Task Force on Climate-Related Financial Disclosures Report (TCFD) 2025

Contents

Overview

We are pleased to publish our third voluntary Task Force on Climate-related Financial Disclosures (TCFD) disclosure to demonstrate our ongoing commitment to sustainability and climate action. This disclosure provides an overview of climate-related governance, strategy, risk management processes and metrics and targets used to manage our impact on the environment and climate. We are proud to voluntarily align with the TCFD framework as we believe it is every business' responsibility to manage their environmental impact and act on climate change. By reducing our environmental impact, we aim to generate value for our stakeholders, improve our efficiency, and attract and retain customers and employees.

"Footasylum has worked to operationalise sustainability and climate action in FY2025, while experiencing a period of rapid growth. Footasylum's Scope 1, 2 and 3 emissions per product sold (by weight) have decreased by 17.1% between FY2022 and FY2025 and we are prioritising sustained action on climate into FY2026. We remain committed to working hard towards a net-zero future."

Jo Mail, Head of ESG,
Footasylum Limited

The TCFD Framework

The TCFD framework is a set of recommendations designed to help companies understand and manage climate-related risks and opportunities. The framework includes eleven recommendations that are categorised into four themes (Governance, Strategy, Risk Management, and Metrics and Targets). It provides clarity and transparency for investors and other stakeholders on the financial implications of climate change and how it may impact our business now and in the future. Footasylum ("The Group") has used these guidelines to identify, assess, and manage the climate-related risks and opportunities associated with our business. This disclosure will outline the progress that we have made in the current financial year in relation to climate change and sustainability. In FY2025, we have complied with all eleven recommendations from the TCFD.

Figure 1: TCFD - Four thematic areas that represent core elements of how organisations operate.

Governance: Ensuring accountability for climate change

Strategy: Building a resilient business strategy

Risk Management: Integrating climate change into existing risk management framework

Metrics & Targets: Measuring and managing impact

About us

Established in 2005, Footasylum has made a name for itself as one of the leading retailers of fashion streetwear and sportswear. Always on the lookout for new and upcoming brands, we've got our finger firmly on the pulse of the street and sports fashion scene.

Whether customers shop with us online or in store, at Footasylum we aim to defy ordinary and pride ourselves on our huge range of footwear and apparel. Footasylum stocks the latest releases from streetwear giants Nike, Adidas Originals and New Balance, including activewear from Monterrain, Nike, Montirex, Berghaus and Zavetti Canada.

Governance

Disclose the organisation's governance around climate-related risks and opportunities

Governance

Board Oversight

Footasylum remains committed to effective governance and the proactive management of climate-related challenges and opportunities. The Board of Directors ("the Board") retains overall responsibility for overseeing the Group's climate strategy, supported by the sustainability committee and senior leadership. Climate change is a standing agenda item at board meetings and was addressed monthly in FY2025. Key discussion points in these meetings include the outcome of the Group's climate scenario modelling, the ESG Assessment that is currently being undertaken with our third-party ESG consultants, and the Group's emission reduction targets.

The Board is well-informed on climate change, having had multiple capacity-building sessions over the past three years, including in January 2025. In January 2025, members of the Board and Sustainability Committee engaged with a third-party ESG consultancy, Inspired ESG, attending a climate-risk workshop, to enhance understanding of climate change and its associated risks. This workshop served as a mechanism to identify, assess, and evaluate climate-related risks. All identified risks were presented to the Board after the workshop for approval. The Board signed off the climate-risk register in April 2025 (this was outside the FY2025 period and will be brought forward for FY2026). The Board is committed to developing a culture of climate awareness at all levels of the organisation, believing that this is essential for driving meaningful change and advancing its environmental objectives.

The Board actively evaluates, measures, and controls climate-related risks to mitigate potential adverse impacts on the Group. It also regularly reviews Key Performance Indicators (KPIs) related to climate action, including the Group's fleet electrification target (60-80% electric or hybrid vehicles by 2025), and progress on LED upgrades and other energy efficiency.

initiatives. Additionally, the Board is responsible for approving capital expenditures related to climate change, for example, investment in flood mitigation infrastructure. The Board considers the Group's climate strategy within financial planning, particularly the costs of transitioning emission-intensive technology with updated energy-efficient alternatives. There are no immediate plans to tie climate change objectives to Board remuneration, but this will be reviewed annually.

Sustainability Committee

The Board has delegated the responsibility for identifying, assessing, and managing climate-related risks and opportunities on an annual basis, and the creation of the Group's overall sustainability strategy to the Sustainability Committee. This dedicated committee was established in 2022 to shape and drive the Group's sustainability initiatives and ESG objectives. The committee meets biannually and is led by the Head of ESG, with support from the Chief Financial Officer (CFO), and includes senior leaders from across the organisation, including Brand (Marketing), Communications, Finance, Product, HR, Customer Experience (CX), and Operations. The role of the Committee is to monitor the Group's progress in implementing the climate strategy and reporting on climate performance. Progress on climate targets is tracked monthly through reports on emissions and waste, which are provided elsewhere in the business by the Distribution Manager. The Committee is involved in the climate-risk workshop alongside the Board and reviews the climate risk register before it is sent to the Board for sign-off. The Head of ESG also distributes a monthly information pack to the Board before each board meeting, which includes relevant ESG updates. The CFO provides the Board of Directors with a monthly update on sustainability matters, with information also being provided through internal reporting.

