

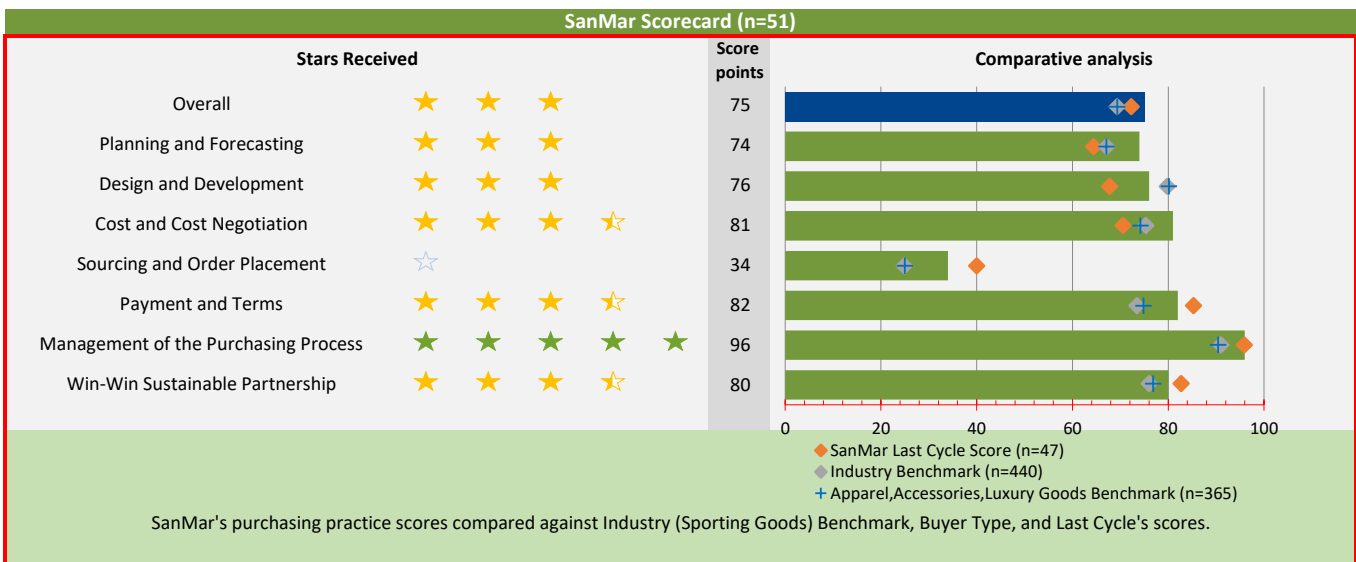


# BETTER BUYING™ PURCHASING PRACTICES COMPANY REPORT: 2021

## SanMar

### OVERVIEW

This is a confidential analytical report on purchasing practices prepared for SanMar from supplier ratings submitted during the second quarter of the 2021 ratings cycle. The report details SanMar’s performance on Better Buying™ measures that have been anonymously reported by suppliers based on comprehensive, data-driven surveys examining key purchasing practices that can support or impede business success, including suppliers’ ability to improve working conditions in their factories.



SanMar Response Rate: 83.6%

27.5% of your suppliers suggested Planning and Forecasting category should be your priority for improvement.

[To view other priorities for improvements, click here.](#)

### RECOMMENDATIONS

Planning and Forecasting was most frequently selected by suppliers as the category where they want SanMar to focus improving first. SanMar’s performance in this category demonstrates improvement over the company’s 2019 scores, in addition to surpassing the industry and buyer type benchmarks. However, there is still opportunity to ensure 100% of suppliers receive forecasts and that those forecasts are regularly updated – both of which would earn SanMar some quick points in this category. Better Buying™ also found that providing regular forecast updates was the most influential practice in determining whether a supplier would respond “yes” to the question about whether their buyer works with them as a partner in business growth. Reserving capacity in advance is another way to give suppliers information about future business; making sure to fill that capacity or compensate suppliers for unutilized capacity is a best practice that demonstrates the mutuality of buyer-supplier partnerships in a very tangible way.

SanMar also has room to continue improving its forecasting accuracy, aiming for all orders to be within +/-20% of capacity reserved. Forecasting accuracy was identified in recent Better Buying™ research as a key lever for helping avoid the negative sustainability impacts that can result from month-to-month order variability. Improving forecasting accuracy and providing forecasts further in advance are the more impactful practices that would substantially improve SanMar's score and position them as a leader in the Planning and Forecasting category.

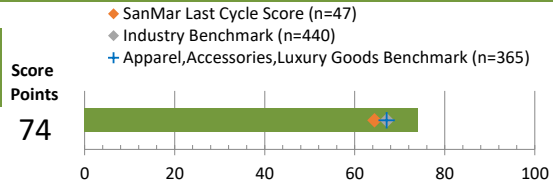
Other quick wins: Set CSR/compliance and environmental sustainability expectations for all suppliers and incentivize them to improve. Use factory audits and self-assessments as a way to enforce SanMar's CSR/compliance expectations, making sure to accept results from other recently conducted audits to reduce audit fatigue.

[To view your suppliers' comments about your Best Practices, click here.](#)

# Planning and Forecasting



## Star Score



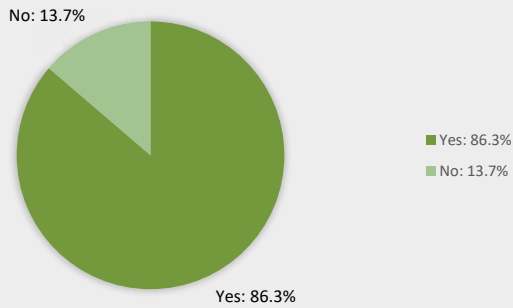
## Did you receive a forecast or through other means gain insight into buying plans for the season?

SanMar Overall Ratings (n=51)

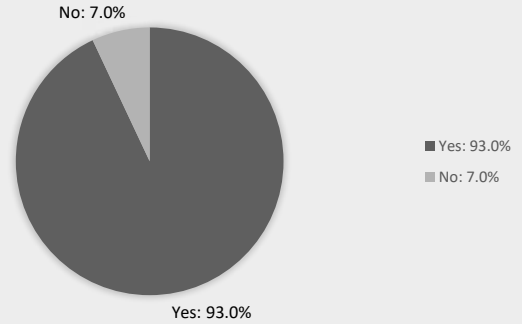
Industry Benchmark (n=440)

Suppliers need forecasts in order to plan production. Without visibility into buying plans, it is difficult for suppliers to maintain a consistent workforce - this can have negative impacts on quality and efficiency.

Percent of Suppliers Receiving Forecast



Percent of Suppliers Receiving Forecast



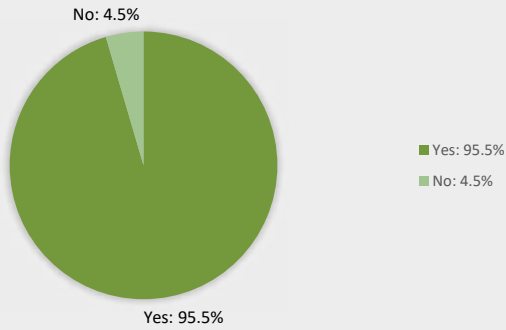
# Did the forecast provide enough detail for your planning?\*

SanMar Overall Ratings (n=44)

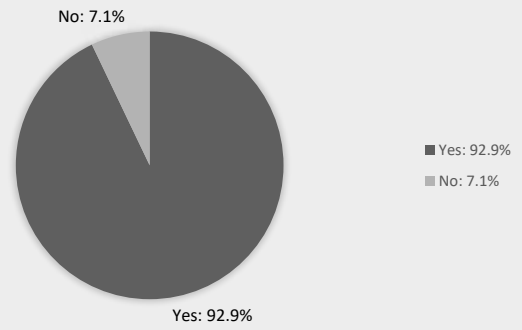
Industry Benchmark (n=409)

Provide forecasts with complete and thorough information (including order volume, product details, order placement date, lead time, and other details) to all your suppliers to ensure that there are no shipment delays, quality issues, or non-compliant practices.

Percent of Suppliers Receiving Detailed Forecast\*



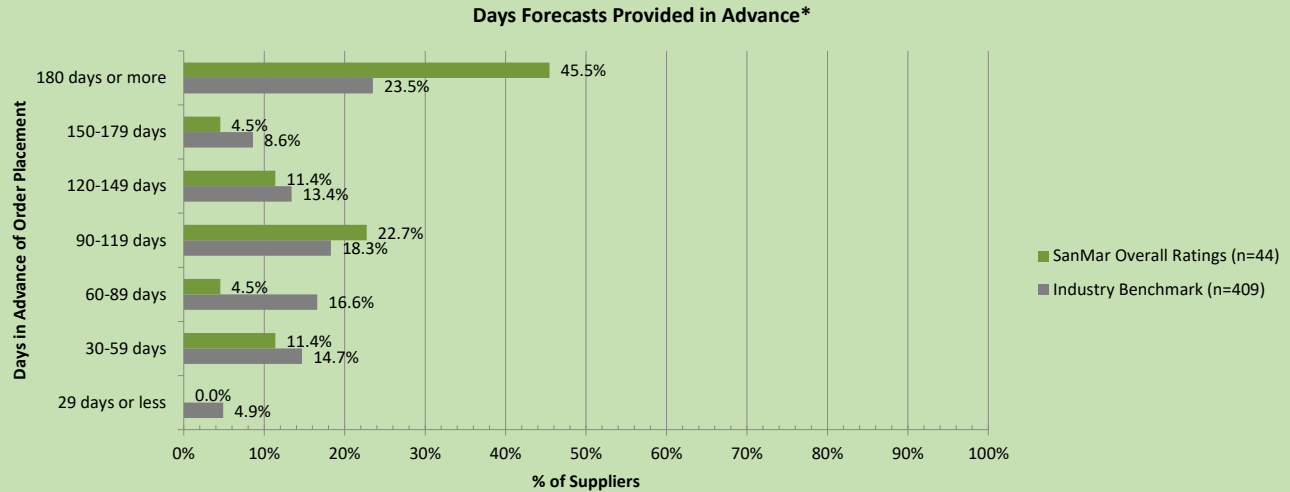
Percent of Suppliers Receiving Detailed Forecast\*



## How many days in advance of order placement was the forecast provided?\*

SanMar Overall Ratings (n=44)

Providing forecasts well in advance of production enables suppliers to plan their future business and allocate resources accordingly. This has positive benefits for the buyer-supplier partnership as it provides suppliers with confidence about the partnership's future. Aim to provide forecasts 180 days or more in advance of production for the majority of your suppliers.



Forecasts were updated regularly for 81.8% of SanMar suppliers compared to 78.0% of suppliers in the industry benchmark.

A lack of regular updates leaves suppliers in the dark about changes to the forecasts they receive. If actual orders do not end up matching the forecast, suppliers can resort to subcontracting (if orders are larger than forecasted) or be left with idle lines (if orders are smaller than forecasted) with resulting negative impacts on workers. Update your suppliers on a monthly basis (at a minimum) to keep them informed about any forecast changes.

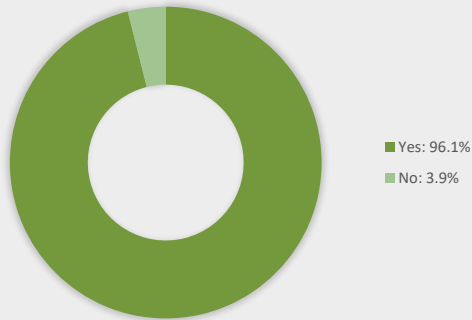
# Capacity for the buyer's repeat orders is agreed with your company in advance of those orders being confirmed.

SanMar Overall Ratings (n=51)

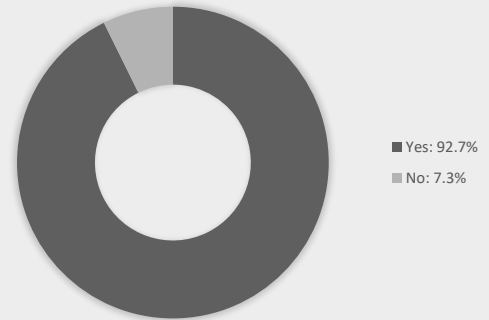
Industry Benchmark (n=440)

Verifying capacity for repeat orders helps ensure your company does not place orders that a supplier cannot handle with its existing workforce, thereby avoiding potential use of unauthorized subcontracting or excessive overtime.

Capacity Agreed for Repeat Orders



Capacity Agreed for Repeat Orders

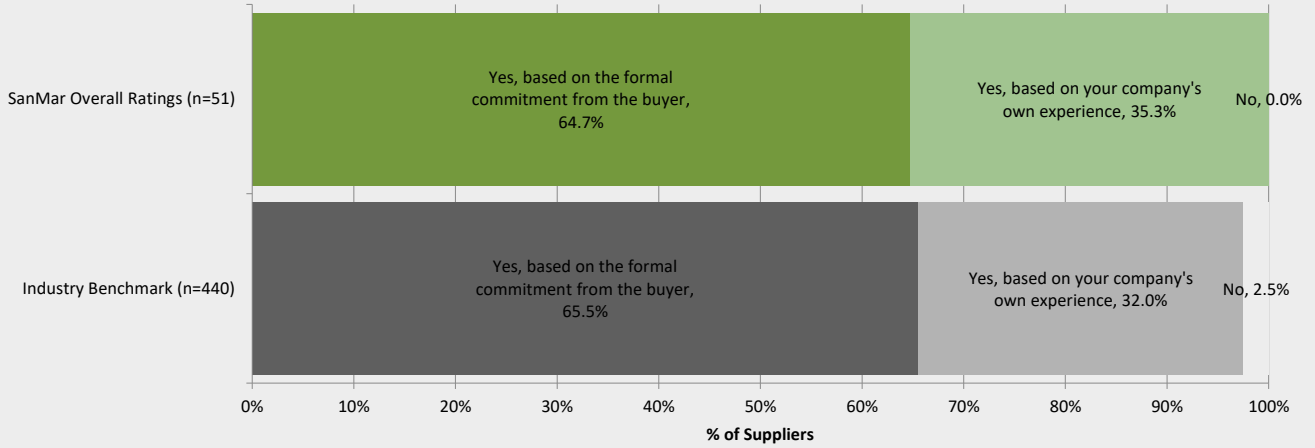


# Did you reserve capacity for this buyer in advance of production?

SanMar Overall Ratings (n=51)

Reserving capacity in advance helps suppliers efficiently allocate resources and manage their workforce. Without reserving capacity in advance, your company might not be able to use your preferred supplier, or your supplier may take the order with plans to subcontract or require overtime.

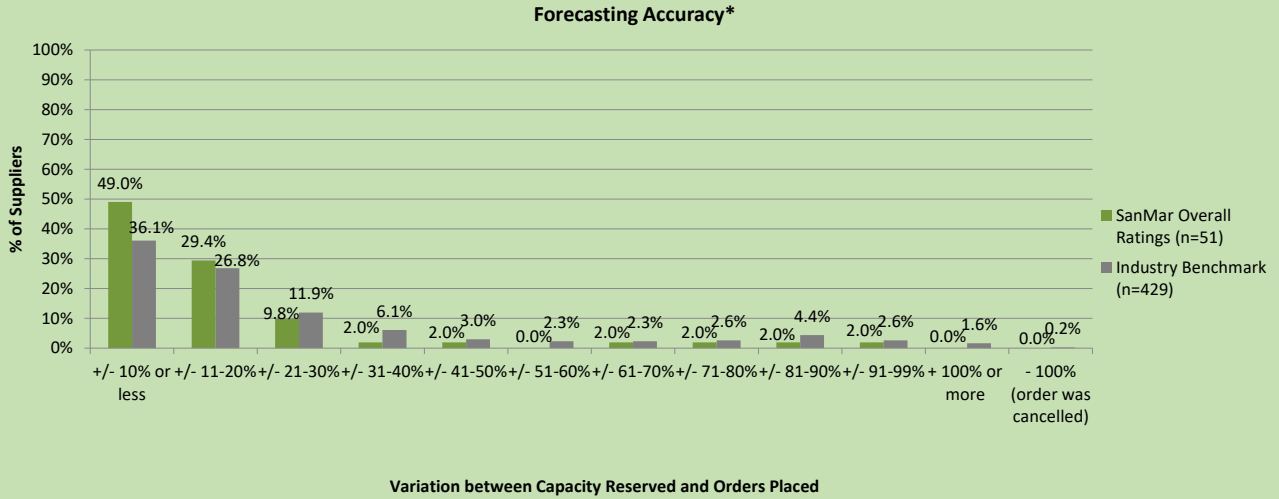
## Capacity Reserved in Advance of Production



# How much did the actual purchase order quantity vary compared with the capacity reserved for the buyer?\*

## SanMar Overall Ratings (n=51)

Large variances between capacity booked and actual orders make it difficult for suppliers to sustain their business. Working hours and work intensity can increase, subcontracts may be utilized, or lines can be left idle and lead to high worker turnover. Improving your company's forecasting capabilities and providing regular updates to forecasts should be a priority to help reduce this variance to 20% or less.





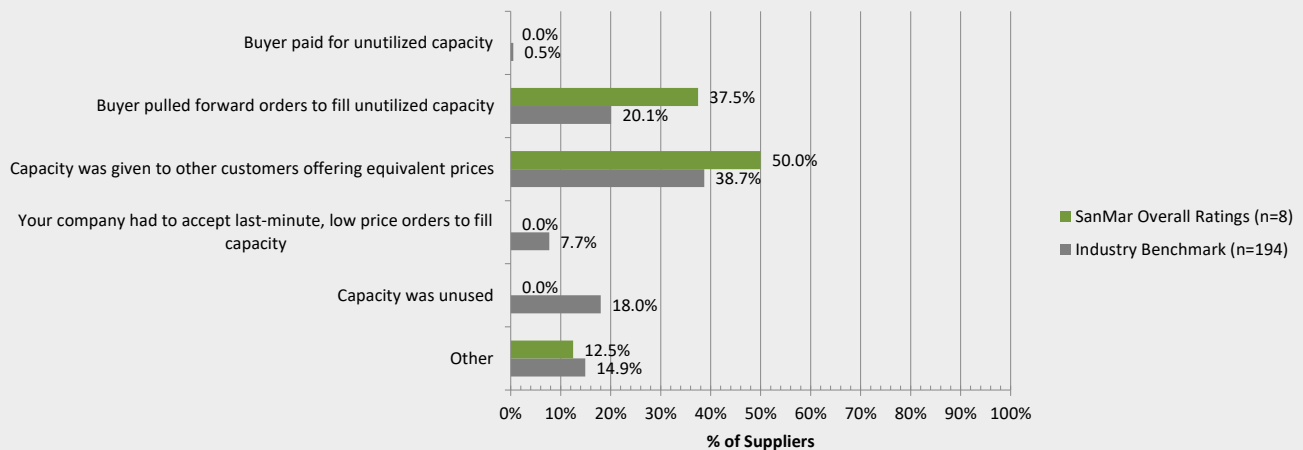
## Did the difference between actual purchase order quantities and capacity reserved result in unutilized capacity?\*

SanMar Overall Ratings (n=51)

Unutilized capacity is a challenging situation for suppliers as they are left with poor options for how to address the problem of idle lines - especially when they learn about the difference in actual/forecasted orders at the last minute. Partner with your suppliers to identify plans for responsibly handling unutilized capacity in the future.

