

A close-up, low-angle shot of a sneaker's sole, showing a white and pinkish-red tread pattern. The shoe is positioned on the right side of the frame, with the rest of the image being a blurred background of a person's legs and feet on a track.

gotsneakers?
A Sneaker Recycling Organization

2022 GOTSNEAKERS IMPACT REPORT



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Introduction

Founded in 2016, GotSneakers, LLC is a global reseller and recycler of athletic footwear, driven by a compelling mission to eliminate footwear waste and extend the lifecycle of sneakers. We empower consumers, brands, retailers, non-profit organizations, SMEs, and large enterprises to make a positive impact in the community and on our planet by providing sneaker recycling services built on a foundation of technology, logistics, and customer service. We strive to make our products and services accessible and affordable to consumers worldwide.

Our company operates with these core values:
**Leadership, Integrity, Transparency, Quality,
Accessibility, Sustainability, Accountability**

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The greatest threat to
our planet is the
belief that someone
else will save it.

Robert Swan



Conducting our first-ever Impact Report, GotSneakers undertook a comprehensive exploration of our environmental, social, and governance (ESG) impact, deepening our understanding and commitment to responsible practices.

This initiative stems from our commitment to understanding the holistic footprint we leave across industries, our value chain, and internal operations.

Through this report, we aim to establish baselines, offering insights into our current standing while charting a course for improvement. By recognizing our role in addressing challenges within our industry, we aspire to not only measure our impact, but also actively contribute to solutions that foster sustainability and positive change.

During this process, we identified several ESG-related highlights, challenges, and areas for improvement.

Environmental: We analyzed our Environmental Impact through an LCA, Materiality and Resource-Use Assessment, GHG Calculations, Source-Reduction Reviews, and a Value-Chain/Supplier Assessment.

Social: We assessed our Social Impact on customers, employees, partners, and industry suppliers, considering our broader role in the community and industry.

Governance: We reviewed and improved our Governance documents, internal controls and structures, employee resources, and audited and calculated our workforce demographics.



The Problem

The footwear industry produces more than 20 billion shoes every year with the average pair generating **30 pounds of CO2e** emissions throughout its lifecycle. On top of this, the footwear industry is responsible for **1.4% of GHG** emissions throughout the world.

We acknowledge that addressing these challenges requires a collective effort, recognizing that understanding our impact in our community is integral.

This report marks our initial stride in establishing baseline metrics, understanding our impact, presenting our findings, outlining future targets, and charting a roadmap for a more sustainable future.

Our Mission

Eliminate footwear waste by empowering consumers, brands, retailers, non-profit organizations, SMEs, and large enterprises to make a positive impact in the community and on our planet by extending the life of footwear through resale and recycling.



Our Core Values



Leadership



Integrity



Sustainability



Accessibility



Collaboration



Accountability



Transparency



Quality

Our Operations

The footwear industry is a major contributor to CO2 emissions and material intensity globally. To address this, we provide a free take-back service to brands, retailers, individuals, non-profit organizations, SMEs, and large enterprises to divert footwear from landfills and extend the product lifecycle through resale and recycling. We strive to make our products and services affordable and accessible to consumers worldwide.

Our HQ is located in Miami, FL with warehouse operations consisting of inbound & outbound shipping, sorting, cleaning & restoration, photography, and pick & pack fulfillment. Our business development, technology, listing, and customer service teams work remotely across various regions including the U.S., India, and the Philippines.

To assess our environmental impact throughout our operations and value chain, we conducted our first Life Cycle Assessment (LCA) in 2023, utilizing data from 2022. Employing the open-source version of Allbirds' LCA with the Higgs model, and additional tools such as the EPA Regional Tool, and Materiality Assessments, we calculated our GHG emissions and the footprint of our operations.

**We extended
the life cycle
of 1.5M
shoes in 2022**



Wholesale Resale

741,749 pairs of shoes recirculated in global markets.



DTC Resale

117,317 pairs of shoes resold online in the U.S.



