



## **GILDAN'S COMMITMENT TO SUPPORT FORMER EL PROGRESO EMPLOYEES**

In order for Gildan to fully comply with the different codes of conduct it subscribes to, including the U.S. university and colleges codes of conduct, and to achieve a successful resolution of the current outstanding issues with the WRC, MSN and the FLA surrounding the closure by Gildan of the El Progreso, Honduras sewing facility in September 2004:

- Gildan will open a new sewing facility in the Choloma, Honduras region by the end of March 2005. Gildan anticipates that it will take from one year to one year and a half to fully ramp up this new facility. It will employ approximately 180 employees at the start, and should employ 1,200 employees after the ramp up has been completed.
- Gildan will offer first-hire opportunities to former El Progreso employees (which includes, throughout this document, workers dismissed in late 2002 and 2003 and having been later identified by WRC and MSN as union supporters) experienced in t-shirts at both the existing sewing facilities (San Jose and San Miguel) and at the new facility. In other words, former El Progreso employees will be first offered job opportunities at these facilities (over any other job candidate who is not a former El Progreso employee), based on the Company's needs and taking into account each employee's specific skills by operation.
- After the initial round of hiring described in the preceding paragraph has been completed, Gildan will also provide hiring opportunities at the new facility (only) to former El Progreso employees who have experience in certain operations that were used at the El Progreso facility but are not used in Gildan's planned Honduran facility. The Company would then re-train these employees for t-shirt operations.
- Former El Progreso workers hired at the new facility will have access to free daily transportation to and from work. Transportation will be organized from El Progreso and its immediate surroundings. There will be strategic intermediate stops between El Progreso and the new facility.
- Former El Progreso workers who prefer not to commute on a daily basis to and from work at the new facility will have the opportunity to relocate to the Choloma region. The Company will then pay for all reasonable moving expenses for the employees and their immediate family.

- As for former El Progreso workers who will accept a job at the Gildan San Jose facility, the Company will evaluate the possibility of organizing free daily transportation to and from work. Should this prove to be impracticable, the Company will then provide employees with a monetary allowance to cover the transportation cost associated with the daily commute.
- There will be no discrimination against any employee based on his or her union activities.
- Gildan will not hire workers who were dismissed from the El Progreso facility for disciplinary reasons prior to the date on which closure plans were announced. Workers who had some disciplinary infractions, but were never dismissed, will not be excluded. In addition, workers dismissed in late 2002 and 2003 and who have been later identified by WRC and MSN as union supporters will not be excluded.
- Gildan will initiate a proactive campaign inviting former El Progreso workers to apply for positions at both its existing and new facilities. More precisely, the Company will advertise in local newspapers and radio stations and will use the El Progreso employment office to further disseminate the information.
- Gildan will provide EMIH, who will be acting on behalf of MSN and the WRC and independently of Gildan, with appropriate documentation in order for them to properly monitor the re-hiring process and to provide periodic reports to MSN, WRC and Gildan. It is understood that EMIH's fees will not be paid by Gildan. Gildan will provide EMIH with reasonable access to the company's Country Manager and Human Resources Director.
- Gildan will keep the El Progreso employment office and the clinic open as long as it is justified by demand from former El Progreso workers.