15.7% of SanMar suppliers, compared to 45.2% of suppliers in the industry benchmark, reported that the difference between actual purchase order quantities and capacity reserved resulted in unutilized capacity

How Unutilized Capacity was Handled\* (n=8)



While pulling orders forward is not always a feasible option, it may help fill idle capacity and avoid business and/or worker-related impacts. Pulling orders forward should always be done in consultation with the supplier.

Your company could be at risk of losing suppliers to customers that can provide more stable, predictable orders.

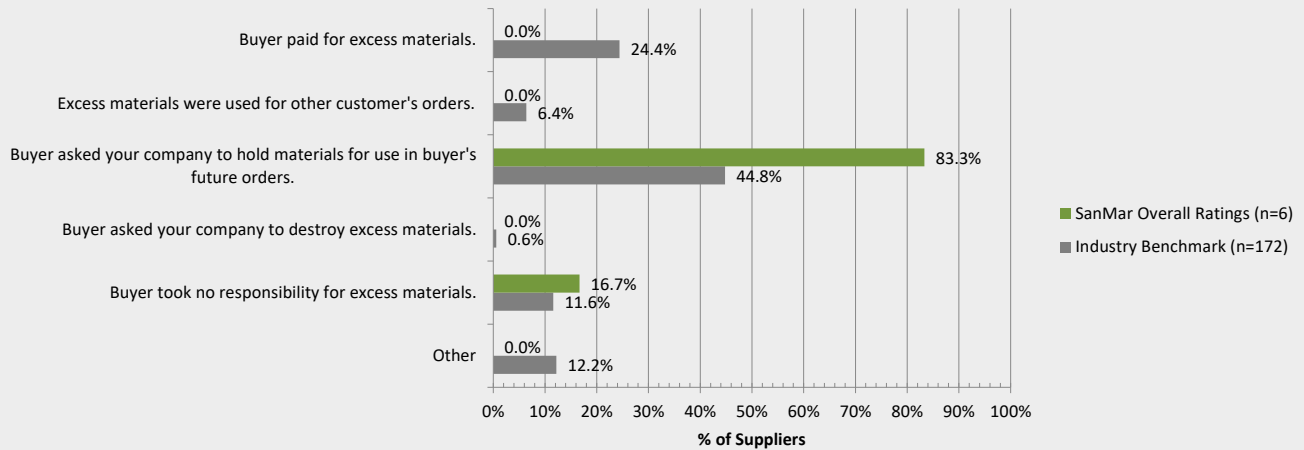
[If your suppliers provided "Other" comments, click here to view.](#)

## Did fluctuations in actual purchase orders versus expected orders result in excess materials?\*

SanMar Overall Ratings (n=51)

11.8% of SanMar suppliers, compared to 40.1% of suppliers in the industry benchmark, reported that fluctuations in actual purchase orders versus expected orders resulted in excess materials.

How Excess Materials were Handled\* (n=6)



While it makes sense to utilize these excess materials in future orders, it is costly for your supplier to store materials for you that they have already paid for. This increases their financial pressures, which can then overflow onto workers.

Not taking responsibility for excess materials increases your suppliers' costs and increases your company's risk of losing suppliers. Identify fair practices to take responsibility for differences in expected and actual orders.

[If your suppliers provided "Other" comments, click here to view.](#)

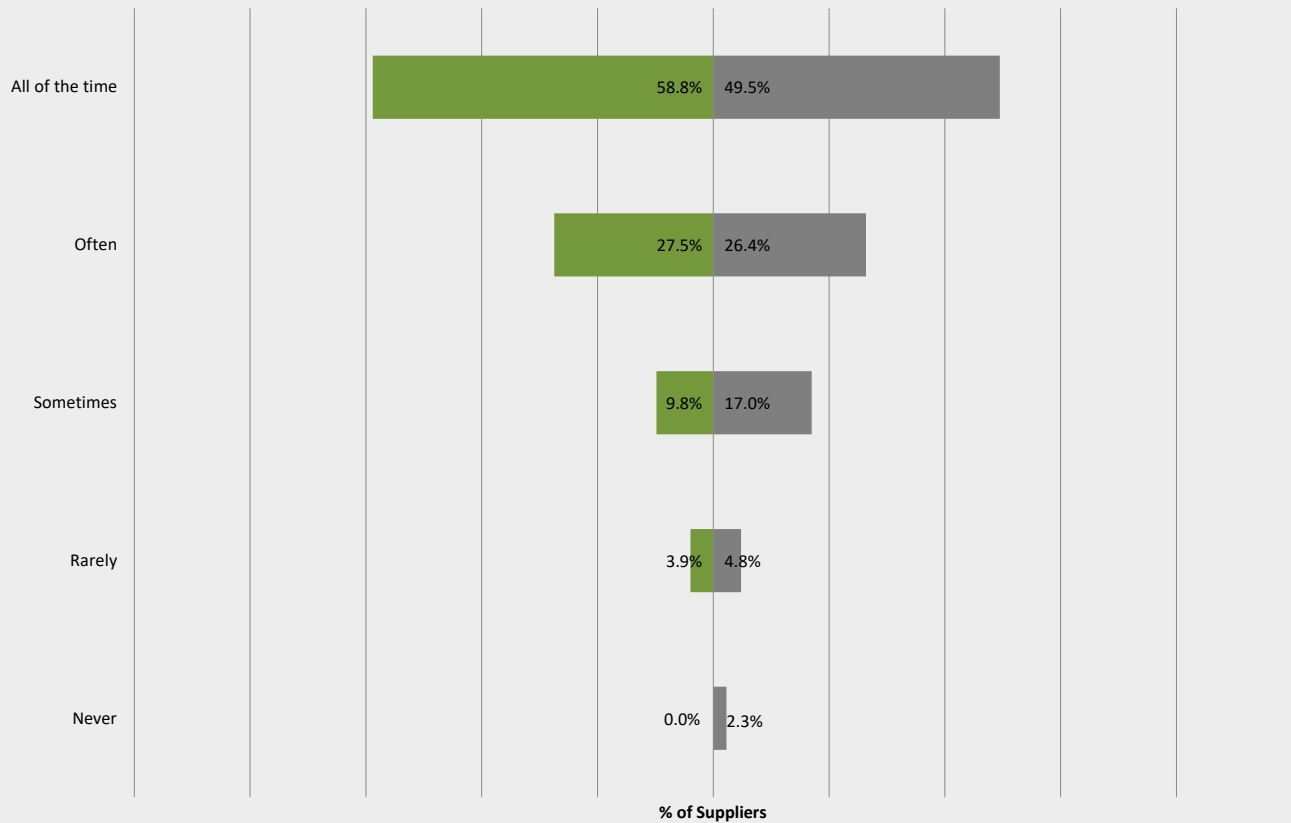
## Does the buyer work as a partner with you in business growth?

SanMar Overall Ratings (n=51)

Each of the practices highlighted in this section contribute to suppliers' perception of your partnership in business growth. Without visibility into upcoming orders, suppliers can't plan for the future of their business. Providing regular updates well in advance of production enables suppliers to plan for growth and simultaneously encourages stronger collaboration toward you and your suppliers' shared sustainability goals.

### Partner in Business Growth

■ SanMar Overall Ratings (n=51) ■ Industry Benchmark (n=440)



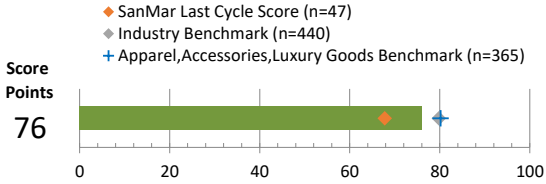
[To view additional feedback about poor practices or suggestions offered by your suppliers for how your company could improve on Planning and Forecasting, click here.](#)

*\*Some of the questions are only asked based on rater's response to a previous question. As a result, the base (n value) on which the % is calculated may be different per question.*

# Design and Development



## Star Score



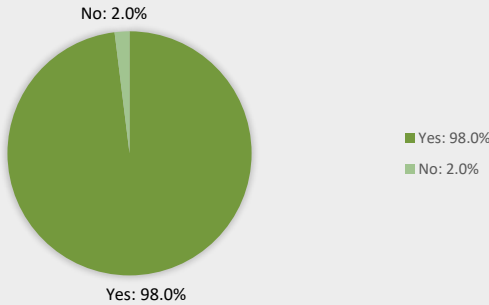
The score points for Design and Development category are calculated based on ratings that have received all the questions of this category.

## Did you produce products or samples for your buyer based on their tech packs/product specifications?

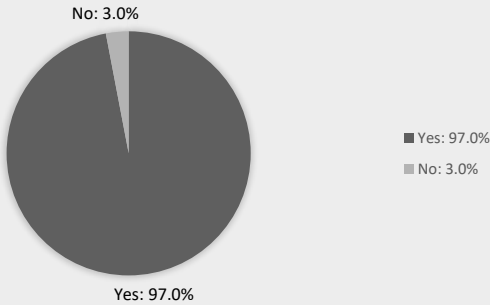
SanMar Overall Ratings (n=51)

Industry Benchmark (n=440)

Samples Produced Based on Buyer's Tech Packs/Product Specifications



Samples Produced Based on Buyer's Tech Packs/Product Specifications



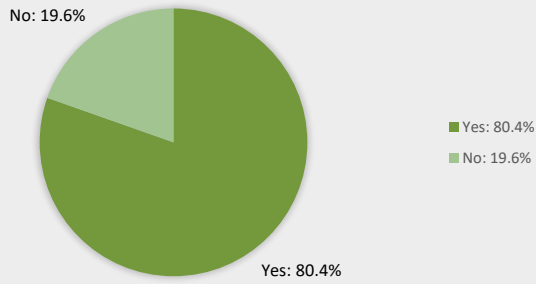
# Did you develop new products at the request of the buyer during the last 12 months?

SanMar Overall Ratings (n=51)

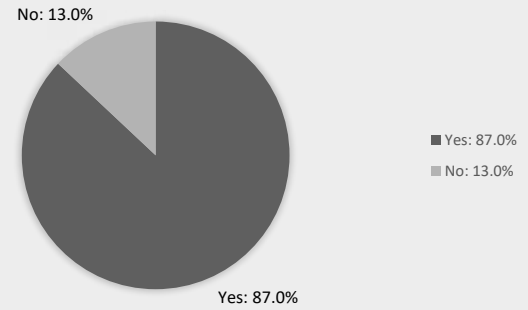
Industry Benchmark (n=440)

While less concrete than projections or reserved capacity, development can serve as another way for suppliers to gain visibility into future orders.

Suppliers Developing Products for the Buyer



Suppliers Developing Products for the Buyer

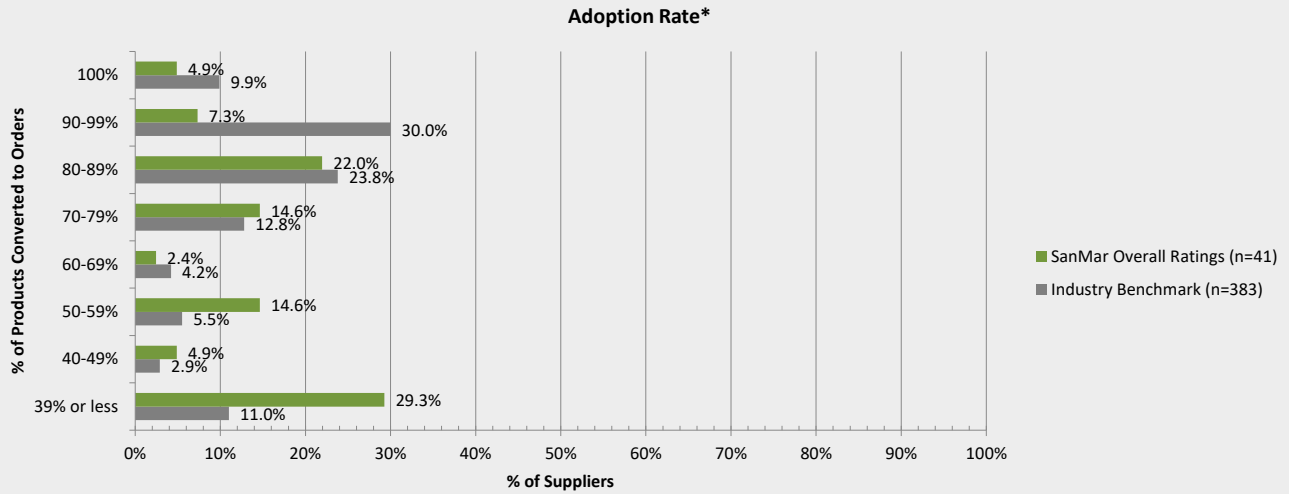


Suppliers that reported they did not produce products or samples based on their buyer's tech packs/product specifications and did not develop any new products at the request of the buyer, did not receive the rest of the Design and Development questions.

## Of the products your company developed, what percentage did you receive orders for?\*

SanMar Overall Ratings (n=41)

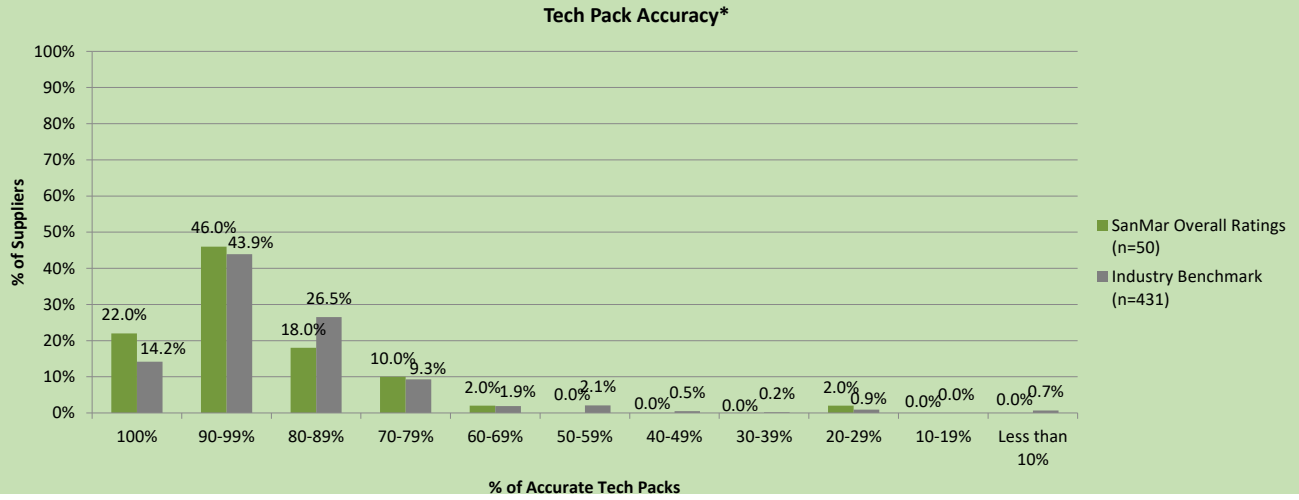
Sample development comes at a significant cost to suppliers. Low adoption rates mean suppliers have no opportunity to recoup these costs - the added financial burden can negatively impact workers' wages and payment of legally-mandated social benefits. Work to improve adoption rates with your suppliers.



## What percent of the buyer's tech packs/product specifications were accurate?\*

SanMar Overall Ratings (n=50)

Accurate tech packs eliminate the time spent making and confirming corrections, enable suppliers to ensure the correct materials and packaging are available, and limit interruptions to production. Striving toward 100% accuracy will help maximize process efficiency both at HQ and at the supplier for on-time delivery.



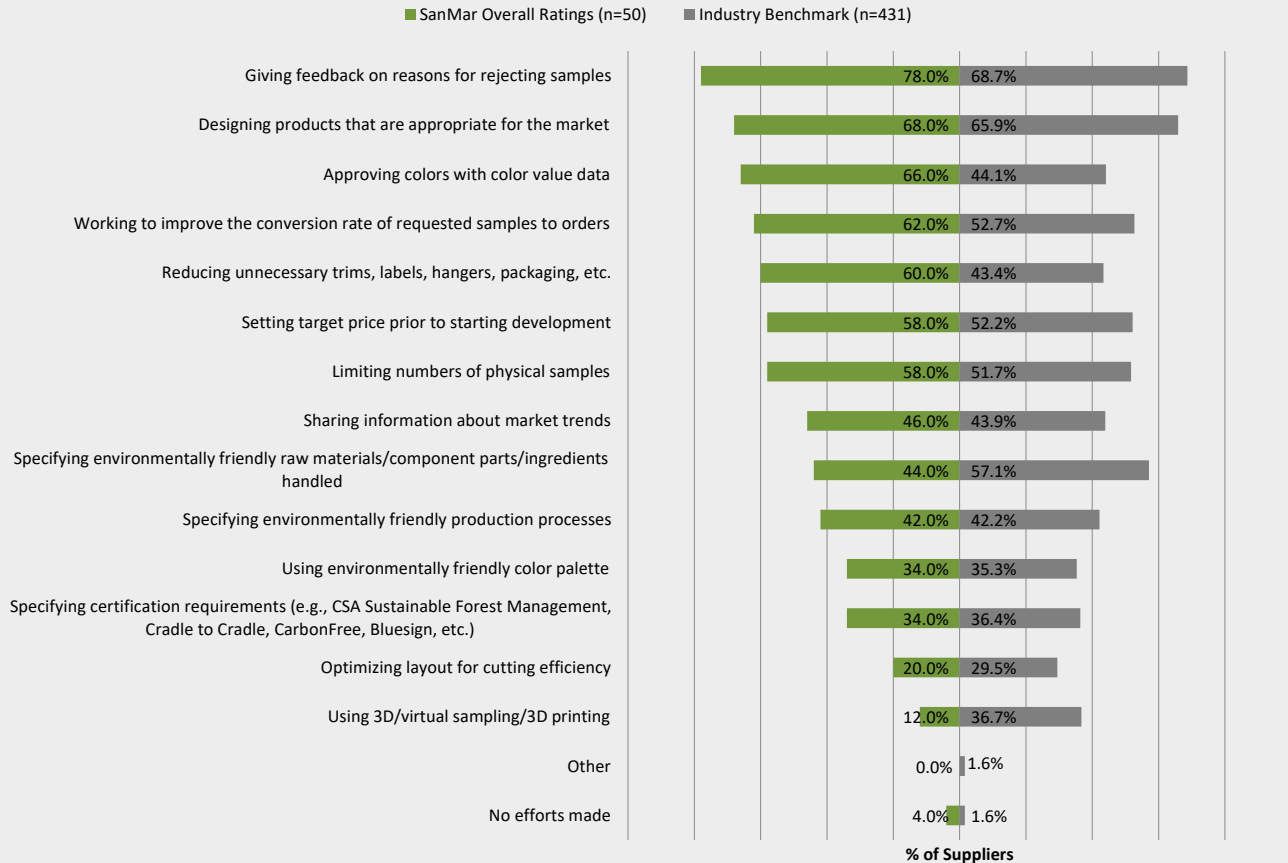
## What efforts does the buyer make to improve sustainability (social/labor, environmental, or business sustainability) through Design and Development?\*

### SanMar Overall Ratings (n=50)

Design and development can play a significant role in improving sustainability in supply chains. Choices made at this stage of the process have significant downstream financial, social, and environmental impacts. By adopting the practices listed, your company is helping to embed sustainability into the production process and generate beneficial outcomes for you, your supplier, the environment, and the workers in your supply chain. What would your suppliers say is the highest priority for implementation?

