



SANMAR

2024 SUSTAINABILITY UPDATE





Jeremy Lott, President & CEO

“Our goals are ambitious. We’ll achieve them by staying dedicated to our customers and holding true to our purpose.”

Partners and friends,

I look forward to these updates every year for two reasons.

First, they’re a reminder of our progress. These pages represent the hard work of many hands, ensuring that the products you buy from SanMar are made responsibly and sustainably.

Second, they provide a roadmap for what lies ahead.

SanMar accomplished a lot in 2024. The Mhotivo School addition in Honduras is complete—the culmination of two years of work and support. We made meaningful progress toward our goals of reducing resource use and cutting emissions across our facilities. We expanded our line of sustainable products, adding value-oriented options like the PC01 Core Blend Recycled Tee.

Seeing this work come to fruition is beyond gratifying. And it’s just the start.

As we look ahead, we know there’s much more to do. Our goals are ambitious. We’ll achieve them by staying dedicated to our customers and holding true to our purpose.

We’re not here to just sell another t-shirt. We’re here to create meaningful connections that elevate lives.

I’m glad you’re with us.

All the best,

Jeremy Lott  
President & CEO

# Why Sustainability Matters

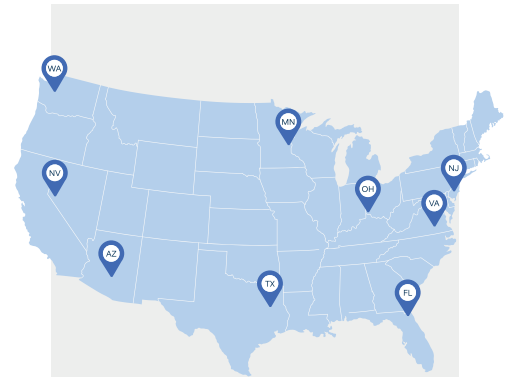
SanMar is more than just a t-shirt company because we believe every shirt we sell has the power to do good.

We were founded in 1971 on two simple values: **Be Nice and Tell the Truth**. These ideas drive our business objectives and our sustainability goals equally. They're more than just nice-to-haves.

They define our responsibility to our more than 5,800 SanMar employees and 70,000 customers. They're why we make the extra effort to listen to our partners and learn how to improve our business. They inspire us to recognize the value of each SanMar employee and support them in their personal and professional goals. They're the reason we see it as our responsibility to constantly reduce our impact on the planet.

And as much as we've grown, our founding values still serve us well. We've learned that a t-shirt can make a difference in the lives of our customers, our employees and the people around the world who make our products.

That's why we believe every shirt can be a Canvas for Good.



9

Distribution Hubs

5,800+

Employees

70,000+

Customers

*Be Nice* *Tell<sup>THE</sup> Truth*

## ■ UPDATE ON 5-YEAR GOALS



### COMMUNITY & BELONGING

**GOAL:** Create a strategy for community and belonging that enables employee well-being and business success at SanMar.

In 2024, we continued to build awareness and foster an environment where everyone is welcome. Our Veteran Experience Insights panel educated attendees about the challenges military veterans face in the workplace.



### RESPONSIBLE SOURCING

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

During our 2024 Global Supplier Summit, we equipped suppliers with tools and guidance to ensure factory scores reflect ongoing, proactive engagement rather than a single audit outcome.



### COMMUNITY INVOLVEMENT

**GOAL:** Support our communities through continued charitable giving.

We debuted our Charity Packs benefitting the American Cancer Society and American Red Cross, introduced an employee volunteer matching program and launched our annual Global Connections Service Trip.



### SUSTAINABLE PRODUCTS

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

We've continued adding new products and brands, and now offer over 200 sustainable styles—more than triple what we had in 2022.

K865 PORT AUTHORITY® C-FREE™  
SNAG-PROOF 1/4-ZIP



## ■ UPDATE ON 5-YEAR GOALS



### INNOVATION

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

Work finished on the Mhotivo School addition in Honduras, and we ensured ongoing support for infrastructure and scholarship programs with the help of Reciprocity Road.