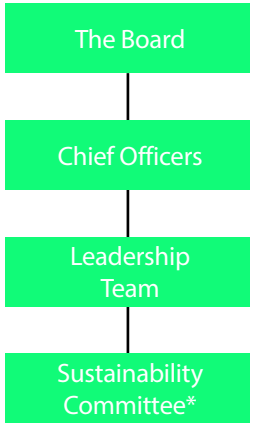
The Committee works closely with senior leadership to manage and mitigate climate-related risks. The Head of ESG manages sustainability, supporting both the Committee and senior leadership. Together, they ensure the development and implementation of Footasylum's sustainability plan, climate action and TCFD reporting.

Governance continued

Senior Leadership

Senior leadership is responsible for the implementation of the sustainability and climate strategy throughout the Group. The Chief Officers meet fortnightly. Key topics discussed include ongoing projects, milestones achieved, and future climate-related strategies. The Head of ESG provides senior leadership with a detailed overview of the progress towards climate and sustainability targets. Regular integration of climate considerations is embedded into the Chief Officers' fortnightly discussions, ensuring that sustainability is addressed across all relevant areas of the business. Additionally, members of the Leadership Team send information about emissions, waste, and packaging to the Head of ESG on a monthly basis, who feed the information up to the Board.

Figure 2: Footasylum's Climate Governance Structure



Team made up from Chief Officers, the Leadership Team and other key members of the Footaslum team

Strategy

Disclose the material actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

Strategy

Footasylum is committed to maintaining our quality services to consumers whilst generating value for our stakeholders. Our strategy involves minimising our environmental impact, particularly by reducing waste and greenhouse gas emissions through our operations and value chain. Footasylum has set a target aiming to reach net zero in our own operations (Scope 1 and 2 emissions) by 2030 and net zero in our value chain (Scope 3 emissions) by 2040, in an effort to mitigate our impact on the environment. We recognise the inherent risks that climate change may pose to our future success and understand that climate change could limit the Group's future growth. Climate change has not been identified as a principal risk to the Group, as limited impact is expected in the short term. Additionally, no climate-related risks have been classified as red according to our Red – Amber – Green rating system. While the Group does not anticipate major impacts in the short-term, it is recognised that this can change. Therefore, the Group commits to reassessing the ratings of all climate-related risks on an annual basis.

Climate-related risks

The TCFD framework categorises climate-related risks into two main groups:

Transition Risks

These risks arise from the shift towards a low-carbon economy, and are identified under four key areas:

- Policy and Legal: Changes in government regulations and laws related to climate change.
- Technology: The development and adoption of new low-carbon technologies and potential disruptions to existing technologies.
- Market: Fluctuations in energy prices, carbon pricing mechanisms, and potential shifts in consumer preferences.
- Reputation: The potential damage to an organisation's brand image due to climate-related issues.

Physical Risks

These risks arise from the direct physical impacts of climate change, which can be categorised as either acute or chronic:

- Acute risks are one-off events such as extreme weather events (floods, heatwaves, droughts, wildfires, storms) or natural disasters.
- Chronic risks are persistent changes to our climate, such as rising sea levels, resource scarcity (water availability), and changes in weather patterns.

Our Climate Scenarios

Following the TCFD guidance, in October 2024, climate scenario analysis was conducted across our operations to support the identification and assessment of climate-related risks. Climate-related risks fall into two categories: transition risks, which are risks relating to the transition to a low-carbon economy, and physical risks, which are risks relating to the physical impacts of climate change. Transition risks are identified at the Group level and are broken down into policy and legislative changes, market shifts, technological advancements, and reputational damage. Physical risks are identified at the site level and can be classified as either acute, which are event-driven weather occurrences such as wildfires, or chronic, which refer to longer-term changes to the natural climate processes such as rising mean temperatures.

While all 61 Footasylum sites were analysed the previous year, the top sites by revenue (including stores, offices, and warehouses) were selected for updated modelling this year, totalling 20 sites. Given the Group's business model, our supply chain is imperative to our business and impacts in the supply chain can create major disruptions for the business. Therefore, to deepen our understanding of climate-related risks and continue to build our resilience against them, we have expanded the scope of our assessment to include the main sites of our top 15 suppliers by spend for the first time in FY2025.

Climate scenarios offer potential insights into future impacts of climate change. Various global responses to climate change are considered in the models, ranging from rapid decarbonisation to business as usual. The models offer insights into various themes, including investment in low-emission technology, weather and climate intensification, consumer preference shifts, and increasing stakeholder pressure. Nevertheless, the models are only plausible representations rather than predictions as climate models simplify real world conditions. The models rely on assumptions about how society will respond to climate change through policy and technology. Thereby, the model's accuracy is not guaranteed, and potential exaggerations or underestimations of variables such as wind, precipitation, or temperature can occur. Despite these limitations, using multiple models and scenarios provides a valuable range of potential outcomes. This allows for a more robust assessment of climate-related risks and opportunities. The models used in the climate scenario analysis include the International Energy Agency's World Energy Models ("WEM"), the Shared Socioeconomic Pathways ("SSPs"), the Climate Natural Catastrophe Damage Model, the Coordinated Regional Climate Downscaling ("CORDEX") regional climate forecasts, and Integrated Assessment Models ("IAM").

