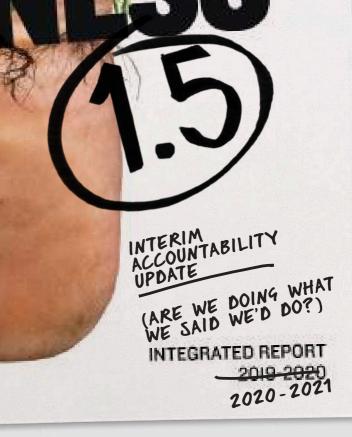
# FINANCIAL ACCOUNTS FINANCIAL ACCOUNTS COD DEDOD COT LET UN ANNUAL STATEMENT

Registered nomber (Harajon



2



# **"ITS CLEAR WE NEED** A GENERATION OF FEARLESS AND ACCOUNTABLE LEADERS WHO UNDERSTAND THA CAPITALISM IS A DAMAGED SYSTEN

JOHN ELKINGTON

CO-FOUNDERS & DIRECTORS Galahad Clark > CEO Asher Clark + CDO N A Beart [Chairman] L M Chen J E Roebuck (appointed 26 May 2020)

# **CO-FOUNDERS & DIRECTORS**

Galahad Clark → CEO Asher Clark → CDO N A Beart (Chairman) I. M Chen J E Roebuck (appointed 28 May 2020)

# THE ROUNDTABLE

Galahad Clark → CEO Asher Clark → CDO E Foster-Geering → Regeneration Director K Forster → Product M Arnold→ Finance Director P Walker → Commercial Director B Clark → Kids Director P Borthwick → Marketing Director J Good → Operations Director C Beyer → Company Secretary



Dear Vivobarefoot family,

still in lockdown.

It's been three months since we published our first integrated report - Unfinished Business - a huge team effort to try and put into words all of the work that Vivo is doing.

Most companies at this point in the financial year issue a separate interim report, and we've done that in the past too.

But we wanted to do things differently this year. We believe reporting should have continuity so that you can hold us accountable to what we've said and what we're doing. We want to set the bar high for radical transparency - warts and all - right across the company; this is about taking a stand against greenwashing, empty commitments, and ultimately, holding ourselves accountable to do what we said we would.

And the simplest, most direct way we can do this is by re-issuing our Unfinished Business Report as Version 1.5: updated in typical Vivo style.

What you'll find in this report are direct updates overlaid on top of our original commitments and statements. It's a simple as that,

You can dive straight in and quickly see these updates, or, for the full effect, you can read it alongside the original Unfinished Business.

What you won't find much of in this report are the new things we've got planned, the new ideas and programmes in the pipeline. We're saving those for the full End of Year Report. Likewise, if something is in progress but we don't yet have a clear sight of how things are working out, then it hasn't been updated. If we have something worth saying, we've said it here.

Naturally yours...

G and the brilliant Vivo family!

# At Vivo we don't make throwaway statements (in the same way that we don't make throwaway shoes).

This is our 'interim report' for the 6 months from July to December 2020 ... and we're

The further we go, the more we know and the more unfinished business we have ...

# UPDATE FROM OUR **ROUND TABLE**

# update FROM OUR FINANCE DIRECTOR

AND = HEALTHY BUSINESS

As the virus continues its relentless spread across our planet, it is clear that the most precious gift we have is our health, not our wealth.

wer to be part of the solu RAREFOOT SALES we a duty to update y

th sales of £34M, 30% are on a jou ed - but for r

but gone from strength to strength

1196 to E7.2M in the UK, 47% to the EU and 31% to £13.8M is o rest of the world

# "AS WE TRANSITION INTO A REGENERATIVE BUSINESS WE ARE ON A JOURNEY - A JOURNEY TO ENVIRONMENTAL AND SOCIAL VALUE IN THE

and marketplace pla 25% 10 E19.6M, with our

s up 174% to E1.6M

nety Just as we regrouped

vn, Covid-19 hit and the world

optimistic plan and as we sit he oday we are better placed that

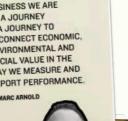
ten in 2016, we set at

et to reach £28M of sales

am pleased to say the



RECONNECT ECONOMIC,



times. The threats to our future (those coming shadows of recession, climate change and biodiversity collapse) no longer seem such an abstract reality. As we reflect on the first half of our financial

year in this report (28 June - 26 December 2020), it has never seemed more pertinent to recognise our impact within the global context.

The major, world-shifting

made it one of the most

challenging years of modern

events of 2020 have

unprecedented and

At Vivobarefoot our drive has always been the reality of the 'other' global health crisis. This reality, of its own pandemic proportions, is our increasingly sedentary, cushioned lives.

Which is why one of the most important things we have embraced in the past six months at Vivobarefoot is a deep embedding of regenerative leadership theory. Without reconnecting to this fundamental logic, we will be unable to navigate these challenges.

This update comes from leaders across Vivobarefoot's living system - as we learn to regularly practice this kind of integrated performance and impact reflection.

# How has Vivobarefoot performed as a business in the past 6 months:

The past six months have really been a tale of two halves. At the start of the pandemic we cancelled production not yet in progress to free up cash to pay operational costs including salaries. At the time we believed that, given the circumstances, at least in the UK, people would not be spending, and we would not need stock.

But, to our shock (and delight!) the people went outdoors! No longer restricted by office schedules and long commutes, an overwhelming tide turned to the great outdoors for their legal dose of fresh air and exercise - and Vivobarefoot became their supplier.

A victim of our own action, our only available 'shop windows' (our e-commerce platforms) were thus chronically understocked. An

issue not to be taken lightly given it is our only source of income as a selffunded business, and one compounded by issues in website platform migration which occurred at the same time.

But we survived. We moved stock around, kept a cool head and 'trusted the plan'. Customer happiness scores increased, and platform migration was successfully completed in December, solid foundations from which to grow our digital business.

As we weathered the storm, product and sourcing teams put their heads down to continue to clean up supply chains and engineer an even higher sense of consciousness into the regenerative design parameters we have set out to achieve.

We put our faith in each other and if we stumbled, we picked ourselves up, together. And we did so without sacrificing our values and beliefs. We thrived despite the circumstances selling 258,000 pairs of bare-footwear with roughly half of those sold through e-commerce.

Sales of £16m were £900K below this time last year, but this was driven by two things: I) continued closure of our London, Covent Garden store and 2) timing of sales through our distribution networks, both of which we fully expect to come back in line by year end.

Vivobarefoot is now more relevant than ever and today we should be proud we maintain our leadership position in both the barefoot and sustainable footwear markets.

# How healthy has the business been relative to the industry and the world around us:

Health has rarely been more front of mind. At Vivo, reconnecting people into nature and helping them to regain their natural ability is what we do every day. The way we've done this has changed - whether that be through the introduction of our Vivobarefoot Health Broadcast or the way we support our colleagues working remotely. But, the fundamentals remain: Footwear that allows people to reclaim their natural

strength, balance and mobility, which has been denied to them for too long.

Careful strategic planning over the years around the business, sustainability and the brand allowed Vivo to succeed in a period when sadly many others failed. We are encouraged by those that invested in sustainability, conscious consumerism and ultimately habits affected by the pandemic such as the simple luxury of being outdoors, who saw solid returns on these investments. Suddenly these concepts were coming from a deeper and material place of understanding rather than a form of marketing dark arts.

In comparison, Vivobarefoot has been talking about these issues for a long time, we've got feet in the game, and this was assimilated into the community, adding collaborative power to the launch of key products and marketing moments such as our Re(New) and improved campaign.

There is no doubt footwear has been a tough category - particularly online. But because we had already started building a resilient, profitable business that didn't just entertain the realities of our environmental and social impacts, but accounted for them as equally as the 'beans' we counted - we feel we are achieving that goal so far.

# "We haven't changed who we are, how we talk and what we offer – the world has changed around us to match our standards."

The world is changing around us, people are finally 'getting it' - we're not just reminding people of the problems we've created in the world, but we're clearly showing the part we play in the solution. The Livebarefoot Fund showed how the seeds we planted were already growing in the second half of the year.

# What were some of our biggest challenges and what did we learn from them:

By far and away our biggest challenge was not having footwear - we need footwear! Actually, we mainly needed 'more' Trackers as the world shifted from Hypebeast to hike beast! Turns out that the best cure for pent up anxiety from over-Zooming and sedentary slouching is a healthy dose of nature - good for business and, more importantly, good for the planet.

Hindsight is a wonderful thing - perhaps we shouldn't have cancelled OW5/6 in our COVID-induced haze but we had no idea what the world would look like in March. On balance, it probably forced us to trade better and reinforced our ideal that the pursuit of volume growth is not the best way to grow a business while also being a sustainable custodian of the Earth.

As we spoke about in Unfinished **Business**, rebalancing our global value chain, specifically with our manufacturing partners in Asia, remains a central challenge. A steady effort is being maintained to adjust our line more towards the active lifestyles and great outdoors while growing our partnerships in Ethiopia and Portugal, with a secondary relationship in Asia as we try to build more resilience into our supply chain and enhance production capacities.

Our third and no less important challenge was to survive (and thrive) without comprising on our values. We remain challenged by the need to focus resources, time and effort on core opportunities within an ambitious agenda and a diverse range of priorities But this is hard; we simply cannot be a business focused on regenerating the health of people and planet with a team that works unhealthy hours in degenerative conditions.

Maintaining and engraining culture whilst expanding teams remains a challenge we will need to continue to create innovative solutions for. With such a large part of our DNA torn away from us in our Livebarefoot wildernessbased events, we are even more determined to bring these back with renewed purpose and vigour in 2021/22.

As the world opens up once more, we will emerge in a stronger position than we have ever been with our heart and minds open - to live and walk on this earth barefoot and free. We want as many people as possible to join us.

# What were some of our biggest achievements or favourite moments:

At Vivobarefoot we believe success is good, but failure is better. We should embrace and celebrate failure as it gives us the best lesson on how to make things better. That being said - there are a few moments worth mentioning:

- I. We managed to not take part in Black Friday – when the rest of the world was piling high and selling it cheap, we put our focus on the extraordinary REVIVO programme - giving people the chance to invest in a pair of reconditioned Vivos, making sure they stay on feet and out of landfill longer.
- 2. We made our Barefoot Code even better, with new tools to help embed it within the company . The Code aligns to good practice in the B Corporation community and the tool has been a huge help onboarding our new teams.
- 3. We launched our (re)new and improved footwear initiative - our continuous improvement program. It looks at how we make things, what we make them from and how we can make them better . It is a first humble step, with simplification and transparency as key motivators, consolidating our supply chain and improving the average V-Matrix score of our products from 46% 2020 to 50% 2021, with a target of 60% in 2022.

We still have a 'long way to go' but our aim is to connect each part of the initiative with where we are on

the journey of normal (business as usual), to supernatural (regenerative business as unusual). From Rubbish (reducing to landfill), to Repair & Recycled (REVIVO, reducing and EOL solutions), to the promised land of Regenerative footwear (net positive circularity).

4. Also, the launch of our first ever integrated annual report really solidified our commitment to becoming a regenerative business and set the standard for our efforts to come.

# Looking forward - What is coming next...

After a long period of reflection and consolidation on the product front, we are excited to see lots of new foot shaped footwear, services and experiences baking for 2022.

Pausing production last year has meant we could recalibrate our productcreation process in line with our V-matrix (which will launch to industry in 2021) ensuring that everything we make is fit for feet, people and planet.

On the right path now, we will continue to invest in a bigger and more agile product team with more market focused expertise in the outdoor and active sectors.

Our new white label e-commerce solution is being rolled out in Canada, Japan and Australia. This will continue to expand our global reach, supported by strong, new brand guidelines. We'll talk more about this in our EOY 2021 report, we're excited to share the details on it.

REVIVO will continue to scale, with new resources and circular design practices we'll see the percentage of products we can repair and restore exponentially increase.

Driving these projects forward helps us achieve a healthy balance between the operational control and space for creative innovation that will take us to

50m revenue and beyond. Optimistically hoping to beat our forecasts as we arise from a long period of low stock.

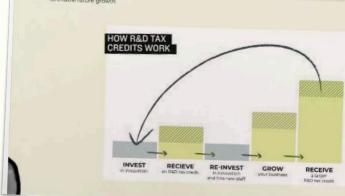
As the world goes in digital overdrive we are also going feet first into the brave new world of 'healthy digital'. Zeroing in on a disruptive, but distinctly humancentric digital roadmap that involves exciting partnerships and product innovations. These will unleash valuable tools to take us closer to our goal of making perfect footwear, while also delivering an enhanced barefoot journey and healthy lifestyles broadcasts and using marketing to inspire more mindful offline experiences.

Finally, Big Shoe is still out there, designing over-complicated shoeshaped sneakers (packed with fancy under-foot technology) that supports, cushions and overprotects feet into weakness, leaving them bent out of shape and functionally compromised, while also trashing the planet.

But as more and more people lean into nature and recalibrate their lifestyles towards health and sustainability - our mission to 'create regenerative footwear and experiences to reconnect people into the natural world' has never felt more important. More than ever we plan on staying true to our first principle to only bring products to the world that truly answer important ethical and environment questions - to regenerate and restore our feet, our health and inspire us to enjoy and care for the natural world around us.

We'd be foolish to assume this is the last pandemic - as a business we remain cautious and risk aware, building on good work to become more resilient, with better value flows and self-funded independence for long term impact.





**VIVOBAREFOOT IS** ON A MISSION TO RECONNECT PEOPL AND PLANET BY MAKING FOOTWEAF AND EXPERIENCES THAT ARE **REGENERATIVE TO** HUMAN MOVEMENT AND PLANETARY HEALTH. IT STARTS WITH YOUR FEET.

WE ARE VIVOBAREFOOT

# INTRODUCTION

Our plan is to evolve into a regenerative business; interconnecting economic, environmental and social values.

For Vivobarefoot, being a regenerative business means creating a net positive impact on people and the planet through our company, our products and services, our employees and our value chain. We exist to add value, not extract it.

