for other purposes. By their nature, such statements are subject to significant risks, assumptions, and uncertainties, which could cause Gildan’s actual results and experience to be materially different than the anticipated results. We refer you to the Company’s filings with the Canadian securities’ regulatory authorities and the U.S. Securities and Exchange Commission, as well as the risks described under the “Financial risk management”, “Critical accounting estimates and judgments”, and “Risks and uncertainties” sections of our Annual Report’s most recent Management’s Discussion and Analysis for a discussion of such risks and assumptions. Our ability to achieve our ESG targets, commitments and goals is further subject to, among others, our ability to access and implement all technologies, processes and methods necessary to achieve our targets, commitments and goals, our ability to leverage our supply chain and vertically integrated business model and our ability to source sustainable raw materials, as well as the development and performance of innovative technologies and the future use and deployment of such technologies and associated expected future results, and environmental policy, legislation and regulation. Readers are cautioned not to place undue reliance on any such forward-looking statements. The forward-looking statements contained in this press release describe our expectations at the date of this press release and, accordingly, are subject to change after such date. The Company does not undertake or accept any obligation to update publicly or to revise any of the forward-looking statements included in this press release, whether as a result of new information, future events, or otherwise unless required by applicable legislation or regulation. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

About Gildan

Gildan is a leading manufacturer of everyday basic apparel which markets its products in North America, Europe, Asia-Pacific, and Latin America, under a diversified portfolio of Company-owned

brands, including Gildan®, American Apparel®, Comfort Colors®, Gildan® Hammer™, Prim + Preux®, GOLDTOE®, Anvil® by Gildan®, Alstyle®, Secret®, Silks®, Secret Silky®, Therapy Plus®, Peds® and MediPeds®, and under the Under Armour® brand through a sock licensing agreement providing exclusive distribution rights in the United States and Canada. Our product offering includes activewear, underwear, socks, hosiery, and legwear products sold to a broad range of customers, including wholesale distributors, screenprinters or embellishers, as well as to retailers that sell to consumers through their physical stores and/or e-commerce platforms, and to global lifestyle brand companies.

Gildan owns and operates vertically-integrated, large-scale manufacturing facilities which are primarily located in Central America, the Caribbean, North America, and Bangladesh. With approximately 47,000 employees worldwide, Gildan operates with a strong commitment to industry-leading labour, environmental and governance practices throughout its supply chain in accordance with its comprehensive ESG program embedded in the Company's long-term business strategy. More information about the Company and its ESG practices and initiatives can be found at www.gildancorp.com and www.genuineresponsibility.com, respectively.

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