### SUSTAINABLE OPERATIONS

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

We reduced our combined scope 1, 2 and 3 emissions intensity by 11% from our 2019 baseline.

## MEMBERSHIPS & AWARDS

We worked side-by-side in 2024 with these organizations that share our mission.



We're proud to be recognized as a leader in our industry.



### 2024 US Best Managed Company

Recognizing our longstanding investments in strategy, execution, culture and governance.



### #1 Supplier in the PPAI 100

Earning high marks in revenue, growth, online presence, responsibility and employee happiness.



### #1 Supplier in the Counselor Top 40

Ranking suppliers with the most revenue in the promotional products industry.



### 2024 Environmental & Sustainability Awards

Recognizing our efforts in waste reduction in our products, packaging and distribution footprint.



### Community Impact Award

Highlighting our investment in creating over 1,000 jobs in the Hanover County community through our largest distribution center to date.



# PEOPLE

## Changing Lives in Honduras

Business is personal, and people are at the heart of everything we do. That's why we invest in the health and well-being of our employees and the people around the world who make our products.



### 2024 GLOBAL CONNECTIONS SERVICE PROJECT

We launched Global Connections in 2024 as a way for SanMar employees to immerse themselves in the culture and customs of the overseas communities where we operate.

Eleven employees made the inaugural trip to Honduras. They saw where our products are made, met the people who make them, worked to clean up a local beach and volunteered at orphanages.



“Each day was filled with lots to do and explore. We saw the importance of community and gratitude in ways not normally seen. Long days for sure, yet it was the most fulfilling work I’ve ever done.”

- Idolina De Dios, Human Resources Supervisor



## CULTURE AND BENEFITS



Our people bring their talent, passion and dedication every day.

We provide a positive work environment that enables SanMar employees to be at their best, through work-life harmony and healthy choices. Our comprehensive benefits are designed to support employees' well-being, safety and career growth.

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

### LEARNING & DEVELOPMENT

All employees have free access to LinkedIn Learning. There they can view on-demand content for personal and professional development on a wide variety of topics.

In 2024, employees watched 60,143 hours of training content, an average of 5 hours per employee.

SanMar is committed to investing in educational opportunities and professional growth for employees through the Education Assistance Program (EAP). EAP resource requests increased 16% from 2023 to 2024.



# 60,143

hours of training content  
viewed by employees



## GIVING BACK

### Supporting the communities where we do business

Our 2024 charitable giving program focused on supporting the American Red Cross and the American Cancer Society in their important work.



#### PACKS THAT HOLD HOPE

##### Charity Tech Packs - ACFG10ACS / ACFG10ARC

A durable backpack designed to protect the wearer's technology and organize essentials. Each pack features a scannable QR code that links to information on the American Red Cross or the American Cancer Society.

\$5 of each pack purchased is donated to the chosen charity.

#### ABOUT THE AMERICAN RED CROSS



**American  
Red Cross**

- Over 140 years of compassionate service
- About 65,000 disaster responses every year
- More than 230 chapters providing relief in the United States

#### ABOUT THE AMERICAN CANCER SOCIETY



- 110 years of wins against cancer
- Improving lives through advocacy, research and patient support
- \$5 billion total investment in cancer research since 1946



Games For Good was a chance for SanMar employees to participate in fun workplace events while raising money for the American Red Cross and American Cancer Society.

**We donated \$77,000 to each organization through these events.**

## GIVING BACK



We're proud to be a presenting sponsor for the Breakthrough T1D Walk series nationwide for at least the next five years, including the annual Beat the Bridge event in Seattle. This is part of a wider fundraising effort started in 2024 to support Breakthrough T1D in their fight to make type 1 diabetes a thing of the past.

