

WE ARE VIVOBAREFOOT

WHY

Reconnect people into
the natural world.

HOW

By inspiring natural
health journeys.

WHAT

Create regenerative footwear
and experiences that bring us
closer to natural health and
our natural potential. And it
starts with your feet!



A high-angle, low-key photograph of a group of people sitting in a circle on the ground at night. A central fire provides the primary light source, casting a warm, orange glow on the participants and the surrounding grass. The people are mostly seen from the back or side, looking towards the center. The overall mood is communal and intimate.

10 YEARS OF **VIVOBAREFOOT**

LETTER FROM THE ECOSYSTEM LEAD

UPDATED FROM CHIEF ECOSYSTEM OFFICER - 'CHIEF' AND 'OFFICER' ARE AT ODDS WITH A FLAT NETWORKED ORGANISATION

OUR AH-HA MOMENT

The only thinkable reason for selling more stuff is if it helps humans connect to nature and/or improves natural health. When we realised this, we stopped making other shoes and focused on Vivobarefoot.

10 years ago, Asher and I decided to do all we could to stay independent. Rather than be a slave to short-term impatient capital, we knew that financial independence meant we could pursue a broad regenerative agenda: in how we run our business, make our products and serve our community.

Sometimes, it's daunting how much further there is to go. But that's why we call this report Unfinished Business.

I can't claim the world has improved in the last 10 years, but I can see a growing consciousness swimming ever more firmly against the tide. We are proud to be part of that community – that movement – of thousands of businesses putting nature at the top of the hierarchy. As far as we're concerned, Mother Nature is the boss.

TAKING STOCK

In 2022, our 10th year, we sold 773k pairs of shoes, grew our community to over one million people and hit almost £50m of sales (36% growth despite low stocks – as (some of) the world started to wake up and take nature and health seriously!).

However, we were not as profitable as we planned, and trade has been up-and-down in the first six months of 2022 (second half of our financial year). Factory closures forced over £1m of unbudgeted airfreight and we had to spend £1.6m in excess semi-variable performance marketing. Despite holding over £1.3m of overheads back, we were significantly less profitable than planned for the year.

We have written a very exciting growth budget for 22/23, but we are aware of these stag-flationary times! The 'natural' path we have chosen is more complicated and more challenging – but so is every path worth taking.



“Every year feels like Day One! But that's why we call this report Unfinished Business.”

— GALAHAD CLARK



HERE I AM STRUGGLING WITH 'NORMAL' SHOES IN PRE-VIVO COBBLING DAYS, WHEN 'NATURAL' BARE-FOOTWEAR WAS JUST A TWINKLE IN MY EYE.

Shoes were footwear, perfect for feet: wide, thin and flexible. Made locally from regenerative materials, person by person, foot by foot.



We launched Vivobarefoot as a standalone brand because we realised modern shoes had taken a wrong turn and humanity needed to get their connection to nature (and feet) back.



Sustainable bare-footwear is a start. But it isn't enough. Regenerative natural health is the imperative and we've only just begun!



10,000 YEARS AGO

10 YEARS AGO

TODAY

THE SHIFT TO CATEGORIES

Last year, we recalibrated our business into categories - **OUTDOOR** (includes VIVOHEALTH), **ACTIVE**, and **KIDS** (includes ReVivo).

In just one year, this shift gave us a big step up in expertise, allowing our teams to really focus on delivering the best possible barefoot experience for our community. At the same time, the restructure continues to reduce hierarchy, while increasing creativity and agility.

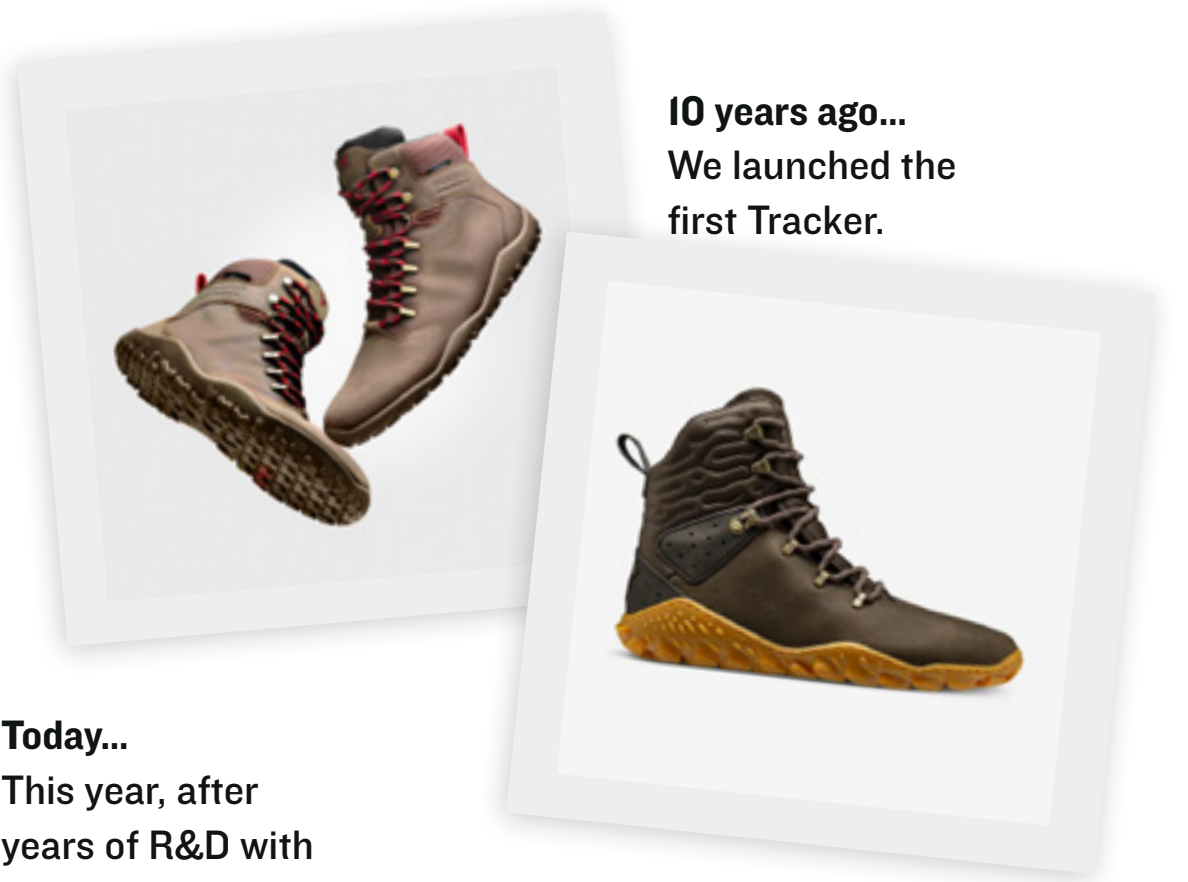
We're also nurturing a nascent category – **VIVOBIOIME**, which (we hope) will bring some much-needed disruption to the global shoe industry (see p36 for more on this).

