

BASIS OF REPORTING

GYMSHARK FY25 CARBON FOOTPRINT



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INTRODUCTION

This document serves as a transparent disclosure of Gymshark's carbon footprint reporting for financial year 2025 (FY25). 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 FY25, from August 1, 2024, to July 31, 2025.

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 control¹ 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.

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.



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.

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	Not applicable	Not applicable during the reporting period.
1	Fugitive Emissions	In-scope	Maintenance of equipment requiring refrigerant top-up (e.g. air conditioning systems).
1	Process Emissions	Not applicable	Not applicable during the reporting period.
2	Purchased Electricity	In-scope	Electricity consumption within facilities. Note, this includes the company electric vehicle.
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	Not applicable	Not applicable during the reporting period.
3	9 – Downstream Transportation & Distribution	Not applicable	All logistics services during the reporting period were paid for by Gymshark, therefore, are included in Category 4: Upstream Transportation and Distribution.
3	10 – Processing of Sold Products	Not applicable	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	Not applicable	Not applicable during the reporting period.
3	14 – Franchises	In-scope	Energy consumption from franchised facilities operating under our business model.
3	15 – Investments	Not applicable	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	Activity-based method	Average monthly consumption was calculated based on available data and used to address minor data gaps. Only sites with confirmed activity and corresponding energy invoices have been included in the calculations.
1	Fugitive Emissions	Refrigerant leakage from air-conditioning units.	Maintenance notes	kg	Activity-based method	Only sites with confirmed activity and corresponding refrigerant leakage reports have been included in the calculations.
2	Purchased Electricity	Electricity consumption within Gymshark facilities.	Monthly energy invoices and renewable energy agreement	kWh, sq ft	Hybrid: Activity-based method and 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 industry building averages and floor area.
3	1 - Purchased Goods & Services	1A: Upstream emissions attributed to production of	Purchase orders	Units, kg, %	Hybrid: Average-data method for raw materials and	Due to limitations in available conversion factors for certain fibres, proxy fibres were utilised to ensure completeness. For suppliers where manufacturing data for the



		products purchased by Gymshark for resale.			supplier-specific method for manufacturing	latest year was unavailable, the most recent submission was used as a substitute.
		1B: Upstream emissions attributed to production of goods and services purchased by Gymshark, not for resale.	Financial records	£	Spend-based method	Only records that would result in double-counting of other GHG reporting categories have been omitted.
3	2 – Capital Goods	Upstream emissions attributed to production of capital goods purchased by Gymshark.	Financial records	£	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	Activity-based 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.	Supplier reports detailing monthly shipment volumes, distances travelled, and associated emissions	kg, km, tCO2e	Supplier-specific method	
			Courier-specific emissions averages	gCO2e/parcel	Hybrid: Supplier-specific method and average data method	For couriers who were unable to provide data for the relevant reporting period, data from the previous reporting period was used as a proxy. For couriers who have not been able to provide any data the relevant reporting period or prior, an average intensity factor was applied based on data shared from other couriers as a proxy.
			Returns records	Units, kg	Average 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 85% of the shipment volume, with emissions extrapolated to 100% to ensure comprehensive coverage.
3	5 – Waste Generated in	Third-party disposal and	Supplier reports detailing	kg	Hybrid: Supplier-	For sites with limited data, average monthly



	Operations	treatment of waste generated in Gymshark's owned or controlled operations.	monthly waste volumes, waste types and disposal method		specific method, average data method and activity-based method	waste intensities (kgCO₂e/sq ft) were calculated using available data from other Gymshark site waste reports. For waste reports where the disposal method was not specified, landfill was assumed for textiles and recycling for paper. For waste reports where the collection was not weighed, an assumption was made for the weight based on the disposal container and waste type.
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, kgCO ₂ e	Hybrid: Activity-based method for employee mileage and spend-based method for all other business travel.	
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 activity-based method	For Solihull Campus and New York Office, survey responses were extrapolated based on headcount for completeness. For other office locations, average data method was applied based on researched average commuting patterns by region.
		Emissions from	Employee	No.		For hybrid and remote contracts, working from home emissions were calculated using average



		employees working from home (WFH).	headcount per site	employees		data.
3	11 - Use of Sold Products	Indirect use-phase emissions of sold products (e.g. washing, drying).	FY25 sales and WRAP Textiles 2030 Lifecycle 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.	FY25 sales	Units, tonnes	Average data method	Disposal methods are unknown. So, it was assumed that all sold products are sent to landfill.
3	Franchises	Emissions that occur from the operation of franchises (i.e., the scope 1 and scope 2 emissions of franchises).	Floor area	kWh, sq ft	Average data method	For sites with limited operational data, energy consumption was estimated using industry building averages and floor area.



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

DATABASE	SOURCE	GEOGRAPHICAL SCOPE	COVERAGE	VERSION / DATE	PURPOSE	SCOPE
Greenhouse gas reporting: conversion factors 2025	Department for Energy Security & Net Zero	United Kingdom	Energy, refrigerants, transport, waste, agriculture, and other sectors	June 2025	To calculate emissions from energy consumption, refrigerants, transport, waste and other activities.	1-3
eGRID2023	U.S. Environmental Protection Agency (EPA)	United States	Electricity generation	January 2025	To calculate emissions for electricity generation for US consumption.	2
European Residual Mixes 2024	Association of Issuing Bodies (AIB)	Europe	Electricity generation	May 2025	To calculate market-based emissions for electricity generation from non-renewable sources.	2
UK and England's carbon footprint to 2021: UK full dataset 1990 – 2022, including conversion factors by SIC code	Department for Environment, Food & Rural Affairs (DEFRA)	United Kingdom	Energy, transport, waste, agriculture, and other sectors	May 2025	To conduct average spend-based calculations.	3
Higg Materials	Worldly	Global	Raw material extraction,	Higg MSI version	To estimate the impact	3



Sustainability Index (MSI)			yarn & textile formation, colouring and finishing	3.8 / June 2024	of the fibre composition for each product.	
Higg Facility Environmental Module (Higg FEM)	Worldly	Global	Environmental performance of manufacturing facilities	FEM2023 modules	To estimate the manufacturing impact for each product.	3

