

SANMAR<sup>®</sup>

A CANVAS FOR  
GOOD

2022 Sustainability Report

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“ We are in the business of creating a sense of belonging and uniting teams. It’s a lofty mission and one that we strive to achieve every day. We are proud to share our progress and areas where there’s room to grow. It is critical that we think big and be ambitious in our efforts to elevate lives. We hope you’ll join us. ”

JEREMY LOTT  
President & CEO

**Partners and friends,**

2022 was an important year for SanMar. One of my favorite moments was celebrating SanMar’s 50th Anniversary. Being together with my family, friends and the amazing group of SanMar employees that I’ve had the privilege of working with over the years was an experience I’ll always remember.

During the event I had the opportunity to share exciting news: In partnership with the W. Duke Kimbrell Family Foundation, an affiliate of Parkdale Mills, SanMar has invested in the Mhotivo School in Choloma, Honduras to support the addition of 22 classrooms, a computer lab and additional administrative offices to help increase enrollment by 600 additional students. Choloma is home to our largest manufacturing partner, and we are deeply grateful for the opportunity to help address the need for quality education in that community.

Last year, we also achieved an important milestone in our efforts to combat climate change, when the target we set to halve our greenhouse gas emissions by 2030 was approved by the Science Based Targets initiative. We know we have our work cut out for us, but this ambitious target is an important first step to chart our path forward. In the coming months and years, we’ll be exploring new initiatives both within our own facilities and with our suppliers to reduce our emissions.

2022 also capped off a decade-long process of expanding our responsible sourcing practices, as we prepared for reaccreditation by the Fair Labor Association. We have grown our program to set a standard of fair working conditions by steadily introducing new initiatives and sharpening our existing practices. Our focus on supplier relationships has allowed us to invest for the long term, and as a result we are proud to say we were reaccredited by the FLA in March 2023.

SanMar is not just a t-shirt company. We are in the business of creating a sense of belonging and uniting teams. It’s a lofty mission and one that we strive to achieve every day. We find clarity and purpose in the same simple values SanMar was founded on: Be Nice and Tell the Truth. And we’re proud to share in this report some of our achievements from 2022 and areas where there’s room to grow.

It is critical that we think big and be ambitious in our efforts to elevate lives. We hope you’ll join us.

All the best,

■ GETTING TO KNOW SANMAR

# SanMar is more than just a t-shirt company.

We see t-shirts as a blank canvas that can be used to unite a team, tell a story or keep a group connected.

As a leader in the apparel industry, we work with manufacturers in 21 countries around the world.

Founded in 1971 in Seattle, we've grown to more than 5,500 employees serving over 60,000 customers across the United States. We still work today with the same principles we started with: Be Nice and Tell the Truth.

We strive every day to make a difference in the lives of our customers, our employees and the people around the world who make our products. Through the work we do and the apparel we provide, we create meaningful connections that elevate lives.

*Be Nice  
Tell THE  
Truth*

5,500+  
Employees



60,000+  
Customers



9  
Distribution Hubs  
in the U.S.





## OUR APPROACH TO SUSTAINABILITY

# SanMar has a vision that every t-shirt has the power to do good.

This is why we focus on operating ethically and sourcing responsibly.

As an industry leader, we recognize that it's our responsibility to understand the impact of our business throughout the supply chain and in the communities where our products are worn and used. At a minimum, this means we act to ensure we are in compliance with all relevant laws and regulations.

However, we aim to go beyond compliance, making a truly positive impact in communities and reducing our impact on the environment.

In the past year, we supported a local school in Honduras that serves many of the families of our supply chain partner there, providing funds to expand the school by 600 students and covering tuition.

We have demonstrated our commitment to responsible sourcing through the rigorous evaluation of our compliance programs in the Fair Labor Association's accreditation process. We continue to grow our factory monitoring program and responsible purchasing practices, examining root causes and how our behavior may help or hinder progress.

Our target for reducing greenhouse gas emissions was approved by the Science Based Targets initiative and we launched efforts to meet our ambitious goal, including introducing new products with a lower environmental footprint. As we make more

products with environmental benefit, we seek to make credible, science-based decisions with the use of chain of custody certification and life cycle assessments.

The name of this report has changed from "Corporate Responsibility" to our annual Sustainability Report. We feel this reflects both our evolution and the evolution we're seeing in our industry. While "responsibility" implies an obligation or "doing less bad," sustainability requires the ambition to secure a vibrant future with the actions we take today.



## MATERIALITY

In this report, SanMar evaluated all actual and potential impacts we feel are material to our business and aim to provide a complete and balanced account of our impacts. We solicited stakeholder input through virtual conversations and an online survey to identify issues most important to them.

Existing frameworks were also used to guide the development of this report, including best practices for the type and breadth of content, as well as analyzing and reporting data. Content for this report was gathered from teams across the organization.

Throughout this report we will discuss how material topics are managed within SanMar. Topics will be described to include any related policies or commitment, actions taken or planned and how progress is measured, where applicable.

- Human Rights
- Diversity, Equity & Inclusion
- Community Impact
- Product Safety
- Climate Action
- Circularity
- Sustainable Products
- Waste Reduction
- Water Stewardship

■ UPDATE ON 2025 GOALS

As a part of our process to continuously improve how we do business, it's important to set specific goals to work toward.

In 2022, we focused on these benchmark achievements:



**DIVERSITY & INCLUSION**

**Goal:** Create a diversity and inclusion strategy that enables employee well-being and business success at SanMar.

A survey of SanMar employees was conducted in February 2022 to inform 2022-23 key initiatives. We also completed the IDEA Council governance and brand identity work.



**RESPONSIBLE SOURCING**

**Goal:** Provide training to our suppliers and internal teams to go beyond compliance and support continuous improvement.

In 2022, we provided 100% of suppliers with relevant social compliance training, held internal trainings for employees on responsible purchasing practices and prepared for reaccreditation by the FLA.



**COMMUNITY INVOLVEMENT**

**Goal:** Support the communities in which we operate through continued charitable giving.

In 2022, we hosted several charitable giving events providing monetary and in-kind donations to local and international organizations. In partnership with the W. Duke Kimbrell Family Foundation, an affiliate of Parkdale Mills, we invested in the Mhotivo School in Choloma, Honduras.



**SUSTAINABLE PRODUCTS**

**Goal:** Launch additional products with more sustainable inputs and processes.

We have grown our offering of apparel and accessories made from greater than 50% preferred materials to 68 styles.



**SUSTAINABLE OPERATIONS**

**Goal:** Commit to a science-based target for reducing greenhouse gas emissions.

In October 2022 our target to reduce greenhouse gas emissions was approved by the Science Based Targets initiative.



**INNOVATION**

**Goal:** Invest in high-impact projects to continuously improve lives.

In 2022, we launched SanMar Community Grants, a program to provide direct and immediate impact to garment workers and their families.

**SANMAR IS PROUD TO WORK SIDE-BY-SIDE WITH ORGANIZATIONS THAT SHARE OUR MISSION.**

They hold us accountable and help us improve our programs by providing us with the opportunity to learn and share best practices.

We were a member of, participated in, or were certified by these organizations in 2022.



An international network of companies, universities and civil society organizations promoting human rights at work.



An industry-wide group of brands and organizations working to reduce the environmental and social impacts of apparel, footwear and textile products.



Transforming business relationships through an anonymous online rating system for suppliers to highlight areas for improved purchasing practices.



