

gotsneakers?
A Sneaker Recycling Organization

2023 GOTSNEAKERS Impact Report



Content

- 1 Introduction
- 2 The Problem
- 3 Our Mission
- 4 Environmental Sustainability
- 5 Social Impact
- 6 Governance
- 7 Contact Information



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

Robert Swan

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.



Introduction continued...

In conducting our second 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

05 GOTSNEAKERS 2023 IMPACT REPORT

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 shows our commitment to establishing and tracking 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.

06 GOTSNEAKERS 2023 IMPACT REPORT



Our Core Values

07 GOTSNEAKERS 2023 IMPACT REPORT



Leadership



Sustainability



Integrity



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., Mexico, UK, India, Africa and the Philippines.

To assess our environmental impact throughout our operations and value chain, we conducted our second Life Cycle Assessment (LCA) in 2024, utilizing data in 2023. 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 of
2.29m
shoes in 2023



Wholesale Resale

1,040,339 pairs of shoes recirculated in global markets



DTC Resale

91,425 pairs of shoes recirculated in global markets



Clean Out Service

90,956 bags returned from Sneaker Recycling Partner



End-of-Life Recycling

15,000 pairs recycled to reuse materials

Environmental Sustainability

09 GOTSNEAKERS 2023 IMPACT REPORT



Our Environmental Pillars



Net-Zero CO2e Emissions

Achieve Net-Zero CO2e by 2026
(GS operation, GHG scopes)



Landfill Diversion (footwear and facility waste)

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



Open Loop Recycling

Recycle End-of-Life product to reuse materials in the circular economy (<5% of total stock).

*Based on SBTis and SASB Standards, we track Energy and Water usage as well as our Scope 1-3 GHG Emissions.

Footwear Emissions



The average pair of footwear 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

Our Findings

Our environmental findings have furthered our understanding of diversion metrics, emphasizing areas for improvement in material usage, operations, packaging, transportation logistics, and our greenhouse gas emission footprint. The results of our Life Cycle Assessment (LCA) and emission levels have led us to establish targets to decrease our environmental impact, and to exceed our current efforts in diverting and recycling footwear.

We aim to achieve Net Zero CO₂e emissions by 2026, increasing landfill diversion to 6 million shoes annually by 2030, moving ever closer to zero waste in our facilities via recycling and reclamation programs, and making sure that a percentage of grade D and lower shoes are fully recycled through end-of-life recycling.

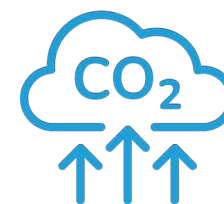
12 GOTSNEAKERS 2023 IMPACT REPORT

There is still room for improvement and the need for additional data and insights; to this end, gathering information on the true total volume diverted overseas and exploring various options for end-of-life recycling remain essential, as does evaluating the financial feasibility of these operations.

Consequently, we continue to focus on data collection and understanding the total volume diverted, including overseas, and exploring and innovating with end-of-life recycling technology.

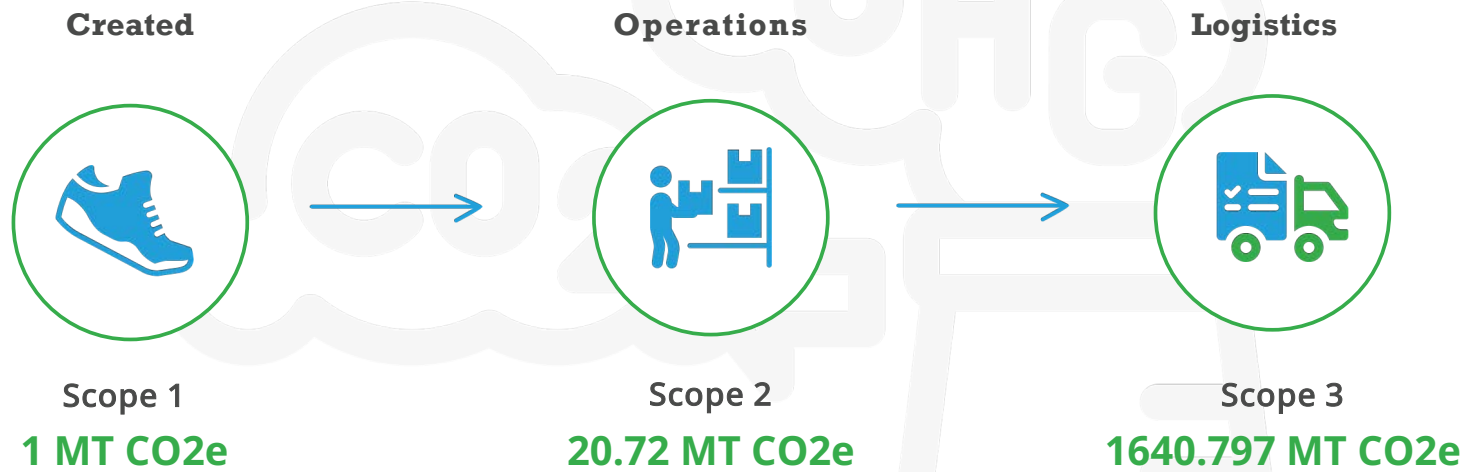
We continue to gather supply chain data and understand the needs of our customers, partners, and the cradle-to-cradle journey of the footwear that moves through GotSneakers' value chain.

