

The human foot is a biomechanical masterpiece. Perfected by millions of years of evolution.

26 bones, 100 muscles, thousands of nerve endings. For sensory feedback with every connection.

Our feet enable us to feel. Closer to nature, closer to our own potential, closer to each other. Feet reconnect us with the natural world.

When you can't be barefoot, be Vivobarefoot.



VIVOBAREFOOT

RECONNECT TO RESTORE

INTEGRATED REPORT 2020/2021



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Asher Clark | CDO
N A Beart | Chairman
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Whilst not a licensed assurance provider, Nick has given the report a thorough check, requiring explanations and evidence behind what we've said. Informed by formal assurance standards and several years experience working on reporting substantiation.

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UNFINISHED BUSINESS

INTEGRATED IMPACT REPORT 2020/2021



Cover illustration by Janusz Jurek

WHY

RECONNECT PEOPLE INTO THE NATURAL WORLD.

HOW

CONNECT AND INSPIRE A PERSONALISED JOURNEY TO THRIVE WITHIN NATURE. AND IT STARTS WITH FEET.

WHAT

CREATE REGENERATIVE FOOTWEAR AND EXPERIENCES THAT BRING US CLOSER TO NATURAL HEALTH.



FOREWORD

BY EMMA FOSTER-GEERING, LUCY LANGDON AND HEATHER KNIGHT



“How does one become a butterfly?”
Pooh asked pensively.
“You must want to fly so much that you are willing to give up being a caterpillar,”
Piglet replied.
“You mean to die?” asked Pooh.
“Yes and no,” he answered.
“What looks like you will die.
But you will really live on.”

HEATHER, LUCY AND EMMA ARE THE CREATIVE TEAM THAT BROUGHT THIS REPORT TO LIFE



Businesses are meant to make money by solving problems, not causing them.

Every year, the world produces billions of pairs of ill-fitting shoes that — during their short lives — have disconnected us from our bodies and our world, while trampling all over nature and the people who make them. It hasn't always been this way, and we can make things better — but because we were all raised within this system, it can be hard to find our way out of it. At times, it can be hard to even believe that another path is possible.

Vivobarefoot is trying to forge that new path. The founders grew up from within this failing ecosystem. They felt first-hand the difference between what was promised and what was delivered. One day, they decided to call bull. Ask around and you'll find this characteristic extends to many at Vivo: the business is a sanctuary for the corporately condemned.

WHICH BRINGS US TO THIS REPORT

Anti-mainstream rhetoric is easy, but surely real power comes from joining the rebel alliance. Vivobarefoot says the way we do business is broken — but are they actually showing a better way? Vivobarefoot says that the shoe industry is f*cked — but is their footwear actually fixing that? Vivobarefoot says our understanding of health is horrendous — but have they really taken a stand?

You've probably noticed that most businesses use annual reporting as a chance to cherry pick stories that celebrate the good and distract from the bad. Vivo bares all. They may as well call it butt-naked reporting.

So while they may not be the most polished or the most advanced company, they're not going to lie. Instead, in this report, you will find an account of Vivobarefoot's progress towards regenerative business — verrucas 'n all.

You will find they talk candidly about the trials and tribulations of growing an impact-focused business in today's world. (For a taste of this, take a look at the champagne moments and fantastic failures on page 12-13.)

THE BUTTERFLY EFFECT

What does that progress look like for Vivobarefoot? It's about not selling out to big money or exploiting workers. Solving a problem in a way that creates a positive impact at every step. And knowing exactly what they stand for and lifting up others to fully embrace that life.

It's not going to be easy. As you'll know if you've ever tried, progress is messy, painfully slow, endlessly frustrating and just bloody hard. It's full of hypocrisy, compromise and mistakes. People will point out all the stuff you're doing wrong, and you have to be grateful for their insight. (Of course, transforming into a butterfly is the only thing that's worth doing and therefore the most excellent fun.)

WHERE DO YOU FIT IN?

Just like everyone at Vivobarefoot, you too grew up within a system that promised one thing (health, wealth and eternal youth), but delivered something very, very different (climate breakdown, massive inequality, burgeoning obesity and mental health issues, and all the rest).

As a result, your greenwash-radar is probably incredibly well tuned. That's a good thing. Our world has wasted too much time cheerleading relative progress. Who cares whether Vivo has made the biggest commitment out of its industry peers? Nature certainly doesn't. Real progress relies on absolute progress.

So while we can tell you all the ways Vivobarefoot is different — really different — until the cows come home, we'd rather you be the judge.

In fact, we welcome your cynicism: a rich biome of opinion, disagreement and debate is truly our best chance at building a global community of people connected with each other and nature.

Which in turn is our best chance (perhaps our only chance) at thriving beyond the next 50 years.

WE USED TO HATE FOOT FUNGI, BUT THEN IT STARTED GROWING ON US

Last year, the first Unfinished Business leant into the idea of positive handprints in the world. How could we focus less on reducing negative footprints and more on creating positive integrated impact?

This year, we've been inspired by mycelium. Those vast, super-interconnected living systems, feeding off everything, transferring nutrients where they're needed, sharing resources, wasting nothing, defending against stressors and diversifying to create resilience.

A mushroom is only as good as its mycelium network. Just as Vivobarefoot is only as good as its stakeholder ecosystem. Which is why YOU must play your part. What can you do to hold your company or community to account? Who can you persuade to do better? How can you help find the solutions that have yet to be discovered? By working together towards regenerative excellence, we can find our way out of this mess — through real collaboration, not just the kind that looks good in a mission statement.

Instead of seeing ourselves as separate entities, we must understand that we are all connected and we are all a part of nature's incredible living system. And as ever, she holds the answer.

“IN NATURE NOTHING IS WASTED, NOTHING IS CREATED, EVERYTHING IS TRANSFORMED.”

— ANTOINE LAURENT DE LAVOISIER

Business has to transform. The question is, what will it transform into?

WE ARE A ~~SHOE BUSINESS~~ NATURAL LIFESTYLE BRAND





BY HIS 11 YEAR-OLD
DAUGHTER, YEVA

INTERVIEW WITH THE CHIEF EXECUTIVE ECOSYSTEM OFFICER

We asked Yeva to interview Galahad (aka 'dad') for this year's CEO update. A fresh pair of eyes on the latest instalment of Vivobarefoot's story.

Why do you make barefoot shoes?

I first started making shoes because my favourite music band (Wu-Tang) wore shoes made by your Grand Daddy and I had a chance to go and hang out with them. When Grand Daddy's company didn't want to make shoes for them, I felt I had to do it myself...

Were they barefoot shoes?

No, they were inspired by some amazing barefoot shoes – moccasins made by the First Nations people of North America – but they had a thick rubber sole on them. I then ended up making lots of different shoes for different companies and started to work with Asher.

I also had a Dutch architect friend who I made some extraordinary shoes with called United Nude. And we made shoes out of recycled materials called Worn Again – which is now a chemical recycling company.

But I first started making barefoot shoes when a childhood friend of mine, Tim, came to me with the idea. He took a big Nike shoe and cut the sole off and stitched on a thin sole and said this is how shoes should be made. I instinctively loved the idea and so Vivo was born...

Where do you make them?

We started off making simple shoes in Portugal with a zip around them so you could change the soles easily. You could change the look of the upper easily – but like all half/half products (trousers that turn into shorts or beds that turn into sofas) they weren't very good at either function! We now make Vivobarefoot mainly in Asia in Vietnam but also in Ethiopia and more and more in Portugal again!

Portugal is my favourite place to visit... I've been to Asia.. which was kinda interesting. But I'm not sure about Africa.

Yup! We've had some amazing times as a family in Portugal – most recently visiting the Douro valley. Remember when I got turned upside down many times by the waves? You were very young when we went to Asia together – so you might not remember that very well. You haven't been to Ethiopia yet – we're going there next! It's one of the best places in the world – amazingly beautiful, interesting and full of weird and wonderful animals!

Umm OK! So I'm supposed to be asking you about the last year at Vivo... why do the Vivo years start in July?

Good question! We changed it to July because of a silly accounting anomaly many years ago and have stuck with it. We 'start' the year in high summer – all the flowers are in bloom and then we quickly go into Autumn and Winter – which is when we sell mainly boots and warm shoes and then Spring – when a lot of people take up going barefoot along with new healthy regimes and then we're back to summer and everyone living the LiveBarefoot lifestyle! What does LiveBarefoot mean to you?

I dunno! Maybe running around on the beach feeling happy?! Going outside... enjoying nature... Exactly...

Funny that you sell shoes called barefoot! I guess they do feel quite close to barefoot?! Did you sell a lot of shoes in this last year?

So in this last year we did sell quite a lot but the year started off in crazy Covid and we were just getting let out to enjoy our summer holidays (right when we sold our house in London and moved to Somerset!) And everyone was buying more barefoot shoes in July, August and September than we ever imagined. Because we placed the orders to the factories at the start of Covid (when we were very nervous the world was going to end) we quickly ran out of shoes in the Autumn so people got upset that they couldn't find what they were looking for! Just like us, lots of people went on lots of nature walks last year so we ran out of all our outdoor range especially quickly.

"I FIRST STARTED MAKING BAREFOOT SHOES WHEN A CHILDHOOD FRIEND OF MINE, TIM, CAME TO ME WITH THE IDEA. HE TOOK A BIG NIKE SHOE AND CUT THE SOLE OFF AND STITCHED ON A THIN SOLE AND SAID THIS IS HOW SHOES SHOULD BE MADE. I INSTINCTIVELY LOVED THE IDEA AND SO VIVO WAS BORN."

Why couldn't you just make more shoes?

Well as soon as we realised that people were still buying lots of shoes during Covid we did order more – but it takes more than six months to make the shoes (which is too long) and the factories need to order all the materials, book the space and then make the shoes. And then because of Covid there were lots of delays in shipping, because not so many planes, trains, boats and trucks were moving around – so there wasn't much space and moving shoes around became very expensive.

Do you plan on making anything else apart from shoes?

We've made a few items of clothing before – as you know – and we've tried to make some bags (unsuccessfully), but we mainly plan on putting on more experiences and giving people more education on how to get back to barefoot! And we're also working really hard on trying to figure out how to make 3D printed shoes!

“WE BELIEVE THAT THE ONLY WAY PEOPLE ARE GOING TO LOOK AFTER THE ENVIRONMENT MORE – AND SO THEMSELVES – IS IF THEY CONNECT TO IT MORE CLOSELY (STARTING WITH THEIR FEET).”



We have a 3D printer in our DT lab and we are going to use it to make our nightlights we designed this term.