A partnership driving ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets.



A trusted provider of business sustainability ratings, helping organizations monitor and improve the sustainability of their business.



A collaborative effort to accelerate the textile industry's move from linear to circular product development cycles.

# PEOPLE

## Our People Inspire Us.

The people at SanMar are at the heart of what we do every day. We know that our choices can make a difference and positively impact lives.



*“Everything we do at SanMar starts with our people. Our programs and practices are designed to align with our employees’ needs, supporting them personally and professionally throughout their careers. It’s the personal touch and care we bring that makes us unique.”*

*– Jennifer Larson, Chief People Officer*



### GIVING BACK TO OUR COMMUNITY

## At SanMar, giving back is part of the fabric of who we are.

We work with nonprofit organizations and agencies to support local communities where we do business.

SanMar contributes both time and resources to local organizations, and supports employees who participate together in local charitable events, including the Fred Hutch Obliteride benefiting cancer research, and the American Red Cross Step Challenge.

From our headquarters in Issaquah, WA and at our distribution centers across the United States, we supported dozens of local non-profit organizations in 2022 through both individual and corporate donations of funds and apparel products.



# \$31,000

in matched donations

### EMPLOYEE MATCH PROGRAM

When our employees give to causes they care about, we give, too.

SanMar matches employee charitable contributions up to \$250 per employee per year to any recognized tax-exempt nonprofit charitable organization, as defined under section 501c(3) of the Internal Revenue Code.

In 2022, SanMar and its employees donated nearly \$31,000 and supported 95 organizations through its Employee Charitable Match Program.

SanMar is proud to support our customers' charitable efforts.

Through the SanMar Customer Merchandise Donation Fund, customers are empowered to support tax-exempt, nonprofit organizations in their communities with the donation of apparel and accessories.

Some of the agencies SanMar supports:



# \$28,000

in merchandise donated



### SANMAR INVESTS

Making a Difference in Mhotivo

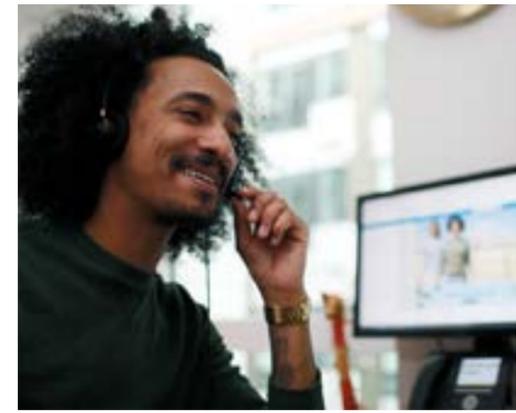


“During my travels to Honduras over the past 10 years, I have witnessed the incredible impact of the Mhotivo School on local children and their families. This investment is a testament to the hard work of the school’s staff, the success of their students and the inspiring vision of a few community leaders.”

- Renton Leversedge, Chief Development Officer

We are proud to support the important work of the Mhotivo School and its positive impact on the nearby community of Choloma, where many of the families of our factory partners live and work.

In partnership with the W. Duke Kimbrell Family Foundation, an affiliate of yarn manufacturer Parkdale Mills, our funds will support the addition of 22 classrooms, a computer lab and additional administrative offices to help increase enrollment by 600 additional students.



## CULTURE AND BENEFITS

# Investing in our people is simply the right thing to do.

They bring their talent, passion and dedication to work with them every day, inspiring us and giving us purpose.

That's why we focus on key areas that support each individual's right to a positive work environment, including work-life harmony, professional and personal development and supporting healthy choices.

We strive to foster a fun and inclusive place to work, and our comprehensive benefits are designed to support employees' well-being, safety and career growth both at work and at home.

- Medical, dental, vision, life and disability coverage
- Paid maternity and paternity benefits
- 401(k) retirement plan with company match

SanMar recognizes that employees have personal situations which impact them emotionally, physically and financially. We strive to offer a variety of programs to help employees and their families.

In 2022, 209 employees and families enrolled in myStrength, an app that offers real time information and assistance for mental health needs. Over 400 employees took advantage of specialty support for hypertension, pre-diabetes and diabetes management.

### EMPLOYEE ASSISTANCE PROGRAM

Our Employee Assistance Program is offered online, in person and via telephone for personal health and wellness, mental health and legal resources. In the last year, 17.9% of our employees and their families used resources and support through these offerings. We also offered webinars for employees supporting and caring for aging parents as well as parenting their own children.

### FINANCIAL ASSISTANCE PROGRAM

SanMar's Employee Financial Assistance Program is designed to provide financial support to employees experiencing an unpreventable hardship related to the COVID-19 pandemic. During 2022, more than \$5,360 was awarded to 9 employees with COVID-related hardships.

### SHARED LEAVE PROGRAM

Our Shared Leave Program provides additional paid time off to employees experiencing a hardship related to a medical emergency or if the employee needed to tend to a parent, spouse or child experiencing a medical emergency. In 2022, 10 employees received PTO hours from this program.

EVENTS & ACTIVITIES

We fashion spaces where employees can come together for community and connection.

All of our locations host employee sales, raffles to raise money for charity and lunches for special occasions. Opportunities to give back are an important part of our culture. In 2022, we volunteered for Earth Day activities, as well as provided meals for shelters and food drives throughout the year.



**EMPLOYEE APPRECIATION**  
Special lunch gatherings, anniversary celebrations and after-work get-togethers for employees are a time-honored tradition at SanMar.



**50th ANNIVERSARY PARTY**  
2022 was a special year as we marked our 50th Anniversary in September with food, dancing and a special guest performer in downtown Seattle.



**PRIDE**  
Employees are proud to celebrate the LGBTQIA+ community by showing our support at local Pride events.



**COMMUNITY VOLUNTEERS**  
Getting out in our local community and working to make a difference is just more fun when we do that work together.

■ DIVERSITY & INCLUSION

# Turning IDEAs Into Action

The SanMar IDEA Council



Natalie Tenner, Chairperson | Rob Crowley, Vice Chairperson | Alejandra Aguilar | McKenna Cerbana | Emily Gigot | Adam Gould | Kara Johnson | Adrian Price | Kate Shaw-Nappi | Boubacar Sissokho | Rosie Sulaimane | Christine Wingate

### THE SANMAR IDEA COUNCIL CAME TOGETHER IN 2020 WITH A CLEAR MISSION:

*To advise and guide company-wide diversity efforts and advocate for the value of inclusion as a pathway to employee well-being and business success.*

The members of the IDEA Council are chosen from across the company. They each bring their personal experience to the conversation and ensure that employee concerns are represented in our decisions. The Council's initiatives are currently focused on the following important themes.

#### EMPLOYEE FEEDBACK

In 2022, the IDEA Council conducted a survey of our employees to better understand what SanMar is doing well and where we can improve. We received valuable feedback which will inform future initiatives, and future surveys will be conducted periodically to assess progress.

#### EMPLOYEE TRAINING

Training employees is vital to the important work of promoting diversity, inclusion and belonging at SanMar. The IDEA Council works with our Training and Development team to create a curated series of videos and interactive workshops to support this goal.

#### REPRESENTATION IN IMAGERY

Working with the SanMar Marketing team since 2020, the IDEA Council has helped to improve the representation of people of color, persons with disabilities and inclusive sizing in the images and video SanMar uses for its printed product catalogs and online.

