

UNFINISHED BUSINESS

TUESDAY



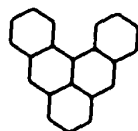
A9JG054V

A12

08/12/2020

#152

COMPANIES HOUSE



VIVOBAREFOOT

INTEGRATED REPORT
2019-2020

"ITS CLEAR WE NEED A GENERATION OF FEARLESS AND ACCOUNTABLE LEADERS WHO UNDERSTAND THAT CAPITALISM IS A DAMAGED SYSTEM"

JOHN ELKINGTON

CO-FOUNDERS & DIRECTORS

Galahad Clark → CEO
Asher Clark → CDO
N A Beart (Chairman)
L 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
R Cripps → Sourcing
C Beyer → Company Secretary

Registered number:
03474829

Registered office:
28 Britton Street,
London, EC1M 5UE

Integrated Report Consultants:
L Annat and J Schappert
Due Diligence Design

Report Designer:
H Knight
Heather Knight Creative

Independent auditor (accounts only):
Blick Rothenberg Audit LLP,
Chartered Accountants & Statutory Auditor
1st Floor, 7-10 Chandos Street, London, W1G 9DQ

Banking Partner:
HSBC UK Bank PLC
Harry Weston Road, Binley, Coventry, CV3 2SH



05	WE ARE VIVOBAREFOOT
15	2019-2020 HIGHLIGHTS
19	HEALTHY BRAND = HEALTHY BUSINESS
53	V-PEEPS
67	BARE-FOOTWEAR
85	OUR VALUE CHAIN
101	OUR COMMUNITY
129	OUR DISCLOSURE INDEX
143	APPENDIX — NOTES TO THE FINANCIAL STATEMENTS

We want people to live
a life rich with feeling.
Our footwear is made to feel.
It awakens a natural movement
that makes us feel more
human. We don't need to
tell people to 'Just Do It';
we want to inspire them to
feel it. Feeling makes us know
we're alive. It reconnects
people to the planet.
It builds our resilience.

**FEELING IS
EVERYTH**

OUR VALUES

BE AN OUTSIDER

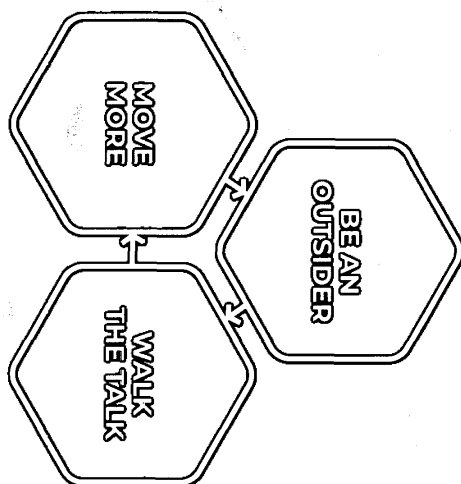
Follow your feel, not the rules.
Step outside your comfort
zone; failure is learning.

MOVE MORE

Inspire continuous
improvement and
constant collaboration.

WALK THE TALK

Radical candor with one
another and always striving
for sophisticated simplicity.



ING

FOREWORD

JOHN ELKINGTON

I'd be fascinated to hear what you think, but for me few things are more moving than the cave paintings left by our ancestors, many thousands of years ago. And perhaps most moving of all are the handprints—and hand stencils—they and their youngsters left around the world.

What were they thinking? Were they playing, was it part of an elaborate religious ritual—or were they simply saying this is me, now, this is us? I suspect it was some heady cocktail of all the above, plus intoxicating shots of group bonding.

We haven't changed much, have we? These days it may be more to do with selfies, likes and followers, but the dynamics are the same. We want to be seen, to be valued, to be part of something bigger than ourselves.



Cueva de las Manos, Argentina

FEEL THE

In the same spirit, we see businesses coming together to discuss, understand and manage their impacts on the world, positive and negative, individual and collective. Compared to the simplicity of those long-ago handprints, the language used can seem a bit wonky, with commitments to sustainability, circularity, inclusivity, net-zero this and that. All worth having, of course, as long as those signing up have adopted the right goals—and deliver.

The idea that any business, no matter how noble its purpose, leaves a trail of footprints—economic, human, social, environmental, political—has been around for a while. Typically, footprints are seen as problematic, linking to negative impacts in terms of human rights, competition for water resources or carbon emissions. So business leaders like Vivobarefoot work hard to shrink their footprints, and ours, so thank you for that!

But, equally and increasingly, real leaders spotlight their handprints. One of my favourite companies—Interface—put it this way: 'One drop of water in a still pond transfers energy to surrounding water molecules and produces a series of rings or ripples. Much like this one drop of water, a human action also triggers an effect—positive or negative. In the realm of sustainability, the positive and negative impacts of our actions are measured in handprints and footprints.'

As handprint pioneer Gregory Norris puts it: 'A contribution that causes positive change in the world—including reductions to your own or somebody else's footprint—is a "handprint." (Think of helping hands, creative handiwork, or a healing touch.)'

He encourages us to think of the difference between handprints and footprints in these simple terms: 'Footprints are the negative consequences of all that it takes to sustain a person or an organization for a year—the total planetary "cost" of your presence. Handprints represent the benefits of your presence: they're the positive changes that you bring into the world during this same year. If footprints are what we unavoidably take, handprints are what we intentionally give.'

Now I can be as competitive as the next person, wanting our language and branding to communicate that we are different. Fly us! But recall those cave wall handprints. Whether we face sabre-toothed predators or climate chaos, we are all in this together. It's time to build the critical mass needed to deliver true resilience and regeneration, at the right pace and scale.

See what follows not as an assertion of virtue but as a calling card—an invitation to engage and work together towards shared goals, based on shared values. That may seem even more of a stretch at a time when an old order is falling apart, but there is no better time than a period of breakdown to drive breakthrough progress. It's time to feel our feet—and feel our future.

A pioneer in the global sustainability movement, John Elkington is a Co-founder and Chief Pollinator at Volans. His twentieth book, published by Fast Company Press in April 2020, is [Green Swans: The Coming Boom in Regenerative Capitalism](#). Listen to our conversation with John Elkington [here](#).



UTURE!

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



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 wellbeing; 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 assess 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 impacts are. Our cross-department team, V-Hubs, is leading our work on this.

We have a long way to go, but by taking regenerative business as our starting point, we are giving ourselves, our customers, employees and stakeholders — as well as our planet — 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.

LETTER FROM THE **CHIEF-EXECUTIVE- ECOSYSTEM OFFICER**

SPOILER ALERT:

**WE HAVE HAD THE BEST YEAR WE'VE EVER HAD
– BUT IT DIDN'T EXACTLY GO TO PLAN.**

Dear Vivobarefoot family,

This is our annual report from July 30th 2019 to June 27th 2020. We will report to this year but at the time of writing the UK is in a three-tiered lockdown (that not many people understand and expect to get worse) a no-deal Brexit looms ominously and while Americans are queuing at the polls, Walmart has removed all firearms and ammunition from their 5000+ stores – fearing the worst.

Looking back on 2019 is like recalling a hazy dream, an alternate reality, as we sit around the breakfast table during a global pandemic talking of 'a new normal', 'a lost generation' and global conspiracy theories start to build a modern mythology. I'm writing this report from the hills of Sweden — where I've just emerged from a bracing lake in my birthday suit. The crystal waters reflecting snowy peaks and wild forests, still inhabited by beavers, wolves, moose, bears and lynx. In the last sane outpost of the Western World, our mission to reconnect people with the natural world feels more salient than ever.

In fact, when we stopped and looked at the Vivo strategy in early lockdown, the vision and the values felt more relevant than ever and we got a jolt to pursue our purpose with more vigour than ever before. If anything, we seemed to be 'sensibly' holding ourselves back in the pre-Covid era, but now, more than ever, it's time to kick off the urbanised, unnatural, degenerative shackles and stabilisers.

Spoiler alert: we have had the best year we've ever had – but it didn't exactly go to plan.

AN EXISTENTIAL VIVO CRISIS OPPORTUNITY

The financial year started full of optimism and growth: year two of a five-year plan to develop the Vivobarefoot business from a sub £20M business to a genuine challenger brand of size and influence.

The year started frustratingly at best and incompetently at worst as the 'shoe' business was tripped up by late deliveries, quality problems and fitting issues. We almost missed the very time sensitive back-to-school period in July and

August and then didn't deliver our autumn and winter boots until the end of October, missing out on the lucrative 'full & high' 'boot & margin' season. Customers complained, discounts proliferated, and profitability collapsed.

In 2019 Vivo transitioned production from China to Vietnam (partly due to trade war brinkmanship, partly to overhaul our local management and mainly to continuously improve our shoe making and innovation). The move was also from our own sourcing operation in Dong Guan to a 'full-service sourcing house' in Ho Chi Minh and it didn't go to plan. There were capacity issues with the main factory partner (apparently we were not the only shoe company fleeing China) combined with an under-estimation of barefoot cobbling (making soft, thin and flexible footwear is a lot harder than big fat stiff ones) by our new sourcing agency, resulting in a period of turmoil in our main supply chain. When the footwear finally did arrive, they were piling into the black Friday and Christmas promotional periods which we ended up having to participate in beyond our comfort zones and

contrary to the full price, fair value, minimal discount brand we want to be. Margins fell off a cliff and we finished the half year (December 2019) behind plan with morale badly down. We were the anti-shoe business struggling to make shoes!

The employee Happiness index score in January 2020 was shamefully low (which was also a big wake up call that our culture was not resilient to business downturn) and our overhead base was embarrassingly high (built to support a bigger, more profitable business).

Just as stock levels started to return to planned levels in early 2020, along with trade and profitability and just as the organisation was breathing a huge sigh of relief, along came the flying side kick to the solar plexus of Covid-19. Oooof!

We hunkered into bunkers and full crisis mode. Multi-scenario planning, forecast re-forecasting, cash hoarding, cost slashing and team coordinating. The river turned to rapids as we paddled furiously and braced ourselves for tipping over the waterfall.

Shareholders started to think through a capital call and we immediately reached out to our bank (along with 3 others). We considered a new round of crowdfunding alongside various other equity / debt options. We were scouring the metaphorical banks for branches to grab hold of.

AT THE END OF ALL OUR EXPLORING...

This existential moment brought our reason for being into sharp focus and we realised that, if anything, we had to hold tighter to our existing course, albeit we had to shed weight and tread lightly (innovate sustainably), be more agile (move more), and stay true to our path (trailblazing).

Our teams stepped up, putting out health broadcasts, finalising B Corp certification and dialing up mission control.

And as the government locked down the people, the people went outside! And they started to buy hiking boots and trail running shoes. The results were business saving and reaffirming: Vivo, creating products and experiences that literally bring people closer to nature, turns out to be part of the solution.

As all our lives change – seemingly forever – Vivobarefoot changes too and in many ways for the better. We have the privilege of building the company and brand we always wanted. Independent, family minded, values and purpose led. A business dedicated to nature (nature is everyone's business) and the strategic pillars remain foundational: Healthy Brand, Healthy Community and Healthy Planet.

HEALTHY BRAND

The connection between personal and planetary health is essential for the good of society.

Vivo aims to build a healthy digital ecosystem for a transformative customer experience: not only selling life-changing footwear but being able to also take them back, repair them, resell them, educate, inspire, entertain and connect. Obviously Covid-19 put paid to a lot of our 'omni-channel' aspirations: we had to close all our stores and wholesale stopped almost completely, and any event-marketing and mobile VVagon ambitions have been put on hold, but with offline only 37% of the global business we were well set to weather the storm, and we focused on our resilient direct to consumer online business model.

In the year we sold more than 570k pairs of life-changing footwear. Our ecommerce revenue was more than £19M, an increase of 25% on the previous year. The first Covid predictions in March were for an £800k loss and then £270k loss and then, by mid-May, we knew that if we managed to invoice 50k pairs in June then we could record a profit for the year. The company came together brilliantly and we recorded our best ever year: £34.1M in sales and we snuck into the Fast Track 100 (of fastest growing UK companies!) and a PBT of £735k.

cont>

“WE HUNKERED INTO BUNKERS AND FULL CRISIS MODE. MULTI-SCENARIO PLANNING, FORECAST RE-FORECASTING, CASH HOARDING, COST SLASHING AND TEAM COORDINATING. THE RIVER TURNED TO RAPIDS GATHERING PACE AND TURBULENCE AND WE SIMULTANEOUSLY PADDLED FURIOUSLY AND BRACED OURSELVES FOR TIPPING OVER THE WATERFALL.”



We still have a long way to go to continue to strengthen the business and most important is to make our supply chain more agile and resilient. We aim to balance out the production between Asia, Africa and Europe, our 'never-out-of-stock' lead times are still too slow (our ambition is to get these from 140 to 60 days) and we aim to increase stock turn from 4 to 10. Alongside this brilliant shoe business, we will look to expand and scale the full customer experience especially around getting outdoors and healthy natural movement education programmes.

HEALTHY COMMUNITY

We want our community to join us in a movement for a more sustainable and healthy future.

We've learnt, like many organisations, that you don't 'need' a full-time office in the centre of London! And as we start to prototype meetings 'in the wild' we look forward to setting up the Vivo Green Home and giving our Vivo people even more flexibility to live more rounded lives.

The leadership team evolved in 2019 with Phil Borthwick joining as Marketing director, Emma Foster-Geering as Regeneration director and Rosie Cripps heading up the Supply Chain (brilliantly supported by the incumbent Damian Peat and strategic advisor: Robert Perkins). Katy Forster was promoted to Head of Product and alongside the incumbent directors Marc, Paul, Bayarma and Asher (Finance, Commercial, Kids and Design respectively) – all sit at the round table guiding the good ship Vivo through these troubled waters.

But it was really the wider team that made the big difference – after furloughing 17 of our colleagues, the team pulled together in

spectacular fashion to deliver more, with less people, with more panache, than ever before. As we adjusted to remote working without the coffee machine interactions, we also created cross functional teams taking on special projects like an updated barefoot code, 3D printed bespoke footwear (coming soon!), the evolution of our Ethiopian transparent supply chain in partnership with Pittards, an upgraded digital healthy customer experience, the 'beyond our wildest expectations' launch of our recommerce site: ReVivo and of course this marvellous upgraded integrated annual report!

We already have a very meaningful stakeholder group alongside our shareholders and we pledge to engage them ever more in our journey. We feel very privileged to have maintained our independence through Covid-19 and the support we have received from a growing trade facility from HSBC to help us manage cash through a massive global recession and offline retail apocalypse.

As our focus zeroes in on a direct to consumer business, we are constantly challenged by how to use technology for good, for health. The second iteration of shoespiracy launched to great effect in February 2020 and the Vivo health broadcast and 'Sustain This?' podcast launches were wonderful examples of thought leadership and engaging content that all came to life during lockdown. Our engaged community has grown from 0.6m to 0.7m, we are retaining customers at an improved rate of 48% and a staggering 20% have more than 5 pairs of Vivobarefoot!

And we continue to work with leading scientists, medics and scholars to move forward the research around healthy, natural movement.

"WE ARE NOWHERE NEAR WHERE WE WANT TO BE IN SUPPORTING THE PLANET TO THRIVE. TOO MANY OF OUR SHOES ARE MADE IN DEGENERATIVE SUPPLY CHAINS, SHIPPED AROUND THE WORLD WITH UNRENEWABLE ENERGY, A LOT OF THE PACKAGING IS STILL THROWN AWAY AFTER A SINGLE USE AND TOO MANY SHOES ULTIMATELY END UP IN LANDFILL."

In 2019, we completed a £1M Innovate UK grant in partnership with the University of Liverpool, showing that wearing barefoot footwear can increase balance by 40%! The potential ramifications for the UK National Health Service (that spends £3bn per annum on falls) is profound. In other research sponsored in partnership with the Future Footwear Foundation a longitudinal study showed that just walking around in barefoot footwear for 6 months increases foot strength by 60%, showing more than anything just how weak 'normal' padded supportive narrow footwear makes your feet. Most people are walking around with massively compromised feet (normal shoes don't allow your feet to function naturally and if you don't use it... you lose it!) and compensate for this foundational weakness up the kinetic chain: knees, hip and back pain are endemic and more often than not can be traced back to weak feet and unnatural movement habits...

But, as always, we have a long way to go both to make barefoot health conventional wisdom and to inspire people to free their feet – even in our immediate stakeholder group.

I know now more than ever that a cultural movement doesn't just fall into your lap, it requires constant energy, love and empathy. That is the journey we are on, and we're diving in feet first...

Both our internal and external NPS (Net Promoter Scores) scores — 20 and 45 respectively — are much lower than where we would like them to be (~75) and we have various programmes in place to improve these vital community metrics. We have a lot of exciting opportunities to improve our enterprise and impact as we aim to improve our B Corp score of 99 to over 130 in the next couple of years.

We are making a strong commitment to implement Regenerative leadership throughout the business and develop our brilliant teams to be full of self-organising fulfilled leaders. But most importantly we aim to find a better rhythm in the way we work, dancing to nature's seasonal tunes and to be truly net positive in our impact on the well-being of our teams, community and impact to society. Linked to that, we challenge ourselves on how we use technology to inspire more people to connect with nature – whether it's walking through city parks, wild woodlands or swim running around rivers, lakes and coastlines!

HEALTHY PLANET

Vivobarefoot emerges from this year a stronger, more resilient business. But we are nowhere near where we want to be in supporting the planet to thrive. Too much of our footwear is made in degenerative supply chains, shipped around the world with unrenowable energy, a lot of the packaging is still thrown away after a single use and too many shoes ultimately end up in landfill.



The re-birth of the eco matrix is helping us identify just how far we have to go with making our supply chains transparent and sustainable (let alone regenerative) and we have a lot of exciting projects in the pipeline that I'm excited to share with you in the next version of this report.

Our footwear business is growing, but we failed to inspire as many women to buy our footwear as we would have liked in 2019/20 – with women only making up 36% of the contribution mix and so we have made renewed efforts to emancipate more women's feet, along with our mission-defining and growing over-subscribed kids business (that is a challengingly low margin but underpins so much of what we stand for as a brand).

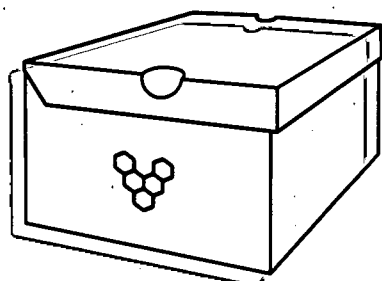
Our marketing maxim is now to shift towards 'acts, not ads' and build an impact model across the whole supply chain with the Live Barefoot Foundation intertwined into the business.

I'm proud to say that in 2019-20 more than 1% of sales went directly into social and environmental programmes and we are in the process of increasing this to over 1.5%.

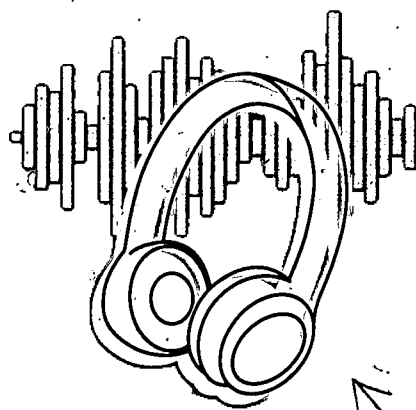
Our goal is to connect deep into our supply chains, support regenerative agriculture, green chemistry processing and factories that are energy positive with full social programmes that result in meaningful collaborations with organisations that are making the world a better place thus raising more awareness, selling more footwear and experiences, and contributing back to our impact activities. We are just at the start of this journey and it is exciting to think how far we have to go...

Better get back to it! We have some Unfinished Business to attend to...

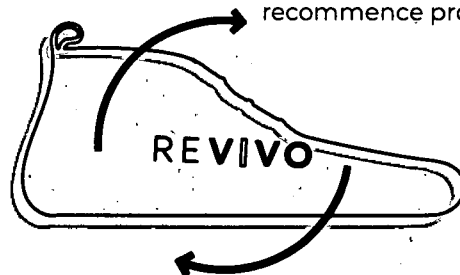
G & BRILLIANT VIVO TEAM



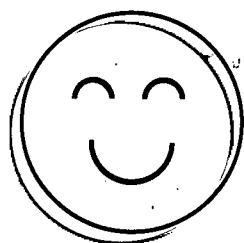
19/20 distributor sales
drove **+49%** (121k units)
on last year



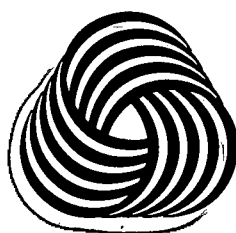
Launch of
Sustain This
Podcast



Launch of ReVivo
Category first
return, recondition &
recommence program



Launch of our employee health
and wellbeing programme:
Happiness Index + 18%
improvement in 6 months

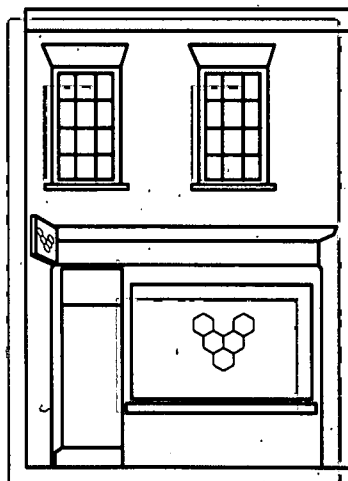


Vivobarefoot x **Woolmark**
partnership

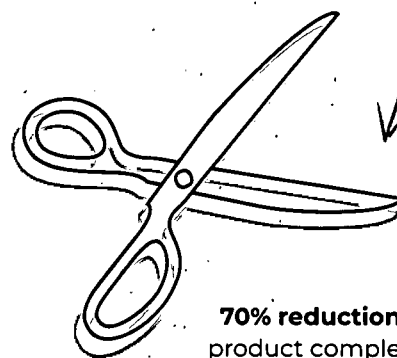


Devon
Environmental
Fund Founding
Members

New international
relationships (distributors)
in **Japan and Canada**



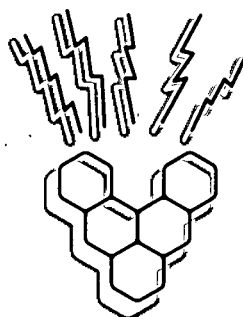
over 1.5m views of
Shoespricacy



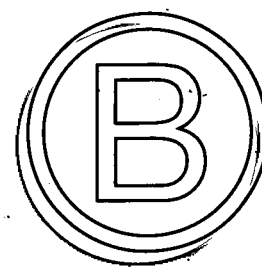
70% reduction in
product complexity
+ materials

2019 CHAMP MOM

Vivobarefoot Kids
grew its contribution
margin 2 points this
year up to **29%**.

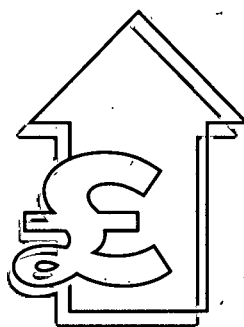


**VivoBarefoot
Health Broadcast**
rolling digital health &
wellness program to
support community
during pandemic



B Corporation Certified
at a score of **98.8**

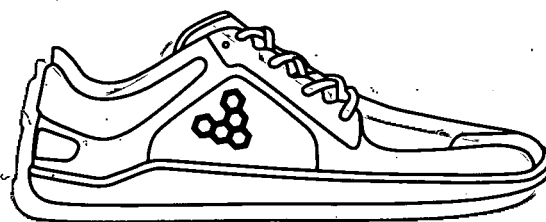
**2020
MAGNETS**



Profit after tax £735k (2018: £791k)

41% increase in turnover in Europe,
32% Rest of the World

Revenue of over £34.1M an increase
of 30.2% from last year



More than **570k** pairs of
Vivobarefoot shoes on feet



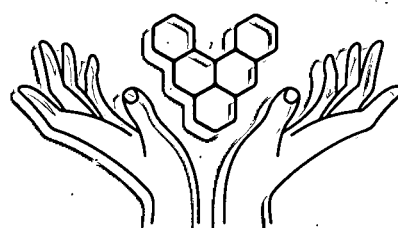
Sustainability fully
integrated into our
Business Strategy



Vivobarefoot x
Jean-Michel Basquiat
™ collaboration

**FASHION
FOR
GOOD**

Fashion For Good
affiliate partner

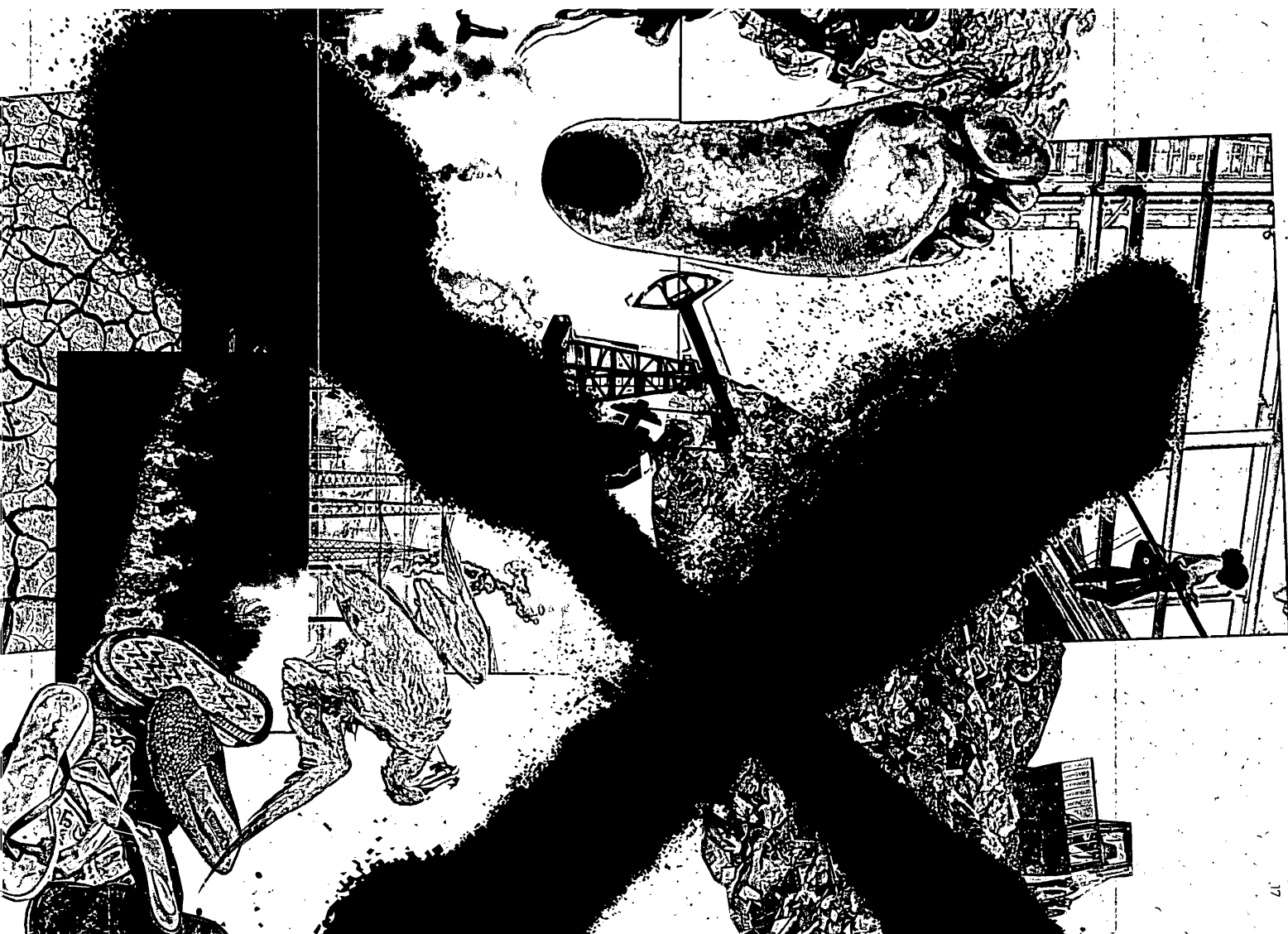


Launch of
LiveBarefoot Fund

SUSTAIN THIS?

OUR SEDENTARY, CUSHIONED
LIVES ARE MAKING US AND
THE WORLD SICK





RESPONSIBLE SUSTAINABLE FOOTPRINT REGENERATIVE

SPECIES CAN ONLY THRIVE WHEN EVERYTHING AROUND
OF NATURE, NATURE WILL TAKE CARE OF US. TEN THO
WAS OUR ONLY OPTION. NOW, AGAIN, IT IS THE ONLY OF
ANCIENT WISDOM. GRASP THE OPPORTUNITY TO CREA
RICH AND WILD WORLD WE INHERITED AND LIVE IN

—SIR DAVID ATTENBOROUGH (WI

THE BUSINESS OF BUSINESS OF BUSINESS OF BUSINESS

THEM (THE ECOSYSTEM) IS THRIVING. IF WE TAKE CARE
HUNDREDS OF YEARS AGO WE LIVED SUSTAINABLY BECAUSE IT
WAS A GIVEN. WE HAVE TO APPLY OUR MODERN TECHNOLOGY TO
CREATE THE PERFECT HOME FOR OURSELVES. RESTORING THE
BALANCE WITH NATURE ONCE AGAIN. IMAGINE THAT.

(A LITTLE TWEAK FROM GALAHAD)

TO BE OR NOT TO BE: A B CORP



*It took us
12 months of
hard work to
get our B Corp
certification!*

In 2020, we reached the status of a certified B-Corporation business.

B Corps are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. B Corps form a community of leaders and drive a global movement of people using business as a force for good.

Right now we're the highest scoring footwear company in the world with a score of 98.8, but we have a long way to go to be amongst the Patagonias of the world. (The highest scores are typically 150 - 160).

In our opinion, the standards and verification processes of B Corp are best in class. The online Business Information Assessment is a comprehensive business, social and environmental tool and B Lab, the managing body, balances transparency, accountability and inclusivity.

Declaration of Interdependence.

We envision a global economy that uses business as a force for good.

This economy is comprised of a new type of corporation—the Certified B Corporation—which is purpose-driven and creates benefit for all stakeholders, not just shareholders.

As B Corporations and leaders of this emerging economy, we believe:

That we must be the change we seek in the world.

That all business ought to be conducted as if people and place mattered.

That, through their products, practices, and profits, businesses should aspire to do no harm and benefit all.

To do so requires that we act with the understanding that we are dependent upon another and thus responsible for each other and future generations.

[Signatures of Executive Board members]

Executive Board

8/31/2020

VIVOBAREFOOT LIMITED

Date

Company

[Signature]

Director/Officer, B Lab Global

8/31/2020

8/31/2023

Date

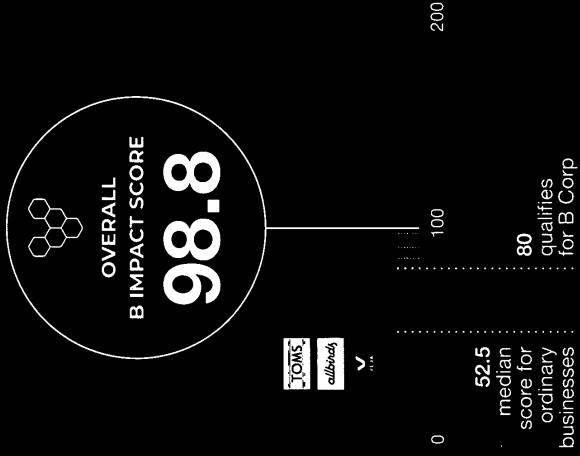
Charter/Amendment Expiration Date



Certified



Usually the CEO only signs the B Corp Commitment. In the spirit of our collegiate management team, our entire Executive Team signed our commitment.



WHERE WE SCORED WELL:

- Mission and engagement
- Ethics and transparency
- Civic engagement and giving
- Environmental management
- Customer stewardship

THE KEY AREAS WE NEED TO IMPROVE:

- Tying compensation for executives to achieving specific social and environmental objectives
- Employee happiness and satisfaction
- Initiatives to increase wages and benefits
- % participation in employee ownership
- Health and safety processes
- Diversity, equity and inclusion
- Supplier ownership diversity
- Spending on local suppliers
- Impactful banking services
- Supply chain management and disclosure
- % of products with an environmental footprint assessment
- Monitoring and reducing greenhouse gas emissions
- Supply chain water, waste and biodiversity management

The B Corp certification process has helped us put strong strategic plans and reporting processes in place

IMPACT AREA SCORES

- 18.4 Governance**
- 25.2 Workers**
- 24.4 Community**
- 17.6 Environment**
- 13.1 Customers**

“POOR MANAGEMENT SYSTEMS CAN JEOPARDIZE LIVES IN THE AIR, SEA, OR IN HOSPITALS.. THEY CAN ALSO PUT ENTIRE BUSINESSES, SOCIETIES, AT RISK”

— JOHN ELKINGTON

IN CONVERSATION WITH **NICK BEART**

Nick Beart started advising Vivobarefoot in 2013 and became the Chairman January 2017.

With extensive experience in developing and growing entrepreneurial businesses, he lends his experience to our journey, helping pioneer the future of regenerative business.

For the end of this tumultuous year, he sits down in conversation with our Director of Regeneration, Emma Foster-Geering:



**NICK, IT HAS BEEN A YEAR
WE COULDN'T PREDICT.
HOW DO YOU FEEL WE
HAVE HANDLED IT?**

Vivo wants to help people move more, live a healthier life and our footwear allow them to do this and reconnect with the planet — little could be more relevant in these troubled times where a zoonotic virus targets the weak and unhealthy to an alarming degree. The footwear we sell are part of the solution both today and in the future. We want to help people on their journey to healthier, more active lives and to help them feel and care more for the planet around them.

The team have handled the crisis amazingly well and deserve all the praise it is possible to give, especially those staff for whom home working has often been extremely difficult. Everyone has worked incredibly hard to cope with lockdown, stabilise the business and continuously improve everything we do.

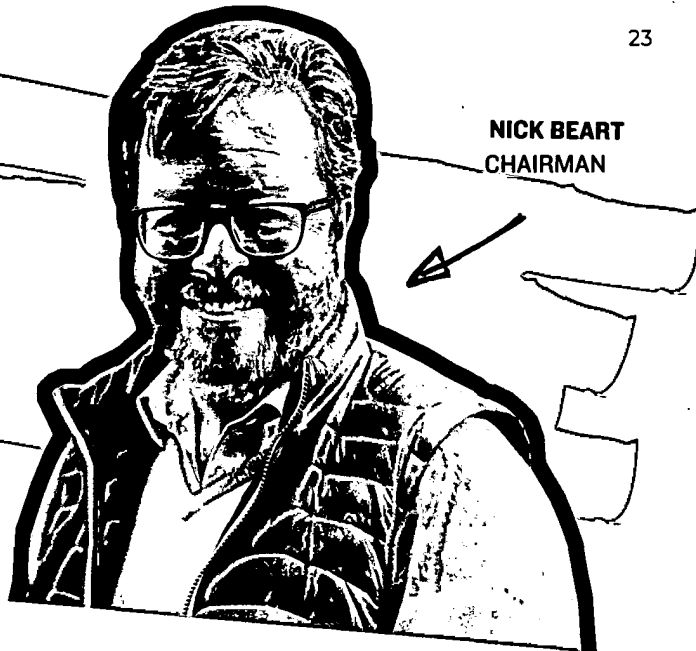
All the time coping with the inevitable tensions Zoom meetings create as we, very social animals, struggle to see each other face to face. It has been an exemplary effort by a team of extraordinary and committed people that have ensured that Vivo is still growing, profitable and making life-changing footwear.

Obviously, we are behind where we thought we would be pre-Covid and profits in the year to 30 June 2020 reported here were lower than planned. As a result, the team have had to cut back on investments in offices and systems and make some extremely difficult decisions. Despite shareholders waiving their loan repayments and the entire team taking voluntary pay cuts, we have very sadly had to lose people. Vivo is once again generating enough cash to support itself, HSBC have been extremely helpful in providing trade finance and we are now much more confident than we were in March that we can get through this crisis and bounce back in the future.

EMMA FOSTER-GEERING
DIRECTOR OF REGENERATION

NICK BEART
CHAIRMAN

“WE ARE PART OF WHAT WE HOPE WILL BECOME AN EVER-EXPANDING GROUP OF BUSINESSES THAT HAVE CHANGED BEHAVIOURS FOR THE BETTER”



WE MADE SIGNIFICANT CHANGES IN OUR GOVERNANCE STRUCTURE THIS YEAR. WHY WAS THIS NECESSARY?

ARTICLES OF ASSOCIATION

After an incredible effort by the team, Vivo has now become a B Corp, a process which formalises our commitment to have a materially positive impact on society and the environment, along with our duties to shareholders and other stakeholders.

LEADERSHIP STRUCTURE

During the year we made a clear distinction between an executive board, also known as ‘The Roundtable’, and a legal board.

The legal board is now made up of the two co-founders and three non-executives. In addition to being a sounding board for the business, responsibilities cover the remuneration of directors, approval of financial and non-financial statements prior to publication and other high-level legal obligations.

Galahad and Asher Clark, our two co-founders, are accountable for discussing all aspects of Vivobarefoot’s business ecosystem to the legal board, including social and environmental performance. The reporting is done in advance by the Directors responsible for each area on the Roundtable and reviewed in advance at the weekly Roundtable meeting the day prior to the monthly legal board event.

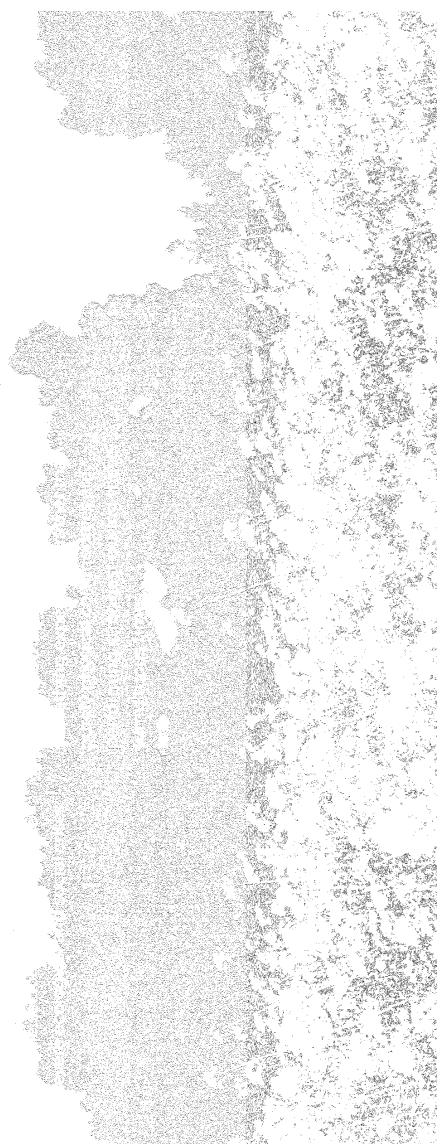
The Roundtable runs the business. It is an operational (not legal) board that meets weekly to set and agree strategy, reporting, compliance and management processes. The composition of the Roundtable and its processes are decided upon by Galahad and Asher.