## WHAT DOES THIS MEAN IN PRACTICAL TERMS?

This year we became a certified B Corporation. We entered the community with a score of 98.8. As well as using this process to identify internal opportunities for growth, and setting in motion new ways of thinking, it highlights the importance of transformation from the top resulting in changes to our governance structures, management systems and legal accountability.

These changes are being embedded throughout our workplace and most importantly, our culture. Our employees are our family. Our Happiness Index and our Diversity and Pay Equity research showed there were many areas we could improve on to reach our goal of continuously improving the health and well-being of our employees.

**"THIS IS JUST THE** FIRST STEP IN A JOURNEY OF INCREASING THE TRANSPARENCY OF OUR ENVIRONMENTAL AND SOCIAL IMPACT AS CORE COMPONENTS OF OUR BUSINESS PERFORMANCE"

Our response to Covid-19 was an opportunity for us to ensure we were providing the right support, from mental health training to helping with the costs of working remotely.

In 2019 we began the hard work of looking at our product, asking ourselves what we needed to do to make footwear with a net positive impact. Our footwear is already designed to support human health and weilbeing; now we've set a goal for 100% of the materials used in our footwear to be regenerative by 2021. This isn't just about making smart choices for better materials. It requires completely rethinking our design process and how we as product performance in relation to impacts.

Regenerative manufacturing is our next challenge. The footwear industry is characterised by exploitative manufacturing, often poor labour conditions, and a lack of transparency and visibility into the extended value chain. We're starting to think about net positive manufacturing and what this could mean practically for our suppliers by working with academics and experts. At the same time, we need to better understand our current value chain and what our current risks and impact are. Our cross-department team, V-4 WE'RE ADDRESSING THIS THROUGH OUR VHUBS PROGRAMME. READ MORE ON P20

stakeholders --- as well as our plane --- the best chance we can

# OUR FIRST INTEGRATED REPORT

This first integrated financial and non-financial report is an attempt to reflect our full values and impact to our customers, shareholders, investors and stakeholders for the past fiscal year (2019/2020). We're approaching this report with a dash of excitement but also a huge dose of humility. This is just the first step in a journey of increasing the transparency of our environmental and social impact as core components of our business performance.

WE'RE STILL WORKING ON THIS, AND WE DON'T THINK WE'LL GET TO 100% REGENERATIVE MATERIALS FOR A WHILE YET - IT WILL PROBABLY BE MORE LIKE 2023 THAN 2021. WE SET THIS GOAL AND THEN REALISED THINGS WERE GOING TO BE MORE CHALLENGING THAN WE'D ANTICIPATED. FOR 2021, OUR SUPPLIERS HAVE BEEN SOURCING THE MOST SUSTAINABLE MATERIALS AVAILABLE AND OUR NEXT STEP, ONCE WE'RE ABLE TO TRAVEL AGAIN, IS TO VALIDATE 100% THAT THESE MATERIALS ARE INDEED JUST THAT. THIS IS DEFINITELY A STEP IN THE RIGHT - REGENERATIVE - DIRECTION. IN SOME CASES, SUCH AS OUR AFRICA WILD HIDES, WE HAVE MORE CONFIDENCE THAT THESE MATERIALS GO BEYOND SUSTAINABLE AND MEET REGENERATIVE INDICATORS. WE LAUNCHED OUR VMATRIX TOOL IN 2021 TO HELP US UNDERSTAND AND ASSESS THE ENVIRONMENTAL AND SOCIAL IMPACTS OF THE MATERIALS WE ARE USING ACROSS OUR PRODUCT RANGE, AND THE FACILITIES THAT PRODUCE THEM.

SEE P16 FOR MORE INFORMATION.

**CIVIC ENGAGEMENT** AND GIVING In 2019-20 we set the goal that 1.5% of sales would go directly into social and environmental programmes. We hit the 1.5% mark as of January 2021.

## % PARTICIPATION IN EMPLOYEE OWNERSHIP

14

WHERE WE SCORED WELL

HE KEY AREAS WE NEED TO IMPROVE

pplier ownership diversity

6 of products with an e

The B Gorp certification process has helped us put

CAN JEOPARDIZE LIVES

ALS.. THEY CAN ALSO

SOCIETIES, AT RISK"

trong strategic plans and

THIS REQUIRES LONG-TERM CHANGE. WE WON'T HAVE ANY CHANGE ON THIS METRIC IN 2021, BUT WE ARE WORKING ON IT.

## HEALTH AND SAFETY PROCESSES

WE WILL WORK ON UPDATING OUR H&S POLICY TO COVER HEAD OFFICE AND RETAIL IN 2021.

# SUPPLIER OWNERSHIP DIVERSITY

SUPPLIER OWNERSHIP DIVERSITY REFERS TO THE NUMBER OF BUSINESSES OPERATED BY AN INDIVIDUAL OR GROUP THAT IS PART OF A TRADITIONALLY UNDERREPRESENTED OR UNDERSERVED GROUP. METRICS ON OWNERSHIP AND DIVERSITY ARE NOW INCLUDED WITHIN OUR BEST PRACTICE TOOL FOR SUPPLIERS. THESE HAVE BEEN COMPLETED BY OUR SUPPLIERS IN ETHIOPIA AND PORTUGAL, AND WILL COVER MORE SUPPLIERS AS WE ROLL OUT THE TOOL THROUGH CLEANCHAIN.

# MONITORING AND REDUCING GREENHOUSE GAS EMISSIONS

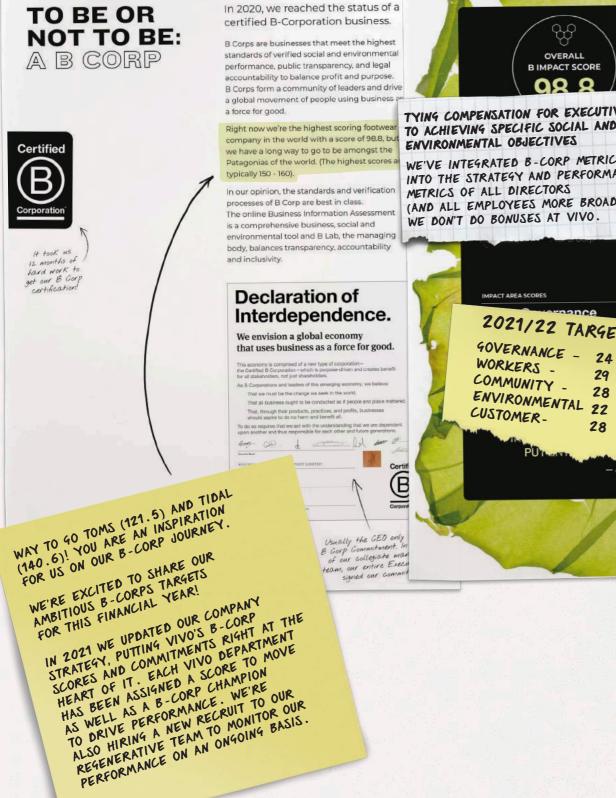
WE ARE APPOINTING AN INDEPENDENT EXPERT IN MID-2021 TO WORK WITH US AND OUR SUPPLIERS TO IDENTIFY OUR SCOPE 1, 2, 3 EMISSIONS AND ESTABLISH BASELINES FROM 2019-2020.

# IMPACTFUL BANKING SERVICES

WE'RE WORKING WITH OUR BANKING PARTNER TO ASSESS THEIR CERTIFIED SUSTAINABLE PRODUCT SUITE AND WHETHER IT MEET OUR NEEDS. MORE TO FOLLOW!

### SUPPLY CHAIN WATER. WASTE AND BIODIVERSITY MANAGEMENT

THROUGH CLEANCHAIN WE'VE COLLECTED WATER AND ENERGY DATA WITH PITTARDS IN ETHIOPIA. HELPING US TO MOVE CLOSER TO OUR TARGETS BY MEASURING OUR SCOPE 1, 2 AND 3 IMPACTS.



6

13 HEALTHY BRAND = HEALTHY BUSINESS

TYING COMPENSATION FOR EXECUTIVES TO ACHIEVING SPECIFIC SOCIAL AND

WE'VE INTEGRATED B-CORP METRICS INTO THE STRATEGY AND PERFORMANCE (AND ALL EMPLOYEES MORE BROADLY).

# 2021/22 TARGETS

ENVIRONMENTAL 22 28

- JOHN ELKINGTON

# **EMPLOYEE HAPPINESS AND SATISFACTION,** INITIATIVES TO INCREASE WAGES AND BENEFITS

Our People Team and Senior Leadership Team have been working hard to address employee engagement and development. We launched "Employee voice" - a fully anonymous tool - to seek feedback from our employees on what is and is not working. Uptake was slow at first, and we're working on integrating it more into the business, and, more importantly, how we can use the feedback we receive effectively. Comments are reviewed by the Vpeeps team and challenges are handled by the executive team.

We've provided 2 days that can be used for volunteering or well-being and recently upped that to 4 in response to changing needs and COVID-19 restrictions so that our teams can use the days to focus on themselves and their wellbeing.

See PI2 for our updated results on the Happiness Index and how we're trying to improve.

# SPENDING ON LOCAL SUPPLIERS

Working with local and regional suppliers is something we're committed to - it helps to build and ensure added value remains in the producer country rather than simply extracting value, as so many supply chains do. One way we're trying to do this is by scaling up our partnership with our cotton supplier of natural canvas in Ethiopia so that we are sourcing more cotton grown in Ethiopia. This cotton is dyed using natural minerals and plant materials. Pittards are also reintroducing packaging from Kenya to replace packaging previously sourced from China.

# SUPPLY CHAIN MANAGEMENT AND DISCLOSURE

We've rolled out Clean Chain in Ethiopia and we'll soon be rolling it out in Portugal 2021. We would have liked to have done more here, but we're limited by lockdown; current restrictions mean all supplier visits have been put on hold. We've aimed to fill this gap by using desk-based assessments (where we collect feedback and data from the factory and assess it), using independent, local auditors where available, as well as meeting our suppliers for virtual conferences. We're aiming to publish the interactive map of our tier I and tier 2 suppliers on our website by the end of 2021.

# % OF PRODUCTS WITH AN ENVIRONMENTAL FOOTPRINT ASSESSMENT

We're at the beginning stages of setting up pilot programmes to assess the feasibility and integration of regenerative agriculture principles into the production and processing of our key raw materials. We're starting with wild hide this year in our Ethiopian value chain. In order to better understand which monitoring and verification tools and metrics we should use we are exploring new industry standards such as The Regenerative Organic Certification and The Savoury Institute's Ecological Outcome Verification - Land to Market programme. In the future we expect this approach, especially when combined with CleanChain, will help us measure and monitor impacts for each of our products across our range.

We believe that healthy soils produce healthy products. To get healthy soil, we need regenerative practices such as:

- Crop rotation
- Rotational grazing
- · Silvopasture The practice of combining forestry and grazing of animals in a mutually beneficial way
- Organic fertilisation

17 HEALTHY BRAND = HEALTHY BUSINESS

HOW TO BUILD AN **IMPACT FRAMEWORK** AS A SMALL BUSINESS

principles and indicators.

we checked in together to

ensure these thematic areas

and aligning these themes

with the Vivobarefoot DNA.

the respective departments

that would be responsible

3. Incorporating feedback from

team and the respective

set the final benchmark

departments to agree and

indicators, and launch the

future strategy. Including

the Vivobarefoot leadership

for progress.

In September 2019 we worked with strategic experts to build an IMPACT framework and our 2020-23 Strategy.

This is the process we took

1. Consolidation of 500+ reporting principles and indicators (B Corp. HICG BRM. AA1000, ZDHC, GRIJ, Using B Corp as the 'core' and wrapping the other benchmarks around it accordingly. Aside from B Corp the benchmarks were mainly designed for use by large multinationals and some of them were adapted to make them more relevant to a SME.

#### 2. Rationalisation into thematic During the process we: areas. Creation of master

(i) Aimed to inspire and ignite by providing example 'pioneer' Carried out through 2 in person options for each thematic area. workshops immersed in nature Employing the principle that in meeting the framework. Vivobarefoot ensures excellence make sense from a Vivobarefect (Adidas is our go-to example company culture perspective / here) but changemakers and company structure perspective pioneers (Patagonia is our go-to example here) leapfrog to create a new standard of excellence. Assigning responsibilities within

(iii) included 'sprint' process Examples such as the ReVivo project have been really successful hars.

(iii) kept in mind a longerterm ambition to make the framework transparent and open source for other companies to use and adapt.

sessions for internal teams on the framework and providing some training / capacity building on the concepts we're reporting against to build knowledge, internalise the framework, and ensure it feels part of the corporate culture.

School of Life guiden us through scorts on Decumenters Leadersty

THIS IS THE JOURNEY WE'RE ON.

OUR NEW REGENERATIVE STRATEGY: THIS IS OUR JOURNEY MOVING FROM THE CUSHIONED SEDENTARY WORLD WE CURRENTLY LIVE IN, TO THE NORTH STAR WE ARE AIMING FOR, WHERE WE ARE RECONNECTED TO THE NATURAL WORLD.

THE BACKGROUND IS THE INSIGHT, VALUES AND OUR WHY, HOW AND WHAT. THE DRIVING FORCE BEHIND THE BUSINESS, OUR VISION.

THE MIDDLE GROUND IS OUR FOCUS FOR THIS FINANCIAL YEAR; 35% CONTRIBUTION, DIGITAL ECOSYSTEM AND RE-WILDING PEOPLE AND OUR RANGE.

THE FOREGROUND IS THE DETAIL, THE NITTY GRITTY. DEPARTMENTAL FOCUSES LADDERING INTO THE COMPANYWIDE FOCUS WITH SPECIFIC METRICS TO HELP GUIDE US ALONG THE JOURNEY AND ENSURE WE CAN MEASURE OUR SUCCESSES AND FAILURES ALONG THE WAY .....