Some of your suppliers indicate that your company made no effort in the design and development phase to meet the sustainability goals set by you and your

### Efforts Made to Improve Sustainability\*



[If your suppliers provided "Other" comments, click here to view.](#)

[To view additional feedback about poor practices or suggestions offered by your suppliers for how your company could improve on Design and Development, click here.](#)

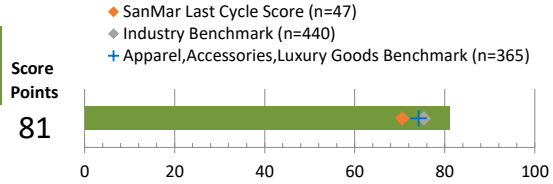
\*Some of the questions are only asked based on rater's response to a previous question. As a result, the base (n value) on which the % is calculated may be different per question.



# Cost and Cost Negotiation



## Star Score

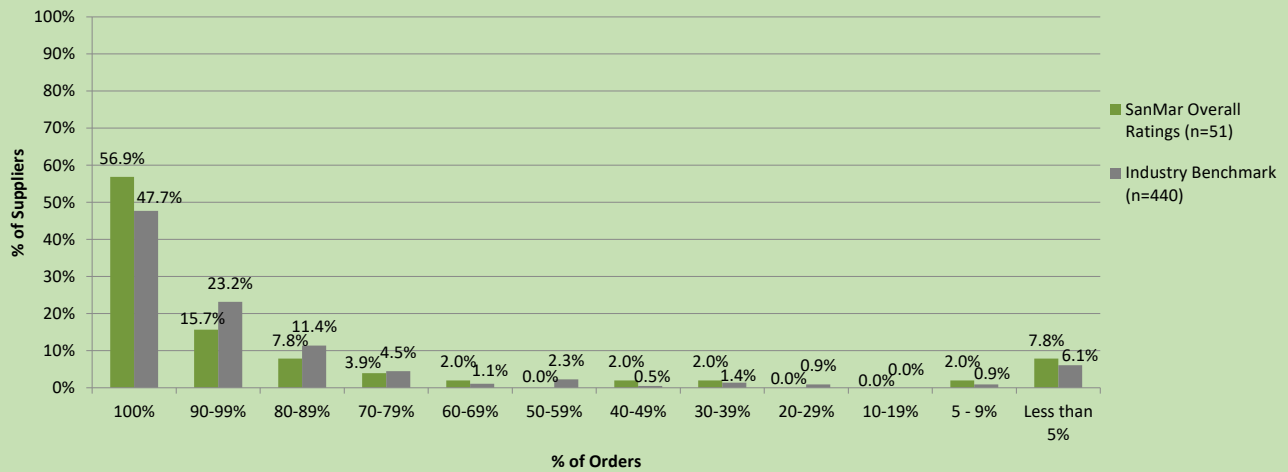


For what percent of the purchase orders did the price paid by the buyer cover the costs of compliant production?

## SanMar Overall Ratings (n=51)

Without prices that cover the cost of compliant production, suppliers have to make tradeoffs to meet your company's requirements. These tradeoffs can involve poor working conditions, unauthorized subcontracting, increased work intensity, and non-payment of full wages and benefits. Work to ensure your company's costing practices are aligned with your CSR/sustainability requirements. Any companies making commitments to achieve living/fair wages must focus on this area.

### Percent of Orders Covering Costs of Compliant Production

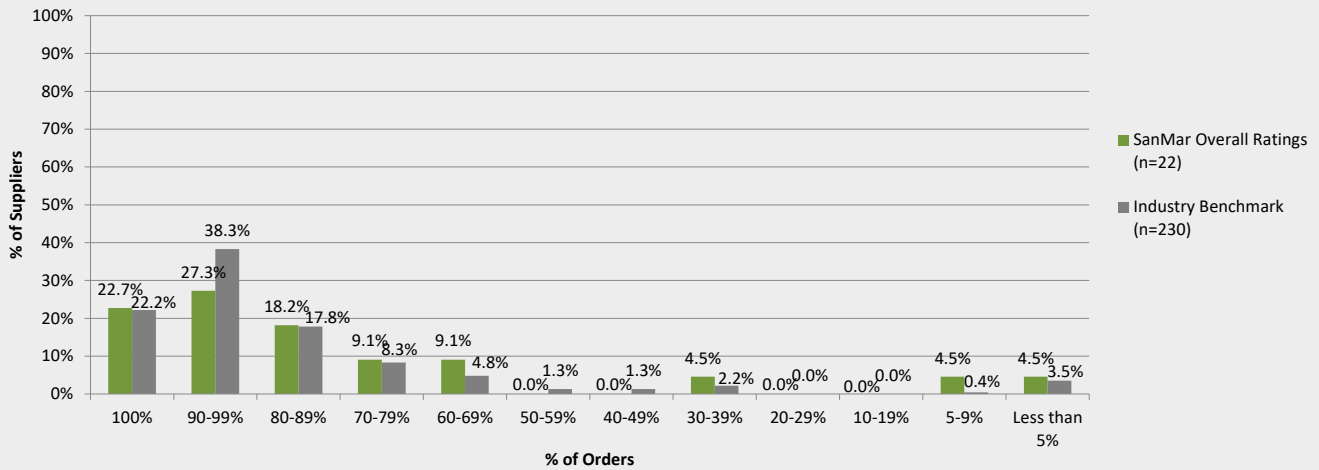


# What percent of the purchase orders did the price paid by the buyer cover the costs of raw materials, component parts, and labor for producing the order?\*

SanMar Overall Ratings (n=22)

Not covering costs for raw materials, component parts, and labor for all orders placed most likely leads to quality issues and workplace noncompliances. Not only is your future business with your suppliers at stake, but your company needs to immediately investigate the sustainability impacts of this poor practice - worker safety and wellbeing is likely at increased risk.

Percent of Orders Covering Production Costs



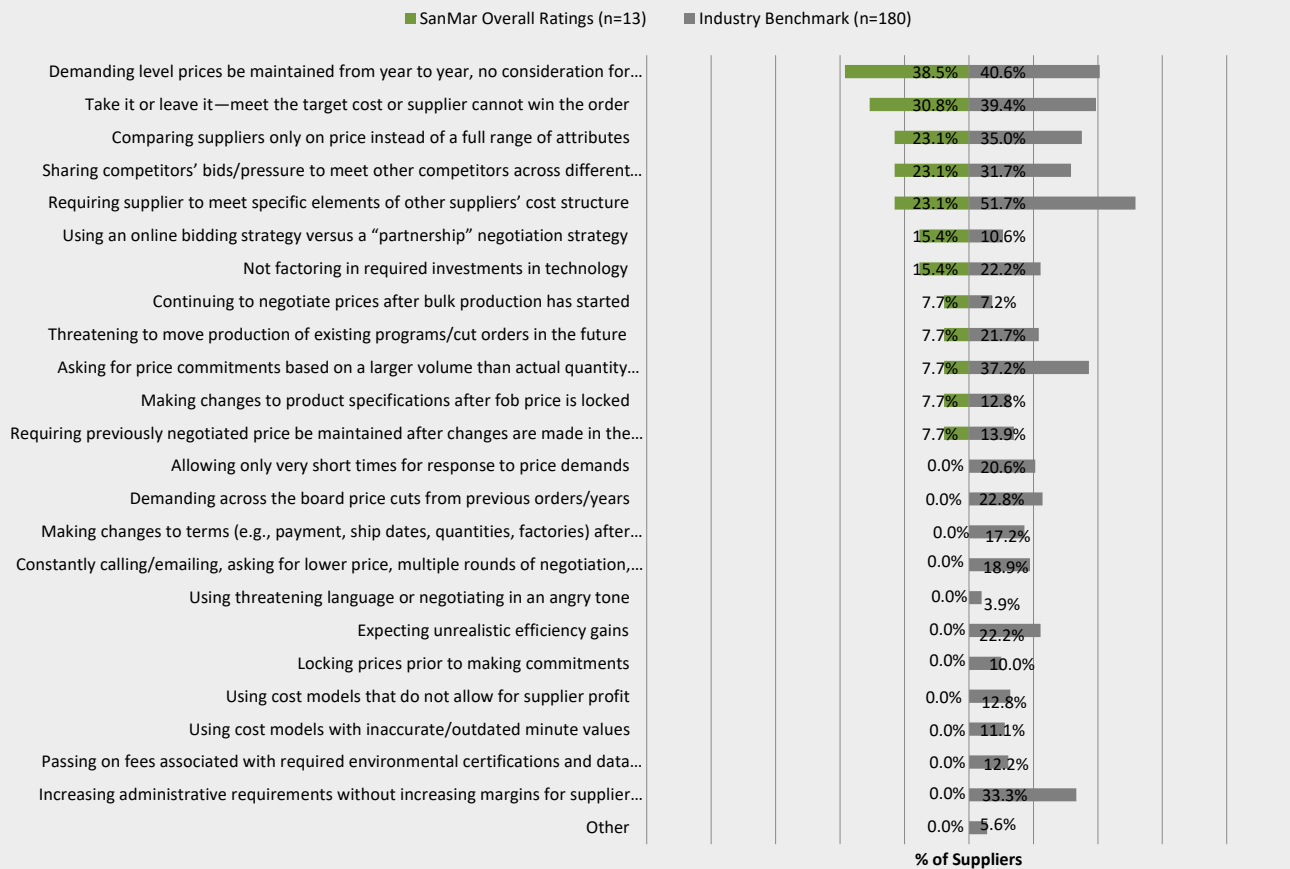
# Did the buyer use costing negotiation strategies that resulted in high pressure on your business?

SanMar Overall Ratings (n=51)

The more high pressure cost negotiation strategies used, the less likely orders are priced to cover compliant production. The strategies listed here leave little room for suppliers to voice concerns and achieve financial, social, and environmental sustainability. At the risk of losing orders, suppliers may accept orders under terms making it impossible to satisfy the requirements of compliant production. Speak with your suppliers about re-engineering products to reduce costs.

25.5% of SanMar suppliers, compared to 40.9% of suppliers in the industry benchmark, reported that buyer employed high-pressure cost negotiation strategies

## Costing Negotiation Strategies Used\*



[If your suppliers provided "Other" comments, click here to view.](#)

It is hard to understand how suppliers can be sustainable with mandates that require steady or reduced prices year over year. Annual country-by-country analyses that examine inflationary conditions and other cost pressures (such as rising wages and costs of raw materials) are necessary to support policies on appropriate cost negotiation strategies.

**Mean (SD) number of high-pressure cost negotiation strategies used: 0.5 (1.1)**

A significant negative correlation was observed between the number of cost negotiation strategies used and percent of orders priced for compliant production; as the number of high-pressure producing cost negotiation strategies used by SanMar increases, the percent of orders priced to cover compliant production decreases ( $r = -.280, p < 0.05$ ).

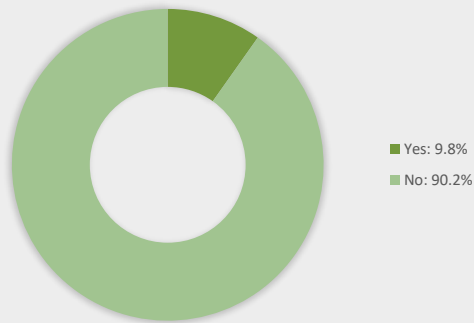
## Does the buyer invest in alternative technologies to help you save on operational costs?

SanMar Overall Ratings (n=51)

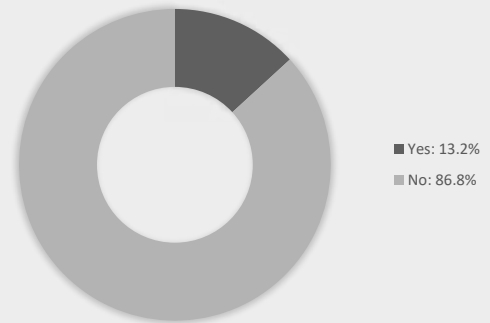
Industry Benchmark (n=440)

Investing in alternative technologies can lead not only to increased on-time delivery and higher quality, but the act of investing can also strengthen supplier partnerships and encourage collaboration toward shared goals. Your company could begin researching opportunities by talking to your suppliers about current operations and how they could be improved.

Investment in Technologies



Investment in Technologies



[If your suppliers described the types of investments made, click here to view.](#)

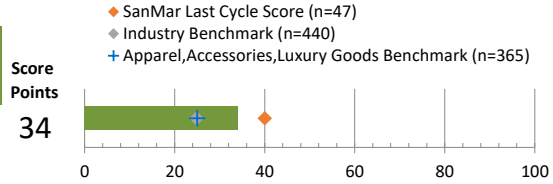
[To view additional feedback about poor practices or suggestions offered by your suppliers for how your company could improve on Cost and Cost Negotiation, click here.](#)

*\*Some of the questions are only asked based on rater's response to a previous question. As a result, the base (n value) on which the % is calculated may be different per question.*

# Sourcing and Order Placement



## Star Score



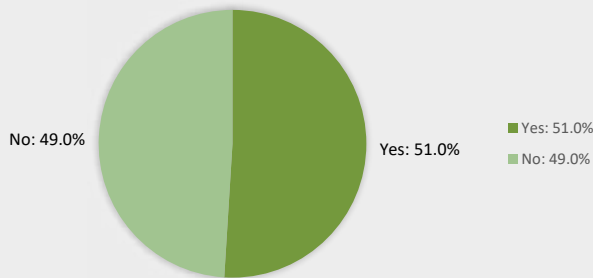
## Does the buyer use an integrated scorecard that includes both commercial and sustainability criteria when making sourcing decisions?

SanMar Overall Ratings (n=51)

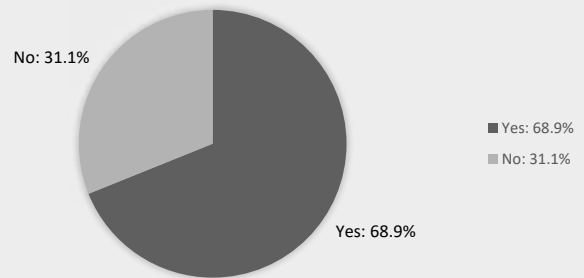
Industry Benchmark (n=440)

Without asserting that sustainability criteria are considered along with commercial concerns, your company could be sending mixed messages to suppliers. Work with all suppliers to identify KPIs for your shared sustainability goals that can be taken into consideration along with price, delivery, and quality criteria.

Use of Integrated Scorecard



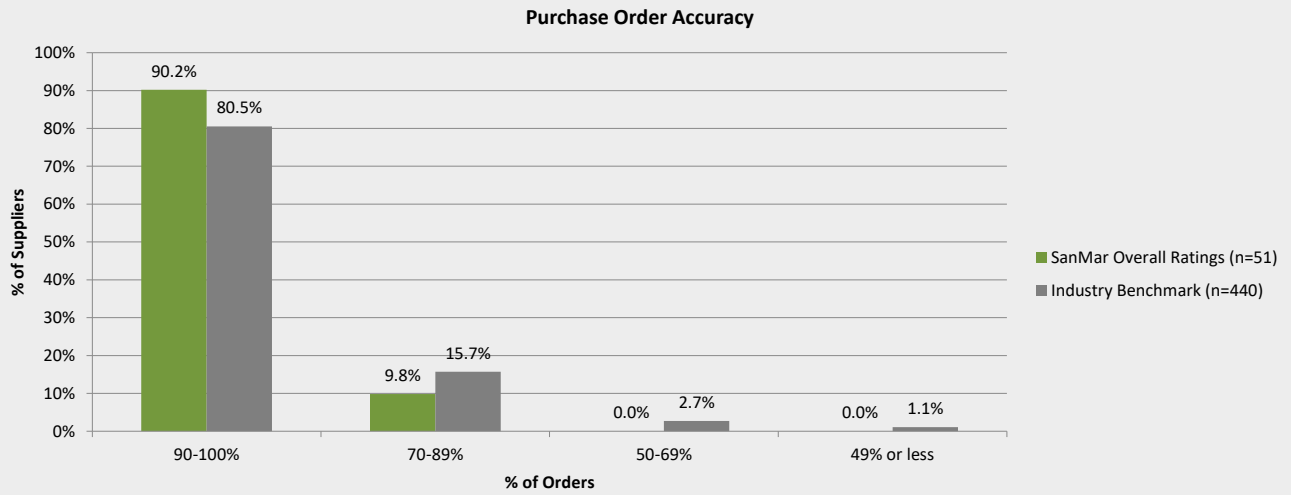
Use of Integrated Scorecard



# What percent of the buyer's purchase orders for bulk production were accurate?

SanMar Overall Ratings (n=51)

Accurate purchase orders mean production can start on time as planned. No time or resources are wasted in trying to figure out accurate information.



# What percent of orders did the buyer cancel after the purchase order was issued?

SanMar Overall Ratings (n=51)

Some of your suppliers reported that your company canceled orders, thus not upholding the commitments made in its purchase orders. Canceling orders heavily impacts suppliers' businesses while also endangering the livelihoods of their workers. Impacts of order cancellations at Tier 1 facilities can have a snowball effect on lower tiers, thus causing financial and social impacts for your entire supply chain.