COMPANY-WIDE ALIGNMENT

10 years ago, we imagined the flywheel of customer experience. This year, we are proud to bring it to life:

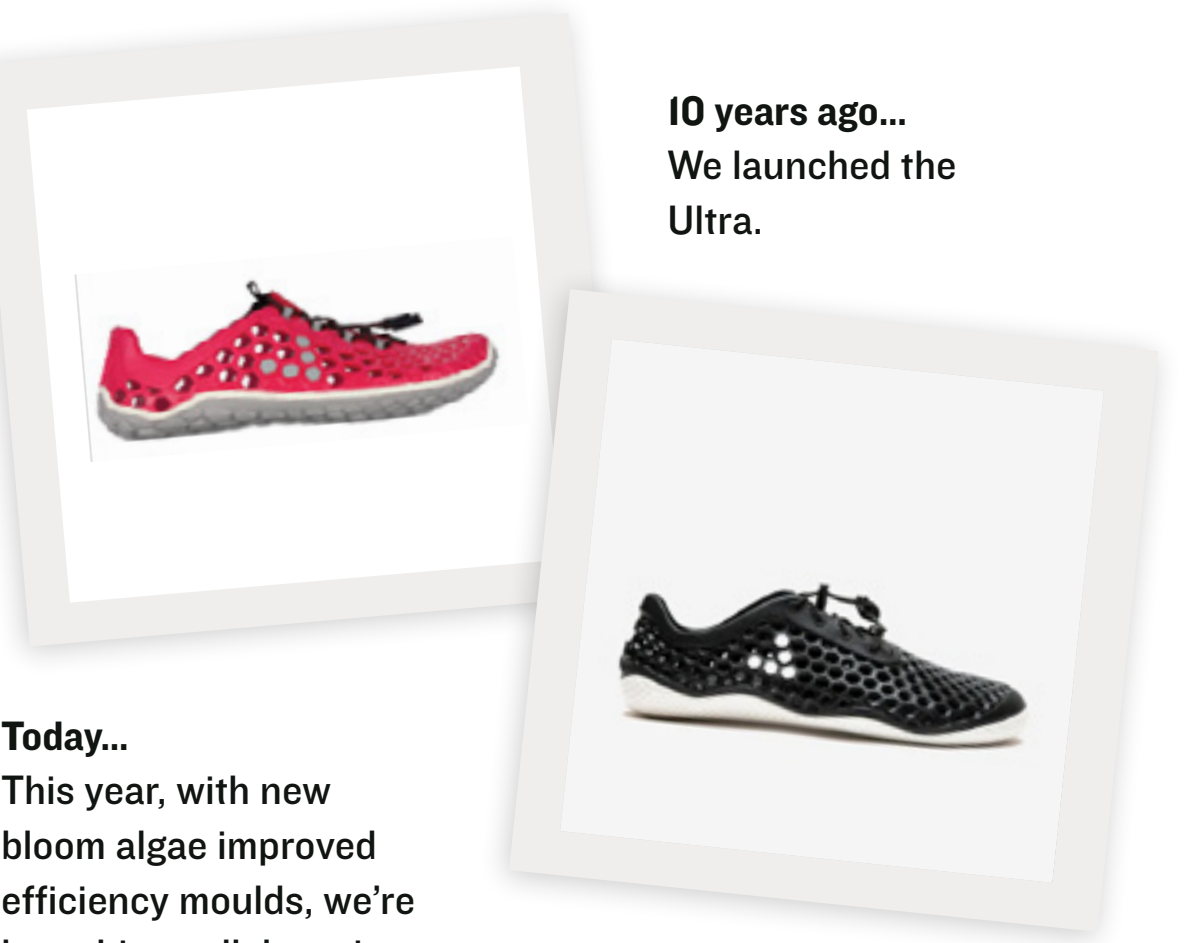
OUTDOOR

Our outdoor business has grown into its own category, inspiring hundreds of thousands of people to reconnect with nature.