#### RAISING AWARENESS

We recognize the traditions of different cultures and celebrate the unique contributions of different identities. Our educational presentations about Hispanic Heritage Month, Black History Month and Pride help us to increase awareness of the importance of a diverse workplace.

The Council also hosts Insights, a town-hall series where employees are invited to hear from outside experts.



Lacey Henderson

In October of 2022, SanMar was delighted to host a conversation with six-time USA National Champion, Paralympian, advocate, model and storyteller Lacey Henderson to share her perspective on health, fitness and overcoming adversity.

**DIVERSITY & INCLUSION**

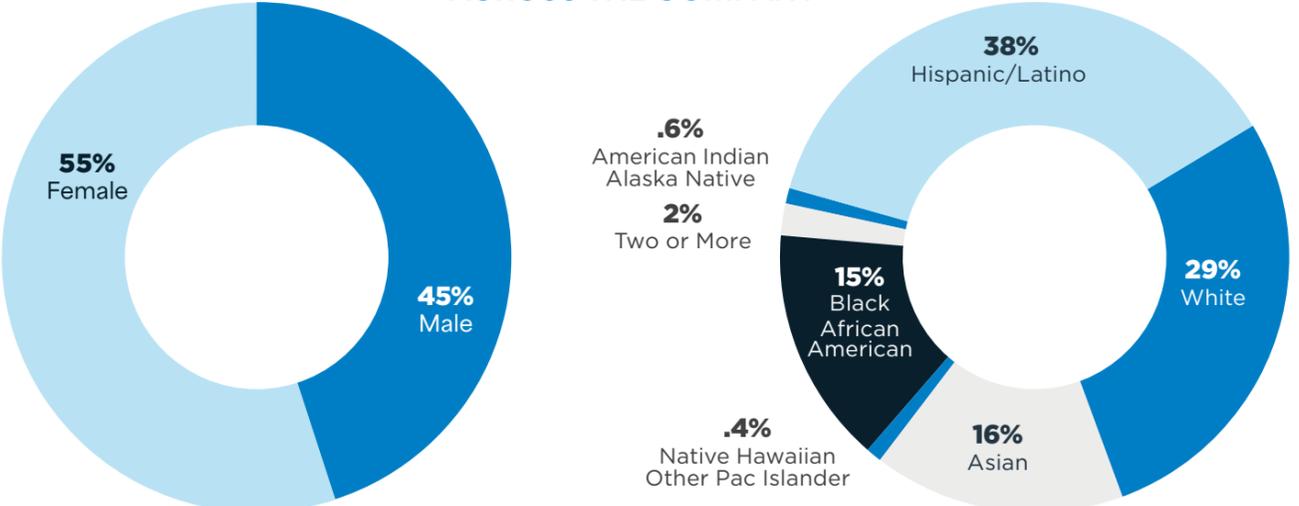
# Inclusion. Diversity. Equity.

These are more than just words at SanMar.

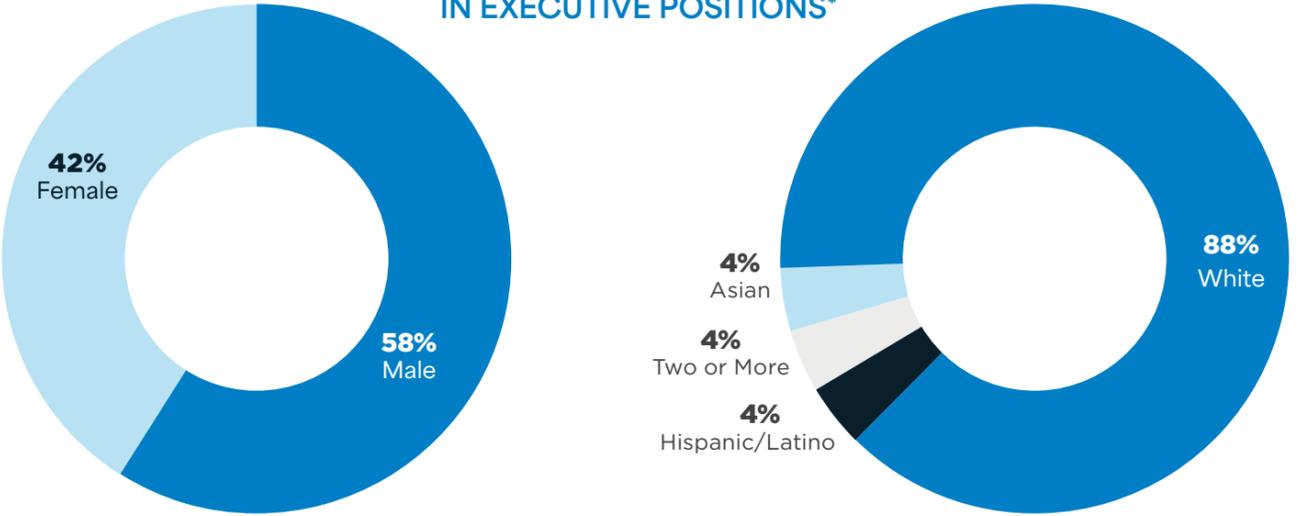
These are the actions we take to ensure that each and every SanMar employee has not only a voice but a seat at the table.



### EMPLOYEE REPRESENTATION ACROSS THE COMPANY\*



### EMPLOYEE REPRESENTATION IN EXECUTIVE POSITIONS\*



\*SanMar recognizes that not all employees identify as male or female. Limitations on our methods of collecting this data in 2022 did not allow for non-binary gender identification.

### VETERAN/MILITARY HIRING



Justin Deglman was an Automated Logistics Specialist in the U.S. Army before joining SanMar.

SanMar is committed to supporting veterans and military members who serve our nation in the transition to joining the civilian workforce.

Those who serve in the military often have unique training and skills that speak to leadership, team building, organizational commitment and working in diverse cross-cultural settings.

Our Military Hiring Initiative celebrates these qualities and seeks them out. We partner with both US Military Pipeline and Hire Heroes USA, participate in military recruitment events and educate our recruiting teams about the value that military experience brings to the workplace.





## HEALTH AND SAFETY

# The health and safety of our employees is of the utmost importance to SanMar.

Our facility and distribution teams work diligently to ensure our employees have all the information they need to perform their job safely and that we are operating in compliance with all relevant regulations.

Each task at our facilities undergoes a Job Hazard Analysis. In addition, local site inspections are conducted semi-annually by the Safety Officer, working closely with the local Safety Coordinator to provide data and recommendations.

Should a work-related accident occur, injuries and illnesses are reported immediately or as soon as safely possible to the appropriate supervisor and internal accident/incident reports are completed by the employee, supervisor and any witnesses. Local managers and Safety Coordinators will also conduct an investigation and report on the outcome.

Every employee at each warehouse has the opportunity to participate on the Safety Committee, which conducts monthly walkthroughs to identify potential issues and recommend solutions.

Employee training in our warehouses is completed during new hire orientation, reviewing potential hazards with the trainer and providing job-specific training with supervisors. Refreshers are also conducted periodically and as needed.

All employees, including temporary employees, are required to adhere to SanMar policies and procedures detailed in our Safety Manual.

### SAFEGUARDING HEALTH & SAFETY

We utilize several occupational health services and procedures to safeguard the health and safety of our employees.

- Ergonomic assessments and noise level testing are performed regularly.
- Third parties are consulted to identify potential hazards and seek solutions.
- Local authorities, where available, provide additional consultation on safety practices.
- Any hazards are communicated regularly and clearly to employees.
- Safety data sheets are available to all employees.