Warming Pathways

Three distinct climate warming scenarios are used:

Below 2°C: This scenario demonstrates a proactive approach to climate change whereby immediate and substantial action is taken globally. International responses are coordinated,

Scenarios

limiting the increase of global temperatures to below 2°C. To achieve this scenario, stricter laws are likely to be introduced, in addition to substantial investment into low-carbon technology to force rapid decarbonisation. Although this scenario is associated with high short- and medium-term transition risks, less severe physical impacts are expected in the long-term. Footasylum's strategic response to a "Below 2°C" pathway is highlighted by the publication of a voluntary TCFD report on an annual basis and demonstrates the resilience of the Group's business model and strategy against this scenario through measures to address existing and evolving regulations and rising costs. Furthermore, the commitment to substituting high-emission materials, refitting stores with LED lighting, conducting energy audits, and transitioning to renewable energy sources by 2030 showcases a clear strategy to mitigate increased energy and raw material costs in a low-carbon economy. Footasylum also has a public net zero strategy which aims to reduce Scope 1 and 2 emissions by 90% by 2030 through energy efficiency actions, in line with net-zero.

2-3°C: This scenario shows reactive approaches to climate change, which is currently the most likely scenario. Climate action is delayed, promoting an uncoordinated and staggered approach. While certain businesses are anticipated to set net zero targets, this will not be universal. Therefore, an intensification of both transition and physical risks in the medium- to long-term is likely. Footasylum's response to the "2-3°C" pathway focuses on building organisational resilience through actively preparing for shifts in consumer expectations, monitoring customer sentiment, and communicating its sustainability programme. Physical climate risks - such as flooding and extreme heat – are mitigated through targeted infrastructure investments, including flood defences, drainage maintenance, air-conditioned environments, and flexible remote work policies. A dual-warehouse model and a regularly tested disaster recovery plan enhance business continuity. While direct water usage is low, ongoing monitoring ensures readiness for future water-related risks.

Above 3°C: This scenario takes an inactive approach to climate change. There is large-scale climate inaction and a business-as-usual approach, leading to a severe rise in global temperatures, promoting climate instability. This scenario is associated with the highest and most severe physical risks, leading to major operational and supply chain disruptions globally. There are transition risks in the long-term, which could still be high, as policies are rushed once action is taken. Footasylum demonstrates resilience under an "Above 3°C" warming scenario by proactively managing the increasing physical risks associated with extreme heat and flooding. Key measures include comprehensive insurance coverage, annual testing of a robust disaster recovery plan, and a dual-warehouse model that ensures operational continuity in the event of disruption. All warehouse sites are equipped with sprinkler systems, and the Group retains flexibility to relocate operations if needed. In response to rising temperatures, employee welfare is prioritised through hydration provisions, regular breaks, and site readiness to cope with prolonged heat events. These actions collectively position the business to remain operational and safeguard employee well-being under more extreme climate conditions.

Scenarios continued

Our Resilience

In our third year of voluntarily aligning with the TCFD, we fully embedded its recommendations into our governance, strategy, and risk management processes. We also review our mitigations annually to ensure they remain effective and appropriate. Through our climate scenario analysis, we have tested the resilience of our business model and strategy against the identified climate-related risks and impacts under the three warming pathways and warming scenarios. We have deemed both viable and resilient under climate change.

Time Horizons

The three climate change warming pathways above were modelled across three time horizons. To maintain relevance, these horizons were shifted forward by one year from the previous disclosure. This broadens our understanding of future climate-related impacts beyond our traditional reporting boundaries.

Short-Term (2024-2028): This timeframe offers insight into the immediate climate impacts. Transition risks are more material when mapped under this horizon. We expect the changes in this timeframe to be felt within the proactive scenario. This horizon focuses on decisions related to assets with shorter lifespans, such as stock, office equipment, and properties with expiring leases.

Medium-Term (2029-2038): In this timeframe, physical risks are increasingly experienced and increased regulatory and shareholder pressure continues to be experienced. Assets with longer lifespans, including our own properties and those with long-term leases, are considered in this horizon. The Medium-term timeframe aligns with the Group's 2030 targets.

Long-Term (2039-2053): This timeframe experiences the greatest physical impacts. Importantly, this horizon aligns with the UK Government's Net Zero by 2050 target and focuses on long-term infrastructure investments and strategic planning. The Long-term timeframe aligns with the Group's 2040 targets.

Results

The results of the climate scenario analysis were presented to the CFO, Head of ESG, and the leadership team from finance, operations and logistics in January 2025. A total of nineteen risks were identified, of which thirteen are transition risks and six are physical risks. Additionally, six climate-related opportunities were identified. The workshop involved the evaluation of risks to determine materiality, and corresponding mitigation measures were reviewed, with particular emphasis on the supply chain. Consistent with the previous year's results, two transition risks were found to be material (Table 1), while all other risks were deemed immaterial. No physical risks were found to be material as the probability of an occurrence large enough to impact multiple sites was found to be very low. This will be reassessed on an annual basis.

