

SanMar Statement on Modern Slavery

Including Child Labor, Forced Labor and Human Trafficking

This document outlines SanMar's policies and actions aimed at preventing slavery and human trafficking in our business dealings and our supply chain.

As detailed below, SanMar has developed and issued a code of conduct that condemns and strictly prohibits human trafficking and slavery, forced labor, or child labor in our supply chain.

Family-owned since 1971 and headquartered in Issaquah, Washington, SanMar Corporation ("SanMar") is one of the largest imprintable sportswear suppliers in the U.S. SanMar supplies apparel and accessories to screen printers, embroiderers, promotional products distributors, athletic dealers, industrial launderers and more. SanMar sells products primarily in the United States to a variety of wholesale customers, some of whom have activities in Canada and may import our products there.

SanMar's supply chain is comprised of 90 factories located in 19 countries all around the world and supported by a network of materials suppliers in the U.S. and abroad. We publish a list of our Tier 1 facilities every quarter on our [website](#). This information can also be found on the [Open Supply Hub](#) website.

Introduction:

At SanMar, we are deeply committed to ethical sourcing practices and the well-being of workers throughout our supply chains. We have established robust due diligence policies and processes aimed at ensuring accountability for foreign suppliers. This includes identifying, preventing, and addressing the risks associated with illegal labor like child labor, forced labor, and human trafficking, consistent with the requirements of the California Transparency in Supply Chains Act and Canada's Bill S-211. This document outlines our commitment to compliance with applicable legislative frameworks and our dedication to supply chain security by identifying, preventing, and mitigating the risks associated with illegal labor like child labor, forced labor, and human trafficking in foreign operations and supply chains.

1. Policy Statement:

- SanMar maintains a zero-tolerance policy towards illegal labor like child labor, forced labor and human trafficking in our supply chains and foreign business partners.
- Our Supplier code of conduct, known as our [Global Operating Principles](#) (GOP) aligns with [the FLA Fair Labor Code](#) and adheres to all applicable international conventions, laws, and regulations concerning illegal labor such as child labor, forced labor, and human trafficking, including the California Transparency in Supply Chains Act and Canada's Bill S-211.
- SanMar's [Factory Compliance Benchmarks](#) detail our GOP, encompassing our compliance program and expectations for supplier business conduct. These benchmarks also serve as the basis for evaluating a facility's performance and progress in meeting our GOP standards.

- Our Factory Compliance Benchmarks align with the [FLA Workplace Code of Conduct and Compliance Benchmarks](#).
- We are committed to taking proactive measures to prevent, detect, and address any instances of illegal labor like forced labor or child labor within our operations and supply chains.

2. Risk Assessment:

- SanMar is committed to maintaining lawful operations throughout our supply chain, and we take regular measures to assess and mitigate risks related to child labor, forced labor and human trafficking.
- Our risk assessments take into account various factors, including geographical location, industry sector, supplier relationships, and socio-economic conditions, to identify high-risk areas that may require closer scrutiny.
- To ensure compliance with our standards, we conduct periodic announced and unannounced audits at the facilities of each supplier involved in the production of our proprietary products.
- Audits are performed by independent third-party auditors and include key activities such as document review, facility walkthrough, and interviews with management and workers or their representatives where applicable.
- Prioritizing high-risk areas and conducting thorough audits enables us to take targeted interventions and ensure that our supply chain remains free from any form of illegal labor like child labor, forced labor, and human trafficking.
- In conducting our risk assessment, SanMar also leverages a wide variety of external sources, including the reporting issued by the U.S. government and trade associations like the American Apparel & Footwear Association as well as data aggregators like Countryrisk.io, to ensure that our review is comprehensive.
- SanMar's compliance team combines third party data with our own data gathered from both the formal and informal on the ground assessments conducted internally (and with its third party- auditors) as well as SanMar's work as a Tier 3 member of the Customs Trade Partnership Against Terrorism (CTPAT) program in our supplier facilities to determine the areas of highest risks in our supply chain.
- In 2024, SanMar carried out 83 social audits and 66 U.S. Customs security requirements audits.
- Between 2021–2022 and 2023–2024, the percentage of 'Fail' audit outcomes decreased from 8.55% to 5.92%, while 'Pass' rates increased—clear evidence that our compliance program is driving meaningful progress. Targeted root cause analysis and remediation efforts also reduced repeat findings from 33.2% to 28.5%, reinforcing long-term improvements in supplier performance.