HOW DOES WANTING TO PROVE THAT BUSINESS CAN BE A FORCE FOR GOOD TIE UP WITH ‘REGENERATIVE BUSINESS’?

Businesses have to move from trying to stop further damage to the planet to models that help heal and regenerate not only our consumers but also the planet. But there are no easy or instant answers — whatever others claim.

Our ambitions are high — we want to ensure that 100% of the materials in our footwear are regenerative — and inevitably on occasion we shall fail to live up to them, at least in the short-term. After all, innovation requires failed experiments. Nevertheless, as we succeed, we are part of what we hope will become an ever-expanding group of businesses that have changed behaviours for the better.

“OUR AMBITIONS ARE HIGH. WE WANT TO ENSURE THAT 100% OF THE MATERIALS IN OUR SHOES ARE REGENERATIVE”



BUSINESS PERFORMANCE

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by the Board and management. Compliance with regulation, legal and ethical standards is a high priority for Vivobarefoot and the Legal Board take on an important oversight role in this regard, with input from expert third parties where necessary.

Despite a tumultuous year, our business performance has been encouraging. Top line revenue is up more than 30%, driven by growth in both distributors and UK ecommerce channels. Healthy progress has been made on our strategic goals. Stock delays in the first half of the year impacted our profitability, as seasonal styles were not available for key selling periods, resulting in the need for additional discounting. Despite this and the pressures of Covid-19 we remained profitable, although at a lower margin than last year. The full details of this year's performance can be found on pages 41 to 44 with detailed notes to the accounts available on pages 144 to 152.



G J D CLARK
DIRECTOR

Date: 30th November 2020

**"OUR LONG-TERM
SUSTAINABILITY AND
INNOVATION GOALS TO
INVEST IN HEALTHY
PRODUCTS AND
EXPERIENCES SOLD
THROUGH HEALTHY
DIGITAL ECOMMERCE
CONTINUES TO SET
VIVOBAREFOOT
UP FOR STRONG,
SUSTAINED SUCCESS"**

KPIs

METRIC	METHOD	TARGET	2019-20	2018-19	VARIANCE	% VARIANCE
HEALTHY BRAND						
TURNOVER	Total turnover achieved in the financial year	£36.0M	£34.1M	£26.2M	£7.9M	30.2%
GROSS MARGIN	Percentage margin achieved from turnover less cost of sales	70.0%	40.5%	45.0%	-4.6%	-10.1%
PROFIT	Total profit after tax achieved in the financial year	£0.3M	£0.7M	£0.8M	-£0.1M	-12.5%
STOCK TURN	Total cost of goods sold over average stock holding	3.50	5.63	6.97	-1.34	-19.2%
NOS LEAD TIMES	Average length of time between shoes being ordered and arriving in our warehouse for distribution	140 days	211	195	16	8.2%
CURRENT RATIO	Current assets over current liabilities at balance sheet date	1.50	1.29	1.64	-0.35	-21.4%
ECOM CONTRIBUTION	Percentage contribution achieved by Ecom channels after deducting all variable costs	35.0%	27.4%	33.0%	-5.6%	-17.0%
HEALTHY COMMUNITY						
EMPLOYEE HAPPINESS	Average score for respondents to The Happiness Index questionnaire completed in October 2020	6.0	6.0	N/A*		
EXTERNAL ACTIVATION (NPS)	Positive respondents to happiness surveys over total respondents (customers)	55.0	44.0	62.5	-18.5	-29.6%
ENGAGED COMMUNITY	Total number of email and social followers	0.70M	0.71M	0.62M	0.09M	14.5%
RETENTION RATE	New customers acquired in the period over the total number of customers in the period	45.0%	48.0%	49.0%	-1.0%	-2.0%
B CORP	B Corp assessment score	80.0	98.8	N/A**		
HEALTHY MARKETING	Percentage of spend on Marketing, including semi-variable marketing spend, of total annual Turnover	12.0%	20.2%	15.7%	4.5%	28.7%
HEALTHY PLANET						
ECO PRODUCT MATRIX	Average score of the environmental impact of each of our shoes on a number of factors	27.0	N/A***			
TERMINAL STOCK RETURNS	Percentage of shoes produced which are not fit for sale	4.0%	5.0%	N/A****		
WOMENS CONTRIBUTION	Percentage of Gross Profit achieved by Womens shoes as a proportion of the whole business	39.0%	35.8%	38.1%	-2.3%	-6.0%
STYLE EFFICIENCY	Average number of units ordered per style in the year	9.0k	5.2k	6.5k	-1.3k	-25.0%
3 HERO SHOES	Average number of units ordered for our three Hero Shoes (Primus Lite, Gobi and Trackers)	20.0k	46.4k	58.2k	-11.8k	-25.4%
REGENERATION INITIATIVES	% spend on good causes over turnover	1.5%	0.8%	0.6%	0.2%	33.3%

* This is the first year that we have surveyed staff on happiness, as such no comparative figure

** B Corp assessment completed in the year and as such no comparative figure

*** Newly implemented assessment, as such data not yet currently available

**** Not previously monitored, as such no comparative figure

DIRECTORS' REPORT

FOR THE 52 WEEKS ENDED 27 JUNE 2020

The directors present their report and the financial statements for the 52 weeks ended 27 June 2020.

PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of the design, production and sale of footwear.

RESULTS AND DIVIDENDS

The profit for the 52 weeks, after taxation, amounted to £735,452 (2019 - £791,008).

The directors do not recommend a dividend.

DIRECTORS

The directors who served during the 52 weeks were:

G J D Clark

A M Clark

L C Li-Ming

N A Beart

J E Roebuck (appointed 28 May 2020)

L Ashton (resigned 13 November 2019)

A R Sumra (resigned 21 February 2020)

D Peat (resigned 25 June 2020)

P R Walker (resigned 25 June 2020)

M A Arnold (resigned 25 June 2020)

Please note that Lou and Aneeta left the business for new pastures. Damian, Paul and Marc have remained on the Roundtable but we've made the Co-Founders Galahad and Asher the only 2 Legal Directors along with the Non-Executive Directors Nick, Lawrence and Jen.

MATTERS COVERED IN THE STRATEGIC REPORT

As permitted by s414c(11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', in the strategic report.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board and signed on its behalf.



G J D Clark
Director

Date: 30/11/2020



DIRECTORS' RESPONSIBILITY STATEMENT



FOR THE 52 WEEKS ENDED 27 JUNE 2020

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

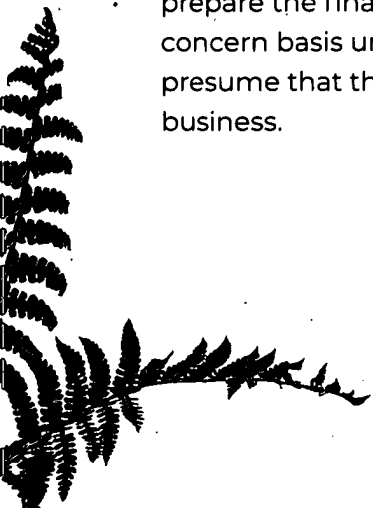
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

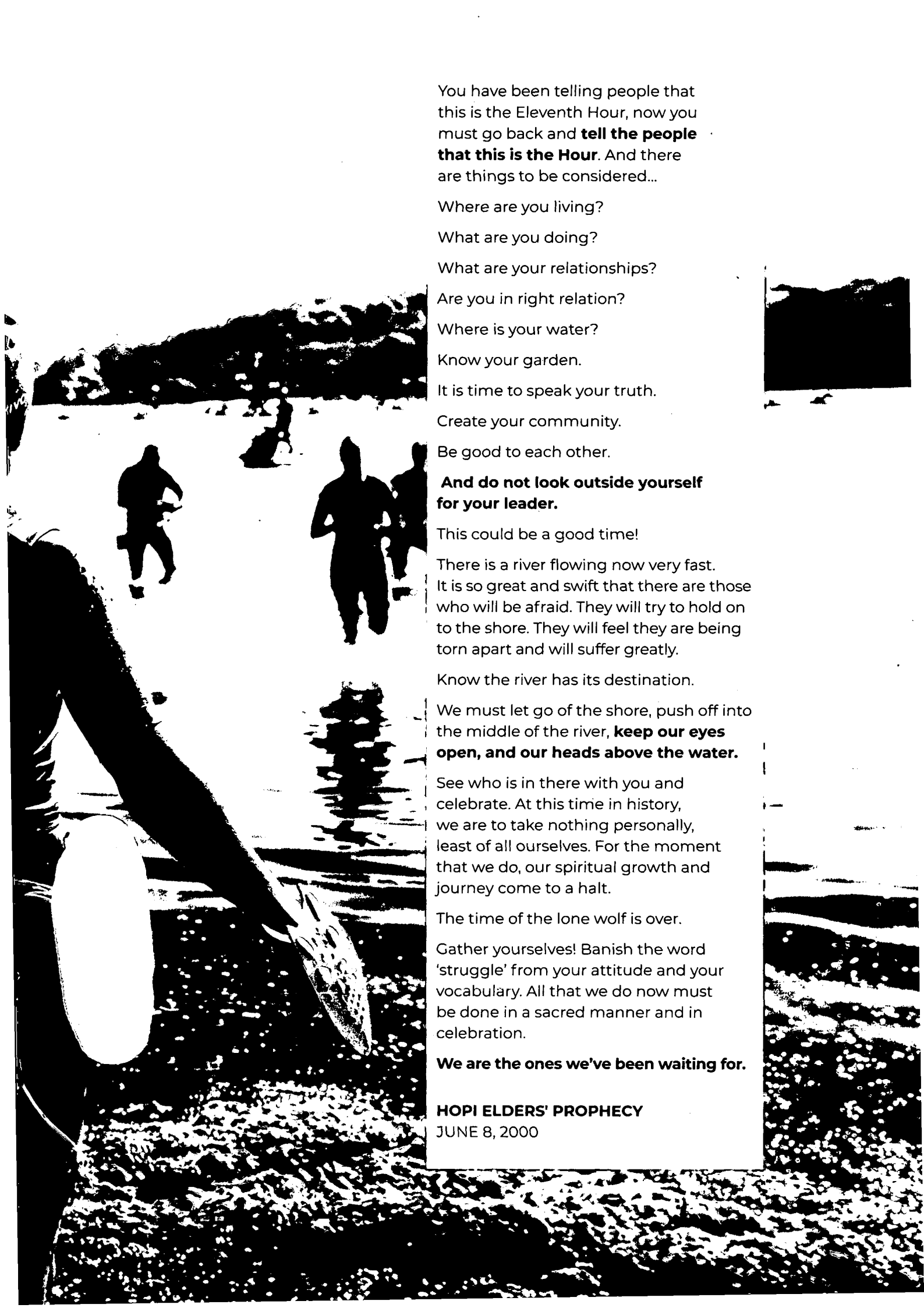
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in directors' reports may differ from legislation in other jurisdictions.



Vivobarefoot
Bartham Retreat and
Swimrun June 2019 -
next one June 2021





You have been telling people that this is the Eleventh Hour, now you must go back and **tell the people that this is the Hour.** And there are things to be considered...

Where are you living?

What are you doing?

What are your relationships?

Are you in right relation?

Where is your water?

Know your garden.

It is time to speak your truth.

Create your community.

Be good to each other.

And do not look outside yourself for your leader.

This could be a good time!

There is a river flowing now very fast. It is so great and swift that there are those who will be afraid. They will try to hold on to the shore. They will feel they are being torn apart and will suffer greatly.

Know the river has its destination.

We must let go of the shore, push off into the middle of the river, **keep our eyes open, and our heads above the water.**

See who is in there with you and celebrate. At this time in history, we are to take nothing personally, least of all ourselves. For the moment that we do, our spiritual growth and journey come to a halt.

The time of the lone wolf is over.

Gather yourselves! Banish the word 'struggle' from your attitude and your vocabulary. All that we do now must be done in a sacred manner and in celebration.

We are the ones we've been waiting for.

HOPI ELDERS' PROPHECY

JUNE 8, 2000

HOW TO BUILD AN IMPACT FRAMEWORK AS A SMALL BUSINESS

In September 2019 we worked with strategic experts Due Diligence Design 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, HIGG BRM, AA1000, ZDHC, GRI). 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 are not always easily adoptable or adaptable to a SME perspective. Where we identified metrics and indicators that aren't adoptable /adaptable, we provided feedback to the relevant benchmark agency. We stayed in close contact with OECD as they are undertaking assessments of reporting frameworks against OECD due diligence guidelines and looking at the SME perspective.

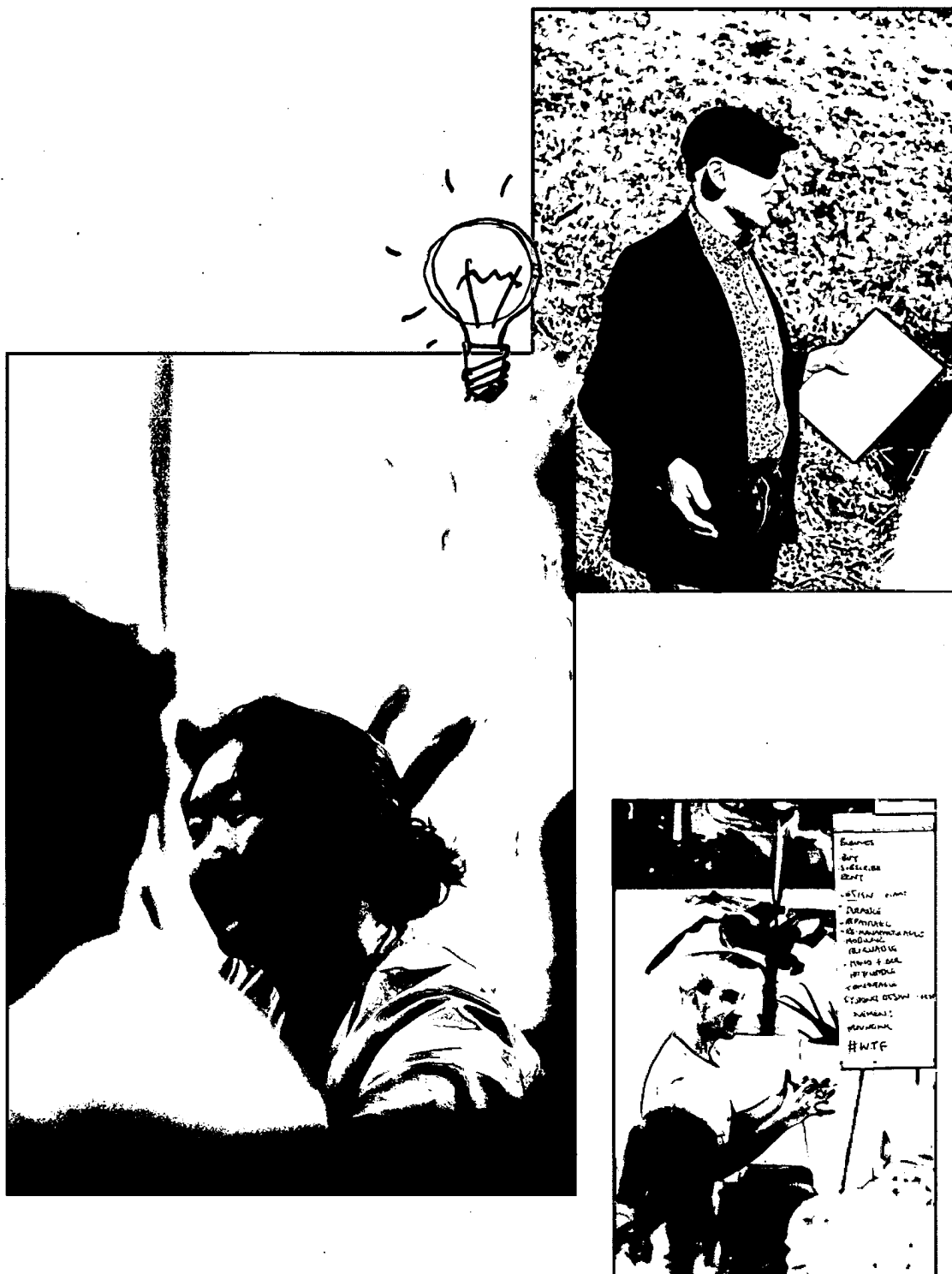
2. Rationalisation into thematic areas. Creation of master principles and indicators.

Carried out through 2 in-person workshops immersed in nature we checked in together to ensure these thematic areas make sense from a Vivobarefoot company culture perspective/ company structure perspective and aligning these themes with the Vivobarefoot DNA. Assigning responsibilities within the respective departments that would be responsible for progress.

3. Incorporating feedback from the Vivobarefoot leadership team and the respective departments to agree and set the final benchmark indicators, and launch the future strategy. Including 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.

During the process we:

- (i) Aimed to inspire and ignite by providing example 'pioneer' options for each thematic area. employing the principle that in meeting the framework, Vivobarefoot ensures excellence (Adidas is our go-to example here) but changemakers and pioneers (Patagonia is our go-to example here) leapfrog to create a new standard of excellence.
- (ii) included 'sprint' processes. Examples such as the REVIVO project have been really successful here.
- (iii) kept in mind a longer-term ambition to make the framework transparent and open source for other companies to use and adapt.



*Biomimicry
extraordinaire
Michael Pawlyn
was there
helping us to
seek inspiration
from nature*

THE SCHOOL OF LIFE

*The School of Life
guided us through
3 sessions on
Decisiveness,
Leadership
and Resilience*

“OVER 90% OF BRANDS IN THE FASHION AND FOOTWEAR INDUSTRY ARE SME’S. JUST BECAUSE VIVOBAREFOOT IS SMALL, THEY KNOW COLLECTIVELY THEIR IMPACT IS BIG AND THAT THEY MUST PLAN FOR THEIR IMPACT ON SOCIETY AND SOCIETIES IMPACT ON THEM WITH PROPER DUE DILIGENCE

—LIBBY ANNAT, DUE DILIGENCE

UPDATE FROM OUR FINANCE DIRECTOR

**BY MARC ARNOLD,
FINANCE DIRECTOR**

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.

Talking about financial performance when billions of people are just focusing on survival seems somewhat trivial. However we have a duty to update you on how Vivobarefoot has performed against this backdrop.

As we transition into a regenerative business we are on a journey — a journey to reconnect economic, environmental and social value in the way we measure and report performance. We are proud to share with you our first Integrated report. We have plans to go further — we aspire, in the coming years, for all the financial and non-financial data to be audited — but for now, we invite you to understand what has happened in the numbers.

As you may remember, we have a June year-end (for reasons long since lost in the mists of time) and 2019/20 was very much a year of two halves. For the first six months of the year our wounds were largely

self-inflicted as production delays left our virtual shelves virtually empty. Just as we regrouped and readied ourselves to kick on, Covid-19 hit and the world changed in ways we could never imagine. Despite these challenges we outperformed even our most optimistic plan and as we sit here today we are better placed than ever to be part of the solution, when the world re-opens.

BAREFOOT SALES

When we shared our Crowdcube plan in 2016, we set an ambitious target to reach £28M of sales by 2021. I am pleased to say that we surpassed that in 2019/20 with sales of £34M, 30% up on the previous 12 months.

Our business is split between Direct to Consumer (DTC) ecommerce, retail and marketplace platforms, and Business to Business (B2B) wholesale and distributor partners.

This year our Ecommerce platforms grew 25% to £19.6M, with our Marketplace platforms up 174% to £1.6M.

Our flagship store in Neal Street was severely impacted by Covid-19 and saw a decline in sales to £0.9M down 26% on the previous year. Nevertheless, it is performing well relative to retail in general.

At the same time, our distributors have not only weathered the storm but gone from strength to strength with sales up 46% to £9.4M.

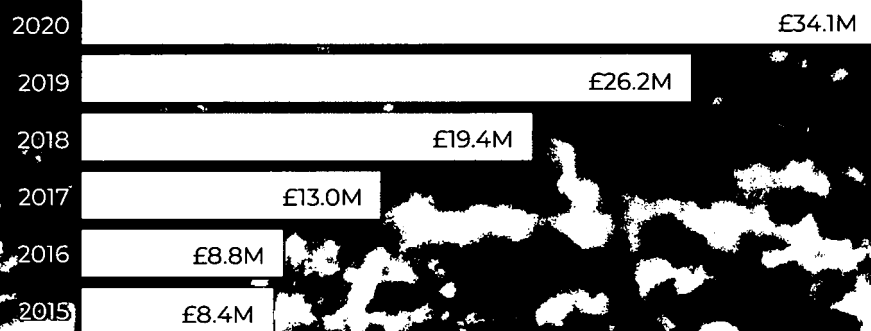
As our barefootprint continued to spread across the world, sales grew by 11% to £7.2M in the UK, 41% to 13M in the EU and 31% to £13.8M in the US and the rest of the world.

**"AS WE TRANSITION
INTO A REGENERATIVE
BUSINESS WE ARE
ON A JOURNEY
— A JOURNEY TO
RECONNECT ECONOMIC,
ENVIRONMENTAL AND
SOCIAL VALUE IN THE
WAY WE MEASURE AND
REPORT PERFORMANCE.**

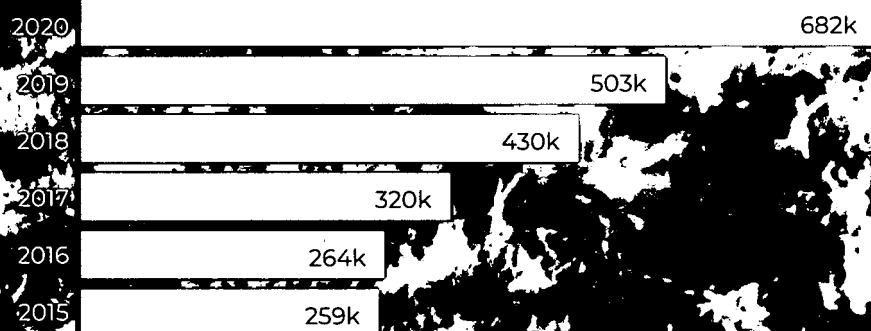
— MARC ARNOLD



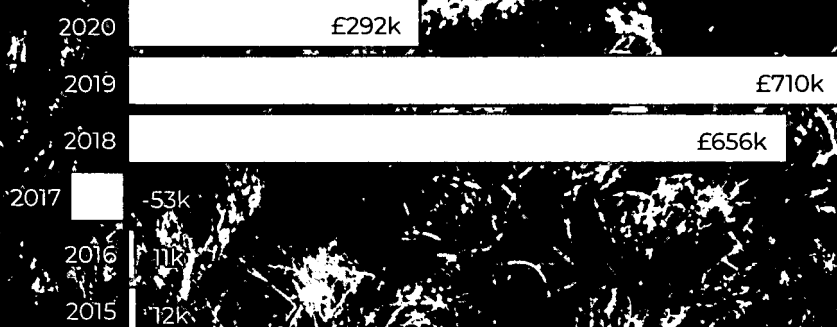
SALES



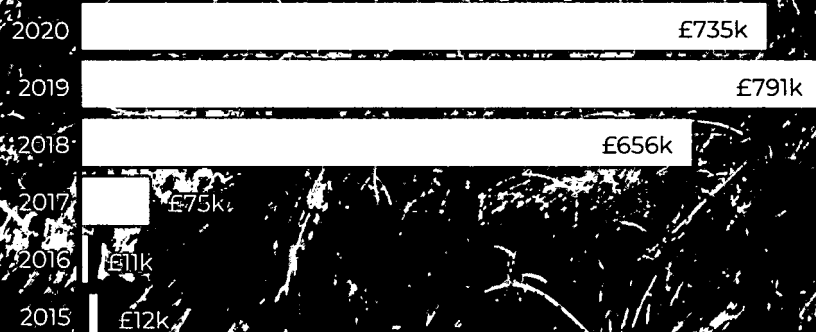
SALES UNITS



PROFIT BEFORE TAX



PROFIT AFTER TAX





TO OUR SHAREHOLDERS

We know that many current shareholders want to both buy and sell shares in Vivabarfoot. Creating a marketplace for shares in UK Private Company's is technically and legally complex. Still, we are currently working on a solution and hope to launch this in the next 12-18 months. As soon as we are confident that we can build a fair and transparent platform for buyers and sellers of shares we shall inform all of you, but this may yet take some time. Many of you have also asked about dividends. Legally we are only allowed to pay out dividends when we have available profits from current and previous financial years. Whilst we are now making profits, this was not the case in the early years of the business. At the start of last year we had (£117M) of historic loss to work through. The profits in 2018/19 reduced this to (£10.9M). At this rate, it would take many years to be in a position to start paying dividends. The capital reduction we completed this year offsets the share premium against some of the historic losses. This means that the losses we need to work through will be reduced from nearly (£12M) 12 months ago to just over (£3M) at year end. This has far reduced the amount of time it takes to be in a position to start paying dividends.

—CHARLOTTE BEYER,
COMPANY SECRETARY

PROFIT WITH PURPOSE

Some of the difficulties we faced moving our primary production from China to Vietnam resulted in severe production delays with our Autumn stock (due to be delivered in August 2019) missing their trading seasons. We went through these months chronically understocked and having to discount autumn winter stock at the end of the season when it arrived.

Together with the predicted Covid-19 impact meant that we had communicated a likely financial loss in our interim accounts.

So, we are genuinely humbled to now be reporting a profit before tax of £292k (£710k last year) and profit after tax of £735k (£791k previous year).

Both figures are down on the previous year for 3 key reasons:

1. Production delays in the first half of the year
2. Direct impact of Covid-19, mostly on retail and logistics impacts
3. Investing more than ever in people and innovation to enable future growth

The profit after tax figure of £735k includes two factors:

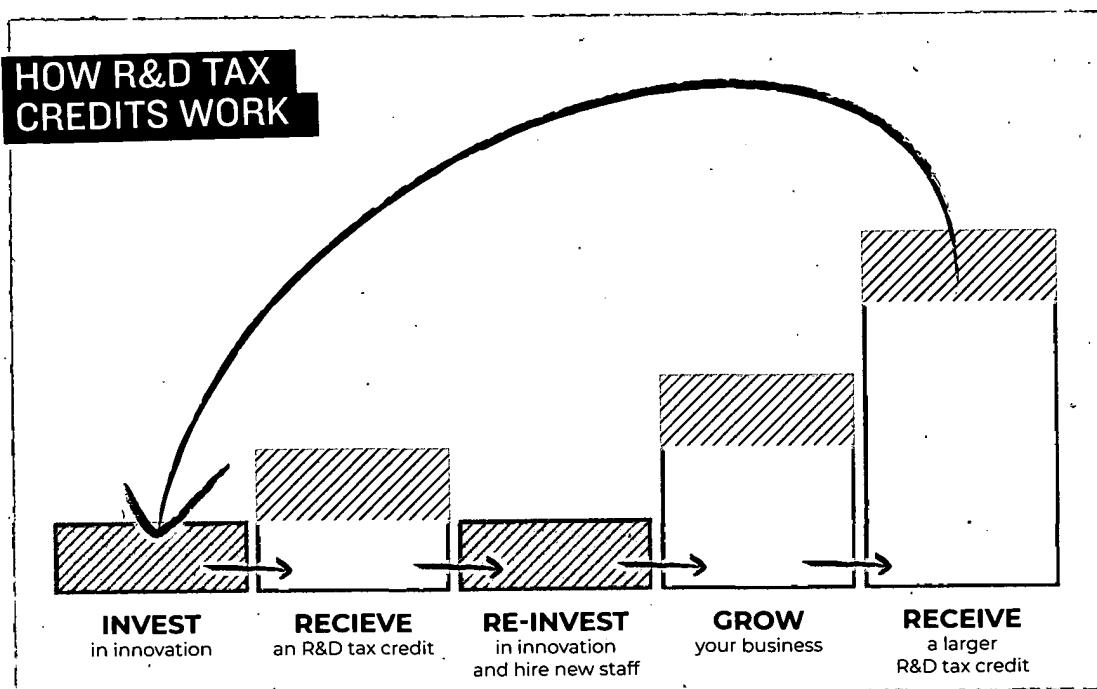
1. We have carried forward losses of £7.2M which results in a deferred tax asset of £1.4M. This year we recognised £201k of the asset. Given this is only our third year of achieving a profit before tax and considering the current global uncertainty we only partially recognised this in 2019/20.
2. We received research and development (R&D) tax credits of c. £320k. R&D tax credits are a government incentive designed to reward UK companies for investing in innovation. This allows us to accelerate our R&D, hiring new staff and ultimately continue to innovate and grow.

LONG TERM GROWTH

Supporting a business growing 30% + year after year requires a delicate balance. We need to continually invest in the brightest and most regenerative minds and continue to develop the most innovative solutions for barefoot footwear and experiences.

At the same time, as a largely self-funded private company we also need to make sure our cash position remains healthy. Balancing this tightrope against the current global economic environment is even more challenging. Still, as we sit here today, we are in a strong financial position.

To ensure that we can match demand we are also grateful to HSBC, our banking partners, for all their support in the year. We received a \$1.5m trade loan facility in June, which was extended by \$2m post year end — solely used to facilitate stock purchases to ensure we aren't bringing new people into our community only to search through 'sold out' signs.





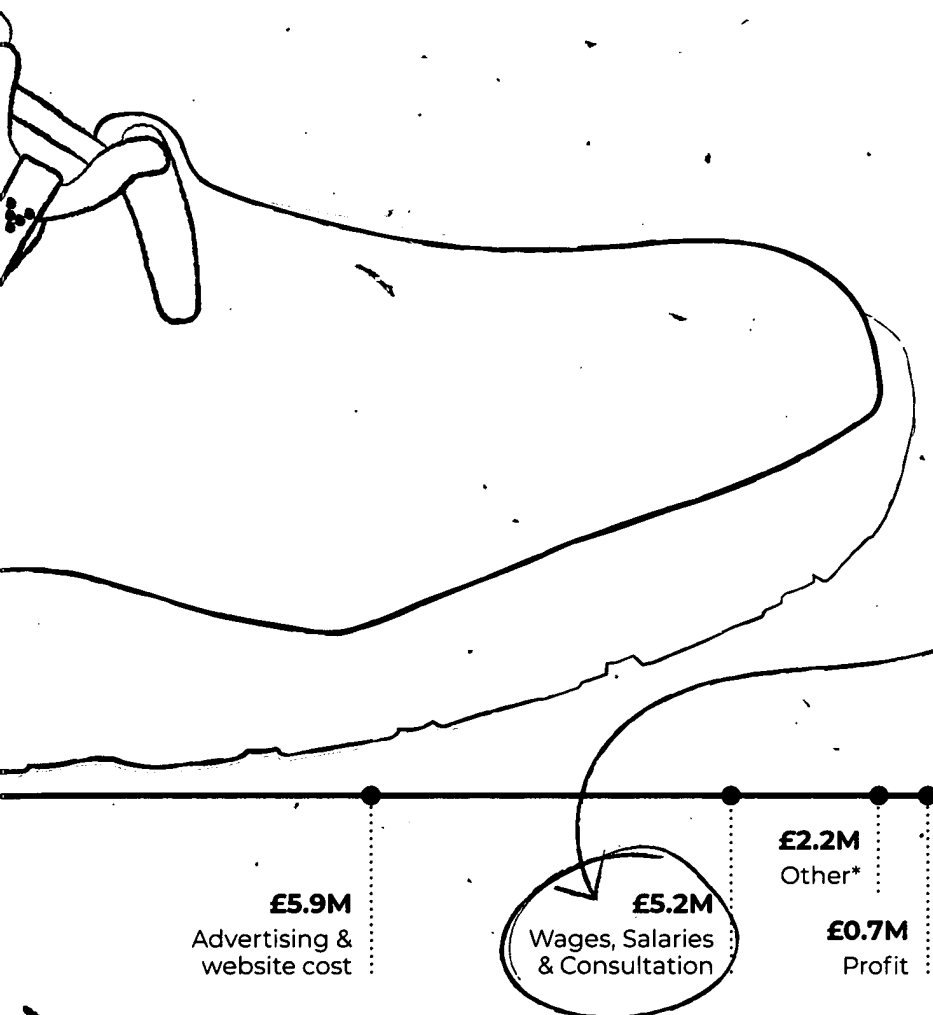
2019-2020
£34M SALES

£14.3M
Cost of shoes

£5.9M
Shipping cost
to customers

WE MADE £34M IN SALES

THIS IS WHERE IT WENT



WAGES, SALARIES & CONSULTATION

£900k

Directors Salaries,
NI & Pension
(£812k last year)

£3.5M

Staff salaries,
NI and Pension
(£2.4M last year)

£50k

Healthcare
(£16k last year)

£565k

Consultancy costs
(£303k last year)

* OTHER made up of rent, rates, insurance, legal costs, system costs, charity donation, sundry expenses, travel, entertaining, and adding back the deferred tax credit and R&D tax credit

FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 27 JUNE 2020

		2020	2019
	Note	£	£
Turnover	4	34,075,034	26,175,858
Cost of sales		<u>(20,246,807)</u>	<u>(14,379,722)</u>
Gross Profit		13,828,227	11,796,136
Administrative expenses		<u>(13,986,854)</u>	(11,230,564)
Other operating income	5	<u>463,561</u>	<u>159,847</u>
Operating profit	6	304,934	725,419
Interest receivable and similar income	9	45	35
Interest payable and similar expenses	10	<u>(12,772)</u>	<u>(15,439)</u>
Profit before tax		292,207	710,015
Tax on profit	11	<u>443,245</u>	<u>80,993</u>
Profit for the financial 52 weeks		<u>735,452</u>	<u>791,008</u>

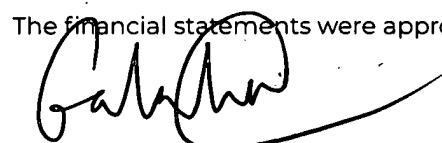
There are no items of other comprehensive income for either the year or the prior year other than the profit for the year. Accordingly, no statement of other comprehensive income has been presented.

The notes on pages 144 to 162 form part of these financial statements.

BALANCE SHEET
AS AT 27 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	390,524	34,508
Tangible assets	13	558,550	356,349
Investments	14	<u>101</u>	<u>101</u>
		949,175	390,958
Current assets			
Stocks	15	4,667,482	2,521,793
Debtors: amounts falling due within one year	16	3,178,171	1,165,490
Cash at bank and in hand		<u>1,688,170</u>	<u>1,972,120</u>
		9,533,823	5,659,403
Creditors: amounts falling due within one year	17	<u>(7,390,187)</u>	<u>(3,450,649)</u>
Net current assets		<u>2,143,636</u>	<u>2,208,754</u>
Total assets less current liabilities		3,092,811	2,599,712
Provisions for liabilities			
Other provisions	20	<u>-</u>	<u>(56,114)</u>
Net assets		<u>3,092,811</u>	<u>2,543,598</u>
Capital and reserves			
Called up share capital	21	4,595,795	4,595,795
Share premium account	22	-	6,892,644
Other reserve	22	352,343	166,882
Profit and loss account	22	<u>(3,249,625)</u>	<u>(10,877,721)</u>
Shareholders' funds		1,698,513	777,600
Creditors falling due in more than one year			
Shareholder loans		<u>1,394,298</u>	<u>1,765,998</u>
Total shareholders' funds		<u>3,092,811</u>	<u>2,543,598</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



G J D Clark, Director

Date: 30/11/2020

The notes on pages 144 to 162 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 27 JUNE 2020**

	Called up share capital	Share premium account	Share option reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2018	4,595,795	6,892,644	-	(11,668,729)	(180,290)
Profit for the 52 weeks	-	-	-	791,008	791,008
Share-based payment expense	-	-	166,882	-	166,882
At 29 June 2019	4,595,795	6,892,644	166,882	(10,877,721)	777,600
Profit for the 52 weeks	-	-	-	735,452	735,452
Capital reduction	-	(6,892,644)	-	6,892,644	-
Share-based payment expense	-	-	185,461	-	185,461
At 27 June 2020	4,595,795	-	352,343	(3,249,625)	1,698,513

The notes on pages 144 to 162 form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE 52 WEEKS ENDED 27 JUNE 2020**

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial 52 weeks	735,452	791,008
Adjustments for:		
Amortisation of intangible assets	3,984	1,656
Depreciation of tangible assets	238,096	140,641
Loss on disposal of tangible assets	1,259	42,191
Interest paid	12,772	15,439
Interest received	(45)	(35)
Taxation charge	(443,245)	(80,993)
(Increase) in stocks	(2,145,689)	(919,771)
(Increase)/decrease in debtors	(1,650,429)	458,049
Increase in creditors	3,939,538	363,992
(Decrease) in provisions	(56,114)	(112,228)
Corporation tax received	80,993	-
Share based payments expense	185,461	166,882
Net cash generated from operating activities	<u>902,033</u>	<u>866,831</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(360,000)	(30,462)
Purchase of tangible fixed assets	(441,556)	(275,062)
Interest received	45	35
Net cash from investing activities	<u>(801,511)</u>	<u>(305,489)</u>
Cash flows from financing activities		
Repayment of other loans	(371,700)	(234,002)
Interest paid	(12,772)	(15,439)
Net cash used in financing activities	<u>(384,472)</u>	<u>(249,441)</u>
Net (decrease)/increase in cash and cash equivalents	(283,950)	311,901
Cash and cash equivalents at beginning of 52 weeks	<u>1,972,120</u>	<u>1,660,219</u>
Cash and cash equivalents at the end of 52 weeks	<u>1,688,170</u>	<u>1,972,120</u>
Cash and cash equivalents at the end of 52 weeks comprise:		
Cash at bank and in hand	<u>1,688,170</u>	<u>1,972,120</u>

INDEPENDENT AUDITOR'S REPORT

OPINION

We have audited the financial statements of Vivobarefoot Limited (the 'company') for the 52 weeks ended 27 June 2020, which comprise the profit and loss account, the balance sheet, the statement of cash flows, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 27 June 2020 and of its profit for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial 52 weeks for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement on page 30, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENT

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members for our audit work, for this report, or for the opinions we have formed.

Blick Rothenberg Audit LLP

Darsh Shah (senior statutory auditor)
for and on behalf of Blick Rothenberg Audit LLP
Chartered Accountants & Statutory Auditor
1st Floor, 7 - 10 Chandos Street London, W1G 9DQ

Date: 30th November 2020

THE NEW ~~NORMAL~~ NORVIAL NATURAL

99% 100% 100% 100%

**“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 1 OF LOCKDOWN

OUR RESPONSE TO COVID-19

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.

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 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.