Clean Out Service

59,769 bags returned from Sneaker Recycling Partners



End-of-Life Recycling

We are investing in R&D for end-of-life recycling solutions.

Environmental Sustainability

Our Environmental Pillars



Net-Zero CO2e Emissions

Reach **Net-Zero CO2e Emissions** by 2026.
(GS Operation, GHG Scopes).



Landfill Diversion (footwear and facility waste)

Divert 6M shoes from Landfill & Incineration by 2030. In addition, work to move closer to zero waste in our facilities and operations.



End-of-Life Recycling

End-of-Life Recycling (20% of Total stock, grade D & lower items).

Based on SBTis and SASB Standards we have begun to track our Energy and Water Usage as well as our Scope 1-3 GHG Emissions.

Footwear Emissions



The Average Pair of Shoes Generates

301b CO₂e

Emissions Throughout Its Life Cycle

Source: <https://news.mit.edu/2013/footwear-carbon-footprint-0522>

“The bulk of carbon emissions associated with a pair of sneakers occurs during the manufacturing process, so reducing the number of new sneakers that are produced each year will have a direct impact on the reduction of carbon emissions from the footwear industry.”

Eric Mesa, Co-Founder & COO



Our Findings

Our environmental findings have deepened our understanding of diversion metrics, highlighting areas for improvement in material usage, operations, packaging, transportation logistics, and our greenhouse gas emission footprint. In response to the outcomes of our Life Cycle Assessment (LCA) and emission levels, we've established targets to reduce our environmental impact, aiming to surpass and go beyond our current efforts in diverting and recycling footwear.

Our environmental goals include achieving Net Zero CO₂e emissions by 2026, increasing landfill diversion to 6 million shoes by 2030, moving closer to zero waste in our facilities through recycling and reclamation programs, and ensuring that a percentage of grade D and lower shoes are fully recycled through end-of-life recycling.

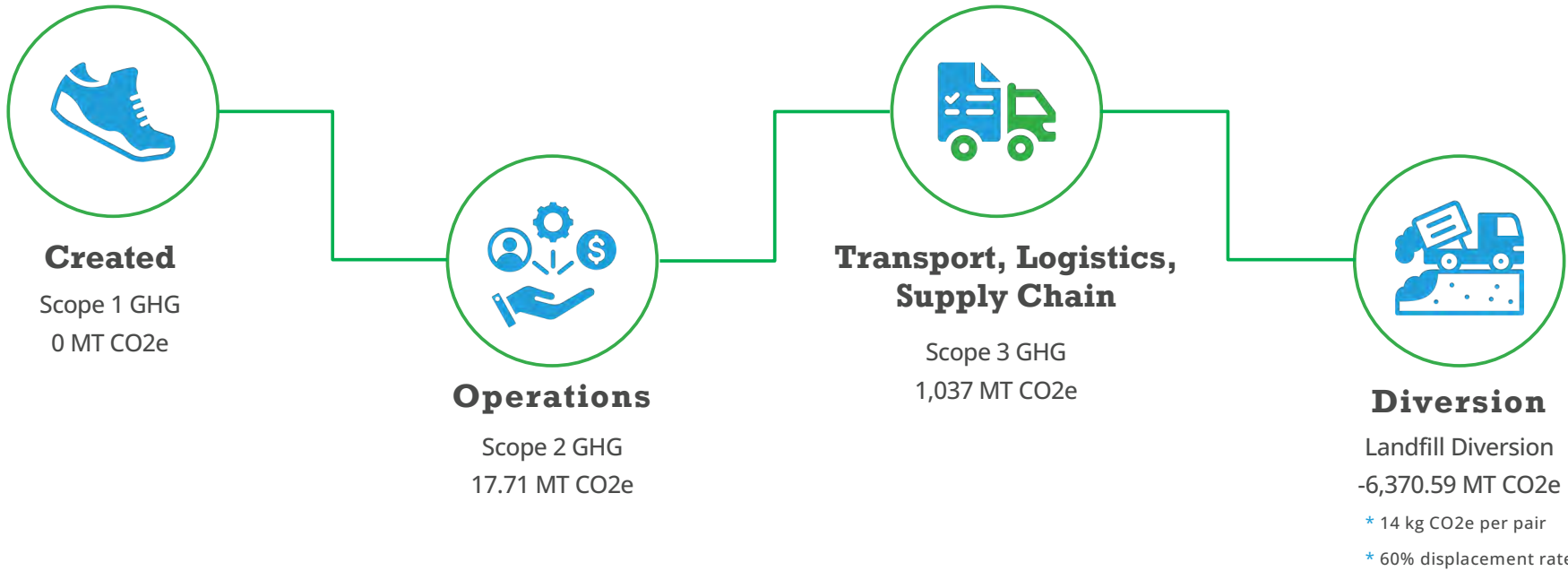
Recognizing the ongoing work, room for improvement, and the need for additional data and insights, we are committed to collecting information on the true total volume diverted overseas and exploring various options for end-of-life recycling, considering the financial feasibility of these operations.