Climate-related Transition Risks

Table 1. Footasylum's Material Climate-Related Transitional Risks

Area	Risk	Climate Scenario	Time Horizon	Description of Risk	Risk Response
Policy & Legal	Mandates on and regulation of existing products and services	<2°C 2-3°C	Short – Medium Term (2024-2038)	Mandates or regulations could be introduced that affect the products Footasylum purchase or sell. These may include sector-specific decarbonisation strategies alongside broader climate targets or carbon taxation, potentially creating overlapping or conflicting regulatory requirements. As governments accelerate climate action, compliance may become increasingly costly, especially where regulations affect core business operations. Furthermore, the introduction of enhanced or additional climate policies and carbon taxation could lead to significantly higher energy costs, adding further pressure to operational expenses.	To mitigate the risk of additional climate-based regulation on the business, the Group have voluntarily been aligning with the recommendations of the TCFD since FY23. Emerging regulations are monitored by Footasylum and our third-party ESG consultants, to allow for advanced preparation. To mitigate the risk of carbon taxation, the Group has set ambitious net-zero targets and is actively working to reduce emissions. To mitigate product and packaging related regulation, Footasylum currently complies with all mandates on products and packaging, including Extended Producer Responsibility (EPR). The Group already sells a sustainable range, including products made from 100% recycled materials. Where feasible and where demand allows, sustainable products will continue to be rolled out to consumers.
Market	Increased cost of energy and raw materials	<2°C 2-3°C	Medium – Long Term (2029-2053)	While the unit cost of renewable electricity tends to be more stable than electricity from fossil fuel sources, it is often higher overall. As a result, Footasylum has experienced increased energy costs over recent years. These costs are expected to rise further as more businesses transition to renewable electricity contracts, increasing demand. Additionally, the introduction of carbon pricing on gas and oil imports could further elevate energy costs, placing additional pressure on operating expenses. Rising raw material costs may elevate Footasylum's operational spending and reduce profit margins. There is a limit to how much of these costs can be passed on to consumers before demand shifts toward more affordable alternatives. While alternative materials can be sourced to mitigate cost increases, these substitutes may offer reduced performance or durability, posing a potential risk to brand perception. Sustainable or recycled materials are generally expected to come at a premium compared to non-recycled alternatives. Currently, our sustainability range is priced higher primarily due to consumer demand, not because of significantly higher material costs.	We are actively refitting our stores with LED lighting to lower future energy costs and have conducted ESOS (Energy Savings Opportunity Scheme) surveys at several sites to identify further energy-saving measures. The full LED rollout at all sites is expected to reduce annual electricity consumption by around 1,000,000 kWh. Additionally, the Group have transitioned to a flexible renewable energy contract. This allows us to purchase 100% REGO-backed (Renewable Energy Guarantees of Origin) energy in advance of delivery. Footasylum works with a diverse range of suppliers. Through forward planning, we are often able to lock in raw material prices over defined periods, helping to mitigate short-term pricing volatility. This diversified supply approach also reduces dependency on any single supplier and enhances operational flexibility. As we progress on our journey toward net-zero, we are committed to substituting high-emission materials with lower-emission alternatives wherever possible, aligned with our "Tread Lightly" campaign. In FY2025, our own-brand development teams continued to explore and trial sustainable products and materials that support this goal.

Climate-related opportunities

We have identified six opportunity areas that could arise in the transition to a low-emissions world, including the use of energy-efficient technology and increased reputational profile and investment opportunities. We are a responsible business that is actively responding to climate change. We voluntarily produce TCFD reports and incorporate the climate modelling outcomes into our business strategy. Although none of these are currently deemed material, Footasylum recognises the opportunities to boost our resilience, enhance our reputation, and decrease costs associated with decarbonisation. The opportunities have been included in Table 2 for completeness.