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 checks 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

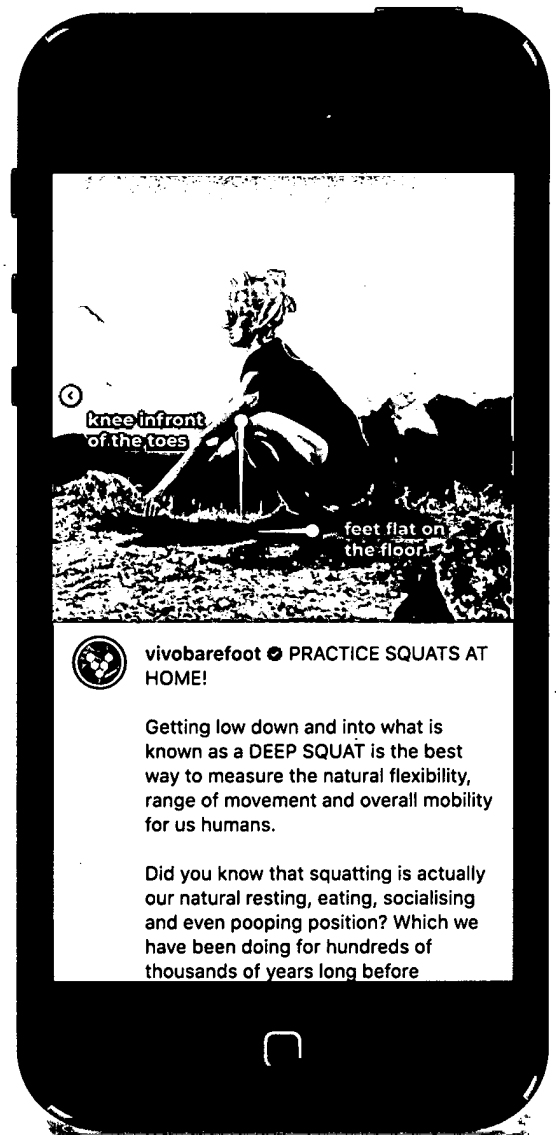
We have worked closely with both the warehouses and our shipping partners on how the restrictions have affected our delivery services while ensuring the safety of those shipping our goods. We have had to make changes to protect our employees, and in some cases these have increased delays. For example, 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.

Viv oKids 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.



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.**

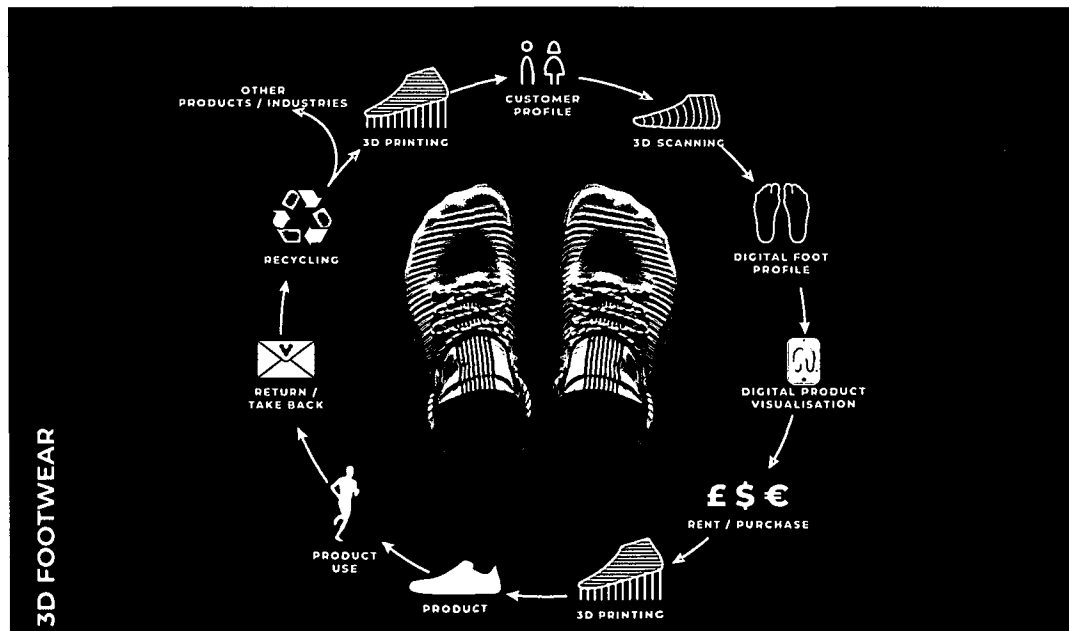
2019-20 was a foundation-building year as we built the core infrastructure that our future innovations will be built upon, making significant progress with our Netsuite ERP, building towards ecommerce platform migration to Magento 2.0 Cloud, launching Revivo.com and development of our data and analytics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

MyVivo is our design philosophy and framework, to support the future development of a customer-facing eco-system of interconnected digital services and technologies. MyVivo is inclusive of enhanced CRM, live 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 sustainability, availability and efficient supply chains, enhancing our commercial and operational efficiencies driving forward triple bottom line performance.

We draw inspiration from the **'platform revolution'**, where businesses create value by connecting communities. We are developing strategies where our communities can be used 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 Revivo product and relationship with The Boot Repair Company to manage alternate commercial models such as rentals, subscriptions and trade-ins. Watch this space!



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 inventory 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 function 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' Vivobarefoot's Commercial, Merchandising and IT/ Digital departments. An early sceptic of Vivo's more spiritual sustainability journey, he has been one of the most remarkable transformation stories from the past year.

OFFLINE EXPERIENCES

TRAINING CLINIC SESSIONS BOUGHT AT NEAL ST FY 2019-20

Sessions sold: 43
Revenue: £3,320

TRAINING CLINIC SESSIONS BOUGHT ONLINE FY 2019-20

Sessions sold: 256
Revenue: £21,332

Total Sessions: 299
Total Revenue: £24,652



FROM THIS → TO THIS

PIPELINE BUSINESS → PLATFORM BUSINESS

INTERNAL VALUE CREATION → EXTERNAL VALUE CREATION

VERTICAL FUNCTIONS → HORIZONTALLY-ORGANISED

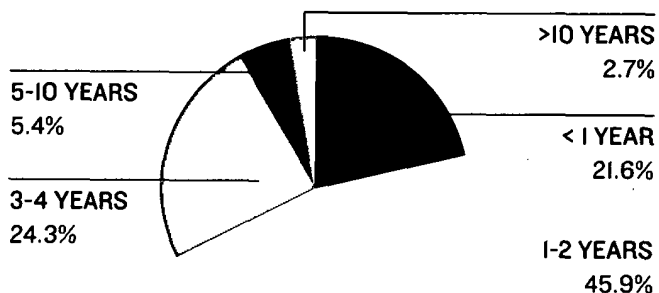
HIERARCHY & BUREAUCRACY → AGILE INNOVATION & DEVELOPMENT



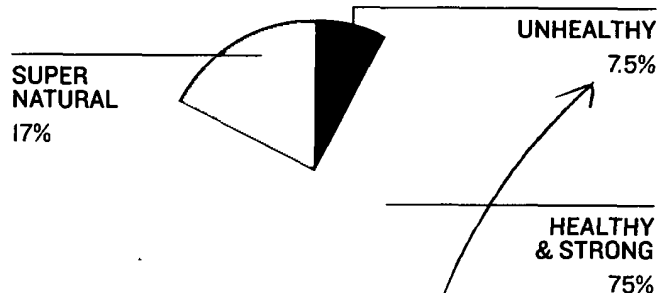
"I DON'T THINK I COULD WORK FOR ANOTHER FOOTWEAR
COMPANY NOW. IF AND WHEN I DO RETIRE FROM VIVO,
I THINK I'LL JUST GO AND FARM THE LAND."

• LEE SPITERI

LENGTH OF TIME AT VIVOBAREFOOT

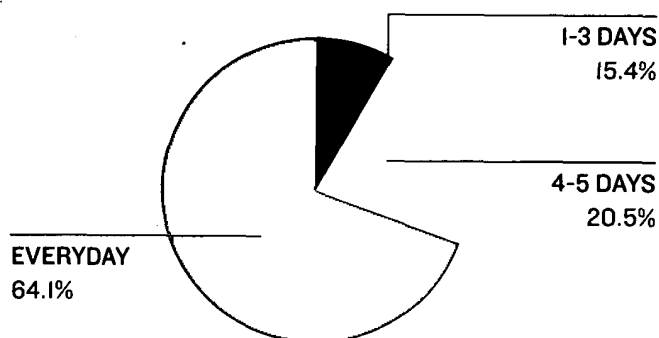


HOW WOULD YOU DESCRIBE YOUR FEET?

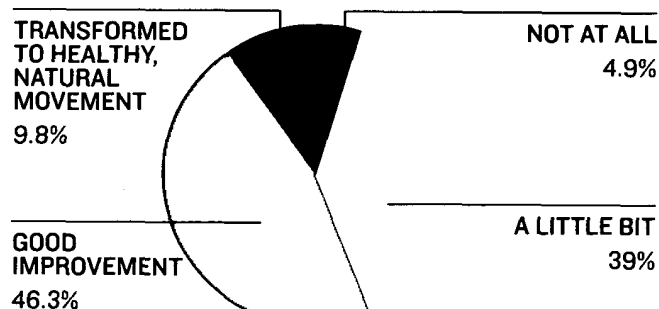


some room for improvement

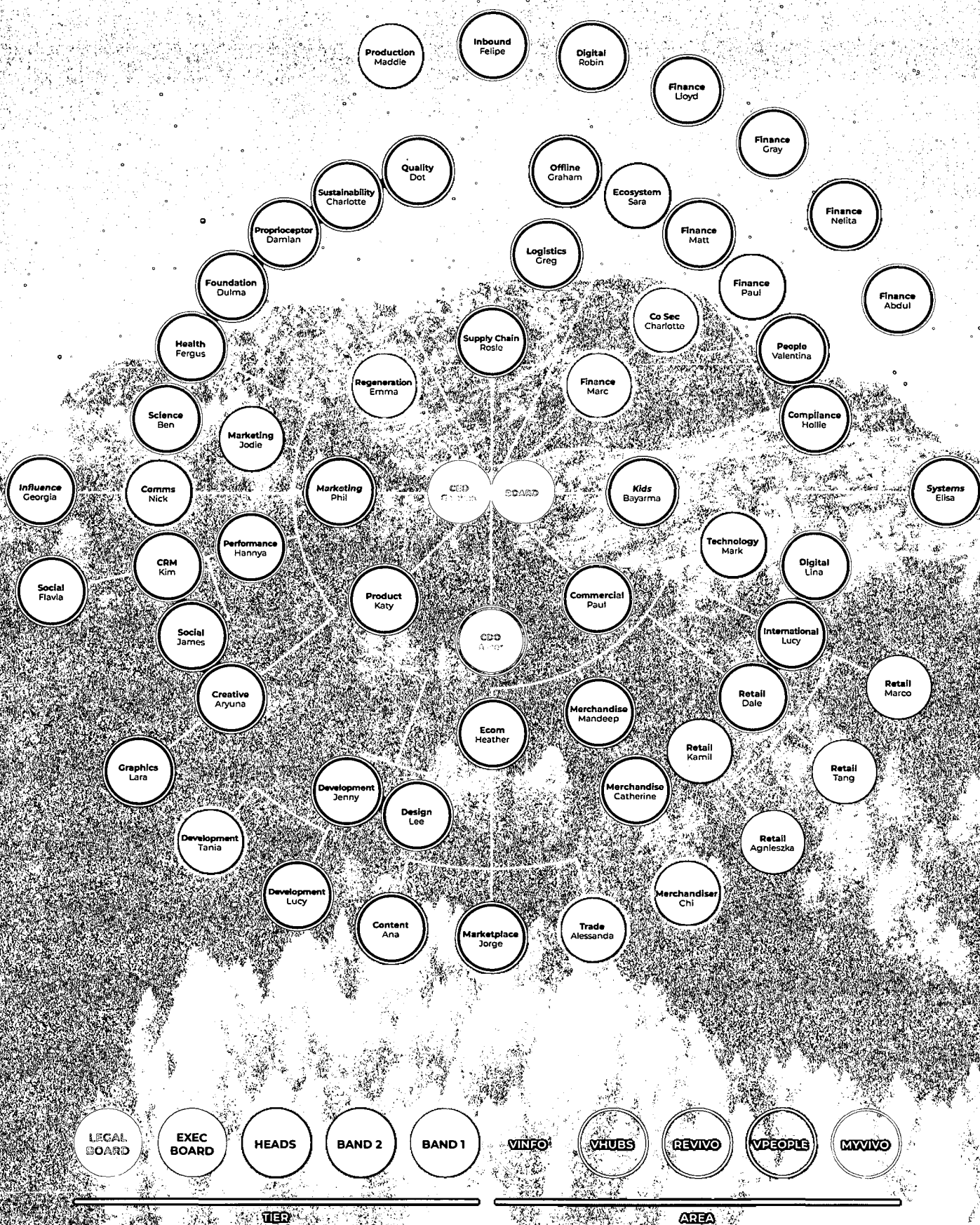
HOW MANY DAYS A WEEK DO YOU WEAR VIVOS?



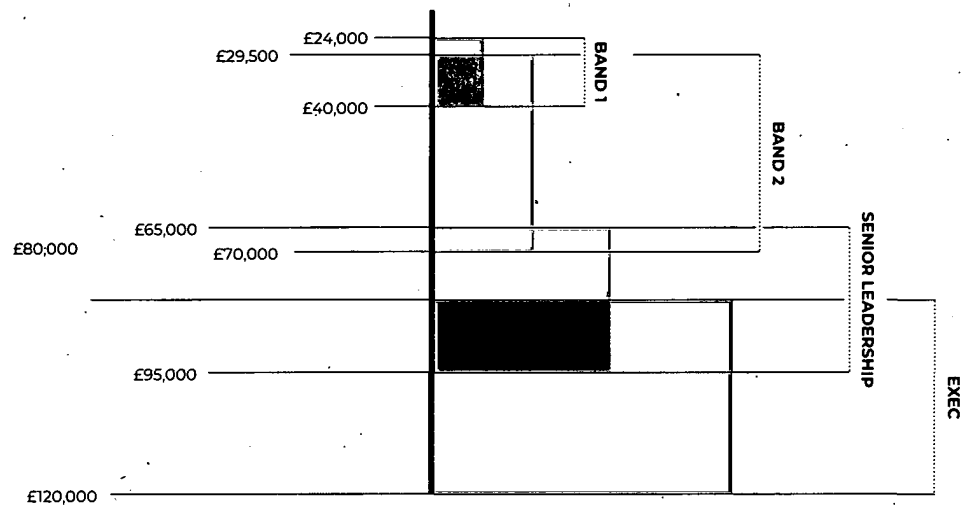
HOW HAS YOUR MOVEMENT IMPROVED SINCE BEING AT VIVOBAREFOOT?



VIVOBAREFOOT ECOSYSTEM



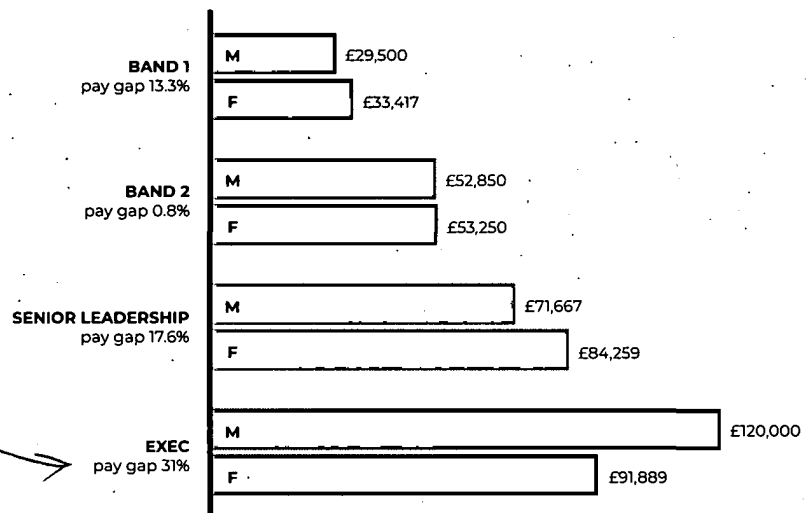
VIVOBAREFOOT PAY GRADES BY TIER



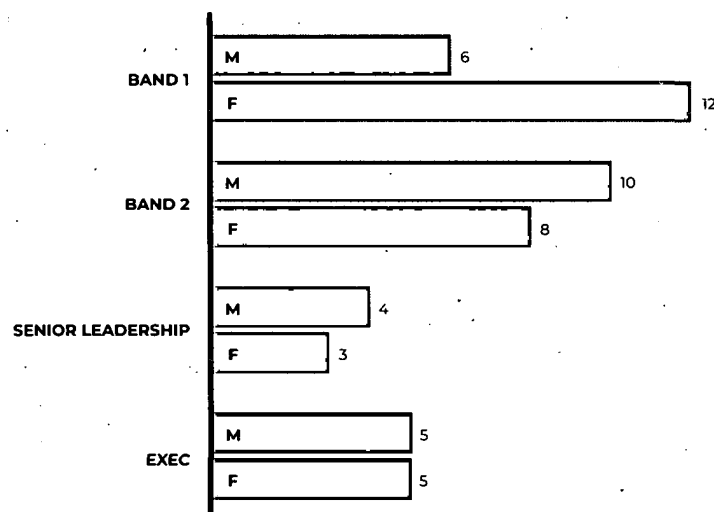
AVERAGE PAY BY TIER AND GENDER

The UK pay gap average is 18.4%.

We're doing better in Band 2 and Senior Leadership but we really need to address the Exec pay gap



GENDER SPLIT BY TIER

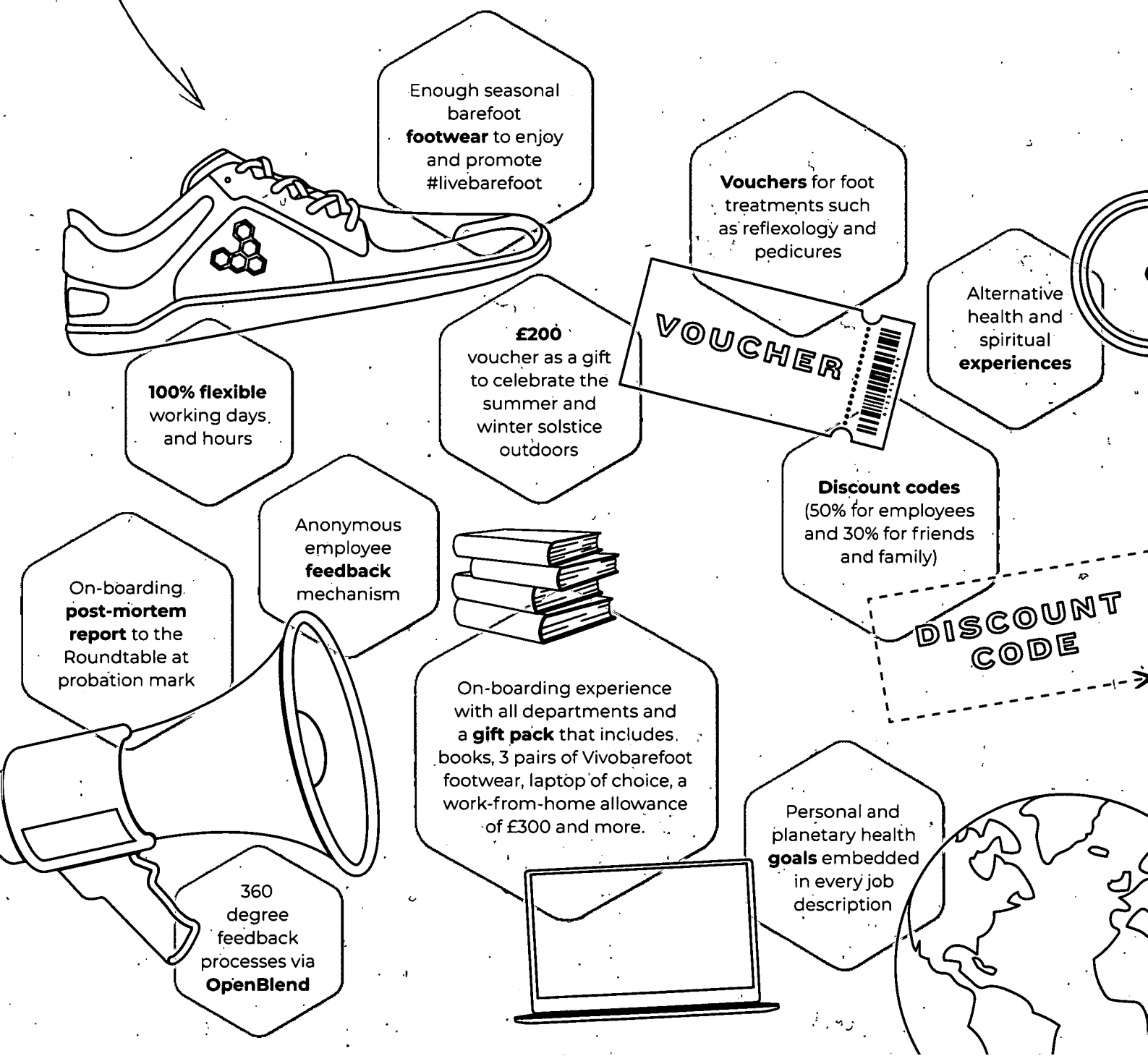


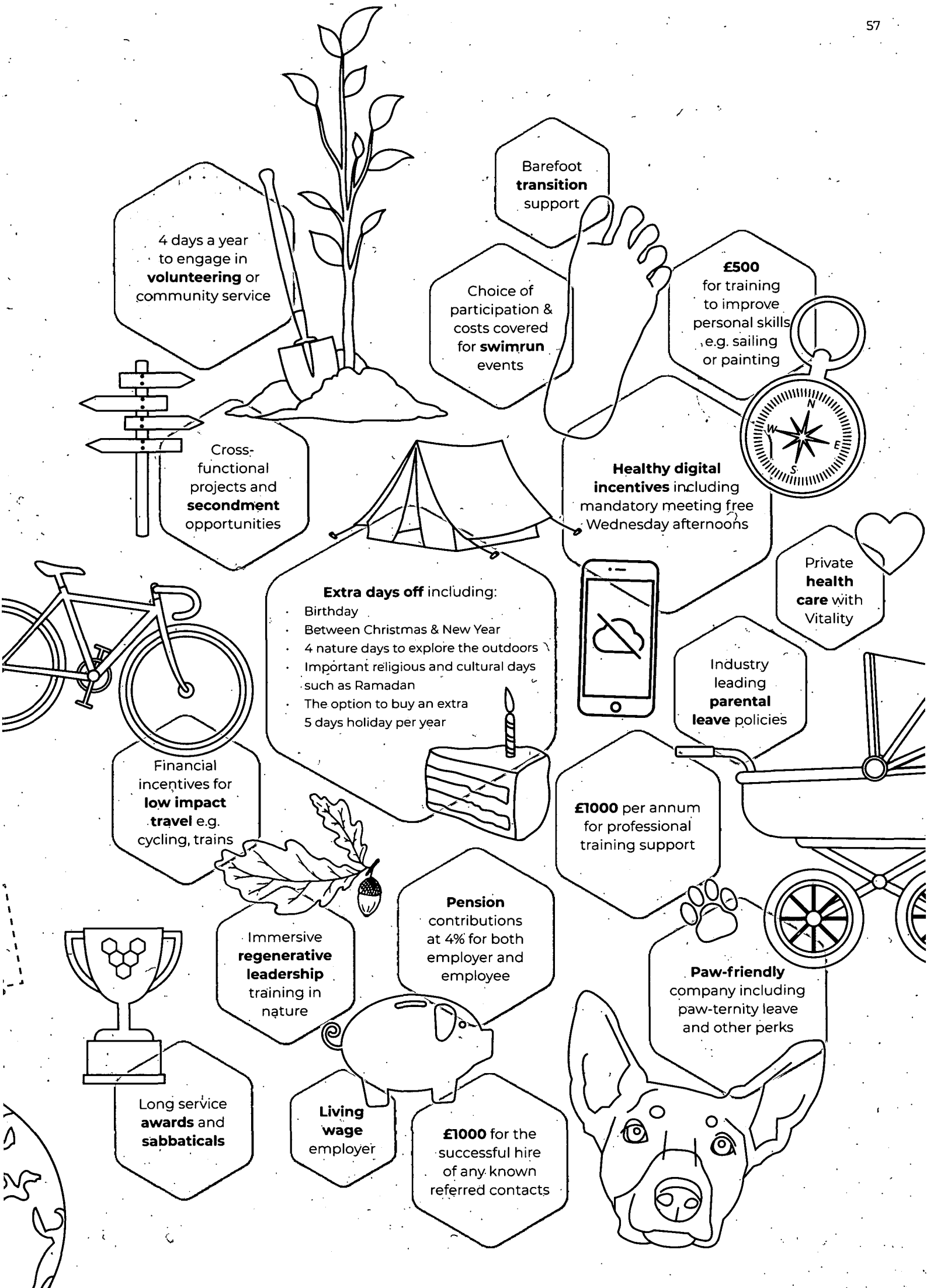
BAREFOOT CODE

These are some of the benefits in our Barefoot Code. The new version is coming out in January 2021.

The Vivobarefoot Barefoot Code contains our company policies and the Barefoot Manual is our employee handbook.

Owned by our cross-functional VPeePs team, it creates a space for all our employees to access information about Vivobarefoot and our ways of working.





*It's been anything
but a simple year.
Next year our plan is to...*

**KEEP IT
SIMPLE,
STUPID!**

OUR KISS MANTRA

As the young lawyer said to the older lawyer – I'm so sorry this report is so long- I didn't have time to make it any shorter.

We all need to navigate complexity!

We live in a data rich world with increasing dynamics going on around us.

It helps to have simple tools and more importantly simplicity as a guiding principle.

If your presentations and reporting are not simple, your energy is being invested in the wrong place and you're draining the energy of those around you.

Some people are afraid to present something simple,

because it looks like you haven't made an effort?

Perhaps you worry people will assume you're less intelligent or rigorous.

Simplifying is actually really hard.

Adding stuff on is easy, no dilemmas or difficult decisions to make.

Everybody wins!

Except they don't.

Adding features to create an 'all-in-one' tool or product tends to dilute the essence of the original idea or information.

Leaving things out though, holding things back, entrusting others with the responsibility of working with those tools and that information, the ability to do all these requires a high degree of discipline and self-assuredness.

The homework and long-form data or background work will always be there and ready to respond in case of questions – but most important is to generate the engagement.

Presenting simple solutions, simple reports, simple presentations requires humility, because you're moving the spotlight away from your work, onto what will happen as a result of your work.

Your work will likely have a much greater impact, but you need to be willing to defer the compliments to a future time when that impact becomes apparent.

THE HAPPINESS INDEX

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

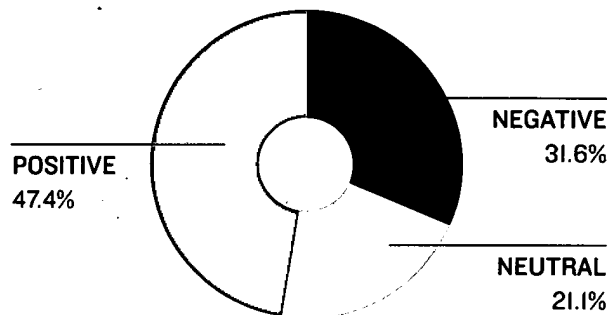
The Index is based on surveys carried out across all of our employees including operations, commercial, marketing, retail and finance. Our first score was 6 out of 10, showing us that we have room to improve in establishing a healthy, happy workplace. After implementing some key measures, we took a follow-up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

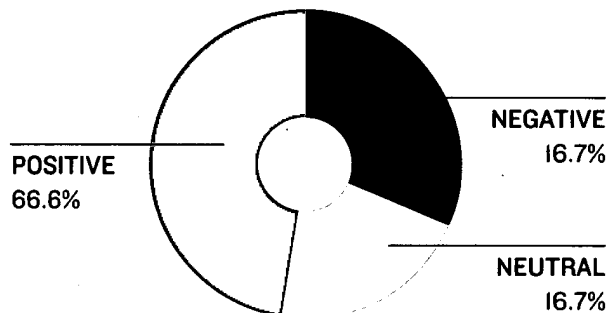
"I THINK THE BACK TO BACK MEETING PROBLEM IS BIGGER THAN BEING ACKNOWLEDGED. I ALSO THINK MANY EMPLOYEES APPEAR TO WORK VERY LONG HOURS, WHICH IS NOT REALLY RECOGNISED AS A PROBLEM."

—**ROBERT PERKINS,**
VIVOBAREFOOT STRATEGIC ADVISOR

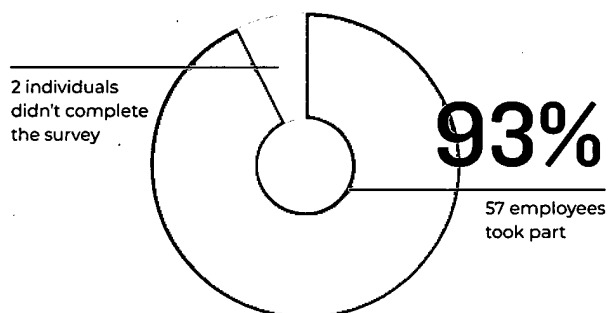
HAPPINESS SENTIMENT



ENGAGEMENT SENTIMENT



RESPONSE RATE

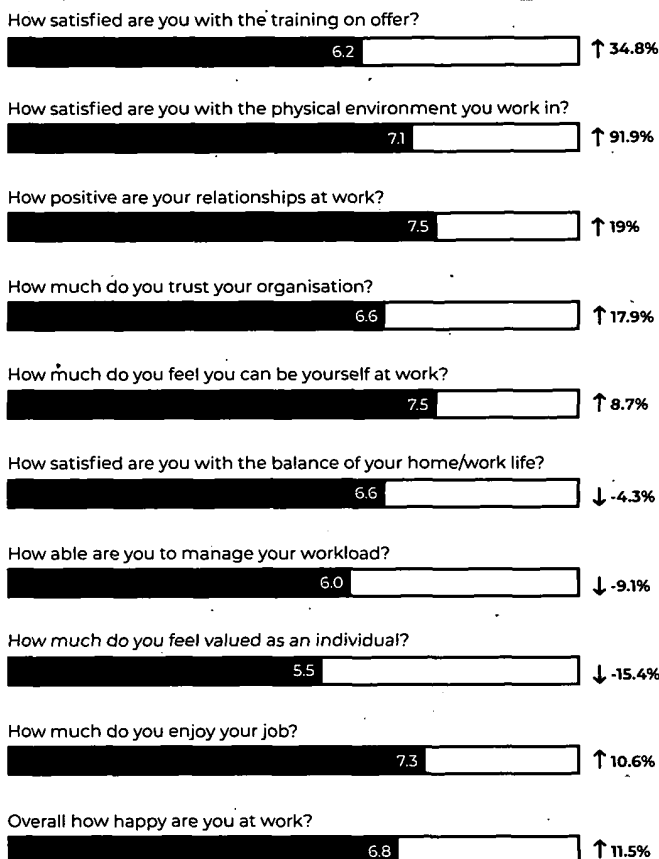


AVERAGE SCORE



The Happiness Index

HAPPINESS



We have rolled out OpenBlend a tool to encourage discussion around development and progression.

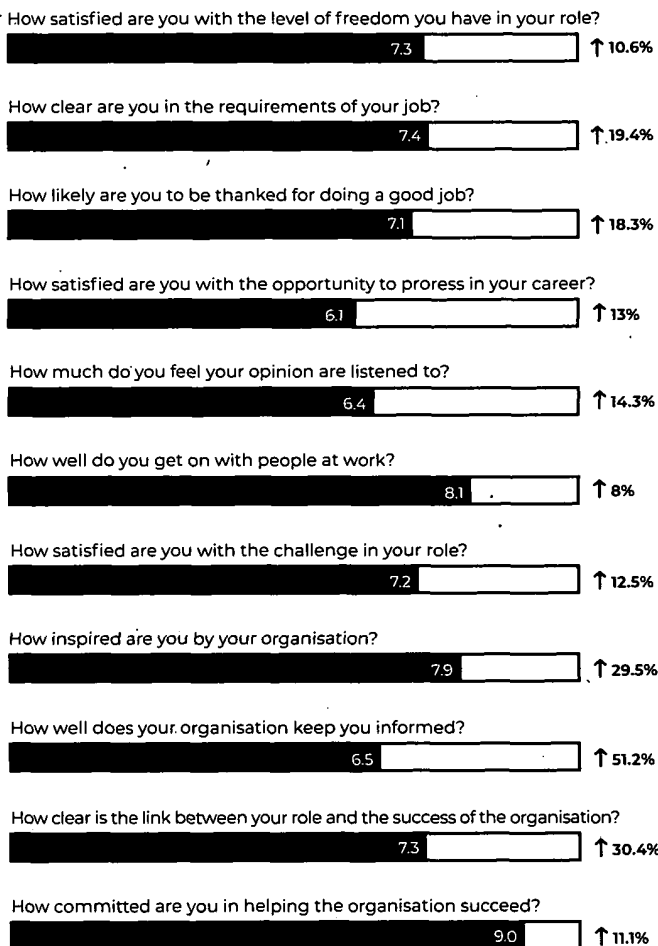
Covid-19 has brought Vivo more flexibility and people love it. We are planning to offer a better co-working space by looking at opening an office in nature close to our values.

We have tried to organise "virtual" get togethers and stay in touch with everyone even during Covid-19, and have held some socially distanced working events in nature.

We are trying to make sure there are less back to back meetings in every day. We are planning on some companywide meeting free time.

We need to make sure in the future that junior employees feel more valued and that their voice is always heard.

ENGAGEMENT



Vivo's values and progress have been embedded in the culture: everyone has been a part of becoming a Bcorp organisation and now everyone is getting involved into Regenerative Leadership training.

We have implemented weekly interactive company updates.

Everyone's job descriptions have been updated and aligned with the company's mission and values.

DIVERSITY & INCLUSION

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 vision is for a fair and equitable workplace, where diversity is celebrated and can thrive.

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

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

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

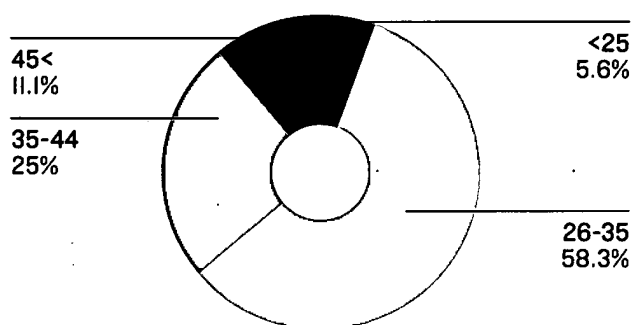
HUMANS
ANIMALS
EARTH
DEGENERATIVE

SUSTAINABLE

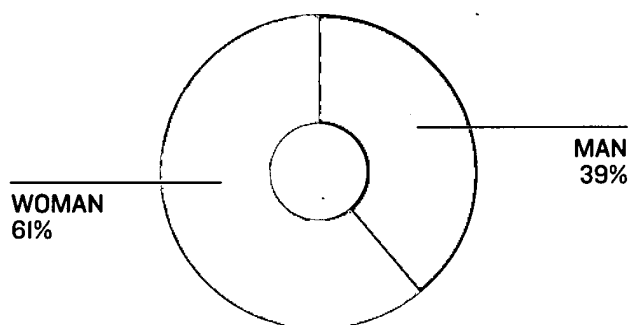
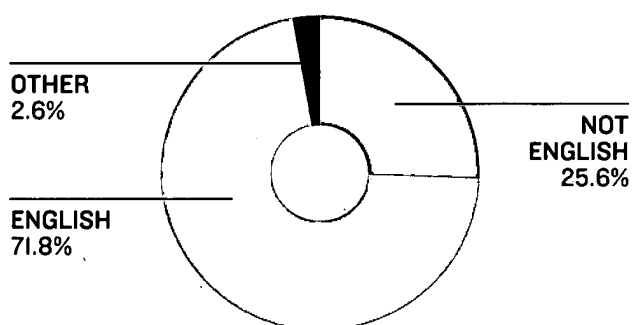
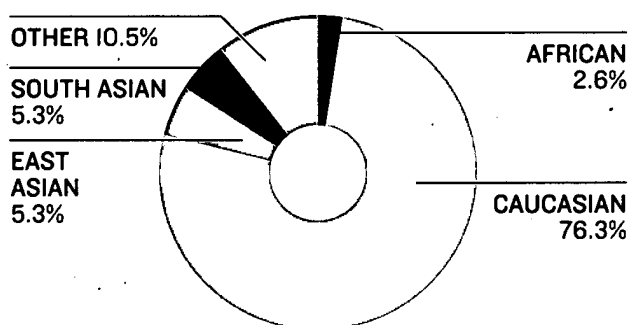
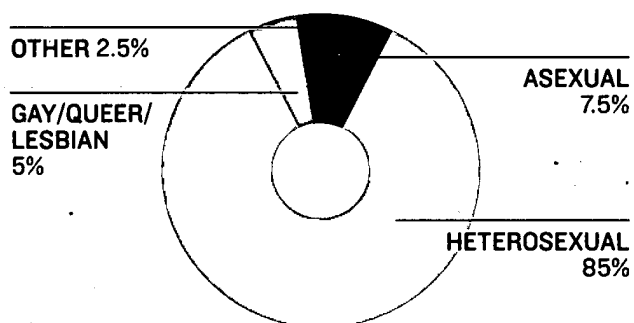
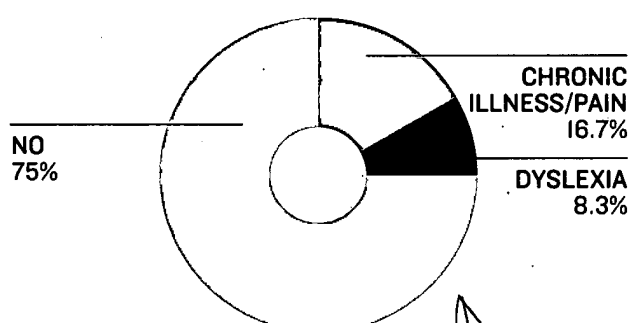
REGENERATIVE
EARTH
ANIMALS
HUMANS

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

- GILES HUTCHINS

AGE

More than 60% of employees are under the age of 35

HOW DO YOU IDENTIFY?**NATIVE LANGUAGE****RACE/ETHNICITY****SEXUAL ORIENTATION****DO YOU HAVE A DISABILITY?**

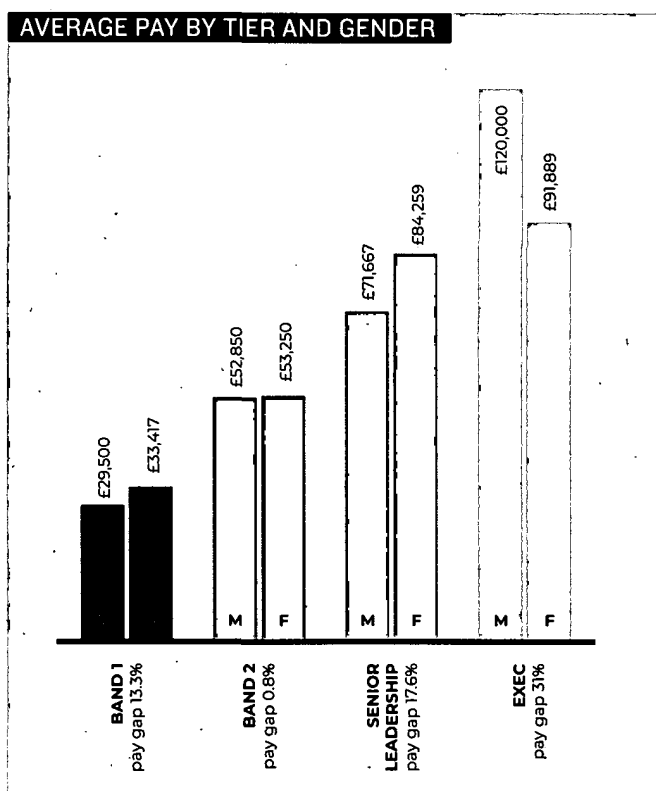
We know we need to do better at ensuring inclusion for people with disabilities

PAY EQUITY

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.