To initiate this process, we will focus on data collection and understanding the total volume diverted, including overseas, and exploring and innovating with end-of-life recycling technology.

We are dedicated to gathering supply chain data and understanding the needs of our customers, partners, and the cradle-to-cradle journey of the footwear that goes through GotSneakers' value chain.



Our GHG Emissions



*As of 2023, we are in the process of independently validating our data and conducting a rigorous statistical review of our calculations and Life Cycle Assessment.

Our Resource Use

ENERGY USAGE	2022
Total energy used (Gigajoules)	168

WATER USAGE	2022
Usage in Liters	411,732
Water Intensity (liters)	8.52%

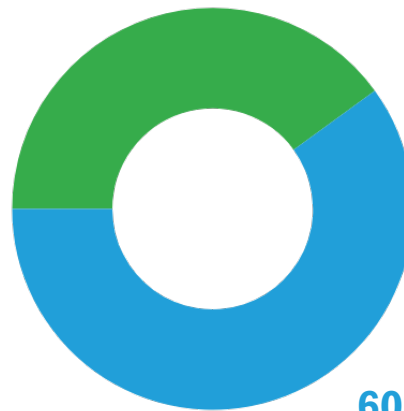
Packaging & Transport

TRANSPORTATION

Analyzing our scope 3 emissions and value chain, we find that a large portion of our scope 3 emissions come from transportation and logistics: **receiving, collecting, and moving footwear.**

We are mitigating the ton-mileage of our operations and creating more efficient shipping processes, both in cost and carbon accounting. This includes using distribution hubs, bulk shipping, and 3PL facilities in regional areas that are not within range of our HQ in Miami, FL.

40%
Transport



60%
Packaging

PACKAGING

We use LDPE Poly Mailers for our collection bags. Given our LCA assumptions, packaging accounts for 60% of our Scope 3 emissions due to material composition and disposal. We have reviewed our bags and the source reduction process, looking for recycling options in our locality, and partnering with our bag supplier and other industry partners for recycling solutions.

We now partner with Trex, which accepts 100% of all mailers that are returned to us. Trex uses our LDPE Poly Mailers as input for their composite building materials.

