



# MODERN SLAVERY STATEMENT

FINANCIAL YEAR 2022/2023



# Foreword



**Ben Francis**  
CEO, Gymshark

I am immensely proud to introduce our modern slavery statement. It reflects our unwavering commitment to combatting the grave issue of modern slavery in all its forms, both within our organisation and throughout our supply chain.

Challenges remain all around us from cost-of-living crises, to conflict in Ukraine and elsewhere causing disruption in the global supply chains. Amidst these pressures we are determined to be a progressive company adhering to our values. Our commitment to combat modern slavery extends beyond compliance with legal requirements. Modern slavery is affront to our values, ethics and fundamental human rights.

Our journey towards eradicating modern slavery is an ongoing one, and we are acutely aware of the challenges we may face along the way. However, we are equally determined to meet these challenges head-on by working with partners and implementing policies and procedures that will ensure that modern

slavery has no place within Gymshark. To protect the workers who are behind the products we sell, we have signed the Bangladesh Accord which aims to create a safer working environment in the Bangladesh Garment and Textile industry. We also made the decision to join International Labor Organisation's Better Work programme. The Better Work programme partners with international brands and influences policy makers and decision makers to promote decent work and better business. Alongside this we continue to push for more transparency within our supply chain.

**CEO Signature:**

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# 1.0 Key Activities

## Traceability

We have published our supply chain from Tier 1 – Tier 3 and mapped until Tier 4 to provide visibility on our materials to our community. This also encourages different stakeholders to work together to address any labour rights issues.

## Compliance

We have now launched our in-house Shared Fitness audit program. This is a crucial step in ensuring compliance and alignment with our Code of Conduct (COC) and values. The audit covers Tier 1 to Tier 4 across three essential pillars: Ethical, Environmental and Technical.

## Sustainability

We published our sustainability website because we believe it's the right thing for our business to do. We strive to raise the bar in the impact we have and hope to share our improvements with our community.

## Collaboration

As a participating brand with Fair Labor Association (FLA), Sustainable Apparel Coalition (SAC) and brand partner with Better Work and International Accord, we hope to address some of the deep-rooted causes of modern slavery and labour exploitation in the industry.

## Community

We aspire to be a dynamic catalyst for positive change. We firmly believe that transparent reporting and meaningful investment in our community are paramount and reflect our belief in the transformative power of communal action.

# 1.1 Lifting Transparency, Raising the Bar

**WE AIM TO CONTINUALLY MAP OUR PRODUCT SUPPLY CHAIN AND PUBLISH UPDATES.**

## Case Study - Focus on Traceability

### Challenge

Apparel supply chains are complicated, and it becomes difficult to have visibility in lower tiers of the supply chain. Without visibility and conducting any due diligence, it is difficult to know the working conditions in the lower tiers.

### Gymshark Action

We took that as a challenge and mapped our Tier 4 (apparel) supply chain. We also nominate all our trim suppliers which helps Gymshark in further reduction of modern slavery risks. We now have full visibility of supply chain from Tier 1-4 and we are working with our supply chain partners to conduct due diligence.

### Impact

Our internal deep dive audit programme which includes ethical and environmental audits will show us the real working conditions within our supply chain.



# 2.0 About Us

Gymshark is a fitness and conditioning brand, dedicated to creating functional training apparel and building passionate, empowered communities online and in real life. Formed in 2012 in Birmingham, UK, Gymshark has emerged as a leading brand in our industry, with a worldwide consumer base from over 180 countries. We exist to unite the conditioning community.

## Our Core Values

Our values are invaluable. We lose them, we lose everything.

### Be Human.

Being accessible, inclusive and humble is at Gymshark's heart.

### Be Caring.

Being conscious of the world we live in, caring for those around us and being proactive to create positive change.

### Do the Right Thing.

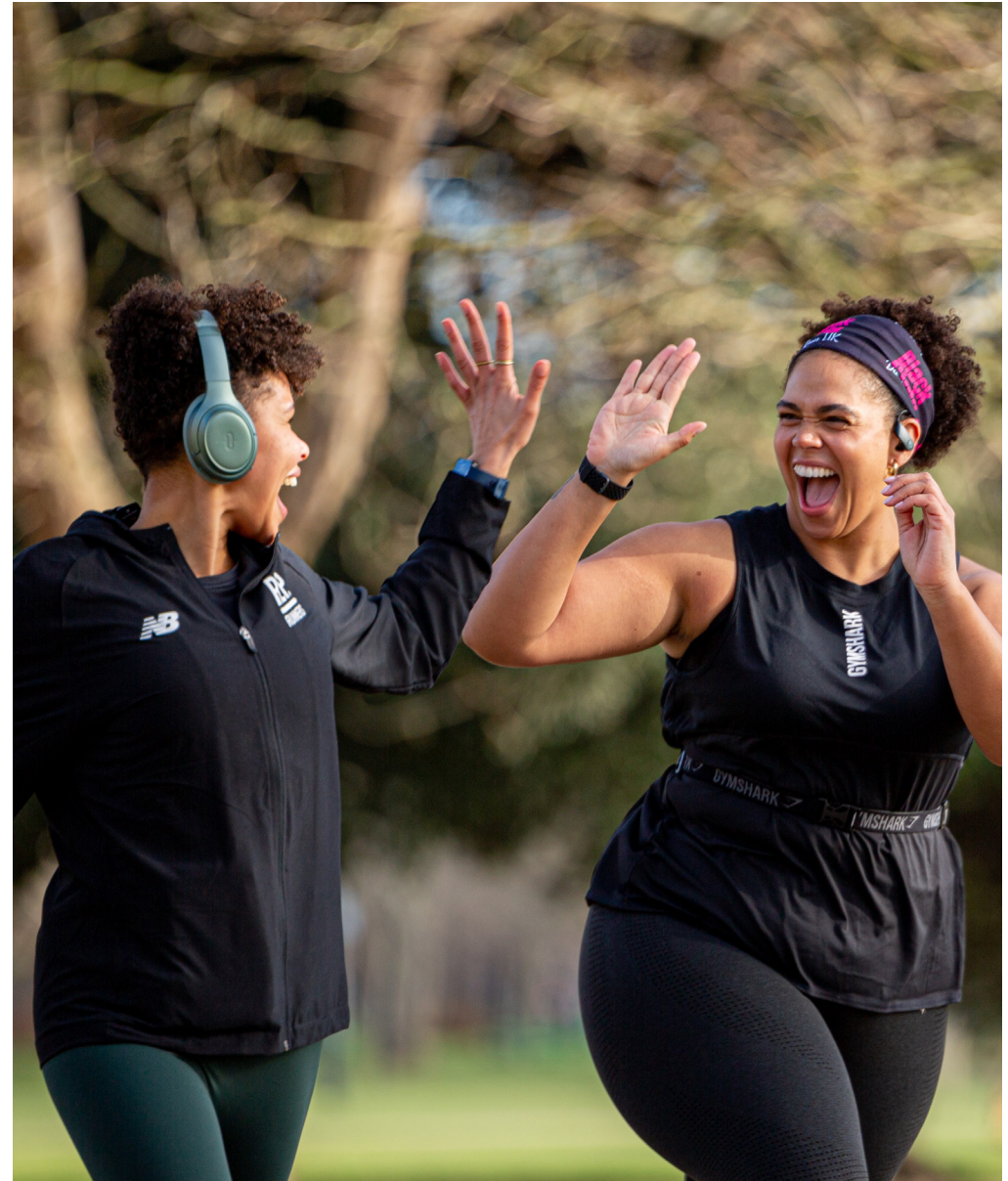
Counting on us to be honest, trustworthy and genuine.

### Find the Gymshark Way.

Refusing to forget the garage mentality that made us: ambitious, agile and disruptive.

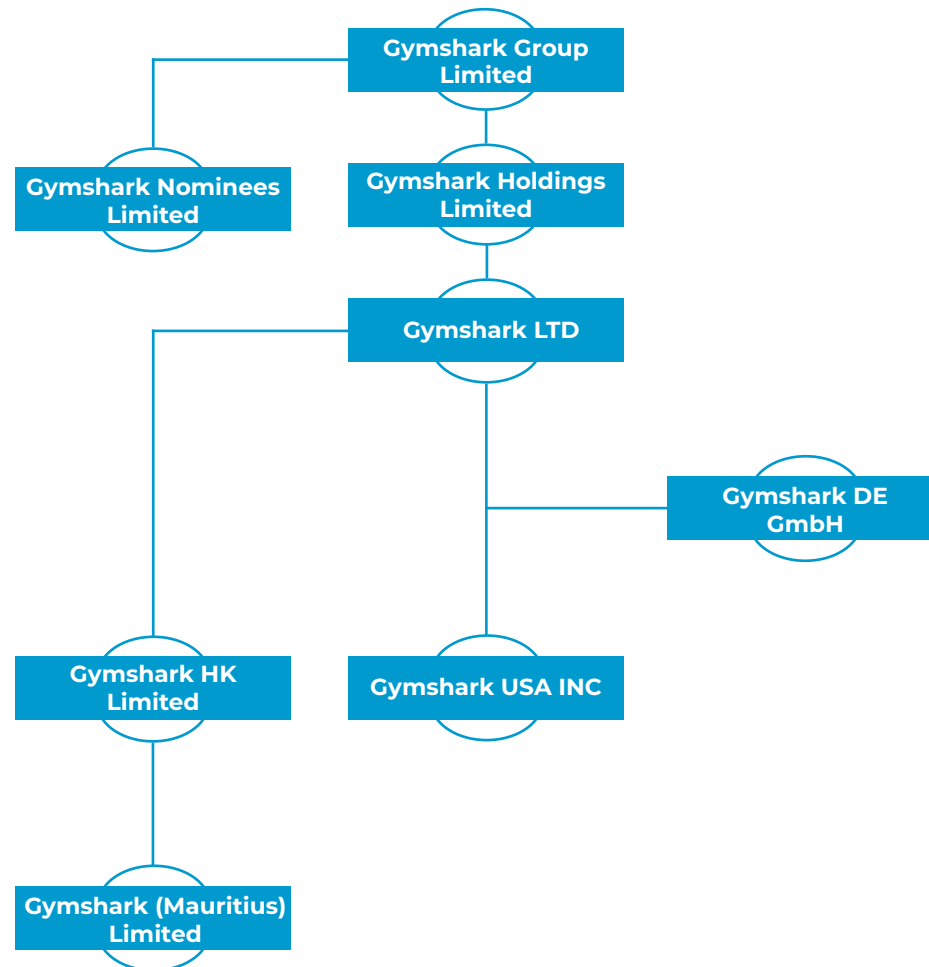
### Put Family First.