### INDIVIDUAL DONATIONS AND EMPLOYEE MATCHING

Employees donated more than \$17,000 in contributions and volunteer hours in 2024. SanMar bolstered those through the Employee Match Program for a combined total of \$34,000 shared with qualifying non-profits.



### PRODUCT DONATIONS

Our in-kind product donations totaled \$37,552 to these organizations:

- Breakthrough T1D
- Chandler's Hope Clothes Closet
- Friends of the Children
- Issaquah Chamber of Commerce
- Issaquah School District
- KidVantage
- Renewal Food Bank
- Rose Haven
- The Trail Youth Coffee

### COMMUNITY & BELONGING

We continue to foster a welcoming environment at SanMar where employees are free to be themselves. This includes a robust onboarding process, highlighting different communities and topics through our Insights program, and providing learning opportunities to build awareness of people's lived experiences.

### VETERAN INSIGHTS AND DONATION

SanMar hosted a Veterans Day panel featuring four employees. They shared stories about serving in the military and their transition to civilian life, as well as how their unique perspective adds value to teams and how their co-workers can best support them.

Continuing on this theme, we supported The Mission Continues with a monetary donation. They empower veterans to serve their local communities and assist with reintegration into civilian life.





# PLANET

## We only have one planet.

We're doing our part to keep it healthy by continuously reducing our impact on the environment.

### SCIENCE-BASED TARGET

SanMar signed on to the Science Based Targets initiative in 2021. The goals they helped us set are ambitious, aligned with climate science and focused on driving sustainable growth.

- Reduce scope 1 and 2 GHG 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

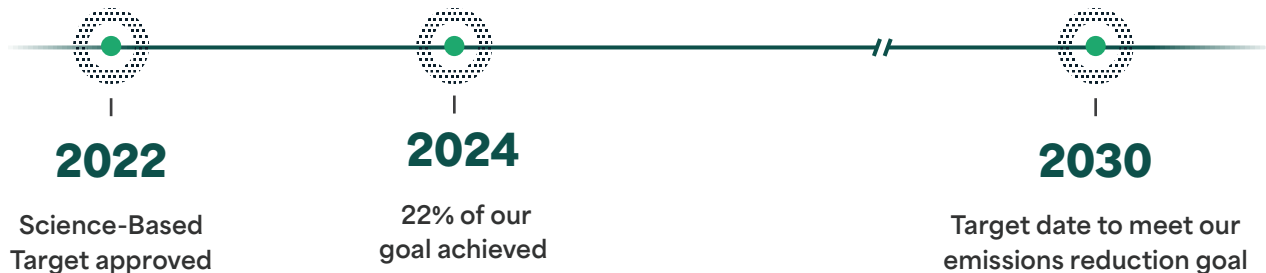
In pursuit of our target, we look for ways to reduce emissions at our facilities. In 2024, we kicked off projects to install solar panels on our Ohio and Texas warehouses. Once completed, these will provide the equivalent annual energy use of roughly 270 homes.

With an eye towards lowering our energy use overall, we also implemented efficient lighting in all locations. At the end of 2024, 100% of our distribution hubs had some amount of LED lighting, with additional installations scheduled for 2025.

### TIMELINE MILESTONES

#### A Science-Based Target for Greenhouse Gas Emissions

The Science Based Targets initiative has helped us set an ambitious company-wide target to cut scope 1, 2 and 3 greenhouse gas emissions across all of our operations.



## RESOURCE USE & EMISSIONS



As SanMar grows, we strive to make better use of our resources.

Tracking our energy and water usage year-over-year enables us to see where we can improve and informs future projects.

Our overall energy usage increased in 2023, when we opened a new warehouse, and in 2024 our energy intensity began to decrease. Our water usage has been variable—we plan to explore ways to reduce it going forward.