Landfill Impact

1,516,806

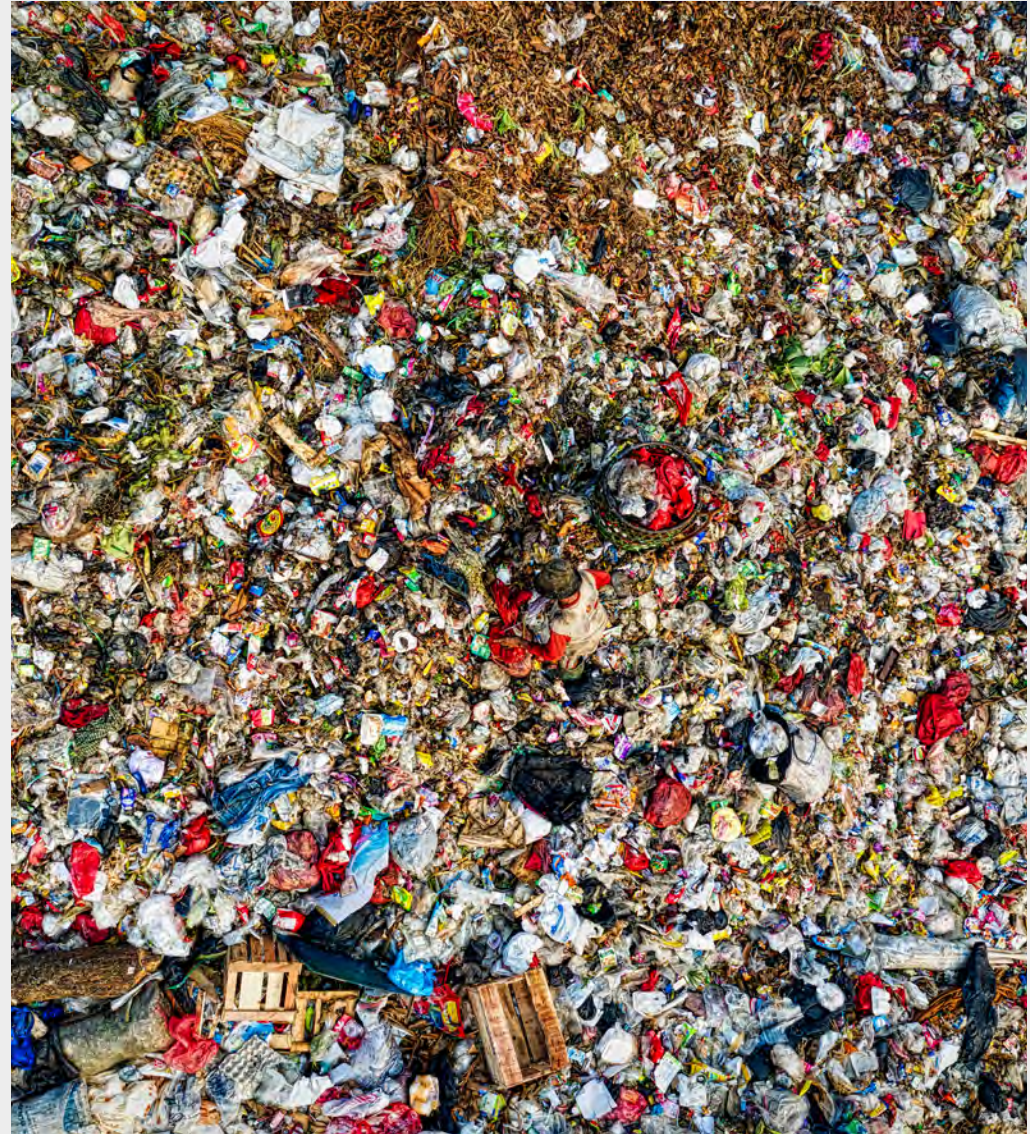
SHOES DIVERTED FROM
LANDFILLS

24,202 lbs

WASTE GENERATED
From GotSneakers Operations

910,084 lbs

SHOE WASTE DIVERTED
From landfills, using an average
of 1.2 lbs per pair.





Emissions Saved

10,617.64 MT

CO2E AVERTED (1:1)

Using industry average 14 CO2e kg per new pair of shoes produced and a 1:1 calculation of replacing a new pair of shoes with a pre-loved shoe.

6,370.59 MT

CO2E AVERTED (60%)

Using 60% displacement rate suggested by Trove, we are averting more than 6,000 MTs of CO2e from production of new footwear

Source:

<https://footwearnews.com/business/business-news/trove-ceo-gayle-tait-interview-resale-1203362910/>

Carbon Calculation

Data is derived from MIT study on CO2e from shoe manufacturing and our own custom LCA based on Allbirds' Higgs Opensource LCA model.

We are using a 60% displacement rate (Trove) to calculate emission savings from shoes diverted from the landfill.

These numbers are estimations using the most accurate and up-to-date data from our operations. This data needs to be verified by a third party.