Unconditionally.



# 2.1 Our Corporate Group Structure

As of 31st July 2023



**Gymshark Group Limited** is the parent company of the group but does not trade. Its principal subsidiary, Gymshark LTD, designs, manufactures, markets and sells branded fitness apparel and accessories through online channels and its flagship store on London’s Regent Street.

**Gymshark LTD** is based in the UK with headquarters in Solihull and a satellite office in London.

**Gymshark USA Inc** based in Denver, Colorado was incorporated in July 2019. Since the summer of 2021 it has traded in North America with support from the UK operations for product, technology, and certain operational aspects.

**Gymshark HK Limited** and **Gymshark (Mauritius) Ltd** were sourcing offices based in Kowloon Bay in Hong Kong and Cyber City in Mauritius respectively. After a strategic review, it was decided to centralise the services previously provided by these offices back into the UK and they have now closed.

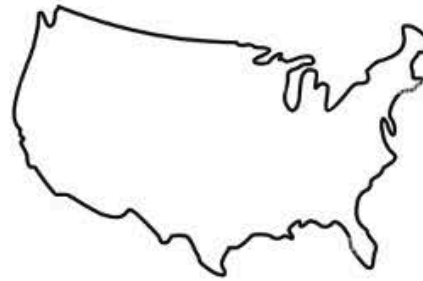
## 2.2 Key Stats

The figures shown below are as of 31st July 2023.

### Number of Employees



**UK 585**



**USA 34**



**Retail Store London 130**



# 3.0 Our Governance

## Board and Operational Governance

The [statutory board](#) of Gymshark Group Limited (GGL) has overall accountability for managing all material risks and opportunities.

The GGL statutory board is supported by the [Audit and Risk Committee \(ARC\)](#) as well as by a Nomination and Corporate Governance Committee and a Remuneration Committee. The terms of reference for the ARC make it clear that Gymshark should monitor, identify, and deal with any actual or suspected human rights abuses and modern slavery in its supply chain.

GGL's board of directors and sub-committees are supported by operational oversight from within the business. Operational review and decision-making are provided by Gymshark's Chiefs through monthly meetings. Subject matter experts from within the business prepare monthly update packs for the Chiefs and have a specific section dedicated to ESG and sustainability updates (which includes material ethical updates from within the supply chain).

In addition, the Chiefs have delegated more detailed review and monitoring of compliance and risk to a committee of executives who constitute the Compliance Committee (CC). The CC meets monthly. The CC's role within the organisation is to bring operational compliance and risk points at Gymshark into regular focus and scrutiny with a group of key stakeholders.

Any high-risk issues, including allegations of modern slavery or human rights abuses, will either be dealt with at the CC or else escalated to the ARC or to GGL's statutory board, depending on the severity of the issue. The agenda for meetings of the CC specifically includes scheduled times for updates on Gymshark's approach to modern slavery.

## Modern Slavery Working Group

Gymshark has long recognised the importance of anti-modern slavery governance and established the Modern Slavery Working Group (MSWG) in Autumn 2021 to assist with a due and thorough approval process.

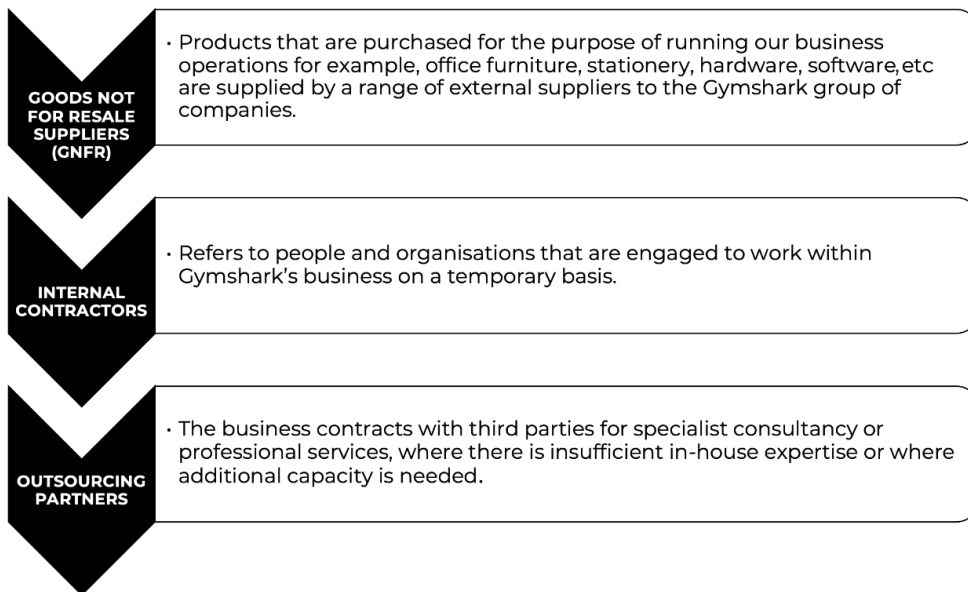
The MSWG is a key pillar of our approach to combating modern slavery wherever it exists. Although chaired by the Sustainability Team, the MSWG is composed of key stakeholders from across the company, particularly the Legal, Sourcing, People and Product teams. The MSWG provides the project oversight for the completion of this statement, ensuring that our statement is as detailed and accurate as it can be.

# 4.0 Our Supply Chains

Our supply chain as of July 2023 is divided into two categories: **product** and **non-product** supply chain. It includes the supply chain for our products and goods/services which are not for resale. This supply chain plays an important role in our day-to-day business operations and it is grouped into three main categories as set out below.

## 4.1 Non-Product Supply Chain

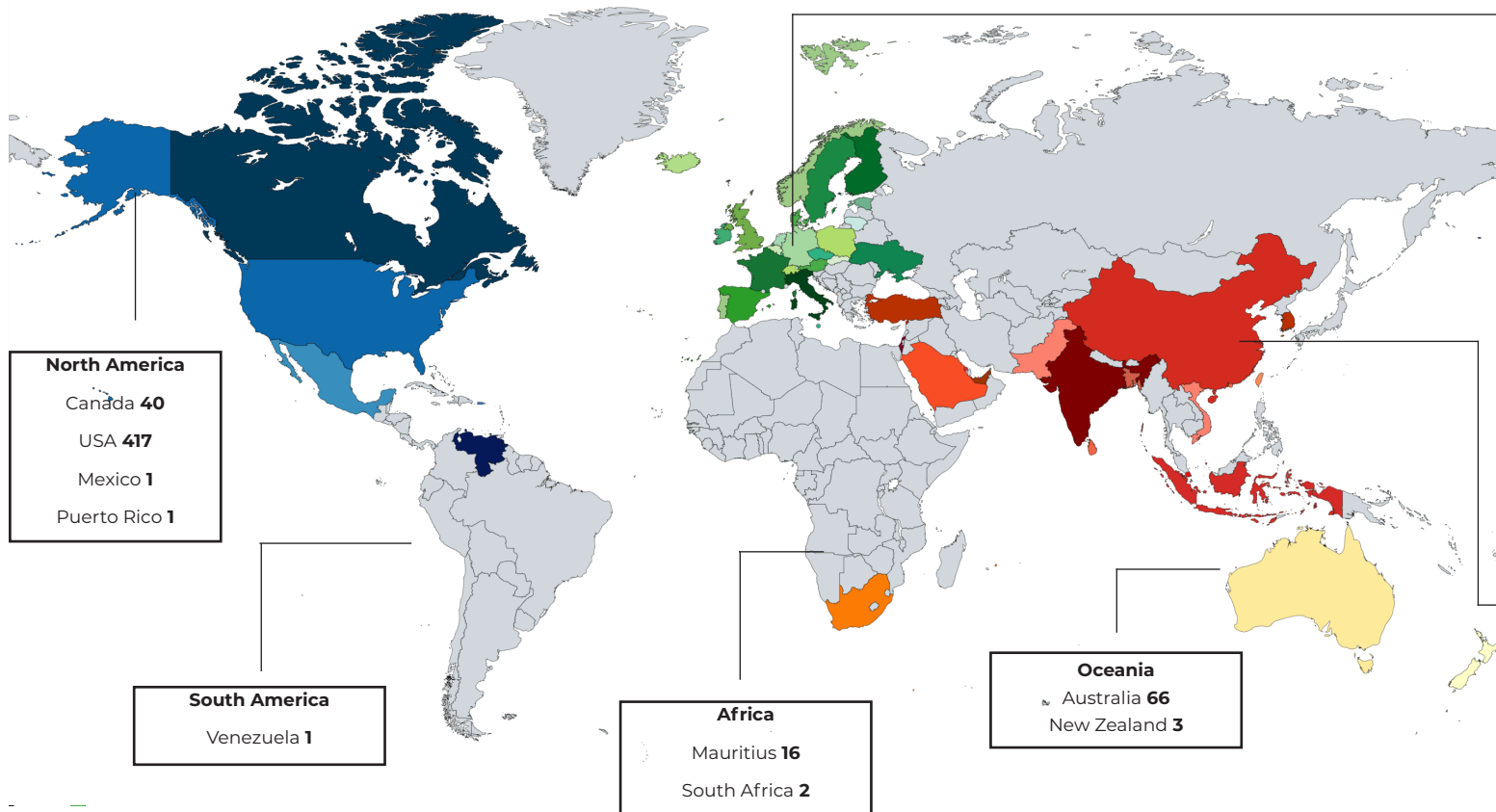
### Non-Product Suppliers



All potential contractors are vetted by the Tax and People Teams against a defined criteria to ensure that we are not inadvertently engaging with ‘disguised employees’. This process was developed further to ensure that all transactions are ‘arms length transactions’ whereby all employees are required to declare personal links to someone Gymshark conducts, or is planning to conduct, business with. This applies to employees across all Gymshark’s teams and global offices.