## TRAINING AND DEVELOPMENT

# SanMar employees are empowered to learn and grow.

Through our training and development program, we provide a variety of learning opportunities, including skills-based offerings and leadership training held both in-person and online.

SanMar offers a catalog of 15 courses that cover a wide variety of topics that are created for upgrading employee skills, including bi-monthly Lunch & Learn events as well as regular courses in:

- Managing Essentials
- Mentoring
- Business Writing Skills
- Microsoft Success Training
- Connecting in a Virtual World
- Difficult Conversations

All SanMar employees also have access to the LinkedIn Learning training platform.

In addition, SanMar is committed to investing in its employees in the pursuit of educational opportunities outside of our internal trainings for professional growth and development.

All employees have access to our Educational Assistance Program (EAP) that offers up to \$2000.00 per calendar year. Eligible employees may receive educational assistance for coursework from a professional program or an accredited academic institution directly related to their career at SanMar.

We partner closely with our Diversity & Inclusion Council (IDEA) to offer unified training that acts as an essential first step in laying the foundation for every employee to feel that they can be their whole selves at SanMar.

# 100,000+

hours of training  
SanMar delivered in 2022

# PLANET

## Our planet is our future.

Our commitment to be a good steward of the world we share is stitched into the fabric of who we are. We seek to make continuous improvements to how our business affects the environment.



*“SanMar is in a unique position to make environmental progress. Being a family-owned, vertically-integrated business enables us to move quickly and decisively to make investments that not only reduce our impact, but make good business sense.”*

*– Paul Whyatt, Chief Financial Officer*



SCIENCE-BASED TARGET

SanMar signed on to the Science Based Targets initiative to set an ambitious company-wide target to cut carbon emissions in line with climate science.

OUR APPROVED TARGET

REDUCE SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS 50% PER POUND OF PRODUCT BY 2030.

REDUCE SCOPE 3 GHG EMISSIONS FROM PURCHASED GOODS AND SERVICES 50% PER POUND OF PRODUCT WITHIN THE SAME TIMEFRAME.

2016

Began tracking and reporting energy use



2019

Began measuring Scope 1 and 2 GHG



2021

Began calculating scope 3 GHG emissions



2021

Committed to set a Science-Based Target

2022

Our Science-Based Target approved



2030

Target date to meet our emissions reduction goal





**EMISSIONS**

As part of SanMar’s commitment to sustainability, we are taking steps to reduce emissions in our facilities and supply chain.

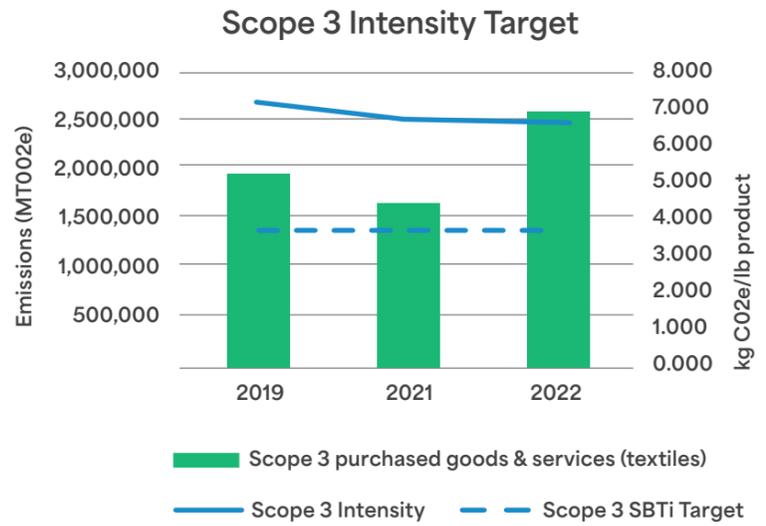
Greenhouse gas emissions (GHG) are categorized by the GHG Protocol into three groups: scope 1, scope 2 and scope 3. We have found that the majority of our emissions come from scope 3, which includes 15 categories of emissions from activities that are upstream and downstream from our organization such as product manufacturing, transportation and disposal of products.

Our initial efforts are focused on reducing the impact of our products through lower impact materials and

engaging with our suppliers to reduce the impact of their operations via more efficient machinery, processes and renewable energy.

To measure our progress, suppliers complete the Higg Facility Environmental Module (FEM), a tool that measures a facility’s impact in areas such as management systems, chemicals, energy, emissions, water and waste. It is designed to prioritize issues within facilities and shape goals for year-over-year improvements.

**EMISSIONS, 2019-2022**



\*Emissions data for 2020 is not representative of typical operations due to the Covid-19 pandemic; therefore, it has been excluded from this report.

**13,482,918**  
miles avoided through efficient transportation methods

**LOGISTICS**



SanMar’s logistics team works closely with our carriers and transportation providers to reduce our impact through efficient shipping practices.

We reduce emissions by servicing eight of our nationwide distribution hubs via intermodal versus servicing over the road. We also work closely with our suppliers to consistently improve container utilization, reducing the number of air and nautical miles required for shipping.

We ship domestically with carriers who have green initiatives or are SmartWay® Partners. The U.S. Environmental Protection Agency’s (EPA) SmartWay® program helps companies advance supply chain sustainability by measuring, benchmarking and improving freight transportation efficiency.

From our distribution centers we support our customers and reduce our impact through our Pack Separately, Ship Together (PSST) program, which combines individual shipments bound for the same destination and reduces the number of trucks picking up from our distribution centers each day.



**ENERGY & WATER**

We reduce our impact by using resources responsibly.

**ENERGY USE**

Since we began tracking and reporting on our energy use, several initiatives have been implemented, including smart LED lighting in our warehouses and efficiency improvements to the HVAC system in our home office. We continue to examine energy usage and are exploring additional ways to reduce it.

**ENERGY USAGE, 2019-2022**

	2019	2020	2021	2022
Energy Usage (Absolute in MJ)	124,614,289	120,267,036	129,023,008	140,282,617
Energy Intensity (MJ/Sq Ft)	18.51	17.86	19.16	19.62
% Energy Intensity Variation from 2019		-3%	4%	6%

**WATER USE**

Water is a precious resource, and SanMar continues to strive to reduce our water use wherever possible.

Our water usage is limited to domestic use in our office and distribution centers as well as cooling at our Arizona distribution center, and is sourced from public-supply systems. We’ve aimed to reduce our usage by installing water-efficient fixtures, monitoring devices for early leak detection and water efficient landscaping. Similar to energy use, we have been measuring our water usage since 2016.

SanMar’s water discharge is limited to domestic use that is managed through our local municipalities. We act to ensure we are operating in compliance with all local laws and regulations.

**WATER USAGE, 2019-2022**

	2019	2020	2021	2022
Water Usage (Absolute in Gallons)	29,398,593	25,064,549	32,020,163	40,152,292
Water Intensity (Gallons/Sq Ft)	4.37	3.72	4.76	5.62
% Water Intensity Variation from 2019		-15%	9%	29%



## WASTE REDUCTION

# Reducing our waste entails many small decisions that have a lasting impact.

Understanding and improving what we do with materials at the end of their useful life is just as important as reducing our resource usage when they are created.

We use data from our waste haulers to estimate total waste generated by size of containers and frequency of pickups, using EPA conversion factors.