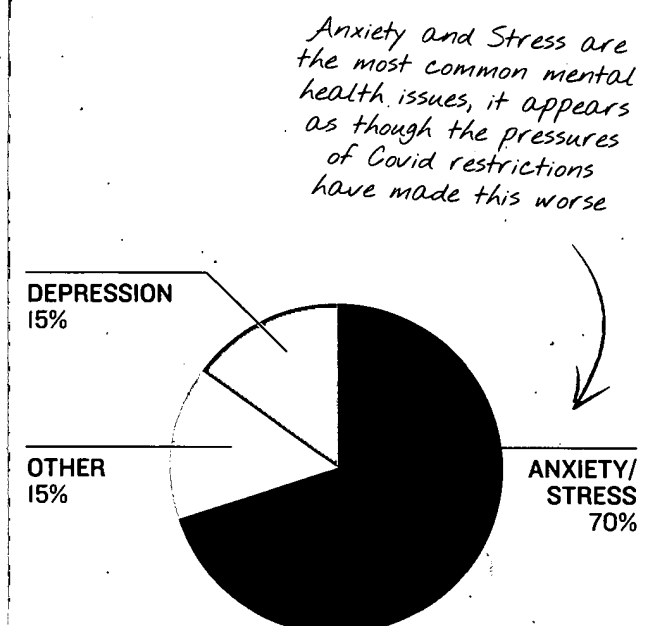


MENTAL HEALTH

We recognise that health is not just physical health but also our mental health.

1 in 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 second-largest 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.

MENTAL HEALTH ISSUES REPORTED



EMPLOYEE TRAINING

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 Sam Conniff.

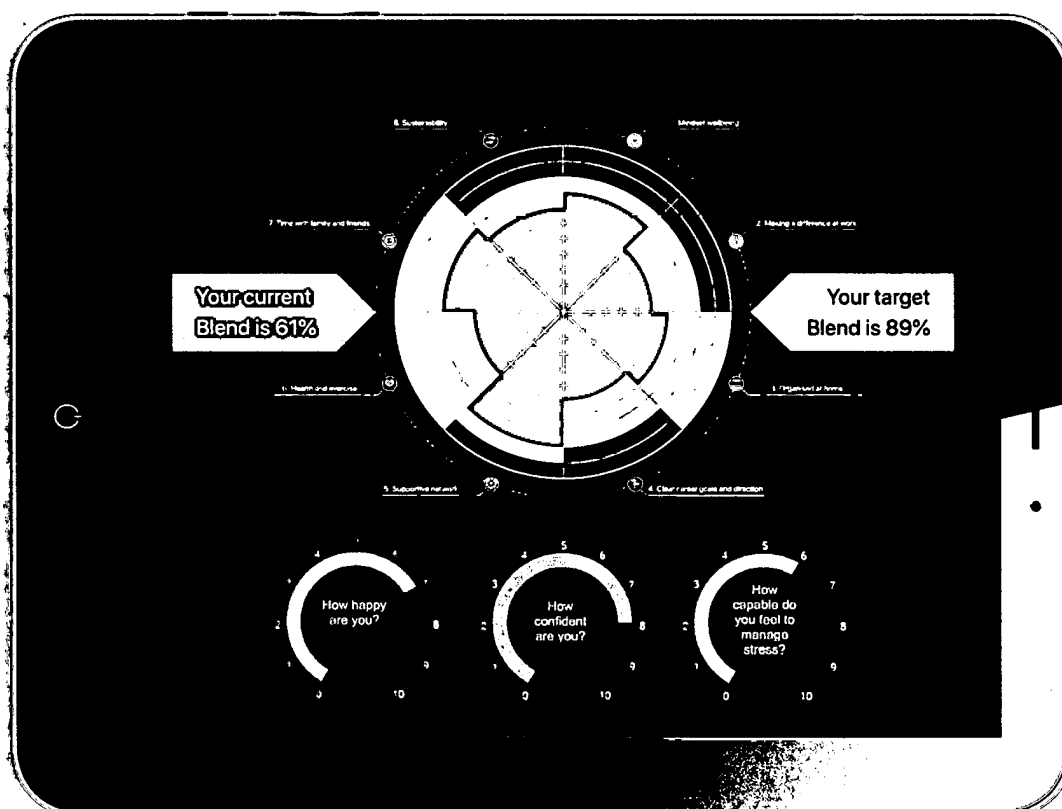
All employees are allocated £1k every year for continuing professional development plus an additional £500 per year for non-professional life skills training.

There is lots of opportunity for training but we aren't always making sure it is offered in a fair and structured manner.

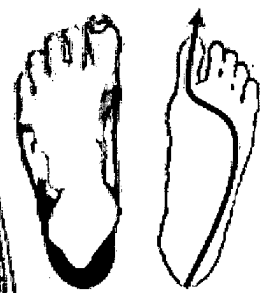
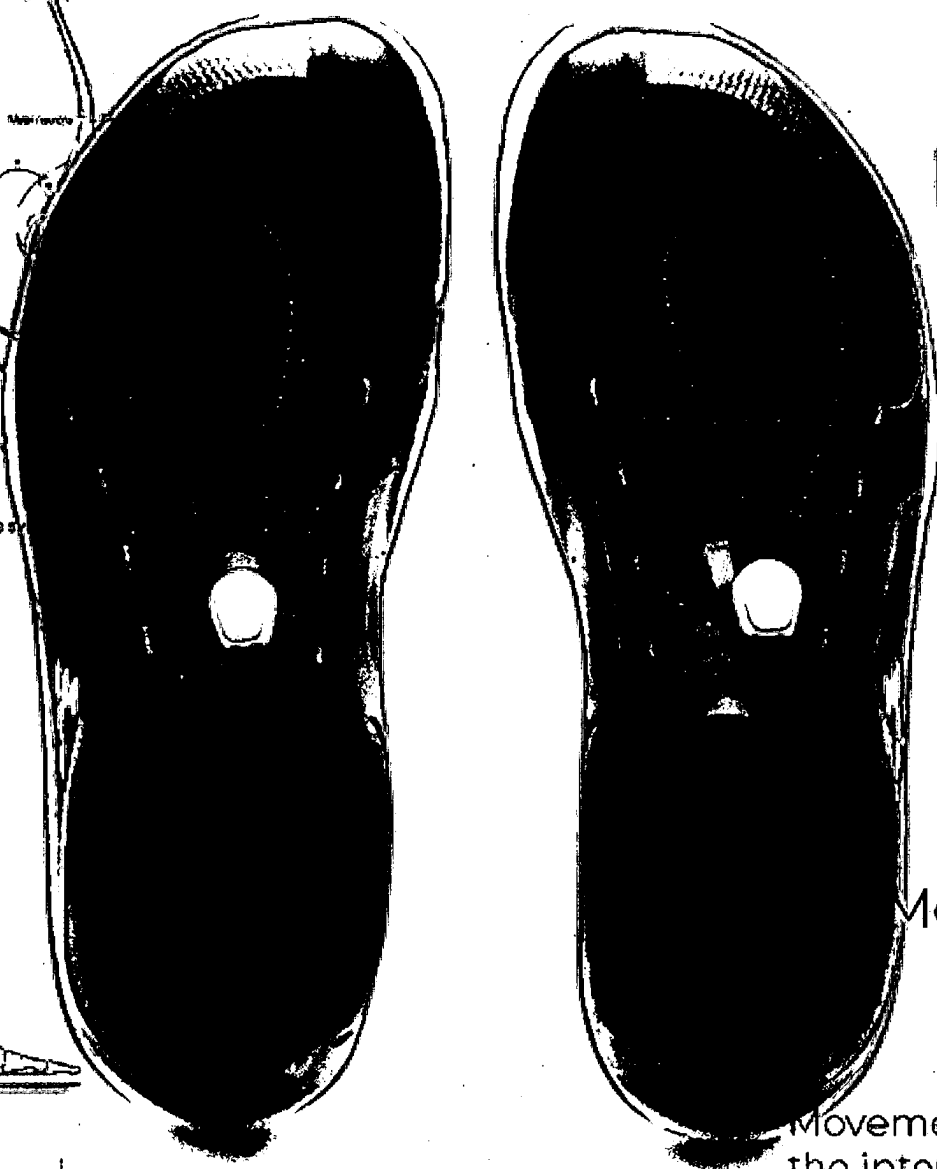
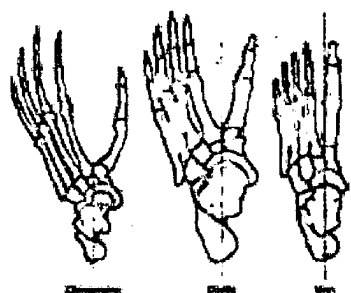
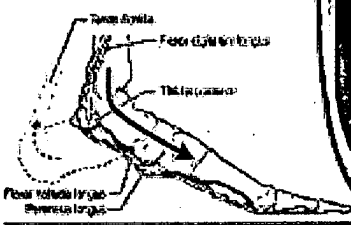
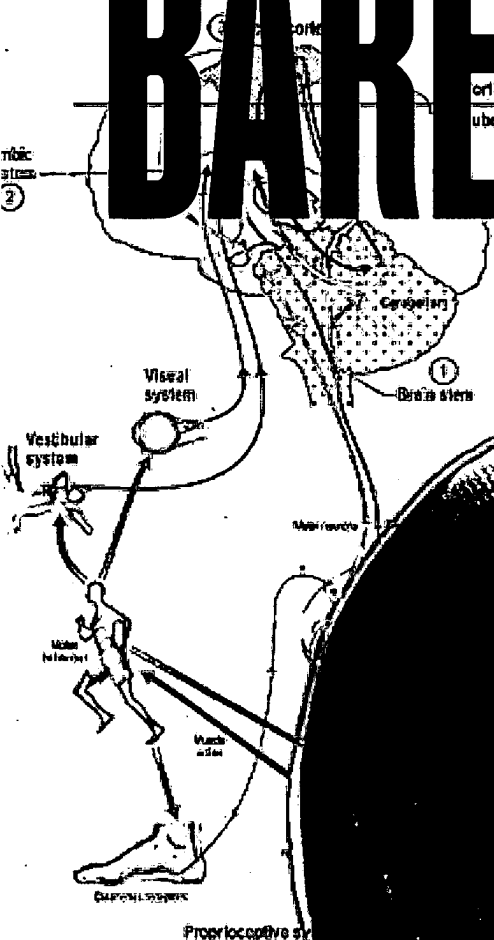
With the launch of our new Barefoot Code (our new employee manual, owned by our employees) we will:

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



BARE-FOOTWEAR



Motor Control Theory

Movement emerges from the interaction of 3 factors:

- External forces
- Internal forces
- Neural System

BY ASHER CLARK,
CDO



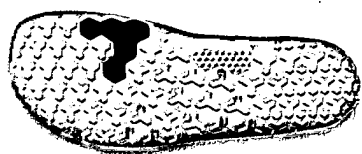
26 bones, 33 joints and hundreds of muscles and thousands of nerve endings.

The human foot is a biomechanical masterpiece. When left to its own devices, it can cope with everything from walking and running to jumping and dancing. But by cramming it into a modern shoe, you negate its natural function.

A thick sole restricts flexibility. A narrow toe box compromises natural movement. A shoe heel robs you of your natural spring. Unnecessary cushioning will make your feet weaker and weaker. And puny feet aren't a great foundation for anything.

In making the perfect shoe, Vivobarefoot's goal is to create as little shoe as possible. Vivobarefoot footwear are designed to allow feet to move like feet. Our ultra-thin sole not only protects but lets 200,000 nerve endings do their job.

We use feet first design principles using wide, thin soles and flexible footwear which are scientifically proven to improve natural foot health and the way we move. Let your feet do their natural thing!



WIDE

↔ (Stable)

Wide shoes allow your toes—crucially, your big toes—to provide a stable base of support. Tapered narrow shoes give you shoe-shaped feet reducing stability and restricting the natural splay and recoil of toes weakening the muscles and function.



THIN

— (Sensory)

Thin puncture-resistant soles allow the thousands of nerves in each foot to provide your brain with the sensory feedback you need to move with skill. Thick cushioned soles reduce sensory feedback to your brain and don't allow your feet to feel the ground. Resulting in clumsy unskillful movement like overstriding when you walk or run.



FLEXIBLE

~ (Strong)

A flexible, wide foot-shaped shoe allows your muscles and tendons to load, splay and recoil putting a natural spring in your step. Supportive and/or rigid shoes cramp your feet and restrict the natural range of movement weakening the muscles and fascia.

FEET FIRST = HEALTH FIRST

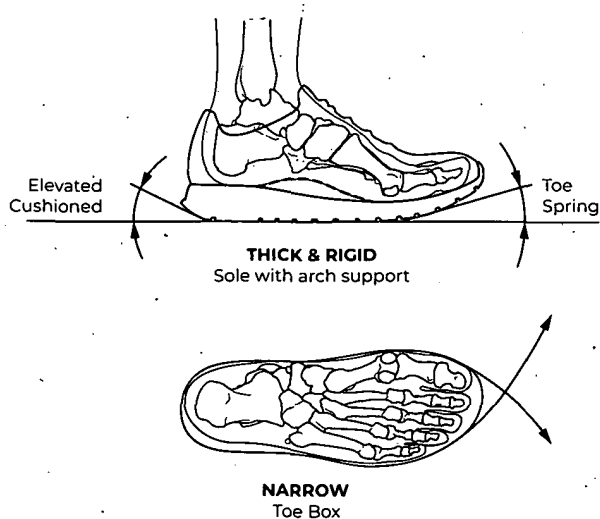
Barefoot footwear improves health outcomes. This is not just theory; it's science.

- Wearing Vivobarefoot for day to day walking **strengthens foot toe flexor strength by 58.7%** in just six months! Stronger muscles along with your ligaments give you a stable base of support and allows for natural shock absorption and energy return.
- 30–60% of older adults fall each year and 10–20% of these falls result in injury, hospitalisation and/or death. Vivobarefoot footwear **increases stability** which is a critical factor in reducing falling, particularly in older people.
- 79.3% of runners give up running due to injury.** Cushioned footwear reduces the quality of information being sent to the brain and spinal cord, leading to more blunt running mechanics. These running mechanics seem to play a role in some of the most common running injuries.

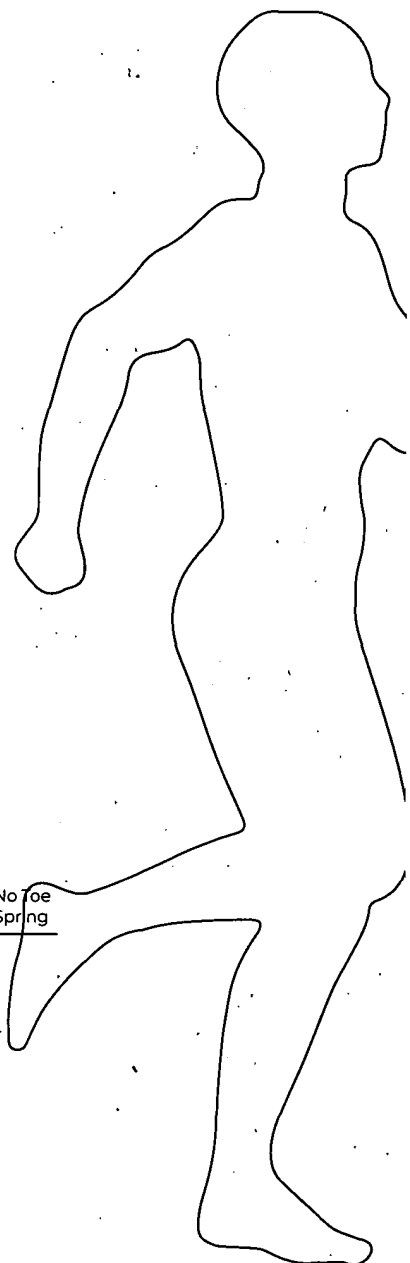
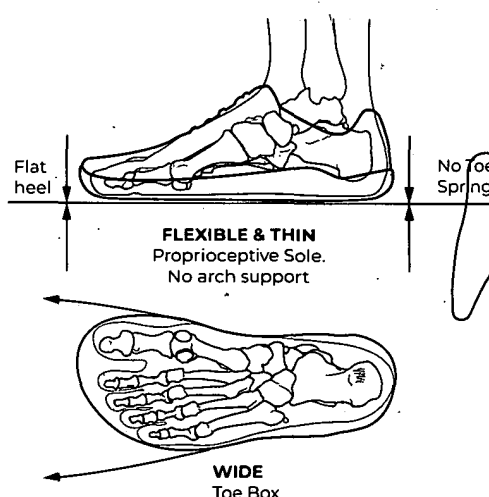
“I SWITCHED TO VIVOBAREFOOT 18 MONTHS AGO. SINCE WEARING THEM I HAVE NOTICED MY BACK PAIN AND KNEE PAIN HAS GONE. I AM ABLE TO SQUAT DEEPER AND MY FEET FEEL STRONGER.”

— TARLOCK RAI, COACH

NORMAL



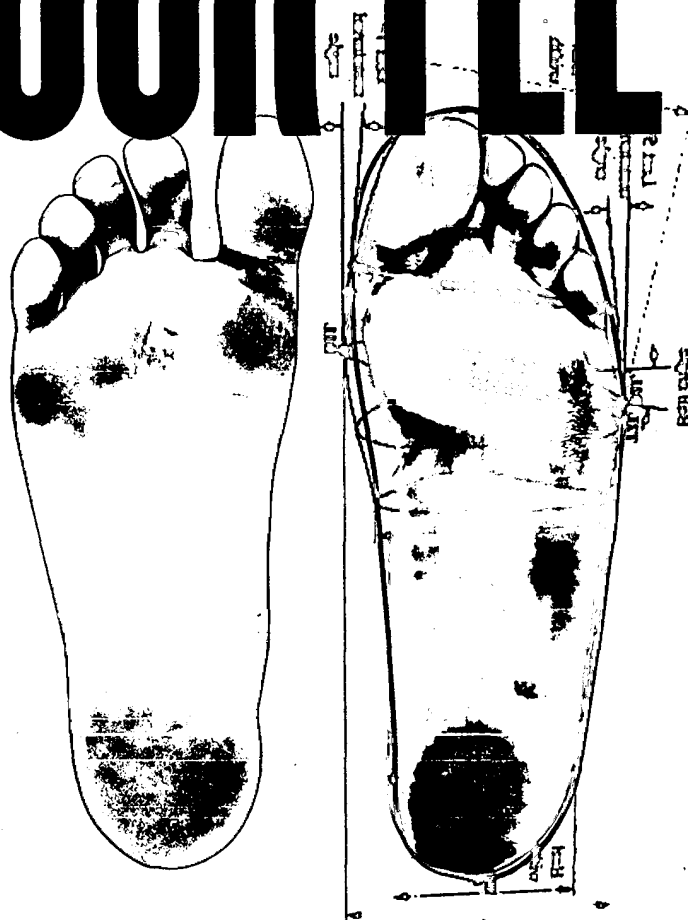
NATURAL





VIVOBAREFOOT

UN — F*CK YOUR FEET



The last thing the shoe industry
thinks about is your feet.

Think Feet First — THESHOESPIRACY.COM

REDESIGNING THE WAY WE DESIGN

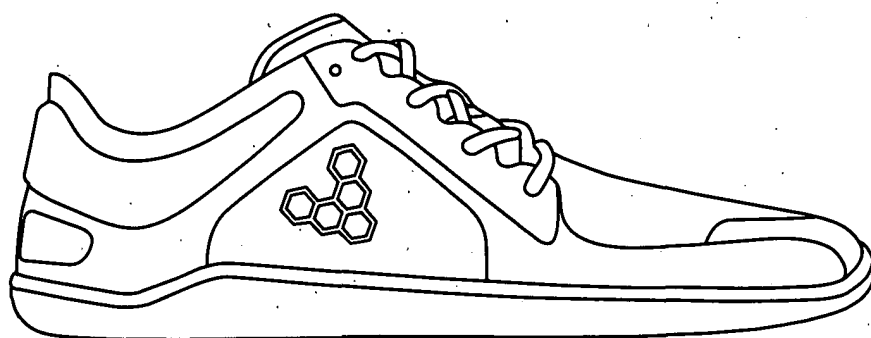
*Our design
principles*

We know that if we want to embrace a regenerative closed loop model for our products, we need to start with the design process.

Typically, a designer works to ensure footwear performance, the technical specification and the capacity of the suppliers in line with the brief they have been given. In the past year we've torn up that design process to look at everything through a regenerative lens.

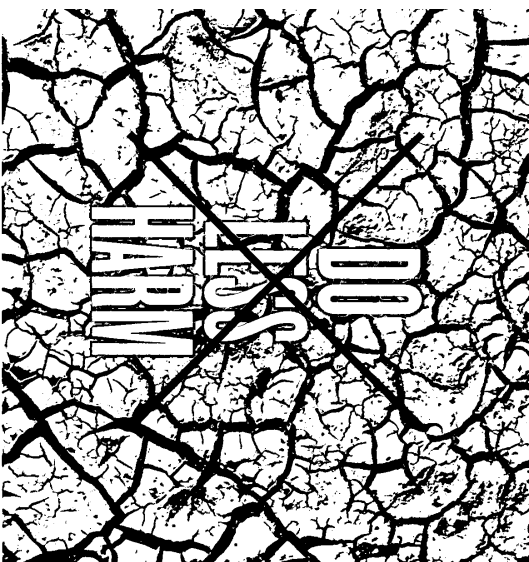
We started with our existing range of footwear in Vietnam. For each product, we assessed each material based on its environmental impact and percentage of sustainable materials e.g. recycled content.

We analysed the processes used to turn the raw material into fabric, how many suppliers and steps were involved in this process and how the product would perform at end of life. This process enabled us to consolidate the number of materials we use across our range, maximise the use of materials with the highest sustainable content and ultimately, reduce the number of materials we use to not only reduce our material impact, but to better manage our collaboration and longstanding relationships with our manufacturing partners.

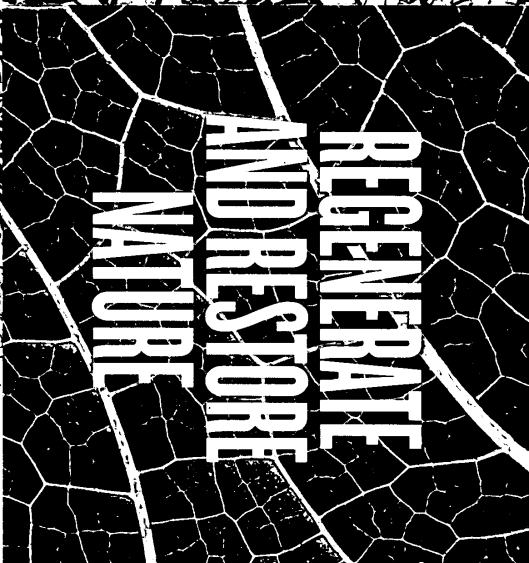


INTERNAL
MATERIALS
WERE
REDUCED
BY
71%

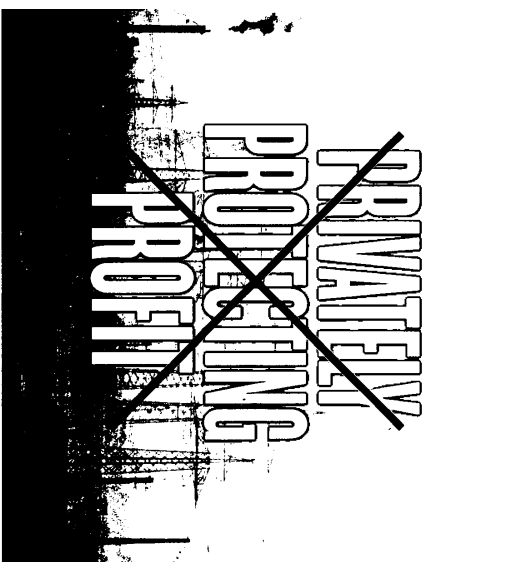
UPPER
MATERIALS
WERE
REDUCED
BY
62%



~~DO
LESS
HARM~~



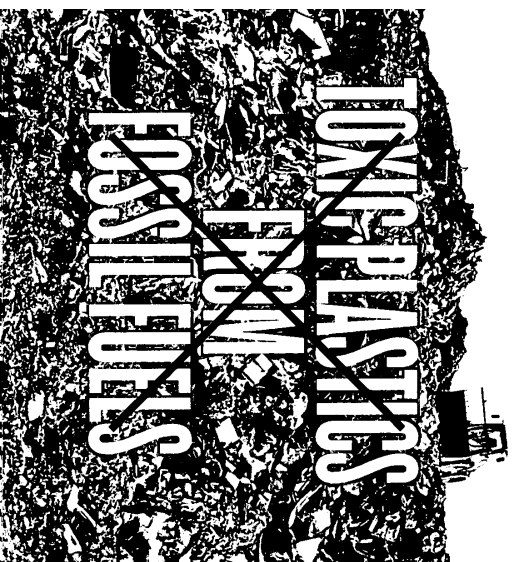
REGENERATE
AND RESTORE
NATURE



~~PRIVATELY
PROTECTING
PROFIT~~



OPEN
SOURCE
SOLUTIONS



~~TOXIC PLASTICS
FROM
FOSSIL FUELS~~



SUPER
NATURAL
MATERIALS

“WE DID NOT IMAGINE WHAT A TRANSFORMATIVE IMPACT THIS NEW WAY OF DESIGNING WOULD HAVE ON NOT ONLY OUR PRODUCTS, BUT ALSO THE PEOPLE IN OUR TEAM THAT DESIGN THEM.”

— CHARLOTTE PUMFORD, SUSTAINABILITY MANAGER

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

THE VMATRIX

In 2019 our teams developed a product and material design tool for assessing product performance and regenerative capabilities. The VMatrix is used to continuously score and improve our range, whilst also giving our designers and developers a baseline on how to assess new products and materials. Our goal is that all Vivobarefoot products have a VMatrix score of 20/25 by 2023.

OUR NEW PROCESS FOR DESIGN

The VMatrix has led to a three fold approach to design.

1. First, we upgrade our existing products by taking a component approach, upgrading elements of an existing product to make them more sustainable. This is about continuous improvement.
2. Secondly, in parallel, we are trying to rebuild that product from and relaunch it, transformed with all the 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.

KEY METRICS ASSESSED IN VMATRIX

VIVO DNA

Vivobarefoot 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 Primus 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 overall score 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 (1st choice), recycled (2nd choice), downcycling (3rd choice) or landfill (negative points).

END OF LIFE

This scores whether the shoe can be disassembled 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.



AutoSave OFF VMATRIX_OCT

Home Insert Draw Page Layout Formulas Data Tell me Share Comments

P25

VIVOBAREFOOT V-MATRIX : RANGE OVERVIEW

Scores out of 25
3-9 RED
10-17 AMBER
18-25 GREEN

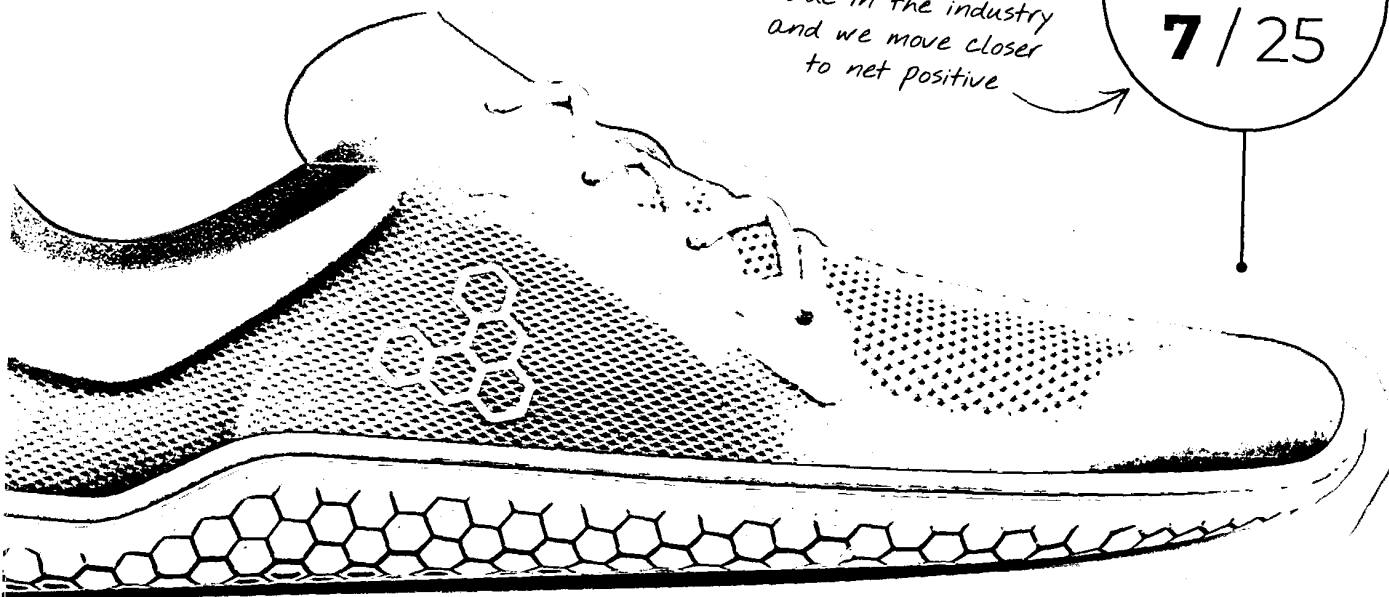
	S	VIVO DNA	COMPLEXITY	MATERIALS	LONGEVITY	END OF LIFE	SUPPLY CHAIN	SCORE	COMPONENT
ABABA LEATHER	4	3	4	3	2	0		14	
ADDIS	4	3	4	3	2	0		14	
ABABA CANVAS	4	3	3	3	2	0		14	
RA II	3	1	4	4	2	0		17	
GOBI II	3	0	4	4	2	0		27	
TOTAL ECLIPSE	3	1	3	3	2	0		18	
GOBI KIDS	3	0	3	3	2	0		26	
MAGNA TRAIL FG	3	0	3	3	2	0		43	
RA LUX	3	1	1	4	2	0		TBC	
GOBI II HEMP	3	0	4	2	1	0		36	
GOBI III HEMP	3	0	4	2	1	0		40	
MAGNA FG	2	0	2	3	2	0		30	
TRACKER FG	2	0	1	3	2	0		41	
GOBI III HEMP	3	0	1	2	1	0		34	
PRIMUS KIDS	3	0	3	1	0	0		25	
PRIMUS LITE II	3	0	3	1	0	0		31	
PRIMUS SPORT	3	0	3	1	0	0		25	
PRIMUS KNT	3	0	2	1	0	0		31	
PRIMUS TRAIL FG	3	0	2	1	0	0		44	
PRIMUS TRAIL FG	3	0	2	1	0	0		40	
ESC TEMPEST	3	0	2	0	0	0		41	
FULHAM RUBBER	3	0	1	0	0	0		29	
PRIMUS KNT LUX	3	0	0	1	0	0		35	
CEO COURT	2	0	0	1	1	0		41	

RANGE OVERVIEW ABABA (Wildhide) ABABA (Canvas) ADDIS ESC TEMPEST

Due to an agency model in our supply chain we have made less progress than we would have liked

The baseline score will continue to change as sustainability improvements are made in the industry and we move closer to net positive

PRIMUS
CURRENT SCORE
7 / 25



PRODUCT PERFORMANCE

ADULTS

The introduction of the Tracker as a never out of stock (available all year) has had a considerable impact, boosting overall ASP and contribution. Tracker is a gateway product to the rest of the brand, so drives significant lifetime value. The Tracker was the top contributing product across all regions online.

Following global lockdowns, the performance of the everyday category slowed significantly as the requirement for dress and occasional footwear declined with people working from home. This affected products such as Ra and Gobi leading to year over year declines of what were previously stalwarts. We've adjusted our buys for future seasons whilst anticipating a recovery post-lockdown. Performance of these products during the year up to lockdown meant that the everyday category still moved forward year on year, also benefiting from the addition of cross-over everyday styles such as Geo court. Primus lite remained the number one volume product across all regions.

KIDS

Our children's range VivoKids has continued to grow in numbers and as an active community online where we stand for "Future Resilience" through our advocacy for a greener, healthier and wilder childhood and movement: helping raising future Gretas and AOCs.

Despite this being a competitive category with very tight margins VivoKids has seen consistent year on year growth.

VivoKids is the only brand offering truly barefoot, minimalist footwear for toddlers up to size 38 for older kids. Models like the Primus Sport and our range of Primus School footwear are always selling out fast.



"WE'RE ON A JOURNEY TO MAKE BAREFOOT FOOTWEAR THAT ARE BETTER FOR YOUR HEALTH, MADE FROM TRACEABLE MATERIALS THAT ARE BETTER FOR THE PLANET WHILST STRIVING TOWARDS SOLUTIONS THAT SWITCH FROM DOING LESS HARM, TO TRULY GIVING BACK."

**— KATY FORSTER,
HEAD OF PRODUCT**

SPOTLIGHT ON: THE ESC TEMPEST

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.

*One of
our most
successful
failures*

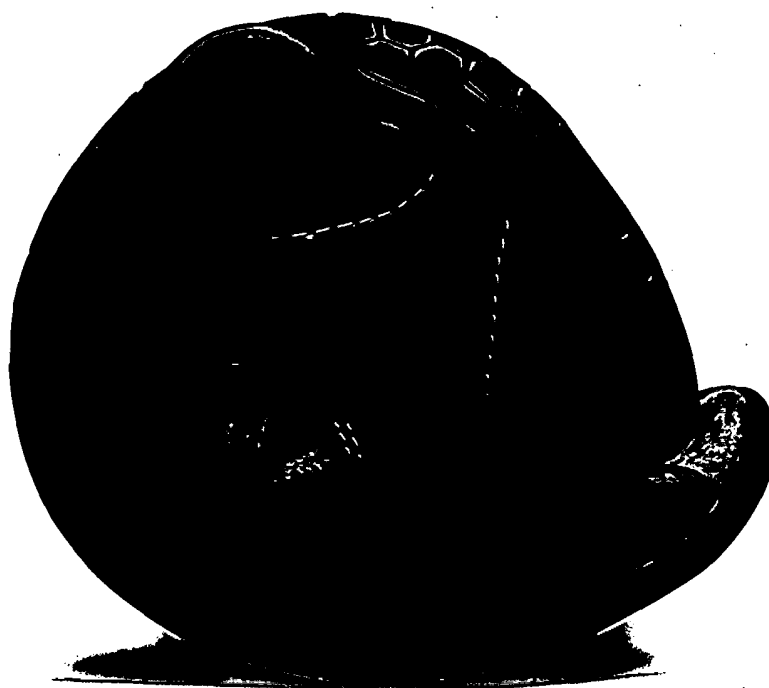


~~SUSTAINABLE SHOES~~

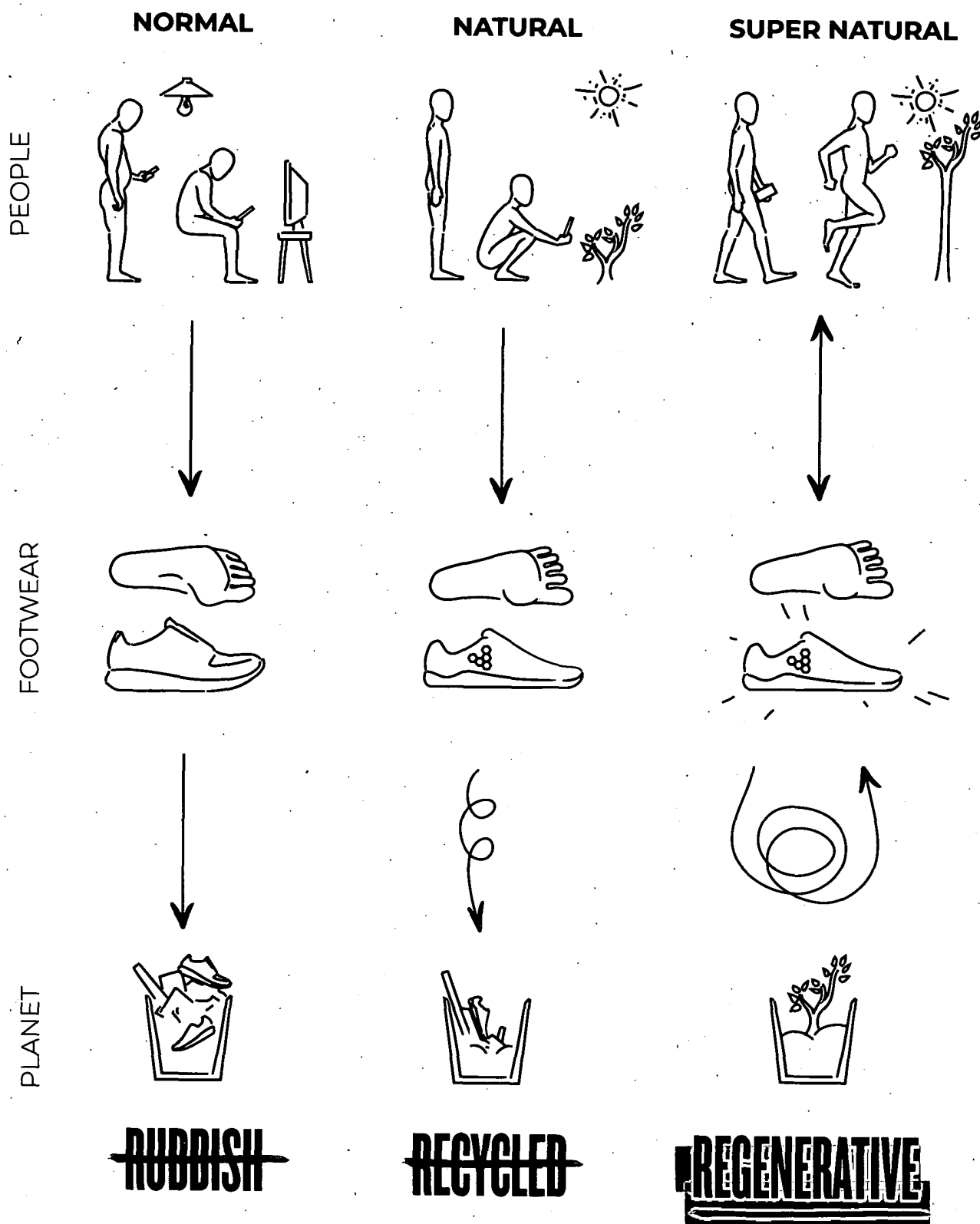
REGENERATIVE FOOTWEAR & EXPERIENCES

~~THE PERFECT SHOE IS A SHOE THAT HAS ZERO BIOMECHANICAL
INTERFERENCE WITH THE FOOT AND ZERO IMPACT ON THE PLANET.~~

THE PERFECT FOOTWEAR IS REGENERATIVE TO
FEET, HUMAN MOVEMENT AND PLANETARY HEALTH



RECONNECT PEOPLE WITH THE NATURAL WORLD



FAILURE IS LEARNING

PRODUCT CHALLENGES

WE'VE LEARNED, INNOVATED AND ADVANCED CONSIDERABLY IN 2019/2020. HOWEVER, THERE ARE SOME DESIGN CHALLENGES FOR WHICH WE'RE SEEKING MORE SUSTAINABLE SOLUTIONS.