### ENERGY USE

Energy Usage, 2019-2024	2019	2020	2021	2022	2023	2024
Energy Usage (Absolute in MJ)	124,614,289	120,267,036	129,023,008	140,282,617	193,974,550	181,068,901
Energy Intensity (MJ/Sq Ft)	18.51	17.86	19.16	19.62	22.73	21.25
% Energy Intensity Variation from 2019	N/A	-3%	4%	6%	23%	15%

### WATER USE

Water Usage, 2019-2024	2019	2020	2021	2022	2023	2024
Water Usage (Absolute in Gallons)	29,398,593	25,064,549	32,020,163	40,152,292	36,473,656	39,822,096
Water Intensity (Gallons/Sq Ft)	4.37	3.72	4.76	5.62	4.27	4.67
% Water Intensity Variation from 2019	N/A	-15%	9%	29%	-2%	7%



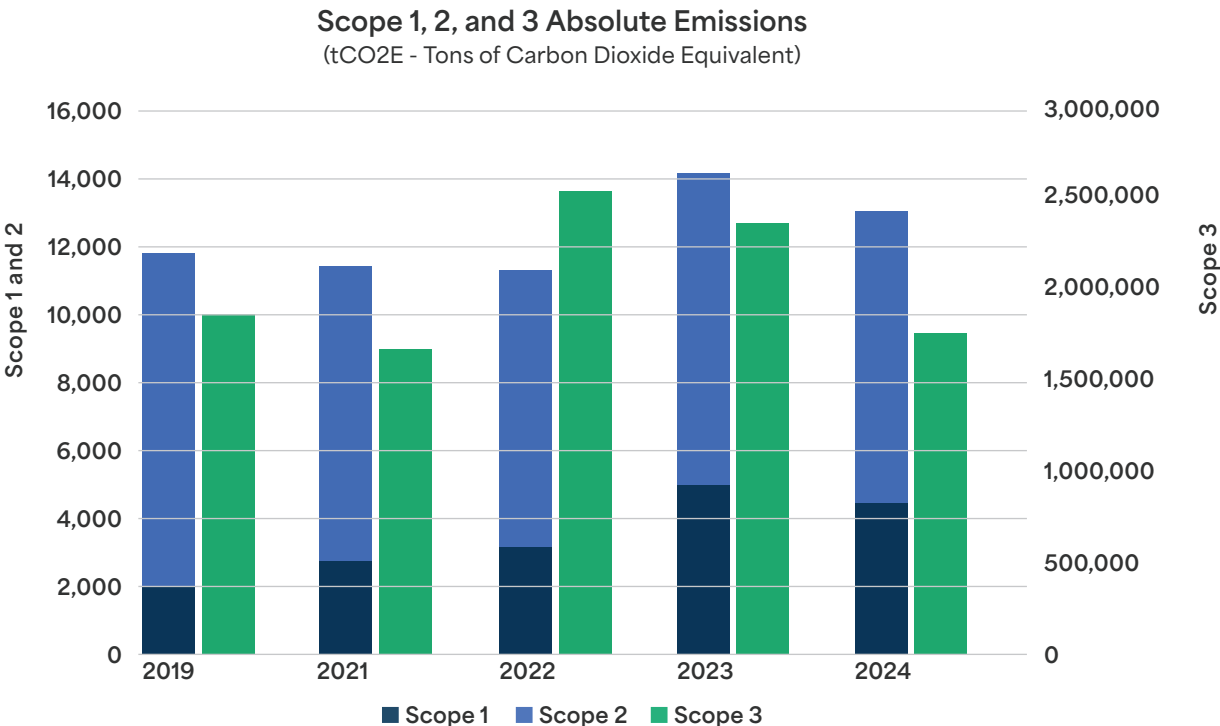
# RESOURCE USE & EMISSIONS



## EMISSIONS

Our science-based target is based on emissions intensity, which looks at the amount of greenhouse gas emissions generated per pound of product. In 2024, we reduced our combined emissions intensity by 11% from our 2019 baseline.

This chart shows our absolute emissions from 2019 to 2024. We saw reductions in our scope 1, 2, and 3 emissions from 2023 to 2024, with scopes 2 and 3 reaching lower levels than 2019.