### 2022 OPERATIONS

Over the years we have implemented several initiatives to reduce and keep waste out of landfill. From providing recycling and compost options at our home office to packaging reduction efforts at our distribution centers, we aim to reduce, reuse and recycle wherever possible.

• Our IT department regularly hosts e-waste recycling events, which have helped SanMar and our employees to recycle 14,969 pounds of e-waste in 2022. In 2023, we are planning to expand this offering to our warehouses.

• Our product creation teams have worked together since 2018 to keep textiles out of landfill by recycling unusable samples, fabric swatches and other textile scraps. In 2022, this equated over 1,000 pounds.

SanMar is identified as a Very Small Quantity Generator of hazardous waste. Any hazardous waste is recorded and disposed of according to relevant rules and regulations.

### SUSTAINABLE PACKAGING

SanMar has also taken steps to reduce the packaging we use in our operations.

• Packaging is reused within our warehouse network to the full extent possible.  
• All paper-based packaging includes recycled content.

• Our product development team has worked to eliminate polybags and excess packaging wherever possible, and is transitioning all that remains to 100% recycled content.



**1,989**  
metric tons of waste diverted from disposal including recycling and compost

**14,969**  
pounds of e-waste recycled in 2022

## WASTE REDUCTION

# A circular product cycle reduces waste.

No product lasts forever, no matter how thoughtfully it's made. When a product reaches the end of its useful life, it can either be disposed of in a landfill or given a new, repurposed life in the supply chain. Designing and developing products with their own end-of-life in mind, with the intent to avoid landfill whenever possible, is known as circularity.

SanMar is committed to finding circular solutions, transitioning away from the cycle of "take-make-waste" and addressing the impact of our products beyond their useful life.

- We strive to recycle or dispose of products in a responsible way and provide resources for our customers to do the same. SanMar has developed a decision tree to determine the highest value and best use for products when they reach the end of their useful life.
- We also work with [Looptworks](#), a certified B Corp focused on reducing waste in the textile industry since 2009. They explore alternatives to landfill disposal through recycling, upcycling and downcycling, offering responsible options for excess materials and products that are no longer usable.



Together we can give textiles new life and reduce our impact on the environment.



# PRODUCT

## Our Product Elevates Lives.

Through innovations in apparel development, sourcing and manufacturing we can have a meaningfully positive impact on the communities where the people who make those products work and live.



*“At SanMar, our values of Tell The Truth and Be Nice call us to be great business partners, work with transparency, push for sustainable practices and make a positive difference in our communities. This culture is who we’ve been for 52 years. There’s no faking that sort of authenticity, it’s just who we are.”*

*- Pat Noonan, Chief Product Officer*



## RESPONSIBLE SOURCING

# Where a t-shirt comes from defines how it feels when you wear it.

We work hard to provide apparel and accessories that you can be sure are made responsibly.

To accomplish this, we purchase products from long-term, reliable and responsible partners and work with respected independent third parties who audit and guide our work from fabrication to finished product.



## FACTORY MONITORING

As our business grows, we take even greater care to operate ethically.

By making social responsibility fundamental to our sourcing decisions, we ensure our suppliers take our [Global Operating Principles](#) (GOP) as seriously as we do.

On an annual basis, SanMar suppliers are required to deliver training for their workers to ensure they understand their rights under the GOP and on how to use the SanMar grievance channel hotline. In 2022, SanMar updated our GOP with higher standards and set up external hotline services for worker grievances with language support.

Our factory monitoring program includes third-party verification, engagement with multi-stakeholder initiatives, and providing factories

with training and resources when opportunities for improvement are identified. Third-party verification of our Global Operating Principles is rigorous and further strengthened by the independent, random monitoring of certain factories by the Fair Labor Association (FLA).

As an Accredited Participating Company of the FLA, our suppliers are required to submit to independent monitoring by the FLA. Factories that are selected for monitoring are chosen at random by the FLA without any prior knowledge to either the factory or to SanMar. We believe this creates a high level of accountability and transparency at the factories that manufacture our products.

**100%**  
of factories audited  
in 2021-2022

## SANMAR & THE FAIR LABOR ASSOCIATION

The Fair Labor Association (FLA) is a collaborative effort of socially responsible companies, colleges and civil society organizations to improve working conditions in factories around the world.

In November of 2012, the FLA recognized SanMar for its dedication to the Fair Labor and Responsible Sourcing Principles when it accredited our compliance program. In March 2023, SanMar's Factory Monitoring program received re-accreditation from the FLA. We are proud to be one of only a small number of companies to hold this level of distinction.

As the highest level of programmatic evaluation by the FLA, accreditation recognizes that we have corporate systems in place to identify and remediate unfair labor practices in our global supply chain. SanMar's accreditation included evaluation against the FLA Principles of Responsible Sourcing.

SanMar continues to be an active participant of the FLA today, demonstrating our commitment by:

- Upholding the FLA's Code of Conduct and established systems to identify and remedy ethical violations
- Working with the FLA to develop and improve social compliance systems that flag issues and lead to sustainable solutions when workers are at risk.
- Monitoring our supply chain partners to ensure they meet strict labor standards.
- Engaging with local CSOs and NGOs to address regional challenges.

For a complete list of the Fair Labor and Responsible Sourcing Principles that guide our sourcing activities and the FLA's Workplace Code of Conduct, please visit [fairlabor.org](http://fairlabor.org)





## RESPONSIBLE SOURCING

# Social compliance is not just the responsibility of our factory partners.

Our teams must also understand the role our decisions can play in upholding workers' rights.

As part of the effort, we regularly provide training to relevant teams, including sourcing, product development, compliance and quality. In 2022, 170 individuals completed a training on responsible purchasing practices as well as a training on our Global Operating Principles.

### COMPLIANCE AUDITS

Both our Compliance Team and independent third-party auditors perform periodic announced and unannounced compliance audits at the facilities of each supplier involved in the production of our proprietary products. These audits are conducted on-site over a couple of days, and include key activities such as document review, facility walkthrough, management and worker interviews with union members or worker committee interviews where applicable.

### WORKER SURVEYS

Our audits also include an anonymous worker survey which helps them rate and give feedback on their working environment. Should we discover that any remediation is required, our Compliance Team works closely with the supplier and the facility to ensure that timely corrective actions are taken, including appropriate monitoring and verification.

### FACTORY MONITORING MANUAL

Suppliers must also review and acknowledge SanMar's policies and regulations related to labor, human rights and the environment during onboarding and thereafter periodically. This includes all our suppliers and cut-and-sew facilities to read and accept our Factory Monitoring Manual, which commits suppliers to participate in our broader sustainability program and clearly states our expectations and standards on various human rights, labor and environmental issues. In 2022, traceability was added to SanMar Global Operating Principles as an essential criterion to do business with SanMar.

In 2022, SanMar strengthened our policies and standards around Employment Relations, Forced Labor, Child Labor, Harassment or Abuse, Non-discrimination, Health and Safety Standards, Compensation and Working Hours, Freedom of Association and Collective Bargaining and Environmental Standards. These were shared with all of our suppliers.

## WHERE WE SOURCE





**RESPONSIBLE SOURCING**

## We value long-term relationships with our suppliers.

Once a supplier and their factory is onboarded and becomes part of SanMar’s supply chain, we continue to monitor working conditions as well as provide training on an ongoing basis.

