BASIS OF REPORTING

GYMSHARK FY21 CARBON FOOTPRINT

TABLE OF CONTENTS

INTRODUCTION

This document serves as a transparent disclosure of Gymshark's carbon footprint reporting for financial year 2021 (FY21) . Defining Gymshark's approach to carbon footprint measurement within this document ensures the approach is robust, repeatable, and aligned with best practices, forming the basis for future emissions tracking and reduction initiatives. The main objectives are to:

- ESTABLISH CLARITY: Define scope, boundaries, and frameworks used in the emissions calculation process.
- SUPPORT CREDIBILITY: Ensure consistency with recognised reporting standards, such as Greenhouse Gas Protocol.
- ENABLE COMPARABILITY: Facilitate year-on-year and industry-wide benchmarking by adhering to standardised methods.
- INFORM FUTURE IMPROVEMENTS: Identify limitations or gaps in the methodology to refine reporting practices in subsequent years.

SCOPE OF REPORTING

PERIOD

The reporting period for the annual assessment aligns with the data collection timeframe for FY21, from August 1, 2020, to July 31, 2021.

FRAMEWORK

The brand reports its annual impact in accordance with the following reporting standards:

- The GHG Protocol Corporate Accounting and Reporting Standard (WBCSD/WRI Revised Edition 2015) for Scope 1 and Scope 2 GHG emissions
- GHG Protocol Scope 2 Guidance (An amendment to the GHG Protocol Corporate Standard (WRI 2015) for Scope 2 GHG emissions
- The Corporate Value Chain (Scope 3) Accounting and Reporting Standard (WBCSD/WRI 2011) for Scope 3 GHG emissions

BOUNDARIES

Gymshark adopts an operational control[1] approach for GHG accounting, in accordance with the GHG Protocol standards. This approach encompasses all global business operations, including those in the UK, USA, and other international locations.

RELEVANCE

As a brand, we review the materiality of the GHG reporting categories annually. This ensures that our reporting remains accurate and reflects the evolving structure and operations during each reporting period. Table 1 specifies which categories of emissions, as defined by the GHG Protocol, are considered in scope and which are omitted, ensuring transparency and clarity regarding the scope of our GHG accounting and reporting process.

[1] A company has operational control if the former or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation.

Table 1: GHG Protocol Scope Evaluation - Reporting Boundaries and Justifications

SCOPE	CATEGORY	CLASSIFICATION	RATIONALE
1	Stationary Combustion	In-scope	Natural gas consumption for heating within facilities.
1	Mobile Combustion	In-scope	Fuel consumption in company-owned vehicles.
1	Fugitive Emissions	Out-of-scope	Not applicable during the reporting period, as there was no leakage detected.
1	Process Emissions	Out-of-scope	Not applicable during the reporting period.
2	Purchased Electricity	In-scope	Electricity consumption within facilities.
3	1 – Purchased Goods & Services	In-scope	Procurement of raw materials, textiles, and finished goods for apparel and accessories production. As well as other, purchased goods and services not for resale.
3	2 – Capital Goods	In-scope	Purchase of long-term assets, such as machinery and equipment, used in operations.
3	3 – Fuel- & Energy-Related Activities	In-scope	Indirect emissions not captured in Scope 1 or 2 (e.g. extraction, production and transportation of fuels and energy).
3	4 – Upstream Transportation & Distribution	In-scope	Upstream logistics services paid for by Gymshark to mobilise product globally (e.g. Inbound, B2B: Business-to-Business, B2C: Business-to-Consumer), and processing of returns through ecommerce platform.
3	5 – Waste Generated in Operations	In-scope	Waste is generated in Gymshark facilities during operations.
3	6 – Business Travel	In-scope	Employee travel for business purposes, including events, conferences, supplier engagement and other activities that add value to the business.
3	7 – Employee Commuting	In-scope	Most employees are office- and store-based, requiring them to commute to work.
3	8 – Upstream Leased Assets	Out-of-scope	Not applicable during the reporting period.
3	9 – Downstream Transportation & Distribution	In-scope	Downstream logistics services not paid for by Gymshark.
3	10 – Processing of Sold Products	Out-of-scope	Gymshark does not sell any intermediate products; only finished goods for resale.
3	11 – Use of Sold Products	In-scope	Consumer use of textiles-based products including energy consumption from washing and drying.
3	12 – End-of-Life Treatment of Sold Products	In-scope	Disposal and treatment of Gymshark products after use.

3	13 – Downstream Leased Assets	Out-of-scope	Not applicable during the reporting period.
3	14 – Franchises	Out-of-scope	Not applicable during the reporting period.
3	15 – Investments	Out-of-scope	Not applicable during the reporting period.

DATA

Data collection relies upon both primary and secondary sources. Primary data is obtained directly from our internal systems, including purchase orders and financial records. Secondary data comes from supplier emissions reports, external emission factor databases and industry benchmarks – which complement the internal information. Together, these datasets provide a comprehensive foundation for accurate GHG accounting.

METHODOLOGY

CALCULATIONS

The quality and availability of data varied across the different reporting categories, necessitating tailored approaches to accurately calculate the respective impacts. For each category, specific methodologies were applied to align with the nature and completeness of the available data. This included the use of diverse data sources, bespoke calculation approaches, and, where necessary, the application of assumptions to address gaps or uncertainties. Additionally, any limitations or omissions encountered during the process were carefully documented. Table 2 provides a comprehensive overview of the methodology applied for each reporting category, detailing the data sources, the calculation techniques employed, and any assumptions or omissions made to ensure the completeness and accuracy of the analysis.