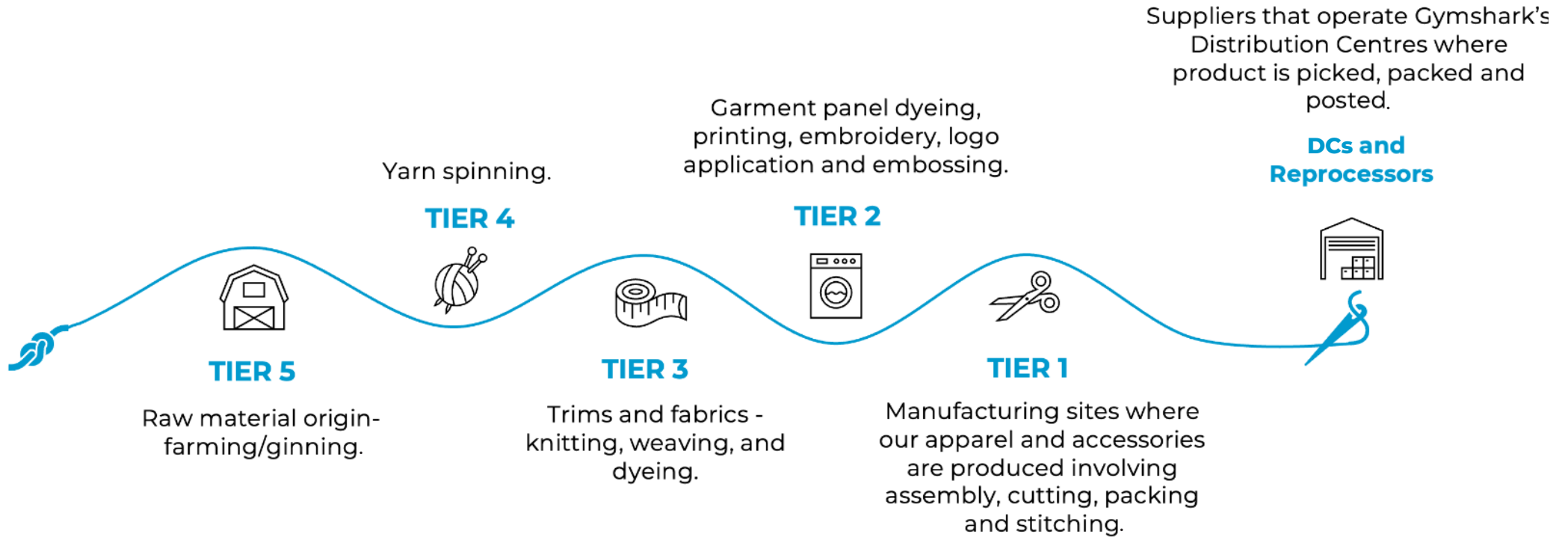
# Non-Product Supply Chain Map

This map indicates the number of active non-product suppliers as of July 31st 2023:



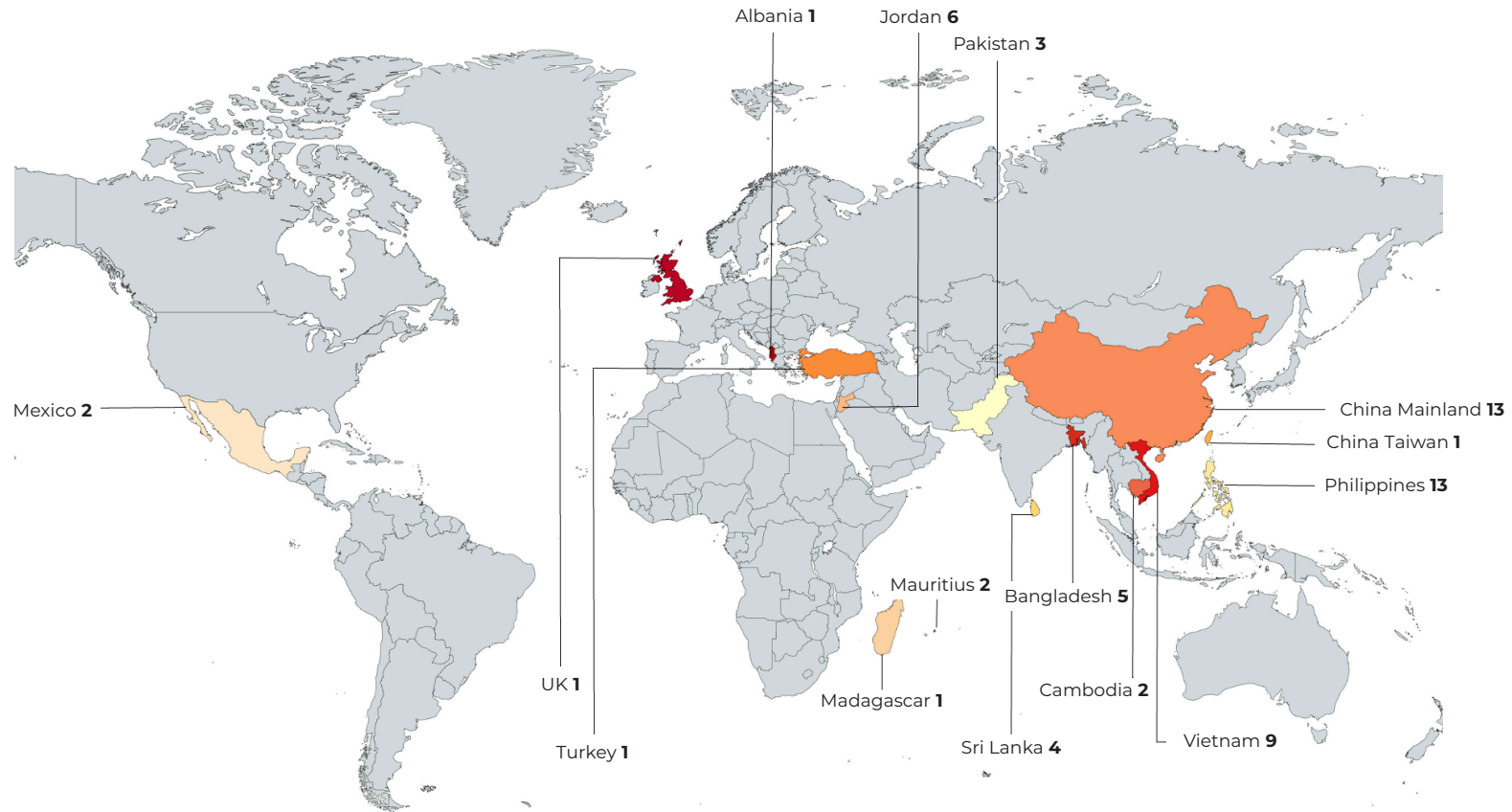
Last year we transacted with **1826** non-stock suppliers with our top **30** non-stock suppliers representing **56%** of total spend.

# 5.0 Product Suppliers Tier Definitions



# Tier 1

This map indicates the number of Tier 1 factories in each country as of July 31st 2023:



No. of Female Workers  
**73,196**

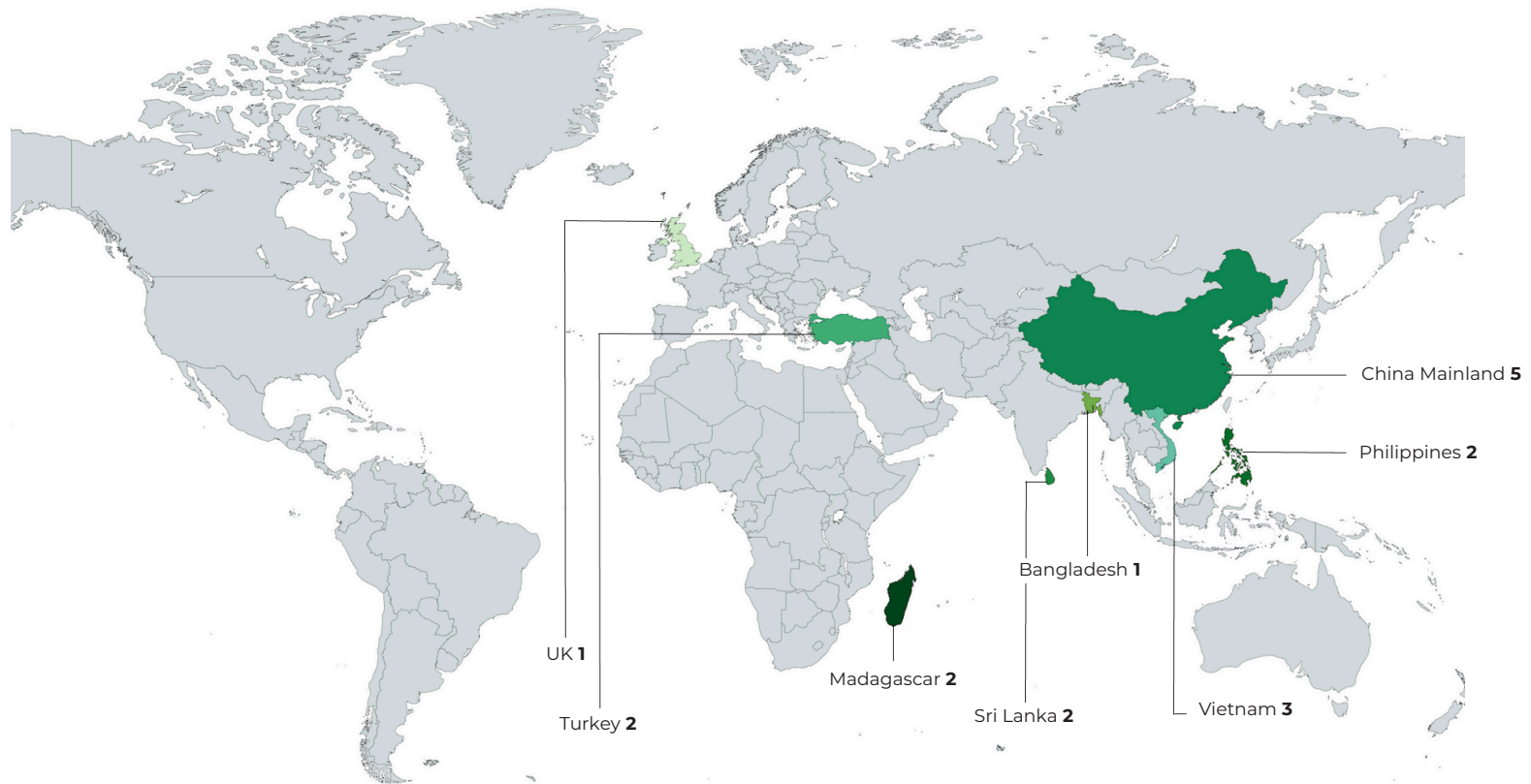
No. of Male Workers  
**47,281**

Total No. of Workers  
**120,477**

Total Tier 1 Factories  
**59**

# Tier 2

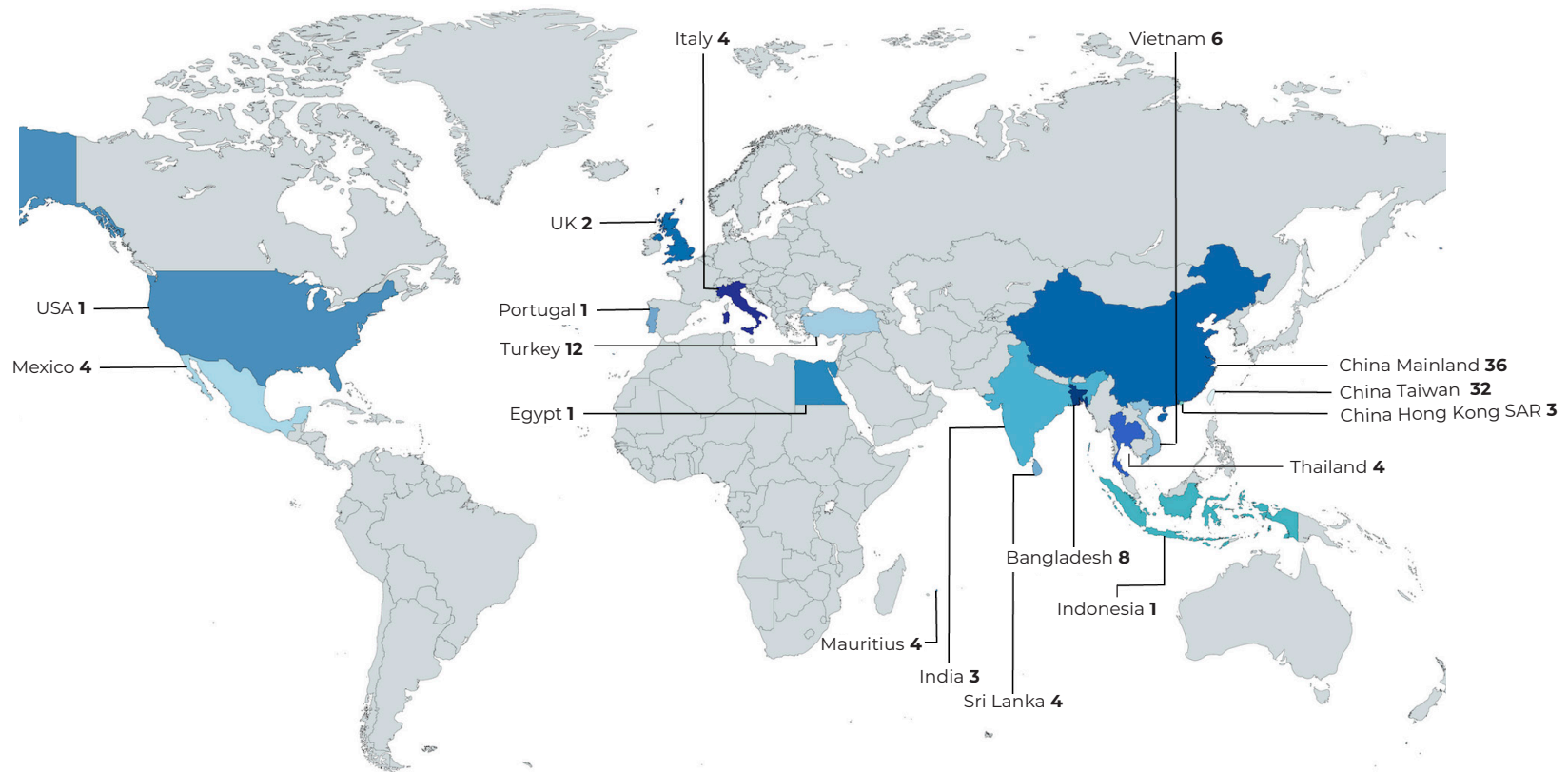
This map indicates the number of Tier 2 factories in each country as of July 31st 2023:



No. of Female Workers	No. of Male Workers	Total No. of Workers	Total Tier 1 Factories
<b>5,031</b>	<b>5,698</b>	<b>10,729</b>	<b>18</b>

# Tier 3

This map indicates the number of Tier 3 factories in each country as of July 31st 2023:



No. of Female Workers	No. of Male Workers	Total No. of Workers	Total Tier 1 Factories
<b>15,625</b>	<b>23,584</b>	<b>39,209</b>	<b>125</b>

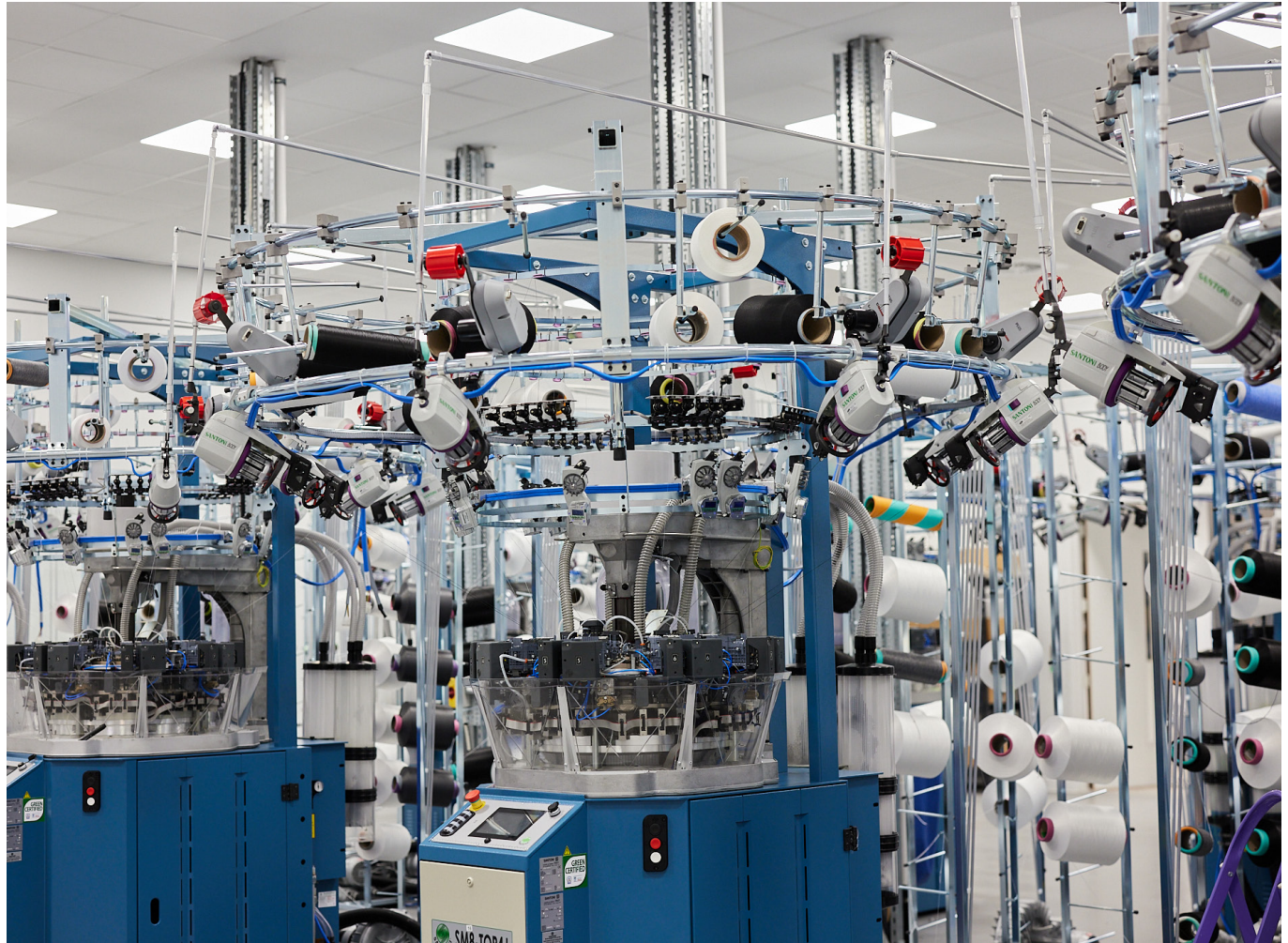
# 5.1 Product Supply Chain

Product supply chain includes Gymshark branded products which are designed in-house, manufactured by our supply chain partner factories and sold through the Gymshark websites, retail and pop-up stores.