10 years ago...
We launched the first Tracker.

Today...
This year, after years of R&D with Wild Human, we're launching the first Ecological Survival Collection for the temperate biome: the Forest.



10 years ago...
We launched the Ultra.

Today...
This year, with new bloom algae improved efficiency moulds, we're launching collaborations with Oxygen (to stop deep seabed mining) and the Oceans Prize with Innovation 4.4 (to encourage plant-based solutions in 3D printing).

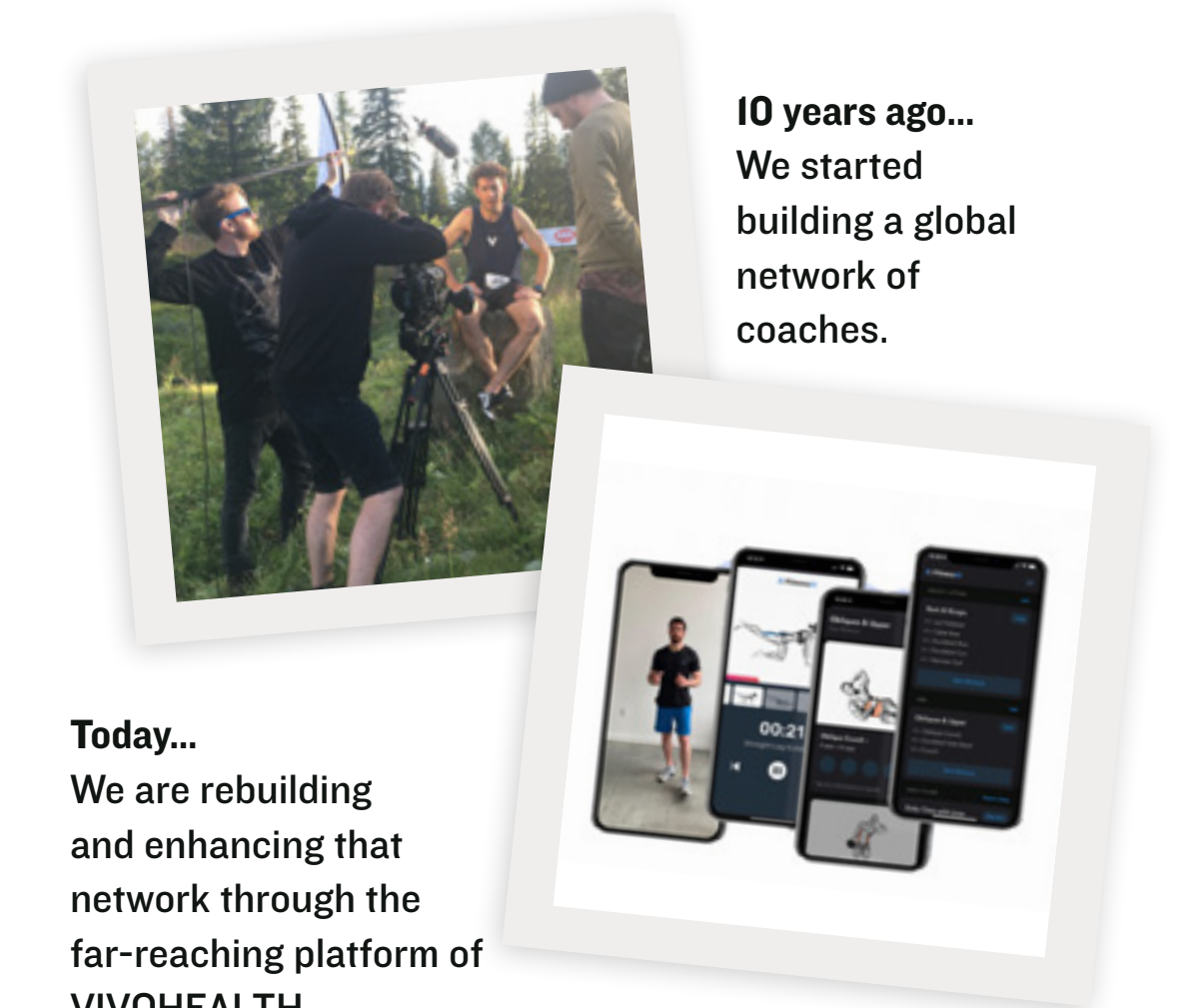
ACTIVE

The new Active / VIVOHEALTH category formed this year, with extremely exciting launches coming in.



10 years ago...
We launched the Evo Lite

Today...
We sold over 100k pairs of Primus, our best-selling iconic trainer (+10% of the business).