OUTSOLES

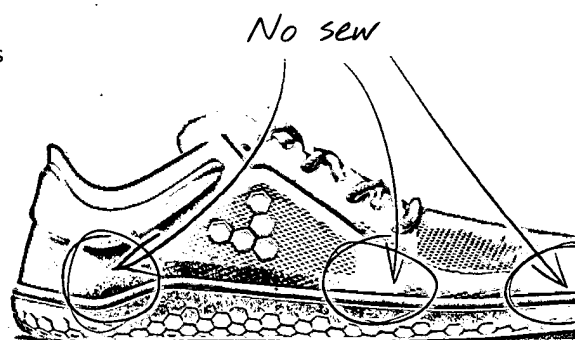
Our outsoles are thin (~3mm) and therefore high abrasion resistance is crucial. At present, our outsoles are made with a blend of predominantly virgin synthetic rubber, with natural rubber and small quantities of recycled synthetic rubber. Our ambition is to move away from virgin synthetic rubber completely 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 Sew 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 poses problems from a disassembly 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.

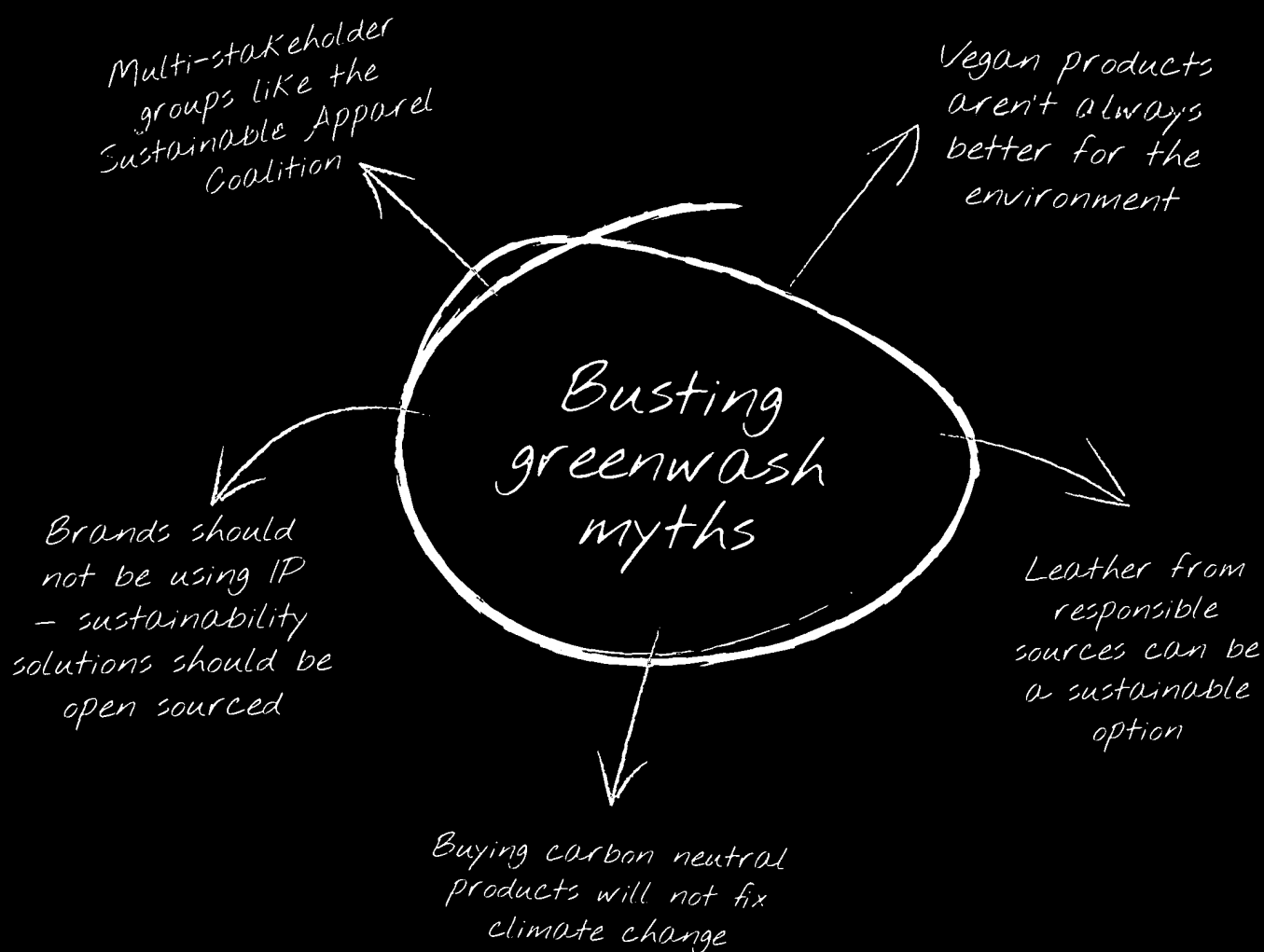


OUR CHALLENGE TO THE INDUSTRY

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

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



TO THE BEACH WASTE IN THAILAND

YOU MAKE ME WANT TO NEVER MAKE A SHOE THAT COULD HARM THIS PLANET AGAIN.

24/11/2019

KATY FORSTER

HEAD OF PRODUCT

But you also motivate me to make products that repair the mess we are in, create more regenerative solutions in footwear and educate our customers on consumerism and purchasing for need and not simply desire.

On the back of an exhausting week at our production in Vietnam, full of debate on whether to cancel all product development until they truly meet our goals of regenerative and sustainable production, I took a weekend away, hours from civilisation on the coast of Thailand with our Director of Regeneration and close friend Emma Foster-Ceering. Yet the environmental shoe crisis still follows us with the Instagrammable beaches littered with the waste that drives the discussions of last week's meetings.



Sustainable fashion has become so much more than just what our footwear is made of – Where do those materials come from? How many layers are in that supply chain? What chemicals made them? What happens with the product after the first user finishes with it? What happens with the product after the last? And our customers have far surpassed what organic, free range, fair trade food and drinks they put in their bodies and have woken up to what clothes and footwear they're putting on their bodies. Sustainable fashion is no longer an option, it's a requirement.

But it's an additional layer of complexity added to shoe design, to justify – does the world really need another trainer? Or a more technical hiking boot than the last? Can we pay upwards of double the price for a shoe made in plant-based bio plastics compared to the equivalent in virgin plastics? Can we limit our colour range to choose leathers made from free-roaming cattle and natural dyes rather than mass meat production leathers full of chemicals? Can we wait double the lead time for natural based yarns rather than plastic?

And finally, can we even trust when we're sold materials made from recycled plastic bottles, that this doesn't mean straight from the plastic bottle factory and never once used by a customer (true story!).

My key takeaway from this week, we're on a journey, barefoot shoes that are better for your health, made from traceable materials that are better for the planet, while striving towards solutions that switch from doing less harm to truly giving back to the planet. Would you ever say you achieve perfection? This is progress, the less virgin plastic barnacle covered shoes on the beach the better.

"WE'RE ON A JOURNEY TO MAKE BAREFOOT FOOTWEAR THAT ARE BETTER FOR YOUR HEALTH, MADE FROM TRACEABLE MATERIALS THAT ARE BETTER FOR THE PLANET WHILST STRIVING TOWARDS SOLUTIONS THAT SWITCH FROM DOING LESS HARM, TO TRULY GIVING BACK"

More than 25 billion pairs of footwear are manufactured each year, and 90% of them will end up in landfill — often within 12 months of purchase.

The majority of modern footwear is crammed full of petrochemical materials that outlast their use by 1000's of years when thrown away.

In a bid to end this cycle, we have launched Re:Vivo in 2020. Re:Vivo is another core element of our regeneration strategy and the platform where we recondition returned footwear and extend a product's life as long as possible. Work starts with a deep steam clean and our skilled craftspeople take to work by repairing and reviving each pair. Finished footwear is then graded according to its new, shiny status and are resold online.

"WE HAVE MASSIVELY ENJOYED THE LAST 12 MONTHS WORKING WITH YOU GUYS. VIVO'S DRIVE AND ENTHUSIASM TO ALL PROJECTS IS AMAZING AND HAS INSPIRED US A LOT AT TBRC. WE LOVE THE FACT THAT YOU ARE ON THE SAME PATH AS US ON THE FOOTWEAR SUSTAINABILITY JOURNEY AND WE LOOK FORWARD TO PARTNERING YOU GUYS ON MANY MORE PROJECTS TO COME."

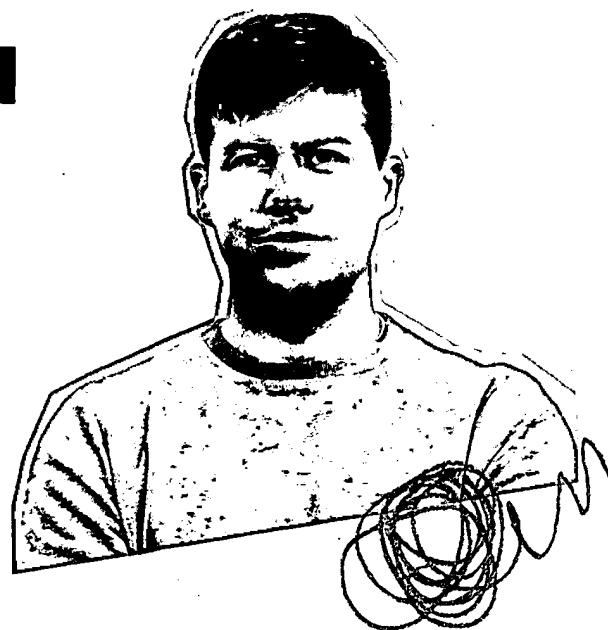
— TOM, THE BOOT REPAIR COMPANY, OUR REVIVO PARTNER



INTERVIEW

WITH LEE SPITERI

INNOVATION & PERFORMANCE DESIGNER



Lee is an Innovation & Performance Designer at Vivobarefoot, always looking for innovative solutions to problems. We asked him what he was working on:

HOW HAS YOUR JOB DESCRIPTION CHANGED IN THE LAST YEAR?

My job is less about pure product design and is now more about solutions driven design based on the double specifications of product and regeneration.

CAN YOU GIVE AN EXAMPLE?

Right now I'm working to improve our swim/run shoe. On function, it scores 10/10. It looks great! But it's not performing well enough on sustainability... So, for example, it doesn't have an end of life solution.

My job is to improve the shoe. That means incrementally reviewing each element of the shoe and finding substitutes. It also means, at the same time, taking all the learning that we have and building the shoe from the ground up, ripping it all up and starting again. I have to make it function the same, make it commercially viable, but also make it as sustainable as I can.

This way of working is ground-breaking. Some companies have led the way with a few innovative shoes, but the rest of their collection is normal, unsustainable product. We're moving light years ahead and that's due to this sharp lens on regeneration.

WHAT MAKES THE DIFFERENCE?

We have a highly expert sustainability team that are willing and have the patience to share, entrench and embed their knowledge. And we have company owners who put the onus on doing the right thing and innovating in a responsible way. The structure of the organisation also helps; it's quite flat. Therefore, there are no communication barriers.

Most footwear companies are degenerative businesses. Now I'm in a regenerative business — this is completely different.

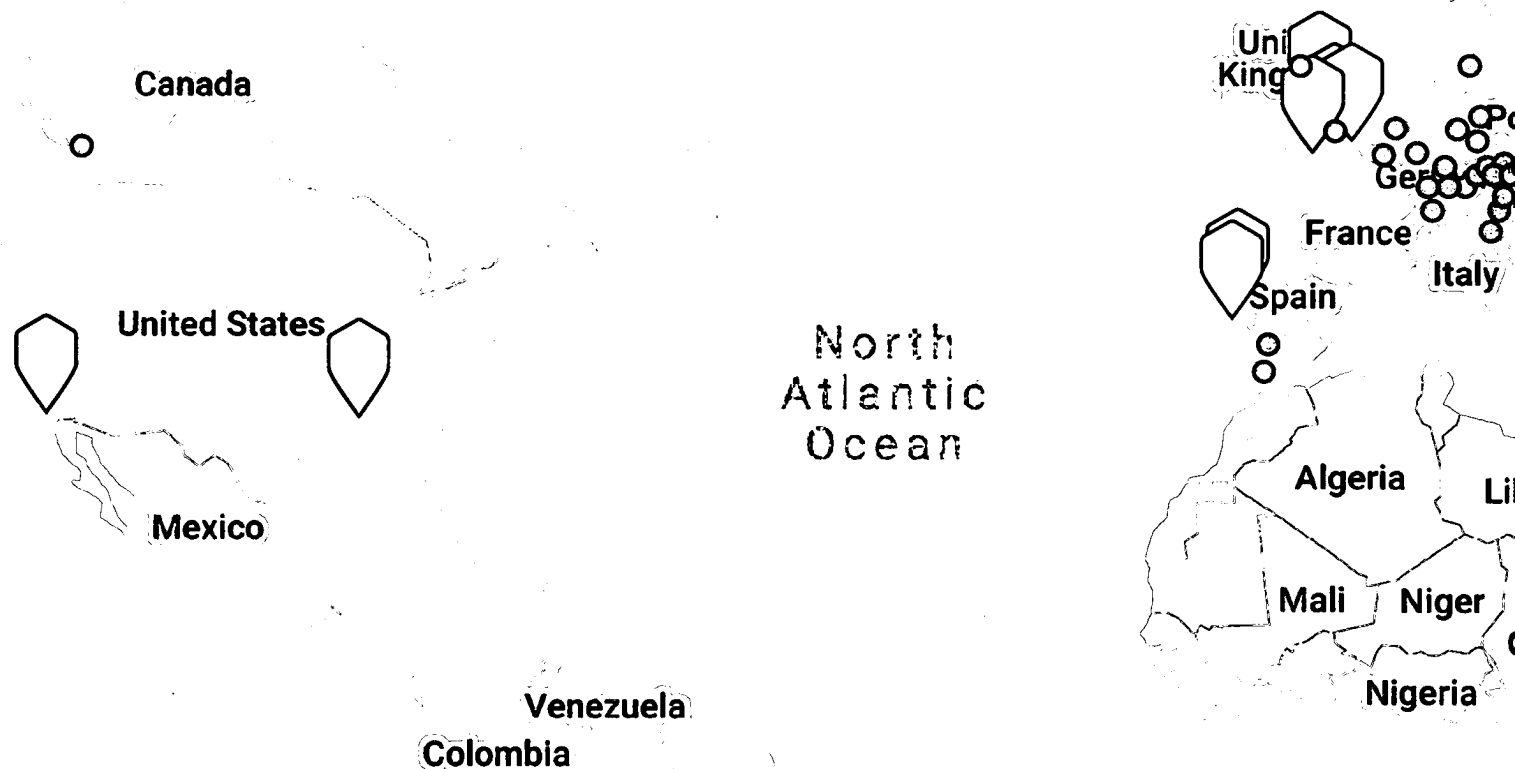
**MOST FOOTWEAR
COMPANIES ARE
DEGENERATIVE
BUSINESSES.
NOW I'M IN A
REGENERATIVE
BUSINESS —
THIS IS
COMPLETELY
DIFFERENT.**



BIOSYNTHETIC

Made from non-feedstock
biobased synthetics to be recycled

OUR VALUE CHAIN



Vivobarefoot works with a select set of suppliers and manufacturer partners to make and sell barefoot footwear.

Our core suppliers are in China, Ethiopia, Portugal and Vietnam. In 2019 and 2020 we consolidated our value chain in Vietnam. We want to deepen our relationships with those business partners who share our commitments to regenerative production and we're seeking to build long-term relationships with suppliers who are on the cutting edge of design, performance and sustainability without sacrificing one for the other. As part of our efforts to reduce our material impact, we also reduced the number of suppliers that we are now working with in Vietnam by 53% from 43 to 20.

Brazil

tina

South
Atlantic
Ocean

Ang

Nam








South

South

O



We do sell shoes where we make them, just not that many

- KEY**
-  MATERIAL PARTNERS
 -  TANNERY PARTNERS
 -  WAREHOUSE PARTNERS
 -  REVIVO PARTNERS
 -  MANUFACTURING PARTNERS
 -  DEVELOPMENT PARTNERS
 -  COMMERCIAL PARTNERS

thern
cean



DEVELOPMENT

SHOEFABRIK CO. LTD

46-64, STREET NO.8, TRUNG SON RESIDENCE, BINH HUNG WARD, BINH CHANH DISTRICT, HO CHI MINH, THÀNH PHỐ, HỒ CHÍ MINH 700000, VIETNAM
10.735823, 106.692432

MAXGREAT

EAST NO.6 GUANGMING, THIRD ROAD, DONG CHENG DISTRICT, DONGGUAN CITY, GUANGDONG, CHINA
23.027404, 113.782329

PITTARDS

PITTARDS YEOVIL (HQ), SHERBORNE ROAD, YEOVIL, BA21 5BA, UNITED KINGDOM
50.944085, -2.612420



MANUFACTURING

DUC THANH II CO., LTD. (NEWRICH CO.)

PHU THANH-VINH THANH INDUSTRIAL ZONE, PHU THANH WARD, NHON TRACH DISTRICT, DONG NAI, VIETNAM
10.699479, 106.941706

PHU THO JIM BROTHER'S CORPORATION

SOC DANG TOWN, DOAN HUNG COUNTY, PHU THO PROVINCE, VIETNAM
21.606584, 105.187161

PRO WELL (VIETNAM) CO., LTD.

LONG KHANH INDUSTRIAL PARK, LONG KHANH DISTRICT, DONG NAI PROVINCE, VIETNAM
10.966278, 107.219249

DONGGUAN SHENG NUO SHOES CO. LTD.

HENGLONG INDUSTRIAL ZONE NAN YA VILLAGE, DAOJIAO TOWN DONGGUAN CITY, GUANGDONG PROVINCE, CHINA
22.967017, 113.648326

PITTARDS PRODUCT MANUFACTURING S.C

NEFAS SILK LAPHTO KK, INDUSTRY ZONE, ADDIS ABABA, ETHIOPIA
8.962684, 38.766690

SOCIEDADE DE CALÇADO PILAR, LDA

RUA D.AFONSO HENRIQUES, 505 (APARTADO 91), 3701-910 S.JOÃO DA MADEIRA, PORTUGAL
40.898916, -8.504566

PROCALÇADO - PRODUTORA DE COMPONENTES PARA CALÇADO, S.A.

LARGO ALMINHAS DAS BARRANCAS 97, 4415-343 PEDROSO, PORTUGAL
41.045632, -8.563986



TANNERY

INTERHIDES - WILDHIDE LEATHER

678 SOI T.J.C SUKHUMVIT RD. TAMBON, BANGPOOMAI, AMPHOE MUANG, SAMUTPRAKARN, 10280, THAILAND
13.594028, 100.592772

PITTARDS ETHIOPIA TANNERY

MODJO, EDJERSA, ETHIOPIA
8.592786, 39.140966

CURTUMES AVENEDA LDA

RUA DA AVENEDA, OVAR, 3880-836 S. VICENTE PEREIRA, PORTUGAL
40.867834, -8.532218



RE-VIVO

THE BOOT REPAIR COMPANY

UNITS 7/8 FLEET HALL ROAD, PURDYS INDUSTRIAL ESTATE, ROCHFORD, ESSEX, SS4 1NF, UNITED KINGDOM
51.576159, 0.715792



WAREHOUSE

AMETHYST GROUP LIMITED

LODGE ROAD, STAPLEHURST, TONBRIDGE, KENT, TN12 0QW, UNITED KINGDOM
51.769415, 0.548892

CHARLES BIRCH LTD

4 BROWN LANE WEST, LEEDS, LS12 6BH, UNITED KINGDOM
53.783720, -1.574241

ELEETS

17300 SLOVER AVENUE, FONTANA, CA, 92337, USA
34.064570, -117.425617

DSV SOLUTIONS NEDERLAND B.V.

TRANSPORTWEG 7, 7041 KK 'S-HEERENBERG, THE NETHERLANDS
51.873500, 6.291667



MATERIALS

WOOLMARK (AUSTRALIAN WOOL INNOVATION LIMITED)

LEVEL 6, 68 HARRINGTON STREET, SYDNEY, NSW, AUSTRALIA 2000
33.860722, 151.207945

BLOOM™

5168 WATER TOWER ROAD, MERIDIAN, MISSISSIPPI, USA 39301
32.412657, -88.628855

COMMERCIAL

64 NEAL STREET, SEVEN DIALS,
LONDON, WC2H 9PQ,
UNITED KINGDOM
51.514776, -0.126047

BRUNNENSTRASSE 3 BERLIN
MITTE 10119, BERLIN, GERMANY
52.530376, 13.400900

RATHAUSSTRASSE 4,
REUTLINGEN, 72764, GERMANY
48.491363, 9.210605

MARKTPLATZ 48 88400,
BIBERACH
48.096884, 9.786024

ZÁHRADNÍČKA 43, BRATISLAVA,
821 08, SLOVAKIA
48.154052, 17.126592

BISKUPSKÁ 283/1, BRNO, 60200
BRNO, CZECH REPUBLIC
49.192047, 16.606031

14 RUE BLOCKMANS, 1150
WOLUWE ST. PIERRE,
BRUSSELS, BELGIUM
50.840140, 4.463570

KRAJINSKÁ 229/33, ČESKÉ
BUDĚJOVICE, 37001
48.977180, 14.473737

HAUPTSTRASSE 14, DRESDEN,
01097, GERMANY
51.059127, 13.742976

KAPUZINERGASSE 14,
DÜSSELDORF, 40213, GERMANY
51.225815, 6.773994

SÜDTIROLER PLATZ 9, GRAZ,
9020, AUSTRIA
47.070829, 15.433063

FELDSTRASSE 30, HAMBURG,
20357, GERMANY
51.059127, 13.742976

TR. EDVARDA BENEŠE 1797/1B,
HRADEC KRÁLOVÉ, 50012,
CZECH REPUBLIC
50.196412, 15.839919

KARL-LIEBKNECHT-STRASSE 8,
LEIPZIG, 04107, GERMANY
51.330489, 12.373391

SCHRITT FÜR SCHRITT -
DER FUSSFREUNDLICHE
SCHUHLADEN, KLENZESTRASSE
37, MÜNCHEN, 80469, GERMANY
48.130781, 11.574702

28.ŘÍJNA 159/214, MARIÁNSKÉ
HORY, OSTRAVA, 70900,
CZECH REPUBLIC
49.828556, 18.262946

OBERLINDEN 10 (AM
SCHWABENTOR) 79098,
FREIBURG, GERMANY
47.993497, 7.853698

BADSTUESTRÆDE 2,
KØBENHAVN, 1209, DENMARK
55.678528, 12.574581

PALACKÉHO NÁM. 5, PLZEŇ,
CZECH REPUBLIC
49.748205, 13.371272

2/1 142 WEST NILE STREET,
VICTORIA CHAMBERS,
GLASGOW, G1 2RQ,
UNITED KINGDOM
55.863923, -4.254046

HERZOGSTRASSE 16-20 50667,
KÖLN, GERMANY
50.937207, 6.954018

PANSKÁ 7, PRAGUE, 11000
PRAHA 1, CZECH REPUBLIC
50.084344, 14.427497

20 BOGRÁSHOV STREET,
TEL AVIV, ISRAEL
32.077084, 34.769339

NEUBAUGASSE 12-14, WIEN, 1070,
AUSTRIA
48.199326, 16.349762

UNIT 14, 91-95 TULIP STREET,
CHELTENHAM,
VICTORIA VIC 3186,
AUSTRALIA
-37.9630999, 145.0309199

CENTRAL IELA 27
LV 4641
REZEKNE
LATVIA
56.4899141, 27.4267809

2411 JUNIPER ROAD NW,
CALGARY,
ALBERTA,
T2N 3V3,
CANADA
51.0624874, -114.11892,17

HIRSIMETSÄNTIE 17,
LAHTI 15200,
FINLAND
60.9932955, 25.6700655

DUBAI INVESTMENT PARK - 2,
DUBAI 24249,
UNITED ARAB EMIRATES
24.9741361, 55.1904469

1/F, YEE HING BUILDING,
19 LEIGHTON ROAD,
CAUSEWAY BAY HONG KONG,
HONG KONG
22.2770405, 114.1794014

FLAT I, J 11/F, BLK 2,
KWAI TAK INDUSTRIAL CENTRE,
15-33 KWAI TAK ST,
KWAI CHUNG,
HONG KONG
22.3535297, 114.1210306

GRAN VIA 14,
CEUTA 51001,
SPAIN
35.8881399, -5.316413

2-9-2 HIGASHI OKEGAWA-CITY,
SAITAMA PREFECTURE,
SAITAMA 363-0013,
JAPAN
35.9921666, 139.5575785

KLEINE OORD 80,
ARNHEM,
6811 HZ,
NETHERLANDS
51.9797802, 5.904922

115088 KRUTICKAYA,
NAB. 7-70,
MOSCOW,
RUSSIA
55.7066971, 37.6532688

BRNČIČEVA 13/71,
LJUBLJANA,
ČRNUČE SLOVENIA 1231,
SLOVENIA
46.0986922, 14.5397849

SHOP 1 CAVENDISH PLACE,
12 CAVENDISH STREET,
CLAREMONT CAPE TOWN 7708,
SOUTH AFRICA
-33.9804844, 18.4609526

C/SIETE REVUELTAS 20,
MARCHENA,
SEVILLA 41620,
SPAIN
37.3315314, -5.4171649

SONNENBERGSTRASSE 13B,
HERGISWI NW 6052,
SWITZERLAND
46.9923319, 8.3063463

BEING A RESPONSIBLE BUSINESS PARTNER

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 take measures to ensure that our 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 months in advance and capacity planning around three months ahead of ordering. We try not to deviate from this planning, but in cases where we have to make changes we coordinate with our suppliers to ensure that they are not in a worse position. Good capacity planning enables our suppliers to plan their production and avoids issues that impact on workers such as intensive unplanned overtime or unfair production targets.

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 wages and benefits and will enable 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.

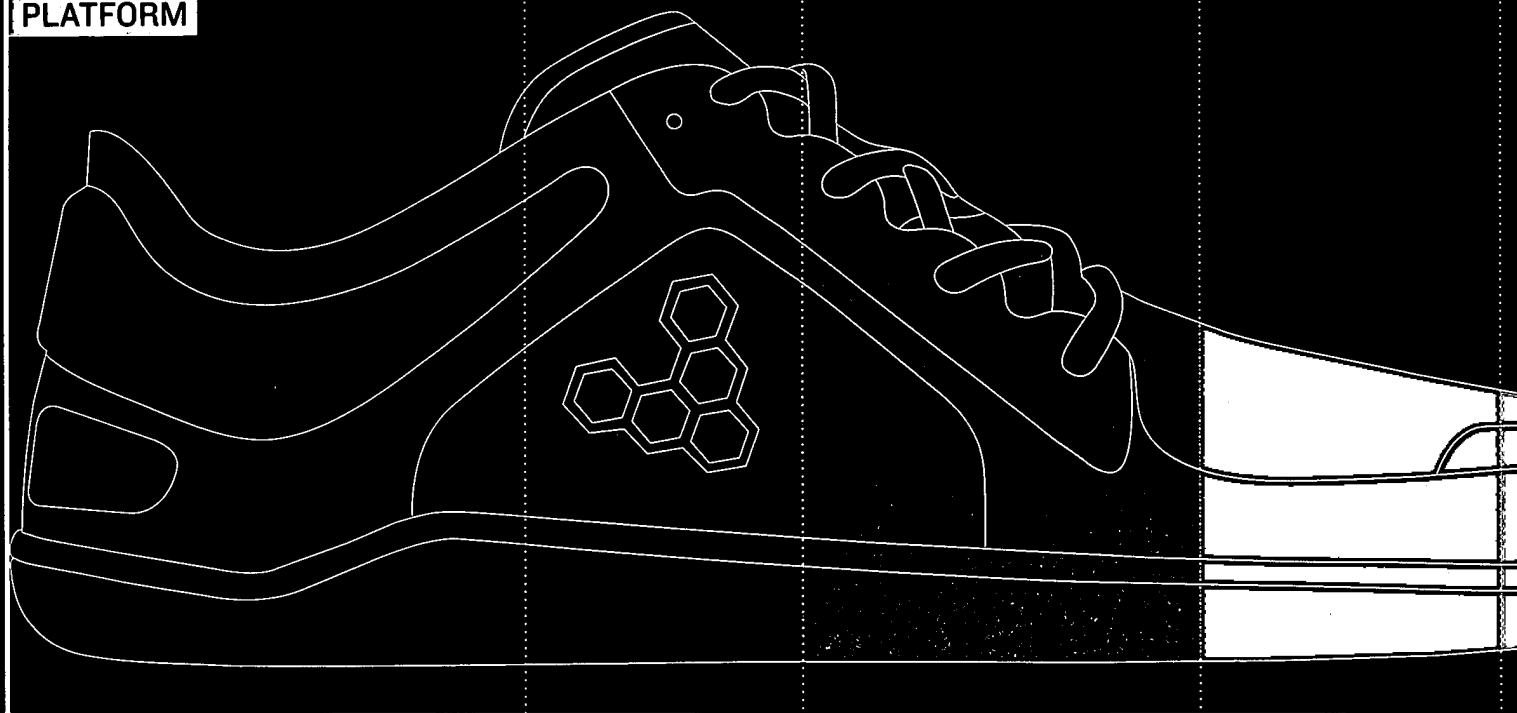
COST BREAKDOWN OF A £93 SHOE ON OUR ECOM PLATFORM

£26
COST OF SHOE INCLUDING DELIVERY TO OUR WAREHOUSE

£14
DELIVERY TO CUSTOMER

£20
COST TO MARKET THE SHOE ONLINE

£15
COST TO RUN THE BUSINESS



CODE OF CONDUCT

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 2020 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 Labour Organisation) standards.

UNDERSTANDING THE IMPACTS IN OUR VALUE CHAIN

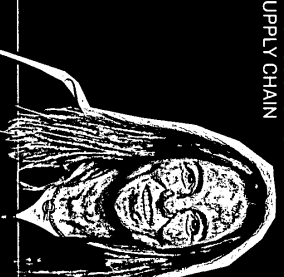
In 2020, we developed a partnership with CleanChain to improve both our transparency and the quality of information on our value chain. Within this partnership, we launched our interactive value chain map which will enable our customers and stakeholders to see who we are working with, where they are, 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.

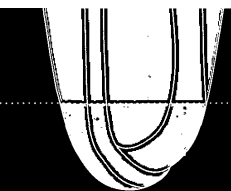
This means that we need to also be engaging with these suppliers and ensuring we are managing the risks.

“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



£8 ONLINE
VIVO
DISCOUNTING
SALES, CODES
PROFIT



*We don't have
transparency back
to labour costs now
but we are working
on it for next year*

SUPPLIER SPOTLIGHT: INTERHIDES PLC THAILAND

Vivobarefoot work collaboratively with Interhides (IH-IL) to source 100% Wildhide leather from local farmers through a cooperative run network in Thailand.

A family run business, IH-IL are a Leather Working Group certified Gold standard tannery with sustainability at their heart.

Their solar farm provides over 40% of the energy required for their manufacturing units. They are on track for achieving 80% water recycling rates for 2020 and are using 100% recycled water for major processes. They have also converted to 100% recycled paper including the pallets used for freight.

The next challenge we have to overcome is educating our customer community.

More sustainable sources of leather from the perspective of responsible farming and treatment means the finished product isn't always going to be absolutely perfect.

Wildhide often stands leather very well, really like the wild leather video, with no plans to show any type of traceability offers real support to indigenous communities that are in danger of being lost as we move to a totally urbanised world.

Modern leather properly manufactured is a natural, renewable high tech material. As a by product of other industries it can be considered one of the oldest examples of a circular economy. It offers the huge environmental advantages of greater longevity than alternative materials which is now recognised to reduce overall emissions by 65-70% through the longer use of goods and thus not having to extract more resources to manufacture new products.

Leather is made from fibres of natural collagen making it healthy and comfortable against the skin.

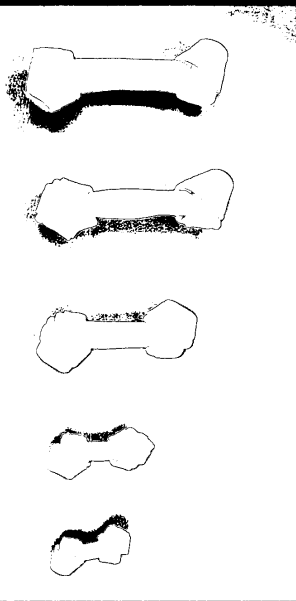
Even after a long life in the leather, to most items can be repurposed but if they have to be disposed of, all used grades in a few years whereas alternatives which are mostly based on fossil fuels and have very limited durability will survive to land fill for at least 500 years.

MICHAEL REDWOOD
LEATHER SPECIALIST UK

Wildhide is a leading manufacturer of high-quality, eco-friendly leather goods. Our products are made from responsibly sourced leather and are designed to last. We offer a wide range of products, including handbags, wallets, and shoes, all of which are made in Thailand. Our commitment to quality and sustainability has earned us a reputation as a trusted brand in the leather goods industry.



INTERHIDES
WILDHIDE LEATHER
 678 Soi 13C Sukhumvit Rd.
 Tambon, Bangpoomai,
 Amphoe Muang,
 Samutprakan 10280
 13594028 / 00592772



Five interlocking puzzle pieces made from solid wood.





we're working on showing
what the regenerative
supply chain of the
future looks like

Our cross-functional VHubs team was established in 2020 and is our first foray into understanding what regenerative manufacturing could look like for Vivo and how we can redesign and build our value chains of the future.

Defining regenerative manufacturing 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.

INTERVIEW

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 adapted 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, raw materials from regenerative agricultural practices, B Corporation aligned business models, biomimicry inspired factory design and processes, and community integrated nature spaces both inside and outside of factory buildings.

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.

*No one had to tell
Charlotte to embrace
the power of nature*



ASSESSING THE RISKS AND IMPACTS IN OUR VALUE CHAIN

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 aggregated 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 self-reported 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 OF THE RISK OF FORCED LABOUR WITHIN OUR VALUE CHAIN, INCLUDING WITHIN THE RAW MATERIALS AND COMPONENTS SOURCED FOR OUR PRODUCTS”

In 2021, we want to increase our understanding of the risk of forced labour within our value chain, including within the raw materials and components sourced for our products. We will publish our first Modern Slavery Act statement in 2021.

We also plan to extend our open costing, currently being used in Ethiopia, to the rest of our suppliers. This enables us to determine how much of our cost price goes towards wages and labour, helping to assess whether workers are paid wages which afford a decent standard of living.

CLEANCHAIN

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.

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:

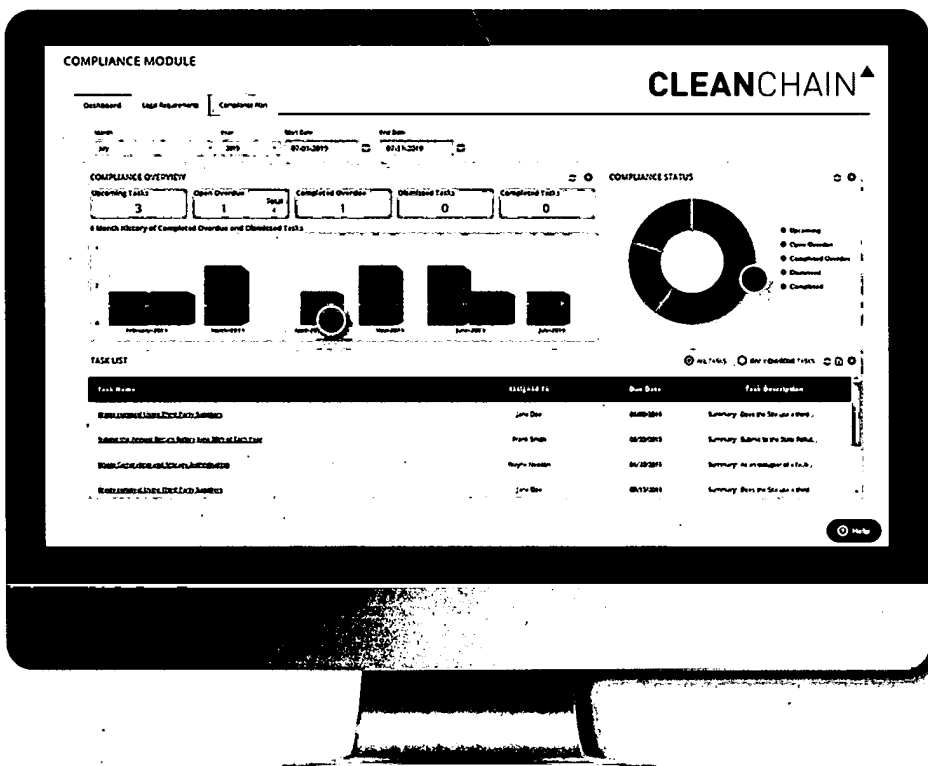
The **ACTION** module is where suppliers monitor compliance against Vivobarefoot's Code of Conduct and Best Practice Tool.

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

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 GREENHOUSE** 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.



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

“SOUL OF AFRICA OPERATES TO THE HIGHEST STANDARDS AND TAKES A WORKER-CENTRIC APPROACH TO THEIR OPERATIONS WHICH IS MUCH NEEDED BUT RARELY SEEN IN THE GARMENTING AND FOOTWEAR INDUSTRY. THEIR ADDIS FOOTWEAR PRODUCTION HOUSE IS AN EXCELLENT EXAMPLE OF HOW TO BUILD INDUSTRY SUCCESSFULLY, SOCIALLY AND SUSTAINABLY.”