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

## WASTE REDUCTION



The Puget Sound Business Journal recognized SanMar at the inaugural Environmental & Sustainability Awards for our waste reduction efforts. Here are some of the actions we've taken to keep materials out of landfill:

- Reusing boxes and pallets throughout our distribution network
- Recycling unusable boxes at all warehouses
- Textile and plastic film recycling—This program was started by employees at our corporate headquarters. We accept items from work, as well as hard-to-recycle items from employees' homes.
- Electronics and waste recycling at all offices and warehouses



1,958  
pounds of textiles diverted  
from landfill in 2024

17,550  
pounds of electronic waste  
kept out of landfill in 2024

“Sustainability isn't just an option; it's a responsibility. What started out as an idea at SanMar has turned into a standard.”

Al Kimbell,  
IT Operations Director  
Started electronic waste  
recycling program at SanMar



# PRODUCT

## Innovating for sustainability.

How we develop, source and manufacture apparel can have a positive impact on the communities where it is made.

### ■ RESPONSIBLE SOURCING

#### FACTORY MONITORING

As our supply chain has grown, we've taken care to ensure our suppliers operate in an ethical and responsible manner. By making social responsibility fundamental to our sourcing decisions, we ensure our suppliers take our Global Operating Principles—our commitment to conduct our business ethically and in compliance with the law—as seriously as we do.

Our factory monitoring program is built on a risk-based due diligence approach, guided by the OECD Due Diligence Guidance for Responsible Supply Chains. This includes third-party audits, active collaboration with multi-stakeholder initiatives, and a strong focus on capacity building and continuous improvement.

Key elements of our program include:

- Pre-sourcing risk assessments through detailed supplier questionnaires
- Periodic independent third-party audits
- Random, unannounced assessments in partnership with the Fair Labor Association (FLA)
- Corrective Action Plans (CAPs) that are jointly developed and monitored with factory partners
- Capacity-building support, including targeted training and access to tools and resources aimed at addressing root causes of non-compliance

Importantly, we recognize that monitoring alone is not enough. Our internal teams actively follow up on all audit findings, working closely with suppliers to ensure that corrective actions are not only implemented but are also effective in the long term. Where appropriate, we go beyond remediation and invest in strengthening supplier systems, fostering an environment where responsible practices are sustained at the factory level.

This proactive, collaborative approach enables us to drive lasting improvements and uphold the dignity, rights and well-being of workers throughout our supply chain.

## ■ RESPONSIBLE SOURCING

### THE FAIR LABOR ASSOCIATION

The social compliance program at SanMar—the steps we take to ensure the fair treatment of workers—received FLA accreditation in 2012.

It was re-accredited in 2023 in recognition of our commitment to advancing better labor conditions. We're proud to be one of only a small number of companies to hold this level of distinction.



### TRAINING

Factories must understand our standards and be provided with tools to comply. Our internal teams must also understand the role our decisions play in upholding workers' rights.

In 2024, all factories received training in topics like:

- Addressing root causes for remediation
- Promoting freedom of association
- Forced labor prevention
- Worker consultation

SanMar employees who work with these factories or on adjacent teams also received training to strengthen awareness of responsible sourcing and human rights due diligence in the supply chain.

100%

of factories received training in 2024

100%

of team members received sustainable procurement training in 2024

In 2024, the Fair Labor Association celebrated its 25th anniversary. SanMar joined other brands, workers and student advocates in celebrating this milestone.



“Celebrating 25 years of the Fair Labor Association was a powerful reminder of how far we’ve come in improving workers’ rights and labor conditions around the world. Being part of this milestone was truly inspiring.”

- Prathika Kurian,  
Director of Factory Compliance

Prathika Kurian was re-elected to the FLA Board of Directors in 2024. This gives SanMar the continued opportunity to learn from others and address issues collectively. Prathika will represent the Business Caucus for the 2025–2028 term.