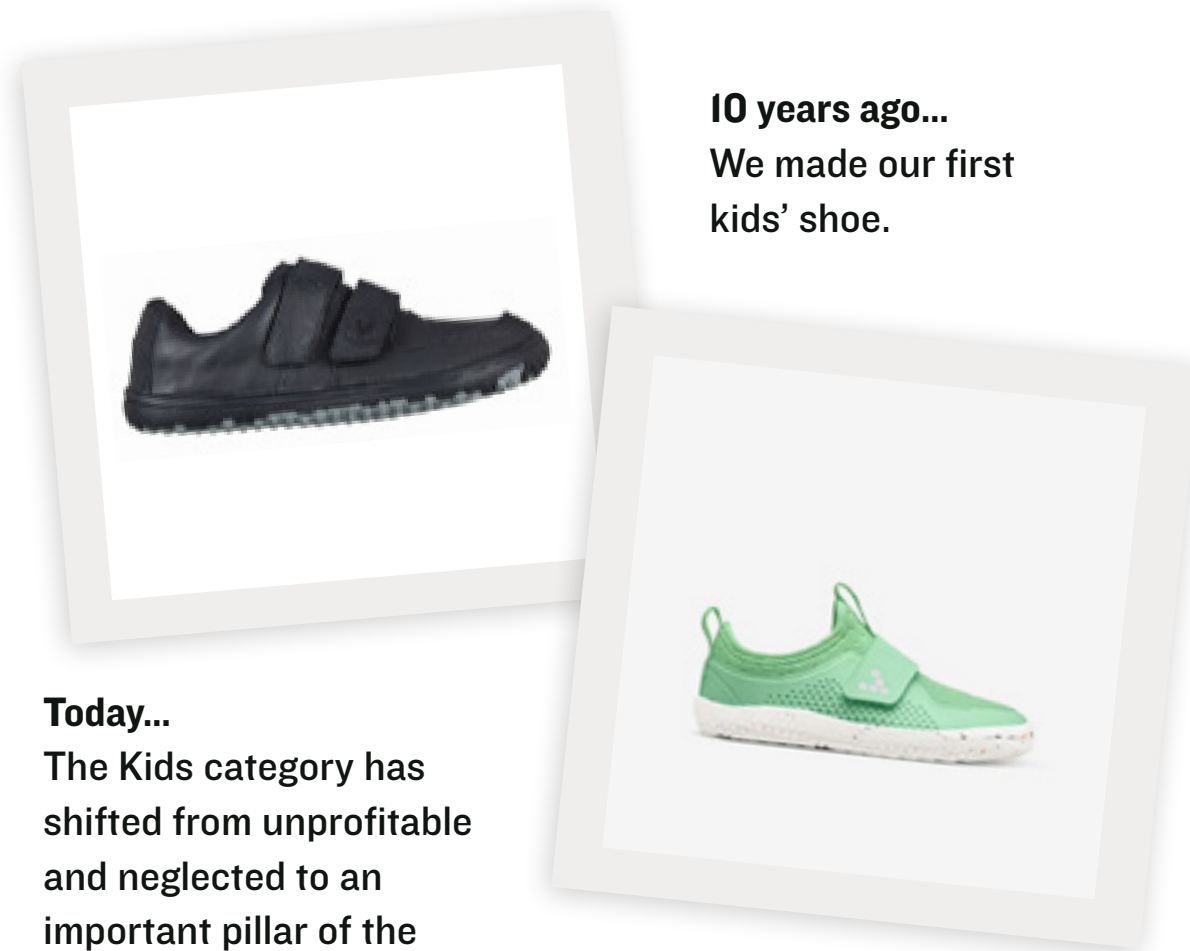


10 years ago...
We started building a global network of coaches.

Today...
We are rebuilding and enhancing that network through the far-reaching platform of VIVOHEALTH.

KIDS (& REVIVO)

This year, we created the kids and services category, looping in ReVivo and making the team responsible for accessories.