Our Sustainability Team works closely with Sourcing & Material Team to ensure products and raw materials are responsibly sourced based on our Ethical and Environmental standards. Our product supply chain involves a number of sites which are not owned by Gymshark.

Our sourcing maps as of 31st July 2023 comprises of the countries and number of sites where our products are manufactured and sourced from. Our complete list of sites is public and can be accessed from [here](#).

**LOGISTICS** - Suppliers that are responsible for the shipment of Gymshark's goods from Tier 1 suppliers to Gymshark's Distribution Centres.





## Vendor Feedback

To allow truly transparent partnerships with our supply chain partners covering both apparel and material suppliers, we give suppliers an opportunity to provide anonymous feedback on:



QUALITY OF RELATIONSHIP



DEVELOPMENT AND INNOVATION



PURCHASING PROCESSES



INVOICING AND PAYMENTS

The results, suggestions and trends are presented internally and analysed. Overall, in the survey this year, suppliers express satisfaction in working with Gymshark. They recognise the brand’s potential and are optimistic about the mutual growth prospects.

Gymshark always appreciates the honesty of supplier feedback and recognises the remedial actions we need to take.

### Chief Note

“At Gymshark, fostering a **transparent supply chain** is not just a choice; it’s our **steadfast commitment**. We recognise that it’s a cornerstone of our mission to create a **positive impact** on individuals, and this journey begins with finding the right and trusted partners who share Gymshark’s values.”



**Laurent Madelaine**  
Chief Product & Supply Chain Officer

## Existing Supply Chain Partners

Due diligence and risk assessments are continually completed on existing supply chain partners and all the sites within **Tier 1 - Tier 4**. Internally, Gymshark works cross functionally to monitor the supplier's performance on different **Key Performance Indicators (KPIs)** including ethical, production and quality metrics using our supplier scorecard.

Gymshark requires a high level of trust and transparency in our supply chain as well as clear, regular **communication**. Gymshark encourages supply chain partners to raise any concerns with development, production, or shipment with the appropriate Gymshark contact(s) as early as possible to ensure an optimum solution is found in a timely manner.

## New Suppliers

We established a new robust onboarding process for all suppliers from **Tier 1 - Tier 4**, to ensure efficient due diligence is completed to onboard any new vendors. The Sourcing and Materials Teams carry out initial checks to ensure that the potential supplier can meet our requirements.

Once established, the potential supplier goes through a rigorous **onboarding process** which includes checks from different teams, including the Shared Fitness audit to cover **Ethical, Environment and Technical** aspects. Audits provide each site a grading from **A-D** on each area, with A being the best and D if critical issues are highlighted during the audit. The potential supplier needs to **remediate** the immediate issues before being onboarded.

All requirements are outlined during the initial stages of the relationship along with our tier definitions and Shared Fitness manual which is provided ahead of the audit. All of our Tier 1 supply chain partners need to sign a **Vendor Framework Agreement (VFA)** to complete the onboarding. A VFA is an agreement between Gymshark and the vendor which outlines our requirements, commitments and expectations. The VFA details the supplier's obligations to uphold the COC, standards and policies setting out our expectations on worker's rights, working hours, child labour, forced labour as well as a transparent approach to continual improvement and remediation.

To ensure we have full transparency within our supply chain, all facilities to be used for Gymshark production must be declared to the Sourcing, Materials and Sustainability Teams.

Our **Sourcing Team** and **Materials Team** are responsible for onboarding of garment/accessories and material suppliers. Initial checks are carried out by the Sourcing Team to ensure the supplier can meet our requirements.

## Due Diligence

Due diligence is carried out on all facilities declared to ensure alignment with our COC which covers modern slavery and human trafficking. For new sourcing territories, we may undertake cross-departmental visits including the Sustainability Team to gain a full understanding of the situation in real life.

## Freight

In October 2021 we engaged with a new freight forwarder, DSV. We continue to work with DSV to drive efficiency and ensure our global freight is moving in the most effective way possible. DSV move our inbound cargo globally via ocean, air, and road freight. The relationship continues to grow as we collaborate on new initiatives and endeavour to make our inbound freight movements as sustainable as possible.

Gymshark nominates the majority of our raw materials and packaging to ensure global consistency unless otherwise agreed. If a technical pack lists a component from a nominated supplier, it is mandatory that this component is sourced from the nominated

supplier and that no substitutions are made. All suppliers are expected to ensure that the COC is upheld in their wider supply chain.

## Responsible Exit

We believe in long term relationships with the supply chain partners. However, if we need to exit a supplier/factory we will strive to exit in a gradual and responsible manner to ensure minimal disruption to the supplier/factory's business. This process involves collaboration between the vendor and the Sourcing, Legal, Materials and Sustainability Teams and sending a questionnaire to gauge any impact on the workers because of the exit process.

# 6.0 Operations

Below shows how many Gymshark DCs are located in each country as of July 31st 2023.



No. of Female Workers  
**1,695**

No. of Male Workers  
**2,639**

Total No. of Workers  
**4,334**

# 6.1 Distribution Centres

## Belgium

Our **Rieme DC** was our main distribution hub to our global customer base until we expanded our operations in the USA. This will continue to service our European and Rest of World customer base going forwards. We have also optimised the use of two pop up DCs in Desteldonk, Ghent and Grobbendonk, Antwerp to serve our German customers during peak periods.

## Canada

In August 2019, we opened our first North American DC in Mississauga, Ontario to reduce delivery windows and improve customer experience for our North American community.

## UK

**Bleckmann** were our first supply chain logistics partner, commencing a relationship with us in August 2017. The Gymshark People Team meet regularly with the Bleckmann HR Personnel to discuss planning as well as any challenges around labour welfare and recruitment. In February 2021, we moved our DC from Swindon to Lutterworth, because we had outgrown the original site which we had occupied since 2017.

## Australia

In April 2021 we went live with our first DC out of Melbourne in collaboration with a subsidiary of **Bleckmann's** long term logistics partner **Axima, Yang Kee Logistics**.

## USA

In July 2021, we opened 2 DCs in the United States with our partner **Radial**, the first in Rialto, California and the second in Groveport, Ohio. In the next year, we intend for all DCs to fall into the scope of the Shared Fitness Programme. In September 2021 – we opened a third site in Allentown, Pennsylvania and in January 2022, we closed the Groveport site. Gymshark partnered with **Happy Returns** as our North America and Canada returns provider in July 2021. They have three returns centres in the US they use as consolidation centres to deliver their returns to our DCs.

# 7.0 Policies in Relation to Slavery and Human Trafficking

Gymshark has a comprehensive series of internal and external policies that ensures consistent governance and trading. Our policies and procedures guide our approach and help maintain our commitment of prohibiting forced labour in the supply chain. These are reviewed and updated on a regular basis. The specific policies related to prevent modern slavery are as follows:

## Internal Policies

### **Anti-Slavery and Human Trafficking Policy**

Outlines how Gymshark aims to act ethically and with integrity in all business dealings internationally, complying with disclosure obligations under the Modern Slavery Act 2015 and the California Transparency in Supply Chains Acts 2010 for example. It also details how all employees can comply with this policy so that modern slavery is prevented, detected, and reported.

### **Speak Up Policy (Global)**

Outlines how and when employees at all levels, directors, managers, agency workers, seconded workers, volunteers, interns, agents and contractors should 'do the right thing' and speak up about concerns of suspected wrongdoing and malpractice. It also details why this is important to maintain as well as the consequences of breaching this policy.

### **Corporate Criminal Offence Policy**

Outlines how to recognise and prevent tax evasion as well as how to raise any concerns of misconduct. It also shares potential consequences if this policy is breached. Gymshark's approach in dealing with tax evasion is underpinned by the six guiding principles set out by HMRC.

### **Grievance Policy and Procedure**

Outlines both the informal and formal stages of grievances and grievance appeals. This policy highlights the importance of using effective communication to facilitate resolutions to problems or concerns with work or working relationships, before escalating to more formal processes.

### **Dignity at Work**

Outlines how Gymshark is committed to ensuring that it provides a safe, respectful workplace for everyone. It highlights the standards of behaviour that Gymshark expects and what can be done (both the formal and informal stages) in the event that they experience or witness something which falls below these standards. This policy covers discrimination, harassment, bullying and victimisation. This policy applies to all Gymshark employees, directors, managers, agency workers, seconded workers, volunteers, interns, agents and contractors.

## External Policies

### Sustainability Team

Gymshark has a comprehensive series of internal and external policies that ensures consistent governance and trading. Our policies and procedures guide our approach and help maintain our commitment of prohibiting forced labour in the supply chain. These are reviewed and updated on a regular basis. The specific policies and procedures related to prevent modern slavery are as follows:

### VFA

We have reviewed our VFAs and made amendments to outline our terms and conditions for supply of goods for Tier 1 apparel and accessories suppliers. The VFA details the vendor's obligations to comply with Modern Slavery and Anti-trafficking laws and the Gymshark COC. The agreement is signed both by the vendor and Gymshark.

### Gymshark Supplier COC

This defines labour standards that aim to achieve decent and humane working conditions. The standards are based on International Labour Organisation standards and internationally accepted good labour practices. All our suppliers must comply with COC. If there is a difference between the protection offered by law and COC, the higher standards should be applied. In the last year, we have added a commitment to continual improvement and email address so that workers can contact us, if need arises. In case someone is not satisfied with the response, they can contact Fair Labor Association's complaint channel, through the contact details shared on our COC.

