



# Our Progress, Together.

SANMAR

2021 Corporate Responsibility Update



# A Note on Our Progress

“As we reflect on and celebrate 50 years of SanMar, we can hardly believe we are now more than 5,000 employees strong and still growing.

Our founding principles of ‘Be Nice and Tell the Truth’ continue to inspire us in everything we do.”

**JEREMY LOTT**  
President



## Partners and Friends,

As we reflect on and celebrate 50 years of SanMar, I can hardly believe we are now 5,000 employees strong and still growing. While looking at the past year, I remain optimistic. I’m grateful for what we’ve accomplished and for the people—employees, customers, and vendors—I consider to be our partners and friends. Together, we have weathered unique challenges. In the face of it all, SanMar has remained devoted to creating the best products, ethically and sustainably.

Our belief that a t-shirt can be a canvas for good has guided us and kept us focused on the people and communities we call home. This year, we deepened our commitment to diversity and inclusion. Our newly named IDEA Council rolled out training for employees and has started developing our long-term strategy. We continued our focus on being a great partner to our suppliers through our work

with Better Buying, a unique system that allows suppliers to anonymously communicate with buyers about their purchasing practices. SanMar took a big step this year by making our scorecard public, a move we hope will encourage positive change throughout the industry. We are also nearing the end of our science-based target setting process and are excited to share our carbon emission target in the coming year.

Our founding principles of “Be Nice and Tell the Truth” continue to inspire us in everything we do. We are proud to share the following updates with you and look forward to continuing this journey, together.

**JEREMY LOTT**  
President

# Our People inspire us.

We know meaningful progress only happens one way: together. Our people are at the heart of everything we do, and we know our choices can make a difference and positively impact lives.



## Diversity & Inclusion

SanMar launched the Diversity & Inclusion Council in 2020 with the mission to guide company-wide diversity efforts. They advocate for the value of diversity and inclusion as a pathway to both employee well-being and business success. Their progress this year included:

### Raising awareness of identity in the workplace

- Recognized and celebrated achievements, contributions and traditions of different cultures and identities through educational presentations such as Hispanic Heritage Month, Black History Month and Pride.

### Cultivating an inclusive community

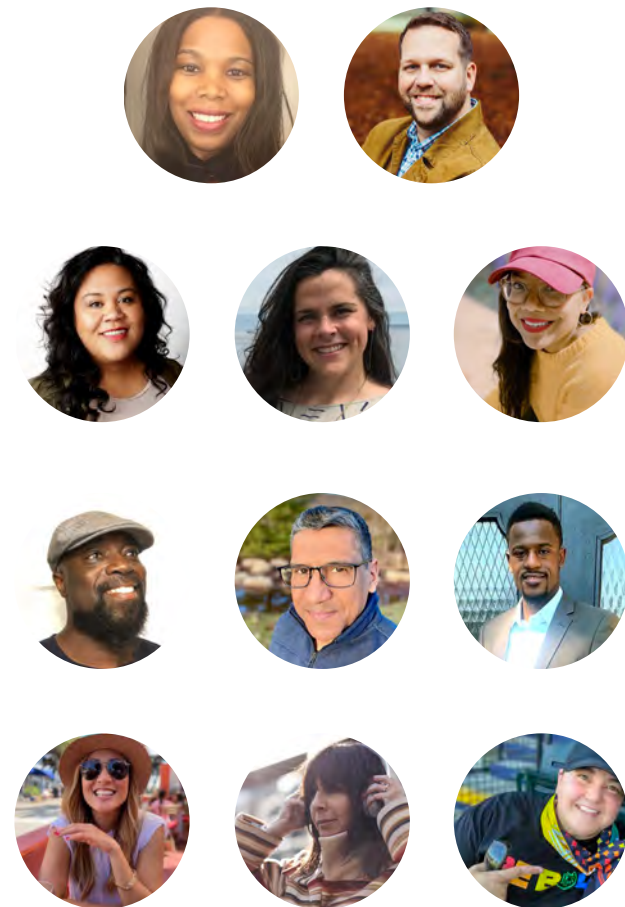
- Provided training to employees, attended by our executive team and individual teams throughout the organization.
- Launched a Town Hall series open to all employees. Outside experts are invited to discuss important topics such as allyship and equitable practices.

Both initiatives will continue in 2022.