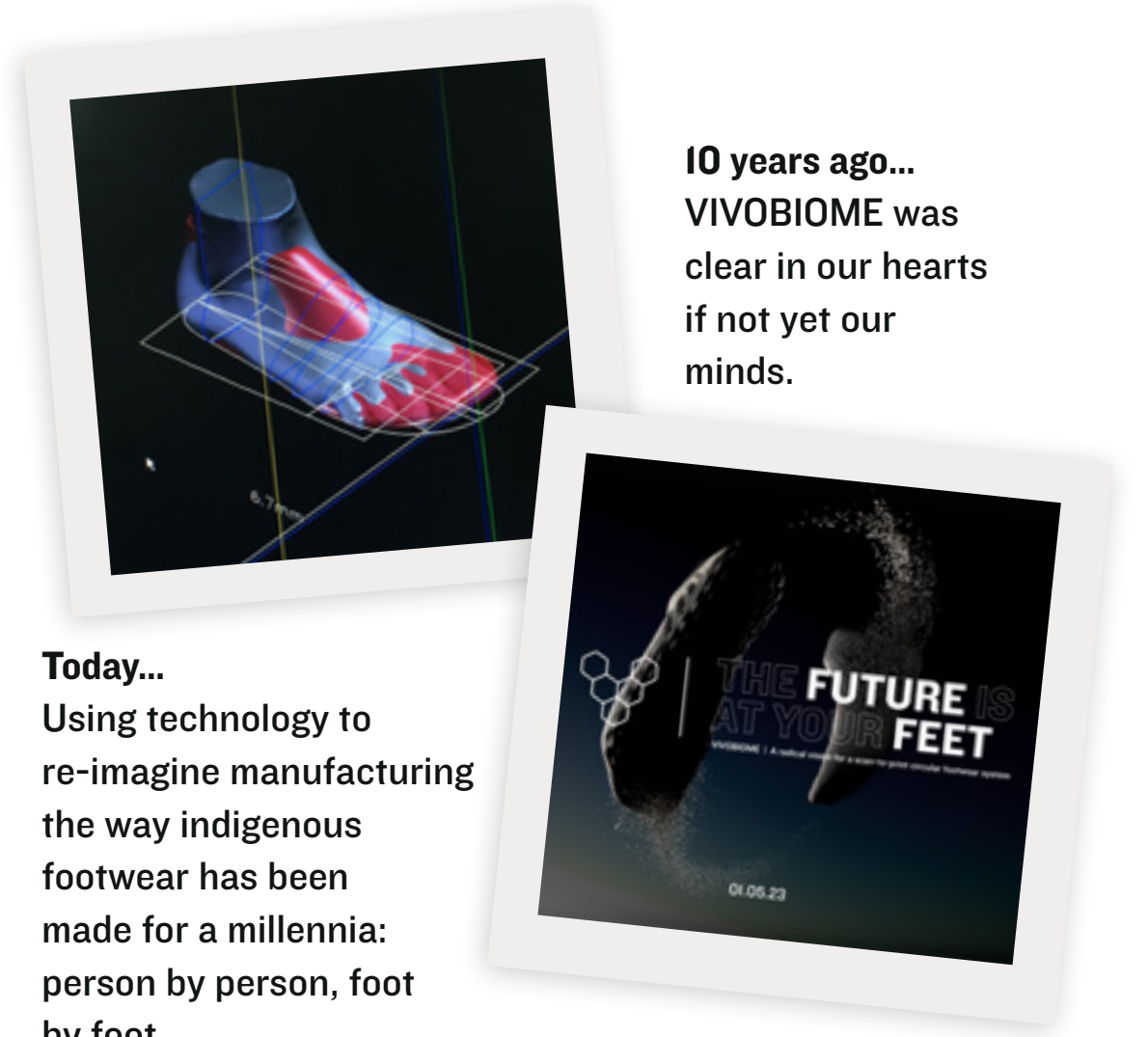


10 years ago...
We made our first kids' shoe.

Today...
The Kids category has shifted from unprofitable and neglected to an important pillar of the business.