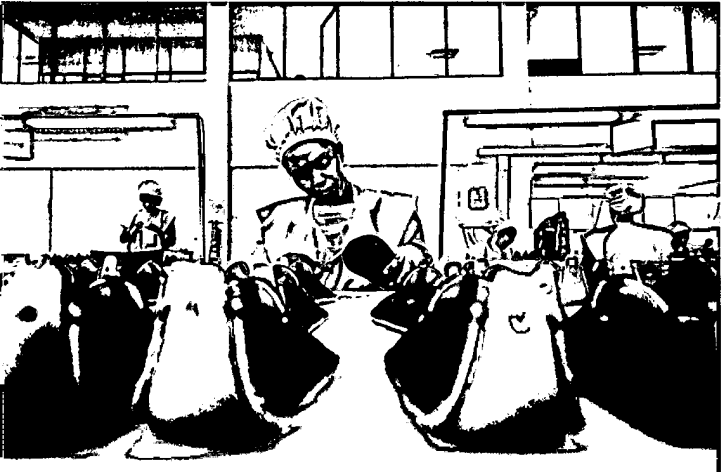
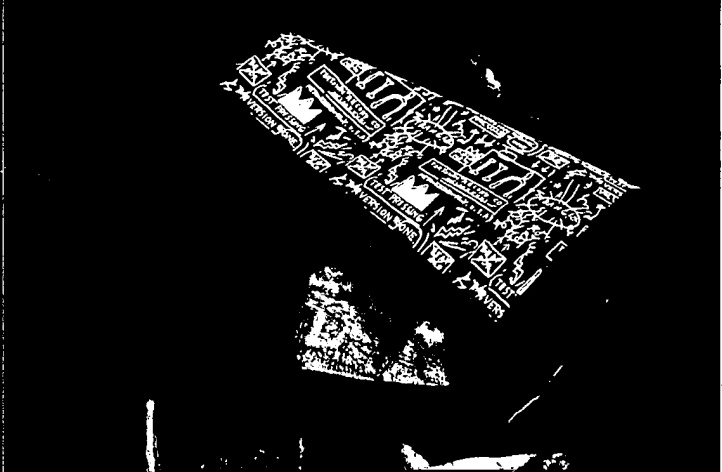
—VIKKI BRENNAN, CEO, PROUDLY MADE IN AFRICA



WHY WE LOVE OUR SOUL OF AFRICA COLLECTION:

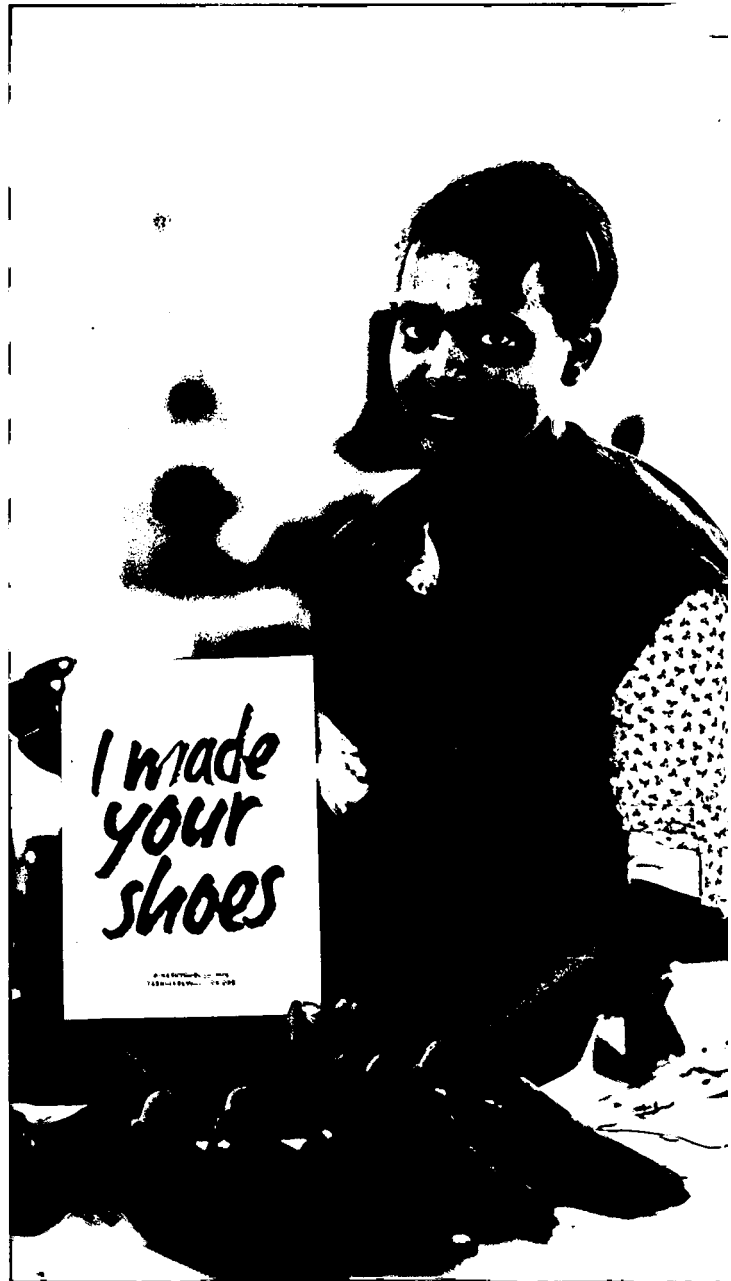
- **100+ people employeed**, paid a decent wage, living wage with education opportunities at a new production line in Addis Ababa.
- **4x average wage** is paid compared to other similar factories (and there is no minimum wage in Ethiopia)
- **400+** more people sustained along the entire supply chain
- **70k pairs of shoes** produced and counting!

Join us buying less, buying better





This is Biruk, 30, born in Addis Ababa. He lives with his parents who are fully dependent on him. He had never made shoes before joining the Soul of Africa program. He is happy to be part of the project and he wants to open his own shoemaking workshop one day.



Ethiopia is growing and developing fast. Like many young Ethiopians, 23 year old Mizan has had to move from the countryside to the city to find work in the textile industry. Unfortunately, many textile jobs are exploitative, but with Soul Of Africa Mizan has found fair work and pay, and with opportunities to learn and develop skills. Follow her journey and see why we're proud to work with Mizan and her colleagues, and support decent and inclusive employment.

SUSTAIN THIS? PODCAST COMMUNITY



Some of our
Sustain This?
podcast guests

OUR STAKEHOLDERS

Our stakeholders range from our employees, our international partners, our suppliers, our customers, external certification organisations, academics, campaigners, research centres and civil society groups.

They play a range of roles from holding us to account to working in partnership with us and helping us move forward on our journey.

We recognise the importance of engagement and we're putting in place 2 new roles to manage and lead on this work. We're not yet at the stage where we are engaging with all the stakeholders we could be, nor are we measuring the impact of all our engagement.

CUSTOMERS



In FY 19/20 we had
11.8M website visits
+20% YoY



Social Media audience growth
(Twitter/ Facebook/ Instagram)
+40%



Engagements:
+80%



Over 1 million people viewed
Shoespiracy documentary/
campaign.

SUSTAIN THIS? PODCAST

We know that growing a business being just a little less harmful to the planet or to people's health is no longer acceptable. A major barrier to change in the fashion and footwear industry is a reluctance to discuss systemic challenges all brands and businesses are facing and the science supporting innovation and progress. The Vivobarefoot podcast 'Sustain This?' invites experts and rulebreakers to discuss the challenges we face for our planetary and human health. Launched in April 2020, the podcast has released 25 episodes featuring over 30 guests, with over 7000 downloads.

REGENERATION / COURAGE / HEALTH

SUSTAIN THIS?

with VIVOBAREFOOT. Hosted by Emma Foster-Geering.

TRANSPARENCY / NEW NORMAL /

PLAY

Today the topic of our discussion is about power dynamics. Whilst we are all tackling the issues from different perspectives, we can all collectively agree that our current structural system, of economics, consumerism, politics etc is fragile and means that we are continuing to live unsustainably i.e. beyond the means of our planet to provide for future generations. How do we address this problem? <https://www.vivobarefoot.com/uk/sustainthis>

- Kojo Annan on racial justice and equality.
- The role of the arts in social change with Baroness Lola Young
- The Decade Of Regenerative Business with John Elkington

Our guest today is Kojo Annan, a successful serial entrepreneur, investor, change maker and father. He is the son of the inspirational global leader, the late former UN Secretary General.

Our guest today is Baroness Lola Young, a British actress, author, Crossbench peer, and Chancellor of the University of Nottingham. This episode is hosted by Dulma Clark, who runs...

Our guest today is John Elkington, a world authority on corporate responsibility and sustainable capitalism, a best-selling author and...

Customer Reviews

5.0 out of 5

12 Ratings



JimboJones89, 13/08/2020

Into the Wild

Really great insight from those living their lives in the right way. Nature is key.

PODCAST DOWNLOADS

NORTH AMERICA
1,543

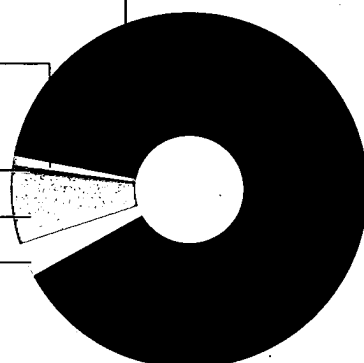
SOUTH AMERICA
61

AFRICA 37

OCEANIA 462

ASIA 220

EUROPE
4,740



PRESS HIGHLIGHTS


COACH FITNESS HEALTHY MENU

TRENDING: NIKE BLACK FRIDAY SALE BIG APPLE WATCH BLACK FRIDAY DEAL

REVIEWS

I Wore Vivobarefoot Shoes For 30 Days

Would wearing minimal shoes for a month make a convert of our writer?



by CAMILLA ARTAULT on 6 MAR 2020

"You've got no toes."

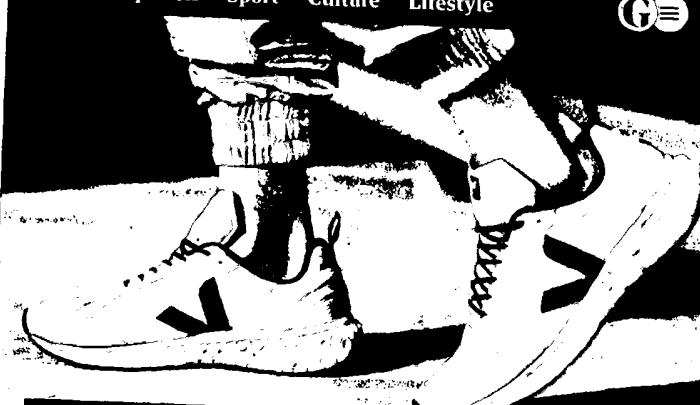
I glance down, dubiously, and see that my toes are, in fact, where I expect them to be. But Ben Le Vesconte, the Vivobarefoot coach, is looking at a screen showing a read-out of the pressure plate under my feet. "Your big toe should naturally support you when you're standing." He explains that if I can "reconnect with my feet" through strengthening and stretching, I can turn my weak and feeble feet back into the naturally spring-loaded devices they're supposed to be. My arches will become more elastic and my toes will get stronger. And, according to the theory, I'll be less prone to injury.

Camilla Artault wore Vivo's for 30 days.

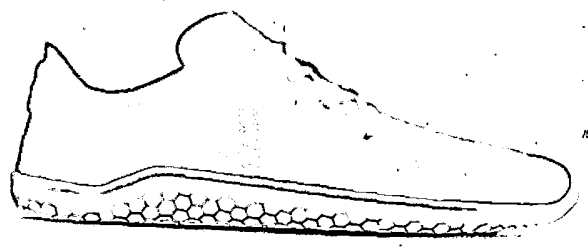
"As I near the end of the 30 days, my feet feel stronger, freer and more alive. I find I'm enjoying the texture of the ground under my feet."

Primus Lite Bio features in the 10 Best Ethical Footwear voted for by The Guardian

News Opinion Sport Culture Lifestyle



10 of the best... Men's ethical running shoes - in pictures



Vivobarefoot

Vivobarefoot uses natural, recycled, and bio-based materials, and focuses on using an efficient process to make products that last. The Primus Lite Bio is made using plant-based fibres. Primus lite bio, £120, vivobarefoot.com

f t p

The ESC Tempest & Primus Trail FG both win best in category at the Women's Running Awards in 2020!



MONOCLE

20 November 2019

THE ENTREPRENEURS
Vivobarefoot

Galahad Clark is the co-founder of Vivobarefoot, whose lightweight shoes promote natural movement and help feet grow stronger. Galahad launched the company in 2012 with his cousin Asher Clark, both of whom are relatives of the original founders of Clarks, the English heritage shoe brand.

Share episode Download

Vivobarefoot features in the Monocle podcast, where Galahad talks on foot health and the growth of the Vivobarefoot business!

WINNER

Best Minimal Shoe: Winner
VIVOBAREFOOT ESC Tempest | \$170

Running in minimal shoes is an interesting experience, and one which many runners rave about. And at the brands that support non-barbed running, Vivobarefoot makes minimalist shoes like no other brand. As Anna said: "I was hugely impressed by the company's ethics and the fact the shoe is made from by-products. They were incredibly comfortable on. I'd definitely recommend to friends concerned with their environmental impact, as this delivers by the buckles. Besides, with a sole that grips pavement, this made running feel natural without any blisters or pain. Adventure racers, triathletes and water sports enthusiasts will love this model."

EDITOR'S CHOICE

Best Minimal Shoe: Editor's Choice
VIVOBAREFOOT Primus Trail FG | \$120

The ethical creds are amazing; this is a really responsible company that we rate highly. These look brilliant, and perform with grip and gusto on trails. The fit is snug with lots of room in the forefoot where it's needed. It's a double win for Vivobarefoot!



SEPTEMBER 22, 2020 11:15AM ET

Vivobarefoot Achieves B Corp Status, Setting Up Regenerative Footwear Future

By Jasmin Malik Chua



Vivobarefoot's certified B Corp status is off to a running start. The barefoot minimalist-shoe company joined the likes of Eileen Fisher, Patagonia and other businesses that prioritize social good over profits last week with an initial assessment score of 98.8 out of 200 points, which it received based on metrics such as governance, worker engagement...

B Corp marked a big moment for Vivobarefoot's regenerative journey, where US based Sourcing Journal Dived deep into the now and future with Galahad

WE STAND FOR FUTURE RESILIENCE SPOTLIGHT ON VIVOKIDS

Falsely created needs
decrease human wellbeing.

Simplify childhood (and their footwear).
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 VivoKids 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**

Examples:

- 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 VivoKids footwear.





PARTNERSHIPS

AMBASSADORS

We work with nearly 1,000 influencers globally, and of these, work closely and regularly with around 100, some of which are highlighted below:

AMBASSADORS

@docjenfit
 @drchatterjee
 @rossedgley
 @ed_stafford
 @thenaturallifestylist
 @fanny_josefine
 @fannyfromswe
 @lauratryuk
 @venus2bfab
 @drdomdpt
 @yogawitholive
 @joshuaholland
 @carew_movement
 @wildfoot_
 @joayoga
 @zoomedita
 @dade2shelby
 @richienorton_
 @imserenalee



Joshua Holland, USA

WHY DO YOU WEAR VIVOBAREFOOT FOOTWEAR?

I wear Vivos because I truly believe in allowing for the full functionality and freedom of movement within my feet and my entire body.

WHAT DOES BAREFOOT LIVING MEAN TO YOU?

Barefoot living means being as close to nature as possible. And that goes far beyond just walking/running around barefoot. It also means eating a more natural diet without all the processed crap and actually becoming more aware of how we affect nature and how nature affects us.

HOW HAVE VIVO FOOTWEAR AND EXPERIENCES HELPED SHAPED WHAT YOU DO?

I received some of my best fitness and health education by way of becoming a Vivo Coach. Through that experience, my entire world of training was opened up. I've adapted my training protocols over the years to include as many of the drills and exercises I've learned through the various Vivo courses and experiences.

Ultimately, I feel that my entire identity has changed for the better and I love sharing my story because it helps others to understand the importance of living a more barefoot lifestyle!



Ed Stafford, UK

WHY DO YOU WEAR VIVOBAREFOOT FOOTWEAR?

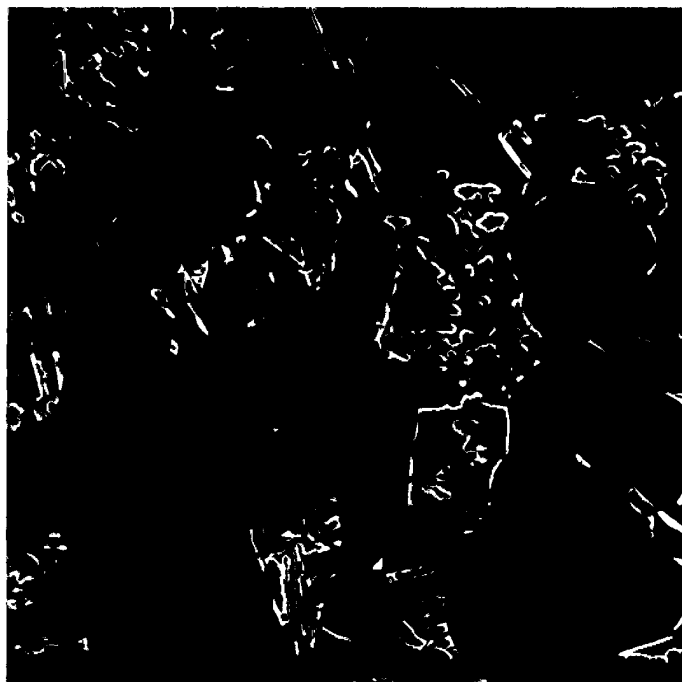
Because I believe in the concept of allowing your feet to move naturally. I read "Born to Run" back in the day and bought into the concept of barefoot running being a solution to the myriad of injuries that runners have. Vivobarefoot has grown into a company that now has a wide enough range of footwear that my boy and I are rarely in anything else (wellies and rugby boots really!).

WHAT DOES BAREFOOT LIVING MEAN TO YOU?

It's about the mechanics of not cramming your feet into narrow, heeled footwear. It's about relaxing and being more natural. It's about being informal and free.

HOW HAVE VIVO FOOTWEAR AND EXPERIENCES HELPED SHAPED WHAT YOU DO?

It means I'm running longer distances now than I ever have at the age of 44. It means I can race against kids half my age over multi day events and be free enough to run (whereas my competitors often have heavy, clunky boots on).



Serena Lee, UK

WHY DO YOU WEAR VIVOBAREFOOT FOOTWEAR?

My feet are extra wide, and I was advised by a foot health expert to either walk barefoot as often as possible, or get specialist footwear prescribed through a hospital! I live in London, so going barefoot isn't often an option... barefoot footwear really is the next best thing for my foot health!

WHAT DOES BAREFOOT LIVING MEAN TO YOU?

To me, barefoot living means feeling the shape of a log beneath my foot as I hold my child's hands and balance from end to end. It means letting her feet grow as they should, uncaged. It's trying to undo all the restrictions my feet grew up with.

HOW HAVE VIVO FOOTWEAR AND EXPERIENCES HELPED SHAPED WHAT YOU DO?

Vivobarefoot has helped me realise that health is number one. I had shin splints for years as a personal trainer, which melted away when I learned to let my muscles work as nature intended. Barefoot living has encouraged me to only wear heels *occasionally* and focus on my foot health day to day. I treat them with respect now, and it's a part of treating myself respectfully.

INTERNATIONAL DISTRIBUTORS

Whilst our direct to consumer model is the key focus for long term growth, our distributor base remains a vital part of our business.

Our pre-existing international partners continue to grow their regions — with czech, Germany, and Australia, remaining our key partners.



360k pairs of Vivobarefoot shoes sold to distributors up 50% on prior year



Sales of **9.4m** up 47% on prior year



"WE ARE VERY ENTHUSIASTIC TO SHARE BAREFOOT SCIENCE AND BE A PART OF THE TEAM THAT CONTRIBUTES TO THE GROWTH OF THE BRAND HERE IN JAPAN"

SPOTLIGHT ON JAPAN

Vivobarefoot went into partnership with Japanese supply Nomadics in January 2020.

Avid outdoor enthusiasts with a holistic 'back to nature' approach, this is what they had to say about going into partnership with Vivobarefoot.

WHAT DREW YOU TO THE BRAND?

We reached out last fall because the Japanese market is dominated by thick-soled running and trail shoes. We felt the market needed a brand/shoe with a simpler, more minimalist design. During those first few months of the initial communication, the more we learned about Vivobarefoot's vision and barefoot science in general, the more we became fascinated with the brand. Now, we are very enthusiastic to share barefoot science and be a part of the team that contributes to the growth of the brand here in Japan.

WHAT HAS BEEN YOUR EXPERIENCE OF WORKING WITH VIVO SO FAR (LIKES AND DISLIKES!)?

There has certainly been a learning curve in figuring out the best way for us to communicate efficiently. Unfortunately, all communication is severely bottlenecked due to the language barrier. This is not to mention cultural differences or the way the team here (Japanese) interprets said communication. Even with that very large hurdle against us, and the fact that Covid has thrown a huge 'wrench' in the spokes so to speak, our experience has been very positive. We expect 'challenges' in this partnership now and moving forward. So it has been refreshing to work with such a kind, thoughtful, and professional team.

HAVE YOU HAD ANY SUPPORT DURING YOUR TIME AT COVID?

Vivo has been very cooperative and supportive to make inventory (FTS) available to us before our first 'Pre-Book (Spring 21)' even though Covid certainly put a strain on your bandwidth. This has given us the time and resources needed to properly prepare (quite tirelessly I might add) over this summer to position ourselves for a proper launch come Spring 21. We have certainly benefited from Vivobarefoot's willingness and support, using apps such as Zoom, to educate us on Barefoot Science as well. Again, something that will help us share the story the right way. All things considered, we couldn't be more appreciative or happy.

WHAT EXCITES YOU ABOUT THE FUTURE OF WORKING WITH VIVOBAREFOOT?

Nomadics is inspired by Vivo's commitment to leading a sustainable society both as a brand and as a company. Unfortunately, Japan is known as one of the least environmentally conscious countries in the world, so it is an exciting challenge for us to work with Vivobarefoot to vigorously communicate our message and activities on these issues.



THE LIVEBAREFOOT FUND

We launched the Livebarefoot Fund as an in-house impact hub and an umbrella for all of Vivobarefoot's social and environmental projects. The Fund catalyses research and enterprise-based solutions to create regenerative solutions that bring people closer to nature.

The Soul of Africa project, our social enterprise in Ethiopia has been supporting inspiring, life-changing community projects since 2012.

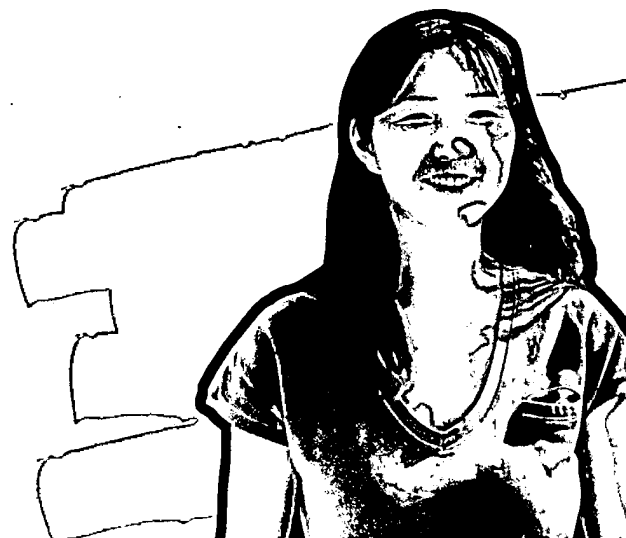
We are proud that it has been recognised with several awards — it has also inspired us to think even further. In 2020 Soul of Africa was evolved into The Livebarefoot Fund under the leadership of Dulma Clark who has been running

Soul of Africa since 2014, including launching an ethical shoemaking production line in Ethiopia in 2017, providing jobs and adding value to locally-sourced materials. In parallel, she has been collaborating with Future Footwear Foundation on projects with indigenous communities, setting up small-scale cobbling social enterprises to preserve ancient craftsmanship.

Dulma has been involved with the philanthropic sector over the past 8 years, graduating in Human Rights from LSE and currently serving as a Trustee and a Chair of the Investment Committee at JA Clark Charitable Trust. Originally from Siberia, Dulma is also co-founder of an environmental organisation, Save Baikal, and has launched a farmers' cooperative in her home village.

"I'M SO EXCITED TO EMBARK ON THE LIVEBAREFOOT JOURNEY THIS YEAR SO WE CAN DEMONSTRATE TO THE WORLD URGENTLY NEEDED EXAMPLES OF SUSTAINABLE SOCIAL BUSINESSES. WE'RE STILL FIGURING THE CORE PROGRAMS AND PROJECTS FOR THE FUND, BUT AS WE EXPERIMENT IN THE NEXT 6-12 MONTHS, I'M CONFIDENT WE WILL BE ABLE TO INCUBATE AN IDEAL LEGAL, FINANCIAL AND OPERATIONAL STRUCTURE. I'M DEEPLY GRATEFUL TO ALL THE PARTNERS INVOLVED FOR ALL YOUR WISDOM AND PATIENCE"

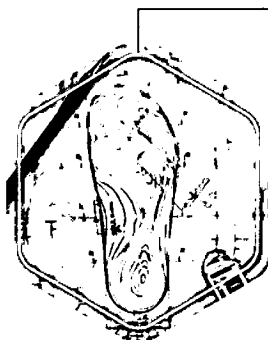
**—DULMA CLARK,
LIVEBAREFOOT FUND**



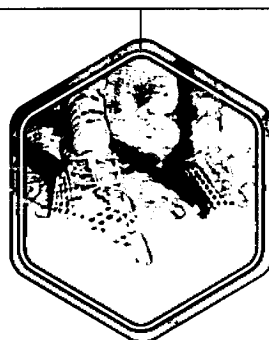


**OUR MISSION IS
TO BE A LEADING
IMPACT FUND FOR
SCIENCE-LED AND
NATURE-BASED
INNOVATION FOR
BOTH REGENERATIVE
SHOEMAKING AND
EXPERIENCES.**

THE FUND IS ACTIVE IN THREE MAIN AREAS:



**BIOMECHANICS
RESEARCH AND
INDIGENOUS
SHOEMAKING**



**REGENERATIVE
MATERIALS AND
MANUFACTURING
INNOVATION**



**EDUCATION,
ADVOCACY AND
EMPOWERMENT**

The Fund provides charitable giving, social loans
and project incubation opportunities.

2019/20 ACCOUNTS

£218,077

IMPACT PROJECT COSTS

£40,663

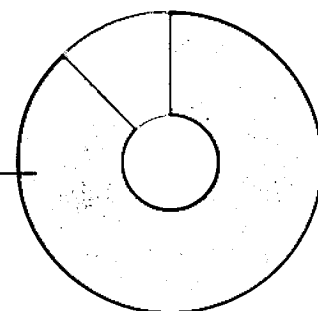
STAFF TIME FOR IMPACT PROJECTS

£258,739

TOTAL COST FOR IMPACT PROJECTS

88.5%

**OF PRE-TAX
PROFIT WENT ON
IMPACT PROJECTS**



*Last year
was 22.9%.*

STEERING GROUP

With the launch of the Fund, a Steering Group was formed to advise and direct on strategy. Alongside the Vivobarefoot team of Galahad Clark (CEO) as a Chair, Phil Borthwick (CMO) and Emma Hamilton-Forster (Sustainability Director), we now have been joined by:



Lina Constantinovici
UNA-SF Advisory Board,
Innovation 4.4 Oceans
Fundors



Kate Fletcher
Research Professor,
Author, Consultant
and Design Activist



Thomas Bourne
Founder Greenheart
Consulting



Dirk Bischof
Founder of
Hatch Enterprise

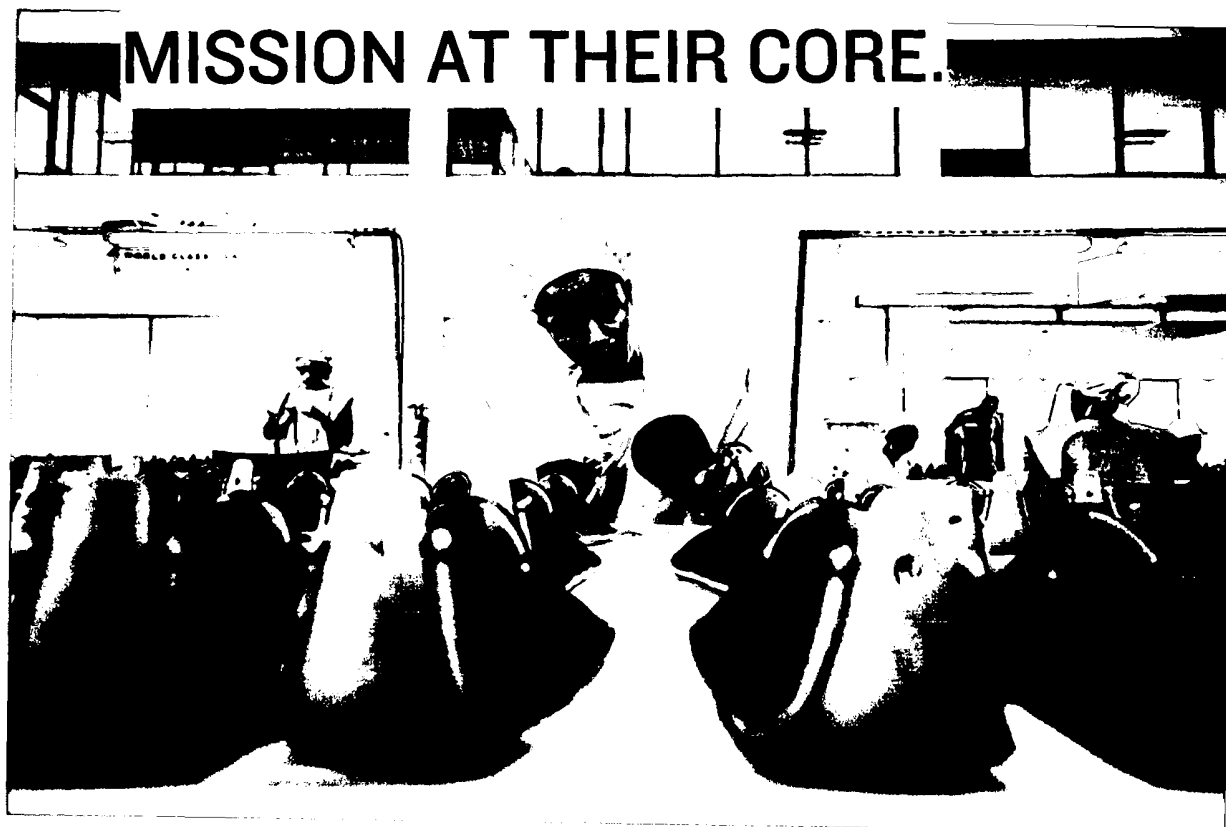
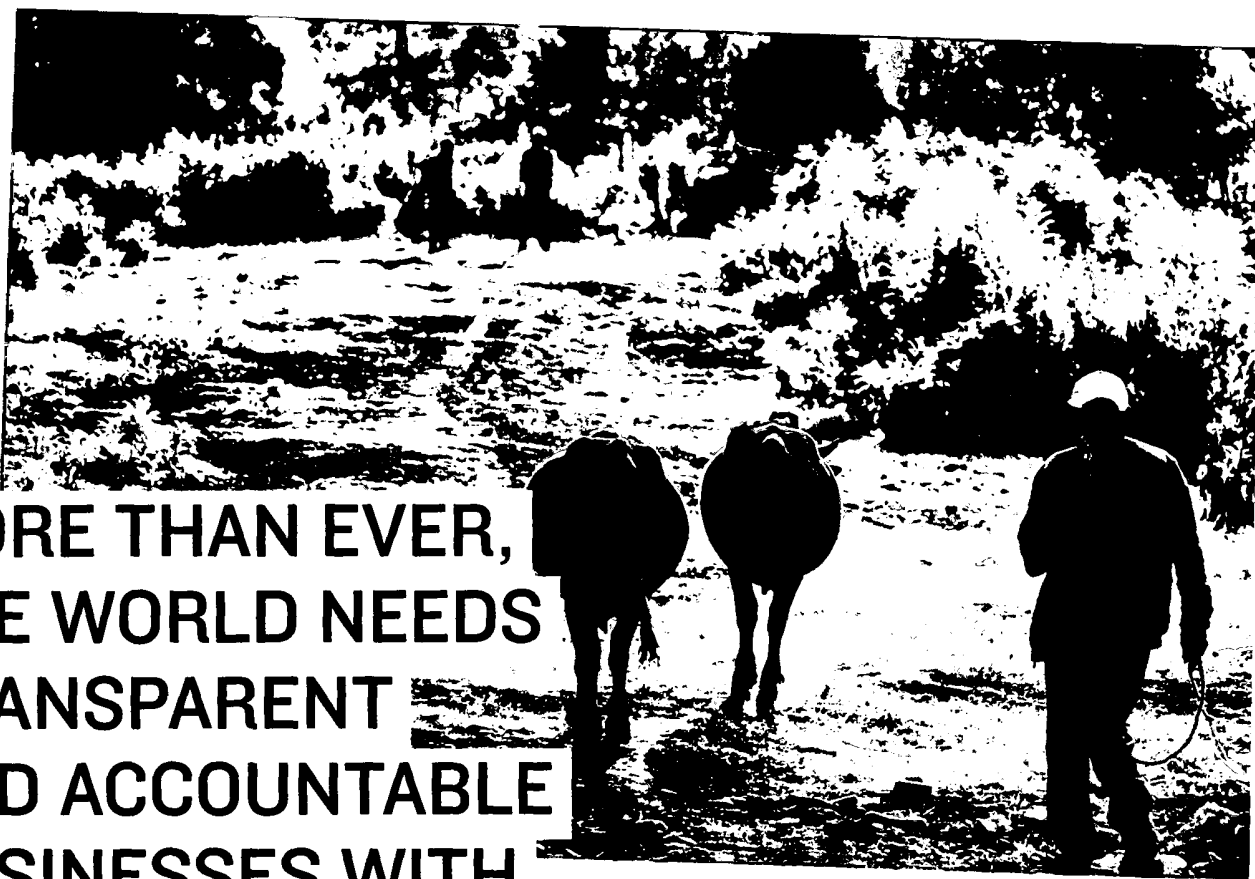
"I BELIEVE THAT WITH VIVOBAREFOOT WE ARE AT THE FOREFRONT OF A SUSTAINABILITY FOCUSED REVOLUTION. BEING A PIONEER MEANS GOING WHERE NO-ONE HAS GONE BEFORE, IT MEANS EXPERIMENTING WITH NEW BUSINESS MODELS THAT WILL NOT COST THE EARTH BUT ENHANCE AND REPAIR IT. THE WORK OF VIVO AND OF THE LIVEBAREFOOT FUND EXTENDS WELL BEYOND SHOES, THERE IS A STRONG FOCUS ON MAKING LOCAL COMMUNITIES HEALTHIER AND WEALTHIER, AS WELL AS ON FUNDING INITIATIVES AND PROJECTS THAT CONNECT PEOPLE AND PLANET. I'M EXCITED TO CONTRIBUTE TO THIS PIONEERING COMPANY TO BRING ABOUT CHANGE IN THE WORLD AT LARGE, AS WELL AS ON MY FEET."

- DIRK BISCHOF

"I AM THRILLED TO BE INVOLVED WITH SUCH AN EXCITING AND PROGRESSIVE COMPANY AS VIVOBAREFOOT. THEIR TOTAL FOCUS ON POSITIVE IMPACT AND REGENERATIVE BUSINESS — AS PROVEN BY THIS YEAR'S B CORP CERTIFICATION — SETS THE STANDARD FOR OTHER BRANDS TO FOLLOW. I CAN'T WAIT TO HELP BRING SOME OF THEIR INNOVATIVE IMPACT IDEAS TO LIFE THROUGH MY INVOLVEMENT ON THE STEERING GROUP OF LIVEBAREFOOT."

- THOMAS BOURNE

**MORE THAN EVER,
THE WORLD NEEDS
TRANSPARENT
AND ACCOUNTABLE
BUSINESSES WITH
A SOCIAL AND
ENVIRONMENTAL
MISSION AT THEIR CORE.**



OUR IMPACT PARTNERSHIPS BAREFOOT RESEARCH

Our university partnerships continue their research on natural movement and the effects of footwear on human health.



FUTURE FOOTWEAR FOUNDATION

Future Footwear is a Foundation run by Dr Catherine Willems in partnership with KASK & Conservatorium, the School of Arts of HoGent and HoWest, Ghent, Belgium. Future Footwear has been a charitable partner of Vivo for the last 5 years with a mission to develop footwear that is sustainable for the environment and for the body by establishing a (mostly virtual) future footwear centre that serves both as 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 barefoot 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 Curtis and Dr Kris D'Aout under the title *Daily Activity in Minimal Footwear Increases Foot Strength*. The article was part of the PhD research funded by Future Footwear Foundation and KASK & Conservatorium, the School

of Arts of HoGent and HoWest, Ghent, Belgium), in collaboration with Liverpool University. **The results show a 58.7% improvement in foot strength after 6 months of wearing Vivobarefoot.** The 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 in three types of indigenous footwear, commercial minimal shoes, and conventional Western shoes, compared to barefoot walking*.

This study shows peak plantar pressure distributions between any minimal condition (indigenous or 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 Catherine Willems for winning a two-year-long Industrial Research Fund to develop the 3D2WALK project!

The 3D2WALK focuses on the design of personalised shoes based on foot scans, allowing feet to evolve to a more natural shape, as if they were bare. The 3D designs are based on indigenous footwear which resembles barefoot walking (2015, PhD Willems). The aim of the study is to validate and refine the design and biomechanical guidelines for these shoes. 100 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 foot morphology. During this research, the footwear is further refined with an interdisciplinary team of designers and software developers, including our design team at Vivobarefoot.

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





LIVERPOOL UNIVERSITY

Funded by Vivobarefoot and an Innovate UK grant on improving balance and physical function, Dr Tomasz Cudejko and Dr Kris D'Aout from Liverpool University published their article titled *Minimal footwear improves stability and physical function in middle-aged and older people compared to conventional shoes*. **The results show balance in Vivobarefoot is improved compared to regular padded shoes**. Research included testing Arion smart insoles to measure balance and postural stability in relation to fall prevention. Arion insoles and the MoveLab app are now used in the Vivobarefoot London store to enhance the coaching process. Vivobarefoot and Arion are co-developing a customer-facing application for remote coaching to further enhance the transition process. 1000 pairs of barefoot insoles have been ordered for January 2021 launch.

ual: london college of fashion

LONDON COLLEGE OF FASHION

Vivobarefoot education scholarship recipient Ridwana Shaik was due to come from South Africa to join the Masters' Program in Footwear Innovation with her research work titled *Does an African footwear fitting standard exist?* Sadly, due to COVID-19, Ridwana's study was postponed until next academic year. Meanwhile, Ridwana will be engaged with the Vivobarefoot product team in a creative collaboration project for our shoes made in Ethiopia. Watch this space!