We aim to
achieve
Net Zero



by 2026,
increasing
landfill
diversion to
6 million
shoes
annually
by 2030

GHG Emissions



*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

Total energy used (kwh)

54,600

WATER USAGE

Usage in Liters

2,184,824

Water Intensity

34.10%

Source: GotSneakers information



Packaging & Transport

TRANSPORTATION:

Evaluating our scope 3 emissions and value chain, we found that a significant portion of our scope 3 emissions come from transportation and logistics: receiving, collecting, and moving footwear.

In the areas of cost and carbon accounting, we are decreasing the ton-mileage of our operations and creating better-organized shipping processes. This includes the use of distribution hubs, bulk shipping, and 3PL facilities in regions that are not within range of our HQ in Miami, FL.

40% Transport



60% Packaging

PACKAGING:

We choose LDPE Poly Mailers for our collection bags. Given our LCA assumptions, packaging makes up 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 local area, and partnering with our bag supplier and other industry partners for recycling solutions.

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



Landfill Impact

2,293,527 shoes

DIVERTED FROM LANDFILLS

From GotSneakers Operations

24,000 lbs

WASTE GENERATED

From GotSneakers Operations

1,376,116 lbs

SHOE WASTE DIVERTED

From landfills, using an avg. of
1.2 lbs. per pair

Emissions Saved

16,054.69 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.

9,632.81 MT

CO2E AVERTED (60%)

Using 60% displacement rate suggested by Trove, we are averting more than 9,000 MTs of CO2e from production of new footwear.

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



Carbon Calculation

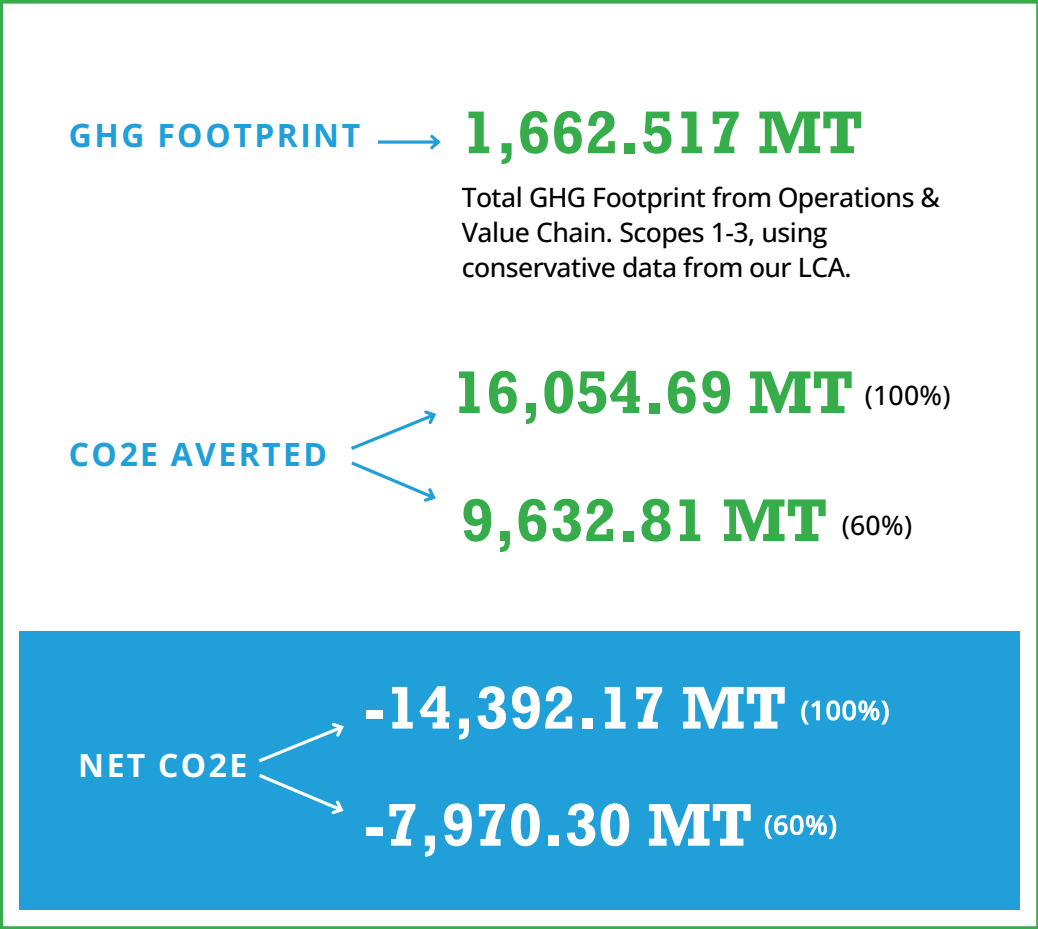
Data is derived from an MIT study on CO2e from shoe manufacturing and our own custom LCA based on Allbirds' Higgs Opensource LCA model.