### Developing a clear strategy

- The next step of the Council will be surveying all employees to inform future initiatives.

Through these efforts, the Council determined a new name would better represent their work: IDEA Council. The IDEA Council speaks to SanMar's intention to foster an inclusive, diverse and equitable workplace with a priority for action.



Top Row: Natalie Tenner, Chairperson, Rob Crowley, Vice Chairperson  
 Second Row: Melissa Castillo, Emily Gigot, Kara Johnson  
 Third Row: Adrian Price, David Sanchez, Boubacar Sissokho  
 Fourth Row: Rosie Sulaimane, Christine Wingate, Tara Wingo

## Training & Development

Focus remained on continued remote support for all employees, both professionally and personally. More than 1,000 participants engaged with our offering of 18 unique learning opportunities, from skills-based offerings to leadership training and personal well-being courses.

In addition, we partnered closely with our Diversity & Inclusion Council to offer training. This ensured messaging was unified and was an essential first step in laying the foundation for every employee to feel they can be their whole selves at SanMar.



## COVID-19 Response

### Employee Shared Leave & Financial Assistance

We provided 2,649 hours of additional paid time off to employees experiencing hardship related to medical emergencies, as well as \$17,231 in financial support to employees experiencing unpreventable hardship related to COVID-19 or natural disasters.

## Charitable Giving

# 12,000+

pieces of product donated to Coats for Colorado, Seattle's Union Gospel Mission, and many others



### Donated funds to organizations such as:

- Shriner's Hospital
- American Red Cross
- National Alliance on Mental Illness
- Minnesota CAP Agency



## Responsible Sourcing

### Better Buying Initiative

Our partnership with Better Buying started in 2019 with our first supplier feedback scorecard and continued in 2021 with SanMar being the first company to publish their scorecard publicly. Better Buying allows our suppliers to provide anonymous feedback on our purchasing practices. SanMar is using this data to refine and improve how we work with our suppliers in order to continuously improve our purchasing practices. The open, transparent process naturally aligns with how SanMar does business and will help us drive meaningful change in the way apparel companies work with vendors across the industry.



### Fair Compensation

SanMar is committed to ensuring the people who make our products are treated with dignity and respect, while complying with all legal requirements on wages that meets basic needs for a week and also provide discretionary income.

### Fair Labor Association's Wage Collection Tool

We've collected wage data from 39% of our garment factories.

We are working on benchmarking and on a wage gap analysis, which we will share with internal sourcing and product teams to develop fair compensation implementation plans.



### Supporting Workers in Bangladesh

In 2021 we engaged with Amader Kotha, a grievance mechanism for garment factory workers in Bangladesh. Our pilot year, 2021 to 2022, will measure success of the helpline in terms of: number of workers served; number of factories covered; proportion of factories where workers used the helpline; number of calls received; and proportion of reported issues resolved. It will also assess how workers felt about the helpline.



### Supplier Training & Development

With an eye on deepening supplier relationships and the development of stronger social compliance programs, we've enrolled ten of our strategic suppliers in Fair Labor Association's (FLA) Factory E-Learning program. This two-year program is intended to increase on-the-ground CSR knowledge and is offered online to reach a broader range of suppliers and factories.



**90%** of factories completed social compliance trainings

**97%** of factories audited in 2020-21 cycle

\*During our 2020-21 audit cycle of private label manufacturers. Note: per our onboarding policy, all new factories are audited before production begins.

**51%** of factories improved since previous audit

# Our Planet is our future.

SanMar is committed to being a good steward of the environment. By looking inward, we regularly evaluate our operations to assess our performance and, together, we strive to make a difference.

## Science-Based Targets

In April 2021, SanMar made a formal commitment to set a science-based target (SBT). SBTs help drive ambitious corporate climate action by providing a clearly defined pathway to set company-wide emissions targets in line with climate science.

We've been hard at work collecting and analyzing our Scope 1, 2 and 3 emissions data and next we will submit our target for approval by the Science Based Targets initiative. For more information, please visit: [www.sciencebasedtargets.org](http://www.sciencebasedtargets.org).

## Our Impact

This year, as in years past, we measured our energy and water usage at our headquarters and distribution centers.