Climate-related Opportunities continued

Table 2. Footasylum's Climate-Related Opportunities

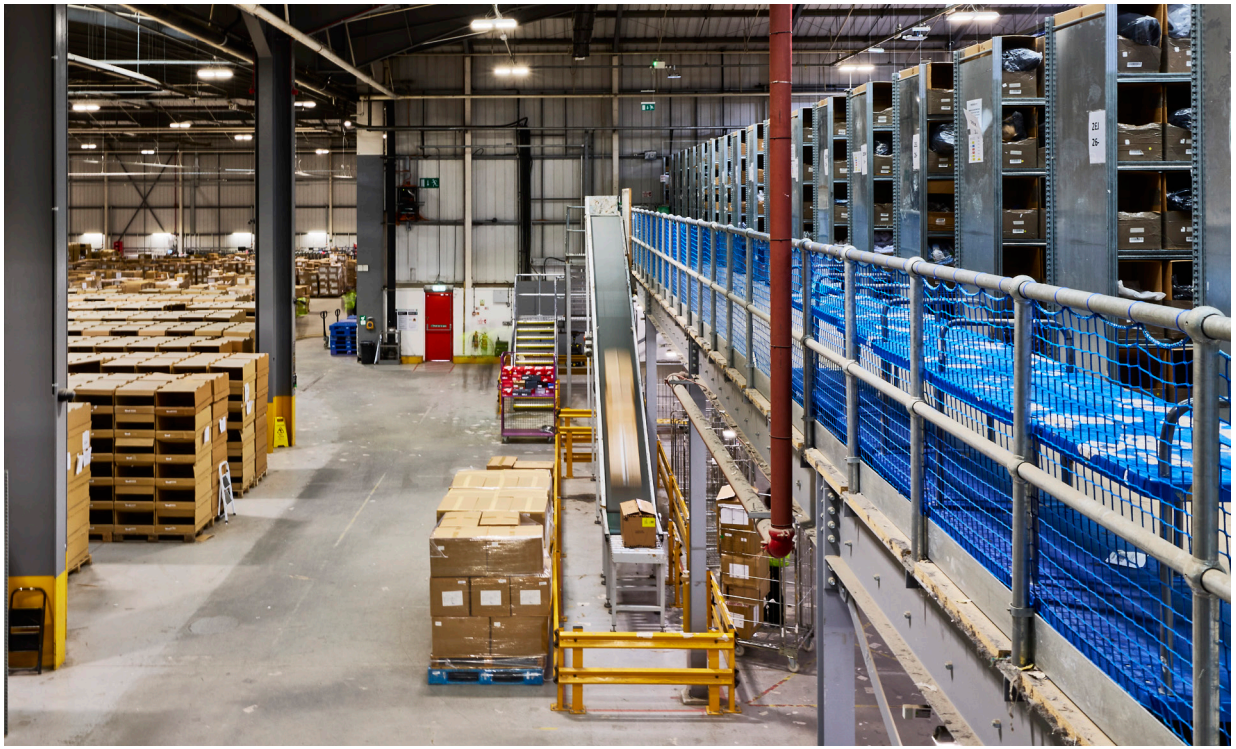
Area	Opportunity	Warming Scenario	Time Horizon	Description of Opportunity	Opportunity Response Strategy
Resource Efficiency	Use of energy efficient technology	<2°C 2-3°C	Short – Medium Term (2024-2038)	While investing in new energy-efficient technology for our sites and fleet comes with an upfront capital cost, these technologies have the dual benefits of helping Footasylum reach its Scope 1 and 2 emissions targets while reducing operating expenses.	Footasylum has already forecast a 30% reduction in energy costs after the rollout of LED lighting across the business. Our monitoring of retail estate sites to identify energy efficiencies resulted in a series of measures being identified to ensure stores are being operated with improved energy efficiency. Over £450,000 was spent on building energy efficiency upgrades in FY2025.
Energy Sources	Use and installation of low emission energy technology	<2°C 2-3°C	Short – Medium Term (2024-2038)	Low emission technology such as heat pumps, solar PV and electric vehicles can help Footasylum reach its emission reduction targets. On-site electricity generation additionally can protect the business from energy price fluctuations and grid outages. Low emission technologies also have reputational benefits.	Footasylum plan to add hot water controls at five sites in FY26, which should reduce fuel use as fuels are mainly used in our sites for heating and hot water. Footasylum is evaluating available technologies to decarbonise heating and hot water in the coming years. Additionally, we have increased the number of electric or hybrid fleet vehicles from 60% in FY2024 to 97% in FY2025 as a percentage of all vehicles. Electric vehicles have lower running and maintenance costs than traditional combustion engine vehicles, in addition to a significant reduction in emissions per mile.
Products and Services	Development and/or expansion of low emission goods and services	<2°C 2-3°C	Short – Medium Term (2024-2038)	As consumers become more aware of sustainable fashion choices, the demand for sustainable apparel is likely to increase. This could provide a competitive advantage to companies with a larger range of sustainable products.	We anticipate that the upfront cost of sustainable products will be outweighed by the potential increase in revenue associated with increased demand from our customers for sustainable products. Footasylum provide sustainability credentials for customer products online to help our customers make informed decisions about the products they buy. We have also increased the choice of sustainable delivery and returns options (e.g. lockers) for our online sales.
Markets	Access to new / emerging markets	<2°C 2-3°C	Short – Medium Term (2024-2038)	By positioning itself as a business that takes climate action seriously, Footasylum may create access to new markets, such a new geographies or additional demographic groups within the UK. New sustainable supply chains could also be created within Footasylum's value chain.	Our 'Tread Lightly' campaign aims to take action across sourcing, supply chain management and packaging. Footasylum continues to prioritise transparent reporting on climate to position ourselves as an attractive business partner and retailer.
Resilience	The business is well adapted and positioned to deal with climate change	<2°C 2-3°C	Short – Medium Term (2024-2038)	The concept of climate resilience involves organisations developing adaptive capacity to respond to climate change, to better manage and respond to transition risks and physical risks. Climate resilience ensures the long-term viability of the business is not impacted by climate change.	Footasylum has conducted climate modelling for the past 3 years and has implemented mitigation measures for all material transitional and physical risks. We will continue to update our scenario analysis on an annual basis with the newest climate models to ensure that our mitigation measures are sufficient.
Reputation	Increased reputational profile and investment opportunities	<2°C 2-3°C	Short – Medium Term (2024-2038)	There are reputational benefits to climate action and early compliance with new regulation. This may also provide competitive advantage and open new revenue streams. Additionally, Footasylum has been able to access an EcoVadis-linked loan, with more favourable interest rates linked to improved performance in the EcoVadis ratings.	Footasylum have submitted an EcoVadis questionnaire as part of improving our wider ESG performance and to demonstrate responsible and sustainable business practices. The communication of our TCFD and ESG reporting to stakeholders may increase supplier retention rates and improve the company's long-term outlook. Footasylum's near-term and net-zero targets are aligned with the requirements of the Science-Based Targets Initiative which aligns with a 1.5 °C warming world.

Supply Chain Risk

The supply chain climate modelling that was first undertaken in FY2024 was repeated in FY2025. Footasylum's top 15 suppliers by spend were assessed for their exposure to physical climate risks in the main countries of operation, and the results can be found in the table 3. Additionally, the risk of sea level rise impacting a supplier's site was assessed for the first time. The updated modelling has revealed a lower risk of wildfires compared to the previous year, while more suppliers could be impacted by flooding and water stress. Water stress may pose a particular risk to textile manufacturers, as the textiles industry uses 4% of all freshwater use globally, and water is required for fibre processing and the dyeing process. Since rising mean temperatures and heatwaves are likely to be experienced by all suppliers assessed, Footasylum will investigate adding worker safety in hot weather requirements to the existing supplier code of conduct.