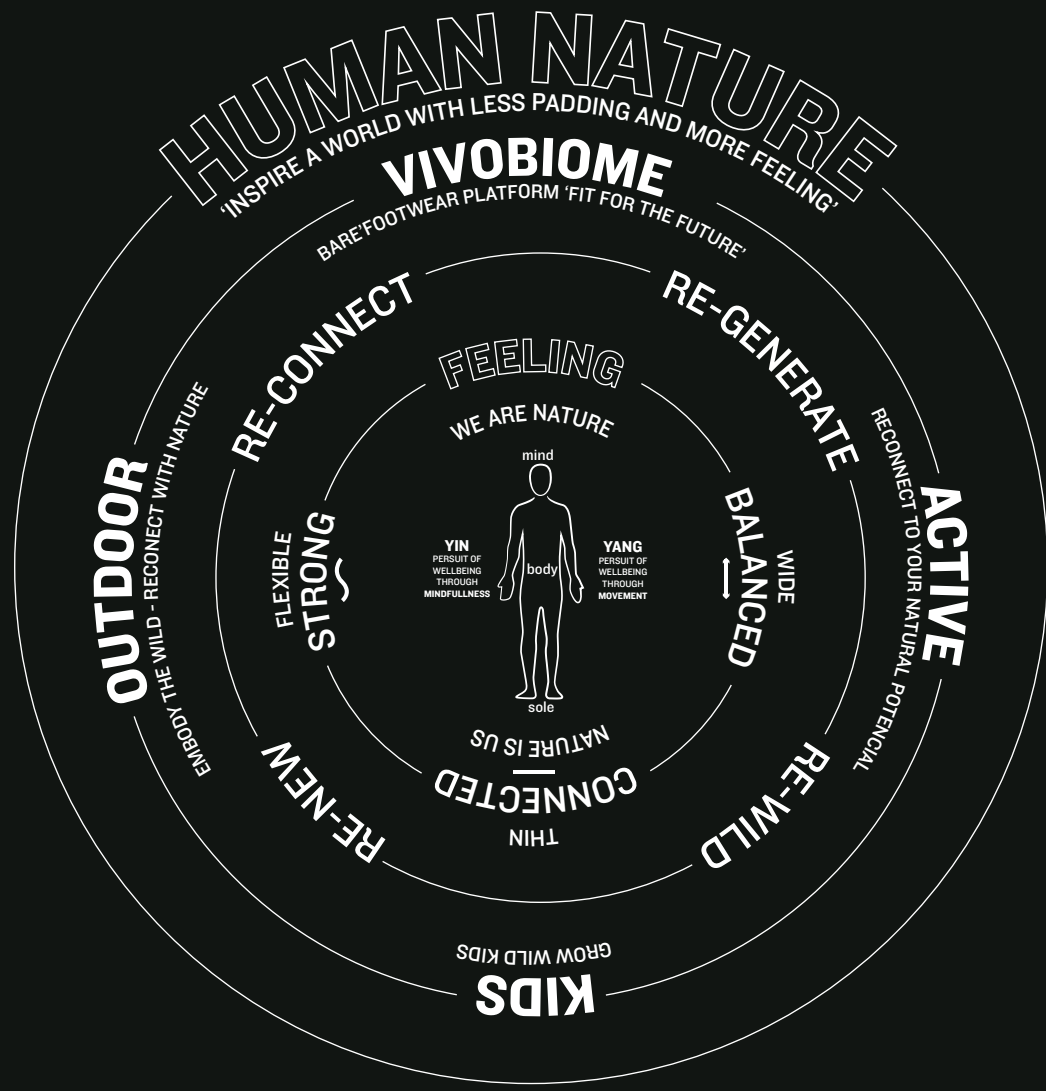
VIVOBIOIME

VIVOBIOIME is inspired by how humans made shoes thousands of years ago. It's our investment focus for the future.



10 years ago...
VIVOBIOIME was clear in our hearts if not yet our minds.

Today...
Using technology to re-imagine manufacturing the way indigenous footwear has been made for a millennia: person by person, foot by foot.



TEAM VIVO

None of this would be possible without the brilliant team at Vivobarefoot going on their own transformative journeys of natural health and natural movement.

Thank you to everyone, whether today’s your first day, or you’ve been with us for years. We’ve done a lot to build the ‘Vivo Way’ in the last year. You’ll see more on this in the Regenerative Leadership section on p20.

- **Upright posture** - clear and robust structure
- **Lots of little steps** - agile, fail fast
- **Relax** - enjoy the movement and aspire to a fast springy tension!
- **Sensory feedback** - most importantly, allow for maximum feedback in movement, particularly be open to the painful feedback that quickly allows us to course correct

It’s thrilling to see so many Vivonistas (in the organisation, in our wider network and those who have moved on to pastures new) becoming regenerative leaders. I’m most honoured and challenged to make this ecosystem as resilient as possible to the upcoming storms we all face. We are on a mission to reconnect people to the natural world, guided by our values of:

- **Dance** (continuous improvement)
- **Diversity** (creativity and innovation) and
- **Simplicity** (honest and transparent feedback).



PAUL WALKER

JOINED IN: 2015

FIRST PAIR: Breathos, blue and white.

TOTAL COUNT: 10 or 15 pairs under the stairs, but probably 100 in the loft.

SPECIAL POWER: Writing grumpy emails.

HOW YOU STARTED: I was already interested in minimalist footwear, and I joined as head of ecommerce.

CURRENTLY WORKING ON: I’m commercial lead.

“We’re going to sell more than a million pairs this year. We have weeks in ecommerce now that are bigger than entire previous years.”

LUCY STEWART

JOINED IN: 2016

FIRST PAIR: Raspberry Ones.

TOTAL COUNT: Easily 50 or 60 pairs

SPECIAL POWER: Writing long emails.

HOW YOU STARTED: I was bored of my job in fashion. In my interview, I had to take off my shoes so Galahad could look at them, and at my feet.

CURRENTLY WORKING ON: I head up the Active category.

“Vivo hasn’t changed. Our shoes are the same. Our mission is the same. It’s exciting that more people are on the same page as us.”

WE SPOKE TO SOME OF OUR LONGEST-SERVING VIVONISTAS TO FIND OUT WHERE IT ALL STARTED (AND WHY THEY’RE STILL WITH US)

DALE TURRELL

JOINED IN: 2013

FIRST PAIR: Evos, black and yellow. Still love them.

TOTAL COUNT: Probably close to 100 pairs. They hold such fond memories, I can’t throw them away.

SPECIAL POWER: Writing short emails.

HOW YOU STARTED: I was a trail runner and got injured. I started wearing Vivos and it just made sense to join the company.

CURRENTLY WORKING ON: I head up the Neal Street store in Covent Garden.

“Our customers are our best ambassadors because they won’t shut up about our shoes.”

DAIMO PEAT

JOINED IN: 2006, before Vivo was even Vivo

FIRST PAIR: Root. With zip on soles. In brown.

TOTAL COUNT: Four big bags on their way to ReVivo and 50 pairs on top of my wardrobe.

SPECIAL POWER: Tea making.

HOW YOU STARTED: I knew Galahad and Asher from back home, so I knocked on the door and asked for a job.

CURRENTLY WORKING ON: Coaching and a development and leadership program.

“We’ve made a real effort to maintain our culture, and resist turning into a corporate machine.”



A BAREFOOT PILGRIMAGE

To celebrate 10 years of Vivobarefoot, we made a barefoot pilgrimage to the Engare Sero footprints in Tanzania - film crew in tow (watch this space!)

The Engare Sero footprints are so evocative because they record specific journeys, and they are so mysterious because we know nothing of the walkers and runners who left them. Like the daubed handprints on the cave walls at Lascaux, they are the marks of exact and unrepeatable acts – they remind us of a kinship of motion that stretches back as far as 3.6 million years to the earliest bipedal hominids.

Other than that, almost nothing is known.

Who made these marks that are so particular and so generic?

What were they feeling as they left them??

Who are we and how did we come to behave as we do?

What deep ancestral currents still flow through these modern veins of such ancient design?

How much of our love, hate, violence, kindness and our clever fabrications belong to the Engare Sero family too?

Pondering – if not answering – these questions can help us. And I think it's fair to say we need the help!