Source:
<https://footwearnews.com/business/business-news/trove-ceo-gayle-tait-interview-resale-1203362910/>
<https://news.mit.edu/2013/footwear-carbon-footprint-0522>

GHG FOOTPRINT → **1,054.71 MT CO2e**

Total GHG Footprint from Operations & Value Chain. Scopes 1-3, using conservative data from our LCA.

CO2E AVERTED → **6,370.59 MT CO2e**

Averted using 60% displacement rate metric

NET NEGATIVE → **-5,315.88 MT CO2e**

Net GHG Emissions



Our 2023 Strategy to Reduce Resource Use

- Establish Baselines in 2023 based on 2022 numbers.
- Establish Reduction Targets & KPIs.
- Identify resource-saving opportunities.
- Hit Targets: Reduce energy & water consumption intensity.
- Hit Targets: SBTi GHG Scope Reductions.
- Engage employees and raise awareness: training & reduction goals.
- Monitor and track progress quarterly.

Environmental KPIs

GOALS	TRACKABLE KPIs	ACTION ITEMS
Achieve Net- Zero CO2e by 2026	<ol style="list-style-type: none"> 1. Validate net negative data with unbiased 3rd party. 2. Move toward SBTis: 42% reduction of Scope 1 & 2 by 2030. 	<ul style="list-style-type: none"> • Quarterly: Track & Reduce GHG 42% by 2030. • Electricity, Workstations, Fans, Energy Star, Low Energy Plugs. • Recycling bags, efficient transport, recycling end-of-life.
Divert 6M units of footwear annually by 2030	<ol style="list-style-type: none"> 1. Increase shoes diverted by growth rates each year. 2. Increase recycling of facility waste in 2023. 	<ul style="list-style-type: none"> • Collect data on true diversion amount (rate) including overseas operations. • Implement recycling and reclamation programs in facilities.
Offer End-of-Life Recycling for 20% of Total Stock, or all Grade D and lower items	<ol style="list-style-type: none"> 1. % going to resale 2. % going to end-of-life recycling 	<ul style="list-style-type: none"> • Collecting data on reuse rates, landfill cradle-to-grave of overseas customers. • Financial feasibility of End-of-life technology.

Social Impact



Our Social Pillars



Affordability

Our distribution network creates access to quality footwear at affordable prices for value-conscious consumers around the world.



Community

We provide an opportunity for people to come together by offering clean out kits for individuals and fundraising kits for non-profit organizations, schools, SMEs, and large enterprises.



Fundraising

We make it socially and financially rewarding to contribute to a circular economy with our free sneaker recycling programs for individual sellers and organizations of all types and sizes.



Sustainability

We offer financial incentives, tools, and resources to help individuals, businesses, and non-profit organizations adopt sustainable practices.

Affordability

Our unique supply chain model allows us to offer significant discounts on high quality, pre-loved footwear, providing consumers with an opportunity to purchase quality footwear at affordable prices.

\$5,022,697.68

Amount Consumers Saved by Shopping with Us

(assumes average retail price of \$120.00)



Community Impact & Fundraising

We provide financial incentives that encourage individuals, businesses, and non-profit organizations to divert footwear from landfills and extend the product life cycle through reuse and recycling.

12,869

Active Sneaker Recycling
Partners

\$130k

Raised for K-12

\$638k

Raised for Community
Organizations



Social KPIs

GOALS	TRACKABLE KPIs	ACTION ITEMS
<p>Continue to offer Affordable products for Consumers</p>	<ul style="list-style-type: none"> • Maintain affordability metric of 70% off retail values. 	<ul style="list-style-type: none"> • Increase resale listings, conduct a comprehensive review of pricing strategies. • Collect data to better understand international affordability.
<p>Empower and Build Community by increasing the active user base.</p>	<ul style="list-style-type: none"> • Increase active users and partners by 20%. 	<ul style="list-style-type: none"> • Further define and track number of active vs inactive users. • Implement improvements to collection service.