Well that is really exciting so you know all about it! I know you've seen some early prototypes of 3D printed shoes... But people, like you, are starting to make all sorts of things out of 3D printers, from teeth, to (as in your case) nightlights, to car parts to whole houses!!

Why didn't we 3D print our new house?

Good question!!

Soo, back to shoes, did you sell more shoes this year than last year?

We actually sold slightly fewer, but we were a better business because we sold more high priced outdoor footwear and had fewer seasonal discounts.

What about when the shops were closed?

Even when the shops were closed because people shopped more online! And even though our shop did close, we're amazed by how busy it's been since it reopened. We're selling more shoes now than before Covid!

Is Covid affecting you?

Luckily, our family hasn't got ill from Covid (yet). In many ways, it's been really positive for us because we've gotten to spend a lot more time together. I've realised that I don't have to go into the office in London every day – so we can come and live somewhere beautiful and in nature like Somerset (and we get to go and jump in the sea more because we're closer to Devon). And people in general are more interested in health and spending time in nature with their families, which is good for Vivo because that is ultimately what we're selling... Natural Health... to reconnect with Nature!

Maybe — but you still work too much (even on school holidays!!). What about Brexit?

Yes! It's affecting all businesses and people. Apart from the sad squabbles between Britain and Europe, a lot of jobs in the UK are not filled — so it's hard to find nice people to drive our shoes around in lorries. And because there's more hassle travelling between England and Europe we have to keep two warehouses, one here in the UK and one in Europe (near where Catherine Willems lives — from Future Footwear Foundation) in Belgium.

Ohh, she's really nice!! Is the environment affecting you?

The environment affects everyone! And we believe that the only way people are going to look after the environment more – and so themselves – is if they connect to it more closely (starting with their feet). It's a really important time for my generation to step up and protect the environment for future generations like yourself – so hopefully just by more people wearing barefoot shoes that will help. But we're also involved in lots of exciting projects to help restore nature (like with Amanda who we had dinner with on Saturday night as part of the Devon Environmental Fund).

What is ReVivo?

ReVivo is when people send us back their shoes because they're broken or just simply worn out. We work with some amazing people in the North of England called The Boot Repair Company and they painstakingly and lovingly restore them and then sell them at a lower price – so instead of Vivos ending up in landfill they live on!

“WE'RE ALSO REALLY KEEN TO EDUCATE MORE PEOPLE (AND SPONSOR MORE RESEARCH), REPAIR AND RESELL MORE SHOES, SUPPORT MORE ENVIRONMENTAL NATURAL HEALTH PROJECTS AND ALSO FIGURE OUT HOW TO MAKE SHOES LOCALLY AGAIN.”

Why do you always go off and play in the woods?

In the last year while the office in London has been shut – we've been meeting with everyone across the company in the beautiful Springwood (where you've been a few times, swum in the pond and had some amazing tree climb adventures with Giles' kids). So when you're not there and it's just Vivo people we have spent time reconnecting with the woods. Giles has been helping us become a better organisation – even though we're not in the office everyday together.

Cool! What do you do when all the Vivo people come to Bantham?

Well we just got them to Bantham for the first time in 20 months!! That was the first time we'd seen everyone together for nearly two years and about 30 people we hadn't even met before. When we're there we do river runs, eat natural food, jump in the sea and try to do work meetings out in nature to inspire us while we're trying to inspire others to reconnect with nature! Isn't that your favourite part of nature in the world? Certainly is mine!



Yeah it's great, but I wish the sea was a bit warmer. So anyway, why are you doing Vivo instead of working with Clarks?

Once I got introduced to barefoot shoes – I knew there was no other more healthy and natural way to make shoes, so I had to drop everything else I was doing and focus on that. I tried a few times to get Clarks involved but they never wanted to. It's really tough for big businesses like that that don't make barefoot shoes to suddenly switch.

But did you know your great great grandfather William Stephens who ran Clarks at the end of the 19th Century was one of the original barefoot shoemakers? He pioneered wide, thin and flexible 'modern' shoes (ancient peoples always did and always will make shoes like that). He also pioneered business being a force for good and supporting important social and environmental challenges. In his time, it was getting women to vote, stopping using black people as slaves and making prisons nicer places to be – and many others... In our time, it's natural health and looking after the environment. Because in the 100 or so years since William Stephens Clark, everyone stopped making healthy barefoot shoes and started wearing big padded or heeled shoes and did a lot to destroy the planet by building big factories and using lots of fossil fuels for plastics and power (including Grand Daddy's business!)

Why do you keep running out of shoes?

More and more people are waking back up to natural health and being close to nature again. We are one of the only companies that offers a wide variety of barefoot shoes so people and their whole families can go 'barefoot'. As we both know, once you get used to barefoot shoes it's very uncomfortable to wear normal shoes, like Grand Daddy's RIP.

Well you better make a lot more shoes this year then...

We're trying and we will grow more than ever as a business this year. But we're also really keen to educate more people (and sponsor more research), repair and re-sell more shoes, support more environmental natural health projects and also figure out how to make shoes locally again – so people don't have to wait so long for a new pair – and every pair is made just for them... Watch this space!!

Exciting!! But let's stop working now – and go watch the latest Marvel movie...

But let's go for a walk first?!



WHY UNCONVENTIONAL WISDOM?
BECAUSE AT VIVOBAREFOOT WE KNOW
WE HAVE A UNIQUE, CHALLENGER
PERSPECTIVE ON THE WORLD
AND HOW WE DO BUSINESS.

UNCONVENTIONAL WISDOM

[WHAT DO WE CARE ABOUT THE MOST AND WHY?]

UNCONVENTIONAL WISDOM is something we've created to make sense of what is happening in the world around us. We're using it to understand both the impact the world has on us, and the impact we have on the world.

This piece of deep thinking helped us identify what is most important to our business.

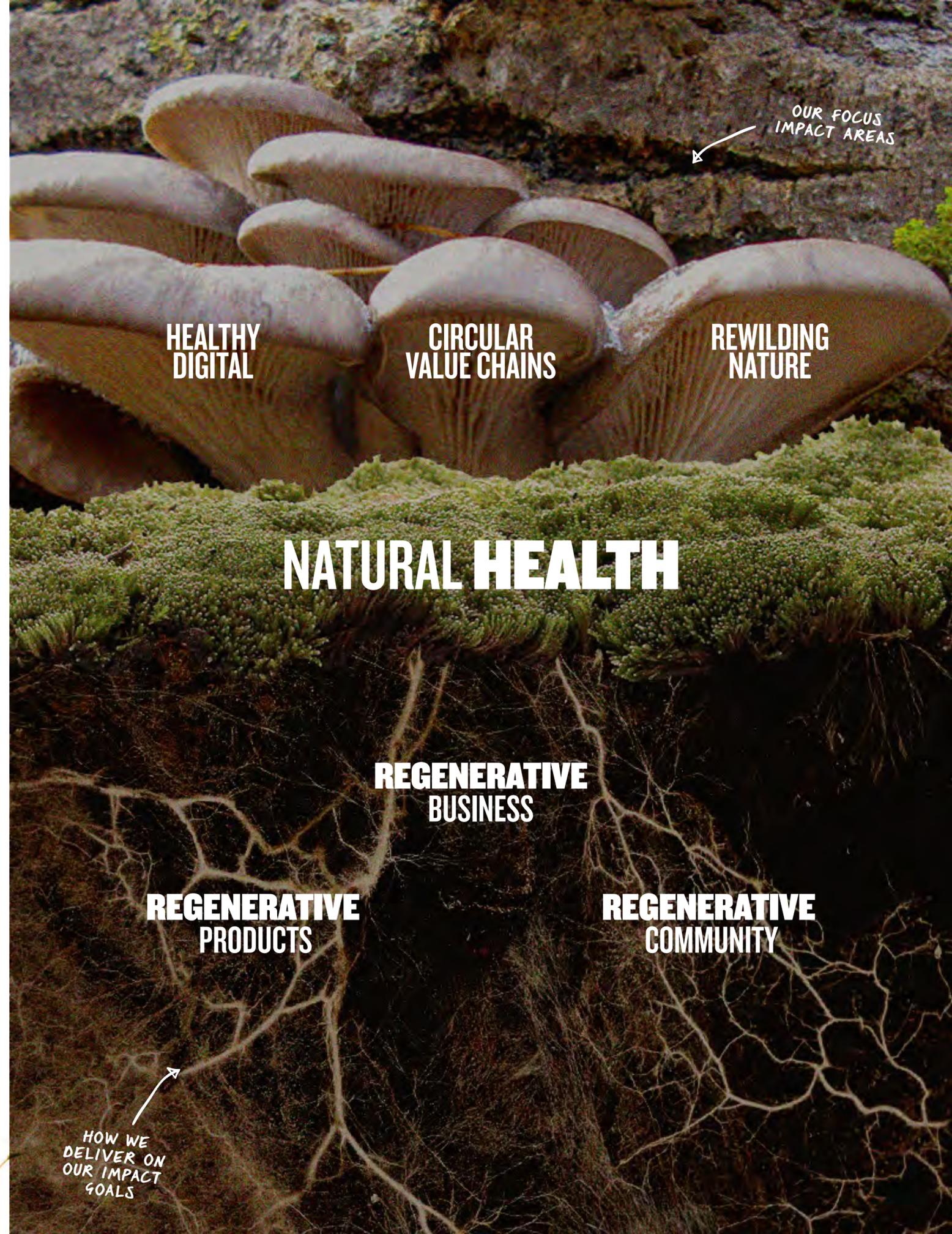
With this position in place, we can prioritise, measure and clearly communicate the impact to our community. The visual opposite provides a mental model for Unconventional Wisdom.

NATURAL HEALTH is at the heart of everything — it's the pinnacle of the impact we want to have in the world. Growing out of this, the three mushrooms show the topics we are most focused on and capable of influencing.

Underpinning everything, that branching mycelium network powers our business. These founding regenerative principles are how we deliver on the impact we set out to create.

This work is all founded on first principles, looking to nature and the wisdom of indigenous communities as a filter for the decisions we make as a business.

You can read more about how this looks in practice as you move through the report.



OUR FOCUS
IMPACT AREAS

HEALTHY
DIGITAL

CIRCULAR
VALUE CHAINS

REWILDING
NATURE

NATURAL HEALTH

REGENERATIVE BUSINESS

REGENERATIVE PRODUCTS

REGENERATIVE COMMUNITY

HOW WE
DELIVER ON
OUR IMPACT
GOALS

MATERIALITY OR SALIENCE? THAT IS THE QUESTION...

We recognise that the problems and solutions to our most material topics are far from black and white. Our understanding of these issues is constantly evolving as research and technology advance. We appreciate they involve nuance and are heavily influenced by social context.