# Photo La **HEALTHY COMMUNITY**

2021 FBC85

本市る

BURD RESIDENCE

DISTRICT BOOSTSTEP

RE-WILLIAMS

Rt. Parking

A time that they

1010 30

10.74

Activity A

120220-0000-000

1001010-005

MAT.

NUMBER OF TAXABLE PARTY. NUMBER OF TAXABLE

COLUMN AND ADDRESS

APRIL

BACKGROUNE

MIDDLEGROUND

FOREGROUND

If it is not the address of the local state of the by Viscoly and Internation

 $\hat{\mu}_{\mu}$ 

# **HEALTHY FOOT-WEAR**

AND DE DESCRIPTION OF

Constant of the

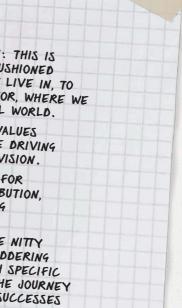
state and the law

- A shares I'll start 100.000 and support of the set
- Longith 5 houses measured in an excession over ALC: NOT THE OWNER

· A supramour near strain Announce and An COMPANY IN COLUMN

B.J. Died Street of 2.2

经基本期期 网络



7



# THE NEW HORAL NATURAL NATURAL

24 HEALTHY BRAND = HEALTHY BUSINESS

"THE GLOBAL PANDEMIC IS FORCING US TO ACT AND WE ARE NOW IN CRISIS MANAGEMENT AND MITIGATION — CHANGE IS AN INEVITABLE PART OF LIFE, LET'S USE IT TO CATALYSE CREATIVITY AND BRING FRESH OPEN-MINDED ENERGY TO OUR MISSION."

- GALAHAD CLARK, WEEK I OF LOCKDOWN

We are acutely aware of the impact that Covid-19 has had on those who have lost loved ones, those who have lost income and on the mental health of the collective world.

**OUR RESPONS** 

TO COVID-19

Calling 2020 challenging is an understatement and we recognise that the crisis is not yet over. But, as in any crisis there is also opportunity to strengthen community and build creative solutions to unprecedented problems. We are proud to have built an agile culture that embraces change and is not afraid to take risks — allowing us to continue to grow and prosper even in the most difficult of circumstances.

#### WITH OUR EMPLOYEES

Our first priority was to keep every team member as safe as possible. That meant full flexibility to work from home for our HQ team, amping up technological solutions, halting all international travel and the closure of our Covent Garden store. We put in place new ways of working and new measures to support our team including:

- · Training qualified mental health first aiders
- Holding weekly interactive company-wide updates with the CEO
- Providing everyone with £300 to set up their home office
- Providing payments toward home energy and resource bills
- · Holding virtual and socially distanced events

Employee Voice, an anonymous feedback service, has helped us stay close to what needs improvement in how we operate as a team. Pressure around workloads and working hours continues to be something we need to better address. We are addressing this by:

- Full flexibility over working hours and conditions
- Enforced time for meeting-free hours
- Initiatives to encourage working outside in nature Review of strategic priorities and projects
- Unlocked budget for support going into the new year

We worked extremely hard to minimise the impact and We worked extremely hard to minimise the impact and in the end we had a simple choice of salary reductions versus number of furloughed colleagues. We tried to strike a balance and keep as many of the team together by taking a 10% salary reduction across the company relevant to individual salaries, with minimum furloughs. During Covid-19 lockdown we did not make any redundancies, however post lockdown we have made 9 redundancies due to a business wide restructure, 4 from Marketing, 4 from Retail and 1 from Operations.

# We're on course.

- Full flexibility over working hours and conditions = Yes, we're doing this!
- Initiatives to encourage working outside in nature
  Yes, we're on this! We're encouraging people to have meetings on the go.
- Unlocked budget for support going into the new year = Vivo staff now have a wellbeing allowance to buy outdoor clothing to brave the elements and for experiences that will improve their wellbeing.
- Review of strategic priorities and projects = It's not sustainable for everyone to be driving full tilt at all times. An important part of the regenerative journey is embracing nature's rhythms.

Winter - reflection, looking back, grounding, sensing.

Spring - prioritising, planning, adapting.

Summer - Go time! Responding, create, live, do, be!

Autumn - Assessing, reviewing.

With this seasonal nature in mind we've asked each department to build these seasons into their project workplans.

HOWEVER, we're not getting to the heart of it yet. We're hearing from employees that they do feel more heard and included, but that workload remains a problem. We don't have the full solution yet, but we know we need to find it, or, more likely, the many solutions. Changing workload requires both a practical project/priority shift as well as a cultural shift.

# **COVID and Our Supply Chain**

The impacts of COVID-19 are still being felt in global supply chains, and we're aware that many workers continue to find themselves without work, or working in precarious conditions.

We've been able to maintain orders throughout. There were some inevitable production delays due to COVID-19 and the closure of our US depot which meant we had a difficult decision to make. We only use air freight in extreme and isolated cases and the reality was that this was one of those cases; we had to switch some stock from sea and land to air. In total, we used air freight for 24,000 units.

This meant we added a big carbon footprint to our shoes. At the time, for us and our suppliers, this was a preferable course of action to asking factories and workers to increase their production time to get shoes made faster. This could have pushed workers into overtime patterns we wanted to avoid creating increased COVID-19 health risks which we were all working hard to mitigate.

All other stock was delivered by sea and land, there were still delays and a lot of customers told us they were unhappy about this. We have to take all of these factors into consideration, and we do this by speaking to our suppliers, finding out what the impacts are and then making the best decision possible for future planning.

We have kept our payment terms flexible and based on the needs of suppliers where we can. In Portugal and Ethiopia for example, suppliers told us that they would struggle if we moved to a 30 day payment cycle, so we've delayed this until Spring 2021, and are providing cash flow support by paying for some materials upfront.

# 26 HEALTHY BRAND = HEALTHY BUSINESS

# WITH OUR INTERNATIONAL PARTNERS

Vivobarefoot has 40 international distributor partners around the world, 10 of which are primary partners. Where most brands reduced retainers during Covid-19, we reaffirmed them and in some areas we doubled down on them.

We allowed partners to cancel out of their orders (that weren't placed in the factory yet). We gave them breathing room, extended discount and payment terms, where appropriate, and as a result none went out of business.

As we were able to use the time to improve efficiencies via commercial partners, the greatest outcome was by far new relationships we were able to bring online in Japan and Canada.

In regards to digital partners, our immediate response was to pause contracts, but it only took us a week to take stock, get back on track and reinstate investment in scaling our digital projects.

"WE DON'T KNOW WHEN THE WORLD WILL RETURN TO NORMALITY, OR IF IT EVER WILL - BUT WE ARE DETERMINED TO BE PART OF THE SOLUTION.

- PHIL BORTHWICK. MARKETING DIRECTOR

# WITH OUR SUPPLIERS

We did not cancel any orders that left suppliers with product or material liabilities. Any orders that were delayed have been reinstated once we had cash to do so.

We did have to extend our payment terms — but this was not due to cashflow issues but due to delayed product shipments from suppliers. In these cases, payment terms were extended to a maximum of 100 days with an average of 55 - 60 days. This is compared with our normal terms of 17-18 days.

There were some factory closures, although we are happy that there were no reported outbreaks. We don't have detailed information on any workers losing their jobs or having had their hours reduced as a result.

Not being able to visit suppliers continues to be challenging, face-to-face communication being something we really relied on for relationship building and compliance cheks in the past. Although we hold weekly meetings with our suppliers, not being able to travel means we have not been able to assess first hand conditions for workers.

In 2019 we moved our core production from China to Vietnam. 90% of our production was placed through the agent ShoeFabrik, based in Ho Chi Minh, Vietnam.

ShoeFabrik has over 250 employees and a revenue four times that of Vivobarefoot, so our relationship during Covid has been tricky, particularly in regards to cash flow and transparency. In usual circumstances we would make regular visits to collaborate with them and visit the production sites, but due to Covid-19 restrictions this face to face relationship with our factories has not been possible which has highlighted our need to ensure our supply chain is balanced.

In Ethiopia and Portugal it has been tricky for other reasons as it was not sustainable to increase capacity in either region to cope with demand. New working conditions also were required to ensure workers' health was protected.

We unsurprisingly had to pay surcharges for safety and general cost increases and reduced availability of vessels etc. Using less air freight meant that we were able to reduce cost and greenhouse gas emissions impact.

# WITH OUR CUSTOMERS

We have worked closely with both the warehouses and our shipping partners on how the restrictions have affected our delivery services while ensuring the safety of those shipping our goods. We have had to make changes to protect our employees, and in some cases these have increased delays. For example, we've implemented new working practices in warehouses due to social distancing requirements. This has reduced the amount of staff able to work and thus fewer orders can be dispatched. Our couriers and returns have also experienced delays as those networks also take measures to protect employees.

As we navigate this context and try to meet our customer needs and protect our workforce, we will continue to prioritise communication with our customers. We've launched FAQs on our website specifically related to Covid and what it means for them and their favourite Vivobarefoot products.

We also donated 1K pairs of footwear for charity, raising around £77K alongside other sponsors for a Covid support fund.

Our plans to scale our experiential service offering saw us quickly mobilise to deliver the Vivobarefoot Health Broadcast, reaching over 6.5 million people around the world with healthy lifestyle, foot focused content.

VivoKids hosted outdoor education and wilderness projects and inspirations by @wild\_human\_bushcraft. Regularly running competitions for giveaways which promoted creativity and spending time in the outdoors.



Getting low down known as a DEEP way to measure th ange of movemen for us humans.

Did you know that our natural resting nd even pooping ave been doin

IN OCTOBER-DECEMBER 2020 WE TESTED THE WATERS BY ASKING OUR CUSTOMERS TO SEND US BACK THEIR OLD PAIRS OF VIVOS TO REFURBISH, AND, AS A THANK YOU, WE OFFERED THEM THE OPTION TO HAVE EITHER A 20% DISCOUNT FOR SOME NEW VIVOBAREFOOT SHOES OR A DONATION OF \$10 TO THE LIVEBAREFOOT FOUNDATION. IN JUST TWO MONTHS 1258 PAIRS OF SHOES WERE SENT TO US FOR REFURB, AND WE DONATED \$2,690 TO THE FOUNDATION. COUPLED WITH THE ADDITIONAL CUSTOMER ANALYSIS WE DID, WE NOW KNOW THAT REGENERATIVE INITIATIVES LIKE THIS ARE WANTED, NEEDED, AND CAN WORK IF DONE WELL. WE HAD SOME GOOD LEARNINGS FROM THIS THAT WE NEED TO WORK ON, SUCH AS CUSTOMERS BEING PREVENTED FROM PARTICIPATING DUE TO THE COST OF SENDING SHOES BACK.

27 HEALTHY BRAND = HEALTHY BUSINESS

# MY:VIVO

#### BY PAUL WALKER COMMERCIAL DIRECTOR

To build on our strong commercial performance over the past years, we must continue to innovate to serve our communities better, increasing accessibility and awareness of our products, services, and mission.

## **WE MUST INNOVATE** IN COLLABORATION WITH OUR CROWD -ENGAGING, ENABLING, AND EMPOWERING THEM TO HELP US GROW.

2019-20 was a foundationbuilding year as we built the core infrastructure that our future Innovations will be built upon. making significant progress with our Netsuite ERP, building towards sustainability, availability and ecommerce platform migration to Magento 2.0 Cloud, launching Revivo.com and development of our afficiencies driving forward triple data and analytics platform.

MyVivo is our design philosophy and framework, to support the future development of a customerfacing eco-system of interconnected connecting communities. We digital services and technologies. MyVivo is inclusive of enhanced CRM, our communities can be used Eve expert customer interactions, omnichannel system integrations and functionalities, health and education programs and much more, all designed and built around 'humane-tech' principles to expedite and enhance customers online experiences responsibly, enabling them to reconnect with nature

To complement our existing commercial offering, we are exploring new commercial solutions to best match increasing customer expectations around efficient supply chains, enhancing our commercial and operational bottom line performance.

We draw inspiration from the platform revolution', where businesses create value by are developing strategies where as innovation partners and value creators, with several options being explored This could manifest itself as a Health and Education platform, connecting our network of customers with a network of approved health and education providers.

Alternatively, working towards alternate design and production methods through crowdsourced design and distributed local printing of 3D footwear.

Or, building on our Reviva p and relationship with The Boot Repair Company to manade itemate commercial models such as rentals, subscriptions and rade-ins. Watch this spacel



WE INCREASED OUR INVESTMENT IN INVENTORY IN 2021 BUT THE DELAYS DUE TO COVID-19 ARE STILL BEING FELT WITH SOME STOCK BEING UP TO SIX WEEKS DELAYED IN REACHING CUSTOMERS AND OUR STORES. OUR NEW SYSTEMS AND TOOLS MEAN THAT FROM WINTER 2021 WE WILL BE IN A BETTER POSITION TO INVEST IN MORE INVENTORY TO SUPPORT THE SALES PLAN.

WE HAVE TRANSLATED OUR RECENT CAMPAIGN INTO CZECH, GERMAN, SLOVAK AND JAPANESE LANGUAGES, AND LOOKING TO CONTINUE TO ACCOMMODATE LOCALISED CREATIVE ASSETS.

Our commercial visions extend to our international partnerships. Regional distribution partners will use our ecommerce infrastructure to ensure coordinated aesthetics, promotions, and experiences. enhancing our understanding of customer interactions internationally and facilitating cross border and channel interactions. We are exploring ways to manage nventory better, to increase the availability of our product across regions and reduce combined cash-flow requirements. Marketing efforts will be globally aligned and better centrally coordinated, with necessary regional variances, to protect and enhance the brand identity and equity.

To enable this emphasis on innovation, our technology team will be positioned as a central nction of the organisation.

It will grow to support the increased number and quality of projects we plan on undertaking with inhouse expertise across project. management, development, quality assurance, user experience and customer service. We will also look to roll out the 'Vivo-fied' agile ways of work currently in use to land tech projects throughout the business, ensuring we all operate in the same way.