Table 3: Summary of Physical Risks on Footasylum's Supply Chain

Number of suppliers assessed/impacted	Acute			Chronic		
	Heatwaves	Wildfires	Flooding	Rising Mean Temperatures	Water Stress	Sea Level Rise
15	15	1	13	15	6	7



Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks

Risk management

As this is our third year of voluntarily reporting under the TCFD, we have our climate risk management processes to align with corporate processes. Our four-step risk management framework is designed to address dynamic and evolving challenges and aid in identifying, assessing, and managing climate risks. With the support of our third-party ESG advisors, we have established a comprehensive standalone climate risk management framework through our TCFD program. The climate risk management process and risk register are not currently integrated into the business risk management process and register; however, this will be reviewed in FY2026.

Identify

Climate scenario analysis was conducted in October 2024, and the results were presented in January 2025 to the Sustainability Committee and the Board. The analysis reviewed 20 key sites by revenue, and our top 15 suppliers based on spend. In total, 19 climate-related risks and 6 opportunities were identified. Transition risks and opportunities were identified at the Group level, and physical risks were identified at the site level.

Assess

To assess how climate change might affect the Group over time, climate risk management workshops were conducted in January 2025. We explored the impact of each climate-related risk and opportunity across three scenarios (<2 °C, 2-3 °C, and >3 °C) and three timeframes (short-term: 2024-2028, medium-term: 2029-2038, and long-term: 2039-2053). This approach enabled us to identify areas of greatest impact on Footasylum's business operations. Our risk management process categorises risks as red, amber, or green based on their probability and impact. Each risk was assessed based on the likelihood of occurrence and the impact if it materialised. A scoring system of 1-8 was used, with 8 being very extreme and 1 being no impact. The Probability and Risk Impact scores are multiplied to calculate the Level of Risk (Table 2). If the level of risk is below 20, it's classified as green. If the risk level equals or exceeds 20, we classify it as material (amber or red risks). Only two transition risks were deemed material to the Group following the assessment, with both categorised as amber ratings (Table 1).

Table 4: Risk Rating Criteria

Probability	Rating	Risk Impact	Rating
Very Extreme	8	Very Extreme	8
Extreme	7	Extreme	7
Massive	6	Massive	6
High	5	High	5
Medium	4	Medium	4
Low	3	Low	3
Slight	2	Slight	2
No Impact	1	No Impact	1

Level of Risk
Green – The level of risk is lower than 20.
Amber – The risk level is equal to or greater than 20 but lower than 40, qualifies as material.
Red – The risk level equal to or greater than 40, qualifies as material.

Appraise

Following the assessment of each risk and opportunity, we identified a range of risk management options. During the climate risk management workshop, we evaluated the effectiveness of current mitigation actions for each climate-related risk and opportunity. Where required, additional mitigation measures were discussed. Annually, the Sustainability Committee will reassess climate-related risks and opportunities, reviewing the effectiveness of our mitigation efforts.

Address

To mitigate the impact of climate change on our business, mitigation actions to reduce climate-related risks will continue to be implemented. The Sustainability Committee will maintain responsibility for updating the climate risk register to accurately assess, acknowledge, and monitor climate change-related opportunities and risks. The effectiveness of each mitigation measure will also be assessed by the committee in order to assure that budget is prioritised effectively.

Metrics & Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities

Metrics and Targets

Footasylum has been measuring it's full Scope 1, 2 and 3 emissions since FY2022 showing a long-term commitment to emission reductions. Data is provided to our third-party ESG advisors for calculation following the Greenhouse Gas Protocol, however no formal assurance is provided. Science-aligned near-term and net-zero emission reduction targets were set in FY2022, following the recommendations of the Science-Based Target Initiative (SBTi). These targets have not been officially verified by the SBTi, but follow the SBTi standard for net-zero, which is defined as an at least 90% absolute reduction in emissions, with the remaining 10% of emissions offset with high quality carbon removals from the net-zero year onwards. Footasylum commits to reaching net-zero Scope 1 and 2 emissions by 2030 and net-zero Scope 3 emission by 2040, from an FY2022 baseline. The Scope 1 and 2 target is more ambitious as Footasylum has more control over Scope 1 and 2 emissions than Scope 3. Footasylum's progress against its near-term and net-zero targets can be found in Table 3, including the risks which are mitigated by progress against the target.

Table 5: Footasylum's near-term and net-zero targets

Target	Baseline FY2022 Value	Most Recent FY2025 Value	Status & Risk Mitigation
Reduce absolute Scope 1 & 2 emissions 90% by 2030 from an FY2022 baseline on a market-basis, in line with net-zero.	739 tCO_2e	796 tCO_2e	7.7% increase has been seen from the baseline due to opening new stores. 19.5% annual reduction is required to meet target. Mitigates energy price risk.
Reduce absolute employee commuting emissions 38% by 2030 from an FY2022 baseline.	1,769 tCO_2e	1,682 tCO_2e	4.9% reduction achieved. 6.6% annual reduction is required to meet the target.
Reduce absolute Scope 3 emissions 90% by FY2040 from an FY2022 baseline in line with net-zero.	70,203 tCO_2e	76,363 tCO_2e	8.8% increase has been seen from the baseline, due to a 31.2% increase in product sold. 6.6% annual reduction is required to meet the target. Mitigates product regulation risk.