Materiality means importance or relevance. Ranking an organisation's impacts by 'materiality' is therefore simply to rank them in some order. As a business with a powerful mission though, we must also appreciate 'salience' i.e. where can we really pack a punch when it comes to impact?

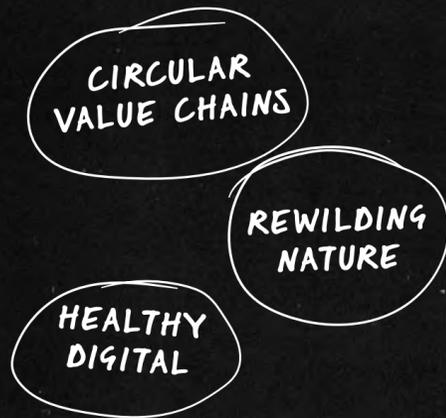
"CONVENTIONAL BUSINESS HAS GOT IT WRONG — SIMPLY DOING MORE OF THE WRONG THINGS, RIGHTER. LET'S STOP CELEBRATING THAT AND GET ON WITH EXPONENTIALLY REWILDING THE WORLD AROUND US."

— GALAHAD, CEO



GALAHAD, CEO

Too many brands have a position on topics that are ill-informed or clearly irrelevant. This gives rise to the risk of brand damage, misinformation spread and dilutes impact in the areas where it really matters most. Our aim is to keep things clear with three clear focus areas of impact:



Unconventional Wisdom is the core measure of success as a business. The Board of Directors sets and monitors strategy against these with the same priority as commercial brand growth. Day-to-day delivery is delegated to home circles and project teams, selected by a democratised project council (see page 71).

In 2022 we will start to explore creating a global stakeholder advisory council to help provide advice and accountability to it as it grows to fuel the Vivobarefoot living systems.

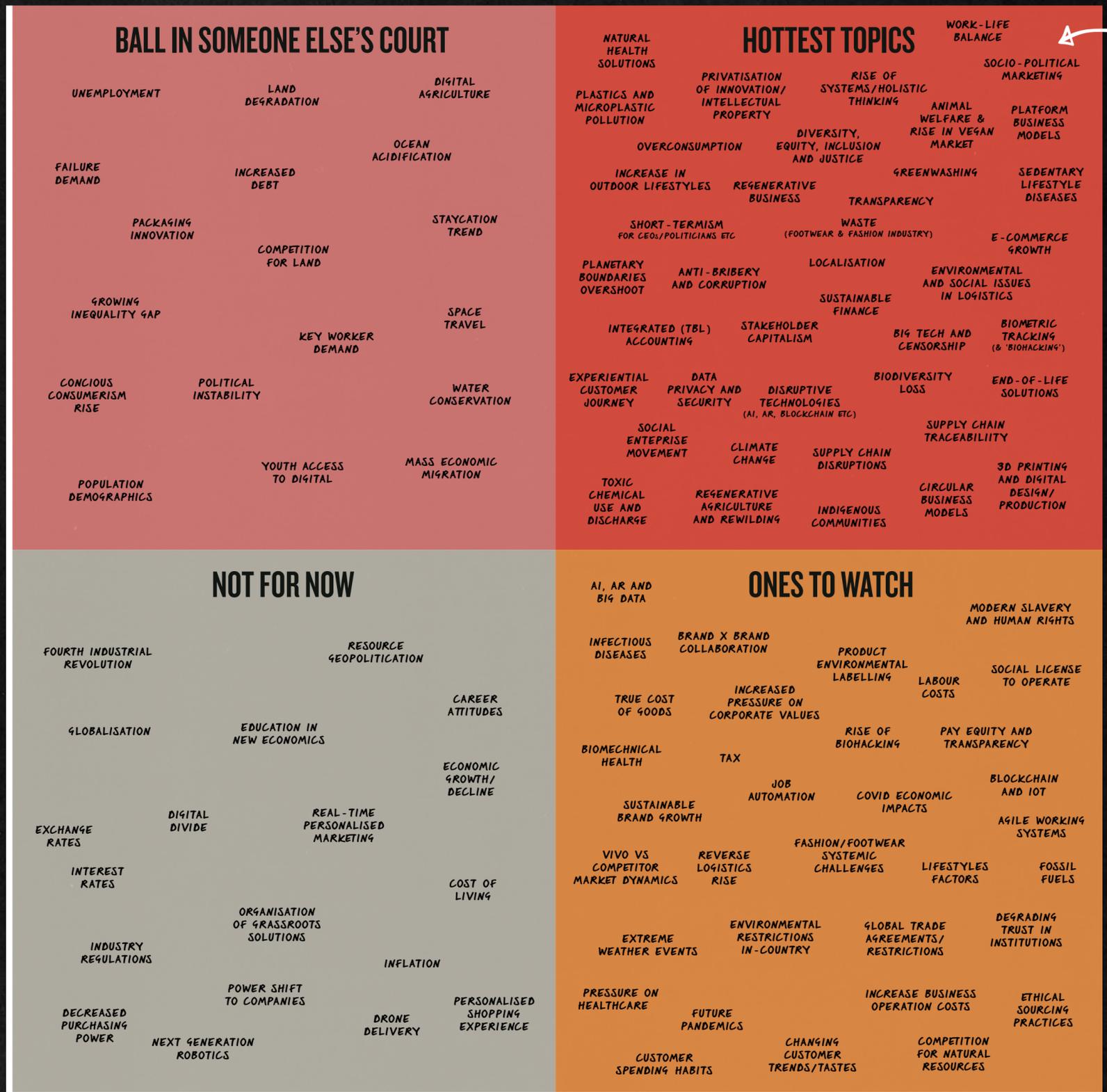
THIS IS HOW WE DECIDE WHAT'S MOST IMPORTANT TO US AND HOW WE FEEL ABOUT IT

PRIORITISATION MATRIX

HIGH

MATERIALITY / URGENCY

LOW



WE ALSO MAINTAIN ANOTHER MATRIX WITH SHORTER-TERM RISKS FOR TACTICAL DISCUSSIONS IN OUR WEEKLY, MONTHLY AND ANNUAL BOARD MEETINGS. SEE PAGE 11.

SALIENCE / IMPACT

HIGH

STRATEGIC PROGRESS

As a growing business we are still having some interesting growing pains.

Two years ago we did a big piece of work to integrate our financial and non-financial business strategies. But with the 'financial' year running from July-June each year, setting our strategy in January means we are already half way through the year before we have embedded our integrated targets!

Short of finishing Unfinished Business this year and immediately starting again, we have updated our strategic goals and the metrics we use to measure their progress in the table here.

This means we are reflecting on what we set out to achieve in the 2020-21 financial year as well as reflecting on some other important criteria — giving us a much more holistic overview of what we believe the most important things are for us to achieve as a business and have living in our Governance structures.

STRATEGY IS ABOUT HOW WE DEPLOY OUR RESOURCES TO THE GREATEST EFFECT TO ACHIEVE OUR MISSION



METRIC	METHOD	2020-2021	2019-2020	% VARIANCE
REGENERATIVE BUSINESS				
REVENUE	Total £ turnover achieved in the financial year	36,209,560	34,075,034	6.3%
CONTRIBUTION	Sales less all direct costs (cost of goods, distribution etc)	11,302,348	9,484,412	19.2%
CASH GROWTH	Net movement in cash balance in the financial year	1,750,411	-283,950	716.5%
GOVERNANCE	B Corp BIA score (self-assessed yoy + certified every three years)	106.4	98.8	7.7%
REGENERATIVE PRODUCTS				
CIRCULARITY	Number of products revived in ReVivo in the year	30,829	8,821	249.5%
DELIVERY	Average time between placing an order and the goods arriving at our warehouse for NOS styles (days)	183	211	13.3%
VMATRIX	Average regeneration score across product range*	50%	N/A	
WOMENS CONTRIBUTION	Percentage of Gross Profit achieved by Womens shoes as a proportion of the whole business	40.2%	35.8%	12.3%
STYLE EFFICIENCY	Average number of units ordered per style	13,455	5,200	158.8%
REGENERATIVE COMMUNITY				
INTERNAL HAPPINESS	Average score for Happiness Index questionnaires	7.7	7.1	8.5%
EXTERNAL HAPPINESS	Customer Net Promoter Score	60	44	36.4%
ENGAGED COMMUNITY	Total number of email and social followers (million)	0.92	0.71	29.6%
SOCIAL INVESTMENT	Amount spent on social impact, research & development in the financial year	327,501	258,739	26.6%

* There has been a change in measurement in our VMatrix tool and as such the comparative score is not reflective.

STRATEGIC RISKS

RISK	MITIGATION	IMPACT	LIKELIHOOD
Not having enough money to self-fund our business plans	• Improving cash-flow planning	HIGH	MEDIUM
Having no cash when we need it	• Strong relationships with our banking partners, HSBC	HIGH	LOW
Barefoot shoe brand competition	• Keeping an eye on key markets, ensuring we protect brand assets	MEDIUM	HIGH
Product margin erosion	• Focused margin improvements, raw material risk management	MEDIUM	MEDIUM
Excluding people from barefoot due to high price points	• Accelerating ReVivo plans and investigating subscription services	LOW	HIGH
Not getting people to buy into Livebarefoot experiences	• Bringing V:Health to life — emphasising education and experiences	LOW	MEDIUM
Ordering too much or not enough stock	• Investing in strengthening forecasting, better demand planning	HIGH	MEDIUM
Having to airfreight stock	• New Operations director, improved sourcing arrangements	LOW	HIGH
Inefficient/ineffective marketing spend	• Plan in place to divert spend from digital to organic media	MEDIUM	MEDIUM
Not getting marketing on brand	• Testing contracted brand impact leads, updated brand guidelines	LOW	HIGH
Having to discount/go on sale	• Long-term planning to avoid Black Friday, better style efficiency	MEDIUM	MEDIUM
Not looking after or growing loyal customer network	• Tempering digital marketing, lifestyle not product advertisements	MEDIUM	MEDIUM
Not looking after loyal stakeholders	• Dedicated stakeholder management initiative, secondary market (LT)	MEDIUM	MEDIUM
Damaging Vivobarefoot brand	• White labelling websites, new brand guidelines, operational control	MEDIUM	MEDIUM
Covid-19 lockdowns in Asia manufacturing value chain	• Contingency planning, worst-case scenario planning	HIGH	HIGH
Covid-19 restrictions on retail	• Investing big in e-commerce, planning for future disruptions	MEDIUM	LOW
Possible vaccine requirements	• Strengthening brand position statements, preparing for changes	HIGH	LOW
BREXIT import/export issues	• Plans for different outcomes	MEDIUM	MEDIUM
Rising costs of goods and services	• Consideration in budgets for future tariffs	MEDIUM	HIGH
Lower wages, buying confidence	• Transformation into natural health transformation brand	MEDIUM	MEDIUM
Human rights issues in factories	• Strengthened value chain partnerships, contracts and technology	HIGH	LOW
Environmental disasters	• Materiality assessment, investment in innovation and activism	HIGH	LOW
Unwittingly contributing to sustainability issue in factories	• Uncompromising requirements for transparency	HIGH	MEDIUM
Product compliance failures	• Strengthened testing regime	MEDIUM	MEDIUM
Getting product stuck in customs	• Contract with testing agencies, regulatory scanning	LOW	MEDIUM
Not growing our community	• Reframing our message, widening brand entry points	HIGH	HIGH
Not preventing kids from getting in cushion, narrow footwear	• Providing education material for schools, increasing resourcing	HIGH	MEDIUM
Having a data or security breach	• Increasing IT spend, strengthening security processes	HIGH	MEDIUM
Digital system failure	• Digital integration, contingency planning	MEDIUM	LOW
Not spending enough on digital innovation	• Setting up democratised project council aligned to brand mission	HIGH	LOW
Key person illness or injury	• Assistant hire, succession and contingency planning	HIGH	MEDIUM

IN CONVERSATION WITH OUR CHAIRMAN NICK BEART

The last two years have been traumatic and tragic for people we know both inside and outside the Vivo ecosystem.