Energy Statistics*	2016	2017	2018	2019	2020
Energy Usage (Absolute in MJ)	134,107,674	124,880,540	128,472,910	124,614,289	120,267,036
Energy Intensity (MJ/Sq Ft)	24.08504	22.42790	19.08186	18.50874	17.86305
% Energy Intensity Variation from 2016		-7%	-21%	-23%	-26%

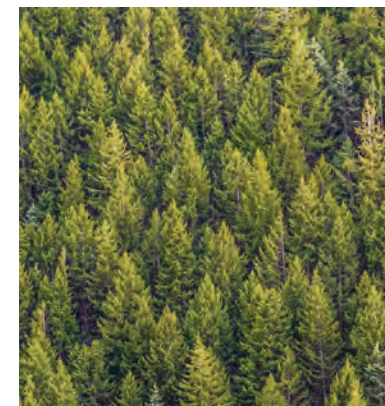
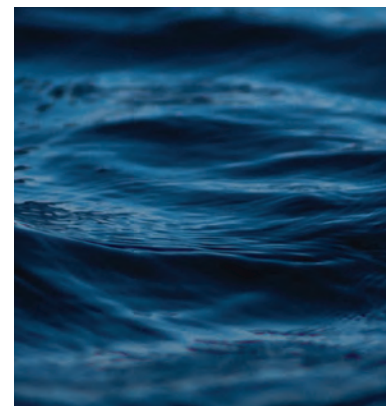
Emissions Statistics*	2016	2017	2018	2019	2020
CO2e Emissions (Absolute in Tonnes)	13,654	12,577	12,796	11,892	11,240
Emissions Intensity (Tonnes/Sq Ft)	0.00245	0.00226	0.00190	0.00177	0.00167
% Emissions Intensity Variation from 2016		-8%	-22%	-28%	-32%

Water Statistics	2016	2017	2018	2019	2020
Water Usage (Absolute in Gallons)	15,668,766	16,778,463	23,157,746	29,398,593	25,064,549
Water Intensity (Gallons/Sq Ft)	2.81403	3.01333	3.43958	4.36652	3.72279
% Water Intensity Variation from 2016		7%	22%	55%	32%

\*As part of SanMar's science-based target development we engaged an outside consultant to review our energy and emissions data. As a result, we have updated the data to reflect changes in building square footage and recalculated our emissions data using EPA emission factors.

### We continue to

- ✓ Reuse packaging to the fullest extent, which reduces the need to purchase new boxes by 25% annually
- ✓ Choose recycled content for all paper-based packaging
- ✓ Keep textiles out of landfills by recycling a variety of unusable items



**5,177 lbs**  
of electronics recycled



# Our Product elevates lives.

When done right, the choices we make together when creating products—from design and development, sourcing and manufacturing—can positively impact lives.

## Reducing Our Impact

### Sustainable Manufacturing & Materials

SanMar is proud to work with suppliers who share our commitment to reducing their environmental impact. From the way our products are manufactured to the materials they are made from, we are striving to make sustainable choices.

To measure our progress, suppliers complete the Higg Facility Environmental Module (FEM), which is a tool that measures a facility's impact. It is designed to prioritize issues within facilities and shape goals for year-over-year improvements.

Additionally, we continue to develop more styles with materials that have a lower environmental impact. We also continue to assess product lifecycle impacts and verify content to ensure any claims are credible and science-based. As the list has grown, we have created a Sustainable Brands Book to support our customers and make shopping for sustainable styles easier.



The 2021 Sustainable Brands Book



53% of factories use the Higg Facility Environmental Module

## Introducing C-FREE

We're proud to introduce C-FREE™, a range of certified carbon neutral styles. While we strive to reduce the impact of our products, we recognize that making and selling products results in carbon emissions. With C-FREE we are developing styles with a lower environmental footprint by using recycled content. We then measure the emissions generated throughout the products' lifecycle, and are working with Carbonfund.org to neutralize their impact. Through their Carbonfree® certification we are purchasing carbon offsets that remove an equivalent amount of emissions elsewhere in the environment.



## Carbon Offset Project

In order to neutralize the impact of our C-FREE styles, we will support projects that result in verified and registered carbon emissions reductions. The first project has installed wind turbines in India. The project generates power from wind energy and replaces an equivalent amount of power that would otherwise be generated from non-renewable sources.



We believe in creating meaningful connections that elevate lives, one t-shirt at a time. In the communities we do business, near and far, we strive to make a positive impact on the environment and people. We are SanMar.

Together, for Good.



SANMAR®

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