The 450 Engare Sero footprints contain all our modern foot sizes, from children to large males. To track them is to sense a sudden whisking back to our common ancestors. It's an uncanny experience, a feeling of co-presence: the pre-historic and the present matching up such that it is unclear who walks in whose tracks. It's this combination of intimacy and remoteness that gives these tracks their unsettling power. They are among the earliest texts, from a period of history devoid of recorded narrative. Following them, we are reading one of our earliest stories, told not in print but in footprint.



WALKING DOWN FROM THE VOLCANIC HIGHLANDS, LENGAI, DOWN INTO THE RIFT VALLEY ESCARPMENT, LAKE NATRON AND LITERALLY IN THE ANCIENT ENGARE SERO FOOTPRINTS



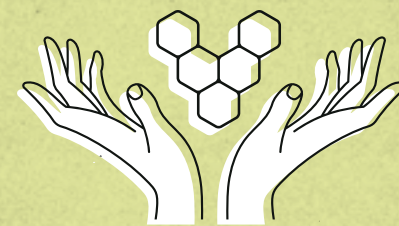
“We shall not cease
from exploration
And the end of all
our exploring
Will be to arrive
where we started
And know that place
for the first time.”

— T. S. ELIOT



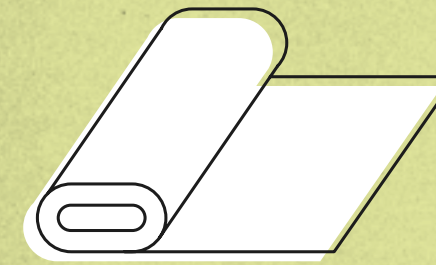
REGENERATIVE LEADERSHIP

Our Regenerative Leadership self-management (r)evolution is working. Our people are fixing problems themselves.



THE LIVEBAREFOOT FUND

Thousands invested in research, innovation and good causes.



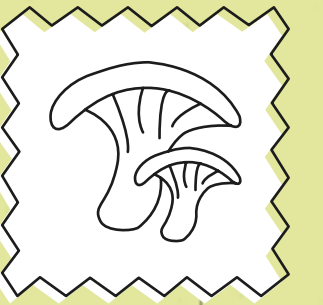
BRILLIANT BASICS

Big shout out to the Design, Development, Product and Regen teams for achieving brilliant basics on the long road to materials innovation.



PARTY TIME

We had a wicked 10 year anniversary party down in Bantham.



SAMPLING NEW MATERIALS

We started sampling with two exciting bio-material companies. Watch this space.



GROWTH

We've seen great growth in revenue (36%) and units (21%).

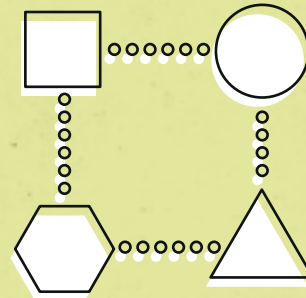


SHORT AND SWEET!

We made Unfinished Business much shorter this year!

OUR 2021-22

CHAMPAGNE MOMENTS



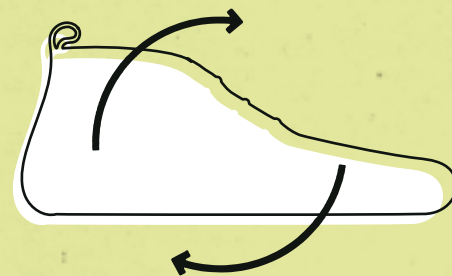
SUCCESSFUL RESTRUCTURE

Shift to categorisation has been a big success – allowing teams to become much more expert, and ultimately make better footwear.



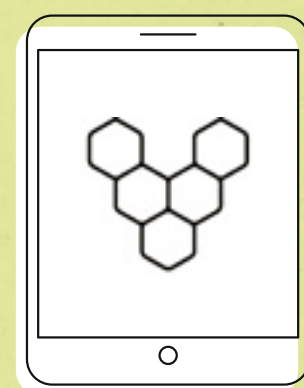
SORTING SALARIES

We now have a MUCH more transparent salaries progression.



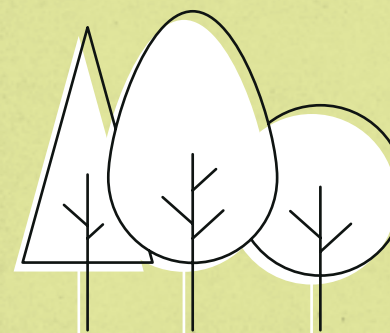
RENTING CHILDREN'S FOOTWEAR

ReVivo has started its first rental trial with Bundlee.



NEW ONLINE JOURNEY FOR KIDS

We're creating a dedicated online customer journey for kids' footwear, including educational content about why barefoot is so important for growing feet.



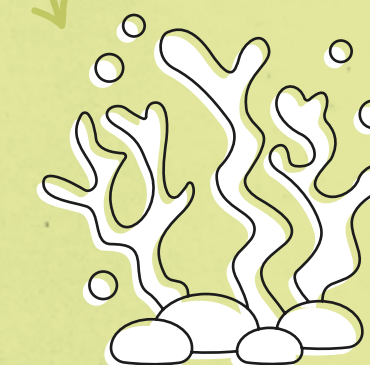
LOOKING IN

We held our first external proprioceptors group at Springwood, 'sensing in' to how Vivo exists eternally.