Many of us have lost friends and family, and it has been a truly challenging time for everyone. It is a tribute to all those past and present at Vivo that the business has come through stronger in spite of Covid. Although, if we're honest, we scored a few own-goals as well!

As Galahad noted, we faced significant supply challenges. Some of these were of our own making — at least in part. This makes it all the more fantastic that the team is reporting rising sales and profitability. And, now that we have many of our supply issues back under control, it looks as if the coming year will see significant improvements in both sales and profits. We're picking up the pace on our journey to £100m of annual sales and profits.

Vivobarefoot improves people's health — and in doing so, improves the planet's. Which, in turn, further improves people's health. And so on, in a virtuous spiral of improvement. This revolution takes time, commitment and money, which we hope to fund from our profits. We now truly believe we are moving into the next phase of growth, with a strong team of committed people working with huge ambition for all our stakeholders.

Vivo has come a long way in the eight years since I started advising Galahad and Asher. Over a year ago, I noted to Galahad that we should look at changing the Chair after such a long stretch. We agreed I would stay in position to see Vivo through the Covid crisis.

Fingers crossed, we are coming out of Covid with a value chain that's in better shape than it was in late 2019. With that in mind, I asked the board to start the search for a new Chair in April.

We hope the new candidate will be appointed before year end so they can get up to speed for next year. I very much look forward to helping them in any way that I can.

In the meantime, I would like to thank everyone at Vivo and all our stakeholders for an extraordinary turnaround over the last eight years and especially the work and successes of the last two years.



NICK BEART, CHAIRMAN



WE SURVIVED

Going into summer 2020 we were in existential mode. On the bright side, we still broke records.



BOOMING KIDS BUSINESS

Free contribution was 31% vs 25% 19/20 and 27% budget — a great achievement by little kids given it was in a money losing situation five years ago!



MANUFACTURING PARTNER GROWTH

Established an epic new partnership with our friends, Stella, in our value chain.



LIVEBAREFOOT FUND

We invested £327,501 (83.5% of Pre-tax Profit) on barefoot living and shoemaking! See page 62 for exactly what we spent that on.



BANKING PARTNER SUPPORT

We simply wouldn't be here without HSBC's support. We were also thrilled to become the first recipient of their UK green trading facility.



HAPPINESS INDEX

We have improved here by 8.5% but are always conscious of drawing any big conclusions.



RECORD PROFIT AFTER TAX

£935k profit, up 27% on last year and 18% up on the previous best.



REGENERATIVE LEADERSHIP

We spent over 245 sessions in the woods reconnecting with nature and each other.



REVIVO

Officially launched this financial year. 19k pairs in year 1 — what an achievement!



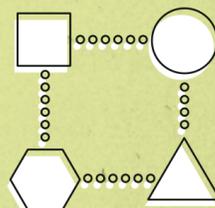
NEW STARTERS

To land our vision, we've grown our team. Unlike most, we continued recruiting through lockdown, although we did need to rehome our retail and events teams. We all went down together, taking a percentage pay cut, and came back up together.



TRACKER IMPROVEMENTS

Through targeted improvements to the Tracker, we reduced the return rate by a quarter. And we launched the Tracker Forest!



CATEGORY RESTRUCTURE

Admittedly more one for next year, bringing powerful new expertise in house from some of the best brands on the planet.



RETURNS

A recent convert from 'fantastic failures', our return rates are down overall year on year. And more of our returns now go through ReVivo to have a second life.



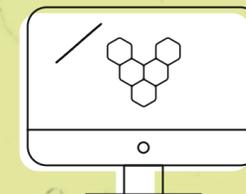
COMMUNICATIONS

Our CEO has shown up for 30 minutes every single Thursday since the start of Covid.



VIRTUAL REALITY

We started to design and hold product meetings in a virtual meeting space.



WEBSITE MIGRATION

We took a huge step forward with our foundational technology architecture with a move to Magento, which will support our growth and innovation plans.

OUR 2020-21 CHAMPAGNE MOMENTS



V HEALTH

VHealth was born! We ran the VHealth conference, plus the first barefoot movement conference — huge moves forward.



GET OUT

Lockdown unlocked a deeper connection with nature, and we sold out of outdoor products in Autumn 2020.



INDIGENOUS FOOTWEAR

We've found it hard to bring indigenous footwear to the table, despite helping fund a new workshop in the Kalahari — see page 27. Price and quality are a challenge. We'll keep working at it.



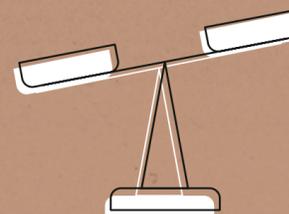
WILD HUMAN PARTNERSHIP

Both a champagne moment and fantastic failure (for us, not them!) We deeply aspire to make the experiences available to us at Vivobarefoot, accessible to all. We didn't support Wild Human well enough — we will do better. See page 19.



SUSTAIN THIS PODCAST

Died a quiet death.



WORK-LIFE BALANCE

When there's a lot to do the challenge is to not work a lot — we are still not enabling a regenerative work/life balance.



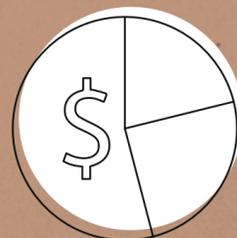
STOCK LEVELS

We could blame Covid, Suez or Brexit, but the truth is we never buy enough stock in the core styles. Are we too cautious?



MARKETING

Our brand impact programme really struggled throughout the year due to challenges mainly on resourcing.



SECONDARY SHARE MARKET

We wanted to offer employees shares and reward Crowdcube investors but we just didn't get there.

OUR 2020-21 FANTASTIC FAILURES



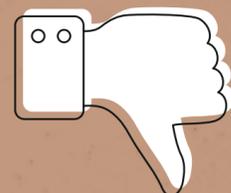
V HUBS

We haven't got it where we want it to be, too much inconsistency from our side and a lot of uncertainty from our value chain partners. How do we build confidence, trust and longevity? And most importantly, scale as a small business?



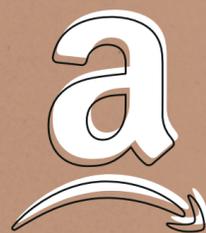
LACK OF NEWNESS

Slow to market with great new products, due to cancellations to provide resource to transferring value chain partners.



DIGITAL MARKETING SPEND

We can't seem to quit the Zuckerberg drug. Paying to play in an environment completely misaligned to a business like ours, but Facebook still provides an unmatched opportunity to reach consumers looking to make better choices. We must learn how to move the dial with organic cut through.



MARKETPLACES

We're still figuring out if selling on marketplaces like Amazon are aligned to our regenerative principles.



INTEGRATED ACCOUNTS

We wanted to have our non-financial accounts audited this year. Unfortunately we weren't quite ready for it. See page 61 for some of the complexities involved.



3D PRINTED FOOTWEAR

We set out to launch our future bespoke footwear in 2021 but it wasn't ready yet. Look out for VivoBiome in 2022.



NOT FIT FOR PURPOSE

We still aren't happy with our women's 'last'. It contributed to a high return rate and has taken too long to fix.



WOMEN'S CONTRIBUTION

We still aren't winning on women. We've hired two women as powerful category leads and plan to do more.

MOVING CLOSER TO OUR ~~CUSTOMERS~~ COMMUNITY

We've restructured our business into categories:

OUTDOOR, ACTIVE AND KIDS.

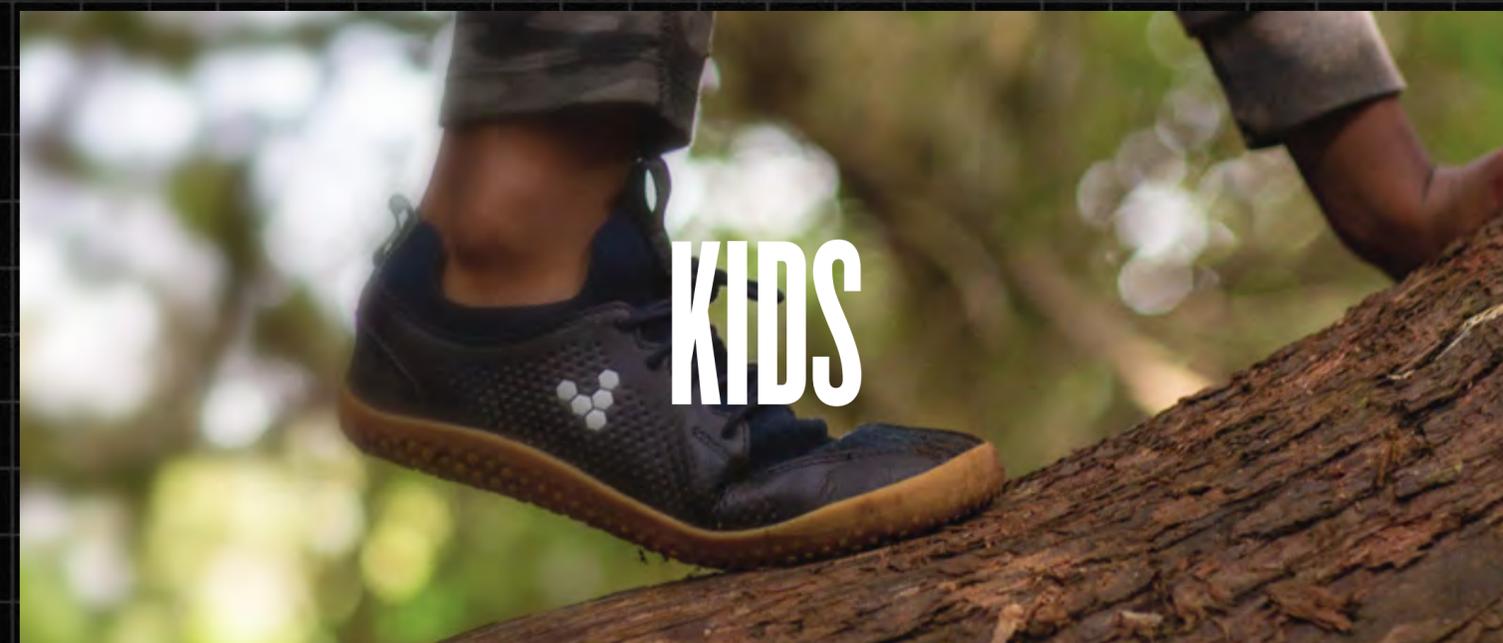
This creates smaller, more entrepreneurial teams, reduces hierarchy and eliminates barriers to creativity. Which — as a result — means we can better meet the needs of every OUTDOOR explorer, ACTIVE mover or the wild KIDS that we are designing our products for.