DATABASES

For the purposes of accounting and reporting, multiple databases were utilised to provide conversion factors, averages, and assumptions, ensuring accurate and comprehensive emissions calculations. Table 3 outlines the details of these databases.

Table 2: Scope-Specific Methodological Approach, Data Inputs, and Exclusion Criteria for GHG Reporting

SCOPE	CATEGORY	DESCRIPTION	DATA	UNITS OF MEASURE	APPROACH	ASSUMPTIONS / OMISSIONS
1	Stationary Combustion	Natural gas consumption within Gymshark facilities.	Monthly energy invoices	kWh	Average-data method	Only sites with confirmed activity and corresponding energy invoices have been included in the calculations.
1	Mobile Combustion	Fuel consumption in company-owned vehicles.	Employee mileage reports	Miles	Average distance-data method	
2	Purchased Electricity	Electricity consumption within Gymshark facilities.	Monthly energy invoices	kWh	Average-data method	Average monthly consumption was calculated based on available data and used to address minor data gaps. For sites with limited data, energy consumption was estimated using spend, as well as industry building averages and floor area.
3	1 – Purchased Goods & Services	1A: Upstream emissions attributed to production of products purchased by Gymshark for resale.	Purchase orders	Units, kg, %	Hybrid: Average-data method for raw materials and supplier-specific method for manufacturing	For suppliers where manufacturing data for the latest year was unavailable, the most recent submission was used as a substitute, or an average based on available data.
		1B: Upstream emissions attributed to production of goods and services	Financial records	£	Average spend-based method	Only records that would result in double-counting of other GHG reporting categories have been omitted.

		purchased by Gymshark, not for resale.				
3	2 – Capital Goods	Upstream emissions attributed to production of capital goods purchased by Gymshark.	Financial records	£	Average spend-based method	
3	3 – Fuel- & Energy-Related Activities	Upstream emissions related to the production of fuels and energy purchased and consumed by Gymshark.	Monthly energy invoices	kWh	Average-data method	Due to limitations in available conversion factors for certain geographies, proxy geographies were utilised to ensure completeness.
3	4 – Upstream Transportation & Distribution	Third-party transportation and distribution services purchased by Gymshark, including inbound logistics, outbound logistics (e.g. of sold products) and returns.	Inbound procurement records	kg, km	Average distance-data method	For unknown routes, assumptions were based on ports and relative distances (e.g., nautical miles for sea freight).
			Returns records	Units, kg	Average distance-data method	Parcels are consolidated regionally and then returned to the relevant distribution centre (DC). The DC assigned to each region for returns is assumed based on proximity. Distances travelled were estimated using a digital mapping platform. The calculation was conducted for shipment volumes with known origin and destination locations, with emissions extrapolated to 100% to ensure comprehensive

						coverage.
3	5 – Waste Generated in Operations	Third-party disposal and treatment of waste generated in Gymshark's owned or controlled operations.	Annual waste report including volumes, waste types and disposal method	kg	Average-data method	
3	6 – Business Travel	Emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties.	Travel expenses	£, passenger km / miles	Average-distance data method	Distance for air and train travel estimated using route averages. Taxi travel distance was estimated using tariff averages.
3	7 – Employee Commuting	Emissions from the transportation of employees between their homes and their worksites.	Employee commuting survey	Commuting days, passenger km	Hybrid: Average-data method and distance-data method	Employee survey results were extrapolated based on headcount to 100% to ensure completeness. For hybrid and remote contracts, working from home emissions were calculated using average data.
		Emissions from employees working from home (WFH).	Employee headcount per site	No. employees		
3	11 – Use of Sold Products	Indirect use-phase emissions of sold products (e.g. washing, drying).	FY21 sales and WRAP Textiles 2030 Lifecyle Impact Report	Units, tonnes	Average-data method	In the absence of specific SKU product weights, either a category average or product portfolio average was applied to ensure completeness. Only applicable to textiles-based products. Therefore, some categories were excluded (e.g. equipment and footwear).

3	12 – End-of-Life Treatment of Sold Products	The waste disposal and treatment of products sold.	FY21 sales	Units, tonnes	Average-data method	Disposal methods are unknown. So, it was assumed that all sold products are sent to landfill.

Table 3: Emission Factor Databases - Sources, Coverage, and Usage

DATABASE	SOURCE	GEOGRAPHICAL SCOPE	COVERAGE	VERSION / DATE	PURPOSE	SCOPE
Greenhouse gas reporting: conversion factors 2021	Department for Energy Security & Net Zero	United Kingdom	Energy, refrigerants, transport, waste, agriculture, and other sectors	June 2021	To calculate emissions from energy consumption, refrigerants, transport, waste and other activities.	1-3
eGRID2019	U.S. Environmental Protection Agency (EPA)	United States	Electricity generation	January 2021	To calculate emissions for electricity generation for US consumption.	2
Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities	U.S. Environmental Protection Agency (EPA)	United States	Energy, transport, waste, agriculture, and other sectors	November 2020	To conduct average spend-based calculations.	3
Higg Materials Sustainability Index (MSI)	Worldly	Global	Raw material extraction, yarn & textile formation, colouring and finishing	Higg MSI version 3.2 / July 2021	To estimate the impact of the fibre composition for each product.	3
Higg Facility Environmental Module (Higg FEM)	Worldly	Global	Environmental performance of manufacturing facilities	FEM2020 modules	To estimate the manufacturing impact for each product.	3