Governance

Recognizing governance as our primary area for improvement, we acknowledge the challenges faced in offering comprehensive benefits and documentation as a Small-Medium Enterprise.

To address this, we are committed to enhancing our formal structures, implementing training programs, providing professional development opportunities, and establishing resources for employee safety, health, and overall well-being.

Our workforce comprises teams at our Headquarters and remote teams across various regional areas, including international contractors. This year, we initiated measurement and documentation of our employee demographics, encompassing gender breakdowns in management, race/ethnicity data, and wage distribution aiming to better understand and meet our employees' needs.

Additionally, we conducted a thorough review, update, and renewal of our governance documents, including our Employee Handbook, employee resources, and Codes of Conduct. We have established improvement goals and key performance indicators (KPIs) in areas that we believe will have a significant impact on our community and employees.

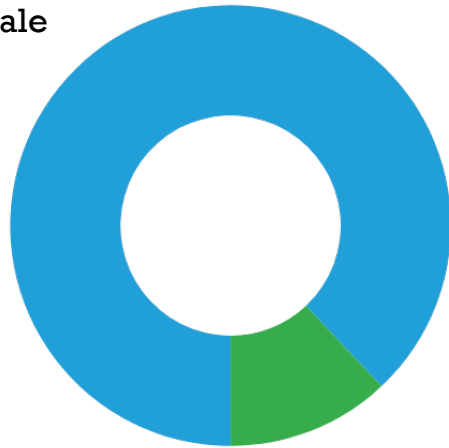
82-88%

**Workforce Is Hispanic
or Latina Women**

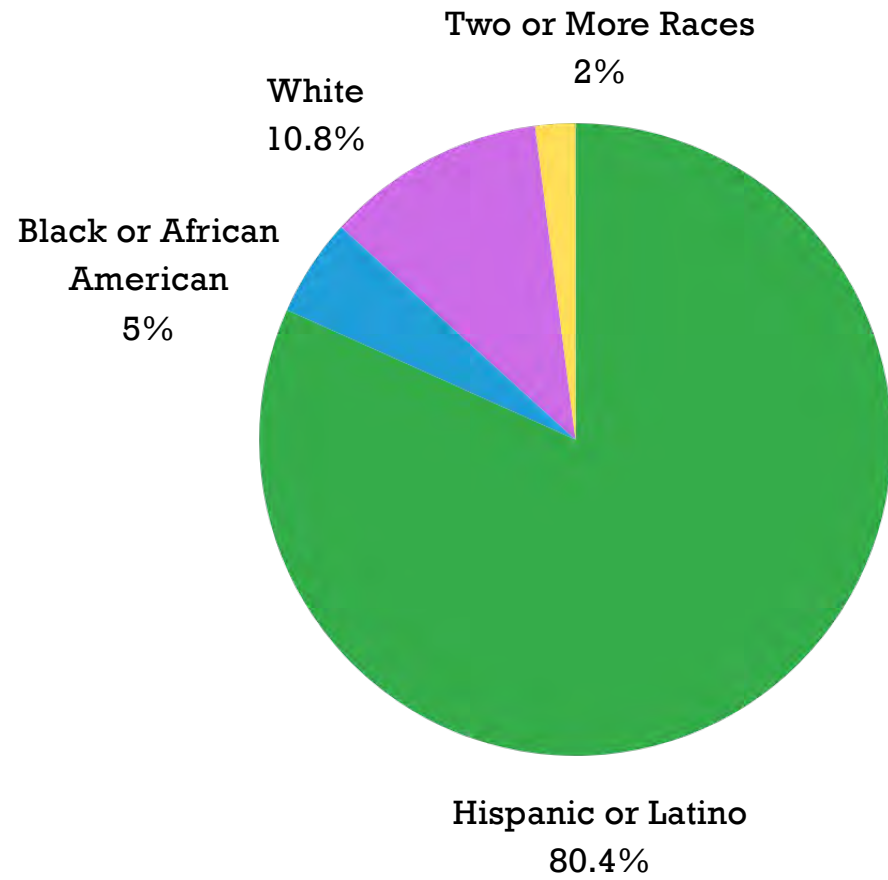


Workforce Demographics

88%
Female



12%
Male



Governance KPIs

GOALS	TRACKABLE KPIs	ACTION ITEMS
Implement continuous training, surveys, and evaluations for strengthened governance knowledge and compliance.	<ul style="list-style-type: none"> • Completion rates of new-hire & ongoing trainings, biannual surveys, and quarterly evaluations. • Written evaluations for training effectiveness. 	<ul style="list-style-type: none"> • Implement regular training sessions, surveys. • Establish evaluation mechanisms. • Periodically update training content.
Embed environmental goals in daily operations for sustainability improvement.	<ul style="list-style-type: none"> • Increase in environmentally conscious decision-making. • Reduction in day-to-day carbon footprint, waste, and resource use. 	<ul style="list-style-type: none"> • Identify and communicate key environmental goals. • Implement training, Regularly assess environmental impact.