ACTIVE



OUTDOOR



KIDS

OUTDOOR

Our footwear helps people connect with nature. Being outdoors restores and regenerates us. And the closer we feel to our natural world, the more we'll do to protect it.

TRACKER FOREST ESC

When the wilderness calls, escape.

AIR MESH LINING CREATES A MICROCLIMATE IN THE BOOT. WARM IN THE COLD, AND COOL IN THE HEAT.

WILD HIDE LEATHER. NATURALLY WATER RESISTANT, BREATHABLE AND QUICK-DRYING.

COMES WITH A TIN OF RENAPUR TO NURTURE LEATHER'S NATURAL PROPERTIES



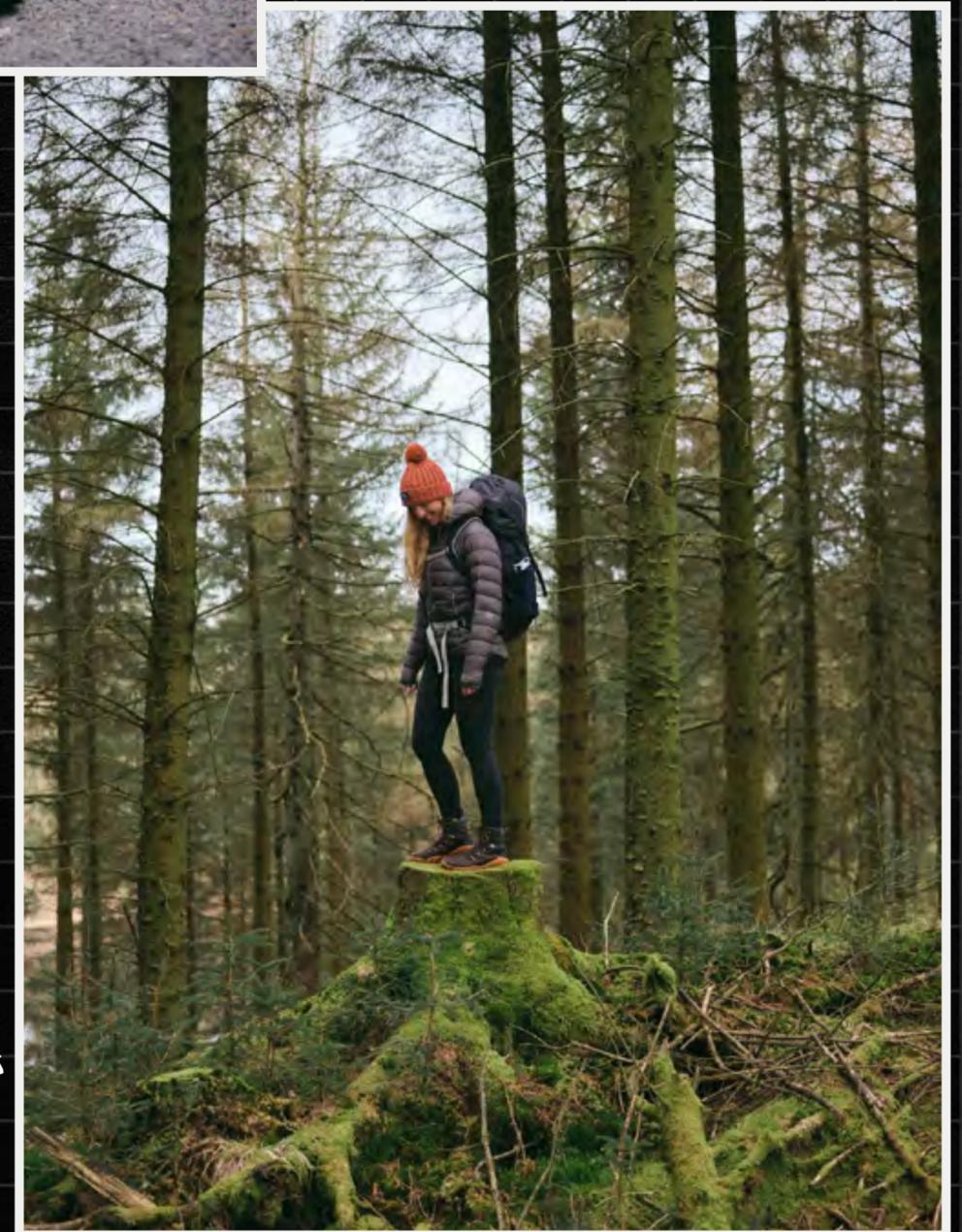
CLAW-LIKE LUGS PROVIDE EXTREME TRACTION FOR TRICKY TERRAIN, WITH "YIKES" HEEL LUG TO CATCH THE GROUND IF YOU START TO SLIP.

A STITCH CHANNEL MEANS THE SOLE CAN BE DETACHED FOR AN EASY REPAIR



"IS IT ANY WONDER THAT IDEAS COME TO ME WHEN I'M IN A PLACE WHERE I FEEL MY BEST, MOST LIKE MYSELF, UNJUDGED AND NOT RUSHED? IF YOU WANT TO DO GOOD IN THE WORLD, GET OUTSIDE. WE CAN LEARN EVERYTHING WE NEED FROM WHAT'S OUT THERE!"

— SARAH @FITFORADVENTURE_



JOINING US FROM ADIDAS

SARAH, HEAD OF OUTDOOR

ACTIVE

Humans have spent millions of years moving, and only the last few decades sitting still. Our footwear connects you with your body and the world around you, unlocking your innate potential to move as nature intended.

"I FEEL LIKE IN A LOT OF SPORTS WHERE YOU HAVE TO WEAR LOADS OF GEAR, YOU'VE KIND OF BECOME NUMB TO YOUR SURROUNDINGS. BEING BAREFOOT, IT'S LIKE GROUNDING, LIKE, YOU FEEL THE ENERGY AROUND YOU. AND WITH CALISTHENICS CAUSE IT'S OUTSIDE AND YOU'RE TRAINING BAREFOOT, YOU BECOME PART OF THE ENVIRONMENT, IT'S JUST THERAPEUTIC REALLY."

— GOKU, @GOKU_SW

GEO RACER KNIT

Unlock natural locomotion with every run, walk and workout.

CLEAN KNITTED 'RAW-EDGE' ON THE ANKLE COLLAR REDUCES MATERIAL & PROCESSES

MADE FROM PRE & POST-CONSUMER PLASTIC WASTE. HELPING TO REDUCE OUR WASTE TO LANDFILL.

NEWLY ENGINEERED KNIT UPPER FOR DYNAMIC FEEL AND FIT



BONDED MUDGUARD FOR EASY SOLE REPLACEMENT

4MM SOLE PROVIDING ULTIMATE GRIP AND DURABILITY ON HARD SURFACES IN URBAN ENVIRONMENTS

REMOVABLE ORTHOLITE INSOLE MADE FROM PRE-CONSUMER PU (POLYURETHANE) WASTE



LOUISE, HEAD OF ACTIVE

JOINING US FROM CLARKS



TONY RIDDLE

ULTRA BAREFOOT RUNNER BREAKS THREE PEAKS CHALLENGE RECORD
One man, two feet, three peaks. Tony, an ultra-runner and naturalist lifestyle coach, climbed the famous National Three Peaks barefoot, and ran in Vivobarefoots from peak-to-peak. The astonishing 450-mile challenge took him nine days, seven hours and 18 minutes.

@THENATURALLIFESTYLST

KIDS

We believe that wild, curious kids who play outside with healthy, bare feet won't just flourish as individuals, they'll grow up into the adults our planet really, really needs.

LUMI

Helping keep kids outside and not stuck indoors in the colder months.



"I JUMPED IN SO-OO-OO MANY PUDDLES... BUT MY FEET AREN'T WET?!"