3. Supplier Due Diligence:

- SanMar has established robust supplier screening processes to evaluate potential suppliers' adherence to SanMar's GOP, including their policies and practices regarding illegal labor such as child labor, forced labor, and human trafficking.
- Suppliers are required to provide transparency into their labor practices, including documentation verifying compliance with applicable laws and regulations.

- Periodic audits and assessments of supplier facilities are conducted to verify compliance and address any identified non-compliance issues.
- SanMar's factory monitoring program received re-accreditation by the Fair Labor Association in 2023. Full report can be found [here](#).

4. Contractual Obligations:

- SanMar's supplier contracts explicitly prohibit the use of illegal labor like child labor, forced labor, and human trafficking and empower SanMar to terminate the contract for non-compliance.
- Suppliers are required to certify that they will follow SanMar's GOP and agree to cooperate in investigations and remediation if concerns arise.

5. Training and Awareness:

- SanMar provides training to employees and suppliers on SanMar's policies and procedures related to all aspects of SanMar's GOP, including child labor, forced labor, and human trafficking.
- On an annual basis, SanMar's suppliers are required to provide training for their workers to ensure they understand their rights under SanMar's GOP and on how to use the SanMar's reporting hotline. In 2022, SanMar updated our GOP with higher standards and set up external hotline services for worker concerns along with language support.
- Efforts to increase awareness regarding the signs and indicators of illegal labor like child labor, forced labor, and human trafficking are underway to empower both employees and suppliers to readily identify and report potential concerns. Moreover, non-compliance trends are consistently communicated to leadership teams, staff, and suppliers to ensure a proactive approach to addressing such issues.
- In 2023 SanMar delivered mandatory training to 57 of our Tier 1 factories on recognizing forced labor in their supply chain.
- In 2024, all factories received training in topics like addressing root causes for remediation and forced labor prevention.
- In 2023, 184 key internal global sourcing team members received training on responsible purchasing practices and how they can have an impact on working conditions at the factories.
- In 2024, 318 internal team members were trained on recognizing forced labor in the supply chain.

6. Monitoring and Reporting:

- SanMar has established mechanisms for ongoing monitoring of labor practices within our operations and supply chains.
- We have worker feedback channels for reporting suspected instances of labor or human rights violations including illegal labor like forced labor or child labor, ensuring confidentiality and protection for reporters.
- Protocols for investigating reported cases and taking appropriate remedial actions, including corrective measures and disciplinary actions, if necessary, have been developed.
- In 2024, we received 182 worker concerns which were successfully investigated, addressed and resolved to the worker's satisfaction.

7. Continuous Improvement:

- SanMar regularly reviews and updates our due diligence policies and processes in response to changing legal requirements, industry standards, and emerging risks.
- Stakeholders, including employees, suppliers, both local and government agencies and non-profits, are engaged to gather feedback and enhance our efforts to combat illegal labor like child labor, forced labor, and human trafficking.
- SanMar has established policies and procedures to remediate the loss of income to the most vulnerable families that may result from any measures taken by SanMar to eliminate the use of forced labor or child labor in our supply chains. For example, SanMar has signed on to AAFA/FLA's Commitment to Responsible Recruitment, which commits SanMar to ensure that workers are re-imbursed for all fees paid to obtain their job and has vowed to incorporate these protocols into SanMar's social compliance standards.

8. Responsible Purchasing Practices:

We understand that our purchasing practices affect our suppliers and, consequently, the workers who manufacture our products. Therefore, we evaluate our purchasing practices and policies at regular intervals. SanMar has been working with the [Better Buying Initiative](#) since 2019. Better Buying is a unique system that enables suppliers to communicate with their buyers and rate purchasing practices anonymously, providing clear, relevant, transparent and timely information and analysis about good purchasing practices.

In 2021, SanMar became the first Better Buying subscriber to publish our scorecard publicly. We continue to [publish](#) our results every year. In 2024, during SanMar's Global Supplier Summit, we facilitated an open dialogue on responsible purchasing practices, emphasizing the importance of ongoing supplier feedback. We encouraged suppliers to continue sharing their insights anonymously, helping us identify opportunities to strengthen our purchasing approach and enhance the way we engage with our supply chain partners.

Conclusion:

At SanMar, we are committed to upholding the highest standards of sourcing and legal labor practices in compliance with applicable regulation, including the California Transparency in Supply Chains Act, Canada's Bill S-211. Through our comprehensive due diligence policies and processes, we strive to keep illegal labor like child labor, forced labor, and human trafficking out of our operations and supply chains. We are continuously improving our monitoring program to positively impact lives.



Melissa Nelson

General Counsel and Corporate Secretary

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*This reporting is for fiscal year 2024