**Purchase Order Cancellations**



## Does the buyer set minimum expectations for CSR/compliance requirements for production of its orders?

### SanMar Overall Ratings (n=51)

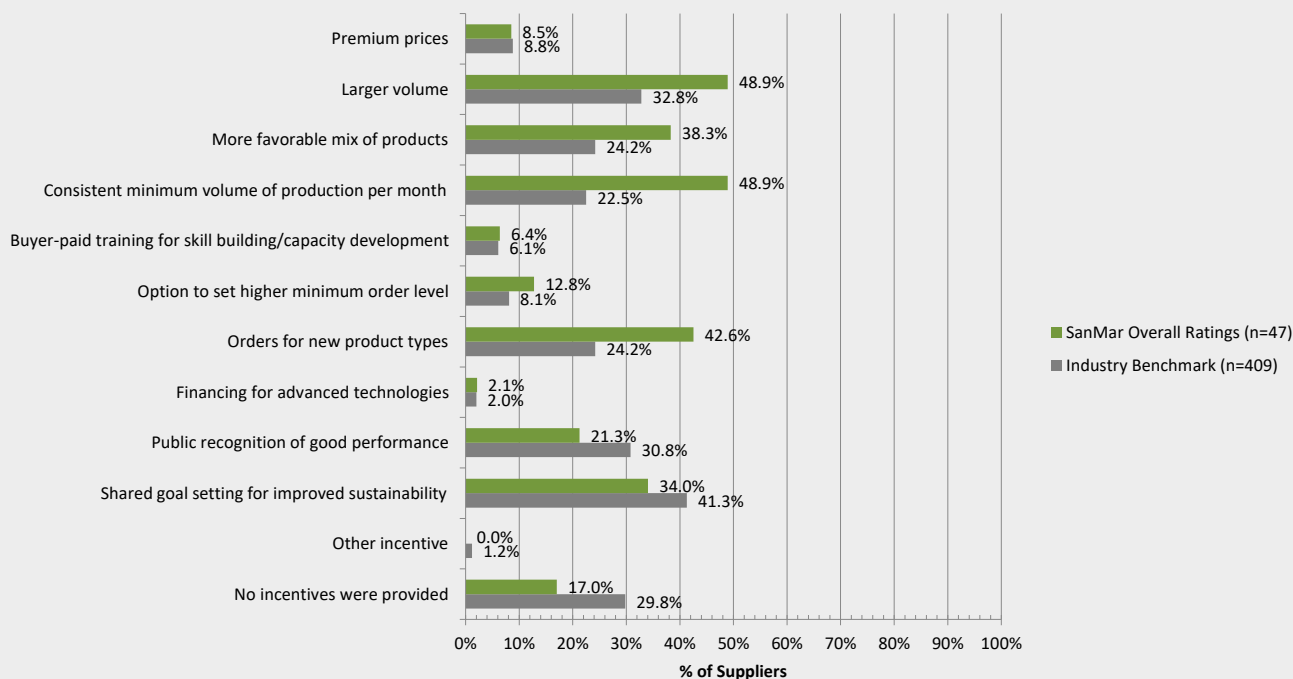
92.2% of SanMar Overall suppliers, compared to 93.0% of suppliers in the industry benchmark, reported minimum expectations were set by the buyer.

You had suppliers that responded "No" to this question. Not making clear the minimum expectations for CSR/compliance is a risky practice.

83.0% of SanMar Overall suppliers, compared to 70.2% of suppliers in industry benchmark, reported receiving incentives for compliance/CSR.

Providing incentives for compliance/CSR encourages suppliers to partner with your company by giving them a competitive advantage for working toward sustainability goals. Without incentives, compliance/CSR can often take a back seat to commercial concerns. Engage with your suppliers about what incentives would motivate them most.

**Incentives Provided for Compliance/CSR\***



[If your suppliers provided "Other incentive" comments, click here to view.](#)



## Does the buyer set minimum expectations for environmental sustainability for production of its orders?

### SanMar Overall Ratings (n=51)

74.5% of SanMar Overall suppliers, compared to 80.2% of suppliers in the industry benchmark, reported minimum expectations were set by the buyer.

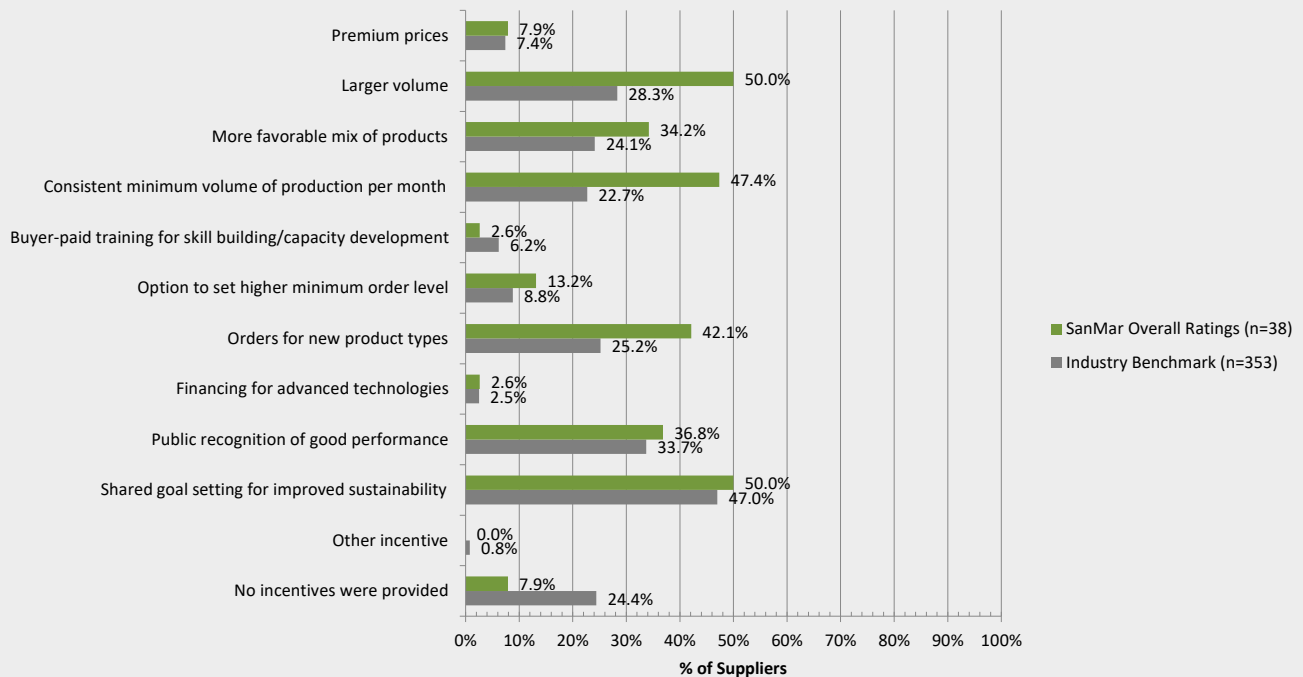
You had suppliers that responded "No" to this question. Without making the minimum expectations clear, it is difficult to improve environmental sustainability in the production of your goods.

Suppliers that reported having no minimum CSR/compliance and environmental sustainability expectations did not receive any of the questions in Win-Win Sustainable Partnership.

92.1% of SanMar Overall suppliers, compared to 75.6% of suppliers in industry benchmark, reported receiving incentives for environmental sustainability performance.

As with compliance/CSR, providing incentives for environmental sustainability gives suppliers a competitive advantage for their positive actions. Engage with your suppliers about what incentives would motivate them most.

### Incentives Provided for Environmental Sustainability Performance\*



[If your suppliers provided "Other incentive" comments, click here to view.](#)

# Order Risk-to Reward (ORR) from Monthly Order Variation

SanMar Overall Ratings (n=51)

ORR compares the consistency of month-to-month orders. Lower ORR is favorable as it represents less order volatility, and therefore lower risk of negative sustainability impacts.

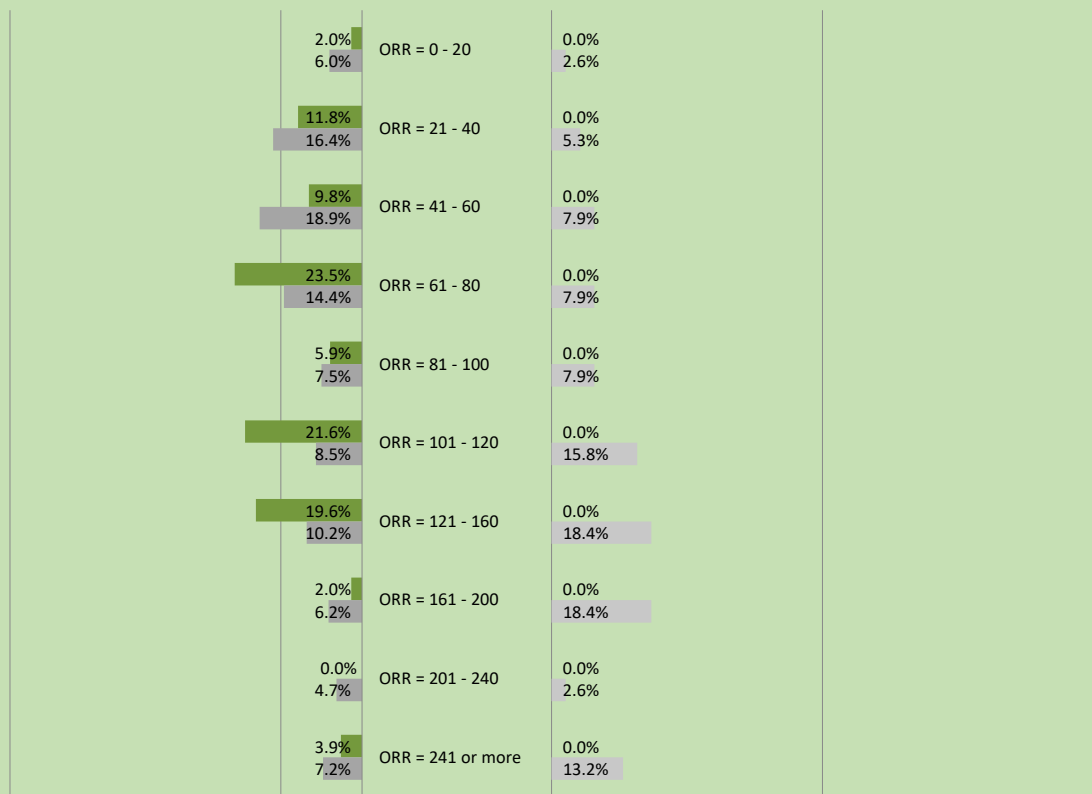
Note: Basic orders are to the left and Fashion orders to the right of the chart.

Mean (SD) of order risk-to-reward : 95.2% (57.1)

Average ORR scores for SanMar showed better performance and reflected lower month-to-month variability in shipment volume across all ratings as compared with the benchmark (ORR=102.3%, SD=80.9).

## Distribution of ORRs Reported by Suppliers for Basic and Fashion Orders

■ SanMar Overall Basic Orders (n=51)     ■ Industry Benchmark Basic Orders (n=402)  
■ SanMar Overall Fashion Orders (n=0)     ■ Industry Benchmark Fashion Orders (n=38)

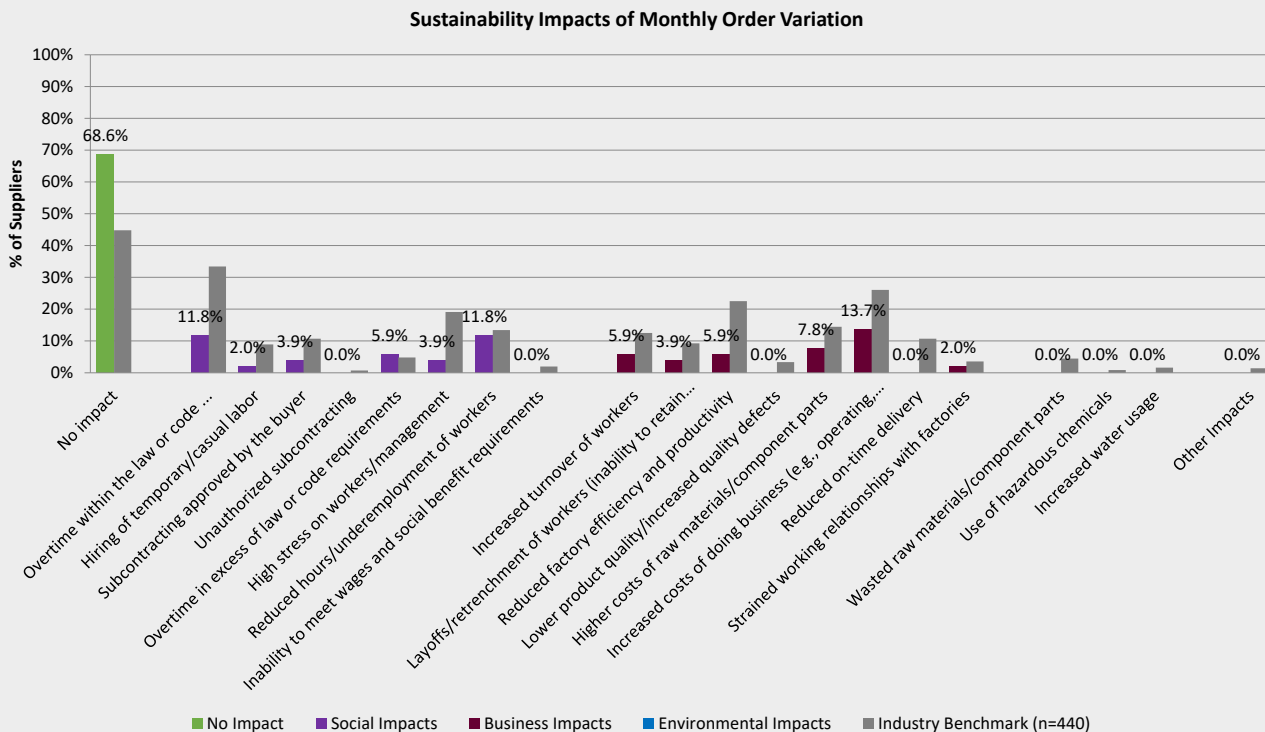


# What were the sustainability impacts (social/labor, environmental, and business) of month-to-month variability in orders from this buyer?

SanMar Overall Ratings (n=51)

Better Buying™ has found that suppliers are often hesitant to report impacts on workers that place them out of compliance with codes of conduct. Assume there are more worker impacts occurring due to monthly order variability than are reported here. To reduce such impacts, your company can work on level loading of monthly orders to soften production peaks and valleys.

Note: Data labels within the chart represent % of your suppliers that submitted ratings.



[If your suppliers provided "Other Impacts" comments, click here to view.](#)

[To view additional feedback about poor practices or suggestions offered by your suppliers for how your company could improve on Sourcing and Order Placement, click here.](#)

\*Some of the questions are only asked based on rater's response to a previous question. As a result, the base (n value) on which the % is calculated may be different per question.

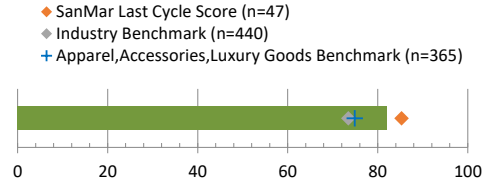
# Payment and Terms



## Star Score



Score  
Points  
82

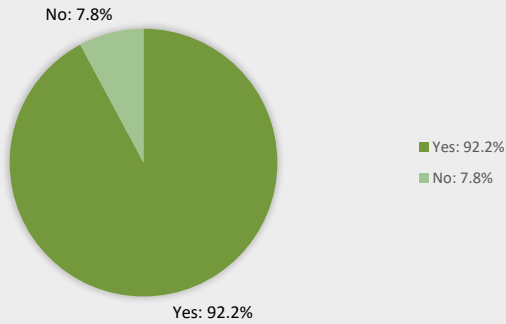


## Did you make samples for the customer during the last 12 months?

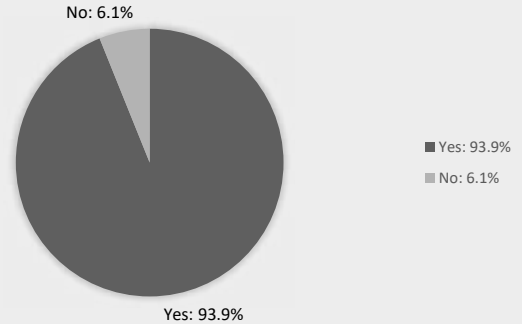
SanMar Overall Ratings (n=51)

Industry Benchmark (n=440)

Percent Making Samples



Percent Making Samples



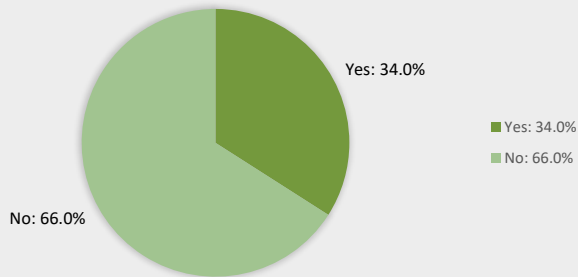
# Did the buyer promise to pay you for making samples?\*

SanMar Overall Ratings (n=47)

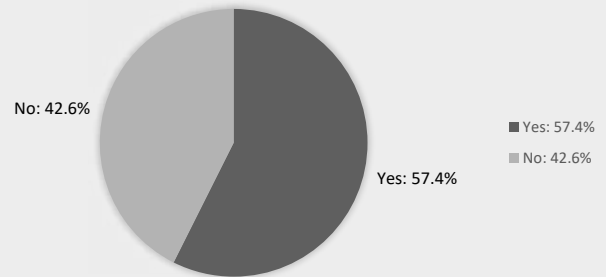
Industry Benchmark (n=413)

Sample development is costly for suppliers. Not compensating your suppliers for this work on your behalf is a poor practice. Strive toward compensating all of your suppliers for all samples.