— MAXWELL, LITTLE FOREST FOLK



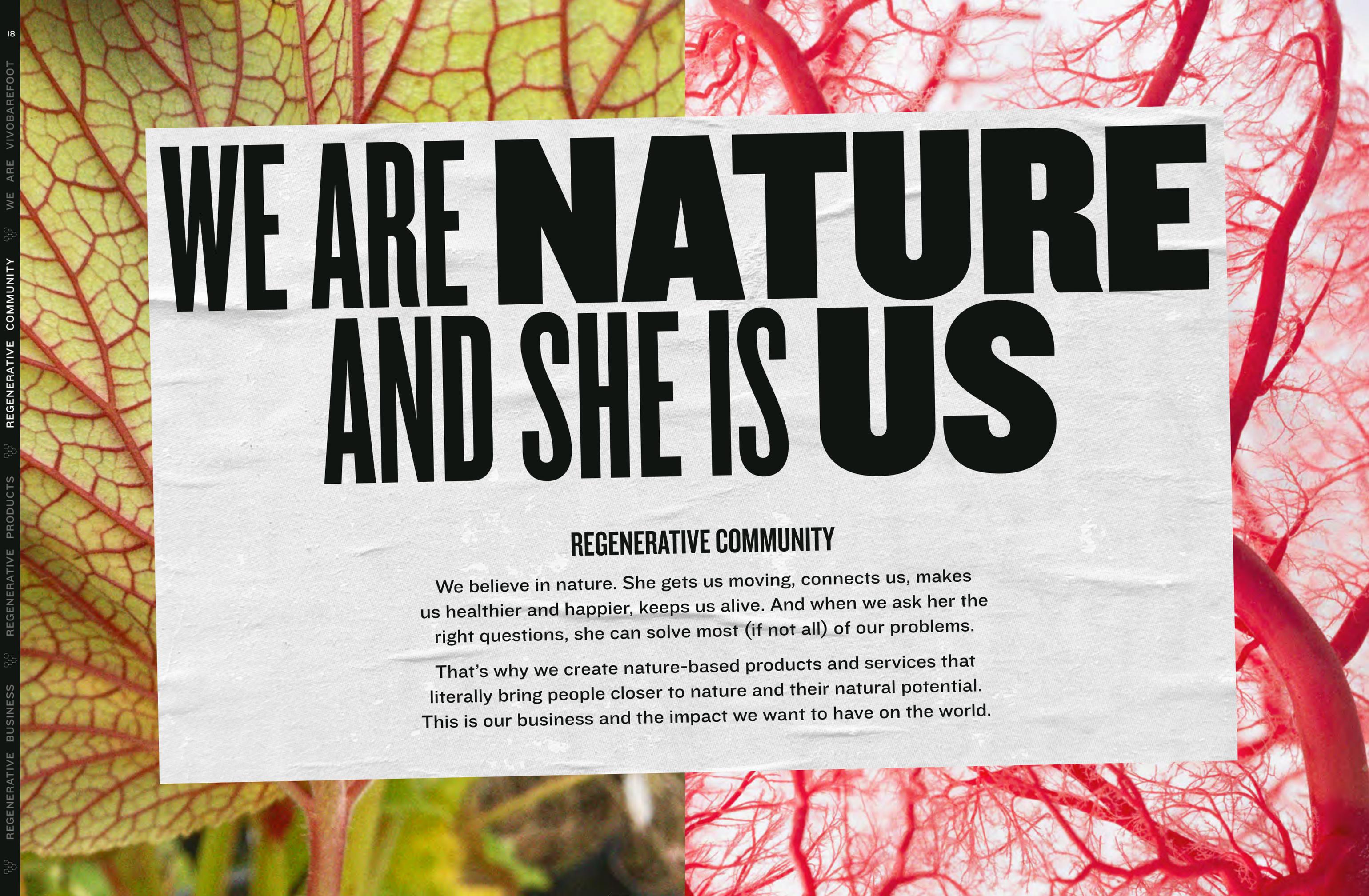
BAYARMA, HEAD OF VIVOKIDS

"I DID MY BIGGEST-EST CLIMB EVER."

— AMY, LITTLE FOREST FOLK



BAYARMA IS FROM BURYATIA, ON THE SHORE OF LAKE BAIKAL, A UNESCO WORLD HERITAGE SITE



WE ARE NATURE AND SHE IS US

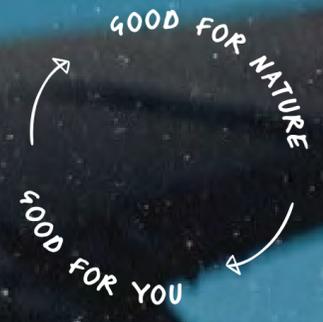
REGENERATIVE COMMUNITY

We believe in nature. She gets us moving, connects us, makes us healthier and happier, keeps us alive. And when we ask her the right questions, she can solve most (if not all) of our problems.

That's why we create nature-based products and services that literally bring people closer to nature and their natural potential. This is our business and the impact we want to have on the world.

BEING IN NATURE IS GOOD FOR US

(AND FOR NATURE)



The world is getting sicker and sadder because we're not spending enough time outside.

There is a huge amount of research showing that disconnection from nature is harmful to our wellbeing. By helping people connect with nature from the ground up, we are helping them live healthier, happier lives. What's more, there's increasing evidence that the more time we spend in nature, the more likely we are to take care of it.

People's place in nature

Disconnection from nature is linked to anxiety, depression and fatigue and lower life expectancy.

Connecting with nature boosts creativity and health

'Nature-deficit disorder' is a recognised condition in children, and contributes to depression and behavioural problems, as well as lowered cognitive ability.

It's official — spending time outside is good for you

Time in nature reduces health issues such as type II diabetes, cardiovascular disease, stress and high blood pressure.

CLICK TO READ MORE

Populations with more green space are more likely to report overall good health

Evidence shows that living in a greener environment can promote and protect good health, aid in recovery from illness and help with managing poor health.

Prescribing green space

In 2018, NHS Scotland started allowing doctors to prescribe outdoor activities as a routine part of patients' care for mental and physical issues ranging from diabetes and heart disease to stress and anxiety.

More active people for a healthier world

Connection to nature creates an emotional affinity for it and increases demand for more green/blue spaces.

RECONNECT TO YOUR ORIGINS

In collaboration with **Wild Human**, we have started running rewilding experiences in a beautiful young woodland in the Lake District. All profits from the course will go back into the **Livebarefoot Fund** to help support rewilding experiences across the world. Attendees also receive a 30% discount off Vivobarefoot's Outdoor range.

INTERVIEW WITH BEN MCNUTT, WILD HUMAN

Q/ What is Wild Human?

We teach wilderness skills and bushcraft that empowers people to learn about, understand and respect nature — to become more resilient, self-reliant and to make nature part of their everyday lives.

Q/ How is the collaboration with Vivo going?

The course fees have massively contributed to increasing the biodiversity of our site. We built a polytunnel and germinated hundreds of baby wild plants from seed – for weaving and fibre, dye, food, brewing and medicine. We created a new pond habitat for freshwater species. All of this will benefit nature education courses for years to come.

Q/ Any special moments?

We hosted the Vivo round-table back in April and discovered a fresh otter track by the new pond. Biodiversity in action! We have also seen red kites, kingfishers, barn owls and even a peregrine falcon hunting here. Our new regenerative ecosystem is already supporting apex predators!

Q/ What does success look like?

We want to inspire even more of the barefoot community to immerse themselves in nature, camping out, foraging for wild food and spending precious time with their friends and families.

[Find out more](#)



Q&A WITH HEATHER

OUR HEAD OF ECOM

HEATHER HAS JUST MOVED TO THE KIDS CATEGORY

The closer we all get to nature, the happier and healthier our bodies, our brains and our planet.

For Vivobarefoot, that means that we can measure and report on our impact by looking at how many people have purchased our footwear and the quality of their transition to barefoot life.

Q/ How many Vivobarefoots have we sold, over the years?

A lot! We don't have an absolute number but we sold about 10k pairs in 2012/13 and upwards of 300k in 2021/22. We're also looking at around 550k pairs across our partner and retail channels.

Q/ How many customers do we have?

Since 2016, over half a million different people have bought directly from us. That number is getting bigger, faster: in 2019/20, around 160,000 different people bought our footwear. In 2020/21, that number of unique customers rose to 180,000.

Q/ How many of those people are new to Vivobarefoot?

As far as we can tell, we had 115,000 new customers in 2019/20, and then another 139,303 in 2020/21. Remember, this is just via our ecommerce channels.

Q/ What can you tell me about all these wonderful Vivobarefooters?

Not enough! We're transitioning to a new data platform called Exponea - it'll give us a far more educated and segmented view of our customer, which means we can serve them with the best possible experience.

Q/ How's our customer retention?

It's ok, but it could always be better! If people keep coming back, it means they're living barefoot.

Q/ What about customer transition?

We track feedback on size and fit. The VHealth hub (launching next year) has a 'transition tool' that helps customers - old and new - find the right footwear.

Q/ Are ReVivo customers and Vivo customers similar?

I'm certain ReVivo is bringing us new customers. With Exponea, we'll serve every Vivo and ReVivo customer the experience they want.

Q/ How did we perform against our NPS goals?

We're at 60. Because we're tackling the two main customer issues - sizing and stock availability - we'll reach our 21/22 target of 65. YoY, NPS has improved +14% by 7.5 points.

Q/ Where do we want to get to with all of this?

We want sustainable growth - for us as a business, and for our customers. To do that, we need to know our customers, by region and category. Next year, we'll focus on analysing, testing and improving customer experience.

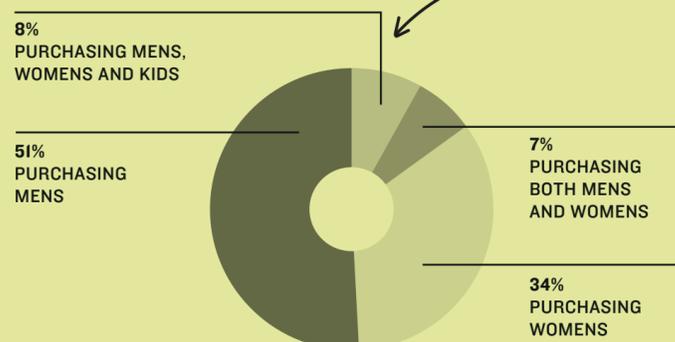
NET PROMOTER SCORE



HEATHER, HEAD OF ECOM

MEET OUR CUSTOMERS COMMUNITY

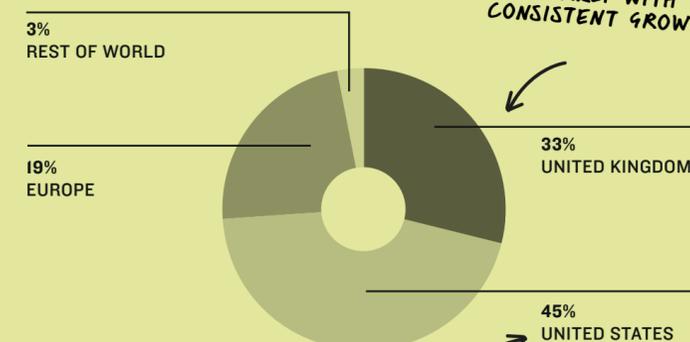
WHO ARE THEY?



THIS SEGMENT IS IMPORTANT - IT'S ABOUT CUSTOMERS BRINGING THEIR FAMILIES AND FRIENDS WITH THEM ON A BAREFOOT JOURNEY

WE MUST DO BETTER WITH WOMEN!