From September '21 **Ridwana's research will explore the inherently hyper-simplistic relationship between post-fifteenth century Western footwear fitting standards and the modern African footwear market**.

For this research, an investigation will be undertaken 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, villages, and indigenous communities. We are very grateful that Ridwana's fieldtrip will be sponsored by Future Footwear Foundation.



INSTITUTE OF TECHNOLOGY CARLOW

In 2019 Vivobarefoot fully funded PhD research by MSc Maisiel Squibb under the supervision of Dr Peter Francis. The topic of the PhD is *Children'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 footwear 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 footwear habits. Study 3 — Effects of a minimalist footwear intervention on foot structure and adolescents." Maisiel Squibb, MSc.

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

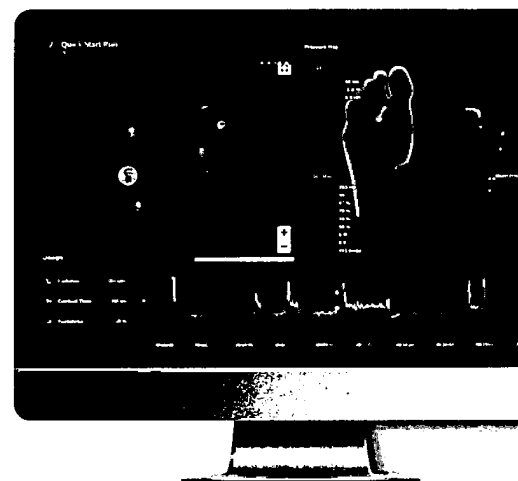


LEEDS BECKETT UNIVERSITY

In 2019 a PhD research project on musculoskeletal health-related conditions has begun, conducted by Hannah Blackburn, MSc under the supervision of Dr Peter Francis, Professor Mark Thompson and Dr Catherine Tucker.

"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 osteoarthritis of the knee. Findings from the study have not yet been identified due to the recent release of the study... but watch this space." Hannah Blackburn, MSc.

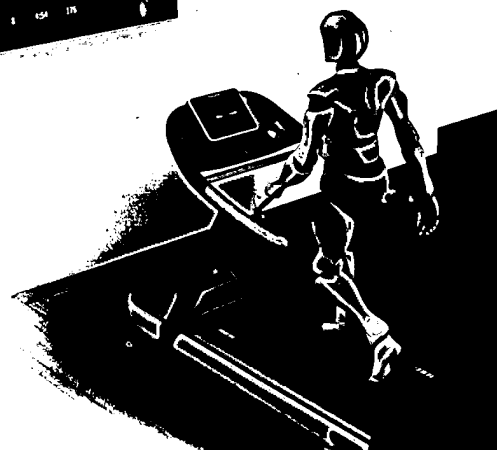
Hannah's work will be completed in 2022. Enjoy the journey, Hannah!



"The research we conduct in partnership with Vivobarefoot has accelerated over the past 12 months. Both doctoral students, Maisie 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 launch **the largest study of its kind to determine the footwear habits of children and adolescents** across the UK and Ireland. Hannah has launched the first ever study to determine the knowledge and beliefs of therapists, 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 here <https://peterfrancis.blog>





NORTHUMBRIA UNIVERSITY

In 2019 we concluded our 3-year partnership with Northumbria and Dr Mick Wilkinson on feet, footwear, running injury and pronation.

We are proud that three research papers have been published as a result of our collaboration:

- *Form determines function: Forgotten application to the human foot? Footwear determines foot structure, foot structure determines foot function, and foot function determines movement skill and balance.*
- *Feet and Footwear: Applying Biological design and mismatch theory to running injuries. Humans are adapted for endurance running, but injury rates are high. Evidence suggests that the design features of modern footwear can deform foot structure and impair foot function.*
- *The influence of great toe valgus on pronation and frontal plane knee motion during running. The results suggest great toe position plays an important role in foot, stability and upstream knee motion. Interpretation: The more deformed big toes are, the more ankles roll in and knees collapse.*

Great results, Dr Mick Wilkinson!
We look forward to continuing working together!



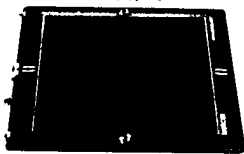
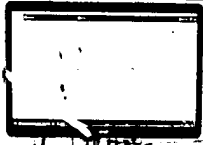
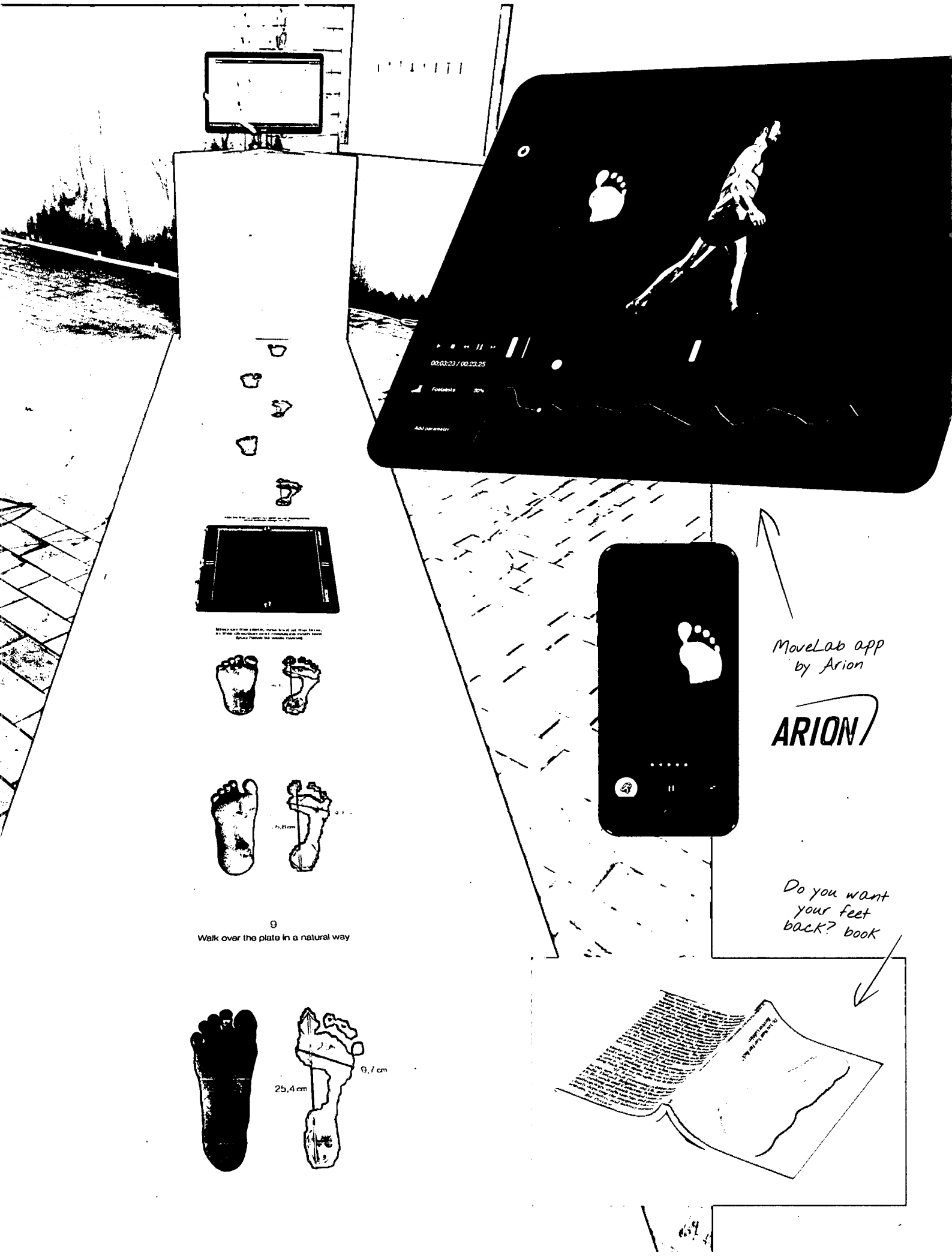
PARTNERSHIP WITH THE SPAULDING NATIONAL RUNNING CENTER, HARVARD

In 2019, Vivobarefoot started a partnership with Dr Irene Davis, Professor at Harvard Medical School and the Spaulding National Running centre at Harvard. Vivobarefoot is sponsoring a PhD student at the Department of Physical Medicine and Rehabilitation to conduct a study on the impacts of conventional padded footwear on children. Unfortunately, the research has been delayed and will now commence in the next academic year.

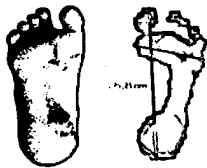
*Future Footwear
Foundation research*

**"WE ARE VERY EXCITED
ABOUT OUR UNIVERSITY
PARTNERSHIPS...
THANK YOU ALL
THE PARTNERS FOR
YOUR DEDICATION
AND DETERMINATION
TO EXPAND HUMAN
KNOWLEDGE ON
BARE-FOOTWEAR AND
NATURAL MOVEMENT!"**

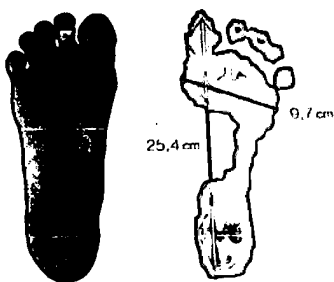
— BEN LE VESCONTE, EDUCATION AND COACHING



Measure your foot correctly, move forward and you will see the results of the measurements and the results of the measurements. Measure your foot correctly.



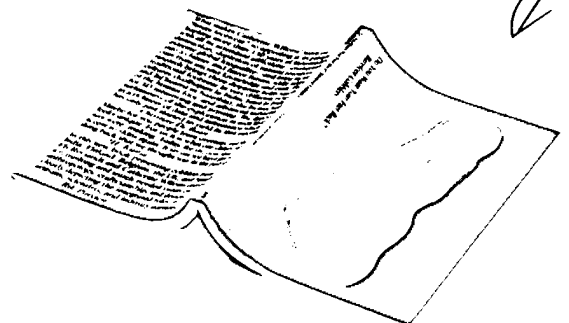
9
Walk over the plate in a natural way



MoveLab app
by Arion

ARION

Do you want
your feet
back? book



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-dal, for local business and to inspire 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 family. 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 award-winning Namibian architect Nina Maritz, who focuses on frugal, sustainable and innovation designs. The craft center will be complete in April 2021.

‘MAYBE FOR YOU, PEOPLE FROM OVERSEE, OUR FOOTWEAR LOOKS UNIQUE. FOR US, IT IS WHAT OUR ELDERS, OUR ANCESTORS WERE MAKING. TODAY, WE HAVE GOT SOMETHING BACK THAT WE THOUGHT WAS IN THE PAST AND LOST.’

— !UI KUNTA (STEVE KUNTA).
V JU!’HOAN COBBLER,
TRANSLATOR AND LOCAL
GUIDE, TSUMKWE



Hand embossing process



Steve Kunta



Barefoot temple caretaker, Hampi, Karnataka, India, 2010. " Kristiaan D'Aot

INDIA: THE KOLHAPURI

This year, we continued our development of the Kolhapuri footwear with the artisans at Toehold, a not-for-profit organization in Athani, Karnataka, promoting **rural women's empowerment with an emphasis on social accountability**, are noted for their skill.

India's small-scale footwear industry traditionally employs the traditional Hindu cobbler caste, known as chamars. Individual shoemakers and shoemaking families continue to supply footwear to local communities and their own families, as well as for export purposes. Most artisans work in family-based establishments, transferring skills and knowledge from one generation to the next. Men are skilled at making the soles, while women make the uppers and do the hand-stitching. **We are working hard to bring a limited edition of the Kolhapuri sandals for summer 2021.**



Kolhapuri footwear and the typical outsole with kanwali (ears) on the sides. Athani, India, 2010. " Kristiaan D'Aot



!Aice, one of the cobblers, walking in n!ang n!osi eland antelope sandals. Nyae Nyae, Namibia, 2018. Thomas Nolf

WHY INDIGENOUS SHOEMAKING?

preserving
ancient
craftmanship

using locally
sourced vegetable
tanned leather
and materials

creating
income for
the local
community

biomechanical
analysis of
strong healthy
feet and natural
movement

promoting the
knowledge
and skills of
the artisans

re-investing
any profits into
the long-term
success of the
program

bringing
indigenous
shoes to the
world



FASHION FOR GOOD

This year, we have become an affiliate partner of Fashion for Good. At the core of Fashion for Good is their Innovation Platform, where they focus on sparking and scaling technologies and business models that have the greatest potential to transform the industry.

With Fashion For Good we are at the forefront of researching, testing and scaling more sustainable technologies. We share out challenges with them and they work through their collaborative platform to find solutions.

We also support them to educate the industry and consumers on the impacts of the fashion and footwear industry.



MADE IN ETHIOPIA

The highlight of this year was presenting the Soul of Africa project at the United Nations in Addis Ababa, calling on the Ethiopian government to set a legal minimum wage requirement for the manufacturing industry in the country.

The presentation was part of the Social Enterprise World Forum. SEWF is the leading forum for international exchange and collaboration within the social enterprise and social investment sectors. Held for the first time in a developing economy, the event created a platform for on-going collaboration by connecting people from across Africa and the rest of the world. The Forum was facilitated by the British Council and held at the UN Conference center with 1,200 participants attending from over 40 countries.

Dulma Clark presented the Soul of Africa project and concluded that the benefits and costs of the industrialisation process in Ethiopia must be managed for inclusive growth: to advance human development, uphold basic human rights of all to end poverty and expand the choices available to Ethiopians.

Meanwhile, we continue improving our work in Ethiopia in collaboration with Proudly Made in Africa, an organisation that promotes ethical trading and honours African producers. This year, our engagement will be further deepened for example, by adding locally-sourced regenerative leather to our production process.

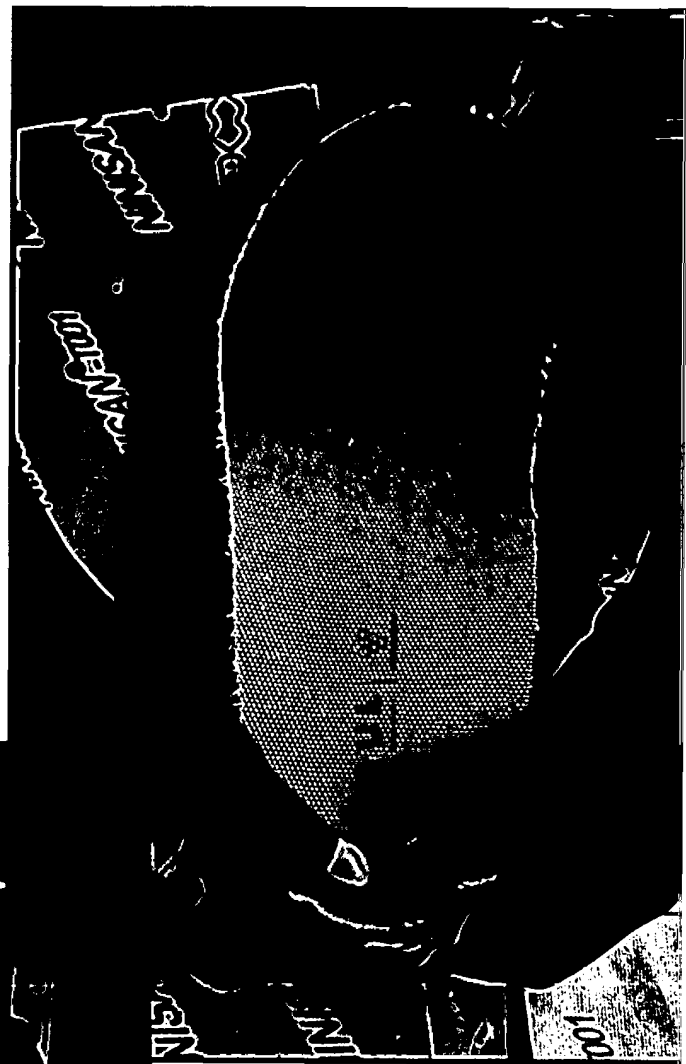


Ethiopian cattle farmers

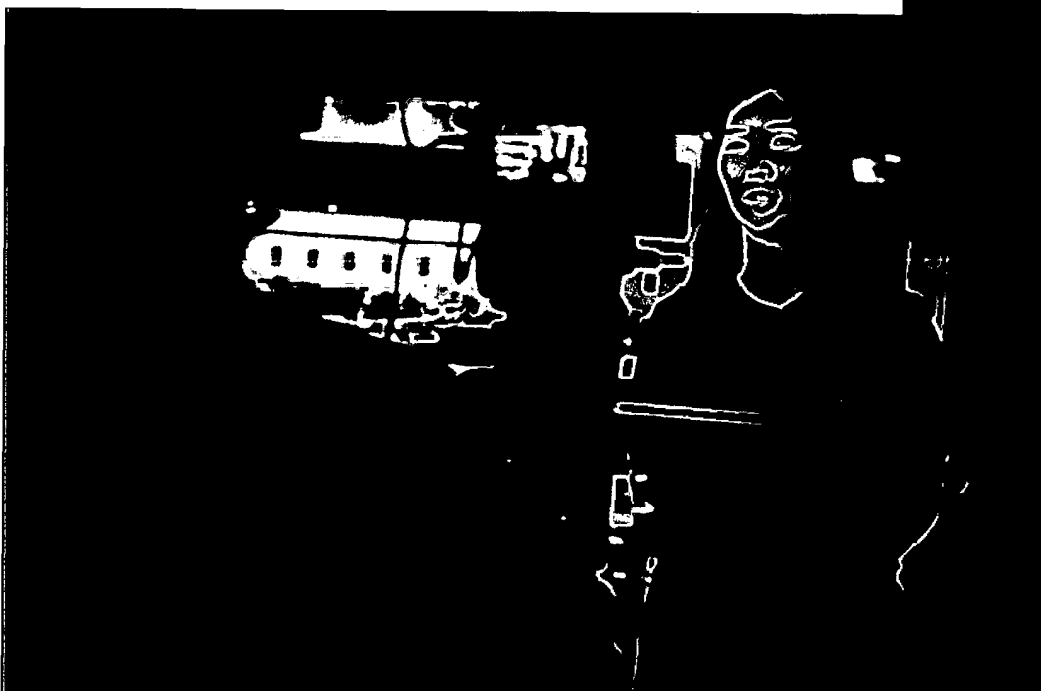


"THE AIM OF HUMAN DEVELOPMENT IS TO EXPAND THE CHOICES EVERY HUMAN BEING CAN MAKE IN THEIR LIFE, AND TO IMPROVE THEIR OPPORTUNITIES. THROUGH THIS SIMPLE CONCEPT, ECONOMIC GROWTH AND INCOME ARE BEST UNDERSTOOD AS MEANS TO HUMAN DEVELOPMENT BUT NOT ENDS IN THEMSELVES. IT IS THE RICHNESS OF THEIR LIVES, AND NOT THEIR ECONOMIES, THAT PEOPLE VALUE."

Ethiopia, The National Human Development Report, UNDP 2018

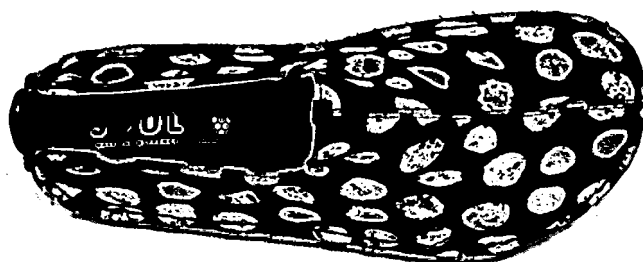


*Soul of Africa shoes
made in our factory in
Addis Ababa in Ethiopia*



*Dulma Clark presented
the Soul of Africa project
at the United Nations*

ART INFUSED FOOTWEAR HANDMADE IN ETHIOPIA



COLLABORATION WITH AKASO AND THE KARA TRIBE

This year we launched a new creative partnership in collaboration with the Kara Tribe. One of Africa's most authentic tribes, they are known for their abstract body painting, a fascinating act of transformation using the skin as canvas and the earth as a palette. This creative collaboration took place alongside Belgian-based fashion and design studio Akaso, founded by Philippe Vertriest, father of two Ethiopian-born daughters and a great believer in Africa's creative talent.

As Philippe recollects the journey:

"MARCH 2014. MY FIRST ENCOUNTER WITH THE KARA PEOPLE IN DUZ, ONE OF ONLY THREE KARA VILLAGES. I CAME HERE WITH ETHIOPIAN ANTHROPOLOGIST DESTA. SEATED UNDER A TREE BY THE OMO RIVER BANK, WE SHARED MY VISION WITH THE KARA COMMUNITY, INVITING THEM TO GIVE A NEW DIMENSION TO THE KARA BODY PAINTING ART. RIGHT THERE, INTUITIVELY, WE CONNECTED. NEXT, THE KARA NEEDED ONLY ONE NIGHT TO SELECT SIX YOUNG KARA BODY PAINTING ARTISTS. THE KARA SIX."

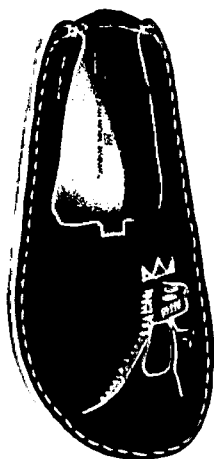
From co-creation workshops between six young male and female Kara body-painting artists and two Belgian-based designers from the Akaso brand, the resulting Ababa collection fused one of Africa's oldest art forms with an urban contemporary spirit. Kara artisans were remunerated in the same way European designers were, ensuring a positive, collaborative approach at all stages of the collaboration.

JEAN-MICHEL BASQUIAT™

We have also celebrated the rebellious nature of iconic artist Jean-Michel Basquiat with a capsule collection featuring three of his Neo-Expressionist works.

We see Jean-Michel Basquiat as one of the world's most original rebels, as someone who questioned the status quo – and the world right now is crying out for souls with such spirit. At Vivobarefoot, we don't want to make shoes like anybody else, we want to make footwear that connect you and your sole – footwear to rewild the body, mind and planet.

Handmade in Ethiopia, this collection pays homage to Basquiat's nature and style. The rhythms of Africa resound through each pair. Made with soft and subtle Wild Hide leather and sourced from Ethiopian small-holder farmers, every pair empowers their makers and supports local communities. Until now, no other brand has created products made in Africa featuring this genius artist's work.



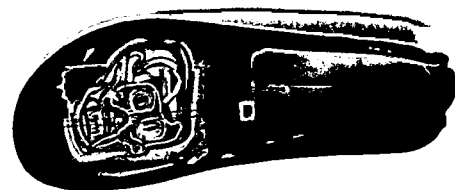
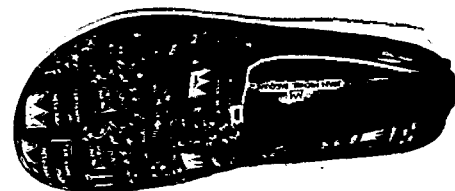
Every Queen Bleeds

Ethiopia Skate



CELEBRATING ETHIOPIAN YOUTH

A country famous for world class athletes and, most recently, home to a Nobel Peace prize winner, Ethiopia is also homeland to a multi-talented generation of young people. Over spring/summer 2020 we released a series of blogs and social media posts to tell the stories of Ethiopia Skate, Destino Dance and Every Queen Bleeds. The purpose of this communication was to inspire a world with less padding and more feeling, building a global community of health and well-being activists, movers and shakers to challenge the status quo as active urbanites playing outdoors and thriving with Vivobarefoot's ethics of peace and environmentalism.



© Estate of Jean-Michel Basquiat. Licensed by Artestar, New York.



BLACK LIVES MATTER

FIGHTING STRUCTURAL RACISM – BLACK LIVES MATTER

Racism has been institutionalised in so-called 'civilised' Western societies for centuries: we recognise people cannot breathe 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 forefathers 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 fairer 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 cradle of humanity, with the sole design inspired by the Laetoli footprints (discovered 3.7m years ago – photo below).

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. We are holding ourselves accountable, and we're holding Vivobarefoot accountable. We will upgrade our hiring practices to ensure more inclusive representation at every level.

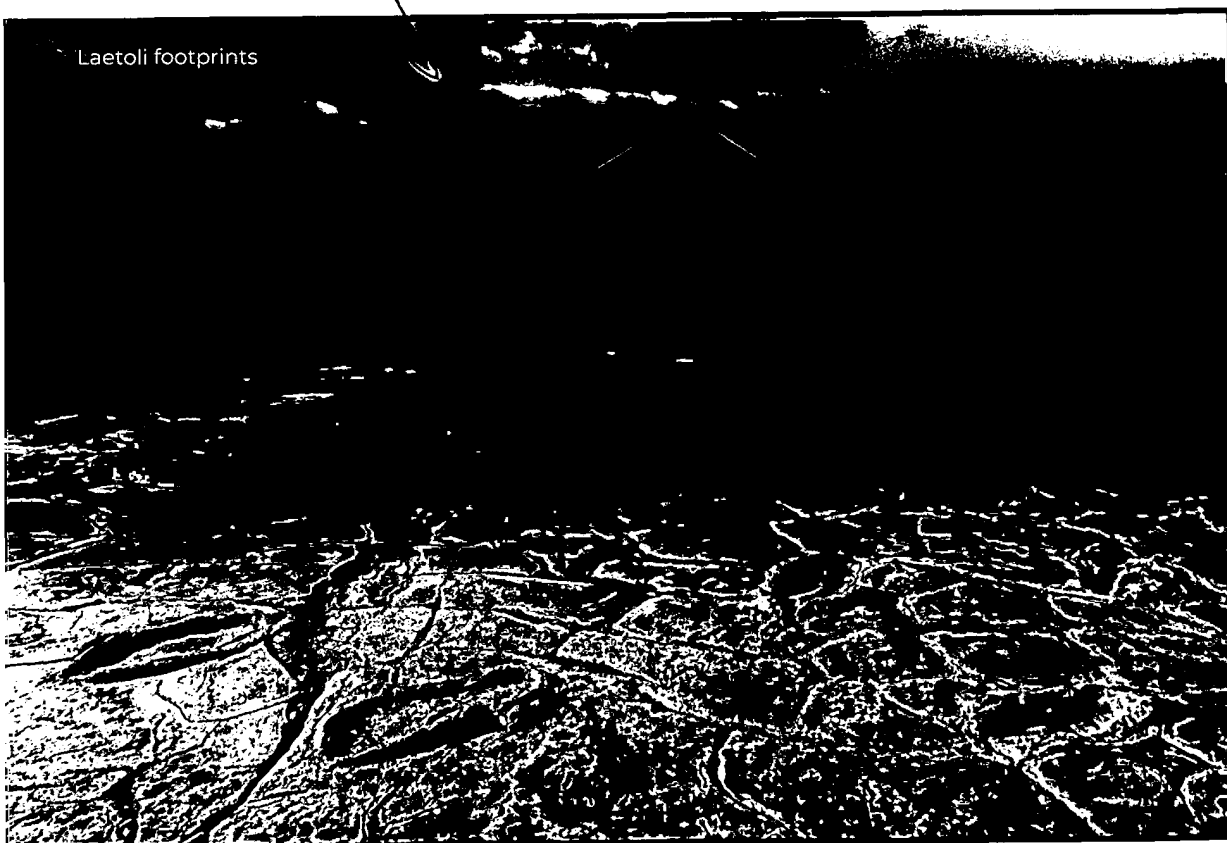
It is clear silence is not an option, and as economic agents with a community, we are working with our friends at Hatch Enterprise to launch a fund to support female entrepreneurs of colour – with a particular focus on the creative industries. Hatch Female Founders Incubator will run a selective 4-month 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 footprints left in the rift valley, and today, through our two feet on one earth. Let's do all we can to leave 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, CEO

Laetoli footprints





DEVON ENVIRONMENTAL FOUNDATION

This year we have joined as founding members of the Devon Environmental Foundation to protect and restore Devon's exceptional natural beauty, as our founders have been coming to this area for several generations, spending long barefoot summers (and winters) on the south coast of Devon in Bantham village. Since 2018, Vivobarefoot started hosting annual wellness retreats in Bantham bringing the Vivo family together in this special place.

Devon Environmental Foundation and Vivobarefoot started funding local nature regeneration initiatives with the following projects:

- **Trialling the first off-shore kelp farm** in South West England in collaboration with Biome Algae
- Recovering Britain's waterways and landscapes through the rapid and widespread **re-establishment of beaver wetlands** across whole river catchments in collaboration with the Beaver Trust and the Devon Wildlife Trust. Eurasian beavers have been extinct from the UK for over 300 years (!) due to human activity. Watch the mini-documentary, Beavers Without Borders, to learn more.

Find out more on Devon Environmental Foundation here <https://devonenvironment.org>



SUPPORTING YOUTH ACTIVISM: HANDS OFF THE ARCTIC

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

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

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

Arctic Angels is a part of the non-profit foundation GlobalChoices, a new organisation co-founded by Sally Ranney and Inge Relph, taking a fresh approach to protecting our precious ecosystems through high-level policy advocacy. Find out more, visit www.arcticangels.org and www.globalchoices.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 DIRECTOR INGE RELPH



"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 ANGELS





FLOURISHING DIVERSITY: RECONNECTING TO NATURE AND OUR HUMANITY

This year, Vivobarefoot had the honour to participate in a series of events to **listen and learn from indigenous leaders** from all around the world. The Flourishing Diversity 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 WWF, Forest Peoples Programme, Gaia Foundation, the London National Park City, XR Youth and the XR Internationalist Solidarity Network and more.

Vivobarefoot founder Galahad Clark along with Baroness Lola Young of Hornsey and Paul Van Zyl, creative director of the Conduit, joined a Listening session by Ju/'Hoan (San) leader Mr. Ooma Tsamkxao, who established the first internationally recognized land conservancy in Namibia where Vivobarefoot has established the sandal making workshop with the Ju/'Hoan community and Future Footwear Foundation in 2017.

The deep wisdom and profound messages of peace and preservation from the Ju/'hoan (Khoisan) along with the other indigenous leaders are so valuable, especially when our whole humanity stands in solidarity 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 supporting the work in elevating these most important voices at this critical time. Learn more on www.flourishingdiversity.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.**





SMALL STEPS PROJECT

This year we hit a record price of **£3,200 for a pair of Vivobarefoot 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 enterprise-based solutions for people (and there's approximately 15 million) who live on rubbish dumps around the world, many of them children.

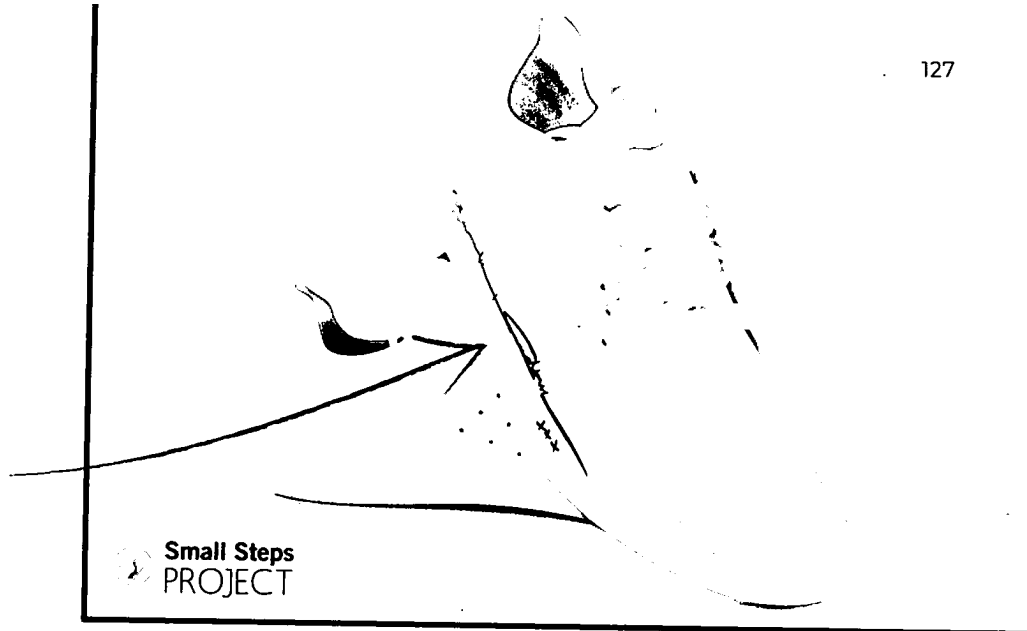
Small Steps runs projects around the world providing shoes and safety equipment to adults working on the dumps, as well as helping their children get an education and chance at a better future.

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

This project is about participating in **creating infrastructure for people living on these dumps to build their own viable shoe business**. It's not a hand-out, but a collaboration and social enterprise we're very excited about.

Small Steps CEO and founder, Amy Hanson, is an ex-showbiz 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 humanitarian disaster.

For more information, visit www.smallstepsproject.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

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 GRI). We support the approach set out by the World Economic Forum to accelerate convergence and bring greater clarity and consistency to reporting of disclosures.

Governance

WEF INDICATOR

VIVOBAREFOOT

DISCLOSED?

✓ Yes ✓ Partially ✗ Not yet

GOVERNING PURPOSE

Setting purpose

The company has a stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders

See 'We are Vivobarefoot' which includes our vision statement



Purpose-led management

How the company's stated purpose is embedded in company strategies, policies and goals.

See Healthy Brand = Healthy Business section starting on page 19.



QUALITY OF GOVERNING BODY

Progress against strategic milestones

Disclosure of the material strategic economic, environmental and social milestones expected to be achieved in the following year, such milestones achieved from the previous year, and how those milestones are expected or have contributed to long-term value.

See KPIs on page 28.



Remuneration

How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental and social topics, as connected to the company's stated purpose, strategy and long-term value.

The company's legal articles of association changed when the company became a B-Corporation. Board Rules will be updated to reflect this.

All employees have updated job descriptions to reflect integrated value goals and issues, and all employees including the Executive Team have performance evaluations using OpenBlend on this basis.



For the highest governance body and senior executives:

Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses and deferred or vested shares.

Not currently covered by our Remuneration Policy.



For the highest governance body and senior executives:

Sign-on bonuses or recruitment incentive payments

Vivobarefoot does not provide sign-on bonuses or recruitment incentive payments.



For the highest governance body and senior executives:

Termination payments

Termination payments are agreed by the Board on an ad-hoc basis as per the Board Rules



For the highest governance body and senior executives:

Clawbacks.

Vivobarefoot does not have clawbacks



For the highest governance body and senior executives:

Retirement benefits, including the difference between benefit schemes and contribution rates

Employers contribution rate is a flat 4% across the business. (Minimum 3% in UK).



Governance board composition Composition of the highest governance body and its committees by: Competencies relating to economic, environmental and social topics,	See below and Vivobarefoot Ecosystem on page 55.	✓
Composition of the highest governance body and its committees by: Executive or non-executive,	See our organisational chart	✓
Composition of the highest governance body and its committees by: Independence,	See our organisational chart.	✓
Composition of the highest governance body and its committees by: Tenure on the governance body,	C Beyer (Secretary) appt 06.20 N Beart (Dir) appt 01.17 L Chen (Dir) appt 09.10 A Clark (Dir) appt 01.07 G Clark (Dir) appt 09.03 J Roebuck (Dir) appt 05.20	✓
Composition of the highest governance body and its committees by: # of each individual's other significant positions and commitments, and the nature of the commitments,	N Beart <i>Director, Nemadi General Partners Limited</i> <i>Director, Cawston Press Limited</i> A Clark <i>Director, AMC Design House Limited</i> <i>Director, Mozekiel Investments Limited</i> G Clark <i>Director, Street Trustee Family Company Limited</i> <i>Director, Terra Plana International Limited</i> J Roebuck <i>Director, No Ordinary Designer Label Limited</i>	✓
Composition of the highest governance body and its committees by: Gender,	See our Board of Directors. See our organisational chart.	✓
Composition of the highest governance body and its committees by: Membership of under-represented social groups	See our D&I graphs. Under B-Corp regulations, the Board is qualified as a 'Diverse Board' due to diversity of gender, faith, indigenous culture and disability.	✓
Composition of the highest governance body and its committees by: Stakeholder representation	See section on the Advisory Council / section on governance on Legal Advisory Board	✓

STAKEHOLDER ENGAGEMENT

Material issues impacting stakeholders

A list of the topics that are material to key stakeholders and the company, how the topics were identified in the process of defining report content and how the stakeholders were engaged.

Our material topics:

- Commerciality
- Community Impact
- Corporate Responsibility
- People Empowerment
- Employee development and growth
- Diversity
- Health & Wellbeing
- Regenerative sourcing practices
- Production transparency
- Sustainable materials
- Chemicals
- Waste
- Energy and Emissions
- System change
- Healthy digital

In 2021 we will engage further with stakeholders on our material issues.



ETHICAL BEHAVIOUR

Anti-corruption

Total % of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region.

- 100% of Vivobarefoot employees including our governance body members are trained on our anti-corruption policies and procedures.
- 100% of tier one business partners receive information on our anti-corruption policies across all regions
- 0% business partners trained on anti-corruption.



Total # and nature of incidents of corruption confirmed during the current year but related to previous years.

Zero



Total # and nature of incidents of corruption confirmed during the current year, related to this year.

Zero



Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.

Annual training for 100% of employees on ABC



A description of internal and external mechanisms for

Seeking advice about ethical and lawful behaviour, and organizational integrity.

See our Anti-Corruption Policy
See our Whistle Blowing Policy



Reporting concerns about unethical or unlawful behaviour, and lack of organizational integrity.

See our Anti-Corruption Policy
See our Whistle Blowing Policy



Alignment of strategy and policies to lobbying

The significant issues that are the focus of the company's participation in public policy development and lobbying; the company's strategy relevant to these areas of focus; and any differences between its lobbying positions and its purpose, stated policies, goals or other public positions

The company has not engaged in political lobbying. We have advocated widely for rewinding and the protection of indigenous cultures, and advocated for measures to support SMEs on due diligence at the OECD. We provided input to the UK Government Environmental Audit Committee Inquiry into Fast Fashion and engage with multiple stakeholders on similar topics affecting our industry.



Monetary losses from unethical behaviour

Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice or other related industry laws or regulations.

Zero



Integrating risk and opportunity into business process

Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks).

This report discloses the principle material risks and opportunities facing the company.



The company appetite in respect of these risks.

See Risks on Page 26.



How these risks and opportunities have moved over time and the response to those changes.

See Risks on Page 26.



Economic, environmental and social topics and capital allocation framework.

How the highest governing body considers economic, environmental and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments.

The Board reviews key performance indicators on the company's social and environmental performance in relation to all decisions including all capital investments.

See Strategy section



Planet

WEF INDICATOR

VIVOBAREFOOT

DISCLOSED?

✓ Yes ✓ Partially ✗ Not yet

CLIMATE CHANGE

Greenhouse gas (GHG) emissions

For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO₂e): GHG Protocol Scope 1.

