



Carbon Offset Methodology

Purpose

This document provides the framework by which Mini Activewear will generate carbon offsets for operations during Q4 2021.

The Mini Activewear Sustainability team has defined our ambitions for Q4 2021 and beyond, alongside a roadmap for progress. Reducing carbon emissions is not just about our commitment to the environment. The same processes we use to identify carbon emissions reduction will also identify and realise benefits for the broader communities supporting the reduction projects. Mini Activewear hopes to secure the future of mother earth, and spread love to the individuals that need it most.

Mini Activewear have partnered with Greenfeet an environmentally focused company committed to evaluating, tracking and helping businesses reduce their environmental impact, and Carbon Footprint Ltd an ISO 14001:2015a and ISO 9001:2015 certified company that provide exposure to Carbon Offset Projects around the globe.

Carbon Emission Forecast Q4 2021

Mini Activewear forecasted their carbon emissions using the Greenfeet emission tracking dashboard, and partnered with Greenfeet because they aligned with the mission, and believe that we all have a part to play in securing the future of mother earth.

In support of this Mini Activewear have created a Life Cycle Assessment Report, using a cradle-to-grave approach of Mini Activewear's products and taking into account: embodied raw material emissions, transport of raw materials, manufacture/processing emissions, and distribution to consumers. The calculations led to establishing Mini Activewear's carbon footprint and emissions, using CO₂e or carbon dioxide equivalent, which is a standard unit for measuring carbon footprint.

100% of the cradle-to-grave emissions of all Mini Activewear business operations have been offset for Q4 2021, and we will keep on being offset every quarter moving forward. We offset the carbon footprint of Mini Activewear's entire business through the purchase of verified and permanent carbon offset, thanks to our partnership with Carbon Footprint Ltd.

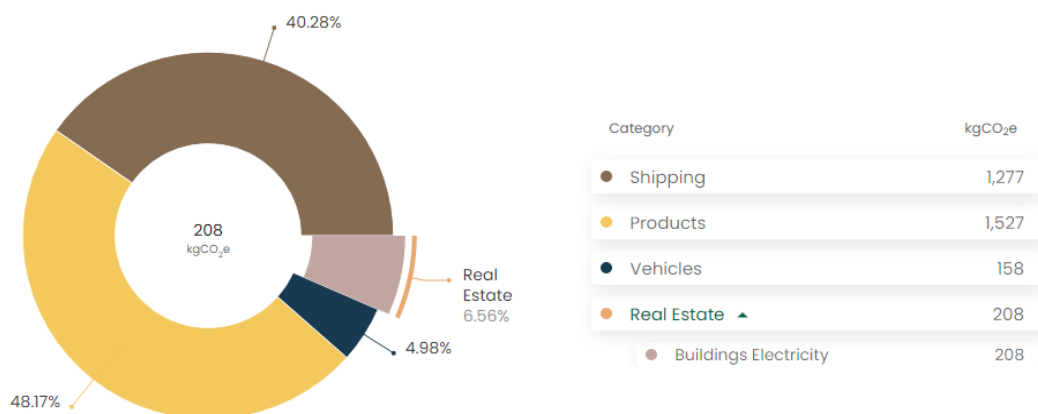


Figure 1 – Forecasted Q4 2021 Carbon Production



Carbon Offset Projects

Carbon offset projects, in the simplest of terms, are projects that convert financial investment into an equivalent reduction in carbon dioxide emissions. All carbon offset projects have a method to reduce emissions, think solar power generation or mass reforestation, which can then be used to offset previous emissions caused by powering your home, driving to work and using carbon intensive products.

Mini Activewear have chosen to leverage the carbon reduction ability of offset projects to reduce net carbon emissions.

Selected Projects

Mini Activewear have chosen to support Carbon Footprint Ltd's Global Portfolio, where all offset projects are verified to the Verified Carbon Standard (VCS) and carefully selected within developing countries. This portfolio was chosen to provide a two-fold benefit: to assist carbon emission reduction whilst creating opportunities for local communities.

Mini Activewear will be helping support the following projects:

The Negros Island Solar Power

- Type: Solar Power
- Location: Philippines
- Standard: VCS
- Reference: VCS 1735
- Est. Reductions: 60,000 tCO₂e per year

The Negros Power project involves the installation of 32MW La Carlota Solar Power PV Plant and 48MW Manapla Solar Power Plant. The purpose of the project activity is to generate power using renewable solar energy and intended to provide daytime power to the grid throughout the year. The project activity is located on Negros Island, within the Cebu-Negros-Panay sub-grid of the Visayas electricity grid.

The Philippines produces most of its energy using fossil fuels, and this project is one of the first in a new generation of renewable energy projects that seek to reduce the country's reliance on imported fuel that is damaging the environment. The project is expected to offset 66,039 tCO₂e per annum.

The project team strongly believe in creating sustainable energy solutions that will benefit communities and future generations as well. Through their community engagement activities with the local government of La Carlota and Manapla, they have supported several initiatives including tree planting, water well, communal toilet facilities and bloodletting facilities.

Wind Based Power Generation

- Type: Wind Power
- Location: India, Asia
- Standard: VCS
- Reference: VCS 1523
- Est. Reductions: 136,936 tCO₂e per year

This project generates power using a renewable energy source (wind) and sells the power generated to the state grid.