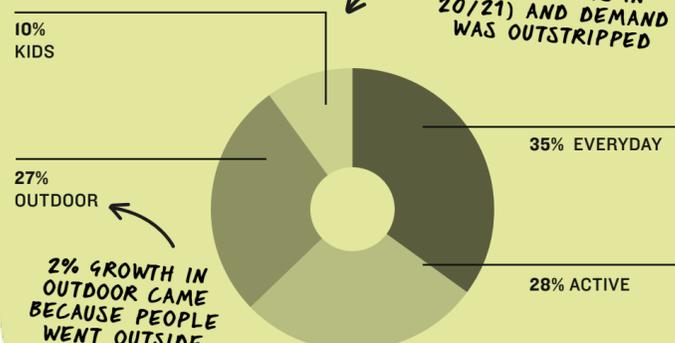
WHERE DO THEY LIVE?



OUR MOST MATURE MARKET WITH CONSISTENT GROWTH

HUGE GROWTH POTENTIAL IF WE START TREATING STATES LIKE UNIQUE REGIONS.

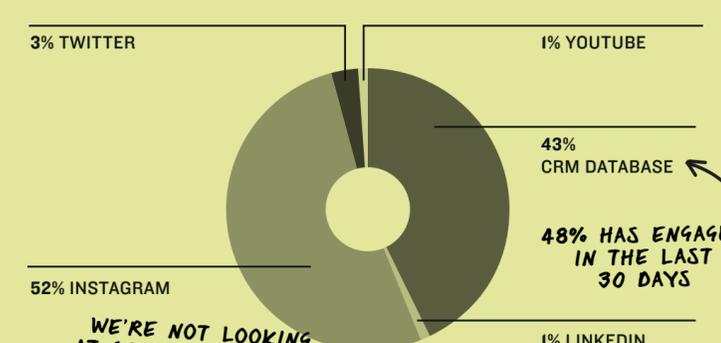
WHAT ARE THEY BUYING?



2% GROWTH IN KIDS, BUT WE RAN OUT OF STOCK (DUE TO CUTTING BUYS IN 20/21) AND DEMAND WAS OUTSTRIPPED

2% GROWTH IN OUTDOOR CAME BECAUSE PEOPLE WENT OUTSIDE FOR LOCKDOWN!

HOW ARE THEY CONNECTING WITH US?



WE'RE NOT LOOKING AT GROWTH IN VOLUME - IT'S ABOUT QUALITY OVER QUANTITY

The sources for this data are our internal reports - pulled together from Google Analytics, Magento, Exponea & the respective social platforms.

GROUNDING
BAREFOOT, EARTHING

COMMUNITY
SMALL GROUPS OF
LIKE-MINDED PEOPLE

**NATURAL
FOOD/WATER/AIR**
MICROBIOME AND INTERFERON

WHAT IT MEANS TO

#LIVEBAREFOOT

LIGHT
LOWER BLUE LIGHT,
CIRCADIAN RHYTHM,
MORNING LIGHT

**NATURAL
MOVEMENT**
GROUND LIVING, NATURE HIKES,
FUNCTIONAL TRAINING, POSTURE

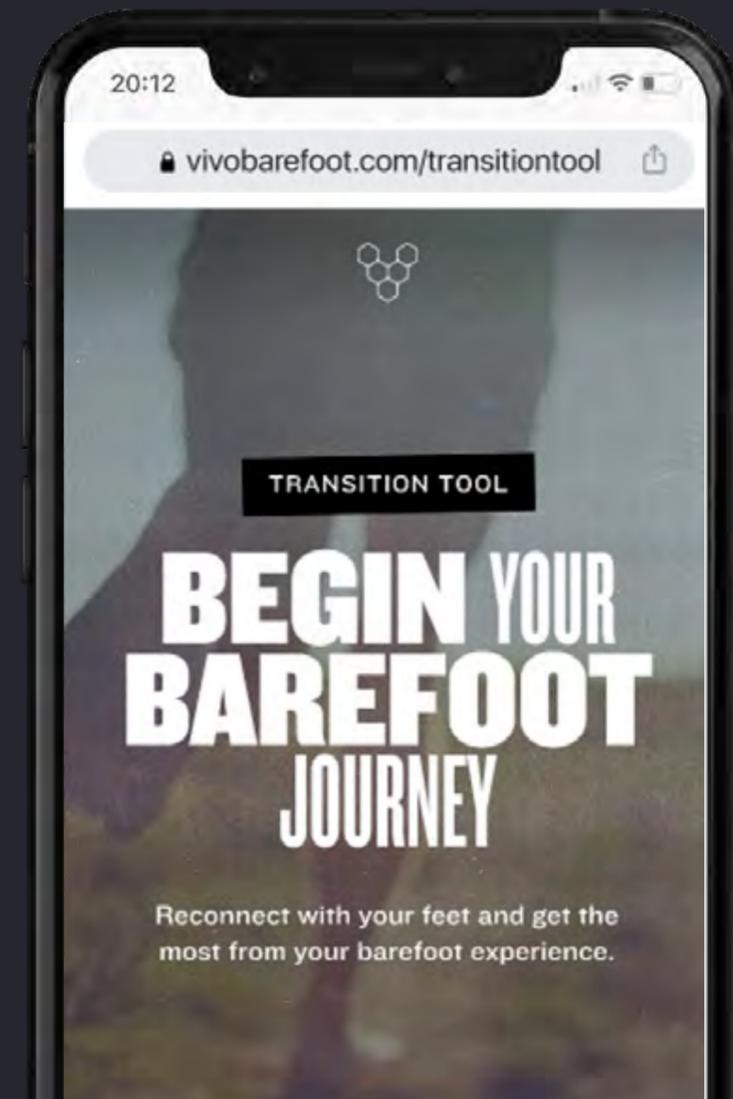
FASTING & COLD
2 OUT OF 3 PROVEN ANTI-
AGEING (ANCESTRAL) HABITS



HEALTH

OUR NEW CUSTOMER JOURNEY PROPOSITION.

To fulfil our mission to reconnect humans with the natural world through footwear and experiences, we are repositioning our business as a healthy lifestyle platform. We want every customer who interacts with us to be taken on their own personal 'barefoot journey' — which includes everything from learning about barefoot health (through our Education platform), to reconnecting with nature through our wilderness experiences.



WITH YOU FOR EVERY STEP

The VHealth team was officially formed in January 2021. We are one year into a three-year roadmap to deliver this new customer-focused vision and our next major milestone is the launch of the VHealth Hub in January 2022.

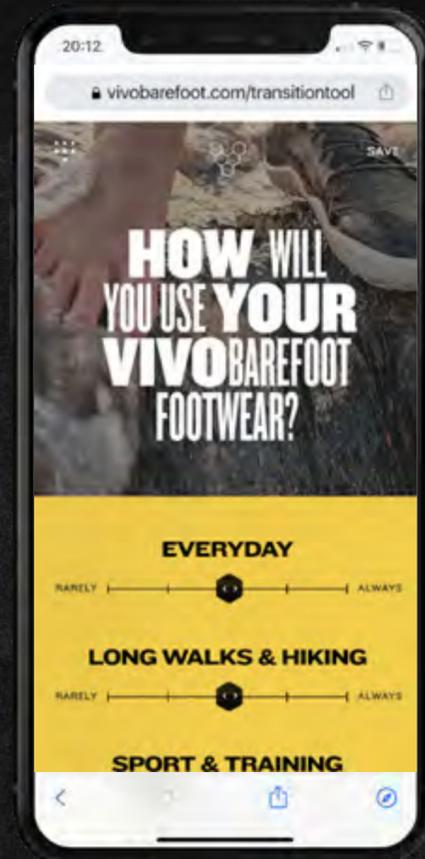
VHealth will deliver online experiences, ground-breaking research projects, diagnostic tools and connect customers to leading health professionals and coaches from across the world.

“OUR VHEALTH STRATEGY IS ALL ABOUT CHANGING VIVOBAREFOOT FROM A FOOTWEAR BRAND SELLING SHOES TO ONE THAT HELPS PEOPLE BECOME HEALTHIER, HAPPIER HUMANS THAT MOVE MORE NATURALLY. BY JANUARY, WE WILL HAVE LAUNCHED THE NEW V HEALTH HUB THAT PROVIDES BAREFOOT TRANSITION ADVICE AND TIPS, NATURAL HEALTH COURSES, LEADING BAREFOOT SCIENCE AND A PLACE TO CONNECT WITH VIVO COACHES IN YOUR LOCAL AREA.”

— NICK CHARLIER



NICK, HEAD OF HEALTH



LAST YEAR, OUR 1200 AMAZING AMAZING AMBASSADORS & PROFESSIONALS CREATED 3,500 PIECES OF CONTENT TO EDUCATE AND INSPIRE

PROFESSIONAL NETWORK

Building a community of barefoot evangelists:

Through our professional and influencer partners, we've changed the message from focusing on footwear to improving their clients' barefoot movement journey. The call to action they all share is to encourage a more natural way of living, which starts with your feet.

Creating a global coaching network:

Our Barefoot Movement Coaching course will upskill a global network of barefoot movement trainers and coaches.

BAREFOOT TRANSITION

Why barefoot:

Building a consistent, evidence-based, multi-channel message for people new to barefoot.

New Transition Tool:

A personalised service to ensure everyone has a safe and healthy transition to barefoot.

The Vivo Health Broadcast:

High-quality evergreen video content that's already educated 250,000 citizens.

BEN, OUR HEAD COACH, STILL PROVIDES INSTORE COACHING TO CUSTOMERS



HEALTH

Category-focused research strategy:

Our strategy joins the dots between cutting edge research and how people and nature can benefit from it.

Global research network:

We have committed to seven research projects, including three from Carlow University (two of which are focused on barefoot movement in kids.)

The Natural Health Hub:

In January 2022, we'll launch the VHealth Hub to deliver online experiences that will help our customers start their natural health journey.

Reconnect with your origins:

In partnership with Wild Human, we are offering rewinding experiences to reconnect people with the skills and knowledge of our ancestors.

Otillo Swimrun

VIVO RESEARCH HUB

EDUCATION & EXPERIENCES

FEET ARE 60% STRONGER AFTER 6 MONTHS IN VIVOBAREFOOT

MINIMALIST FOOTWEAR CAN INCREASE BALANCE BY 40%

STRONG, BALANCED BAREFOOT MOVEMENT

WE BELIEVE IN BAREFOOT. WE'RE NOT THE ONLY ONES.

We want to help as many people as possible become aware of both the opportunity presented by barefoot movement and the challenges of conventional, cushioned shoes. There is a large and growing body of research that supports our barefoot health proposition — some of which we've helped to fund, all of which we want to celebrate and share. (See our research summary on page 26)

GETTING THE WORD OUT

In the last year, we have significantly increased our production of evidence-led educational content to connect with existing and new audiences around the science of barefoot health. With the help of our incredible professional and ambassador network, we are using this content to reach and connect with more people than ever before. As part of this education, we always urge caution for new members of the barefoot movement: as you transition, make sure to take things slow.