**REMEDATION & UPHOLDING STANDARDS**

To continue a long-term business relationship with SanMar our factories are required to show their continued commitment to upholding good and safe working conditions. As a Social and Labor Convergence Project (SLCP) Brand Signatory, we also accept SLCP-verified reports in lieu of our own social audit. Each SanMar audit and SLCP-verified report is evaluated and risk-rated in accordance with our internal scoring methodology, determining the timeline of when the factory will be subject to a follow-up or periodic audit.

All factories who receive follow-up and periodic audits undergo remediation training and are required to develop a Corrective Action Plan (CAP) to address their findings. The CAP development process requires factories to conduct a

root cause analysis for each finding, along with identifying immediate and sustainable measures to prevent finding from recurring.

Based on our internal standard operating procedures, SanMar’s compliance team escalates any factory who has achieved a certain severity of violation to leadership and will collectively determine next steps.

While we strongly advocate for long-term relationships with our factories, should the need arise to exit a factory, our teams work together to provide sufficient notice so as not to adversely impact the workforce within the factory.

**RESPONSIBLE RECRUITMENT**

SanMar is committed to working with our global supply chain partners to eliminate conditions that could lead to forced labor in the countries from which we source products.

In 2018, SanMar signed on to the Apparel & Footwear Industry Commitment to Responsible Recruitment. This proactive industry effort aims to address potential forced labor risks for migrant workers in the supply chain by working closely with our global supply chain partners where we source products.

As part of our commitment, in 2021 we further strengthened SanMar’s social audit program and in 2022 we updated our Factory Monitoring benchmarks on responsible recruitment. In March 2023, SanMar signed on to the re-launched and enhanced Commitment to Responsible Recruitment.



**RESPONSIBLE SOURCING**

# Our purchasing decisions have a direct effect on working conditions.

As part of our commitment to continuously improve and grow our factory monitoring program, we provide training to our product creation teams and seek to understand how our actions impact our suppliers.



In November 2019, our factory monitoring team hosted an onsite training by our audit service provider for our sourcing, product development, merchandising and quality teams. In 2022, our compliance team and Global Sourcing team, comprised of sourcing, product development, merchandising, planning and forecasting, and quality teams completed a refresher e-Learning course on Responsible Purchasing Practices. This was an effective training to remind our teams to make business decisions that minimize negative impacts on workers in our supply chain. The training was followed with an assessment and we have plans to continue to offer in-depth training in future.

In 2022, SanMar also formalized our Responsible Purchasing program by developing our internal Responsible Purchasing Policy.



**100%**  
of suppliers and  
factories received training

## THE BETTER BUYING INITIATIVE

Being a Better Partner



*“The opportunity for our teams to rate and give feedback on our customers’ performance creates an amazing two-way dialogue that motivates our teams and drives us to want to work more with those customers.”*

*- Siddarth Hirdaramani  
Director, Hirdaramani Group  
SanMar supplier since 2008*

The Better Buying Initiative is a unique system for suppliers to communicate with their buyers and rate purchasing practices anonymously.

Whether about practices that are working well or those that need improvement, Better Buying helps ensure that the business relationship remains in good standing while providing clear, relevant, transparent and timely information and analysis about good purchasing practices.

The buyer rating system used was created in collaboration with suppliers, examining seven key buyer purchasing practices that affect a supplier’s ability to adhere to the terms of any contract and operate efficiently while providing a safe work environment and maximizing profitability.

SanMar began our relationship with Better Buying in 2019 and in 2021 SanMar became the first Better Buying subscriber in the world to publish our scorecard publicly.

In 2022, SanMar continued to publish our scorecard in an attempt to help drive meaningful change in the way apparel companies work with their vendors. We plan to continue our engagement with the Better Buying Institute in the coming year.



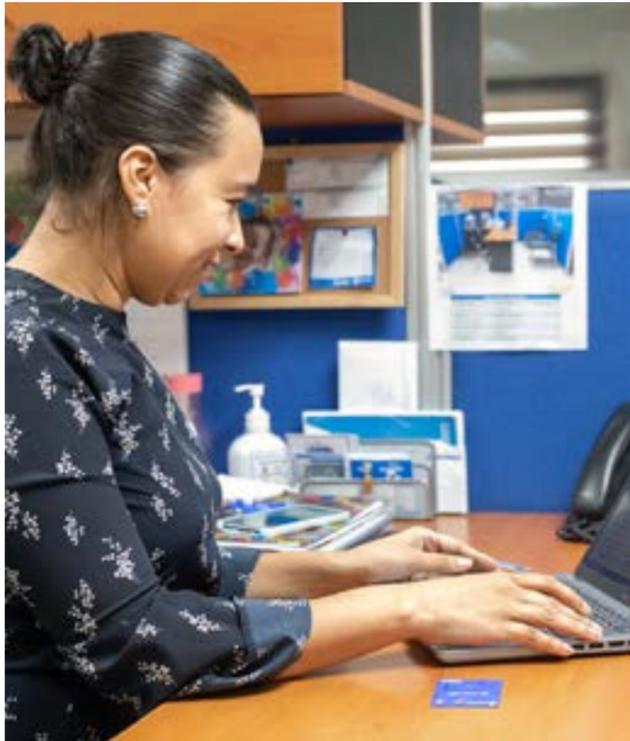
**RESPONSIBLE SOURCING**

## SanMar recognizes and values the importance of transparency.

We require it of the factories we work with, and we are committed to providing it to our customers.

In line with our commitment to continuous improvement and our emphasis on building trusting relationships with our suppliers, we promote transparency with our suppliers throughout the monitoring process. If issues arise, we will work with our partners to find sustainable remediation options.

We also recognize the importance of being transparent with our stakeholders. Factory list transparency has long been identified as an important tool for corporate accountability. In demonstration of our commitment to sourcing our products responsibly, we began publishing our factory list in 2019 and made it publicly available on sanmar.com in 2020.



### **SANMAR'S COMMITMENT TO FAIR COMPENSATION**

Fair compensation means that every worker earns a living wage.

The United Nations and its International Labour Organization (ILO) have declared a living wage as a basic human right.

SanMar is committed to ensuring that the people who make our products are treated with dignity and respect. Our commitment includes fair compensation, the principle that every worker has a right to compensation for a regular week that is sufficient to meet the worker's basic needs and provide some discretionary income which, for example, can be used to pay for medical costs, towards education and transportation.

SanMar's Global Operating Principles outline our standard and SanMar's Factory Compliance Benchmarks provide details of our compensation and benefits requirements.

Learn more about [SanMar's commitment to fair compensation](#)

## RESPONSIBLE SOURCING

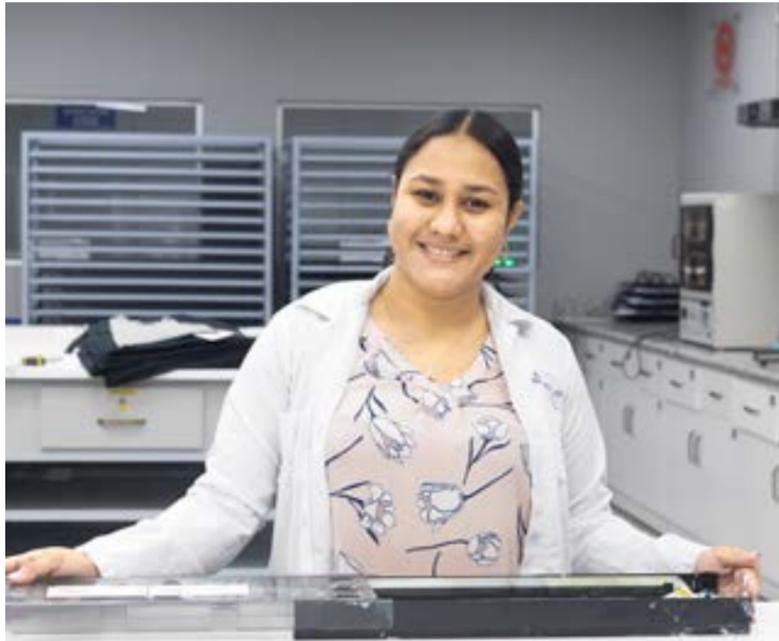
# SanMar is proud to work with suppliers who are reducing their environmental impact.