Percent Promised Pay for Making Samples\*



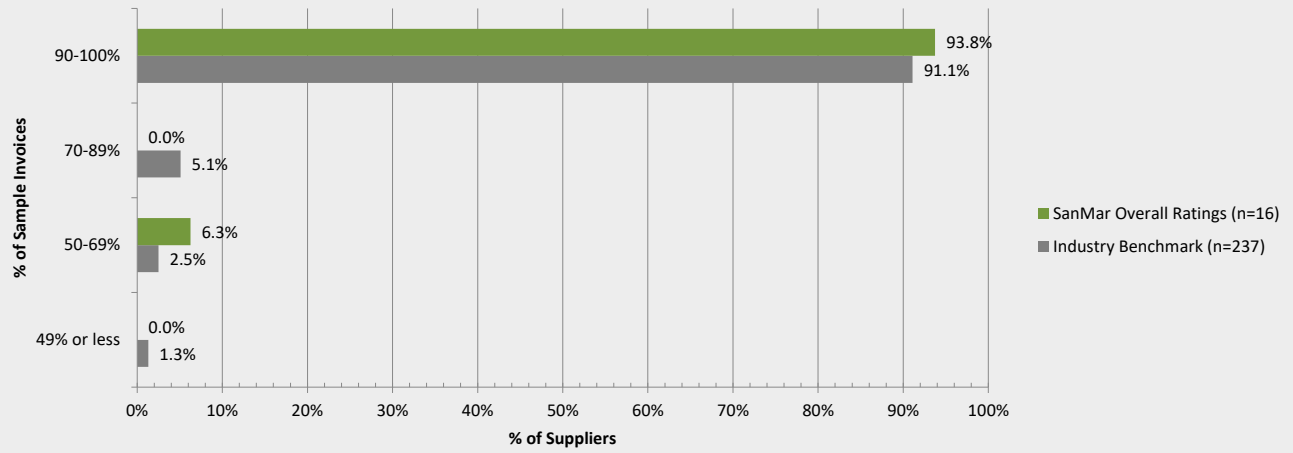
Percent Promised Pay for Making Samples



# What percent of sample invoices were paid on time?\*

SanMar Overall Ratings (n=16)

### Percent Sample Invoices Paid on Time\*

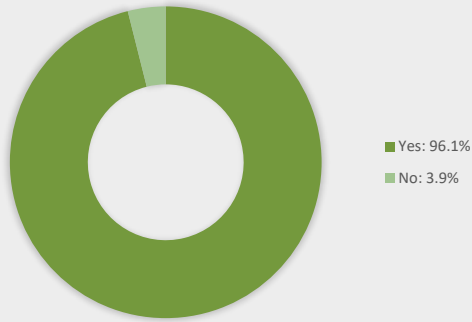


# Were payment terms defined in the bulk purchase order/other agreements?

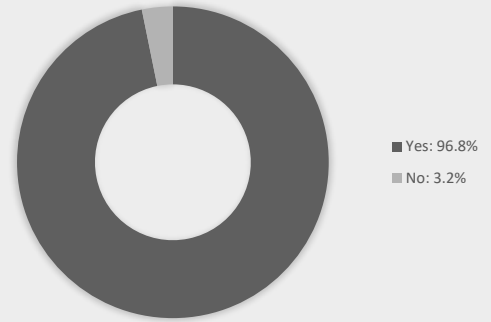
SanMar Overall Ratings (n=51)

Industry Benchmark (n=440)

Payment Terms Defined in Bulk Purchase Orders

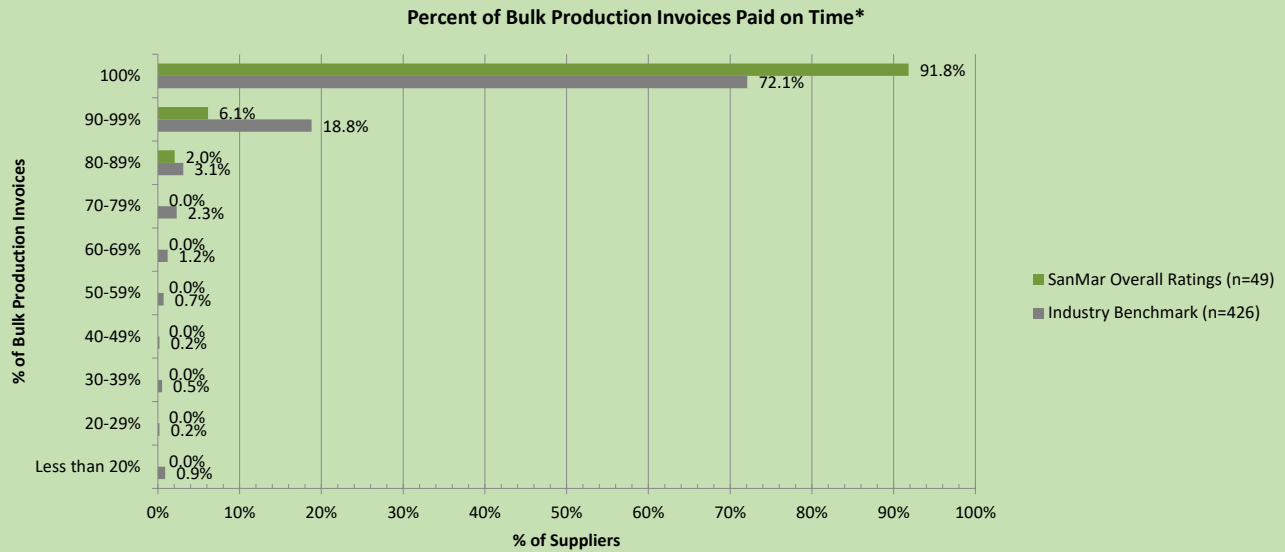


Payment Terms Defined in Bulk Purchase Orders



## What percent of bulk production invoices were paid on time?\*

SanMar Overall Ratings (n=49)



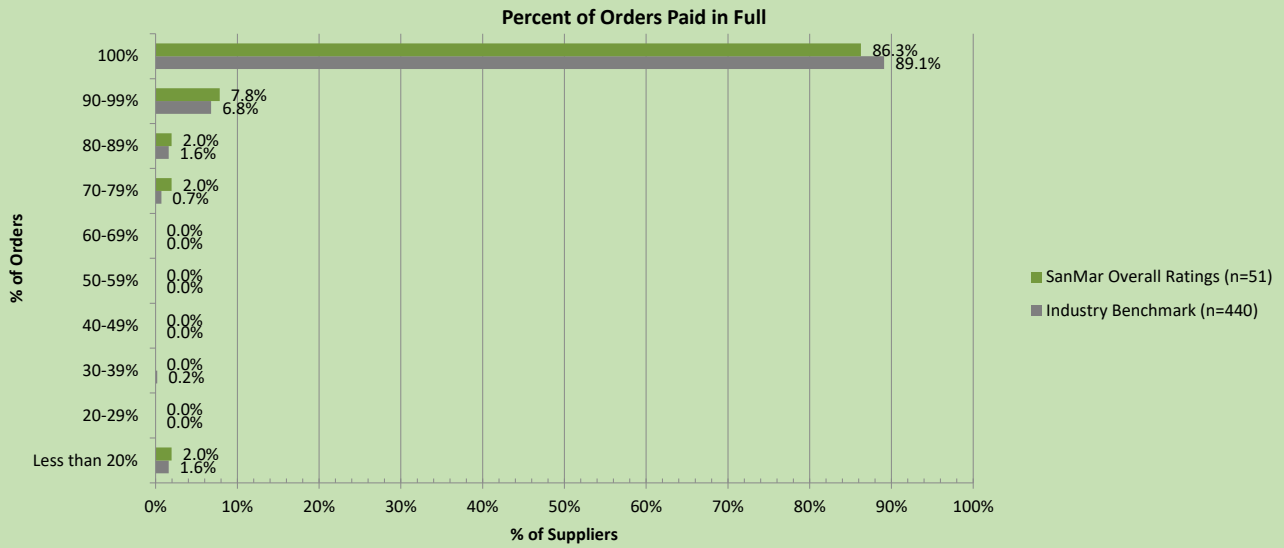
Paying invoices on time is a contractual matter that enables suppliers to pay their workers on time. By ensuring that payment processing is efficient and allows for payment within the outlined terms, your company contributes to the financial stability of your suppliers, reduces the risk of worker wage violations, and prevents potential litigation.

Average number of days payment was delayed on the largest order: 18.3 (compared to 30.9 days in the industry benchmark)



# For what percent of orders were you paid the full price as agreed in the purchase order?

SanMar Overall Ratings (n=51)



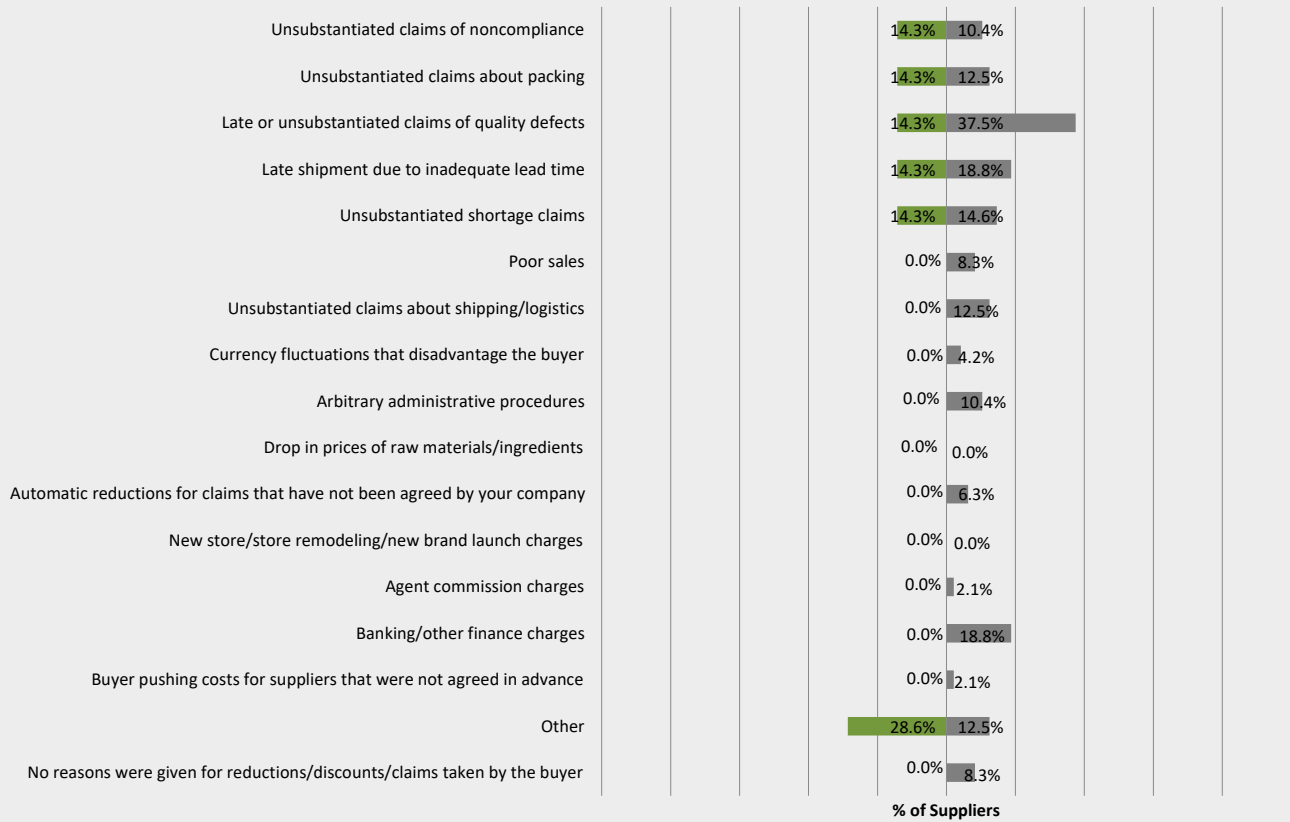
Paying invoices in full is a fair practice that contributes to suppliers' financial sustainability. Furthermore, payment in full decreases the risk of late payment or non-payment of workers' wages and benefits. Satisfying the contractual agreement for payment leads to stronger supplier partnerships and enables closer collaboration toward your company's sustainability goals.

# What reasons were given for reductions/discounts/claims taken by the buyer?\*

SanMar Overall Ratings (n=7)

## Reasons Given for Payment Reductions\*

■ SanMar Overall Ratings (n=7) ■ Industry Benchmark (n=48)

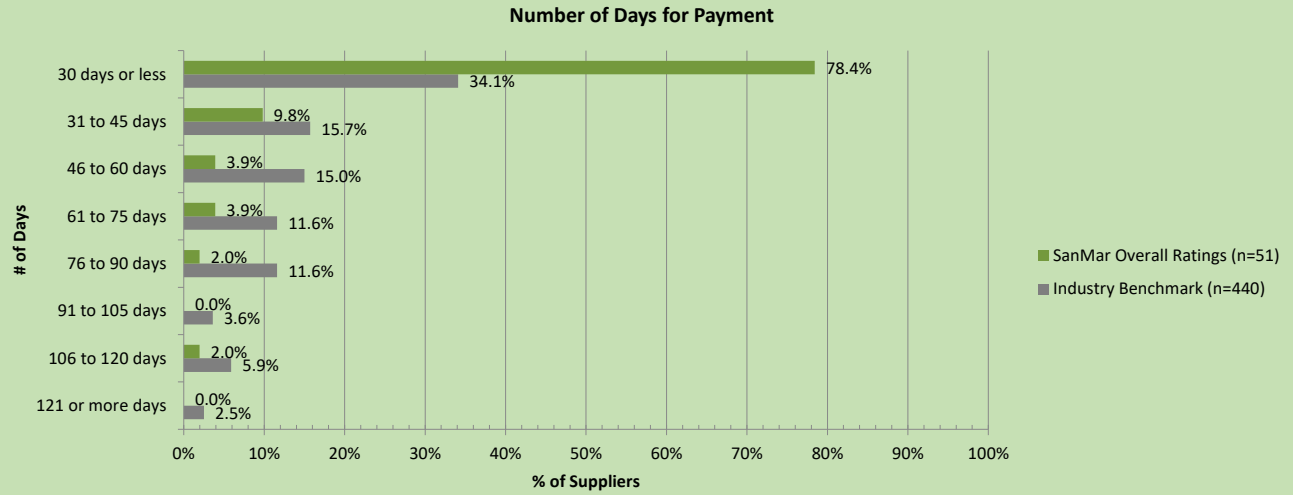


[If your suppliers provided "Other" comments, click here to view.](#)

Do the claims cited reflect a fair partnership, one that benefits both you and your suppliers? Your answer will point you toward problematic practices that need to be addressed in order to strengthen your supplier partnerships.

# What were the number of days agreed in the payment terms associated with this buyer's order?

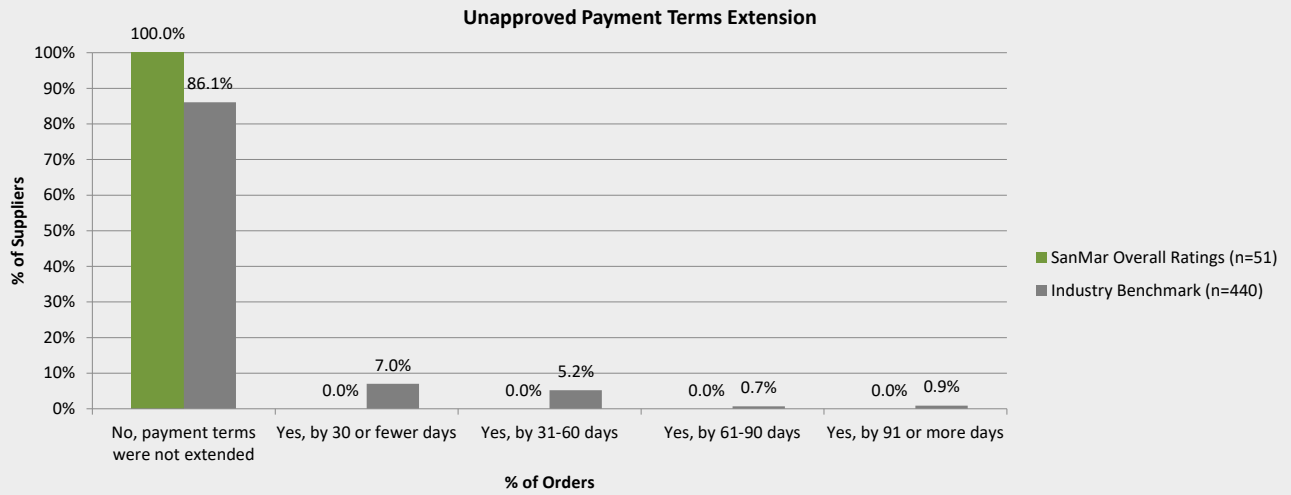
SanMar Overall Ratings (n=51)



Providing suppliers with shorter payment terms allows them to better manage cash flow and pay workers on time. Your terms contribute to your suppliers' financial sustainability.

# Did the buyer extend the days in its payment terms without your company's approval?

SanMar Overall Ratings (n=51)



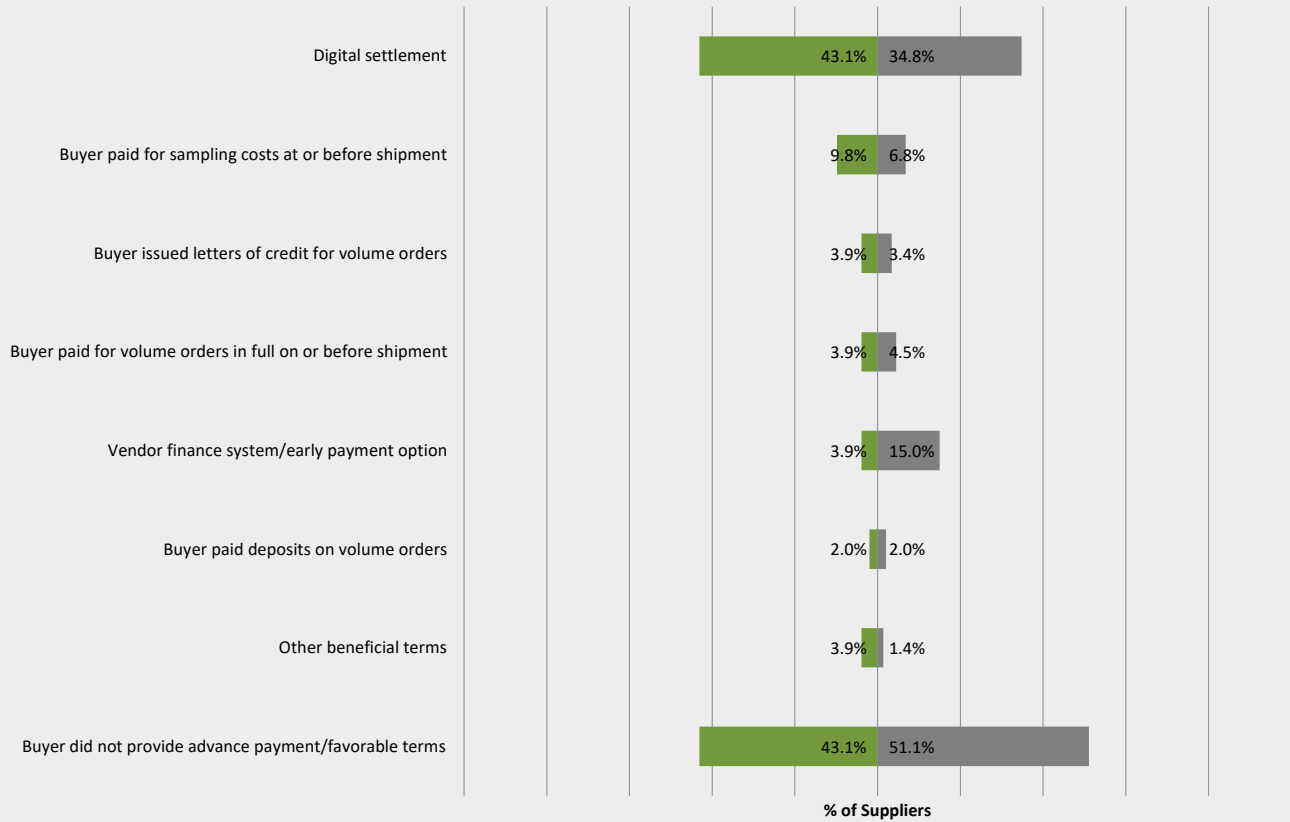
# What advance payments/favorable terms were provided by the buyer over the last 12 months?