# 8.0 Partnerships and Collaborations

## International Accord Bangladesh

The International Accord is an independent, legally binding agreement between brands and trade unions that helps to ensure a safe and healthy ready-made garment industry in Bangladesh. It also helps establish worker safety programmes in other countries that produce textiles and garments.

The agreement helps to create a working environment where no worker needs to fear fires, building collapses or other workplace accidents that can be prevented with reasonable health and safety measures.

### Why Partner?

We source some of our products from Bangladesh, so to help ensure safe working spaces for the workers there, we've become members of the Bangladesh Accord.

### How Does It Help?

All of our Bangladesh supply chain factories go through an audit under the Accord. All our supplier health and safety audits can be found [here](#).



## Fair Labour Association

Since 1999, the FLA has helped to improve the lives of millions of workers around the world. Joining together socially responsible companies, colleges and universities, and civil society organisations, the FLA creates lasting solutions to prevent abusive labour practices.

This is done by offering tools and resources to companies, delivering training to factory workers and managers, independently assessing due diligence, and pushing for greater accountability and transparency from everyone involved in global supply chains.



### Why Partner?

Because every single person deserves safe working conditions. As part of our membership, the FLA also carries out Sustainable Compliance methodology (SCI) assessments across a random selection of our suppliers. This officially reviews our due diligence efforts and provides accountability for our commitments. You can find those reports [here](#).

### How Does It Help?

Membership of the FLA helps us know which tools and resources we need to train our staff. It means we can verify how efficient our programmes are. It allows us to test ways we can protect our workers' rights.

## Sustainable Apparel Coalition

Dedicated to transforming businesses for exponential impact through dynamic partnerships, industry sustainability, and trusted leadership, the Sustainable Apparel Coalition (SAC) is a global non-profit alliance which represents multiple stakeholders in the consumer goods industry. Its mission is to create a global consumer goods sector that is in harmony with the planet and its people.

### **Why Partner?**

We are a member of the Sustainable Apparel Coalition (SAC), which provides us with access to a suite of tools to better monitor fair working conditions in our supply chain.

### **How Does It Help?**

The Higg Facility Social & Labor Module (Higg FSLM) promotes safe and fair social and labour conditions for value chain workers all over the world. Facilities can use the scored assessment to understand hotspots and analyse year-over-year performance.

Track, measure and share our progress through Brand & Retail Module (BRM) with value chain partners, consumers, investors, and other key stakeholders.

This helps us to assess environmental impacts across our supply chain which we utilise to measure and improve performance in partnership with our Supply Partners and internal teams. The following tools relate to the 'Fair Working Conditions' pillar of our sustainability strategy.

## Zero Discharge Of Hazardous Chemicals

ZDHC’s mission is to advance towards no release of hazardous chemicals in the textile supply chain. The vision of the ZDHC is widespread implementation of sustainable chemistry and best practices in the textile, leather, and footwear industries to protect consumers, workers, and the environment.

### How Does It Help?

- Access to the ZDHC Gateway and supplier engagement.
- Provide insights, feedback and input to shape the development roadmap for the ZDHC Gateway.
- Ability to evaluate the performance of suppliers via ZDHC Solutions.

## U.S. Cotton Trust Protocol

The U.S. Cotton Trust Protocol is the world’s first sustainable cotton fibre programme with article-level supply chain transparency. It uses blockchain and digital technologies to track U.S. cotton consumption in manufacturing, giving brands and retailers a detailed map of all parties involved in the production process.

### How Does It Help?

We are members of the U.S. Cotton Trust Protocol; this membership helps us by supporting supply chain transparency. The Protocol harnesses new technology to improve and refine traceability.

## Business In The Community

Business in the Community is the UK’s largest responsible business network dedicated to building a fairer and greener world together, supported by His Majesty The King for over 40 years. BITC work with businesses to inspire, engage and challenge purposeful leaders to take practical action to mobilise their collective strength as a force for good in society by: working fairer, working greener and working together.

### How Does It Help?

It helps to develop and implement responsible business strategies and accelerate just transitions to climate resilience.

## BetterWork

BetterWork is a partnership between the United Nation's International Labour Organization (ILO) and the International Finance Corporation (IFC), a member of the World Bank Group. Better Work is a comprehensive programme bringing together all levels of the global garment industry to improve working conditions and respect labour rights for workers, while boosting the competitiveness of apparel businesses.



### Why Partner?

The BetterWork approach creates lasting, positive change to supply chains through factory assessments and training, as well as advocacy and research that changes policies, attitudes, and behaviours.

The programme partners with international brands and operates in nine manufacturing countries: Cambodia, Indonesia, Vietnam, Bangladesh, Egypt, Jordan, Ethiopia, Haiti, and Nicaragua.

BetterWork by sharing approach and the results of on-the-ground work, seek to influence policy and decision makers to promote decent work and better business.

### How Does It Help?

BetterWork works with more than 100 well-known global brands including Gymshark to support a thriving, competitive garment industry with decent working conditions. In collaboration with suppliers, factories, trade unions and governments, BetterWork has

created lasting, positive change through capacity-building, assessments, training, and research focused on changing attitudes and behaviour.

Collaborating with the programme to mitigate risk and remedy poor working conditions by supporting suppliers to improve adherence to labour standards and laws. BetterWork helps provide better transparency on compliance and supports the development of stable and well-managed sourcing environments. In partnership with BetterWork, international brands become industry leaders in the movement to reimagine the global supply chain, where workers' rights are realised, and businesses gain a competitive advantage to grow.

# 9.0 Shared Fitness


Shared Fitness is a programme of continuous improvement, a way of working between us, the Gymshark group, and our supply chain partners to grow sustainable and successful businesses together.


The purpose of Shared Fitness is to assess where each supply chain partner is on their journey in embedding Gymshark’s values, ethical & environmental standards and identify any challenges in their adoption. Where there are challenges, these will be faced together in partnership to reach resolution.


Gymshark recognises that supply chain partners may be at different stages on embedding Gymshark’s standards within their value chain in the same way that our community are at different stages of their fitness journey. The auditors conduct series of worker interviews in a segregated area as part of the audit to verify records and leaves a whistleblowing card with each worker to raise any serious concern directly with Gymshark.

Factories are provided with a grading following the audit along with the issues found during the audit and timelines for remediation. The Ethical Team works very closely with the factories to close the issues within the timelines provided for closing each issue.

Shared Fitness encompasses the three fundamental pillars of **Ethical, Environment & Technical**. Gymshark’s Shared Fitness represents a world class audit to deliver our sustainability commitments.

 **ETHICAL** - The factory treats workers with respect and provides a safe working environment. The factory is operating as per the local laws and adheres to Gymshark’s supplier Code of Conduct, our standards and policies

 **ENVIRONMENTAL** - The factory operates without harming the environment. The factory is operating in accordance with local laws, with all relevant licences and permits and adheres to our environmental requirements and waste-water policy.

 **TECHNICAL** - Factory is fit to make quality Gymshark product. The factory has technical ability to deliver the right product with the right quality.

Audit Grading	Factory Actions	Time Frame for Improvements
A - Top Performing	No action required.	Factory audited every <u>2 years</u> .
B - Performing	Small improvements required.	Factory audited every <u>2 years</u> .
C - Underperforming	Actions to be closed within 9 months.	Factory revisited in 9 months.
D - Non-performing	Critical issues to be remediated immediately.	Immediate, no action may lead to exit.

# 9.1 Implementation in Product Supply Chain

## AS WITH CONDITIONING, EVERYTHING WE DO TODAY IS TO PREPARE FOR TOMORROW.

Gymshark's Ethical and Environmental Standards and Policies are based on:

- Legal requirements
- ILO Conventions
- United Nations Guiding Principles on Business and Human Rights (UNGDP)
- Gymshark COC (language translations available)
- Gymshark Compliance Benchmarks – aligned with Fair Labour Association (FLA) Benchmarks
- Gymshark values

Gymshark monitors implementation of our standards and policies through our own Shared Fitness Programme, FLA visits (SCI Assessments), Better Work reports, International Accord reports, whistleblowing calls and by visiting factories. Gymshark continually monitors the progress made by our suppliers

on our Shared Fitness values via our Sustainability Scorecard which is our internal methodology to risk rate our suppliers. Shared Fitness is assessed against Gymshark's standards, values, and our minimum requirements. As a brand partner of BetterWork we leverage their audits in the participating factories to reduce the audit fatigue for our vendors.

### Transparency Requirements

#### Provide top line vendor and factory information

This includes names, addresses and worker information. Please note key info will be published on Gymshark's public factory list.

#### Provide full transparency of Tier 1-4 supply chain

Map and document all Tier 1-4 factories required to create the finished product.

## Whistle Blowing

One of Gymshark's core values is to **"do the right thing"**. Gymshark is committed to conducting its business with **honesty and integrity** and expects its Supply Chain Partners, factories in their supply chain and subcontractors to operate to the same high standards.

Employees are often the first to realise that there may be something seriously wrong within a place of work. Gymshark considers it a positive act to speak up and raise concerns; our aim is to ensure employees can report legitimate concerns in confidence and be protected from any victimisation because of their disclosure. We believe that use of a whistle-blowing procedure indicates a **healthy and trusted business**.

To this effect, we have amended our COC to include a contact email where anyone can send an anonymous email and we have also provided the option to raise a complaint to the FLA, if someone is not satisfied with the response.

As part of worker interviews during our Shared Fitness audit, auditors leave a whistleblowing card with workers should they decide to get in touch to raise any issues of exploitation, which would always be investigated.

## How Do We Deal With Allegations Of Modern Slavery

Our Shared Fitness programme has a section on modern slavery indicators which must be completed for each factory audited from **Tier 1 to Tier 4**.