Through all this, we will increasingly seek to disrupt and agitate the status quo, doing things the Vivo-way. I openly invite you all to contribute your ideas and work with us to grow.

Paul Walker oversees' Vhokorefoot's Commercial, Merchandiling and IT/ Digital departments. An early sceptic of vivo's more spiritual sustainability journey, he has been one of the munt comprisable transform stories from the past year





PIPELINE BUSINESS -> PLATFORM BUSINESS INTERNAL VALUE CREATION -> EXTERNAL VALUE CREATION VERTICAL FUNCTIONS -> HORIZONTALLY ORGANISED HIERARCHY & BUREAUCRACY -> AGILE INNOVATION & DEVELOPMENT

OFFLINE EXPERIENCES

TRAINING CUNIC SESSIONS BOUCHT AT NEAL ST

FY 2019-20 Sessions sold: 43 Revenue: £3,320

TRAINING CLINIC SESSIONS BOUCHT ONLINE EV 2019-20

Sessions sold: 256 Revenue: 621352



WE COMPLETED PHASE 1, WHICH WAS TO IDENTIFY SHORT / MEDIUM/ LONG-TERM RECOMMENDATIONS TO IMPROVE OUR WAYS OF WORKING. PHASE 1 HELPED US REALISE THAT THERE IS AN OVERWHELMING AMOUNT OF 'WORK IN PROGRESS' BEING UNDERTAKEN. AS OUR COMPANY MATURES AND GROWS, WE NEED THAT GROWTH TO BE AT A SUSTAINABLE PACE.

IN PHASE 2, WE ARE ESTABLISHING PILOT TEAMS FOR EXPERT COACHING TO HELP US IMPLEMENT THE PHASE 1 RECOMMENDATIONS WITHIN THE BUSINESS. PHASE 2 HAS TO BE ABOUT HELPING US STREAMLINE OUR PROCESSES TO FREE UP CAPACITY TO ENABLE OUR PEOPLE TO INVEST THEIR TEAM AND RESOURCES TO INNOVATION AND GROWTH.



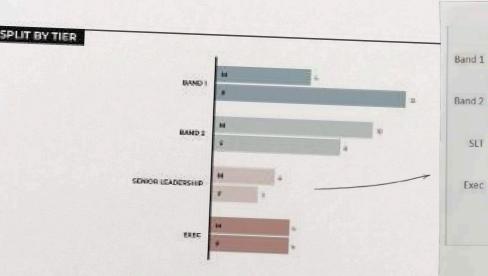
# VIVOBAREFOOT ECOSYSTEM

OUR PAY GAP BETWEEN MEN AND WOMEN IN BANDS 1, 2 AND SENIOR LEADERSHIP TEAM IS STILL BELOW THE UK AVERAGE PAY GAP AND IS WEIGHTED TOWARDS FEMALES. WE'RE HAPPY WITH THESE RESULTS.

OUR PAY GAP FOR FEMALE MEMBERS OF EXEC IS STILL HIGHER THAN THE UK AVERAGE. WE'RE TRYING TO TACKLE THIS FIRST THROUGH OUR RECRUITMENT PROCESS BY CONSCIOUSLY CHOOSING A MORE DIVERSE SELECTION OF CANDIDATES TO INTERVIEW. WE OBVIOUSLY STILL HAVE WORK TO DO TO DECREASE THIS GAP!

ARCA





# THE HAPPINESS INDEX

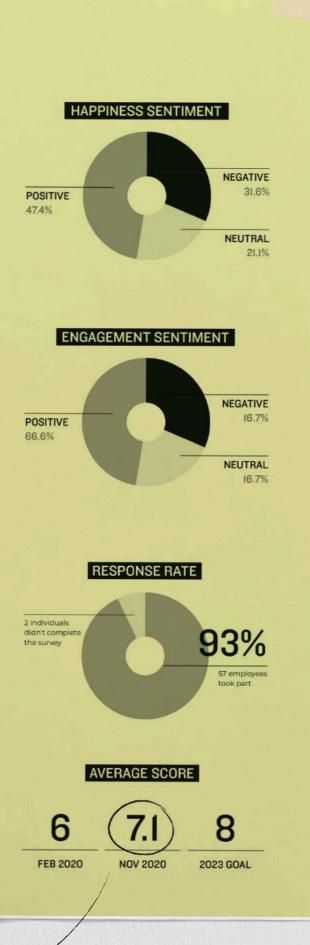
In 2020 we launched our partnership with The Happiness Index to establish a process of monitoring employee wellbeing and satisfaction.

The Index is based on surveys carried out across all of our employees including operations, commercial, marketing, retail and finance. Our first score was 6 out of 10, showing us that we have room to improve in establishing a healthy, happy workplace. After implementing some key measures, we took a follow-up survey in November 2020. Our second score was 7.1 out of 10.

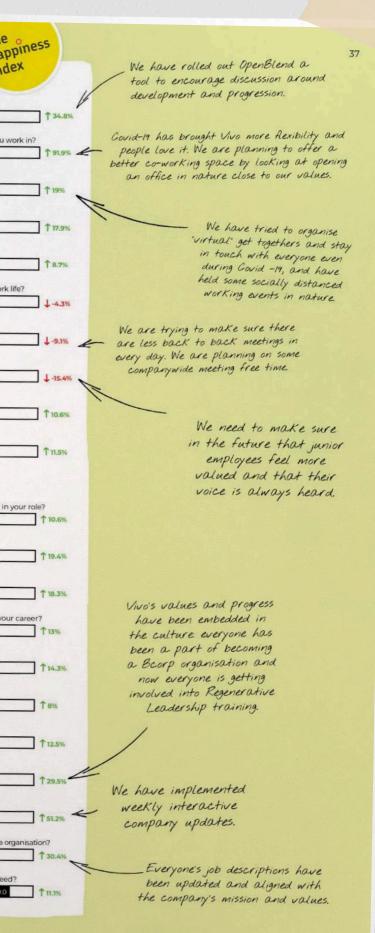
Our goal is to continually increase the score to a minimum of 8 out of 10 by 2023.

- We only carried out an abridged happiness index in 2021, but we're happy to see movement in the right direction.
- How satisfied are you with the amount of training on offer? = 7.1, We've provided a £1k personal professional development allowance to all employees
- How able are you to manage your workload? = 7.0, Our new no meetings Friday has received really great feedback!
- How much do you feel your opinions are listened to? = 7.2
- How much do you feel valued as an individual? = 7.3
- We've rolled out Employee Voice so that people can raise concerns and praise the work of others! See P13.
- How inspired are you by your organisation? = 8.1
- How likely are you to recommend Vivobarefoot to a friend or relative as a place to work? = 7.8 NEW in 2021!

**UPDATE TO SURVEY** AVERAGE SCORE =



	The second s
۲	APPINESS
н	ow satisfied are you with the training on offer?
н	ow satisfied are you with the physical environment y
н	ow positive are your relationships at work? 7.5
н	ow much do you trust your organisation? 6.6
H	ow much do you feel you can be yourself at work? 7.5
н	ow satisfied are you with the balance of your home/
н	ow able are you to manage your workload?
н	ow much do you feel valued as an individual?
на	ow much do you enjoy your job?
0	73 verall how happy are you at work?
-	6.8
	w satisfied are you with the level of freedom you ha
Ho	w clear are you in the requirements of your job?
Но	w likely are you to be thanked for doing a good job? 71
Но	w satisfied are you with the opportunity to proress in 61
Ho	w much do you feel your opinion are listened to?
Но	w well do you get on with people at work?
Но	w satisfied are you with the challenge in your role?
Ho	v inspired are you by your organisation?
Hor	79 w well does your organisation keep you informed?
Ho	6.5 w clear is the link between your role and the success of t
	73
How	w committed are you in helping the organisation su



12



# Vivobarefoot is an equal opportunities employer.

Every opportunity for recruiting a new member of the Vivobarefoot family is an opportunity for us to introduce new perspectives, talent and skills into our workforce and our community. Our visit is for a fair and equitable workplace, wh diversity is celebrated and can thrive.

In April 2020 we carried out a Diversity a Inclusion survey to understand the curr state of play.

Together, the Happiness Index and the Diversity & Inclusion surveys showed the inclusivity and career progression are consistent themes where our employee for us to improve. Some of the actions w taking to address these gaps include:

- Increasing training and opportuniti for career progression
- Partnering with Hatch enterprises of a mentoring programme
- Strengthening our recruitment on-boarding process to ensure dive and inclusion.

SUSTAINABLE

EARTH ANIMALS HUMANS

OTHER 2.5%

GAY/QUEER/ LESBIAN

45<

11.156

25%

35-44

OTHER

ENGLISH

2.6%

We've updated our <u>policy</u> on diversity, equity and inclusion to include clear commitments to our employees, recruits and customers. We've committed to:

- Publicly report on gender diversity and pay differentials
- Always ensure women are represented in leadership
  and recruitment
- Monitor the ethnic and gender composition of our workforce and of applicants for jobs
- Challenge unconscious bias to ensure those from BAME backgrounds are well represented in the ambassador network
- Consult with BAME ambassadors and follow their guidance
- Invest in external organisations and projects working to amplify BAME voices

All Vivobarefoot directors, employees, workers and contractors are required to comply with our policy. Updating our policy was only a first step in driving our commitment to diversity and inclusion.

Key actions we're taking to implement our policy:

- · We ran training on inclusivity for all Vivo staff
- We're working with a recruitment agency that put our diversity & inclusion commitments into practice for our executive level recruitments
- We're working through social media to extend job postings to reach more people
- We've heard from managers and staff on career progression blockers and enablers through structured sessions
- A diversity training and programme will start this summer.

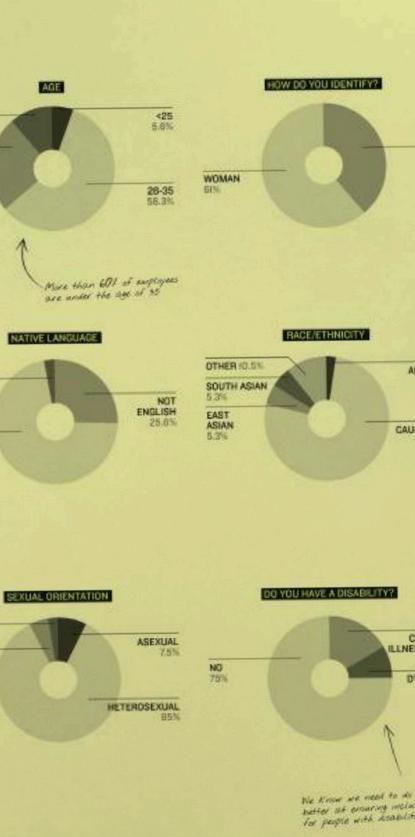
HUMANS ANIMALS -EARTH

DEGENERATIVE

"NATURE IS CAPABLE OF HOLDING THE MOST AMAZING ARRAY OF DIVERSITY, AND WE HAVE MUCH TO LEARN AN APPLY TO OUR OWN COMMUNITIES AND ORGANISATION

- GILES HUTCHINS

insige on ista titels



# PAY

# MENTAL

# EMPLOYEE TRAINING

Vivobarefoot pays all our employees at least the London Living Wage minimum rate, which as of 2020 is set at £10.75 per hour.

We have made steps towards our long-term ambition of having a flat and transparent pay structure, by assigning salary bandings.

Table X shows the breakdown of employees per pay band and gender at the end of the financial year. We recognise it doesn't look great and are doing a lot to improve it going into the new year. We recognise that health is not just physical health but also our mental health.

Tin 4 people in England experience mental health issues every year. Mental illnesses are more common, long-lasting and impactful than many other health conditions and is the secondlargest source of burden of disease in England. In 2019/2020 Vivobarefoot strengthened our commitment to employee mental health and wellbeing. We collaborated with Mental Health First Aid England to train four staff to be mental health first aiders so that our teams can spot the signs of symptoms, learn how to talk to people who are experiencing crisis and provide support and assistance. In the 2019/20 FY our employees completed over 1000 hours of internal training.

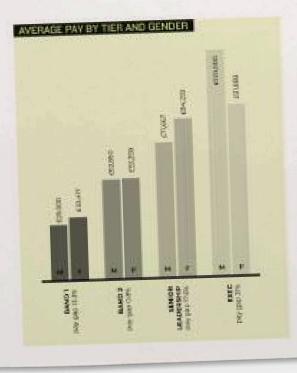
It included School of Life training on leadership and communication, Openblend training on management, off-site workshops on circular design and sustainability and sessions on Being More Pirate in the workplace by author 5am Conniff.

All employees are allocated Elk every year for continuing professional development plus an additional £500 per year for non-professional life skills training.

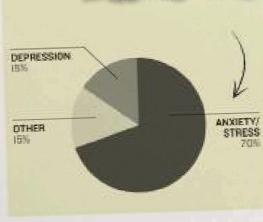
There is lots of opportunity for training but we aren't always making sure it is offered in a fair and structured manner. With the launch of our new Barefoot Code (our new employee manual, owned by our employees) we will: 40

- Maintain an open calendar of training opportunities
- Provide horizontal training opportunities in different teams
- Professionalise our on-boarding and reboarding processes

In addition, we will provide training and support to upskill a new cross-functional team focused on regenerative leadership to further drive change and learning across the business.



MENTAL HEALTH ISSUES REALT ACTIVELY ENGAGING WITH STAFF. WE HELD OUR FIRST MENTAL HEALTH WELL BEING ME HELD OUR FIRST MENTAL HEALTH WELL BEING DAY ON 22 OCTOBER WITH SPEAKERS FROM MENTAL HEALTH AT WORK (CO) WHO TALKED TO US ABOUT HEALTH AT WORK (CO) WHO TALKED TO US ABOUT HOW TO COPE WITH STRESS AND ANXIETY AT WORK.





Over 90% of our employees have had training with our Regenerative Leadership consultants. We've established a superstar cross-functional team of Proprioceptors to build a more regenerative culture and embed regenerative behaviours within Vivo. Our II Proprioceptors have been instrumental in embedding the key Regenerative behaviours - sense and respond, feedback culture, development, innovation and transparency - into our business. They are running sessions within departments - to much positive praise. And virtual onboarding sessions for new starters - because an alignment to our core values must start early!