Increase Professional Development & upward mobility of Workforce by creating formalized reporting structure, roles.	<ul style="list-style-type: none"> • Percentage of departments that have an assigned Head. • Percentage increase in internal promotions. 	<ul style="list-style-type: none"> • Provide clear roles, descriptions, and wage increase for roles. • Implement a formalized reporting structure, and Organizational chart.

UN SDGs

Our company is steadfast in its commitment to aligning business practices with the United Nations Sustainable Development Goals (UNSDGs), recognizing the integral role businesses play in fostering sustainable development. Our framework centers on six key UNSDGs, namely, Industry, Innovation, and Infrastructure (Goal 9), Sustainable Cities and Communities (Goal 11), Responsible Consumption and Production (Goal 12), Climate Action (Goal 13), Life on Land (Goal 15), and Partnerships for the Goals (Goal 17). We are actively measuring our progress against all the UNSDGs via the BCorp Assessment.

SUSTAINABLE DEVELOPMENT GOALS





Thank You!

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Miami, FL, US

Appendix

Data Sources

- <https://news.mit.edu/2013/footwear-carbon-footprint-0522>
- <https://runrepeat.com/eco-sneakers-research>
- <https://sciencebasedtargets.org/how-it-works>
- <https://www.epa.gov/climateleadership/target-setting>
- https://footwearnews.com/wp-content/uploads/2023/09/FN_10.02.23_WEB.pdf
- <https://footwearnews.com/business/business-news/trove-ceo-gayle-tait-interview-resale-1203362910/>
- <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>
- <https://form.jotform.com/targets/sme-target-validation>
- <https://www.epa.gov/egrid/power-profiler#/>
- <https://footwearnews.com/business/retail/secondhand-sneaker-market-environmental-impact-sustainability-1203535405/>
- <https://unglobalcompact.org/take-action/events/climate-action-summit-2019/business-ambition>