TAKING BACK MORE

ReVivo expanded free shipping for the Take Back scheme from the UK to the EU and US.



OCEANS PRIZE

We've helped launch the Oceans Prize to source a new biopolymer material.



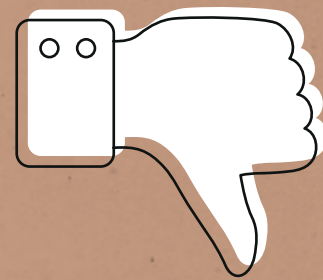
DATA-DRIVEN FIT

We've created a first-of-its-kind data-driven fit for VIVOBIOOME, based off millions of foot scans.



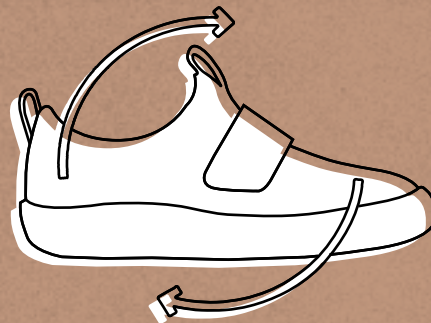
VIVOHEALTH IS LIVE!

We launched the VIVOHEALTH platform! 1000s have engaged with our assessment tool, courses and other VIVOHEALTH hub content.



DIGITAL MARKETING COSTS

Need to move spend away from performance towards brand building.



REVIVO FOR KIDS

For various reasons, we haven't made ReVivo work for Kids shoes yet. We're working on a solution.



NO NEW MATERIALS (YET)

We didn't actually launch any new material innovations this year, which is disappointing.



VIVOBIOME

We failed to launch the customer ready scan-to-print footwear system this financial year. We continue to test, fail, learn, repeat and will launch in May 2024.



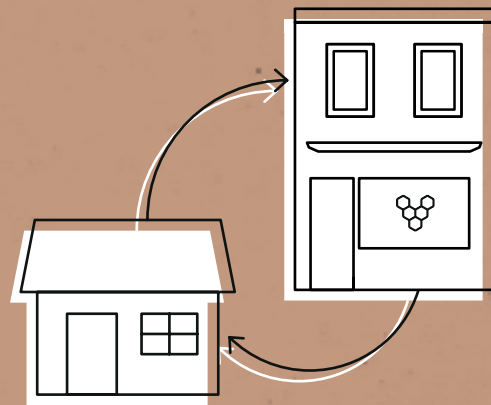
INTEGRATED IMPACT REPORTING

Monthly impact reporting is still a work in progress.



STOCK ISSUES

We haven't sorted out our stock issues for kids shoes yet – we keep having the wrong stock in the wrong season.



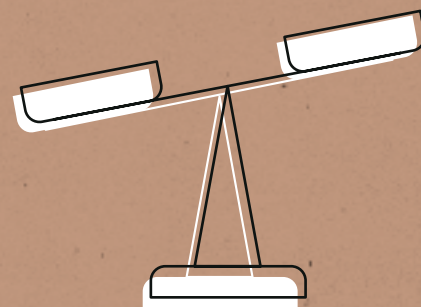
HYBRID WORKING

How do we increase connection, while adapting to the new normal? No seriously, does anyone know?



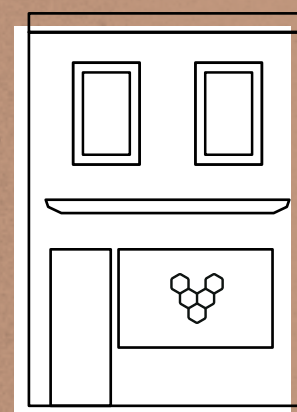
LEAD TIMES AND AIR FREIGHT

Lead times remain a massive challenge (mainly post factory).



TOO MUCH WORK

We're still struggling to manage workload within our team, and provide priorities and clarity.



VIVO HOMES

London and Nature home's very slow to progress.



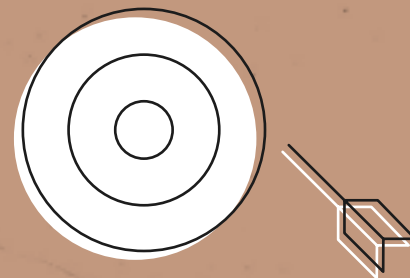
PRIMUS REPAIRS

We attempted Primus Light repairs through ReVivo. But the repairs didn't last and we disappointed a few customers.



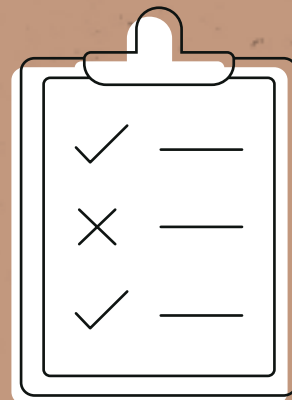
WOMEN'S FOOTWEAR

Product and marketing for women isn't hitting the mark.



PRODUCT GOALS

We had to backtrack on our 'Big Hairy Audacious Product Goals' from last year's report. But we want to strike the right balance between ambition and realistic targets.



VMATRIX SCORE

We didn't quite meet some of our VMatrix scoring goals. We'll keep working on it.

OUR 2021-22
FANTASTIC
FAILURES