We look for suppliers who invest in renewable energy, minimize water use, manage chemicals effectively and reduce waste in their operations.

While we know that much of apparel’s environmental impact results from the manufacture of raw materials and textiles, we also are seeing tremendous innovation and activity in the supply chain to address those issues. As we grow with our existing suppliers and seek out new partners to work with, we assess whether they are taking steps in these areas.

SanMar has been using the Higg facility tools since 2017 to assess suppliers for environmental compliance as part of our factory onboarding process. In addition, in 2022 we implemented a requirement for all facilities to begin using the Higg Facility Environmental Module (FEM), allowing facilities to address their performance from ensuring environmental management systems are in place to investing in renewable energy.

The continual assessment of our manufacturing practices is essential to identifying projects that look toward the future.



## SUSTAINABLE APPAREL COALITION & THE HIGG INDEX

The Sustainable Apparel Coalition (SAC) is an impact-creating organization that aims to lead the industry toward a shared vision of sustainability.

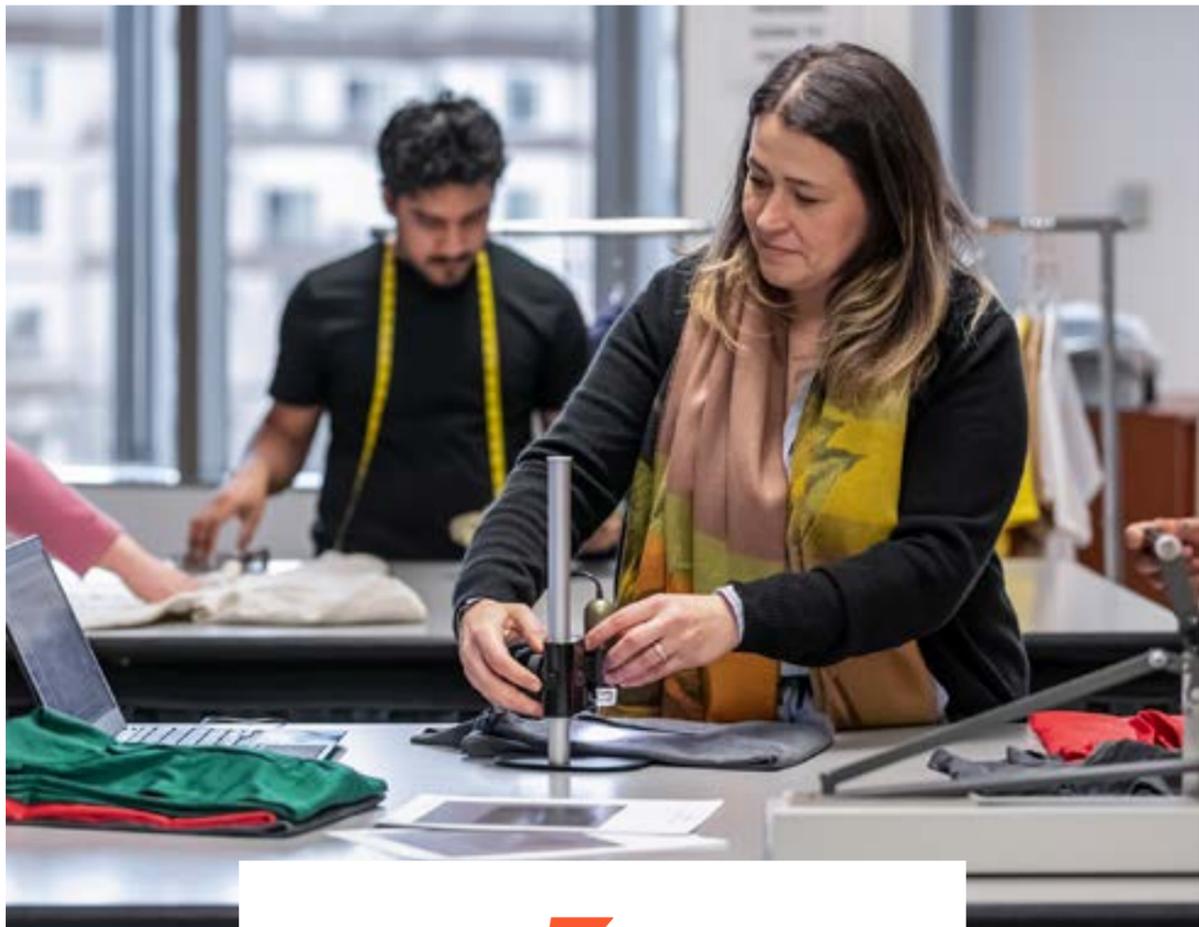
As a non-profit organization, it has members from across the apparel, footwear and textile sector but exists independently outside any one company so that it can drive progress.

SanMar joined the Sustainable Apparel Coalition in 2017. Together with more than 280 global brands, retailers, manufacturers, NGOs, academics and industry associations, we collaborate to reduce environmental impact and promote social justice throughout the global value chain.

We use their suite of tools, the Higg Index, to proactively measure and manage issues like environmental stewardship, working conditions and supplier relations. The Higg Index is currently made up of five tools that evolve with emerging scientific data, including:

- The Higg Brand & Retail Module, a comprehensive way to assess and communicate a company’s annual social and environmental performance at the corporate level.
- The Higg Materials Sustainability Index, which measures and scores the environmental impacts of materials, helping sustainability analysts and product developers understand their environmental impact and create products that are more sustainable.
- The Higg Product Module, measuring the overall environmental impacts of a product from the time it’s designed through the end of its life when a consumer stops using it.
- The Higg Facility Environmental Module, which measures the environmental performance of an individual facility, helping manufacturers identify and prioritize opportunities for improvement.
- The Higg Facility Social & Labor Module allows facilities to assess the social and labor conditions for its workers, helping ensure they’re creating safe and fair working conditions.





3x

the number of styles with recycled content since 2019



**SUSTAINABLE MATERIALS**

# A canvas for good begins with the materials we use.

In our products and our packaging, we are taking steps to reduce the environmental impacts through the materials we select.

Cotton and polyester are the predominant fibers in our clothing. We are continuing to grow our assortment of products with sustainable content by further developing the C-FREE™ line of carbon neutral apparel, adding to the District RE collection of apparel made from recycled materials and expanding our use of recycled and repurposed materials in general.

We have performed several life cycle assessments on our products, and they have demonstrated that recycled content has a lower footprint across several categories including global warming potential and blue water consumption.

## LIFE CYCLE ASSESSMENT

Understanding our full product life cycle gives us the big picture.

In 2022, we initiated our second life cycle assessment, evaluating the environmental impact of several styles.