**Proprioceptors** - II people from various different levels and departments who are working to build a more regenerative culture and embed regenerative behaviours within Vivo. 47 BARE-FOOTWEAR

is at the heart of so much of our new

design for regenerative product processes.

We're collecting more data, with greater

objectivity and on more indicators, so

we have a much more refined picture

of the impacts of our processes and

materials. This means that we also

have a much better understanding

as we push towards regeneration.

continu

of how we can improve our products

range, whilst also giving our occup and developers a baseline on how to

a VMatrix score of 20/25 by 2023.

OUR NEW PROCESS FOR DESIGN

The VMatrix has led to a three fold

1. First, we upgrade our existing

products by taking a component

2. Secondly, in parallel, we are trying

learning we've accrued so far.

3. Thirdly, we are applying the VMatrix to

all new products so that right from the

beginning we design and build the most regenerative shoe that we can.

to rebuild that product from and relaunch it, transformed with all the

approach, upgrading elements of an existing product to make them more

sustainable. This is about continuous

approach to design.

improvement

assess new products and materials. Our

goal is that all Vivobarefoot products have

### ID NOT IMAGINE WHAT A TRANSFORMATIVE AY OF DESIGNING WOULD We launched the VMatrix in 2021 and IR PRODUCTS, BUT ALSO THE we've not stood still. Each new learning AM THAT DESIGN THEM." means more opportunities to strengthen this brilliant and interactive tool that

# FORD, SUSTAINABILITY MANAGER

We had help from Cambridge University's 1 Ian Ellison to build this important tool

# KEY METRICS ASSESSED IN VMATRIX

### VIVO DNA

Webberefoot footwear must be Wide, Thin & Flexible, All styles, as far as possible, must also be able to be used for hybrid functionality. For example, our Drimus Lite can be used for outdoor running, exercise in the gym, and is also great for everyday wear - thus keeping footwear on feet for longer. and maximising health benefits.

# COMPLEXITY

This relates to the complexity of the number of components within our footwear, the number of components made from different materials and the complexity of construction during the manufacturing process.

# MATERIALS

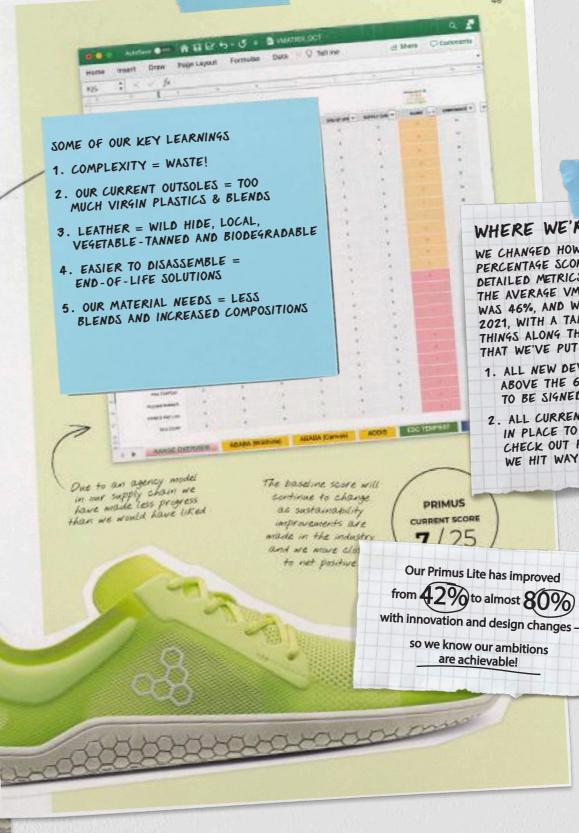
Scoring is based on the type of sustainable material used and a negative score is given for any use of unsustainable alternatives. An evenal access for the number of materials/components in a shoe that are made from sustainable sources (by weight) is then made, as well as taking into account the % of each material that is made from more sustainable content.

#### LONGEVITY

Keeping footwear on feet as long as possible. This scores the ability for the product's materials/components to be disassembled for repair (stcholce), recycled (2nd choice). downcycling (3rd choice) or landfill (negative points).

# END OF LIFE

This scores whether the shoe can be dissessimbled to its constituent parts for materials and whether there are scaled? commercially available end of life upcycling or recycling streams, for all materials. Any materials/components that don't have an end of life solution are scored negatively



16 WHERE WE'RE HEADED WE CHANGED HOW WE SCORE PRODUCTS TO USE A PERCENTAGE SCORE AS THIS ENABLES US TO USE MORE DETAILED METRICS AND CALCULATIONS. FOR 2020, THE AVERAGE VMATRIX SCORE FOR ALL PRODUCTS WAS 46%, AND WE WANT TO HIT 50% AVERAGE IN 2021, WITH A TARGET OF 60% FOR 2022. MOVING THINGS ALONG THIS BASELINE AVERAGE MEANS THAT WE'VE PUT IN PLACE 2 KEY STRATEGIES: 1. ALL NEW DEVELOPMENTS HAVE TO SCORE ABOVE THE 60% AVERAGE IN ORDER FOR THEM TO BE SIGNED OFF FOR PRODUCTION. 2. ALL CURRENT PRODUCTS HAVE TO HAVE A ROADMAP IN PLACE TO HIT THE 60% AVERAGE SCORE BY 2022. CHECK OUT PRIMUS LIGHT AS AN EXAMPLE WHERE WE HIT WAY ABOVE THE AVERAGE TARGET ALREADY.

# SPOTLIGHT ON: THE ESC TEMPEST

# SO LONG, TEMPEST!

THANKS FOR ALL OF THE GREAT LEARNINGS! BECAUSE OF YOU, VIVO DESIGN IS EVEN STRONGER. YOU'VE HELPED US LEARN THAT :

- · PERFORMANCE SHOES NEED LONGER TIMELINES
- · WE CAN HAVE VISUAL DIRECTION BEYOND JUST HEXAGONS
- WE NEEDED MOULDLESS DESIGN AND DEVELOPMENT.

. WE NEED TO BE ABLE TO INTERACT DIRECTLY WITH MANUFACTURERS MORE ON PERFORMANCE SHOES SO THAT WE CAN REACT QUICKLY.

A LOT OF THE LEARNINGS ON THE TEMPEST WERE DRIVEN BY THE CONSTRUCTION/PERFORMANCE DESIGN ASPECTS THAT NEEDED TO CHANGE. AT THE SAME TIME, WE'VE CONTINUED TO IMPROVE THE SUSTAINABILITY METRICS OF THE DESIGN BY INCLUDING MATERIALS WITH A HIGHER RECYCLED CONTENT IN THE CYCLONE STYLE, WHILE ALSO CONTINUING TO WORK ON ITS DURABILITY REQUIREMENTS.

One of our most successful failures



# Vivobarefoot launched the first in their Ecological Survival Collection (ESC) called the Tempest.

Vivobarefoot launched the first in their Ecological Survival Collection (ESC) called the Tempest. Designed to seamlessly perform on both land and sea, Vivobarefoot developed an algorithm that mimics natural growth patterns found in oceanic 'brain coral' structures. This distinctive pattern was used to create a lightweight cage that was designed to achieve breathability, flexibility with protection allowing water drainage with every step on land or stroke in water. There were a lot of lessons learnt with this product although the concept was great on paper and in design, in practical terms it was challenging due to the limitations in materials.

The launch saw over 100 Vivobarefoot ambassadors and journalists take to the sea and trails sharing their experience in nature with over 1 million people! User feedback was mixed, and this is where we learnt the most. Some customers loved it and others found it uncomfortable due to internal rubbing, difficulty on hard terrain, and a knit fabric which absorbed a lot of water. This is a difficult way to fail. We provided full refunds and exchanges for anyone that sent the Tempest back, and we're now working on how we can use this an opportunity to either double-down and improve the shoe or by pushing its predecessor to the best place possible.



SI BARE-FOOTWEAR

THE SUSTAINABLE PRODUCT CHALLENGES SHARED IN UNFINISHED BUSINESS STILL REMAIN PARTICULARLY RELEVANT TO US AND THE WIDER FOOTWEAR INDUSTRY. TO ENABLE GREATER PROGRESS, WE MADE SEVERAL CHANGES IN SUPPLY CHAIN, PROCESS AND PEOPLE.

WE'VE HIRED 3 NEW EMPLOYEES WORKING ACROSS PRODUCT, DEVELOPMENT & INNOVATION TO FOCUS ON THESE CHALLENGE AREAS AND PILOT MATERIAL INNOVATION SOLUTIONS. WE EXPANDED OUR SUPPLY CHAIN TO WORK WITH PARTNERS THAT ARE ABLE TO PROVIDE GREATER SUPPLY CHAIN TRANSPARENCY. WE EMBEDDED VMATRIX REVIEWS INTO OUR DESIGN PROCESS, ENABLING US TO GREATER REVIEW OUR PRODUCTS MATERIALS, END-OF-LIFE, LONGEVITY & REVIVO CAPABILITIES DURING THE DESIGN PROCESS.

THE CHALLENGES ARE BOTH RELEVANT TO US AND THE WIDER FOOTWEAR INDUSTRY, SO WE ALSO CONTINUE TO DISCUSS AND IDENTIFY OPPORTUNITIES THROUGH OUR PARTNERSHIP WITH FASHION FOR GOOD AND OUR NETWORK OF REGENERATIVE FOOTWEAR INNOVATORS.

# PRODUCT CHALLENGES

IOVATED AND ADVANCED CONSIDERABLY IN R, THERE ARE SOME DESIGN CHALLENGES EEKING MORE SUSTAINABLE SOLUTIONS.

# OUTSOLES

Our outsoles are thin (-3mm) and therefore high abrasion resistance is crucial. At present, our outsoles are made with a blend of predominantly virgin synthetic rubber, with natural rubber and small quantities of recycled synthetic subber. Our ambition is to move away from virgin synthetic rubber completely as we move towards eliminating virgin synthetics from our range and also offer EOL solutions for all products (vulcanised rubber doesn't degrade for 100's of years). However, our trials in natural rubber with such a thin outsole have proved challenging so far - we're continuing to trial natural rubber with our partners in Portugal.

# NO SEW

No Saw is a plastic material that is used for both construction and design purposes in footwear. It has an adhesive underside which is often heat-pressed onto the upper of the shoe. For us, this pases problems from a disessembly perspective. The current industry adhesives make it impossible to separate No Sew from the main upper material of a shoe when disassembling for end of life. Additionally, we currently haven't found any no-sew material compositions that offer a percentage of recycled plastic content over 20%. As we work towards eliminating virgin synthetics from the materials we use, this is an area in our 'Active' range of footwear that is particularly challenging.

# **GLUES & ADHESIVES**

Industry-wide used glues and adhesives bond together many of the materials and components within and onto a shoe. However, this often means that the materials cannot be pulled apart for repair or disassembly, making the repair and end of life separation processes often impossible. We're looking into debondable glues that can be heated up at the repair and disassembly stage, enabling effective material separation alongside the durability we also require during the lifetime of the product.

No sew

Some of the most innovative solutions that we've seen have been developed with support and funcing from global footwear companies. This is great - we need these large companies which have funding and leverage to show the market what

At the same time, companies are holding onto the intellectual property rights of these materials, which of course is their legal right, but we want to make a stand against this if more companies shared their innovations and actually spoke openly about the challenges we are all facing, rather than covering them up in greenwash, we'd all get to where we need to be quicker and collaboration would move from collaboration with a small c to collaboration with a capital C.

We're at a critical point for our planet and our industry, and we believe that

Multi-stakeholder groups like the Sustainable Apparel Coalition

Brands should not be using IF - sustainability solutions should be open sourced

> Buying carbon neutral products will not fix



sustainability cannot be used to only drive competitive value in the marketplace.

Vegan products aren't always better for the environment Busting greenwash myths Leather from responsible sources can be a sustainable option climate change

LEAD TIMES ARE DOWN FROM 170 DAYS TO 120 DAYS THANKS TO BETTER FORWARD PRODUCT PLANNING, CAPACITY BOOKING AND CRITICAL PATH MANAGEMENT.

# **BUSINESS PARTNER**

WE NOW REQUIRE THAT ALL TIER 1 AND TIER 2 SUPPLIERS, BOTH EXISTING AND NEW, PROVIDE US WITH FULLY TRANSPARENT COSTING BREAKDOWNS INCLUDING THE COST OF LABOUR, MATERIALS AND OVERHEADS. WE'VE FOUND SOME TRANSPARENCY ISSUES WITH OUR TIER 2 SUPPLIERS WHERE GETTING THE INFORMATION HAS NOT BEEN SO EASY, BUT THIS WAS NOT WHOLLY UNEXPECTED EITHER. WE STILL HAVE WORK TO DO. WE HOPE TO

REDUCE TO 90 DAYS ON EVERYDAY PRODUCT AND 60 DAYS FOR NEVER OUT OF STOCK BY 2023.

# PRICING AND OPEN COSTING

Transparency on costing and pricing is important to us. We are starting to use open costings with all our suppliers. This means we can see the wages and associated labour costs within the cost breakdown. This does not guarantee that workers are paid a living wage, but it's a step in the direction of ensuring that our pricing includes the cost of fair us to conduct further analysis as we start to look at wages and compensation in more detail. We have rolled this out in Ethiopia and are looking next to our Portuguese and Vietnamese suppliers.

To Vivobarefoot: a commitment to promoting and protecting human rights, personal health and safety and the environment is essential to doing business. Our Code of Conduct sets out the minimum requirements for our value chain. and their values chains. It is aligned with ILO core labour standards. In 2023 we categorised child labour and forced labour as zero-tolerance issues for our business relationships. Our code is based on the ETI (Ethical Trade Initiative) code of conduct and ILO [International Exhour Organisation) standards.

CODE OF CONDUCT

£10

VIVO PEOFIT

the risks.