We are currently tracking and publishing a 100% and 60% displacement rate to calculate emission savings from shoes diverted from the landfill until there is a clear consensus across the footwear industry on what the accurate displacement rate is.

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.

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

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



Our 2024 Strategy to Reduce Resource Use

- Identify new opportunities for resource-saving.
- Hit Targets: Reduce volume of energy & water consumption.
- Hit Targets: SBTi GHG Scope Reductions.
- Engage employees and increase awareness by offering training and education.
- Monitor and track progress quarterly.

Environmental Key Performance Indicators

GOALS	TRACKABLE KPIS	ACTION ITEMS
Achieve Net- Zero CO2e by 2026.	<ul style="list-style-type: none"> • Validate net negative data with unbiased 3rd party. • Move toward SBTis: 42% reduction of Scope 1 & 2 by 2030. 	<ul style="list-style-type: none"> • Quarterly: Track & Reduce GHG 42% by 2030. • Electrical, Workstations, Fans, Energy Star, Low Energy Plugs. • Recycling bags, efficient transport, recycling end-of-life.
Divert 6M units of footwear annually by 2030.	<ul style="list-style-type: none"> • Increase shoes diverted by growth rates each year. • Increase recycling of facility waste in 2024. 	<ul style="list-style-type: none"> • Collecting data on true diversion amount (rate) including overseas operations. • Implement recycling and reclamation programs in facilities.
Offer Open Loop recycling for End-of-Life product (<5% of total stock)	<ul style="list-style-type: none"> • % going to resale • % 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

We create access to **quality, affordable footwear** to value-conscious consumers worldwide.



Community

Our Sneaker Recycling Community consists of **more than 175,000 partners** including individuals, schools, non-profits, SME's, large enterprises, and others.



Sustainability

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



Fundraising

Our free sneaker recycling program enables our partnership community to **raise funds for any cause**.

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.

\$7,314,000

Amount Consumers Saved by Shopping with Us

This assumes an avg. retail price/MSRP of \$120 and a SneakerCycle ASP of \$40.



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.

30k+ Active Sneaker Recycling Partners

\$195k Raised for K-12

\$780k Raised for Community Organizations



Social Key Performance Indicators

GOALS	TRACKABLE KPIs	ACTION ITEMS
<p>Continue offering affordable products for consumers</p>	<ul style="list-style-type: none"> • Maintain an 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>Build and strengthen 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 monitor number of active vs inactive users. • Execute improvements to collection service.

Governance

26 GOTSNEAKERS 2023 IMPACT REPORT



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 is comprised of teams at our HQ in Miami, FL and remote teams both domestically and internationally. 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.