As demand for sustainable products grows, we recognize the need to take a big picture, science-based approach, following the inputs and outputs from raw material to end-of-life and seeing how they impact the environment. We assess environmental impact areas such as carbon equivalent emissions, water consumption and aquatic toxicity that we can use to assess our products.

Using a mix of primary and secondary data,

our assessment looks at production and transportation of raw materials, textile and garment manufacturing, transport from manufacturer to customer, use of garments, transport to disposal and disposal at end-of-life.

SanMar uses these assessments to support our C-FREE program and inform our decision-making, and they have also shown us that we need to pay special attention to what materials we use and how our products are created.

As sustainability grows in importance, we continue to do our part to choose materials that have a lower environmental footprint.

**SUSTAINABLE MATERIALS**

# Our C-FREE™ range of certified carbon neutral styles continues to expand.

While we strive to reduce the impact of our products, we recognize that making and selling products results in carbon emissions. Our C-FREE products approach reducing this in two ways:

- We develop styles with materials that have a lower environmental footprint.
- We also measure the emissions generated throughout the product's life cycle and purchase carbon offsets that remove an equivalent amount of emissions elsewhere in the environment.

Carbon offsets represent a verifiable reduction in carbon emissions somewhere in the environment other than where the emissions are generated.

We are working with ClimeCo, a neutral third party, to certify our products and source the offset projects we support, including wind farms and renewable hydro power in India. Their Carbonfree® certification verifies that the certified product is carbon neutral.



## THE RE COLLECTION

Made from 100% recycled materials and never re-dyed.

SanMar launched the Re-Tee in January 2020. Customer response was overwhelmingly positive and we quickly expanded the selection to include more options for customers looking for sustainable apparel and accessories.

Today, the RE Collection represents apparel and accessories in five product categories, all utilizing fabric designed to reduce waste and save resources by combining unused cotton scraps with recycled polyester, also known as rPET, derived from reclaimed PET materials such as plastic bottles.

In 2022, sales of RE Collection products made a measurable difference in the world we share through the use of repurposed materials and saving resources by using existing colors and never re-dyeing the fabric.





**SUSTAINABLE MATERIALS**

# Recycled and repurposed materials continue the circular product cycle.

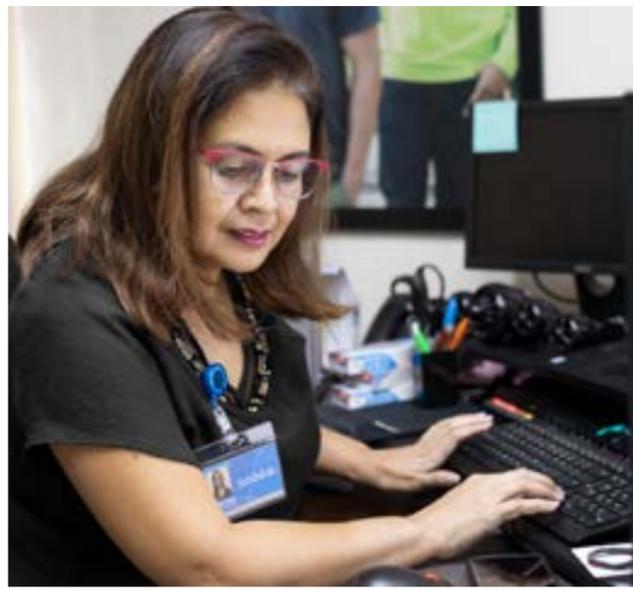
When materials are no longer usable in their original form, this creates an opportunity to give them new life instead of disposing of them in a landfill. This is the essence of the idea of circularity.

SanMar’s growing selection of the RE Collection and other apparel products made from recycled materials represents our ongoing effort to transition away from the traditional linear product cycle of “take-make-waste” and extend the use of the materials we use beyond their original useful life.

We work with [Accelerating Circularity](#) to support creating circular systems in this hemisphere by turning textile waste into mainstream raw materials. SanMar is participating in the first trials in the U.S. to demonstrate that post-consumer recycling is possible and to help identify learnings for the industry to help scale this work.



## PRODUCT STANDARDS



### QUALITY

SanMar delivers quality product to our customers by providing consistent manufacturing, workmanship and performance.

We partner with our suppliers to enforce and enhance continuous improvement of their quality assurance processes and practices. We have also focused on refining and updating our own internal quality processes aligned with new product developments and initiatives such as sustainability.

As such, SanMar is working closely with our suppliers to impact the durability and lifespan of our products and to avoid unnecessary waste of material and resources.

### PRODUCT SAFETY

SanMar is fully committed to keeping our products safe by complying with U.S. product safety legislation.

We have implemented policies and procedures to ensure our products are designed, manufactured and tested in compliance with applicable regulations and industry best practices, such as:

- All children’s products have a permanent tracking label.
- General Certificates of Conformity and Children Product Certificates are accessible 24/7 on sanmar.com for private label products that fall under the guidelines of the Consumer Product Safety Commission (CPSC).
- Third-party testing is maintained according to CPSC requirements and is available for applicable products upon request.

### SAFETY TESTING

We take a collaborative approach with our suppliers and closely monitor production under our private labels against the benchmarks we’ve set through our Product Safety Testing Program.

This allows us to verify that products meet our high standards and applicable regulatory requirements in the United States. During production, we require our suppliers to provide new testing every 6 months and ensure the test reports meet the baseline requirements set by the CPSC, such as CPSC-approved third-party testing facilities and new testing upon changes to the material or supplier.

We regularly review and update our processes in our commitment to continuous improvement and we are diligent in communicating those improvements and expectations to our supply chain.

### RESTRICTED SUBSTANCES

SanMar has adopted the Restricted Substance List developed by the American Apparel and Footwear Association (AAFA). Suppliers are required to adhere to the restrictions and bans listed in the AAFA Restricted Substance List for private label products manufactured for SanMar.

We closely monitor regulatory and industry developments in product safety and regularly participate in industry-specific trainings to stay informed of requirements and best practices.

Visit sanmar.com to access General Certificates of Conformity, Children Product Certificates and additional information about our Product Safety Testing Program.

# Creating a canvas for good is important work. We can't do it alone.

Protecting our people, preserving our planet and providing sustainable products are all critical elements of building and maintaining a canvas for good.

A great deal has been accomplished and there is much still to be done. We look forward to continuing this work with the help of our suppliers, partners, employees and customers.



# Together, for Good.



Learn more at [canvasforgood.com](https://canvasforgood.com)  
or contact our team at [cr@sanmar.com](mailto:cr@sanmar.com).

## About this Report

This report includes information on SanMar's wholly-owned and operated entity in the US, which includes our home office and distribution centers. This report does not include information on entities for which we may have financial interest but no operational control.

Volunteer Knitwear is a wholly owned subsidiary of SanMar and Elcatex is a joint venture. SanMar does not have operational control in either entity;

therefore, neither entity is included in the scope of this report. Two affiliate offices are located in Hong Kong and Honduras, and are mentioned in the report. SanMar does not have operational control of these entities; therefore, neither entity is included in the scope of this report.

There have been no significant changes in our activities, value chain and other business relationships during the reporting period.

Starting with this 2022 report, SanMar is reporting in accordance with GRI Standards and as such has included a [GRI Content Index](#)

Data contained in this report is for the 2022 calendar year unless otherwise noted. Starting in 2020 SanMar began publishing a complete report every two years, with an annual update in the interim year. This report was published in July 2023. For questions, please contact [cr@sanmar.com](mailto:cr@sanmar.com).

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