Each indicator is **graded** depending on the seriousness of the issue. The number of indicators define our actions and next steps.

The indicators developed are based on ILO indicators.

## Escalation

The escalation procedure is initiated once the potential modern slavery indicator is detected either reported by our own Shared Fitness audit, our own visit, a whistleblowing call, or external partner, or internal team raising a concern. The process has two levels of escalation and time frames attached with each level to prioritise the issue.

## Remediation

Any number of modern slavery indicators need to be remediated by the factory. Refusal to remediate the issue will result in either **not onboarding the supplier** or locking existing orders and triggering the responsible exit process.

In the unlikely event of a supply chain partner refusing to engage we will start the responsible exit process.

## Responsible Exit

Our company's objective is to establish long term partnerships with our vendors. However, in the event where we need to terminate a relationship, we strive to exit in a gradual, transparent and responsible manner to ensure minimal disruption to vendors business. Exiting a supplier is a big decision with potential consequences for workers. In the case of a **zero-tolerance issue** or where a supplier refuses to engage in remediation of modern slavery indicators, we follow a timeline for responsible exit, giving the supplier enough notice of our exit so that they are able to arrange alternative work. A questionnaire is sent to them as the last step to record the impact on workers working in the factory.





# 10.0 Effectiveness of Due Diligence

Choosing the right partner from the outset is very important to us. We monitor supply chain implementation of our standards, values, minimum requirements, and policies through our Shared Fitness programme, FLA Visits, whistleblowing calls and our factory visits.



The effectiveness of our due diligence in addressing modern slavery risks are reflected in case studies throughout the statement and it involves:

- Improving transparency in the supply chain to track the origin of our products and materials.
- Conducting risk assessments through our Shared Fitness programme.
- Establishing reporting mechanisms for whistleblowers or workers to report any issues or instances of modern slavery.
- Collaboration with industry associations e.g., FLA, Better Work, International Accord to share best practices and information.
- Remediation by implementing corrective actions when violations are found and working with suppliers to address issues.
- Providing training and awareness to employees and stakeholders to recognise and report indicators of modern slavery.

# 10.1 Case Studies

## Sustainability Website

### Challenge:

The Gymshark family is united through the steps we take today to prepare for tomorrow. That's not only with the weight in our hands or the miles on our feet, but with our goal to do more for the future of our planet and its people.

We know we're not as good as we can be. But we will be better. We will do better. Because our planet doesn't have time for empty words, and neither do we.

### Gymshark Action:

We published our sustainability website to be more transparent with community and with a view to talk more openly about our commitment and partnerships to continue to increase accountability.

### Impact:

Our sustainability website helps to increase visibility of our approach to respecting human rights of people who work in our product supply chain along with our actions to protect the planet.



## Collaborative Work

**Challenge:**

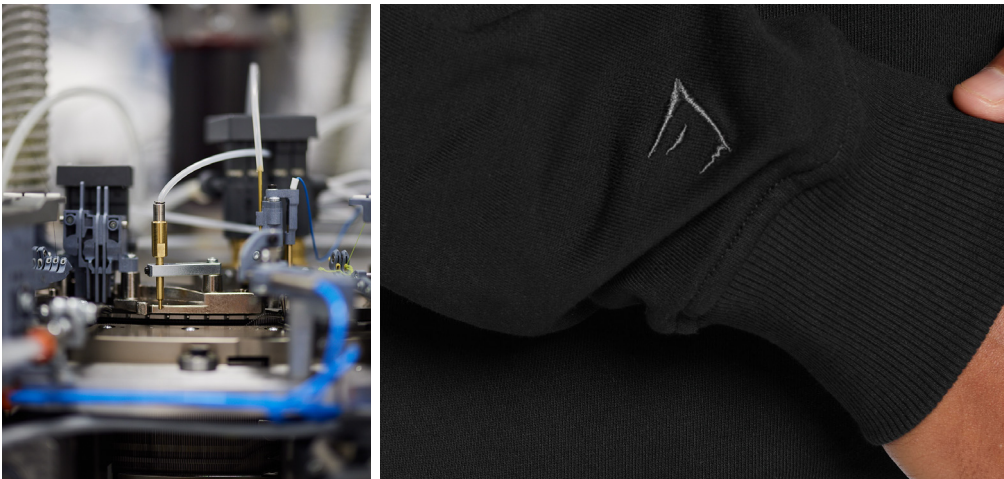
To work with brands to address issues in a shared factory.

**Gymshark Action:**

We were made aware about working conditions in a factory through a whistleblowing call. We partnered with other brands to work collaboratively and launched an independent investigation to understand the issues and resolve them.

**Impact:**

Our collaboration with other brands is key to help raise standards. The full investigation and actions are public on FLA website.



## Engagement with BetterWork

BetterWork support factory ownership and long-term solutions built on effective worker-management dialogue, efficient management systems, and a commitment to ongoing learning and improvement. We will continue to work together to help make our supply chain more resilient and responsible.

**Challenge:**

To help make Gymshark supply chain more resilient.

**Gymshark Action:**

We made the decision to join ILO's BetterWork programme. The BetterWork programme partners with international brands and operates in thirteen countries. Participation with this programme facilitates in risk reduction and enhancing working conditions. It supports suppliers in adhering to labor standards and laws, fostering transparency and obtaining help in establishing stable sourcing environments.

**Impact:**

The BetterWork programme helps in driving higher compliance with international labour standards and national laws.



## Birmingham Women & Children's Hospital

### Challenge:

To give back to our local community and help improve the lives of women, babies, children and families.

### Gymshark Action:

At Gymshark, we are dedicated to doing the right thing especially when it comes to supporting the well-being of individuals, and communities within our reach. Gymshark launched the NHS Sweaty Selfie challenge at the outset of the COVID-19 pandemic, committing to donate £5 to the NHS for each selfie posted on social media. Our team covered over 9,217 miles delivering patients medication - 1,700 prescription slips brought in to pharmacies and over 370 medications to patients' homes at Birmingham Children's Hospital and its Forward Thinking Birmingham mental health service. Furthermore, Gymshark has committed to raising yearly funds to support the hospital with the purchasing of MRI machines.

Gymshark has also carried out other activities and events to help raise funds for the hospital, such as taking part in the 3-peak challenge (where participants attempted to climb the highest mountains of England, Scotland and Wales) in September of 2023 and competing in the Dragon Boat races in Birmingham.

### Impact:

The Sweaty Selfie campaign raised a total of £180,000. Ben Francis, Gymshark's CEO is now a patron of the hospital and supports the hospital in raising awareness and pushing the boundaries of what is possible to truly improve the lives of all those who use the amenities provided by the hospital.

The 3 -peaks challenge raised a total of £52,000. Gymshark is now at the £250,000 fundraising milestone.



## Selling Gymshark Product For Good Cause

### Challenge:

To host an external sample sale at the Gymshark head office for our community to raise funds for the project work with one of our supply chain partners.

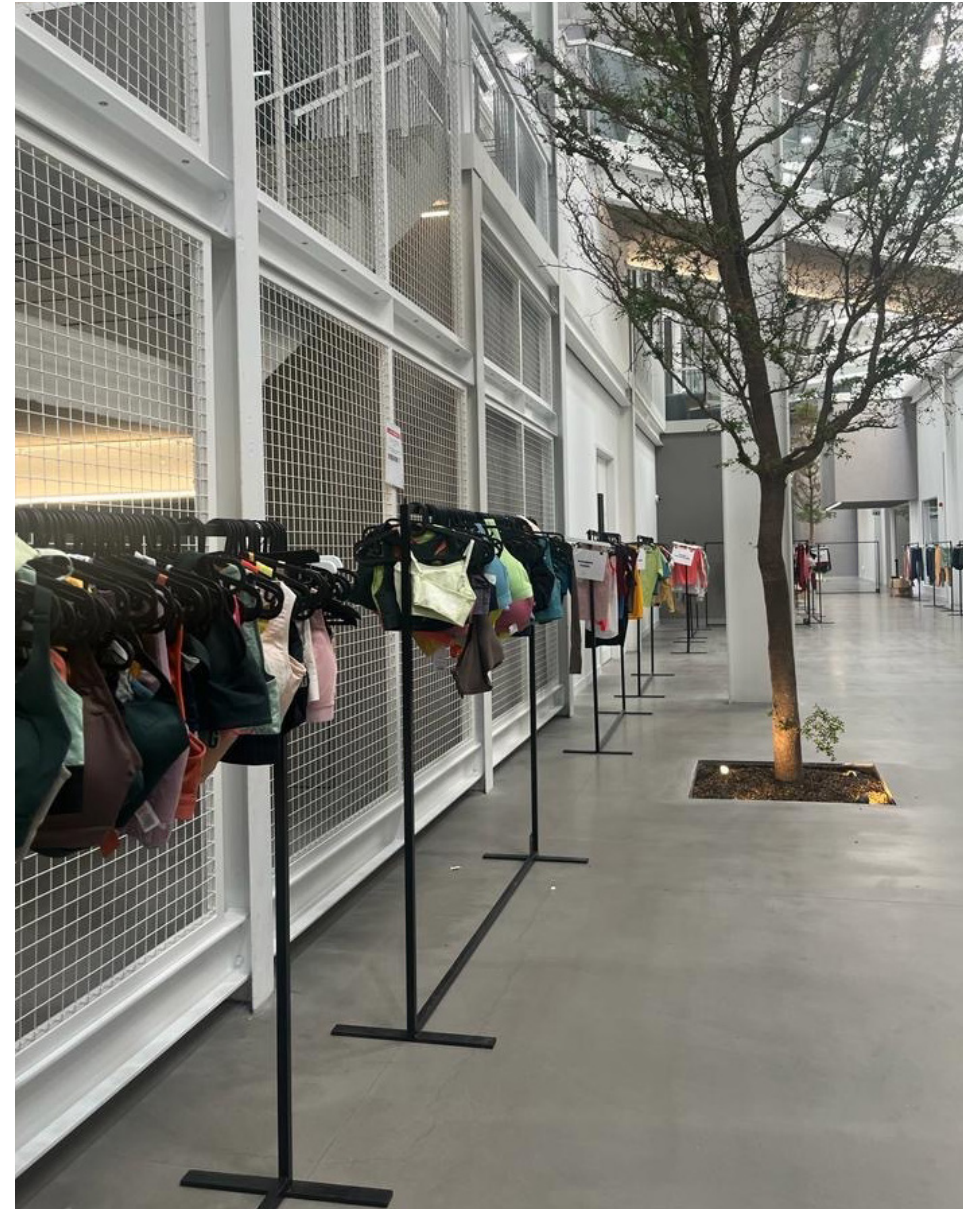
### Gymshark Action:

After the devastating Turkey earthquake that occurred in February 2023, the Gymshark Sustainability Team decided to pull together a sample sale to raise money to support families that would be experiencing the effects of the disaster.