Progress in FY2025

Buildings

- Footasylum has now installed LED lighting in 40% of its retail locations. As a result, Footasylum has forecast a 30% reduction in energy costs after the rollout of LED lighting across the business. Footasylum aims to complete the transition to LEDs in FY2026 by converting the remaining sites, ensuring that 100% of its estate benefits from the improved energy efficiency of full LED lighting.
- Emissions from electricity usage decreased 1.5% from FY2024 to FY2025, with larger savings expected in FY2026.
- To reduce energy consumption, the bulk warehouse underwent overnight closures from mid-January through to the end of March. This initiative, which ran seven days a week, contributed to savings on lighting and heating.
- Spending on building energy efficiency upgrades was over £450,000 in FY2025.
- A comprehensive evaluation was conducted to assess the viability of voltage optimisation technologies across both retail locations and distribution centres. The review aimed to identify further opportunities to reduce electricity usage.
- Footasylum had a long-term target of transitioning to 100% renewable electricity procurement at all sites by FY2030. This target was then brought forward to FY2025, showing Footasylum's commitment to climate action. In FY2025, 100% of electricity was purchased from REGO-backed renewable sources. When considering Footasylum's total energy consumption, in FY2025, 64.0% of all energy consumed by the business was from renewable sources. The Group are working to increase this number in future where budget and technology allows.

Transport

- Building on previous progress, Footasylum continued transitioning its vehicle fleet to more sustainable alternatives. The goal for FY2025 was to increase the proportion of electric or hybrid vehicles from 60% to 100%. This target has already been surpassed — as of March 2025, 97% of Footasylum's vehicle fleet is either electric or hybrid, demonstrating a strong commitment to reducing transport-related emissions and supporting a lower-carbon future. This has reduced total emissions from company owned transport by 59% from FY2024.

Employees

- 347 employees responded to an employee commuting survey to calculate Employee Commuting (Category 7) emissions more accurately.
- Where compatible with job role, employees can make use of a hybrid working pattern, working three days in the office, and two days from home. This reduces commuting emissions for these employees by 40%.

Progress in FY2025 continued

Procurement

- Implemented a supplier code of conduct to set requirements on suppliers, particularly surrounding human rights, child labour and working conditions. Suppliers must also comply with all relevant environmental regulations and must not use restricted substances or chemicals.
- Over the following two years, Footasylum will look to integrate either ESG metrics, such as emissions reporting and emission reduction targets to help on the journey to net-zero.
- 63 supplier sites have undergone audits to date to ensure compliance with our supplier code of conduct, with re-auditing scheduled for two years after the initial audit.

Packaging & Waste

- Footasylum's Own Brand plastic packaging is currently made from 100% recycled materials, significantly reducing its emissions and environmental footprint. This significantly exceeds the 30% recycled content mandated by the Extender Producer Responsibility (EPR) regulation. The Group is actively exploring new and innovative sustainable packaging solutions.
- Additionally, Footasylum's carrier bags are made from 100% recycled material, are 100% recyclable and are made to be re-used multiple times.
- 83% of all waste produced in FY2025 was diverted from landfill with 63% sent for recycling.

Logistics

- 129,000 litres of HVO were used by Footasylum's third-party logistics provider, which is equal to 37.3% of total fuel usage. HVO has, on average,
- 92% lower emissions per litre than diesel, which saved 402 tCO_2e.

Products

- All Zavetti Canada padded jackets have been switched to a sustainable filler made from 100% recycled post-consumer filling, giving a second life to these materials.
- Footasylum has a target to achieve 10% of Own Brand revenue from sustainable product lines by 2030. As of 2025, we have already succeeded in sourcing 9% of our Own Brand revenue from sustainable production lines.
- Own Brand development teams continue to explore and trial sustainable products and materials.

GHG Emissions from our own Operations (Scope 1 and 2)

Footasylum are mandated to complete an annual Streamlined Energy and Carbon Report (SECR), covering the Group's Scope 1, 2, and 3 grey fleet (business mileage in private vehicle) emissions. Scope 1 emissions are produced from the combustion of natural gas and fuel oil in our sites and from the combustion of transport fuels in fleet vehicles company cars. Overall, Scope 1 emissions increased by 2%, driven by an increase in emissions from natural gas and other fuels of 30.6%, due to an increase in oil consumption at Footasylum's warehouses. The increase in natural gas and other fuel emissions was partially offset by a 31.2% reduction in company car emissions. Scope 2 emissions are produced from the use of electricity in our sites and electric company cars. Electricity consumption decreased by 1.5% in FY2025 due to energy efficiency measures, such as optimised delivery schedules.