SanMar Overall Ratings (n=51)

By providing advance payments or favorable terms, your company is helping ease the financial burden of suppliers who have to pay materials suppliers when production starts, their workers, and all other costs associated with production. What types of favorable terms can your company implement?

## Advance Payments/Favorable Terms Provided

■ SanMar Overall Ratings (n=51) ■ Industry Benchmark (n=440)

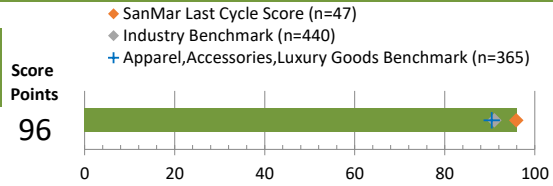


[If your suppliers provided "Other beneficial" comments, click here to view.](#)

[To view additional feedback about poor practices or suggestions offered by your suppliers for how your company could improve on Payment and Terms, click here.](#)

*\*Some of the questions are only asked based on rater's response to a previous question. As a result, the base (n value) on which the % is calculated may be different per question.*

# Management of the Purchasing Process



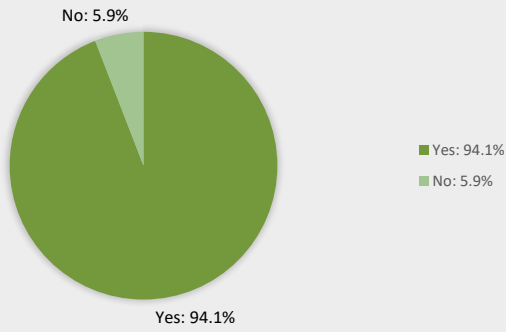
## Was there an agreed time and action calendar for pre-production and production deadlines?

SanMar Overall Ratings (n=51)

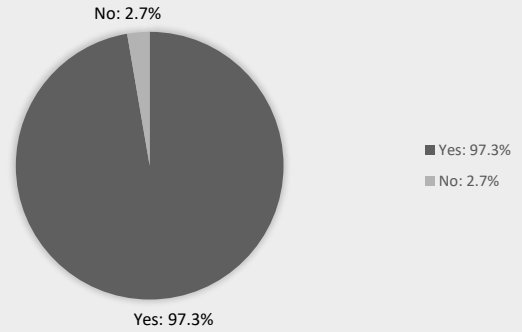
Industry Benchmark (n=440)

Without an agreed time and action calendar, it is difficult to keep everyone on the same page and accountable for preventing production delays. Work with all your suppliers to develop a calendar that provides enough time for all processes.

Time and Action Calendar Provided



Time and Action Calendar Provided

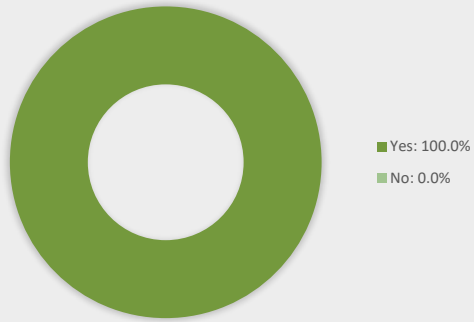


# Did the time and action calendar provide enough time for all processes?\*

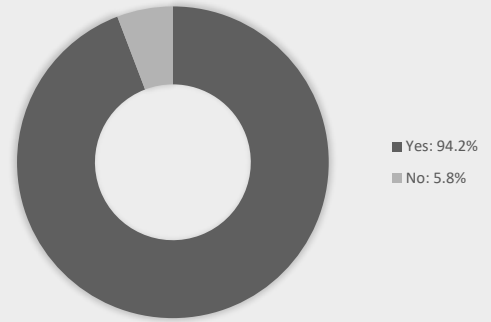
SanMar Overall Ratings (n=48)

Industry Benchmark (n=428)

Time and Action Calendar Provided Enough Time\*



Time and Action Calendar Provided Enough Time



[If your suppliers described where they need more time in the time and action calendar, click here to view.](#)

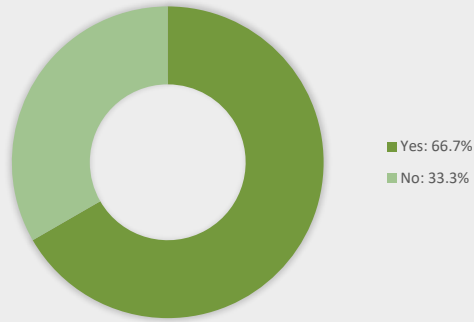


# Did the terms of the order provide enough time for all processes?\*

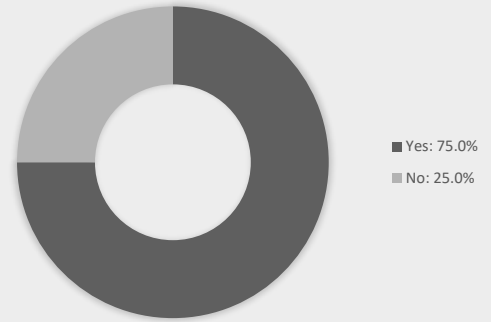
SanMar Overall Ratings (n=3)

Industry Benchmark (n=12)

Terms of Order Provided Enough Time\*



Terms of Order Provided Enough Time



[If your suppliers described where they need more time in the order terms, click here to view.](#)

# For which of the following key milestones/actions did the buyer miss the deadline during the last 12 months?

SanMar Overall Ratings (n=51)

Missed deadlines reflect inefficient practices that delay all subsequent steps and increase time pressure on suppliers. To cope with this pressure, practices such as increased overtime, increased work intensity, and unauthorized subcontracting could be utilized. Increasing your adherence to time and action calendar deadlines can eliminate this added time pressure and the resulting impacts on workers.

86.3% of suppliers reported that SanMar missed no deadlines, which is better compared to the industry benchmark with 64.1% of suppliers reporting the same.

## Milestones Missed

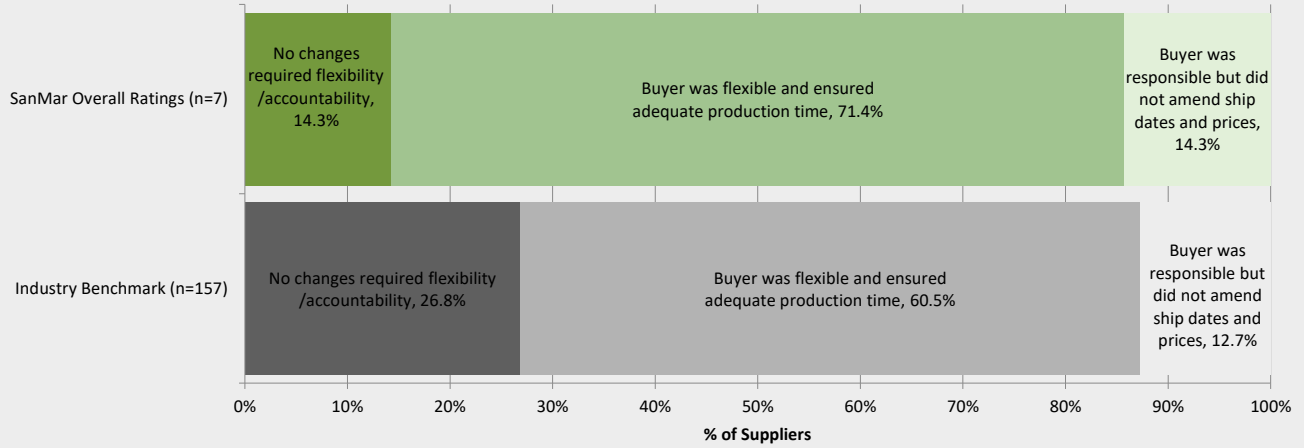


# Was the buyer flexible and accountable in ensuring adequate production time?\*

SanMar Overall Ratings (n=7)

Despite missing deadlines, your company accepted responsibility for the delays and gave suppliers more time to complete production. This is a good practice for dealing with delays, as long as the decision is made collaboratively with your suppliers.

## Flexibility and Accountability for Delays\*

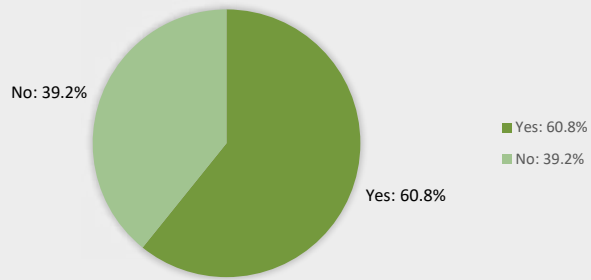


# Did the buyer nominate suppliers to provide materials/inputs used in its orders?

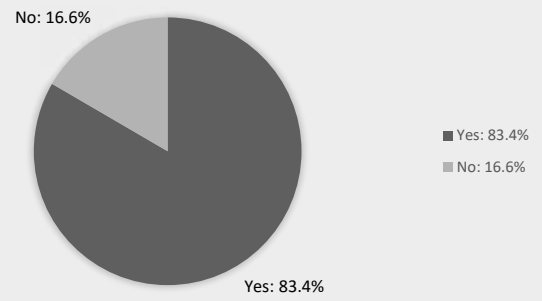
SanMar Overall Ratings (n=51)

Industry Benchmark (n=440)

Nominated Suppliers



Nominated Suppliers

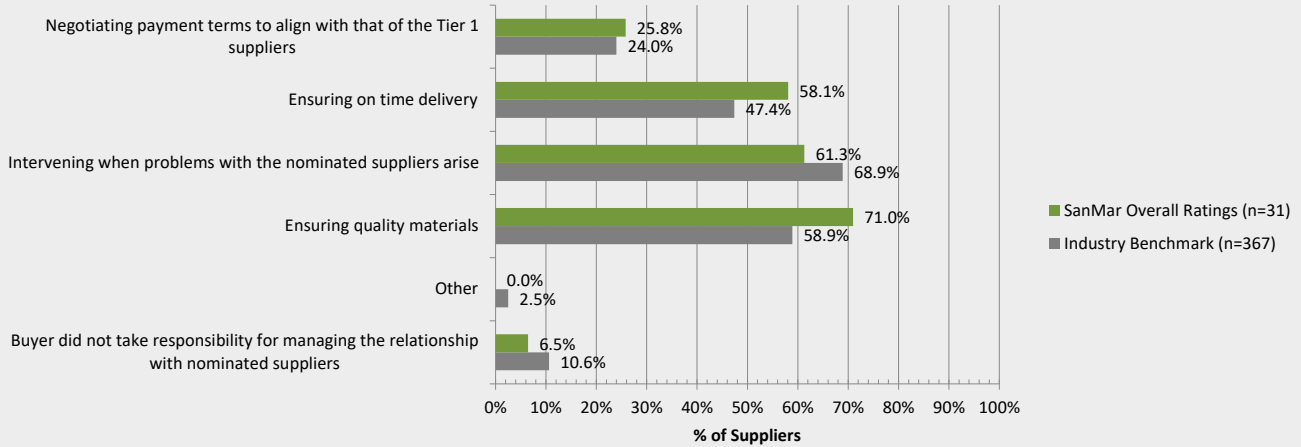


# How does the buyer take responsibility for managing the relationship with nominated suppliers?\*

SanMar Overall Ratings (n=31)

Nominating suppliers can place financial and time pressures on finished goods suppliers. Without managing these relationships, your company might not have visibility into the cause for production delays and other issues that negatively impact workers at your suppliers' facilities. Engage with all your suppliers and ask what support they need in these relationships to ensure the process runs smoothly and is beneficial for all parties.

## Managing Relationship with Nominated Suppliers



[If your suppliers indicated "Other" comments, click here to view.](#)

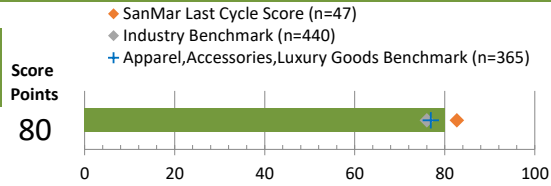
[To view additional feedback about poor practices or suggestions offered by your suppliers for how your company could improve on Management of the Purchasing Process, click here.](#)

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# Win-Win Sustainable Partnership



## Star Score

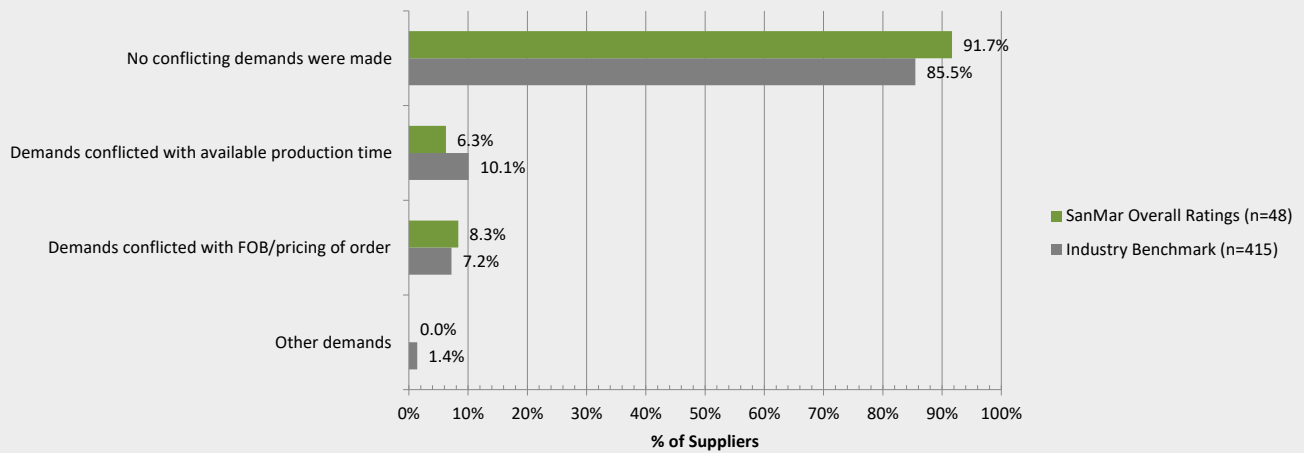


## What types of demands were made by the buyer's sourcing and/or product-focused staff that conflicted with CSR/compliance/environmental sustainability requirements?\*

SanMar Overall Ratings (n=48)

Integrating CSR/compliance/environmental sustainability expectations into all company roles helps ensure your company is sending one consistent message to suppliers.

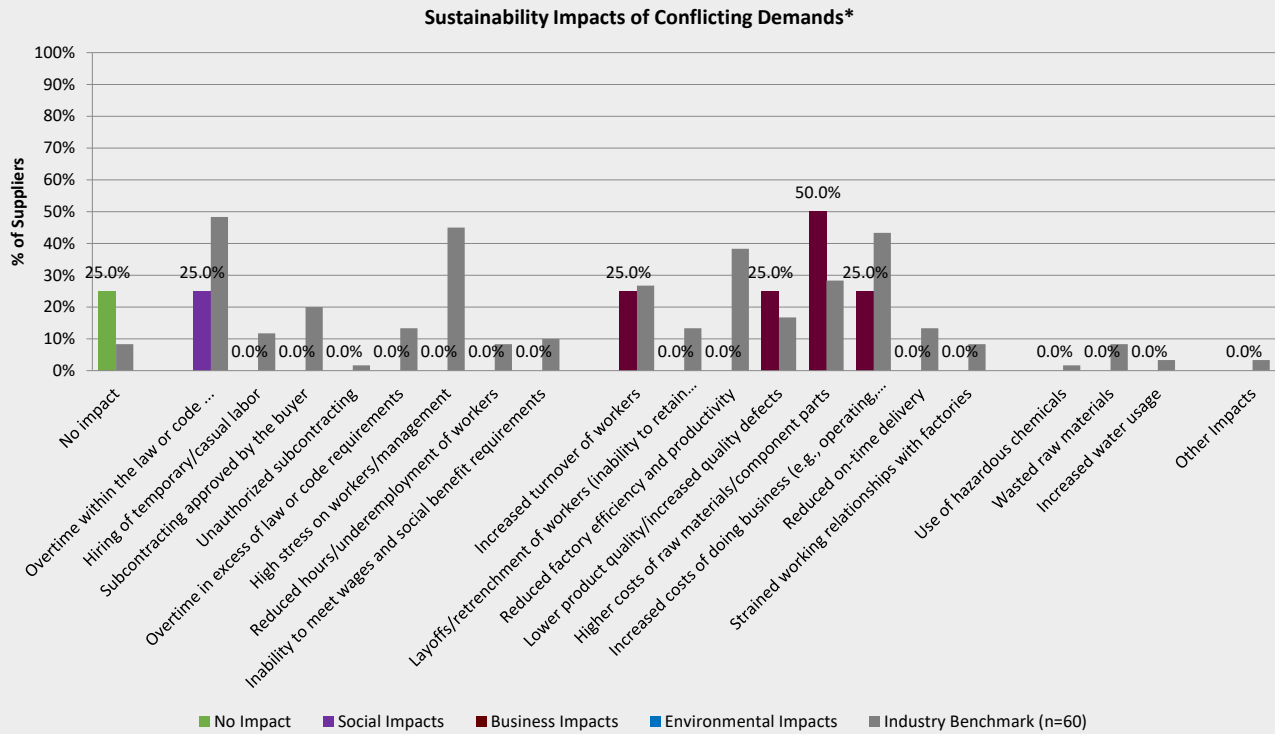
### Conflicting Demands\*



[If your suppliers provided "Other" comments, click here to view.](#)

# What sustainability impacts (social/labor, environmental, or business) did the conflicts have?\*

SanMar Overall Ratings (n=4)



[If your suppliers provided "Other Impacts" comments, click here to view.](#)

*Note: Data labels within the chart represent % of your suppliers that submitted ratings.*

Better Buying™ has found that suppliers are often hesitant to report impacts on workers that place them out of compliance with codes of conduct. Assume there are more impacts occurring due to conflicting demands.

