



Partners and friends,

Last New Year's Eve was a great night. Our family didn't do much, but I recall turning the page from 2020 to 2021 and thinking, "Thank God that year is over and we can get back to life and work as we knew it." I was wrong...so, so wrong.

2021 has not been the year that many of us expected it to be. While promotional product demand has returned stronger than ever, the pandemic continues to wreak havoc on business as usual. Between limits on inventory and our supply chain, plus challenges with hiring and technology, it has been difficult to provide you with the level of customer service you expect. For that I am truly sorry.

Our priority this year has been to do everything possible to have stock available and to ship product to you as quickly as we can. We have increased compensation to attract more employees, switched to air freight whenever possible and paid astronomical shipping costs to ensure space for our containers on ocean vessels. Meanwhile the prices of raw material, labor and transportation have all increased and currency devaluation is creating inflationary pressure on all of us. Given all this, the overall cost of making our product and getting it to you has gone up significantly this year.

As a result, on January 1, 2022 you will see a price increase across many of SanMar's products. These changes affect just over half of our complete catalog of over 3,000 styles.

- About 500 styles will increase an average of just over 6%
- Most of the remaining styles will increase by 2% or less
- Mill and private label basics brands are excluded, since they change more frequently throughout the year
- Several of our core best-selling styles will remain unchanged
- Carhartt, TravisMathew and WonderWink prices will also remain unchanged

[Click here for the complete list of products affected.](#) The file can be accessed from your laptop or desktop computer. Extended sizes will be included on November 17, 2021.

It is my sincere hope that 2022 will bring a less volatile economy. I know that price increases are never welcome news and we will continue to do all we can to limit them as much as possible.

In positive news, the heavy ordering we began months ago is now showing real results as we see those products come into our warehouses. This record pace of inventory intake, coupled with working 24/7 in both of our crossdock facilities, means that we are seeing steady improvements in product availability. We have also successfully re-created our backorder system and are now processing backorders in real time as they come in.

I am incredibly proud of the team at SanMar. They have worked tirelessly to take care of our customers in tough conditions. We have added over 1,800 new employees this year and today the SanMar family is almost 5,500 strong, all with the singular goal of serving our customers and making a positive difference in the world.

As the end of 2021 approaches I am a little more cautious, but still looking forward to New Year's Eve with optimism for the year ahead. Thank you for your continued patience and understanding as we work through the rest of the year together.

Best,
Jeremy Lott

Corporate: 22833 SE Black Nugget Road, Suite 130 | Issaquah, WA 98029

Phone: 206.727.3200 | Fax: 206.727.3203

Sales: Phone: 800.426.6399 | Fax: 800.828.0554 | www.sanmar.com

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