Table 6: Footasylum's SECR Energy Consumption

Utility and Scope	FY2025 kWh	FY2024 kWh
Scope 1 Total	3,658,637	3,275,366
Natural Gas and Other Fuels	3,000,920	2,323,824
Transportation	657,717	951,542
Scope 2 Total	6,575,818	6,682,730
Grid-Supplied Electricity	6,554,536	6,651,190
Transportation	21,282	31,540
Scope 3 Total	1,947	679,663
Transportation	1,947	679,663
Total	10,236,402	10,637,759

Table 7: Footasylum's SECR Location and Market-Based Emissions

Utility and Scope	Location-based tCO_2e		Market-based tCO_2e	
	FY2025 Emissions	FY2024 Emissions	FY2025 Emissions	FY2024 Emissions
Scope 1 Total	791.52	707.19	791.52	707.19
Natural Gas and Other Fuels	644.19	493.18	644.19	493.18
Transportation	147.33	214.01	147.33	214.01
Scope 2 Total	1,361.52	1,383.82	4.41	6.53
Grid-Supplied Electricity*	1,357.12	1,377.29	0.00	0.00
Transportation	4.41	6.53	4.41	6.53
Scope 3 Total	0.40	152.86	0.40	152.86
Transportation	0.40	152.86	0.40	152.86
Total	2,153.45	2,243.87	796.33	866.58

*Grid-supplied electricity (Scope 2) emissions represent tCO_2 due to market-based reporting methodology.

Table 8: Footasylum's SECR Intensity Metrics

Reporting Year	Location-based tCO_2e		Market-based tCO_2e	
Reporting Method	FY2025	FY2024	FY2025	FY2024
Total Number of Sites	64.00	62.00	64.00	62.00
All Scopes (1, 2 & 3) per Site	33.65	36.19	12.44	13.98
%Percentage Change	-7.03%		-10.98%	
£m Revenue*	349.50	319.51	349.50	319.51
All Scopes (1, 2 & 3) per £m Revenue	6.16	7.02	2.28	2.71
Percentage Change	-12.26%		-15.99%	

*£m revenue has been added as an additional metric in FY2025, since it provides useful information about how efficient the business is as it grows. The FY2024 intensity has also been calculated for comparison.

GHG Emissions from our own Operations (Scope 3)

Footasylum has measured it's full Scope 1, 2 and 3 emissions since FY2022. All fifteen categories of the Greenhouse Gas Protocol were assessed for applicability and its was found that eight categories were applicable and have been quantified. Purchased goods and services accounts for purchased own-brand and branded products purchased for resale and general goods and services required to run the business. Capital goods include new store works and upgrades to existing stores, along with IT upgrades. Fuel-related emissions arise from the production and transportation of the energy used in Scope 1 & 2 to our sites and assets. Upstream transport and distribution involves the movement of product between Footasylum sites and home delivery to customers. Waste generated in operations includes all waste streams generated at Footasylum sites. Business travel includes one-off transport undertaken by Footasylum employees for business purposes, including in private vehicles. Employee commuting involves the regular travel of employees between their homes and Footasylum sites for work purposes. The end-of-life treatment of sold products involves the disposal of our products and packaging by our customers when the product has reached the end of its life. Categories 8-11 and 13-15 are not applicable to the business. We are working with our customers to promote reuse and recycling of our products. Across all categories, Footasylum continues to prioritise data quality improvements combined with supplier and employee engagement to tackle these emissions.

Table 9: Footasylum's Full Scope 1, 2 and 3 Carbon Balance Sheet (tCO_2e)

Carbon Balance Sheet	FY2025	FY2024	FY2022	% Change from FY2022 Baseline
Scope 1	792	707	739	+7.2%
Scope 2 (Location-based)	1,362	1,384	1,277	+6.7%
Scope 2 (Market-based)	4	7	0	-
Scope 3	76,363	67,376*	70,203*	+8.8%
1. Purchased Goods & Services	63.477	57,473*	57,627	+10.2%
2. Capital Goods	6,760	3,869*	3,924*	+72.3%
3. Fuel and Energy-related Activites	611	606	639	-4.4%
4. Upstream Transportation and Distribution	2,181	2,192*	5,253*	-58.5%
5. Waste Generated in Operations	42	52	15	+180.0%
6. Business Travel	608	497*	119*	+410.9%
7. Employee Commuting	1,682	1,750	1,769	-4.9%
12. End-of-life Treatment of Sold Products	1,003	938	858	+16.9%
Total All Scopes (Location-based)	78,519	69,367*	72,219*	+8.7%
Total All Scopes (Market-based)	77,159	68,090*	70,942*	+8.8%
Total per £m revenue (Market-based)**	221	213	253	-12.6%

* Indicates that this category has been restarted due to a correction in the DEFRA factors published by the UK government.

** A new metric of emissions per £m revenue has been added this financial year as it allows emissions to be compared more accurately when the business is growing. Therefore, the FY2024 metric has also been restated to allow for comparison with this financial year.

GHG Emissions from our own Operations (Scope 3) continued

Footasylum's Scope 3 emissions have increased by nearly 9% compared to the baseline year. Several factors have contributed to this rise in emissions:

- There was a 31.2% increase in the weight of stock sold in FY2025 compared to the baseline year of FY2022. Emissions per tonne of product sold decreased by 17.1% between FY2022 and FY2025, showing that the business has become more carbon efficient.
- Expenditure on certain goods and services has significantly increased between FY2022 and FY2025. For instance, spending on advertising and marketing services has nearly doubled.
- Footasylum invested in new stores in FY2025, leading to an increase in construction-related emissions (classified under Scope 3 – Category 2 Capital Goods).
- There has been a steady rise in ad hoc business travel since the baseline year due to a rebound in travel after COVID-19.

Although Footasylum's total Scope 3 emissions have risen, some individual categories have decreased. Notably, emissions related to third-party transport and distribution have declined due to enhanced data collection methods. Footasylum now collects actual fuel consumption data from its primary third-party logistics provider, whereas emissions in this category were previously estimated based on spending during the baseline year.

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