We relate with our value chain partners in a spirit of cooperation, responsibility and fairness.

While we expect that they meet the requirements of our Code of Conduct, we also recognise that responsibility is not one directional 2019/20 has been a year of us building better systems to assess. and understand our impact and processes are reliable, transparent and fair to our partners.

# CAPACITY PLANNING AND FORECASTING

We work with all suppliers on capacity planning throughout the year and update our forecasting on a regular basis. We provide top-line forecasting to our suppliers a year in advance, detailed forecasting six planning around three months ahead of ordering. We try not to deviate from this planning, but changes we coordinate with our suppliers to ensure that they are not planning enables our suppliers to plan their production and avoids issues that impact on workers such as intensive unplanned overtime or unfair production targets

wages and benefits and will enable

WE HAVE COLLECTED THE DATA FOR OUR INTERACTIVE VALUE CHAIN MAP. THIS DATA NOW SITS LIVE WITHIN CLEANCHAIN, HOWEVER, WE HAVEN'T LAUNCHED THE DATA PUBLICLY YET DUE TO A FEW TECHNOLOGY GLITCHES. WE'RE GUTTED, AS TRANSPARENCY IS ONE OF THE MOST IMPORTANT TOOLS WE HAVE, BUT WE'RE HAVING TO BE PATIENT AND HOLD OFF UNTIL THE END OF 2021 TO LAUNCH THE PUBLIC DATA. THE PUBLIC MAP WILL INCLUDE CRITICAL INFORMATION ON OUR TIER 1 AND TIER 2 SUPPLIERS, BOTH BY TYPE AND LOCATION.

# UNDERSTANDING THE IMPACTS IN OUR VALUE CHAIN

In 2020, we developed a partnership with CleanChain to improve both our transparency and the quality of information on our value chain. Within this partnership, we launched our interactive value chain map which will enable our customers and stakeholders to see who we are working with where they are, and how they are performing against our standards. We launched with all of our first tier suppliers and manufacturers, stores and warehouses.

while we have a small number of first tier suppliers, we know that the number grows exponentially as we look up our value chain towards material providers and beyond. This means that we need to also be engaging with these suppliers and ensuring we are managing

"WHILST WE STILL HAVE SOME WAY TO GO, ENGAGING WITH OUR VALUE CHAIN PARTNERS IN A TRANSPARENT WAY WE BELIEVE, WILL PROMOTE HEALTHIER BUSINESSES AND LONG-LASTING PARTNERSHIPS

> - ROSIE CRIPPS HEAD OF SOURCING & SUPPLY CHAIN

In order to intimately understand our value chain, we're monitoring aspects of manufacturing, processes and governance through our Vhubs programme with our supplier partner Pittards, in Ethiopia.

Pittards has rolled out CleanChain, which means uploading their supply chain, assessing their performance against our Best Practice Policy and adding in their chemical inventory.

Some metrics we're monitoring this year jointly with Pittards include:

- Energy, water and waste consumption (tannery & factory sites) quarterly
- · Installation of renewable energy technologies
- Regenerative agriculture and biodiversity projects across wild hide, cotton and rewilding
- The sourcing of more sustainable materials for our products
- · Waste reduction with a view towards circularity
- Chemical management at sites, including natural dying options and vegetable tanning for the leather
- Worker training across the tannery and factory sites

Our engagement with Pittards has been a learning curve to work with a supplier so closely in a joint trajectory towards best practice. These learnings form the blueprint for Vivo manufacturing going forward with all of our suppliers. We'll be looking to Portugal next. Our cross-functional VHubs team was established in 2020 and is our first foray into understanding what regenerative manufacturing could look

Vhubs 🏠

63 OUR VALUE CHAIN

like for Vivo and how we can redesign and build our value chains of the future.

Defining regenerative manufacutring is our first challenge. We're comfortable with our definitions of regenerative materials, regenerative design principles. and regenerative agriculture practices. We have to break new ground now if we truly want to apply these principles to our manufacturing processes and production value chains. It requires us to look at everything from how raw materials are grown, to how materials are processed. through to assembly and production in factories and the cross-industry collaboration required to deliver this vision. It also means exploring digitising our value chains, looking at direct to consumer models, launching our 3D printed footwear range and identifying solutions that will enable us to accelerate the implementation of more efficient forms of manufacturing and distribution.

The VHubs team is composed of people from across the Vivo business; Supply Chain, Sourcing, Merchandising, Innovation & Design, Finance, Marketing, Sales and Development and the Livebarefoot Fund.

# WITH CHARLOTTE PUMFORD, SUSTAINABILITY MANAGER

Charlotte leads sustainability within the Product and Sourcing world. Helping Vivobarefoot pioneer regenerative production with academic and scientific rigour.

#### WHAT DO WE MEAN BY REGENERATIVE MANUFACTURING?

It's a great question, and the answer is that we honestly still don't know yet. People have looked at it through the lens of material regeneration and regenerative design principles, but it's still early days in terms of looking at manufacturing processes. We believe we're breaking new ground on this.

The urgency of transitioning value chain impacts towards net positive action, in the shadow of the climate emergency, can't be stressed enough. We're eager to collaborate with cross-industry experts and innovators alike, to learn and share knowledge, in order to push the dial on this as fast as we collectively can

## CAN YOU GIVE US AN EXAMPLE OF WHAT YOU'RE LOOKING AT?

In order to define what regenerative manufacturing looks like for Vivo, we are working with our partners Pittards in Ethiopia and a number of supply chain academics and experts, to review our current operations and build a step-by-step blueprint that will take us towards achieving a future of net positive impact. This blueprint can then be applied to our other manufacturing hubs, with enough flexibility to be adopted across the changing context of global manufacture.

From a factory production perspective, a few of the things we're looking at are, renewable energy generation and storage, closed loop water and waste cycles, rew materials from regenerative agricultural practices, 8 Corporation aligned business models, biomimicry inspired factory design and processes, and community integrated nature spaces both inside and outside of factory buildings.

> the one had to tall Charlotte to embrace the power of vature

### WHAT DOES THIS MEAN FOR YOUR SUPPLIERS?

We have to take it step by step and work in close collaboration with each and every one of our suppliers throughout this process. Vivo has always been on this pathway, always had sustainability principles embedded into the heart of the business, so in that respect, it's not really a surprise for our suppliers that we're pushing the dial towards our regenerative ambitions.

We are fortunate to work with suppliers who support and share the belief that this is fundamentally the right thing to do. Yes, we can continue to grow as a business, but collectively, we also need to make sure that progress aligns with purpose and that we're having the right type of impact on the planet and people at the same time.



55 OUR VALUE CHAIN

# ASSESSING THE **RISKS AND IMPACTS** IN OUR VALUE CHAIN

# CLEANCHAIN

# In 2020 we developed our Best Practice Tool for our suppliers.

This is a pragmatic tool, designed to enable our partners to assess and benchmark their current performance against our standards contained in our Best Practice Policy across human rights, labour practices, environmental practices, grievance mechanisms, ethical marketing and their business practices. It will enable us to see with precision where the risks and impacts are in our value chain, to both the workers and their communities and the environment.

The results of this first year of data collection will provide a baseline. which we will then use to track performance of each individual partner both upstream and downstream, and the apprepated performance of our value chain as a whole. Data will be uploaded and integrated into CleanChain, a data platform, which will allow us and our stakeholders to critically evaluate real-time progress.

Our Best Practice Tool is a self assessment tool. While we're excited to receive on-going data, we recognise the limitations of selfreported information. At the same time, we have to acknowledge the constraints of social and environmental audits which are usually used to assess compliance. While audits can provide a quick and obvious solution for verification, we know that they can only provide a snapshot at any given time.

Our experiences in Ethiopia where we have been working with the NGO Proudly Made in Africa and our business partners in close cooperation - have provided much richer information on human rights. social and labour practices, and helped us to understand how best to support and enable our partners to meet our standards.

Within our value chain in Vietnam and Portugal we are still considering the best approach to ongoing verification against our Best Practice Policy. We currently ask factories to share any audit. reports that may have been conducted in the last year and review these for any critical issues. Where these are flagged, such as child labour or forced labour, we would not work with these factories. To date, these issues have not been identified in our value chain.

# "IN 2021, WE WANT TO INCREASE OUR UNDERSTANDING C THE RISK OF FORCE LABOUR WITHIN OUR VALUE CHAIN, INCLUDING WITHIN THE RAW MATERIA AND COMPONENTS SOURCED FOR **OUR PRODUCTS**"

to 2021 we want to increase understanding of the risk of f labour within our value chain including within the raw mat and components sourced for products We will publish our Modern Slavery Act statemer in 2021

We also plan to extend our op costing, currently being used Ethiopia, to the rest of our sup This enables us to determine how much of our cost price g towards wages and labour, he to assess whether workers are paid wages which afford a de standard of living.

CleanChain™ is an award-winning system for tracking, managing and reporting sustainability data across all value chain partners.

The software enables and empowers suppliers and value chains to take accountability for their business and sustainability impact by live tracking key data.

WE WANT TO GET TO 100% TRANSPARENCY

WE'VE LEARNT A LOT FROM OUR PROGRESS

ON COST. WE'RE WORKING ON THIS, AND

IN EHTIOPIA. WE'LL REPORT IN MORE

DETAIL IN OUR EOY REPORT IN 2021.

The CleanChain platform can be used on any device to help workers on site to identify and improve performance to sustainability standards.

There are 4 main modules Vivobarefoot uses within the tool:

The ACTION module is where suppliers monitor compliance against Vivobarefoot's Code of Conduct and Best Practice Tool

The CHEMICAL module is for assessing chemicals against. the 70,000+ ZDHC Chemicals to eliminate hazardous chemicals and source clean alternatives.

CLEANCH

The COMPLIANCE module is for knowing and meeting the law. We are working with legal powerhouse Libryo to deliver and track legislation applicable to each individual facility across our value chain; based on geographical location and business activity.

A WATER AND WASTEWATER. AND ENERGY AND CREENHOUSE module, is coming soon.

By the end of 2021 Vivobarefoot plans to be using CleanChain across our value chain, achieving truly transparent sustainability improvements, from raw material and manufacturing through to our logistics, warehousing and global distribution partners.

> Our combo team across Compliance, Regeneration and Supply Chain has been working hard on our first Modern Slavery Act statement. We fall under the UK legally required threshold which is £36m turnover so we don't legally have to report, but we want to do this anyhow. It's important to us that we look at how we're addressing the risk of modern slavery in our value chain and business. We'll publish our first modern slavery statement this year.



YES! WE'VE ROLLED OUT CLEANCHAIN

IN ETHIOPIA AND WE'RE ON TRACK TO ROLL IT OUT IN PORTUGAL IN THE

FIRST HALF OF 2021, THEN ACROSS ASIA IN THE LATTER HALF.

66

68 OUR VALUE CHAIN

# ADDING RATHER THAN EXTRACTING VALUE : ETHIOPIA CASE STUDY

Our founders Galahad's and Asher's family have been cobblers for six generations.

Consequently, respect for traditional craftsmanship and shoemaking is ingrained in our way of thinking and innovating.

Whereas many value chains in the footwear industry are constructed in a way that extracts value, either from the land that is used to grow the materials used, or the people and communities which provide the labour, our intention is to add value.

In 2003, Lance Clark (Galahad's father) started a social enterprise, Soul of Africa, training women in handmade shoemaking and supporting local community projects which continue today.

In 2014, SOA joined forces with Vivobarefoot to launch a manufacturing line in Addis Ababa training local workers in handcrafting skills, creating value and respecting the land, the people and the communities we work with.

Leather is one of the oldest materials humans ever used for protecting our feet. It is durable and naturally water resistant and when it is made in the right way, there is no need for harsh chemicals to be used so it is better for the planet too — unlike most synthetic alternatives.

Our leather footwear is made from local wild hides. The cattle roam free, under the watchful eye of independent farmers. Wild Hide has a unique pattern of marks and scars, a reflection of a good few rubs against a tree and a life well-lived. The cattle provide food and a living for the local community and their hides are bought at market by our business partner Pittards, who tan and process the leather. Pittards has been working with Ethiopian farmers to tan quality leather in Edjersa since 2005. It operates on European environmental standards and uses its own water treatment plant, which means that chemicals are not polluting local community water sources.

The leather is made into our footwear at Pittards' factory in Addis Ababa. Conditions at the factory for workers are assessed by specialist NGO, Proudly Made in Africa.

Currently, there is no legal minimum wage for the industry in Ethiopia, but workers are paid at four times the average industry wage and receive monthly bonuses and incentives for attendance, quality and volume, as well as a transportation allowance.

Our canvas print shoe is made with fairtrade canvas made by the Village Industry, a textile and garment producer in Addis Ababa, using natural dyes and hand-printing on cotton yarns from Ethiopian womens' cooperatives. Village Industry has recently been certified by the World Fair Trade Organisation.

We're proud of our partnerships in Ethiopia, but our value chain is not yet 100% regenerative. We had planned a training programme with Proudly Made in Africa and Pittards in early 2021 to focus building more shared understanding at the factory of rights and responsibilities across management and workers. Training has had to be rescheduled due to Covid-19, and we are looking at other ways of delivering this training through 2020/2021

LOCKDOWN HAS CONTINUED AND WORKER SAFETY HAS BEEN OUR PRIORITY. THE TRAINING HAS BEEN RESCHEDULED FOR SUMMER 2021, BUT WE'RE KEEPING IT UNDER REASSESSMENT AS WE'LL ONLY CONDUCT IT WHEN WE'RE CONFIDENT THAT WE WON'T BE PUTTING WORKERS' HEALTH AND SAFETY AT RISK.

WE HOPE TO BRING YOU A FULL UPDATE ON OUR WORK IN ETHIOPIA IN OUR NEXT END OF YEAR REPORT.

# 73 VIVOBAREFOOT COMMUNITY

# WE STAND FOR FUTURE RESILIENCE SPOTLIGHT ON VIVOKIDS

# Falsely created needs decrease human wellbeing.

Simplify childhood land their footweart. In life, like in footwear, with Less is More, we can raise happy, healthy kids Today's kids are often the drivers of increasingly sustainable buying habits in their families.