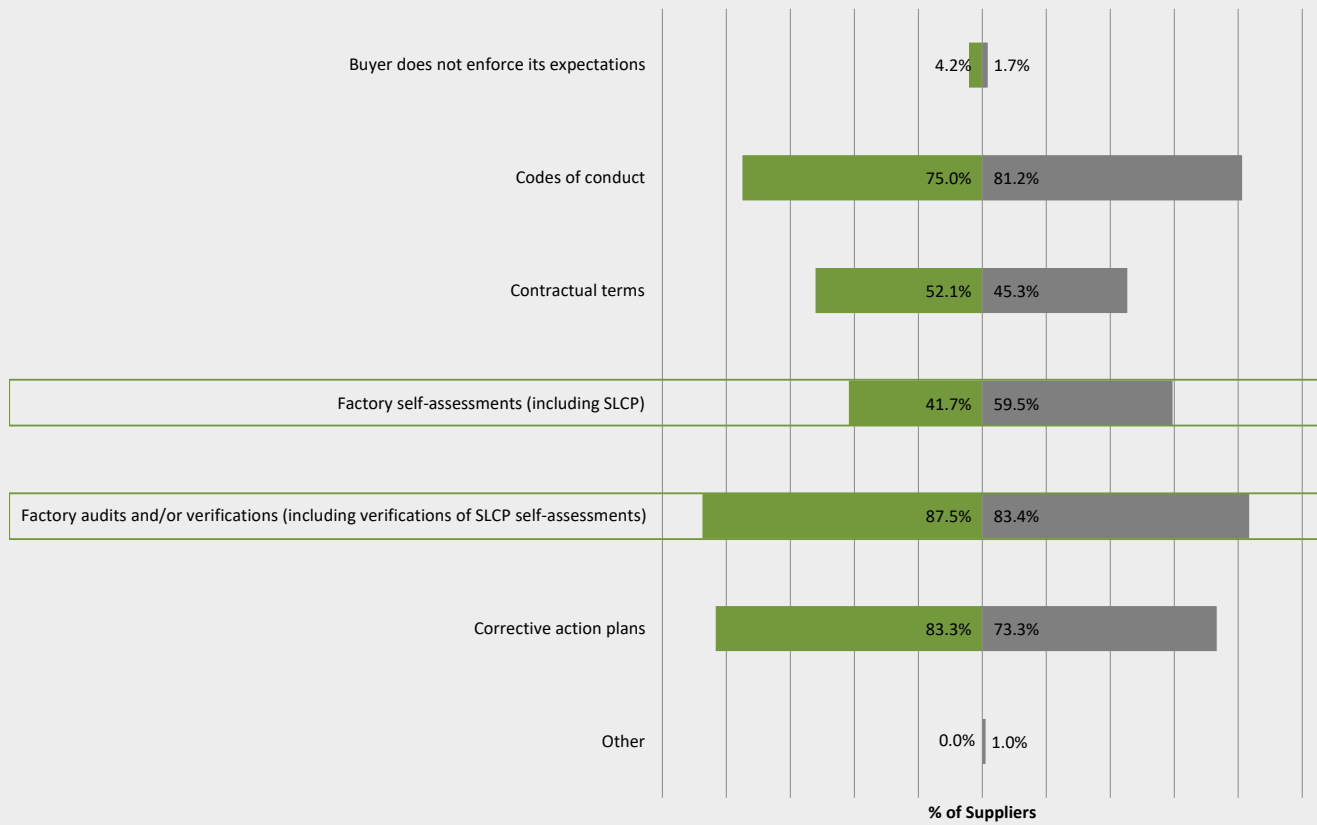
The fact that your suppliers must make trade-offs between conflicting demands suggests that your company needs better internal alignment on its priorities.

# How does the buyer enforce its expectations for CSR/compliance?\*

SanMar Overall Ratings (n=48)

## Enforcement of CSR/Compliance\*

■ SanMar Overall Ratings (n=48) ■ Industry Benchmark (n=415)



[If your suppliers provided "Other" comments, click here to view.](#)

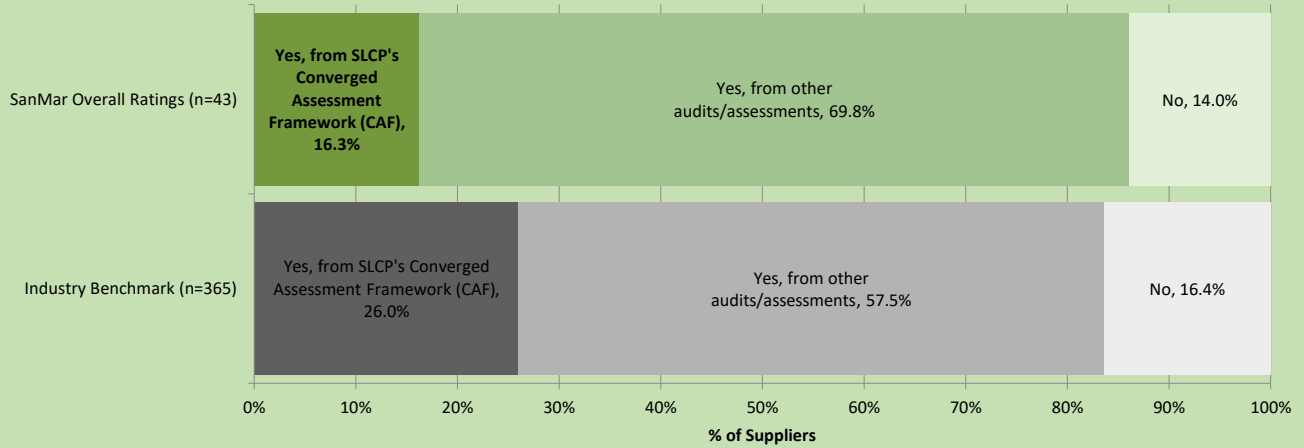


**Did the buyer accept results from recently completed audits/assessments of workplace conditions at your factories in lieu of requiring new audits specifically for the buyer?\***

SanMar Overall Ratings (n=43)

By partnering with SLCP and accepting recently completed audits in lieu of your own, you are reducing audit fatigue for your suppliers, which otherwise is a serious burden for your suppliers.

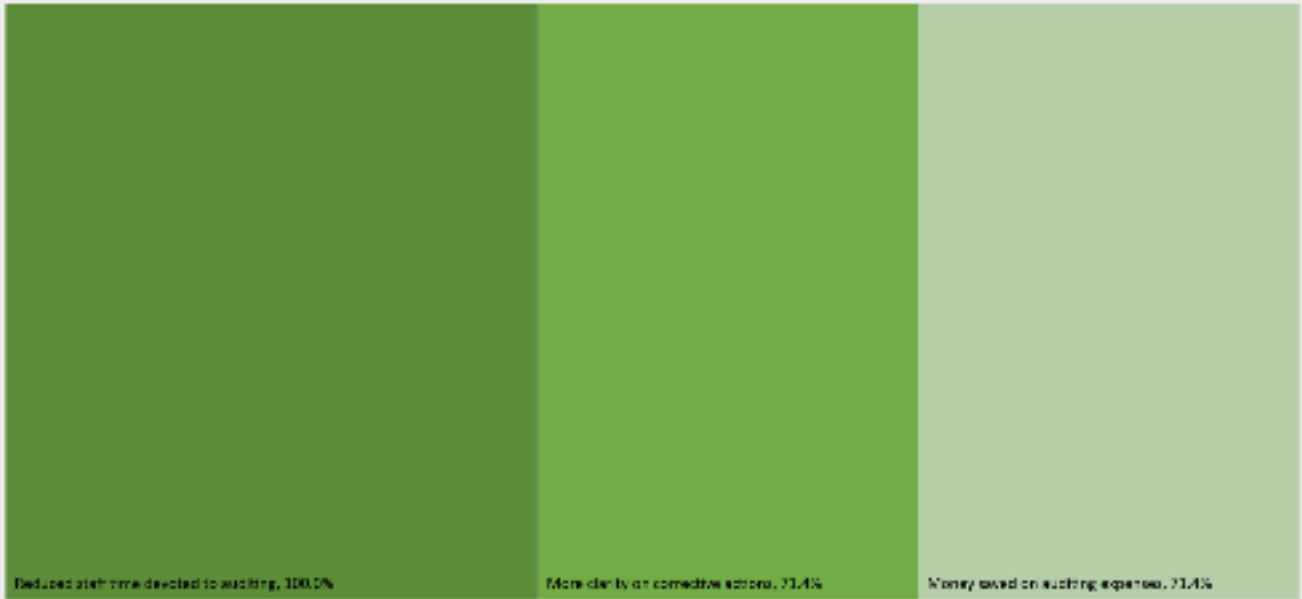
**Recently Completed Audits Accepted\***



# What were the benefits of your buyer accepting SLCP?\*

SanMar Overall Ratings (n=7)

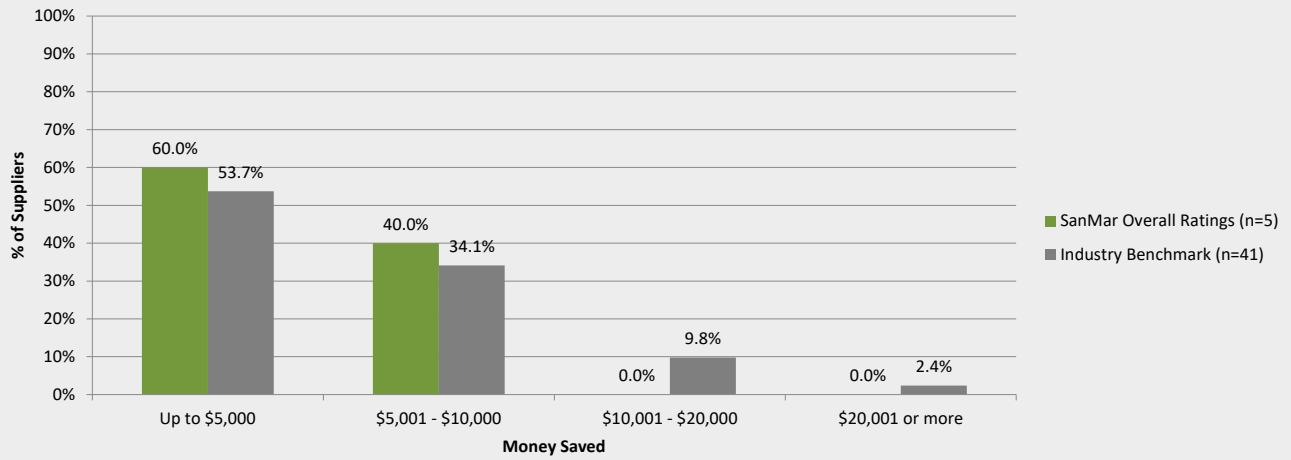
## Benefits\*



# How much money (USD) do you estimate was saved as a result of your buyer accepting SLCP?\*

SanMar Overall Ratings (n=5)

### Estimated Savings\*

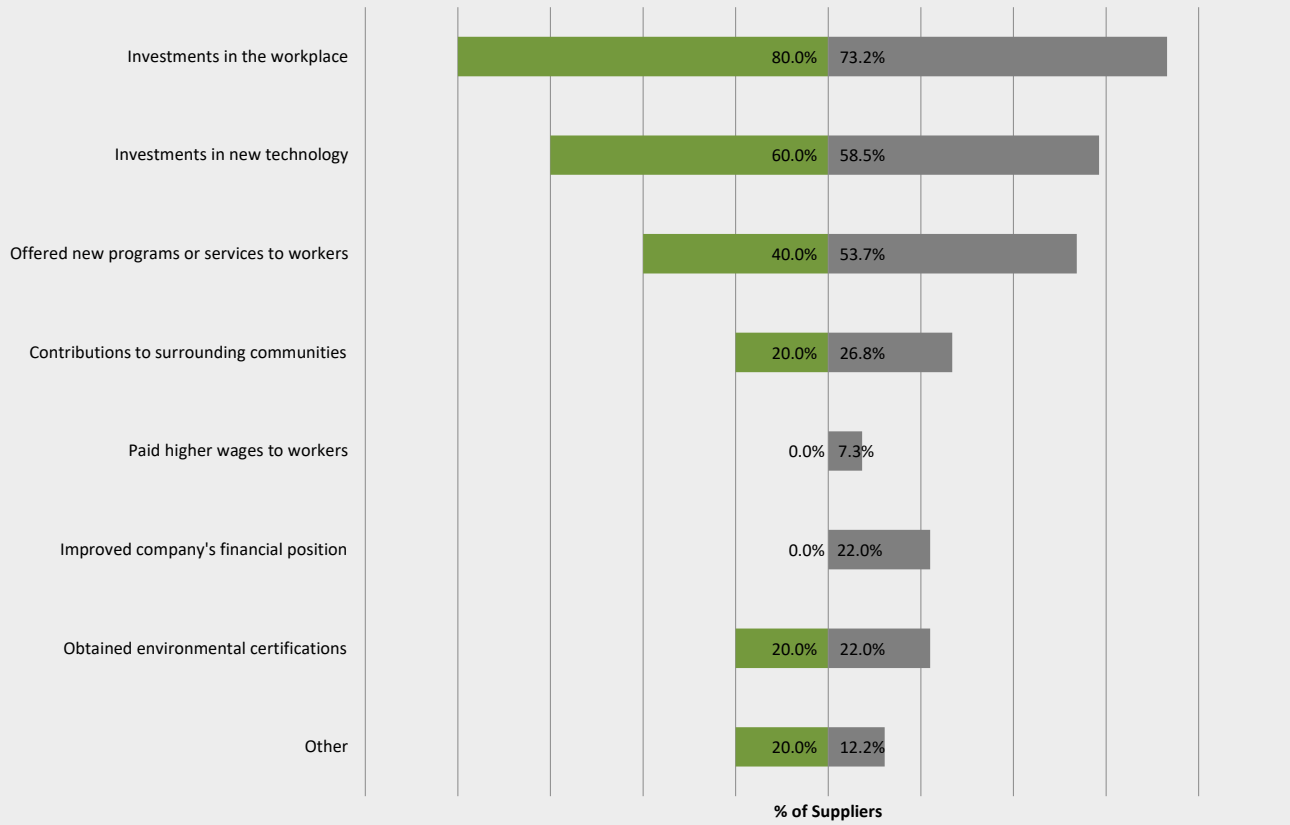


# How were these savings used?\*

## SanMar Overall Ratings (n=5)

### Use of Savings\*

■ SanMar Overall Ratings (n=5) ■ Industry Benchmark (n=41)



[If your suppliers provided "Other" comments, click here to view.](#)

[To view additional feedback about poor practices or suggestions offered by your suppliers for how your company could improve on Win-Win Sustainable Partnership, click here.](#)

*\*Some of the questions are only asked based on rater's response to a previous question. As a result, the base (n value) on which the % is calculated may be different per question.*

## Priorities for Improvement



Which of the following categories of purchasing practices should your customer focus on improving first?

The largest percent of overall suppliers submitting ratings (27.5%) suggested Planning and Forecasting category should be your priority for improvements.

**Planning and Forecasting**  
by 27.5% of  
suppliers

**Others reported:**

- \* Win-Win-Sustainable Partnership (25.5% of suppliers)
- \* Design and Development (23.5%)
- \* Cost and Cost Negotiation (19.6%)
- \* Payment and Terms (2.0%)
- \* Sourcing and Order Placement (0.0%)
- \* Management of the Purchasing Process (0.0%)
- \* Other (2.0%)

[If your suppliers specified an "Other" are of focus, click here to view.](#)

Refer to our customized recommendations for places where your company's practices can be improved. Take advantage of Better Buying's training program to learn how to improve your purchasing practices for you and your suppliers' sustainability.

# Data Collection and Supplier Demographics



## Data Collection for SanMar

Date by which Invitation letter and Supplier List were provided: Mar 12, 2021

Total suppliers reached: 61

Disaggregation requested by: N/a

How we collect data?

# of suppliers reached/category: N/a

Date: Apr 6 to June 22, 2021

Better Buying™ emailed each invited supplier individually with an official letter of support from SanMar attached to the email requesting that the suppliers complete Better Buying™ ratings of SanMar by May 31, 2021. Follow-up email reminders were sent over the next few weeks depending on the status of the suppliers' ratings, with thank you emails sent after the submission was complete. During the ratings cycle, Better Buying™ shared SanMar's response rate every 15 days and requested to contact all invited suppliers and remind them to participate if they have not submitted ratings yet. SanMar reached out to all invited suppliers at that point reminding them to submit ratings. Better Buying™ continued accepting ratings through June 22, 2021 to accommodate the requests of those that had ratings pending to be submitted. Prior to the next ratings cycle, Better Buying™ will evaluate the steps taken by brands and retailers to motivate their suppliers to participate in the ratings cycle and will propose possible strategies to increase the response rate in the upcoming cycle.

## About Industry (Sporting Goods) Benchmark

Total # of Ratings used in Industry Benchmark: 440

# of Suppliers submitting Ratings: 402

# of Suppliers HQ countries: 44

Assessed 14 brands/retailers

Buyer Company 's Ratings accounted for: 11.6% of total Ratings used in benchmark

## Response Received for SanMar

Total Ratings submitted: 51

Minimum # of Ratings received per disaggregation category: N/a

# of Ratings/category: N/a

## SanMar Supplier Demographics

# of HQ countries from where Ratings are coming: 15

% Of Factory Owners: 90.2%

Average # (SD) of factories owned: 4.5 (8.5)

% of suppliers subcontracting to independently owned factories: 32.6%

Total # of workers (during high season): 314,846

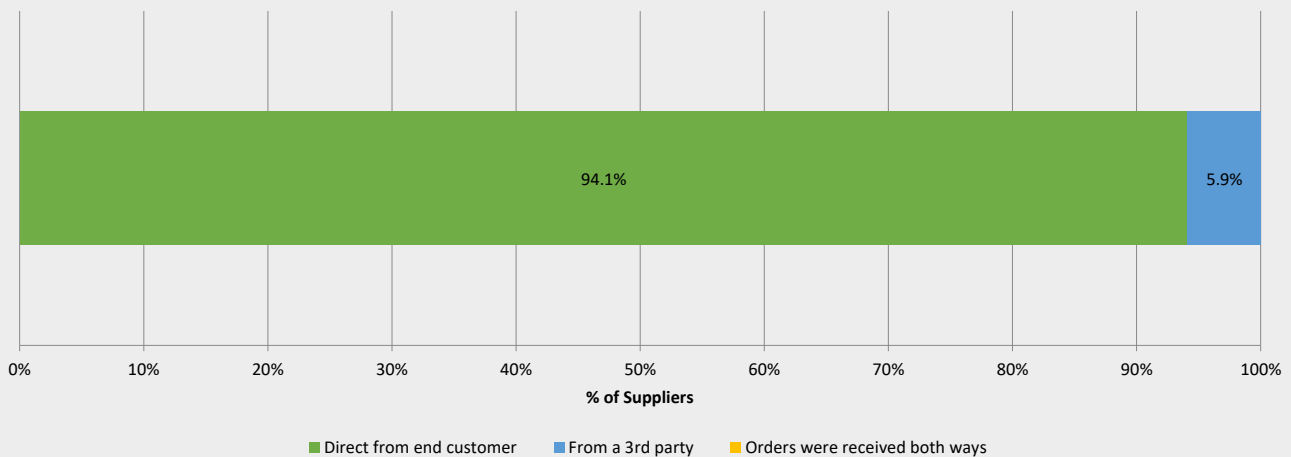
Total # of workers (during low season): 308,556

Average # (SD) of years of business relationship: 10.1 (6.1)

Total volume shipped in the last 12 months by all suppliers submitting ratings: 319,888,254 pieces or units or pairs

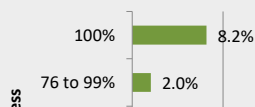
## How were the orders from SanMar received?