We are in the process of collecting this data to define a baseline year for our GHG emissions and reduction roadmaps across Scope 1-3. This work is being conducted in collaboration with industry value chain experts and will be verified by an independent third party.

✗

For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO₂e): GHG Protocol Scope 2.

We are in the process of collecting this data to define a baseline year for our GHG emissions and reduction roadmaps across Scope 1-3. This work is being conducted in collaboration with industry value chain experts and will be verified by an independent third party.

✗

Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.

We are in the process of collecting this data to define a baseline year for our GHG emissions and reduction roadmaps across Scope 1-3. This work is being conducted in collaboration with industry value chain experts and will be verified by an independent third party.

✗

Impact of GHG emissions

Report wherever material along the value chain (GHG Protocol Scope 1, 2 & 3) the valued impact of greenhouse gas emissions.

We are in the process of understanding our impact on GHG emissions. We will disclose the valued impact of our GHG emissions across Scope 1-3 and an estimate of societal cost once our baseline and roadmaps are defined in 2020-21.

✗

Disclose the estimate of the societal cost of carbon used and the source or basis for this estimate.

We are in the process of understanding our impact of GHG emissions. We will disclose the valued impact of our GHG emissions across Scope 1-3 and an estimate of societal cost once our baseline and roadmaps are defined in 2020-21.

✗

TCFD implementation

Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation.

We do not have TCFD aligned reporting.

✗

Disclose whether you have a set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement — to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C — and to achieve net-zero emissions before 2050.

We do not currently report in alignment with the TCFD recommendations. We will, however, set GHG emission targets that are in line with the goals of the Paris Agreement through our GHG reduction roadmaps 2020-21.

✗

Paris-aligned GHG emissions targets

Define and report progress against time bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement — to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. This should include defining a date before 2050 by which you will achieve net-zero greenhouse gas emissions, and interim reduction targets based on the methodologies provided by the Science Based Targets initiative, if applicable. If an alternative approach is taken, disclose the methodology used to calculate the targets and the basis on which they deliver on the goals of the Paris Agreement.

We have made a commitment to transition to renewable energy. We have not yet set targets for GHG emissions reductions for any scope. Our goal is for implementing renewable energy sources across Scope 1-3 as far as we possibly can, with the aim of creating a net positive impact through the generation and storage of energy. However, we will need to create reduction roadmaps that include this work alongside efficiency improvements, emissions reductions more broadly, insetting and 'offsetting' our impact along the way through our Livebarefoot Foundation work. This dual approach will help us to scale our work and reduce our impact across all scopes as fast as we can.

✗

NATURE LOSS

Land use and ecological sensitivity

Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).

We are in the process of collecting this data.

X

Report for operations (if applicable) and full supply chain (if material):

Area of land used for the production of basic plant, animal or mineral commodities (e.g. the area of land used for forestry, agriculture or mining activities).

We are in the process of collecting this data — starting with our material toolbox work. Defining a standard set of materials with varying levels of sustainable content e.g. recycled, organic etc, which will allow us to report on our land use and supply chain impacts going forward. See X section

X

Report for operations (if applicable) and full supply chain (if material):

Year-on-year change in the area of land used for the production of basic plant, animal or mineral commodities (e.g. the area of land used for forestry, agriculture or mining activities). Note supply chain figures can initially be estimated where necessary based on the mass of each commodity used and the average mass produced per unit of land in different sourcing locations.

We do not yet collect this data

X

Report for operations (if applicable) and full supply chain (if material):

Percentage of land area in Point 1 above or of total planet, animal and mineral commodity inputs by mass or cost, covered by a sustainability certification standard or formalized sustainable management programme. Disclose the certification standards or description of sustainable management programmes along with the percentage of total land area, mass or cost covered by each certification standard/programme.

We do not yet collect this data. We are in the process of collecting this data — starting with our material toolbox work. Defining a standard set of materials with varying levels of sustainable content e.g. recycled, organic etc, which will allow us to report on our land use and supply chain impacts going forward. Our current programme incorporates certification standards and sustainable management programmes from HIGG MSI, ZDHC MRSL, PMIA and ETI. See X section

X

Impact of land and conversion

Report wherever material along the value chain: the valued impact of use of land and conversion of ecosystems.

We do not yet collect this data.

X

FRESHWATER AVAILABILITY

Water consumption and withdrawal in water-stressed areas

Report for operations where material: megalitres of consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool.

Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.

We are in the process of collecting this data. In 2020, we started the roll out of the CleanChain online platform to our value chain partners. Our best practice tool and the CleanChain chemical module collect data on water consumption across the supply chain. Once baseline consumption is identified, we will report on any withdrawal in water-stressed areas. See X section

X

Impact of freshwater consumption and withdrawal

Report wherever material along the value chain: the valued impact of freshwater consumption and withdrawal.

We do not yet collect this data.

X

WATER POLLUTION

Nutrients

Estimate and report wherever material along the value chain: metric tonnes of nitrogen, phosphorus and potassium in fertilizer consumed.

We do not yet collect this data.

X

Impact of water pollution

Report wherever material along the value chain: the valued impact of water pollution, including excess nutrients, heavy metals and other toxins.

We do not yet collect this data.

X

AIR POLLUTION

Air pollution

Report wherever material along the value chain: nitrogen oxides (NOx), sulphur oxides (SOx), particulate matter and other significant air emissions. Wherever possible estimate the proportion of specified emissions that occur in or adjacent to urban/densely populated areas.

We do not yet collect this data.

X

Impact of air pollution

Report wherever material along the value chain: the valued impact of air pollution, including nitrogen oxides (NOx), sulphur oxides (SOx), particulate matter and other significant air emissions.

We do not yet collect this data.

X

SOLID WASTE

Single use plastics

Report wherever material along the value chain: estimated metric tonnes of single-use plastic consumed. Disclose the most significant applications of single-use plastic identified, the quantification approach used, and the definition of single-use plastic used.

We are in the process of collecting this data through the finalisation of our material toolboxes for each global manufacturing region. We will then report on our single-use plastic consumption, applications, reduction and definition. See section Our Value Chain starting on page 85, with details of CleanChain on page 96.

X

Impact of solid waste disposal

Report wherever material along the value chain: the valued societal impact of solid waste disposal, including plastics and other waste streams

We are in the process of collecting this data. In 2020, we started the roll out of the CleanChain online platform to our value chain partners. We will use the platform to identify, monitor and set reduction roadmaps for solid waste (both hazardous and non-hazardous) across the value chain. See section Our Value Chain starting on page 85, with details of CleanChain on page 96.

X

RESOURCES AVAILABILITY

Resource circularity

Report the most appropriate resource circularity metric(s) for the whole company and/or at a product, material or site level as applicable. Potential metrics include (but are not limited to) the Circular Transition Indicators (WBCSD), indicators developed by the Ellen MacArthur Foundation and company developed metrics.

We measure the potential for our shoes to be manufactured, sold, worn and then re-collected for repair/refurbishment, component re-use or recycling through our VMatrix. We are currently focusing this at material level, integrating circular/regenerative principles into our design processes, and through our VHubs programme, will widen this approach to our value chain at site level. See section Our Value Chain starting on page 81, with details of CleanChain on page 96.

✓

Disclose the methodological approach used to calculate the chosen circularity metric(s) and the rationale for the choice of metric(s).

See V Matrix on page 74.

✓

People

WEF INDICATOR

VIVOBAREFOOT

DISCLOSED?

✓ Yes ✓ Partially ✗ Not yet

DIGNITY AND EQUALITY

Pay equality (%)

Ratio of the basic salary and remuneration of each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.

Annual salary by 'Band' (per Ecosystem) by Gender and Age. Please see page 55.

We only received a partial response to our initial Ethnicity survey and as such could not use the data.

All Vivobarefoot employees work in two locations in the United Kingdom and a split by location is not deemed relevant.



Diversity and Inclusion (%)

Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).

% of workforce either under the age of 24 or over the age of 50= 4%

% of workforce that identifies as a woman=53%

% of the workforce that identifies as being from a racial or ethnic minority=16%



Wage level (%)

Ratios of standard entry-level wage by gender, compared to local minimum wage.

100% of retail staff are paid at least the London Living Wage, which is currently set at £10.75 per hour.

Please see Annual salary by 'Band' (per Ecosystem) by Gender and Age. Please see page 55.



Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.

231%

Median salary for employees: £52k p.a.
CEO salary: £120k p.a.



Risk for incidents of child, forced or compulsory labour

An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to:

- a) type of operation (such as manufacturing plant) and type of supplier and
- b) countries or geographic areas with operations and suppliers considered at risk

We have not found any red flags for child and/or forced labour in our supply chain at Tier 1 level. However, we know that we require further information and due diligence to enable us to fully identify and manage these risks throughout our entire supply chain and we are working towards that for 2020-21.



Pay gap (%,#)

Mean pay gap of basic salary and remuneration of full-time relevant employees based on gender (women to men) and indicators of diversity (e.g. BAME to non-BAME) at a company level or by significant location of operation.

Annual salary by 'Band' (per Ecosystem) by Gender and Age. Please see page 55.

We only received a partial response to our initial Ethnicity survey and as such could not use the data.

All Vivobarefoot employees work in two locations in the United Kingdom and a split by location is not deemed relevant.



Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.

231%

Median salary for employees: £52k p.a.
CEO salary: £120k p.a.

All Vivobarefoot employees work in two locations in the United Kingdom and a split by location is not deemed relevant.



Discrimination and harassment incidents (#) and the total amount of monetary losses (\$)

Number of discrimination and harassment incidents, status of the incidents and actions taken.

Zero incidents



Total amount of monetary losses as a result of legal proceedings associated with:

- a) law violations, and
- b) employment discrimination

No monetary losses associated with a) and b).



Freedom of association and collective bargaining at risk (%) Percentage of active workforce covered under collective bargaining agreements.	0%	✓
An explanation of the assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk, including measures taken by the organization to address these risks.	See Being a responsible business partner on page 89.	✓
Human rights review, grievance impact and modern slavery (#,%) Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.	Zero / 0% across all countries. Human rights due diligence is conducted on supply chain facilities in Ethiopia. See Ethiopia case study on page 97.	✓
Number and type of grievances reported with associated impacts related to a salient human rights issue in the reporting period and an explanation on type of impacts.	We are not capturing grievances and severe impacts in our value chain. We plan on doing so in 2021.	✗
Number and percentage of operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; or b) countries or geographic areas with operations and suppliers considered at risk.	Geographic areas considered more high risk include Ethiopia, Viet Nam and China.	✓
Living wage (%) Current wages against the living wage for employees and contractors in states and localities where the company is operating.	Retail: 100% of own operation retail workers are paid at or above the London Living Wage rate. See Ethiopia case study on page 97. Information for other supply chain regions is not yet collected.	✓
Health and safety (%) a) The number and rate of fatalities as a result of work-related injury; high consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. b) An explanation of how the organisation facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	Due to opaqueness in our current supply chain this is not something we can currently disclose, but are working to increase transparency with our suppliers.	✗
Monetized impacts of work-related incidents on organization (£) By multiplying the number and type of occupational incidents by the direct costs for employees, employers per incident (including actions and or/of fines from regulators, property damage, healthcare costs, compensation costs to employees).	Not currently disclosed	✗
Employee well-being (%) a) The number of fatalities as a result of work-related ill health, recordable work-related ill-health injuries and the main types of work-related ill-health for all employees and workers. b) Percentage of employees participating in 'best practice' health and well-being programmes and c) Absentee rate (AR) of all employees.	a) not disclosed; b) 90% of employees. Please see the section on Training. c) Absentee rate: total 9 days lost to sickness in the year, absentee rate negligible	✓

SKILLS FOR THE FUTURE

Training provided (#£)

a) Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees).

b) Average training and development expenditure per full time employees (total cost of training provided to employees divided by the number of employees).

40 hours per person / per year of paid professional development. This was not monitored by gender or 'band' but was available to all employees without prejudice. Total training expenditure £69,454 average per full time employee £1,006.



Number of unfilled skilled positions (#, %)

a) Number of unfilled skilled positions (#)

b) Percentage of unfilled skilled positions for which the company will hire unskilled candidates and train them (%).

a) Zero

b) 0%



Monetized impacts of training — Increased earning capacity as a result of training intervention (% , £)

a) Investment in training as a percentage (%) of payroll.

b) Effectiveness of the training and development through increased revenue, productivity gains, employee engagement and/or internal hire rates.

a) 1.5% of payroll

b) Vivo does not yet report or quantify

Training spend FY20 £69,454, Av Ee's 69, spend per head c£1k.



Prosperity

WEF INDICATOR

VIVOBAREFOOT

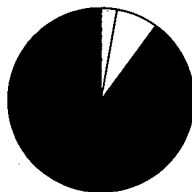
DISCLOSED?

✓ Yes ✓ Partially ✗ Not yet

EMPLOYMENT AND WEALTH GENERATION

Absolute number and rate of employment

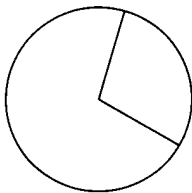
Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.



TOTAL TURNOVER RATE:

7 employees / 10.1% of employees

- ☐ Men 2 employees
☐ Women 5 employees



TURNOVER BY GENDER

- ☐ Men 29%
☐ Women 71%

WOMEN

15-24 | 0
 25-34 | 1 employee
 35-44 | 3 employees
 45-54 | 0
 55-64 | 1 employee
 65+ | 0

MEN

15-24 | 0
 25-34 | 2 employees
 35-44 | 0
 45-54 | 0
 55-64 | 0
 65+ | 0

Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.

We've been working hard on creating a more diverse organisation. As in every small fast-growing business, men and women have left the business in the last few years but we are still trying to understand the reasons behind this and how to create more balance between our masculine and feminine behaviours.



Economic contribution

Direct economic value generated and distributed (EVG&D) – on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: revenues, operating costs, employee wages and benefits, payments to providers of capital, payments to government and community investments.

ECONOMIC VALUE GENERATED (£'000)	
Revenue	34,075
Other income	464
Total Economic Value Generated	34,539
ECONOMIC VALUE DISTRIBUTED	
Employee Wages and Benefits	
Salaries and wages	4,009
Pension contributions	121
Operating Expenses	
Cost of goods sold	20,247
Administrative expenses	9,145
Interest payable	13
Payments to Government	
Payroll tax	429
Property tax	64
Payment to Community	
Donations	93
Soul of Africa	106
University sponsorships	19
Total Economic Value Distributed	34,247
ECONOMIC VALUE RETAINED	292



Financial assistance received from the government: total monetary value of financial assistance received from any government during the reporting period.

Furlough	
April	40,020
May	37,865
June	35,615
Business rates	
Neal St	44,954
TOTAL	158,454



Financial investment contribution	Additions £801,556	
Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.	Depreciation £242,080	✓
	Net £559,476	
Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	None in the reporting year	✓
Infrastructure investments and services supported	Non-applicable	
Qualitative disclosure to describe the below components:		
1. Extent of development of significant infrastructure investments and services supported.		
2. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.		X
3. Whether these investments and services are commercial, in-kind or pro bono engagements.		
Significant indirect economic impacts	We do not currently calculate this data.	
Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.		X
Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities (e.g. national and international standards, protocols, policy agendas).	We do not currently calculate this data.	X

INNOVATION OF BETTER PRODUCTS AND SERVICES

Total R&D expenses (£)	£1,613,477																																				
Total costs related to research and development.	4.7% of revenue.	✓																																			
Social value generated (%)	99.1% revenue is from barefoot shoes.																																				
Percentage of revenue from products and services designed to deliver specific social benefits or to address specific sustainability changes.	Vivobarefoot is the first patented, ultra-thin, puncture-resistant soled shoe and is designed specifically to address health outcomes produced by conventional shoes, including plantar fasciitis, bunions, balance issues, bunionettes, sensory feedback, heel pain, and morton's neuroma.	✓																																			
Vitality index																																					
Percentage of gross revenue from product lines added in the last three (or five) years calculated as the sales from products that have been launched in the past three (or five) years divided by total sales, supported by narrative that describes how the company innovates to address specific sustainability challenges.	<table><tr><th></th><th>17-18</th><th>18-19</th><th>19-20</th><th>TOTAL</th></tr><tr><td>2018 NEW STYLES</td><td>3,483,288</td><td>4,306,512</td><td>1,561,197</td><td>9,251,017</td></tr><tr><td>2019 NEW STYLES</td><td></td><td>554,073</td><td>5,035,899</td><td>5,589,972</td></tr><tr><td>2020 NEW STYLES</td><td></td><td></td><td>1,661,314</td><td>1,661,314</td></tr><tr><td></td><td>3,483,288</td><td>4,860,605</td><td>8,258,410</td><td>16,602,303</td></tr><tr><td>TOTAL REVENUE</td><td>19,422,081</td><td>26,175,858</td><td>34,075,025</td><td>79,672,964</td></tr><tr><td></td><td>17.9%</td><td>18.6%</td><td>24.2%</td><td>20.8%</td></tr></table>		17-18	18-19	19-20	TOTAL	2018 NEW STYLES	3,483,288	4,306,512	1,561,197	9,251,017	2019 NEW STYLES		554,073	5,035,899	5,589,972	2020 NEW STYLES			1,661,314	1,661,314		3,483,288	4,860,605	8,258,410	16,602,303	TOTAL REVENUE	19,422,081	26,175,858	34,075,025	79,672,964		17.9%	18.6%	24.2%	20.8%	✓
	17-18	18-19	19-20	TOTAL																																	
2018 NEW STYLES	3,483,288	4,306,512	1,561,197	9,251,017																																	
2019 NEW STYLES		554,073	5,035,899	5,589,972																																	
2020 NEW STYLES			1,661,314	1,661,314																																	
	3,483,288	4,860,605	8,258,410	16,602,303																																	
TOTAL REVENUE	19,422,081	26,175,858	34,075,025	79,672,964																																	
	17.9%	18.6%	24.2%	20.8%																																	

COMMUNITY AND SOCIAL VITALITY

Total tax paid	Payable	
The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	UK VAT £1,772,602	
	Dutch VAT £1,794,278	
	Employers NI £429,440	
	Other EU VAT £135,987	
	California Sales Tax £93,002	
	Business rates £64,274	
	TOTAL £4,289,584	✓
	Receivable	
	UK VAT £2,206,636	
	Dutch VAT £1,202,983	
	TOTAL £3,409,619	

Total Social investment (£)

Total Social Investment (TSI) sums up a company's resources used for "S" in ESG efforts defined by CECP Valuation Guidance.

	19-20	18-19
Donations	92,829	
Soul of Africa spend	106,194	140,550
University sponsorships	19,053	7,500
Staff Time	40,663	14,450
TOTAL	258,739	162,500
Pre-tax Profit	292,207	710,015
	88.5%	22.9%

**Additional tax remitted**

The total additional global tax collected by the company on behalf of other taxpayers, including VAT and employee-related taxes that are remitted by the company on behalf of customers or employees, by category of taxes.

UK VAT £1,772,602
Dutch VAT £1,794,278
Employers NI £429,440
Other EU VAT £135,987
California Sales Tax £93,002
TOTAL £4,225,310

**Total tax paid by country for significant locations**

Total tax paid and, if reported, additional tax remitted, by country for significant locations.

UK VAT (£434,034)
Dutch VAT £591,295
Employers NI £429,440
Other EU VAT £135,987
California Sales Tax £93,002
Business rates £64,274
TOTAL £879,964



Covid-19 Purchasing Practices

NOTE ON THE INDICATORS

These indicators relate to how the company managed the risks to suppliers and suppliers' employees during the outbreak of the Covid pandemic, through its commercial practices and its management of human rights risks.

INDICATOR	VIVOBAREFOOT RESULTS	DISCLOSED? ✓ Yes ✓ Partially ✗ Not yet
The maximum number of days from invoice date within which suppliers are paid.	100 days	✓
The period when payment for orders is typically made (i.e. after shipping, upon receipt of goods, partial payment in advance of production, etc.)?	This is dependent upon the supplier: <ul style="list-style-type: none"> ShoeFabrik is paid 70 days after shipping Pittards is paid in advance of shipment. Pilar is paid 30% in advance with the balance within 60 days of shipping. 	✓
Number of suppliers asked for a discount after placing an order during the period of the pandemic, and percentage of FOB discounted.	Zero	✓
State whether contracts have clauses for financial penalties: a) For suppliers for contract non-compliance (e.g. for late delivery, wrong specification etc.) b) For the company for financial liability (in the form of a payment premium or otherwise) for changes in orders after a PO has been raised (order volume, order specs, order deadline etc.).	a) Our agreements include penalties for air freighting and discounts/cancellations for extremely late deliveries. b) Our agreements include buyer liabilities for cancellations and purchases of materials not used.	✓
State whether the company committed to pay in full for: a) All completed orders? b) All in-production orders?	a) Yes b) Yes	✓
State whether usual payment times were extended, and what current payment terms are in days.	Payment terms were not extended during the pandemic. Payment terms with non-stock suppliers are mostly 30 days, a few are on 60 day terms. Please see above for Stock supplier terms.	✓

State whether the company is supporting suppliers with access to local finance with a letter of credit or through other means?	No, and we were not requested to do so.	✓
Describe what other steps were taken (outside of order payment) to ensure workers in the supply chain were paid wages for March and April, or otherwise provided for during periods of lockdown?		X
Where production was ongoing, describe the steps taken to ensure suppliers were implementing measures to protect workers from infection (i.e. social distancing, sanitising practices, providing adequate protective equipment).	We contacted suppliers to check that all factories are following respective legal requirements in each jurisdiction. We agreed to additional production time as a result of social distancing measures in factories to protect workers.	✓
% of orders that were maintained during the outbreak of the pandemic / during the crisis.	0.97% The 0.03% of orders which were not maintained was not due to Covid measures.	✓
% of suppliers paid in full for any orders already placed before the outbreak of the pandemic and during the crisis which were in production stage.	100%.	✓
Describe how the company engaged with suppliers during Covid to assess the resilience of suppliers and employees.	Weekly meetings with every stock supplier's management are held, where Covid risk management is a running agenda item.	✓
State whether there was a requirement for suppliers to pay workers in full as per legal requirements and as per their employment contracts.	Yes. Our Code of Conduct applies.	✓
State whether guidance and support were offered to suppliers on health and safety of workers, legal requirements, best practice etc.	We have included guidance within the Supplier Best Practice tool. Our Code of Conducts set out our requirements of suppliers.	✓
Number of workers furloughed and dismissed from supplier sites, by gender.	We did not collect this data.	X
Describe whether suppliers consulted with representative trade unions in sites where workers were placed on furlough or dismissed, and on general health and safety of workers.	We did not collect this data.	X

APPENDIX

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 JUNE 2020

1. General information

Vivobarefoot Limited is a private company limited by shares and registered in England and Wales. The company's registered number is 03474829 and the Company's registered office is 28 Britton Street, London, EC1M 5UE.

These financial statements have been prepared for a 52 week period from 30 June 2019 to 27 June 2020. The comparative figures reflect a 52 week period from 1 July 2018 to 29 June 2019.

The financial statements are presented in Sterling (£).

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The company is exempt from the requirement to prepare consolidated financial statements as all of its subsidiaries are required to be excluded from consolidation by section 402 of the Companies Act 2006.

2.3 Going concern

On 30 January 2020, the World Health Organisation declared Coronavirus (COVID-19) a public health emergency. Following the outbreak of COVID-19 the company took advantage of some of the economic measures put in place by the UK Government and the company adapted its operations and overhead base accordingly.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 JUNE 2020

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using a prevailing standard rate throughout the period. Prevailing standard rates used for translation are reviewed periodically.

At each period end foreign currency monetary items are translated using the closing rate. Both nonmonetary items measured at historical cost and non-monetary items measured at fair value are translated using the periodically reviewed prevailing standard rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

All foreign exchange gains and losses are presented in the statement of comprehensive income within administrative expenses.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from online sales is recognised on delivery of the goods to the customer.

Revenue from the sale of goods through the company's retail store is recognised at the point of sale to the customer which is considered the point of delivery. Retail sales are usually by cash, credit or payment card.

It is the company's policy to sell goods to customers with a right of return. Accumulated experience is used to estimate and provide for returns at the time of sale.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 JUNE 2020

2. Accounting policies (continued)

2.6 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the 52 weeks in which they are incurred.

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Intellectual property	—	10 years straight line
-----------------------	---	------------------------

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 JUNE 2020

2. Accounting policies (continued)

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	—	Straight line over the lease term
Plant and machinery	—	3 years straight line
Motor vehicles	—	5 years straight line
Fixtures and fittings	—	3 years straight line
IT	—	3 years straight line
Moulds and tooling	—	5 years straight line

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the profit and loss account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 JUNE 2020

2. Accounting policies (continued)

2.15 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 JUNE 2020

2. Accounting policies (continued)

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 JUNE 2020

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

In the application of the company's accounting policies, which are described in note 2, the following judgements and key estimates have been made by the directors:

Stock provisioning

The carrying value of stock, at the lower of cost and net realisable value, is dependent on key judgements and estimates that are made by management. The judgements relating to stock include an estimation of future expected average sales prices and volume of sales based on the ageing of stock. A provision is made to stock based on historical data and future expectations. Actual outcomes could be different to the assumptions used in determining the estimates.

Sales with right of return

It is the company's policy to sell goods to customers with a right of return. Accumulated experience is used to estimate and provide for returns at the time of sale.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 JUNE 2020

4. Turnover

	2020	2019
	£	£
Sale of goods	34,075,034	26,175,858
Analysis of turnover by country of destination:		
	2020	2019
	£	£
United Kingdom	7,190,013	6,452,147
Rest of Europe	13,042,336	9,245,635
Rest of the world	13,842,685	10,478,076
	34,075,034	26,175,858

5. Other operating income

	2020	2019
	£	£
Other operating income	407,311	42,638
Net rents receivable	56,250	117,209
	463,561	159,847

6. Operating profit

The operating profit is stated after charging:

	2020	2019
	£	£
Depreciation	238,096	140,641
Amortisation	3,984	1,656
Pension costs	121,161	73,195
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	18,500	18,500
Fees payable to the company's auditor and its associates for other services	4,850	4,608
Exchange differences	(77,843)	44,269
Other operating lease rentals	115,991	127,350

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 JUNE 2020

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2020	2019
	£	£
Wages and salaries	4,008,947	3,021,610
Social security costs	442,653	268,094
Cost of defined contribution scheme	121,161	73,195
	4,572,761	3,362,899

The average monthly number of employees, including the directors, during the 52 weeks was as follows:

	2020	2019
	No.	No.
Administration	61	43
Directors	8	7
	69	50

8. Directors' remuneration

	2020	2019
	£	£
Directors' emoluments	784,155	707,286
Company contributions to defined contribution pension schemes	28,488	22,815
	812,643	730,101

During the 52 weeks retirement benefits were accruing to 6 directors (2019 - 7) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £122,471 (2019 - £101,688).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,680 (2019 - £3,747).

Other than the directors, there were no other key management personnel of the business during the current or preceding period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 JUNE 2020**

9. Interest receivable

	2020	2019
	£	£
Other interest receivable	<u>45</u>	<u>35</u>

10. Interest payable and similar expenses

	2020	2019
	£	£
Other loan interest payable	<u>12,772</u>	<u>15,439</u>

11. Taxation

	2020	2019
	£	£
Corporation tax		
Current tax on profits for the year	<u>(242,139)</u>	<u>(80,993)</u>
Total current tax	<u>(242,139)</u>	<u>(80,993)</u>
Tax losses	<u>(201,106)</u>	-
Total deferred tax	<u>(201,106)</u>	-
Taxation on loss on ordinary activities	<u>(443,245)</u>	<u>(80,993)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 JUNE 2020

11. Taxation (continued)

Factors affecting tax charge for the 52 weeks

The tax assessed for the 52 weeks is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	292,207	710,015
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	55,519	134,903
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	68,144	46,160
Capital allowances for 52 weeks in excess of depreciation	(40,484)	(12,009)
Utilisation of tax losses	(242,139)	(80,993)
Impact of R&D enhanced expenditure	(83,179)	(169,054)
Deferred tax	(201,106)	-
Total tax charge for the 52 weeks	(443,245)	(80,993)

Factors that may affect future tax charges

Deferred tax

The company has carried forward tax losses of £7,182,471 (2019: £7,238,766) resulting in a potential deferred tax asset (at the corporation tax rate of 19%) of £1,364,669 (2019: £1,230,590 at the then expected future rate of 17%). The directors have considered the relief of these losses against future profits. As the current year is only the third consecutive year of achieving a profit (before tax), coupled with uncertainties regarding future performance as set out in the Strategic Report on pages 25 to 28, the directors consider it prudent for the amounts to be only partially recognised in the current period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 JUNE 2020

12. Intangible assets

Intellectual
Property
£

Cost

At 30 June 2019 39,837

Additions 360,000

At 27 June 2020 399,837

Amortisation

At 30 June 2019 5,329

Charge for the 52 weeks on owned assets 3,984

At 27 June 2020 9,313

Net book value

At 27 June 2020 390,524

At 29 June 2019 34,508

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 JUNE 2020**

13. Tangible fixed assets

	Short-term leasehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	IT	Moulds and tooling	Total
	£	£	£	£	£	£	£
Cost or valuation							
At 30 June 2019	23,900	11,029	10,968	179,797	328,871	51,353	605,918
Additions	-	-	-	30,438	208,060	203,058	441,556
Disposals	-	(11,029)	-	-	(22,854)	-	(33,883)
At 27 June 2020	23,900	-	10,968	210,235	514,077	254,411	1,013,591
Depreciation							
At 30 June 2019	2,390	11,029	10,968	85,328	138,222	1,632	249,569
Charge for the 52 weeks on owned assets	6,573	-	-	65,979	123,114	42,430	238,096
Disposals	-	(11,029)	-	-	(21,595)	-	(32,624)
At 27 June 2020	8,963	-	10,968	151,307	239,741	44,062	455,041
Net book value							
At 27 June 2020	14,937	-	-	58,928	274,336	210,349	558,550
At 29 June 2019	21,510	-	-	94,469	190,649	49,721	356,349

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 JUNE 2020

14. Fixed asset investments

	Investments in subsidiary companies	Unlisted investments	Total
	£	£	£
Cost or valuation			
At 30 June 2019	1	100	101
At 27 June 2020	1	100	101

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
Terra Plana International Limited	28 Britton Street, London, EC1M 5UE	Ordinary	100%

The aggregate of the share capital and reserves as at 27 June 2020 and the profit or loss for the 52 weeks ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserve	Profit/(Loss)
Terra Plana International Limited	(1,393,234)	-

15. Stocks

	2020	2019
	£	£
Finished goods and goods for resale	4,667,482	2,521,793

There is no difference between the replacement cost of the stock and its carrying amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 JUNE 2020**

16. Debtors

	2020	2019
	£	£
Trade debtors	2,273,277	386,062
Other debtors	335,543	513,659
Prepayments and accrued income	368,245	265,769
Deferred taxation	201,106	-
	3,178,171	1,165,490

17. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	2,025,912	224,410
Other taxation and social security	682,405	251,459
Other creditors	2,390,151	628,962
Accruals and deferred income	2,291,719	2,345,818
	7,390,187	3,450,649

The following liabilities were secured:

	2020	2019
	£	£
Other creditors		
HSBC trade facility	1,218,162	-

Details of security provided:

A personal guarantee has been given by one of the directors for £750,000 against the HSBC trade facility. Interest of 2.72% above the base rate is charged. A fixed charge has been raised against the facility.

17. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Shareholders loans falling due 1-2 years	1,394,298	1,765,998

All loans are repayable at the company's discretion. Of the loans in issue, £868,768 (2019: £1,116,994) are interest free. The remainder incur interest at a rate of LIBOR +2% per annum.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 JUNE 2020

19. Deferred taxation

	2020
	£
Charged to profit or loss	<u>201,106</u>
At 27 June 2020	<u>201,106</u>

The deferred tax asset is made up as follows:

	2020	2019
	£	£
Tax losses carried forward	<u>201,106</u>	<u>-</u>

20. Provisions

	Onerous Lease
	£
At 30 June 2019	56,114
Charged to profit or loss	<u>(56,114)</u>
At 27 June 2020	<u>-</u>

The above provision of £56,114 at the start of the year was in respect of an onerous lease commitment which ceased on December 2019.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 JUNE 2020**

21. Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
2,421,423 (2019 - 2,421,423) Ordinary shares of £1.000 each	2,421,423	2,421,423
8,681,687 (2019 - 8,681,687) B Ordinary shares of £0.250 each	2,170,422	2,170,422
3,950,000 (2019 - 3,950,000) C Ordinary shares of £0.001 each	3,950	3,950
	<u>4,595,795</u>	<u>4,595,795</u>

The holders of the Ordinary shares have the right to vote and to participate in the distribution of dividends.

The holders of the Ordinary B shares have the right to vote and to participate in the distribution of dividends.

The holders of the Ordinary C shares have the right to vote and to participate in the distribution of dividends only after the company has recorded profit before tax equal to or exceeding £500,000, and turnover for the same period is equal to or exceeds £20,000,000.

22. Reserves

Share premium account

The share premium reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

On 6th November 2019 the company undertook a capital reduction whereby £6,892,644 of share premium was cancelled against the retained earnings of the business. Following this capital reduction the company had share premium totalling £0.

Other reserves

The other reserve comprises the equity recognised in respect of the company's share-based payments. Please see note 24 for details.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 JUNE 2020

23. Analysis of net debt

	At 30 June 2019	Cash flows	At 27 June 2020
	£	£	£
Cash at bank and in hand	1,972,120	(283,950)	1,688,170
Debt due after 1 year	(1,765,998)	371,700	(1,394,298)
	<u>206,122</u>	<u>87,750</u>	<u>293,872</u>

24. Share based payments

Vivobarefoot Limited has a share option scheme for key employees. The vesting period is either 2 or 3 years. Options are exercisable at a price equal to £0.54 for options vesting over 2 years, and £0.73 for options vesting over 3 years. Vesting of the options is subject to continued employment by the company. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the company before the options vest.

The fair value of the options at the grant date was calculated using the Black-Scholes model, which is considered to be the most appropriate generally accepted valuation method of measuring fair value.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows

	Weighted average exercise price (pence) 2020	Number 2020	Weighted average exercise price (pence) 2019	Number 2019
Outstanding at the beginning of the year		337,263		-
Granted during the year		426,314		337,263
Forfeited during the year		(78,206)		-
		<u>685,371</u>		<u>337,263</u>
Debt due after 1 year	<u>57</u>	<u>685,371</u>	<u>59</u>	<u>337,263</u>

There were no (2019: no) share options exercisable at the end of the year.

	2020	2019
	£	£
Share-based payment expense	<u>185,461</u>	<u>166,882</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 JUNE 2020

25. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £121,161 (2019: £73,195). Contributions totalling £25,477 (2019: £3,440) were payable to the fund at the balance sheet date and are included in creditors.

26. Commitments under operating leases

At 27 June 2020 the company had future minimum lease payments under non-cancellable operating leases as follows

	2020	2019
	£	£
Not later than 1 year	168,833	186,250
Later than 1 year and not later than 5 years	367,173	414,540
	<u>536,006</u>	<u>600,790</u>

27. Related party transactions

At the balance sheet date, directors and shareholders of the company were owed £1,394,298 (2019: £1,765,998) by Vivobarefoot Limited. These loans are unsecured and repayable at the discretion of the Board of Directors. Of the loans in issue, £868,768 (2019: £1,116,994) are interest free. The remainder incur interest at a rate of LIBOR +2% per annum.

During the period the costs were incurred by the company totalling £32,829 (2019: £22,141) in respect of the directors personal expenses. These amounts were reimbursed by the directors during the period. There remained £15,346 (2019: £Nil) to be reimbursed at the balance sheet date. These amounts will be repaid within 9 months of the year end.

During the period the company paid royalties to a charity of which a director and shareholder of Vivobarefoot Limited is also a trustee. These royalties totalled £214,433 (2019: £104,521). In addition, during the period expenses totalling £Nil (2019: £1,165) were incurred by the Charity on behalf of Vivobarefoot Limited and were reimbursed by the company. At the balance sheet date the company owed £Nil (2019: £72,949) to the Charity.

28. Controlling party

In the opinion of the directors there is no ultimate controlling party.



WE ARE UNCONVENTIONAL.

WE ARE BOLD.

WE ARE BRAVE.

WE ARE NATURE LOVING.

STAR GAZING.

ADVENTURE SEEKING.

BAREFOOT WEARING.

NATURAL FEELING.

MOUNTAIN CLIMBING.

ROAD RUNNING.

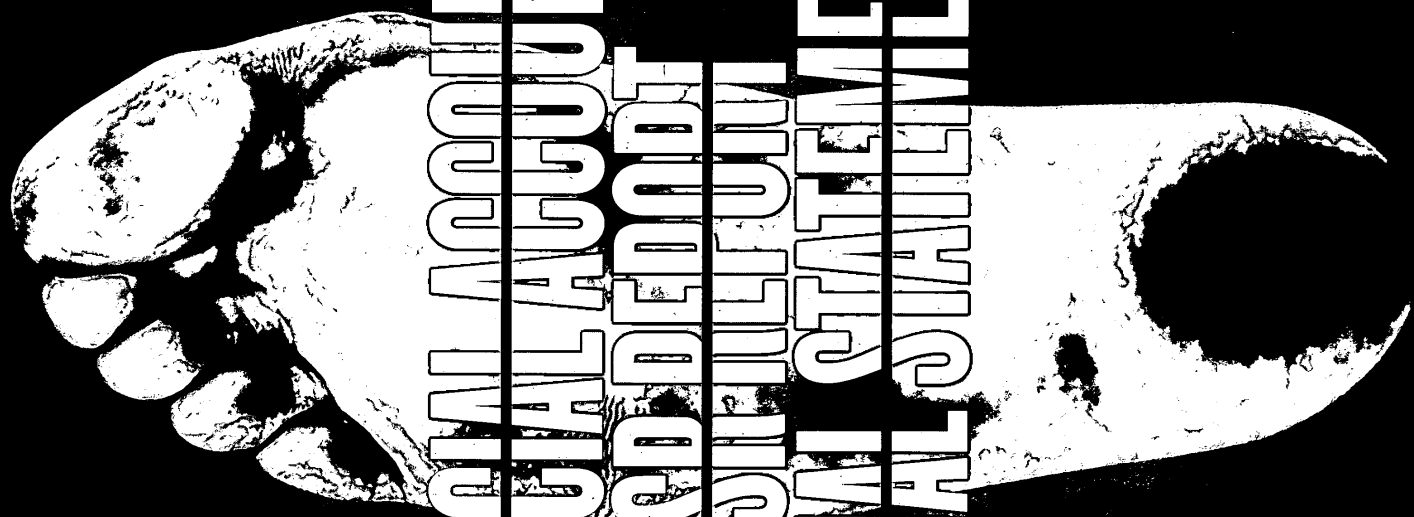
AWESOME SPRING.

SEA SWIMMING.

WAVE RIDING AND FENCE JUMPING.

WE ARE OUTSIDERS.





FINANCIAL ACCOUNTS
FINANCIAL ACCOUNTS
CODING
CODING
ANNUAL STATEMENT
ANNUAL STATEMENT