Our VivoRids philosophy is to help raise a whole generation of kids whose feet won't need fixing as adults. Growing up barefoot, or wearing VivoKids means growing with strong, healthy and naturally developing feet. Our vibrant and growing online community helps make this happen, be it through our promotion of nature and kids playing outdoors to our activism and outdoor education.

**"OUR VIVOKIDS PHILOSOPHY** IS TO HELP RAISE A WHOLE GENERATION OF KIDS WHOSE FEET WON'T NEED FIXING AS ADULTS"

- BAYARMA CLARK KIDS

# Examplest

- Promoting parents to buy fewer shoes, to share and pass them on and not let themselves be influenced by gendered marketing
- Regularly promoting healthy movement and exercise ideas for kids and families, from tips on how to reduce chair time, to ways to make toe-ga fun for little ones.
- Reminding parents of Vivokids" philosophy not to make gendered footwear, as girls' footwear tend to be even worse for feet and bodies than boys.
- We don't discount, out of loyalty to our customers and to show that ours is organic, demand-led growth.
- Through the weeks of the Spring 2020 pandemic lockdown, Vivokids hosted outdoor education and wilderness projects and inspirations promoting creativity and spending time in the outdoors.

ReVivo is a core part of the VivoKids philosophy. Kids grow fast, and being able to return worn and outgrown footwear as well as buy reconditioned footwear expands our client base for VivaKids faatweer.

VIVOBARE



WE'RE CONSCIOUS WE COULD HAVE AND SHOULD HAVE SAID A LOT MORE HERE ABOUT OUR WORK AND PLANS FOR VIVOKIDS.

VIVOKIDS IS PROBABLY THE MOST IMPORTANT THING WE DO. IF WE CAN GET OUR KIDS INTO SHOES THAT CARE FOR THEIR FEET FROM THE VERY BEGINNING, THEN WE ARE PREVENTING A WHOLE LOAD OF ISSUES THAT REQUIRE RESTORATIVE CARE LATER ON IN ADULTHOOD. OUR SHOES HELP KIDS RUN, WALK, CLIMB AND PLAY WHILE FEET, ANKLES, BODIES AND EVEN BRAINS GROW STRONG, FLEXIBLE AND RESILIENT.

WE'LL INCLUDE A FULL, DETAILED UPDATE ON OUR PLANS IN THE NEXT END OF YEAR REPORT.



SI VIVOBAREFOOT COMMUNITY

# OUR IMPACT PARTNERSHIPS BAREFOOT RESEADCH

THE RESULTS OF THIS RESEARCH ARE SIGNIFICANT AND SHOW A 58.7% IMPROVEMENT IN FOOT STRENGTH AFTER JUST SIX MONTHS OF WEARING VIVOBAREFOOT SHOES. THE FULL RESEARCH - DAILY ACTIVITY IN MINIMAL FOOTWEAR INCREASES FOOT STRENGTH, BY DR RORY CURTIS AND DR KRIS D'AOUT - WILL BE PUBLISHED IN 2021.

> unen research on natural movement and the effects of footwear on human health.



#### FUTURE FOOTWEAR FOUNDATION

Future Footwear is a Foundation run. by Dr Catherine Willerns in partnership with KASK & Conservatorium, the School of Arts of HoGent and HoWest, Chent, Belgium, Future Footwear has been a charitable partner of Vivo for the last 5 years with a massion to develop footween that is sustainable for the environment and for the body by establishing a (mostly virtual) future footwear centre that serves both is a platform for the integration of cross-disciplinary studies and a hub for Interaction between artisans, academics and the private sector.

Future Footwear conducts biomechanical research and insight on berefoot bio-mechanics, manages the indigenous cobbling projects with us and began the 3D printing journey under project name 3D2WALK

This year, a ground-breaking article has been published by Dr Rory Cuitts and Dr Kris D'Aput udnder the title Daily Activity in Minimal Footw Increases Foot Strength. The article was part of the PhD research funded by Future Footwear Foundation and KASK & Conservatorium, the School

of HoCent and HoWest, Chent, m) in collaboration with Liverpool tity. The results show a 58.7% ment in foot strength after 6 months of wearing Vivobarefoot. That full publication is due by the end of 2020.

in addition: Dr Rory Curtis, Dr Catherine Willems and Dr Kris D'Aout also published an article on indigenous footwear titled Plantar pressures /m three types of indigenous footwoor, nommercial minimal shoes, and conventional Western shoes, compared to parefuot walling.

This study shows peak plantar pressure distributions between any minimal condition (Indigenous of Vivobarefoot) and barefoot walking were very similar. Indigenous shoe making 'is' barefoot shoemaking! Pressure distributions of conventional Western shoes were very variable and visually different.

This year, we also congratulate Dr Cathenine Willems for winning a twoyear-long Industrial Research Fund to develop the 3D2WALK project!

The 3D2WALK focuses on the design of personalised shoes based on foot scans, allowing seet to evolve to a more natural shape, as if they were bare. The 3D designs are based on indigenous Eachwear which reasonables barefiset walking (2015, PhD Willems). The aim of the study is to validate and refine the design and biomechanical guidelines for these shoes. 300 people will be scanned, fitted with shoes and evaluated before and after the test period. In order to allow the foot to evolve to being more "barefoot" an adaptation of the foot scans, based on design guidelines. acquired in the PhD (2015) of Willems, is implemented. The study will also aid our understanding of how to print. the best minimal shoes for any given toot morphology. During this research, the footwear is further refined with an interdisciplinary team of designary. and softwate developers, including out design team at Vivobarefoot.

Our collaboration got delayed - these things happen during a pandemic so we've had to adjust our timeframes. We're scheduled for beta testing in April 2021 (when we

hope our store in Neal

Street will open) and a

full launch across Europe in Summer 2021. Along with

this, we'll be running a 30

day trial for customers.

Learn more about Future Footwaar work from Do you want your feet back? book and on their website.



#### ERPOOL UNIVERSITY

Funded by Vivobarefoot and an Innovate UK grant on improving balance and physical function, Dr Tamas2 Cudeiko and Dr Kris D'Aout from Liverpool University published their article titled Minimal facewaar improves stability and present function in middle-aped and cider people compared to conventional tore. The results show balance in Vivobarefeet is improved compared to regular padded shoes. Research included testing Arion smart inspires to

measure balance and postural stability in relation to fall prevention. Arion insoles and the MoveLab app are now used in the Wyobarefoot London store to enhance the coaching process. Vivobarefoot and Arion are co-developing a customer-tacing application for remote coaching to further enhance the transition process, 1000 pairs of barefoot insoles have been ordered for January 2021 Jaunch

# ual a lenden collega

#### LONDON COLLEGE OF FASHION

Wyobarefoot education scholarship recipient Richwana Shaik was due to come from South Mrica to Join the Masters' Program in Footwear Innovation with her research work titled Does int African fandance fifting standard edit? Sacky, due to COVID-19. Ridwana's study was postponed until next academic year. Moonwhite Determined be encoded with the Vivobarefoot product team in a creative collaboration project for our shoes made in Ethiopia. Watch this space?

From September '2' Ridwana's research will explore the inherently hypersimplistic relationship between post-fifteenth century Western footwear fitting standards and the modern African footwear market.

For this research, an investigation will be understaken to collect data by scanning feet as well as documenting and cataloguing the precolonial history of footwear on the African continent. Field work will undertake creation of the first data bank of foot scans across the African continent, visiting 15 countries and scanning thousands of feet in cities, villaces, and indigenous. communities. We are very grateful that Ridwana's fieldtrip will be sponsored by Future Footwarer Foundations

ALLOW

#### INSTITUTE OF TECHNOLOGY CARLOW

In 2019 Weebbandoot fully funded PhD research by MSc Manuel Squibb under the supervision of Dr Peter Francis. The topic of the PhD is Childran's Foot development. The overall narrative of my PhD is to explore and evaluate how footwear habits affect the characteristic/structure of the foot and consequently functional movement in children and adolescents. The

first research project aims to reveal the footwear habits and their effects on the foot structure and functional movement, as well as collecting relevant data concerning physical age, gender, activity levels, ethnicity, and injury data. It is pertinent to classify and comment on footweer habits and a vital study which could act as a solid base for future research. Study 2--- Foot structure and functional differences in adolescents in the UK and New Zealand with different footweer habits. Study 3 - Effects of a minimalist footwear intervention on foot structure and addrescents." Maisiel Squibb MSc.

Maisiel's work will be completed in 2022. Good luck Materi



## LEEDS BECKETT UNIVERSITY

in 2019 a PhD research project on musculeskejetal health-related conditions has begun, conducted by Hannah Blackburn, MSc under the supervision of or Neter Francis, Professor Mark Thompson and Dr Cathorine Tocky

#### The overall aim of the PhD is to explore the utility of footwear for the management of osteoarthritis of the

knee. The research is rather left field. therefore creates even more excitement and makes us ever more inquisitive. Recently we have launched one of the First studies to gather the opinions from healthcare professionals all over the UK and ireland, on the use of footwear for the management of osteparthrida of the knee. Andings from the study have not vet been identified due to the recent. release of the study. but watch this spece." Hannah Blackburn, MSc.

Hannah's work will be completed in 2022. Enjoy the journey, Harvhahl



The research we conduct in partnership with Vivobarefact has accelerated over the past 12 months. Both doctoral students. Maisle and Hannah, are registered and engaged in a programme of research at the institute of Technology, Carlow and Leeds Beckett University respectively. Specifically, Maisie is about to laurich the largest study of its kind to determine the footwear habits of children and adolescents ocross the UK and Ireland. Hannah has launched the first ever study to determine the knowledge and beliefs of tharapists, all over the UK and Ireland, in relation to footwear

and the management of knee osteoarthritis."

- Dr Peter Francis

Find out more about Dr Peter Francis's work https://peterfrancis.bio



RIDWANA'S PLANS WERE DELAYED DUE TO COVID-19, BUT WE'RE KEEPING OUR FINGERS CROSSED SHE CAN JOIN THE LONDON COLLEGE OF FASHION COLLABORATION IN SEPTEMBER 2021. IN THE MEANTIME, SHE WORKED WITH OUR PRODUCT TEAM TO CREATE FANTASTIC LIMITED EDITION PRINTS FOR OUR MADE IN ETHIOPIA RANGE, LAUNCHING IN SUMMER 2021.





82

IS VIVOBAREFOOT COMMUNITY

# OUR IMPACT PARTNERSHIPS INDIGENOUS SHOEMAKING

We continue our collaborative project. with Future Footwear Foundation focused on preservation of indigenous shoemaking and sharing the knowledge of the wisdom tradition to the world.

# NAMIBIA: THE SAN-DAL

With the objective of bringing back. the indigenous San-dat, for local business and to impire sustainable. design, a crowdfunding campaign was launched on Kickstarter in 2016 to raise the initial capital.

We have now started a process of creating a more local based distribution, since project manager Flora Blommaert is moving to Namibia to settle in 2020 with her young tamily. She will also begin the construction of a new shoemaking craft center in the Kalahari in collaboration with the San cobblers. We are proud to be partnering with ward-winning Namibian architect New Marity, who focuses on frugal. sustainable and innovation designs. The

uraft center will be complete in April 2021.

'MAYBE FOR YOL PEOPLE FROM O OUR FOOTWEAR UNIQUE, FOR US WHAT OUR ELDE OUR ANCESTOR MAKING. TODAY, HAVE GOT SOME BACK THAT WE THOUGHT WAS PAST AND LOST.

- JUI KUNTA (STEVE V JUTHOAN COBB TRANSLATOR AND GUIDE, TSUMKWE



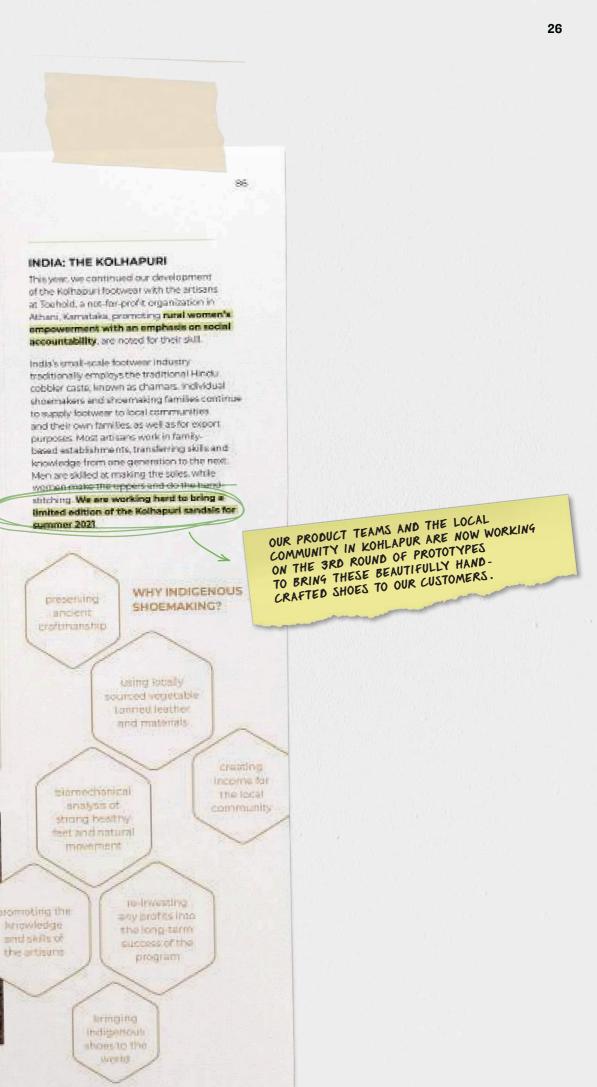
Elapofoot tample caretaker, mampi, Kamataka, India, 2010. "Rietisan D'Alt



Kolhapuri footweer and the typical outsole with konwall fears) on the sides, Athani, India, 2010. - Kilstiaan D'Ao.t.