Sustainability Accounting Standards Board

SUSTAINABILITY DISCLOSURE TOPICS & METRICS					
Table 1. Sustainability Disclosure Topics & Metrics					
TOPIC	METRIC	CATEGORY	RESPONSE	UNIT OF MEASURE	CODE
Energy Management in Retail & Distribution	Total energy consumed	Quantitative	168.12	Gigajoules (GJ)	CG-MR-130a.1
	Percentage grid electricity	Quantitative	100.00%	Percentage (%)	
	Percentage renewable	Quantitative	5.20%	Percentage (%)	
Solid Waste Management	Solid waste generated	Quantitative	140.1	Metric tonnes	
	Solid waste landfilled	Quantitative	133	Metric tonnes	
	Solid waste diversion rate	Quantitative	4.84%	Percentage (%)	
Packaging Lifecycle Management	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable and/or compostable	Quantitative	A. (1) Poly bags, 4oz, (2) 0% renewable, (3) 100% industrial recyclable. B. (1) Cap Sacks, 8oz, (2) 0% renewable, (3) 0% recyclable.		FB-PF-410a.1 FB-NB-410a.1
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Quantitative	Packaging: Currently, we use LDPE Poly Mailers for our Recycling Collection bags. We have undergone a review of our bags and the process of source reduction, looking for recycling options in our locality, and partnering with our suppliers, vendors, and other industry partners for recycling solutions for our mailers. We now partner with Trex, which accepts 100% of all mailers that are returned. Trex uses our LDPE Poly Mailers as input for their composite building materials. We will continue to explore source reduction for our packaging and find solutions for other materials and supplies that contribute to our Scope 3 value chain emissions.		FB-PF-410a.2 FB-NB-410a.2
Water Management	Total water use	Quantitative	308401.85	Gal	FB-PF-140a.1 FB-NB-140a.1
	Water intensity	Quantitative	6.39%	Gal/SEU	
	Total water withdrawn	Quantitative	1.17	Megaliter	
	Total water consumed, percentage of each in regions with high or extremely high baseline water stress	Quantitative	0%	Percentage (%)	
	Number of incidents of noncompliance associated with water quantity and/or quality permits, standards and regulations	Quantitative	0	Total number	FB-PF-140a.2
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Quantitative	We have conducted a Water Intensity assessment and analyzed our water diversion resulting from our new production aversion. We are exploring ways to decrease our water intensity, including installing low-flow taps, implementing new water devices for cleaning, and optimizing workplace daily operations.		FB-PF-140a.3 FB-NB-140a.2

Sustainability Accounting Standards Board

Data Security	Description of approach to identifying and addressing data security risks	Discussion and Analysis	We have identified areas where we could improve including password strength and security, 2-factor authentication, e-Check volume, and NDAs, other/increased digital payment options.	n/a	CG-MR-230a.1
	Number of data breaches	Quantitative	We identified and addressed: (4) eCheck fraud cases, (1) successful email request to change financial data to an employee.	Number	CG-MR-230a.2
	Percentage involving personally identifiable information (PII)	Quantitative	0 - Unsure	Percentage (%)	
	Number of customers affected	Quantitative	0 - Unsure	Number	
Labour Practices	Average hourly wage	Quantitative	14.5	Currency	CG-MR-310a.1
	Percentage of in-store employees earning minimum wage, by region	Quantitative	US: 100% earning above minimum wage, 77% earning minimum wage. Philippines: 100% earning above min wage in region.	Percentage (%)	
	Voluntary turnover rate for in-store employees	Quantitative	9%	Rate	CG-MR-310a.2
	Involuntary turnover rate for in-store employees	Quantitative	0%	Rate	
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	Quantitative	0%	Presentation currency	CG-MR-310a.3
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for management	Quantitative	20%	Percentage (%)	CG-MR-330a.1
	Percentage of gender and racial/ethnic group representation for all other employees	Quantitative	95%	Percentage (%)	
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Quantitative	0	Presentation currency	CG-MR-330a.2
Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	Quantitative	0	Presentation currency	CG-MR-410a.1
	Processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	We've completed a workplace supplies and hazardous material assessment, identifying items that can be replaced with eco-friendly and non-toxic alternatives. Moving ahead, we'll conduct an annual review of our supplies and hazardous materials to ensure responsible use and disposal.	n/a	CG-MR-410a.2
	Strategies to reduce the environmental impact of packaging	Discussion and Analysis	We're enhancing material efficiency by reviewing and reducing the use of LDPE Poly Mailers, exploring local recycling options, and collaborating with suppliers and Trex for circular solutions. Annually, we	n/a	CG-MR-410a.3

Sustainability Accounting Standards Board

TABLE 2. ACTIVITY METRICS					
ACTIVITY	METRIC	CATEGORY	TOTAL	UNIT OF MEASURE	CODE
Number of retail locations and distribution centres	Total number of retail locations and distribution centres	Quantitative	1	Number	CG-MR-000.A
Total area of retail space and distribution centres	Total area of retail space and distribution centres	Quantitative	90,000 sqft	Square metres (m ²)	CG-MR-000.B

Sustainability Resources

SOCIAL MEDIA

@gotsneakersusa

EMAILS

BLOGS