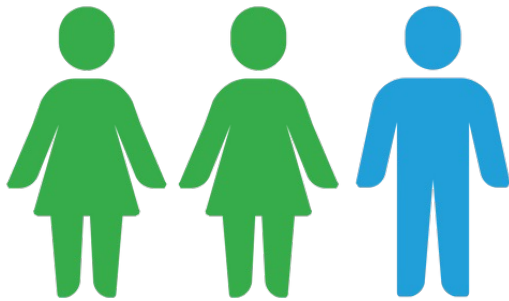
82-88%

**Of Our Workforce Is
Hispanic or Latina
Women**

Demographics

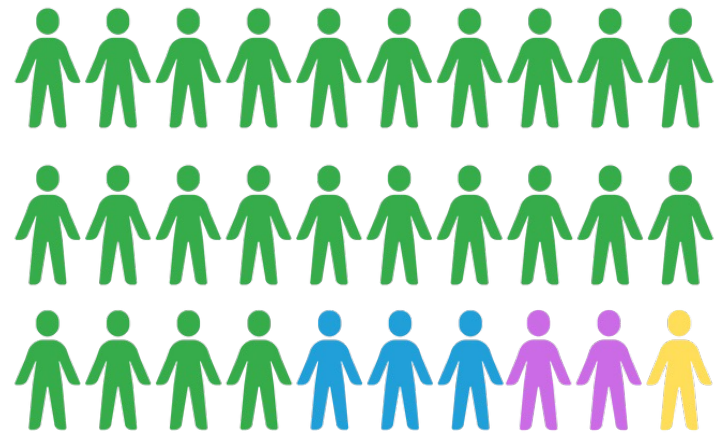
88%

of workforce is **female**



12%

of workforce is **male**



● **80.4%** Hispanic or Latino

● **10.8%** White

● **5%** Black or African American

● **2%** Two or More Races

Governance Key Performance Indicators

GOALS	TRACKABLE KPIs	ACTION ITEMS
<p>Continuous training, surveys, and evaluations for strengthened governance knowledge and compliance</p>	<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"> • Schedule regular training sessions, surveys. • Establish evaluation mechanisms. • Periodically update training content.
<p>Embed environmental goals in daily operations for sustainability improvement</p>	<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.
<p>Increase Professional Development & upward mobility of workforce by creating formalized reporting structure and clearly defined roles</p>	<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

We remain committed to ensuring our business practices align with the United Nations Sustainable Development Goals (UNSDGs), recognizing the vital part businesses play in fostering sustainable development.

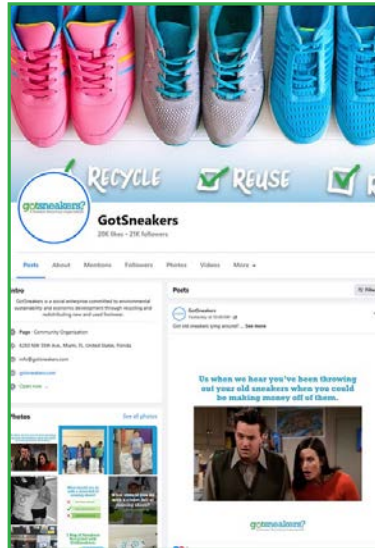
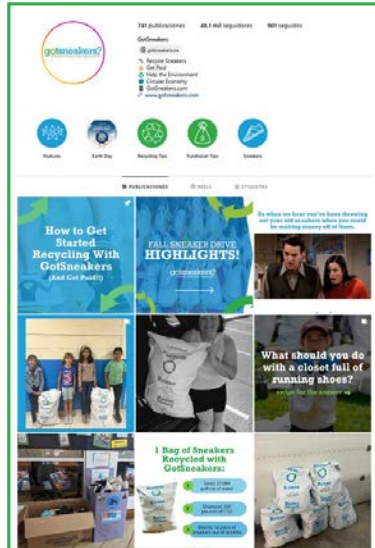
Our framework focuses on six key UNSDGs: Industry, Innovation, and Infrastructure (Goal 9), Sustainable Cities and Communities (Goal 11), Responsible Consumption and Production (Goal 12), Climate Action (Goal 13), Life on Land (Goal 15), and Partnerships for the Goals (Goal 17). We measure our progress against all the UNSDGs via the BCorp Assessment.

SUSTAINABLE DEVELOPMENT GOALS

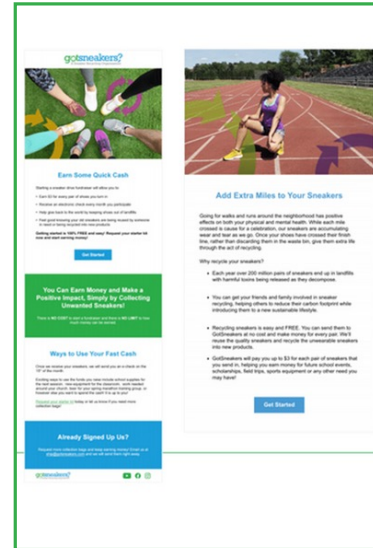


Sustainability Resources

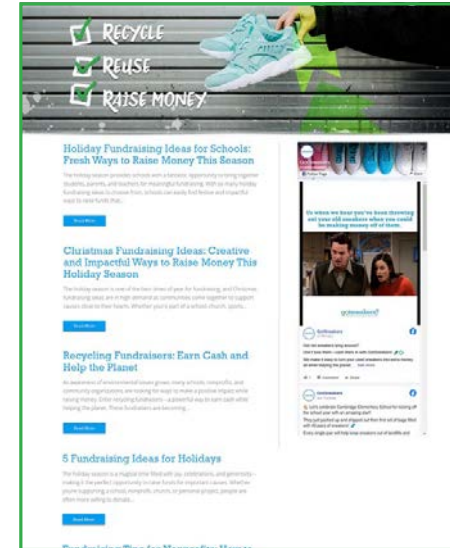
SOCIAL MEDIA @gotsneakersusa



EMAILS



BLOGS





Thank You!



www.gotsneakers.com



info@gotsneakers.com

gotsneakers?
A Sneaker Recycling Organization