### Impact:

This sale was a huge success, raising just over £10,000. After speaking with our foundation partner, we decided to embark on a project to make a lasting impact on the lives of 12 children through fully paid quality education for the next 12 months.

We cannot wait to share regular updates on the progress of this project and show the real impact we can have as a brand, supporting our supplier communities. This is just the start of our community engagements in our sourcing regions, and we are incredibly excited to see what we can do next.



## Gymshark Regent Street Retail Store

### Challenge:

When we talk about our Gymshark family, this goes further than our customers, it's the people we work with and the people in our supply chain.

We carry out our due diligence within our supply chain and wanted to make sure that the same standards apply within our own store.

### Gymshark Action:

We carried out full ethical and environmental audits at our Regent Street store which included a full health, safety and environmental review, speaking to our staff and really understanding what it was like to work in the store and if there was anything we could do to make their working lives that bit better.

### Impact:

Our internal audit picked up on some opportunities for continuous improvement and our Sustainability Team is supporting the Retail Team for implementation.



# 11.0 Internal Training

Raising internal staff awareness about modern slavery remains a key focus area for us. All new employees to the business are introduced to our work to combat modern slavery at the time of onboarding.

Furthermore, we require a mandatory online modern slavery training module to be completed by everyone. This helps to develop better understanding of modern slavery and its impacts using real and relevant examples and footage. This training is also automatically released as a refresher to all global employees.

The training will ensure that our employees better understand the role they can play in helping us identify and report any indicators of modern slavery they come across in our supply chains.



# 12.0 Salient Risks

	Why Is This a Challenge?	Steps Taken In FY22/23	Future Opportunities
<b>Migrant &amp; Agency Workers</b>	For migrant workers in any sector, the risk of modern slavery is high. Not being able to speak the local language of their destination country and a lack of understanding around their employment rights can further increase their exposure and potential exploitation by labour recruiters.	Mapped migrant and agency workers in our supply chain from Tier 1 – Tier 3.	Map Migrant and agency workers in Tier 4 .
<b>Female Workers</b>	For the large number of women in the supply chain, an absence of childcare facilities and lack of access to formal education may force them to work in an informal economy, making them vulnerable to exploitation.	Mapped female workers from Tier 1 – Tier 3 up to management position. Developed migrant workers policy .	Map women workers up to managerial level in Tier 4. Shared migrant worker policy from Tier 1 – Tier 4.
<b>Worker Representation &amp; Lack Of Grievance Systems</b>	Lack of effective dialogue (formal or informal) between workers and management and an absence of grievance mechanisms can lead to an environment where workers are unable to raise concerns and speak out against any exploitation taking place.	Continued work with Tier 1 factories to ensure they understand the importance of worker representation through Code of Conduct, policies and our own programme.	Share FLA grievance mechanism toolkit with all Tier 4 suppliers.
<b>Purchasing Practices</b>	Unbalanced purchasing practices can prevent Supply Chain Partners from upholding our Code of Conduct and have the potential for delayed wages to workers, forced or excessive overtime to complete orders, unauthorised subcontracting and precarious employment.	Continued data collection on FLA wage collection tool for Tier 1 factories.	Complete wage data collection on 50% of Tier 1 factories by business level.



# 12.1 Modern Slavery Risks and Developing Risks

	Most Likely Occurrence	Most Affected	Region	Actions To Address Risk
<p><b>Cotton Supply Chain</b> The Bureau of International Labor Affairs (ILAB) maintains a list of goods and their source countries which it has reason to believe are produced by child labour or forced labour in violation of international standards.</p>	Lower tiers beyond fabric mills.	Workers working on Tier 4, farms.	South Asia.	<ul style="list-style-type: none"> <li>• Due diligence conducted ahead of onboarding through third party reports</li> <li>• U.S. Cotton Trust protocol membership for traceability of cotton</li> <li>• Internal audits from Tier 1 – Tier 4</li> <li>• New suppliers - before onboarding</li> <li>• Existing suppliers – to continue roll out of the programme.</li> </ul>
<p><b>Migrant Workers</b> We are seeing more migration routes opening up because of wars, climate impact, socio-economic factors or state enforced compulsory forced labour. Migrant workers often do not understand their rights or terms of employment making them more vulnerable to human trafficking, forced, bonded and compulsory labour or do not have a choice in case of state involvement.</p>	Tier 1, 2, 3 and 4.	Migrant workers.		<ul style="list-style-type: none"> <li>• Mapped all migrant workers</li> <li>• Migrant workers, human rights policy, and remediation expectation to be finalised.</li> </ul>

	<b>Most Likely Occurrence</b>	<b>Most Affected</b>	<b>Region</b>	<b>Actions To Address Risk</b>
<p><b>Unauthorised Subcontracting</b>                      No visibility of supply chain means we have not conducted due diligence and without any due diligence in place, there is a higher chance of workers being exploited.</p>	Tier 1, 2, 3 and 4.	Workers in the unauthorised units who are at the risk of exploitation.	Global.	<ul style="list-style-type: none"> <li>Contractual obligation in place for Tier 1 suppliers</li> <li>Nomination of Tier 3 suppliers</li> <li>Part of Tier 1 factories covered by FLA SCI audits</li> <li>Public factory list</li> <li>Annual data collection</li> <li>Covered by our internal audit programme.</li> </ul>

# 13.0 Closing Statement

## From Our Sustainability Director



**Adam Dorontic**  
Sustainability Director, Gymshark

At Gymshark we talk a lot about our **Community**, it's our biggest strength and the thing that drives us as a brand. For Gymshark, community extends far past our amazing staff and inspirational customers, it also means those brilliant people across the world who play a role in manufacturing great quality, Gymshark product.

As Director of Sustainability at Gymshark, I want you to be able to purchase Gymshark product, with the confidence and knowledge you're supporting a brand which practises what they preach. As a minimum, this means striving to ensure that all workers within our supply chain are paid a legal amount and on-time, have a safe working environment, are treated with respect and dignity, and whose workplaces do not pollute the environments of their local communities.

I'm very proud of the launch of our **Shared Fitness Audit Programme**, a huge forward step in protecting the rights of workers across our entire supply chain. Going beyond

our Tier 1 suppliers, down to our Tier 4, we've already received some fantastic feedback and helped make some extremely positive changes to working environments around the globe.

We will continue to work closely with our supply chain partners and member organisations like the FLA and ILO, to raise the bar in terms of transparency and setting higher standards to protect the rights of our Community.

## Over the next year, we have committed to:

- Undertake Shared Fitness Audits across all Gymshark Suppliers Tier 1 — 4.
- Map Women Workers up to managerial level in Tier 4.
- Share migrant worker policy from Tier 1-4 and map migrant and agency workers in Tier 4.
- Share the FLA grievance mechanism toolkit with all Tier 4 suppliers.
- Complete wage data collection on 50% of Tier 1 factories by business level in the next financial year.
- Undertake community project work.
- Establish and publish our Gymshark Sustainability Report.
- Publish all of our supplier policies:

Gymshark Environmental Policy

Gymshark Supply Chain Anti-Slavery and Human Trafficking Policy

Gymshark Supply Chain Child Labour and Young Workers Policy

Gymshark Supply Chain Child Labour Remediation Requirements

Gymshark Supply Chain Conflict Mineral Policy

Gymshark Supply Chain Human Rights Policy

Gymshark Supply Chain Migrant Worker Policy

Gymshark Supply Chain Modern Slavery Remediation Guidance

Gymshark Supply Chain Policy Remediation

Gymshark Supply Chain Union Engagement Policy

Gymshark Supply Chain Whistleblowing Policy

Gymshark Supply Chain Whistleblowing Policy Remediation

# 14.0 Glossary

<b>ILO</b>	International Labour Organization	<b>MSWG</b>	Key Performer Indicator (?)
<b>IAB</b>	International Accord Bangladesh	<b>NGO</b>	Non-governmental Organization
<b>ARC</b>	Audit and Risk Committee	<b>SAC</b>	Sustainable Apparel Coalition
<b>BITC</b>	Business in the Community	<b>USCTP</b>	US Cotton trust Protocol
<b>CC</b>	Compliance Committee	<b>VFA</b>	Vendor Framework Agreement
<b>FLA</b>	Fair Labour Association	<b>ZDHW</b>	Zero Discharge of Hazardous Waste
<b>FY</b>	Financial Year	<b>HMRC</b>	His Majesty's Revenue and Customs
<b>GGL</b>	Gymshark Group Limited		
<b>GNFR</b>	Goods Not for Resale		
<b>HIGG FSLM</b>	Higg Index Facility Social and Labour Module		
<b>KPI</b>	Key Performer Indicator		

This is the seventh annual statement Gymshark has made in accordance with The Commonwealth Modern Slavery Act 2018, the Modern Slavery Act 2015 and The California Transparency in Supply Chains Act 2010. The statement covers the financial year (FY) 2022-2023