The project activity involves the installation and maintenance of Wind Turbines. The total installed capacity of the project is 80 MW; which involves operation of 40 Wind Turbine Generators (WTGs), each with a capacity of 2 MW. The project is promoted by Panama Wind Energy Godawari Private Limited and located at Maharashtra state in India.

The power produced displaces an equivalent amount of power from the grid, which is fed mainly by fossil fuel fired power plants. Hence, it results in reduction of Greenhouse Gas (GHG) emissions. GHG emission reductions from the project activity will be 136,936 tonnes of CO₂ per year, with the total expected GHG emission reductions across the 10 year crediting period of 1,369,360 tonnes of CO₂.

The Project activity is a new facility with the purpose of generating electricity by the utilization of wind power and further selling the generated energy to the NEWNE Grid. In this process there is no consumption of any fossil fuel and hence the project does not lead to any greenhouse gas emissions. Thus, electricity would be generated through sustainable means without causing any negative impact on the environment.

INDIA SOLAR POWER

- Type: Solar Power
- Location: India, Asia
- Standard: VCS
- Reference: VCS 1580
- Est. Reductions: 730,457 tCO₂e per year

The project activity generates electricity using solar energy. The generated electricity is exported to the regional electricity grid system in India.

The grouped project activity is a step towards supporting the implementation and installation of grid connected renewable energy power plants in India. The project ensures energy security, diversification of the grid generation mix and sustainable growth of the electricity generation sector in India. The main goal is to implement renewable energy projects in the country and the significant importance of revenues from sale of Verified Carbon Units (VCUs) to achieve this goal forms the basis of the implementation. It seeks to enable investment in large and small grid connected plants that export their generated output to the regional / national electricity grid in India. The implementation of these technologies currently faces various technological, institutional and financial barriers.

In addition to providing sustainable employment (reducing poverty) the project developer also provides improved healthcare, sanitation and educational support to the communities where the projects are based.

Dachunhe Sanji Hydropower

- Type: Small Hydropower
- Location: China
- Standard: VCS
- Reference: VCS 166
- Est. Reductions: 22,668 tCO₂e per year

Most of the electricity in China comes from coal power, which accounted for 66% of the electricity generation mix in 2016. Decarbonising electricity generation around the world is a key step in tackling climate change.



The Dachunhe Sanji hydro project utilizes water resources from the Dachunhe River to generate electricity, which will be delivered to the China Southern Power Grid without CO2 emissions.

The project is a newly-built small run-of-river hydropower project with a total installed capacity of 6 MW. There is no reservoir or submerged area near the Project since it consists of a diversion dam with a river diversion tunnel. The purpose of the project is to utilize the water resources to generate clean electricity, and achieve greenhouse gas (GHG) emission reductions by displacing an equivalent electricity supplied by Central China Power Grid, which is predominantly powered by fossil fuel-fired power plants.

The project owner is involved in various CSR activities, such as donations to the red-cross, donations of schoolbooks to a local school, and also planting indigenous trees in the local environment.

Carbon Reduction Pledge

Reducing our carbon footprint requires more than just offsetting our emissions. Mini Activewear's sustainability team has created a roadmap to create a sustainable and inclusive business model. Here are some of the key highlights:

- Mini Activewear products are made from clean, low-impact, recycled materials where possible. Mini Activewear will endeavour to ensure the production process respects individuals and the earth that breathe life into it.
- Mini Activewear will increase usage of recycled fabrics from previously used materials where possible
- Mini Activewear will ensure inhouse production of products to guarantee adherence to quality and environmental standards.
- Mini Activewear will implement practical and effective measures to reduce total annual carbon footprint by 25% of CO2e by the end of financial year 2022

Focus Points for Q1 2022

Producing our Life Cycle Assessment was a challenging process, and therefore our objective for 2022 and onwards is to make it even more thorough, documented, and of course to find better solutions to manage our carbon footprint while expanding our business. Here is a top level summary of focus points for 2022:

- Transfer office power to renewable operators
- Sustainable web and server hosting
- Incorporate water and waste in our upcoming calculations to have a more thorough overview of our impact as a business.
- Diversify carbon offset programs

References

Emission Factors Material emission factors are sourced either from EcoInvent's database (v3.6) or the UK Government (BEIS, 2019). All EcoInvent factors account for all processes during the production of raw materials and all processes after that (including transport). Transportation and international electricity transmission and distribution factors are sourced from Defra/BEIS factors; published in June 2019 (v1.0). When an exact material emissions factor was not available for a raw material, a suitable alternative was researched and used instead.



EcoInvent database v3.6 2019, available at <http://www.Ecoinvent.org/> Guidelines to Defra's Greenhouse Gas (GHG) Conversion Factors for Company Reporting – annexes (June 2013) UK Government GHG Conversion Factors for Company Reporting (v1.0 August 2019) UK Government GHG Conversion Factors for Company Reporting (v1.0 August 2017) Climate Transparency, 2018 Green to Brown Report for G20, available at <https://www.climate-transparency.org/g20-climate-performance/g20report2018> Product Lifecycle Accounting and Reporting Standard - https://ghgprotocol.org/sites/default/files/standards/Product-Life-Cycle-AccountingReporting-Standard_041613.pdf Desjardins, R.L., Worth, D., Verge, X.P.C., Maxime, D., Dyer, J. and Cerkowniak, D., Carbon Footprint of Beef Cattle, 2012, Sustainability