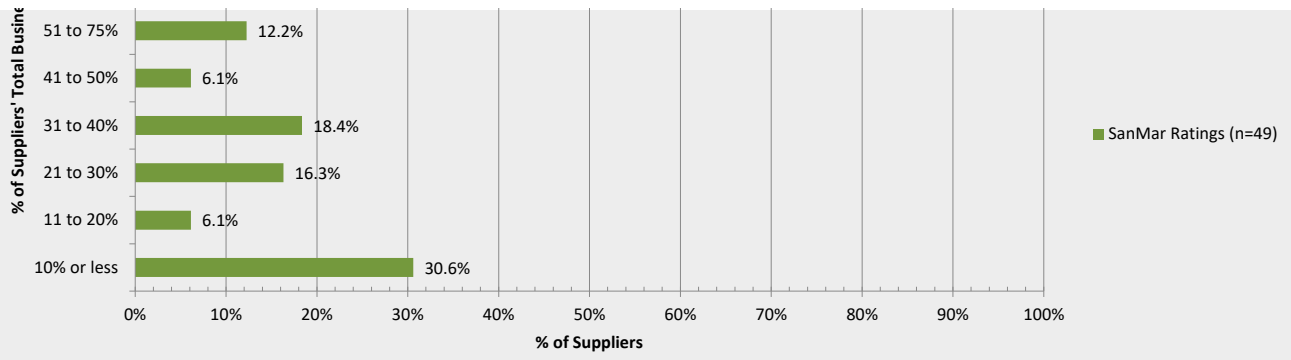
Source of Orders (n=51)



## What percent of your company's total business is dedicated to this end customer?

Percent of Total Business Dedicated to SanMar (n=49)

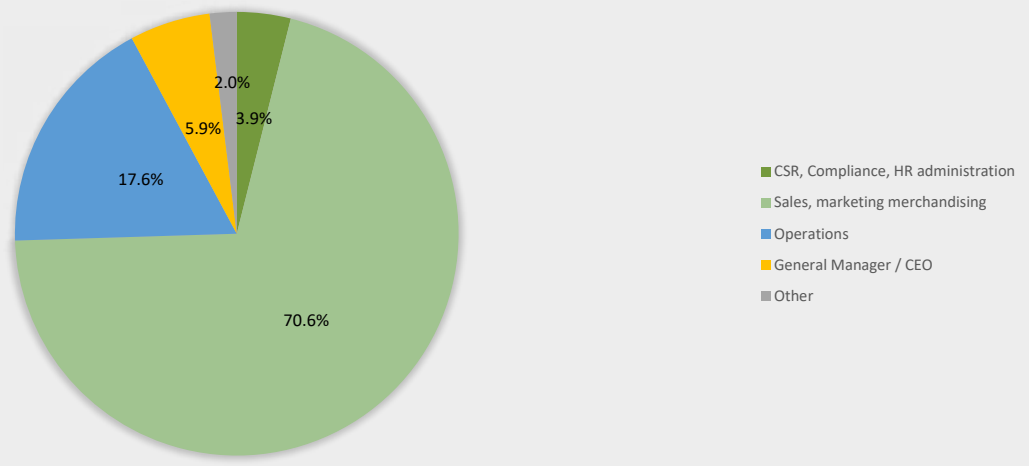




Note. This question was optional.

### What is your primary job function?

Raters' Job Function (n=51)





# Open-ended Comments & Best Practices



## BEST PRACTICES

[Please briefly describe any best practices you have observed regarding this buyer's purchasing practices.](#)  
 (Click on the sentence above to go back to the Cover Sheet)

Customer always provide planning to allow factory to work on better improvement on production time frame.	
Buyer can offer projection for factory production arrangement , if the quantity is more or less than projection, buyer will discuss with vendor in advance to avoid any capacity issue happened.	
ALL ORDER GIVE US ENOUGH TIME FOR PRODUCTIONG, ALL IS IN SCHEDULE	
buyer offering forecast and booking yarn in advance which make production running is smoothly	
We suggest the PO number can reflect the order planing month,and we can download the PO from system.	
They are very helpful with us when they order place. Also their business transaction is very neat & clean.	
Placing orders & honor payment on timely manner, a very honorable company.	
the buyer very support	
GOOD COMMUNICATION, PARTNERSHIP, HELPS US DO BETTER PRACTICES	
Order placement is quite on time, also it is mentioned clearly even such style has no order will be placed on that month.	
Transparency Commitment towards sustainability Commitment to partner with the vendor ... working towards win win.	
SanMar's monthly planning and Forecast Flow Chart and conference calls provide great support and communication to our Company, for planning capacities and building raw material flow and inventory. Sharing their Strategies & Initiatives. Providing us with timelines and their Milestone calendar.	
Tech pack very clear, payment on time, friendly buyers, able negotiate if problem arise	
payment is always on time , forecast is always share with supplier in advance .	
Order placement is on time. Have new development for us. Payment is on time.	
NA	
They are pursuing eco-friendly products currently, it's very good for world.	
SanMar is constantly reinforcing our plants to be aligned with good practices, so we keep applying them with our employees respecting their rights, and creating a work environment where they all feel safe, passionate, and proud of the work they are doing.	
SanMar is having very good partnership with suppliers & support all the possible ways. Payments are on time within due date no need any follow-up.	
The buyer is always in contact with us and works with us on any issues we may face with purchase orders and availability of raw materials or in cases during the epidemic when unforeseen closures occurred. SanMar is a great partner that uses ethical practices and is looking for long term relationships which allows for the growth of their partners.	
no more details feedback	
The buyer is doing well	
Very detailed explanation was provided on all training modules in a very satisfied manner.	
Entire team is very supportive in resolving all queries raised by us.	
Best practices we can mention that good payments process.	
Professional	
Partnership, assistance & flexibility	
NA	
Great cooperation, no comments.	

## PLANNING AND FORECASTING

[Other comments about ways for how unutilized capacity was handled.](#)  
 (Click on the sentence above to go back to the main question)

borrow or lent the factory capacity	
-------------------------------------	--

[Other comments about ways for how the excess materials were handled.](#)  
 (Click on the sentence above to go back to the main question)

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[Additional feedback about poor practices or offer suggestions for how the buyer could improve on Planning and Forecasting.](#)

(Click on the sentence above to go back to the Planning and Forecasting category)

Currently all doing great.	
Buyer already provide enough information for our production arrangement, no need improve it.	
ALL IS GREAT	
Due to yarn price going up, yarn/ greige booking in advance is needed to lock the price.	
from forecasting,we know that there is obvious low season and peak season,but we do hope the order qty per month can be average	
We did not notice any poor performance of the customer.	
We would like an annual forecast to be made, but if there is an event that occurred (like a recession about pandemic or anymore), the forecast should be re-planned based on the events that are occurring and let us know, so we will be alerted, too.	
GIVE THE ORDERS BEFOR 4 MONTHS COMPARE DELIVERY DATE	
so far so good	
At the planning stage if the brand can work along with the vendor on the monthly capacity as "standard minutes per month" instead of "pieces per month", the brand will also be able to monitor the order placement with any specific vendor and not over book with the vendor. A situation of not enough capacity will stress both the parties.	
Sometimes the planning and forecast files came in a little later than agreed timelines, that can be improved.	
Planning and Forecasting of SanMar is accurate.	
We think it could be helpful to have a forecast by style, updated quarterly by SanMar on a rolling basis. We get forecasts from time to time and when requested but maybe a quarterly standing update would be helpful.	
Too much strict to approve something	
NA	
SanMar is working well on this planning to vendor/supplier for the production. We have no poor comment about this.	
No comment. Buyer is very flexible and very responsible when it comes to planning and forecasting.	
We have not experienced poor practices and they did excellent workmanship.	
Detail info. such as sales analysis and forecast should be shared monthly, so that planner can predict to manage efficiently.	
SanMar is a highly committed customer, they like long term relationships and always empathize with their suppliers. As a company we perfectly understand that variations on forecast depend on variations on demand, we all are on a business that requires some flexibility, but they're always open to solve this kind of situations so we all can meet our expectations.	
Its Ok	
Always forecast (Projections) vs actual order placements having big differences in every month order placements. We have lot of difficulties /challenges on the order allocations with capacity.	
no more feedback	
THE BUYER IS DOING WELL	
so far, it has been fine. Please maintain the current planing & forecasting process.	
For repeat orders we expect forecast to get shared in order to block our capacity	
We are expecting realistic forecast maximum +/-10%. Most of the time we are getting Actual order placements over 50% than projections then we are struggled on find the capacity.	
None	
No	
Great cooperation, no suggestion.	

## DESIGN AND DEVELOPMENT

[Other comments about efforts made by the buyer to improve sustainability \(social/labor, environmental, or business sustainability\) through Design and Development](#)

(Click on the sentence above to go back to the main question)

[Additional feedback about poor practices or offer suggestions for how the buyer could improve on Design and Development.](#)

(Click on the sentence above to go back to the Design and Development category)

When doing development, better to keep proto sample in 3-4 rounds, which will make more efficient for both buyer and supplier.	
No other suggestions	
ALL IS GREAT	
sample request can be announced in advance to give more lead time for sample room proceeding	

In development stages,we hope can use more supplier own sourced fabric and trims,this is helpful for lower down prices.	
We did not notice any performance of the buyer.	
Design was easy to understand and clearly	
Share development direction (color and trend) whatever the styling, fabrication and target price. Would also be useful to know best sellers so we can proactively offer similar items. We would also like to get better feedback on development. Why were styles not adopted or selected?	
They could provide more specific fabric and design details and direction earlier in the process.	
SanMar provides very professional and detailed tech packs that help make the process run smoothly. Their 'hit rate' is not great but we feel they are being fair in developments vs final business awarded. if can control a development within 3 rounds will be big helpful .	
N/A	
We have no comment about poor practices of Sanmar, we're happy in working with them because of very good practices.	
They are doing great job about design and development. no need additional effort from them.	
PD process could improve through different trainings or workshops from our supplier for a better understanding of their expectations and goals.	
It s Ok	
no more feedback	
The buyer is doing well	
Using 3D/virtual sampling will be efficient, even for enviroment.	
.	
...	
None	
NO	
Great cooperation, no suggestion.	
<b>COST AND COST NEGOTIATION</b>	
<a href="#">Other comments about the high-pressure costing negotiation strategies that were used by the buyer</a> (Click on the sentence above to go back to the main question)	
<a href="#">Types of investment in alternative technologies made by the buyer to help their suppliers save on operational costs</a> (Click on the sentence above to go back to the main question)	
Infor Nexus, this system can help us on Order Collaboration/ Invoice Management /Deductions Management, reduce paper working and manpower.	
Ordering system	
will check if the material costing and make selection .	
ERP	
The customer making color Standard for us, and let us checking the fabric color by ourself, reduced the express cost.	
<a href="#">Additional feedback about poor practices or offer suggestions for how the buyer could improve on Cost and Cost Negotiation.</a> (Click on the sentence above to go back to the Cost and Cost Negotiation category)	
Vendor will reflect the increase of costs while material or freight costs increase in the market, buyer should check it and adjust the price reasonable.	
ALL IS OK	
not only material cost is getting higher, would like to know if labor cost can be reflected on repeat order as well.	
No	
We did not notice any performance of the buyer.	
we hope the buyer consider increase price of garment because yarn price on 2021 higher than 2020	
During the cost negotiation, buyer should be more transparency and fair. If any quality or styling has been changed, buyer should inform all factories to re-costing.	
Some times the customer does not pay the price in accordance to the regions operating cost. Example ... if they are moving the production out of a "duty free" country to "non duty free" country, they should not expect or push the manufacturer to compensate for the import duty benefit that they would be losing.	
Sometimes Target prices given are unrealistic and sometimes we don't receive Target prices, it will help to get this information further in advance	
We believe our buyer is tough but fair.	
none	
N/A	

As a characteristic of SanMar order that flow with repeat designs, so there will be less practice of cost negotiation, that means also no poor practices .	
There are no poor practices from them. They did very well.	
The buyer needs to improve the timing of the necessary information to complete the costs, such as raw material cost.	
Its Ok	
Some of orders we are running from long time now all the costs increased (Example Freight / wages ...etc) need customer to review those old programs & re-work prices.	
no more feedback	
The buyer is doing well	
please consider the price rate of inflation every year.	
.	
....	
none	
NO	
N/A	
Great cooperation, no suggestion.	

**SOURCING AND ORDER PLACEMENT**

[Other comments about incentives provided by the buyer for compliance/CSR](#)  
(Click on the sentence above to go back to the main question)

[Other comments about incentives provided by the buyer for environmental sustainability performance](#)  
(Click on the sentence above to go back to the main question)

[Other comments about sustainability impacts \(social/labor, environmental, and business\) of month-to-month variability in orders from this buyer](#)  
(Click on the sentence above to go back to the main question)

[Additional feedback about poor practices or offer suggestions for how the buyer could improve on Sourcing and Order Placement.](#)  
(Click on the sentence above to go back to the Sourcing and Order Placement category)

No other suggestions	
ALL IS ok	
continue production can create high productivity, suggest to increase MOQ for monthly buy	
NO	
We did not notice any performance of the buyer.	
n/a	
as a partnership, sharing the order strategy plan is important for our production planning.	
none	
N/A	
They are doing very well, it's big help for us. no poor practices from them	
SanMar provides visibility and plenty of time for a supplier to align the supply chain and capacities to be able to serve the orders on time.	
It's Ok	
no more feedback	
The buyer is doing well	
No more feedback on this part.	
.	
....	
none	
oNo	
NA	
Great cooperation, no suggestion.	

**PAYMENT AND TERMS**

[Other comments about reasons given for reductions/discounts/claims taken by the buyer](#)

<b>(Click on the sentence above to go back to the main question)</b>	
Quality issue	
Quality Issues	
<b><u>Other comments about beneficial payment terms provided by the buyer</u></b> <b>(Click on the sentence above to go back to the main question)</b>	
Buyer is responsible for Yarn purchasing / financing.	
Payment ontime	
<b><u>Additional feedback about poor practices or offer suggestions for how the buyer could improve on Payment and Terms.</u></b> <b>(Click on the sentence above to go back to the Payment and Terms category)</b>	
No	
ALL IS GREAT	
no	
no	
We did not notice any performance of the buyer.	
we can see payment terms very good	
Sanmar has reasonable payment terms and is reliable and current on their Accounts Payable	
We appreciate SanMar paying on time in general.	
NONE	
N/A	
For Sanmar we're happy to work with them because of good payment term.	
They are doing great, no poor practices.	
No comments	
No	
SanMar has really good practice paid all the payments without any outstanding s / overdues.	
no more feedback	
The Buyer is doing well	
Sometimes, we need the payment ealier than the term. if possible, Sanmar provide some early payment process for thier suppliers, later.	
.	
All the payments on time with due date. That really appreciated.	
no suggestion because Buyer's is professional already	
NO	
NA	
Great cooperation, no suggestion.	
<b>MANAGEMENT OF THE PURCHASING PROCESS</b>	
<b><u>Processes for which enough time was not allotted in the time &amp; action calendar</u></b> <b>(Click on the sentence above to go back to the main question)</b>	
<b><u>Processes for which enough time was not allotted within the order terms</u></b> <b>(Click on the sentence above to go back to the main question)</b>	
<b><u>Additional feedback on how the buyer takes responsibility for managing the relationship with nominated suppliers.</u></b> <b>(Click on the sentence above to go back to the Management of the Purchasing Process category)</b>	
<b><u>Additional feedback about poor practices or offer suggestions for how the buyer could improve on Managing the Purchasing Process.</u></b> <b>(Click on the sentence above to go back to the main question)</b>	
No	
All is ok for us	
no	
no	
We did not notice any performance of the buyer.	
we feel satisfy with purchasing process	
No Comments	
NONE	

N/A	
There are no poor practices on managing the purchasing process.	
No comments	
NO	
no more feedback	
The buyer is doing well	
no feed back here	
.	
.....	
none	
NO	
NA	
Great cooperation, no suggestion.	
<b>WIN-WIN SUSTAINABLE PARTNERSHIP</b>	
<u>Other comments about types of demands made by the buyer's sourcing and/or product-focused staff that conflicted with CSR/compliance/environmental sustainability requirements</u> (Click on the sentence above to go back to the main question)	
<u>Other comments about sustainability impacts (social/labor, environmental, or business) caused by conflicting demands</u> (Click on the sentence above to go back to the main question)	
<u>Other comments about ways employed by the buyer to enforce its expectations for CSR/compliance</u> (Click on the sentence above to go back to the Win-Win Sustainable Partnership category)	
Other comments about the benefits of your buyer accepting SLCP.	
<u>Other comments about how savings were used</u> (Click on the sentence above to go back to the main question)	
The savings made cannot be defined exactly for what it was used for or will be used for.	
<u>Additional feedback about poor practices or offer suggestions for how the buyer could improve on Win-Win Sustainable Partnership.</u> (Click on the sentence above to go back to the main question)	
No	
ALL IS OK	
NO	
NO	
We did not notice any performance of the buyer.	
NA	
N/a	
Full year projection can help on the production planning whatever the workers arrangement, raw materials reservation and production arrangement.	
none	
N/A	
We need to have the Factory Assesment every year to follow and have proper improvement for what we are under level.	
SanMar is passionate about generating a sustainable partnership by strengthening social, economic, and environmental aspects of the business through various activities and programs.	
Ok	
no more details	
The buyer is doing well	
no feed back here	
We expect the buyer to accept the SLCP audits , which are being accepted by across all buyers to minimize the audit fatigue also economically viable to both parties.	
....	

none	
NO	
NA	
Great cooperation, no suggestion.	
<b>PRIORITIES FOR IMPROVEMENT</b>	
<a href="#">Other purchasing practices categories where the customer should focus on first</a> (Click on the sentence above to go back to the main question)	
Nil	