

“Gymshark’s response”, 4 April 2024

Thank you for giving Gymshark the opportunity to reply to reports about worker retrenchment at Mactan Apparel Inc. and its facilities in Cebu, Philippines.

Can you confirm whether the facility linked to the allegation(s) is within your supply chain?

We can confirm Gymshark placed orders with our Taiwanese supplier Sports City International (SCI) at three of their facilities in Cebu, Philippines: Matcan Apparel, Metro Wear & Feeder Apparel Corporation, from 2020 through to April 2023. SCI is still a live Gymshark supplier, and we currently place orders with their Vietnamese facilities. The number of pieces Gymshark placed orders for in this timeframe represented less than 3% of the total volume of these factories.

We request more information on the allegation(s), including what your company has done to investigate it and ensure remedy for workers.

In 2022, SCI asked Gymshark to move our future orders to its Vietnam factory, both to consolidate our order volumes to one site, and enable Gymshark to consolidate shipments from Vietnam, which was already a key source of supply, as opposed to the Philippines.

Gymshark contacted SCI, who confirmed it did proceed with retrenchment measures at these facilities in September 2022, with the main reasons cited as: the global economic situation at the time, the impact of the Covid-19 and increasing supply chain costs. SCI also confirmed to Gymshark that it had followed all local guidance and process during the retrenchment process.

How are you ensuring that your purchasing practices (fair prices; lead times; payment terms; order volumes*) in relation to this facility meet the standard required to protect workers rights and livelihoods?

As of August 2023, Gymshark launched our bespoke ‘Shared Fitness’ factory audit standard. This comprises three separate, detailed audits, undertaken by a third party, and focused on: Ethical, Environmental & Technical. The factory is then awarded a Grade from A-D. Gymshark will only work with A-B-rated factories. C-rated factories are given specific time to implement corrective actions to improve to a B grade. D-rated

factories are duly assessed on a case-by-case basis, to evaluate opportunities for improvement or the commencement of a responsible exit. The Shared Fitness audit covers all factories across our live supply chain from Tiers 1-4.

Additionally, as part of Gymshark's Fair Labor Association (FLA) accreditation commitment, we are actively developing and implementing policies utilising fair labor practices, international standards and frameworks (International Labor Organisation (ILO), UN Guiding Principles (UN GP), OECD and UN Sustainable Development Goals). Specifically, regarding Responsible Purchasing Policies and Responsible Factory Exit Policies, the development, implementation, and external verification of these processes are required to achieve FLA accreditation. Gymshark is approaching the final milestones of our multi-year FLA accreditation journey, targeted for final accreditation sign-off in 2025.