(Aice, one of the cobblers, walking in nlang niosi eland antelope sandals, Nyau Nyau, Namibia, 2018: Thomas Not







Hand embossing process

Steve Kunta

#### 51 VIVOBAREFOOT COMMUNITY

WE'RE WORKING WITH A NEW RECRUITMENT FIRM THAT IS ABLE TO PUT OUR DIVERSITY AND INCLUSION COMMITMENTS INTO PRACTICE THROUGH BETTER RECRUITMENT APPROACHES FOR OUR CURRENT EXECUTIVE HIRE. FROM JULY 2021, OUR TEAMS WILL BE WORKING WITH A DIVERSITY AND INCLUSION COACH AND LOOKING AT OUR RECRUITMENT PRACTICES AS PART OF THIS. WE ARE VERY AWARE OF THE SIZE OF THE TASK BEING UNDERTAKEN, UNCONSCIOUS BIAS TAKES A LONG TIME TO DISMANTLE.

# We've partnered with Hatch Enterprise to support female business leaders. 15 Vivobarefoot employees provided 1-2-1 mentorships to programme participants. We were privileged to work with some exciting ventures from fighting for climate & social justice within supply chains, an e-commerce hosiery brand specialising in tights for women of all shades of brown, to the UK's first intelligent and adaptive revision app for GCSE exam preparation. This partnership is also an opportunity for us to hear and learn about ways the current marketplace isn't serving all people and how those gaps can be addressed. We're excited about the future of this collaboration.

# **ILACH LIVES MATTER**

# FIGHTING STRUCTURAL RACISM - BLACK LIVES MATTER

Recisim has been institutionalised in so-called 'civilised' Western societies for centuries: we recognise people cannot breather free because of the colour of their skin.

We come from a family of Quaker cobblers who have been involved. in the intersection of business and social change for nearly 200 years. Our forefaithers were involved in the abolition of slavery, the end of apartheid, prison reform, the suffragette movement and many other social justice causes to make society a more peaceful and faiter place for all. Vivobarefoot was founded on these Quaker values of equality and peace.

# Our company purpose is based on

reconnecting people to nature. On our quest, we went deep into the Kalahari Desert to meet the San people, our oldest human ancestors.

Our cobbling journey also led us to start. a whole new sustainable manufacturing unit based out of Ethiopia, the cractle of with the sole design inspired. 54 footprints (discovered 3.7m)

photo below!

#### organisation, stake-holders and communication platforms, but we acknowledge that we have a long way to go. We are holding ourselves accountable, and we're holding Vivobarefoot accountable

We are committed to drive diversity.

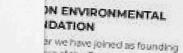
equality and inclusion through our

We will upgrade our hiring practices to ensure more inclusive representation at every level.

It is clear alience is not an option, and -os economic agents with a community. we are working with our friends at Hatch Enterprise to launch a fund to support femiale entrapreneurs of colour with a particular focus on the creative Industries, Hatch Female Founders Incubator will run a selective 4-month programme for Black, Asian and Minority Ethnic women who want to explore new revenue streams, cost structures and ways to market.

We are all connected through our common ancestry, those feotprints left in the rift valley, and today, through our two feet on one earth Let's do all we can to keeve a just and equitable world for generations to come

"WE ARE COMMITTED TO DRIVE DIVERSITY. EQUALITY AND INCLUSION THROUGH OUR ORGANISATION. STAKE-HOLDERS AND COMMUNICATION PLATFORMS, BUT WE ACKNOWLEDGE THAT WE HAVE A LONG WAY TO GO" - GALAHAD, CED



ers of the Devon Environmental kion to protect and restore inceptional natural beauty, as nitiers have been coming to this several generations, spending refact summers (and winters) on th coast of Devon in Bantham Since 2018, Vivobarefoot started annual wellness retreats in n bringing the vivo femily r in this special place.

Invironmental Foundation sharefoot started functing local generation initiatives with the areigets.

# ling the first off-shore kelp

in South West England in iboration with Biome Algae parting Britain's waterways and scapes through the rapid and spread re-establishment of er wetlands across whole mar ments in collaboration with leaver Trust and the Devon Ife Trust, Eurasian beavers have extinct from the UK for over

ears (0 due to human activity, h the mini-documentary. ins without Bailders, to more hore on Devon







During the annual World Economic Forum and with the mission 'to improve the state of the world', we supported the work of Artic Angels, a group of young activists promoting the importance of the Poles and calling for better governance of these critical ecceptores because their decline impacts us all.

# At Vivobarefoot we believe it is essential to place people and planet at the core of every action.

support systems.

# SUPPORTING YOUTH ACTIVISME HANDS OFF THE ARCTIC

We are delighted to have supported Arctic Angels and we urge you to add your voice to protect our precious life-

Arctic Angels is a part of the non-profit foundation GlobalChoices a new organisation co-founded by Sally Ranney end inge Relph, taking a fresh approach to protecting our precious ecosystems through high-level policy advocacy. Find out more, visit www.arctic.orgeis. org and www.globalchorces.org





"TO THOSE WHO SAY THE ICE IS MELTING ANYWAY, WE SAY MINDFUL, MODEST AND WELL THOUGHT-THROUGH DEVELOPMENT INCORPORATING INDIGENOUS WISDOM IS POSSIBLE. WE CALL FOR FIT-FOR-PURPOSE AND ENFORCEABLE CARE OF THE ICE AND EXPOSURE OF THE FINANCIAL INSTITUTIONS THAT FUND PROFITS OVER PROTECTION. WE NEED PEOPLE TO KNOW WHAT IS HAPPENING AND FEEL EMPOWERED TO SPEAK OUT."

- CO-FOUNDER AND EXECUTIVE DIFECTOR INDERELPH

LIKE VIVOBAREFOOT, WE BELIEVE THAT IT IS ESSENTIAL TO PLACE PEOPLE AND PLANET AT THE CORE OF EVERY ACTION, CURRENTLY, IN ANTICIPATION OF ARCTIC ICE MELTING, PLANS ARE AFOOT TO DRILL FOR OIL AND GAS, SEISMIC BLASTING FOR DEEP SEA-BED MINERAL MINING AND TO BREAK A SHIPPING LANE THROUGH THE ARCTIC ICE. THIS MAKES NO SENSE IN A WORLD INCREASINGLY AWARE OF THE IMPACT OF FOSSIL FUELS. DESPITE THEIR REMOTENESS, IT IS IMPORTANT FOR PEOPLE TO UNDERSTAND THAT THE ARCTIC. AND ANTARCTIC PLAY A CRITICAL ROLE IN STABILISING THE GLOBAL CLIMATE SYSTEMS. YOUTH ARE THE NEXT GENERATION OF VOICES. OF INFLUENCE; WE HAVE THE POWER TO CHANGE THE WORLD"

- EMMA WILKINSON, 21 YEARS OLD, ARCTIC ANSELS

#### 93 VIVOBAREFOOT COMMUNITY



## FLOURISHING DIVERSITY: RECONNECTING TO NATURE AND OUR HUMANITY

This year, Wobsrefost had the honour to participate in a series of events to listen and learn from indigenous

leaders from all around the world. The **Rourishing Oversity Series promoted** the idea of creating cultural preserves for indigenous people all over the world, it was the first event of its kind in London, when representatives of thirteen indigenous communities met with members of the public and influential people including Peter Gabriel, Bruce Parry and Sophie Hunter-Cumberbatch, Benedict Cumberbatch, Livia Firth; leading scientists; and NGOs including WWP, Forest Peoples Programmo, Gaia Foundation, the London National Park City, XB Youth and the XR Internationalist Solidarity Network and more.

vivobarefoot founder Galahad Clark elong with Beroness Lote Young of Homey and Paul Van Zyl, creative director of the Construit, joined a Listening session by Jul/Hoan (Sani Isader MrIJOme Tsemicoe, who established the first internationally recognized land conservancy in Namib is where Vivobarefoot has established the sandal making workshop with the Jul/Hoan community and Future Footweet Foundation in 2017.

The deep wisdom and profound messages of pasce and preservation from the Ju/hoan (Khokan) along with the other indigenous leaders are so valuable, especially when our whole humonity stands in colidarity with the next generation led by Greta Thunberg reminding us that we have reached a moment of action that will set a path for future life on earth.

We are grateful to Flourishing Diversity for being a part of the exchange and subporting the work in elevating these most important voices at this ortical time. Learn more on www.flourishingtiversity.com







INDIGENOUS PEOPLES' TERRITORIES GOVERN OR MANAGE 65% OF THE EARTH'S LAND AREA AND ARE ESTIMATED TO HOST 80% OF THE WORLD'S BIODIVERSITY. PROJECT

SMALL STEPS PROJECT This year we hit a record price of £3,200 for a pair of Wirebarsfoot shoes signed by Benedict Cumberbatch — and all for a good cause!

We partnered with the Small Steps Project to support their annual shoe auction, raising funds to create education and entreprise-based solutions for people (and therein approximately 15 million) who live on rubbich dumps around the world, many of them children.

Small Stops runs projects around the world providing shoes and safety equipment to adults working on the dumps, as well as helping their children get an education and chance at a better future.

Starting in 2020, we will be helping set up a small workshop next to a dump outside htmake, Uganda, providing jobs, a decent, affordable product and a new way to recycle asmall part of a vast recursion of waste

This project is about participating in creating infrastructure for people living on these dumps to build their own viable shoe business it and a hand-out, but a collaboration and social enterprise we're very excited about.

Small Steps CEO and founder, Amy Hanson, is an ex-showbla journalist who gave up her glossy lifestyle in 2009 after visiting a rubbish site in Cambodia. She has worked tirelessly ever since to deliver aid and shine a light on this environmental and humanitatian disaster.

For more information, visit, www.armathinpsproject.org



# WE WILL BE HELPING SET UP A SMALL WORKSHOP PROVIDING JOBS, A DECENT, AFFORDABLE PRODUCT AND A NEW WAY TO RECYCLE A SMALL PART OF A VAST MOUNTAIN OF WASTE







# OUR DISCLOSURE INDEX

THE WEF INDICATORS WILL BE UPDATED IN FULL IN OUR 2021 EOY. THE TEAMS ARE BUSY COLLECTING AND PREPARING DATA FOR WHAT WE HOPE WILL BE A STRONG UPDATE ON THESE KEY INDICATORS. 29

#### NOTE ON THE INDICATORS

These indicators were developed by the World Economic Forum and published in its White Paper; Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation (September 2020). We have used these metrics as an opportunity to report on our work using a defined core set of metrics which were in turn based upon existing standards (notably CRI). We support the approach set out by the World Economic Forum to accelerate convergence and bring greater clarity and consistency to reporting of disclosures.

# **APPENDIX**

# **UNAUDITED PROFIT AND LOSS**

# **UNAUDITED BALANCE SHEET** AS AT 26 DECEMBER 20

										As at 26/12/2020 £	As at 26/12/2020 £	As at 28/I2/20I9 £	As at 28/I2/20I9 £
									FIXED ASSETS				
	Half Year	Half Year	Full Year	Full Year	Full Voor		Full Year	Full Year	Investments Intangible assets		101 388,532		101 264,332
	2020/21	2019/20	2019/20	2018/19	Full Year 2017/18	Full Year 2016/17	2015/16	2014/15	Tangible assets		678,194		328,677
		2010/20		2010/10	_011/10	2010/11	2010/10	2011,10			1,066,827		593,110
Turnover	16,042,225	16,993,932	34,075,034	26,175,858	19,422,081	12,95 <mark>8,9</mark> 99	8,845,170	8,432,525	CURRENT ASSETS				
Cost of sales	(8,796,946)	(6,697,783)	(20,246,807)	(14,379,722)	(10,773,898)	(7,624,475)	(5,274,035)	(5,677,877)	Stock	3,902,319		4,028,886	
Gross Profit	7,245,279	10,296,149	13,828,227	11,796,136	8,648,183	5,334,524	3,571,135	2,754,648	Trade Debtors	403,816		776,995	
									Other Deptors	463,135		310,719	
Administrative Expenses	(7,087,279)	(10,153,511)	(13,986,854)	(11,230,564)	(8,061,313)	(5,440,637)	(3,602,342)	(2,814,834)	Cash & Bank Prepayments	2,151,925 306,190		2,045,803 258,949	
Other Income	70,155	-	463,561	159,847	132,565	88,368	99,670	148,375	Intercompany	0		0	
Operating Profit/(Loss)	228,155	142,638	304,934	725,419	719,435	(17,745)	68,463	88,189		7,227,386		7,421,352	
Interest Recievable	-	-	45	35	13	78	338	16	Creditors due within one year				
Interest Payable	(17,405)	(4,961)	(12,772)	(15,439)	(63,913)	(35,44I)	(57,564)	(76,456)	Trade Creditors	(1,448,481)		(2,624,730)	
Profit/(Loss) before Tax	210,750	137,677	<mark>292,2</mark> 07	710,015	655,535	(53,108)	11,237	11,749	Other Creditors	(1,401,449)		(840,089)	
<b>T D</b> (1)			110.015	~~~~~		100.104			Accruals Salaries	(2,299,207) (253,153)		(2,250,780) (38,661)	
Tax on Profit	-	-	443,245	80,993	-	126,164	-		Taxation	419,570		152,793	
Profit after Tax	210,750	137,677	735,452	791,008	655,535	73,056	11,237	11,749		(4,982,770)		(5,601,467)	
									NET CURRENT ASSETS		2,244,615		1,819,886
									Creditors due after one year				
									Creditors > I year		0		5,963
											U		5,963
									NET ASSETS		3,311,442		2,418,959
									CAPITAL AND RESERVES				
									Share Capital		4,595,795		4,595,795
									Share Premium		(0)		0
									Reserves Shareholders Loans		(2,889,400) 1,394,297		(3,818,195) 1,503,682
									Retained (Deficit).Profit		210,750		137,677
									SHAREHOLDERS' FUNDS		3,311,442		2,418,959