## ■ RESPONSIBLE SOURCING

### GRIEVANCE MECHANISMS

We work with Amader Kotha Helpline and Ulula, which help workers raise concerns and receive effective case management. Both organizations promote worker voices by providing a necessary feedback loop, enabling SanMar to go beyond compliance in our factory monitoring efforts.

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### CASCALE & THE HIGG INDEX

We continue our collaborative work with Cascale, formerly known as the Sustainable Apparel Coalition, to reduce environmental impact 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.



In 2024, 99% of factories completed the Higg Facility Environmental Module, a tool that assesses suppliers for environmental compliance. In addition, the Higg Material Sustainability Index allows us to calculate our product carbon footprint, a critical component in our scope 3 accounting process.

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### RESPONSIBLE PURCHASING PRACTICES

The Better Buying™ Initiative is a unique system in which suppliers rate their buyers' purchasing practices anonymously, so suppliers and buyers can meaningfully communicate when improvements are needed.



SanMar began working with Better Buying™ in 2019. In 2021, we became the first Better Buying™ subscriber in the world to publish our scorecard publicly, and we are still the only company to do so. We continued to publish our scorecard in 2024 to encourage meaningful change in the way apparel companies work with their vendors.

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### IMPROVEMENT ACROSS THE VALUE CHAIN WITH BLUESIGN®

Since its founding in 2000, bluesign® has partnered with over 850 manufacturers, brands and chemical suppliers worldwide to eliminate harmful substances from manufacturing processes and drive transformative change in the textile industry.



By integrating bluesign® standards into our supply chain, we ensure that we continue to meet the highest environmental and safety criteria in alignment with our long-term sustainability goals.

## SUSTAINABLE MATERIALS

A sustainable shirt begins with the materials we choose.

### THE C-FREE® PROGRAM

We grew our selection of products made from materials with a lower environmental footprint and further developed our C-FREE® line. These products are certified by ClimeCo to have a reduced carbon footprint, through a combination of preferred materials and investing in carbon offset projects.

We expanded the C-FREE® collection to include outerwear and a complete assortment of ClimeCo Product Certified products. ClimeCo certification means that a product's total carbon footprint has been evaluated. This process accounts for the product's "cradle-to-grave" lifecycle emissions as well as any carbon reduction strategies that have been implemented to offset them.

We contribute a portion of C-FREE® product sales to several carbon offset projects, including an acid abatement project, mitigating climate change and improving air quality by reducing nitrous oxide emissions at adipic acid production facilities in Florida.

In 2024 alone, C-FREE® styles offset 20,000 metric tons of CO2 emissions—the equivalent of 3,947 homes' electricity use for one year.



# 20,000

metric tons of CO2  
offset in 2024



PC01



SXU005 SXU001



AL2303

### PREFERRED MATERIALS

We now have over 200 styles that feature lower-impact materials and processes, including:

- PC01 - Port & Company Core Blend Recycled Tee
- SXU001 - Stanley/Stella Creator 2.0 Tee
- AL2303 - Allmade Recycled Blend V-Neck Tee



## CONCLUSION



# Creating a Canvas for Good is important work.

**We can't do it alone.**

Our sustainability efforts arrive at a significant milestone in 2025. As we close in on our five-year goals, we're looking ahead to 2030 while continuing to deliver on our promises to protect our people, preserve our planet and provide sustainable products.

We're glad you're on this journey with us.

**SANMAR**  
Together, for Good.

## About This Report

This report includes information on the entity wholly-owned and operated by SanMar in the U.S., 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.

Elcatex is a joint venture, for which SanMar does not have operational control; therefore, it is not included in the scope of this report. Three affiliate offices are located in Hong Kong, Honduras and Dubai. SanMar does not have operational control of these entities; therefore, they are not included in the scope of this report.

Data contained in this report is for the 2024 calendar year unless otherwise noted. This update was published in June 2025. For questions, please contact [supplierinquiries@sanmar.com](mailto:supplierinquiries@sanmar.com).



Together, for Good.