SHOESPIRACY

We launched Shoespiracy 3.0 to help even more people discover the truth about over-designed footwear and reclaim what shoes have stolen from them. This year, we built Shoespiracy on the findings of our landmark study, which showed that just six months in Vivobarefoot footwear increases your foot strength by 60%. In total, our Shoespiracy films have been viewed 21m times (3.1m in 2021; 12.5m in 2020; 5.4m in 2019).



THE BAREFOOT MOVEMENT CONFERENCE

In March 2021, we hosted our first ever online Barefoot Movement Conference, inviting five leading scientists to share their research. The event was free and all 3,300 places were booked up within two weeks of launch. The 90 minutes of in-depth content has since had over 35,000 views.



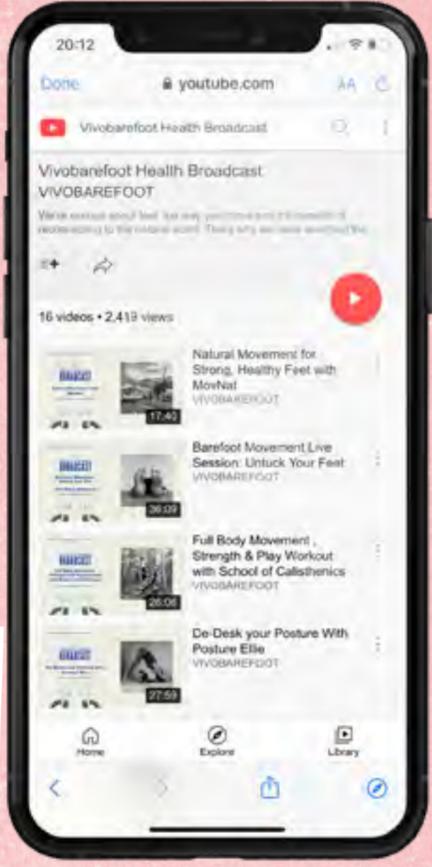
SPEAKERS

-  DR. PETER FRANCIS, Institute Of Technology Carlow, IE: [Why Barefoot?](#)
-  DR. KRIS D'AOUT, University Of Liverpool, UK: [The Biology Of Barefoot](#)
-  DR. MICK WILKINSON, Northumbria University, UK: [Running Injuries](#)
-  DR. IRENE DAVIS, Harvard Medical School, USA: [Benefits Of Barefoot](#)
-  PROFESSOR YANNIS PITSILADIS, University Of Brighton, UK: [Kids Feet And Minimalist Footwear](#)

VIVOBAREFOOT HEALTH BROADCAST

We share online sessions via Instagram Live & YouTube, led by world-leading practitioners and coaches. This high-quality, user-friendly, always-on content is focused on the practicalities of barefoot health and movement — it's designed to help everyone reclaim their super natural human potential.

250,000+ VIEWS IN THE LAST YEAR



“IT CAN BE HARD TO CONVINCING SOME HIGH-LEVEL ATHLETES TO TRAIN BAREFOOT, ESPECIALLY IF THEY’VE NEVER DONE IT BEFORE. BUT ONCE THEY FEEL IT AND UNDERSTAND WHY, ACCEPTANCE GOES UP TREMENDOUSLY!”

— SETH MINTER, THE FOOT DOCTOR — ELITE COACH



OUR PODCAST POSSE

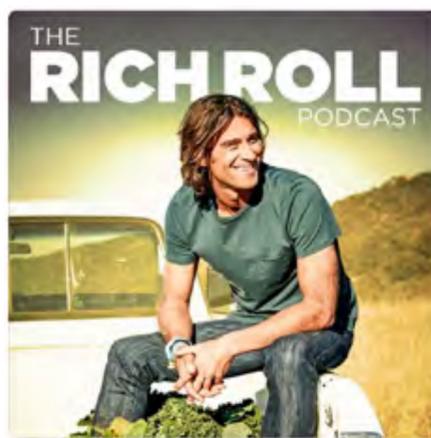
We sponsor a few podcasts that we think provide relevant, well-researched and interesting content that aligns with our position on natural health.

As well as those featured below, we also sponsor Darin Olien, The Dhru Purohit Podcast, the Optimal Body Podcast by Jen and Dom Fraboni, and the Daru Strong Podcast...to name a few.



FEEL BETTER, LIVE MORE WITH DR RANGAN CHATTERJEE

When we are healthier we are happier because when we feel better we live more. drchatterjee.com/podcast



RICH ROLL

Deep conversations about health, fitness, nutrition, art, entertainment, entrepreneurship and spirituality. www.richroll.com



AUBREY MARCUS

Important questions about finding our purpose, waking up to our true selves, human being a little better — and laughing more while we're at it. www.aubreymarcus.com

"I THINK THAT WE HAVE A MAJOR PROBLEM WITH FOOT HEALTH IN SOCIETY. WE WEAR SHOES THAT ARE DESIGNED FOR FASHION RATHER THAN HEALTH. WE SQUEEZE OUR TOES INTO NARROW SHOES AND, OVER TIME, OUR FEET START TO ADAPT. BUT WHY SHOULD OUR FEET ADAPT TO OUR SHOES? SURELY WE NEED FOOTWEAR THAT ALLOWS OUR FEET TO MAINTAIN THEIR NATURAL SHAPE AND FUNCTION!"

— RANGAN CHATTERJEE

ON OUR WAVELENGTH

The Wave is a pioneering man-made surfing facility based in Bristol, UK, that's focused on all things blue health. Co-founder of Vivobarefoot, Asher Clark, and Founder of the Wave, Nick Hounsfeld, sat down together earlier in the year to talk about their love for surfing and shared their experience of bringing to life businesses fighting to reconnect people with nature.

"BEING OUT IN NATURE HAS A VERY PROFOUND IMPACT ON OUR WELLBEING AND BLUE HEALTH IS THE OCEANIC VERSION OF THAT CONNECTION."

— ASHER CLARK, CO-FOUNDER



RESEARCH NETWORK

Our research will provide evidence and add credibility for each of our product categories, while challenging conventional beliefs about feet, holistic health and our connection with nature.



IMPROVING BALANCE AND PHYSICAL FUNCTION

— DR TOMASZ CUDEJKO & DR KRIS D'AOUT

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 by up to 40%** compared to regular padded shoes.

DATE: 2020
FUNDED BY: VIVOBAREFOOT & INNOVATE UK

DAILY ACTIVITY IN MINIMAL FOOTWEAR INCREASES FOOT STRENGTH

— DR RORY CURTIS & DR KRIS D'AOUT

Results show a **58.7% improvement in foot strength** after six months of wearing Vivobarefoot.

COMPLETED: 2021
FUNDED BY: FUTURE FOOTWEAR FOUNDATION AND KASK & CONSERVATORIUM

MINIMAL SHOES IMPROVE STABILITY AND MOBILITY IN PERSONS WITH A HISTORY OF FALLS

— DR TOMASZ CUDEJKO & DR KRIS D'AOUT

Participants were more stable during standing and walking in minimal shoes than in conventional shoes, independent of visual or walking condition. **Minimal shoes were more beneficial for mobility** than conventional shoes and barefoot.

DATE: 2020
FUNDED BY: VIVOBAREFOOT

FALLS COST THE NHS £1.7BN EVERY YEAR

WEARING VIVOBAREFOOT FOR 6 MONTHS INCREASES FOOT STRENGTH BY 60%



CHILDREN'S FOOT DEVELOPMENT

— MAISIEL SQUIBB, MSC, & DR PETER FRANCIS

Explore and evaluate how footwear habits affect foot structure and functional movement in children and adolescents. Compare foot structure and functional differences in adolescents with different footwear habits in the UK and New Zealand, and **test the effects of a minimalist footwear intervention.**

DATE: JUNE 2022
FUNDED BY: VIVOBAREFOOT



MUSCULOSKELETAL HEALTH-RELATED CONDITIONS

— HANNAH BLACKBURN, MSC, DR PETER FRANCIS, PROFESSOR MARK THOMPSON, DR CATHERINE TUCKER

The study will gather opinions from healthcare professionals in the UK and Ireland, on **the use of footwear for the management of osteoarthritis of the knee.**

DATE: JUNE 2022
FUNDED BY: LEEDS BECKETT

THE EXPERIENCE OF PARENTS AND CHILDREN IN RELATION TO THE FOOTWEAR USE OF CHILDREN WITH AUTISM SPECTRUM DISORDER

The study will identify the type of Autism Spectrum Disorder (ASD) most affected by traditional footwear. It will survey parents of children with ASD in relation to footwear difficulties. And it will determine **how traditional footwear affects the behaviour and movement skills of children with ASD.**

DATE: JUNE 2023
FUNDED BY: VIVOBAREFOOT



RESEARCHING PHYSICAL ACTIVITY IN CHILDREN

This research will identify equipment for testing strength and movement skills and use it to measure performance in 500 Irish schoolchildren. It will then explore **how performance is affected in 160 children by the presence or absence of footwear** using a games-based exercise intervention.

DATE: JUNE 2023
FUNDED BY: VIVOBAREFOOT

RESEARCH PROPOSAL



Our close partnership with the Future Footwear Foundation continues.

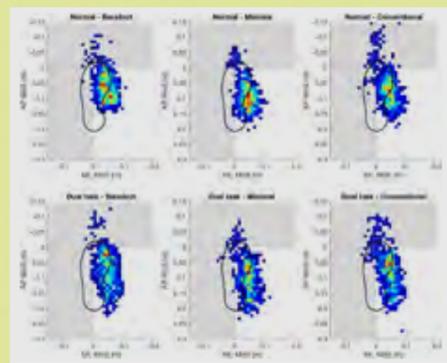
This Foundation is run by Catherine Willems as part of her doctoral research at the KASK School of Arts at University College Ghent in Belgium. Its mission is to develop footwear that is sustainable for the environment and for the body by facilitating cross-disciplinary research and collaboration between artisans, academics and the private sector. We support the Foundation financially through the Livebarefoot Foundation, and the research findings filter throughout our business.

FFF'S RESEARCH FOCUS:

PEOPLE
Living and working with indigenous cobblers and studying their craft and skill around shoes and feet.

PLANET
Working together to create shoes inspired by indigenous designs but adapted to urban lifestyles while exploring new approaches and technologies in order to achieve sustainable production.

FEET
Studying bio-mechanics, walking, gait analysis and foot health.



PLANTAR PRESSURES IN THREE TYPES OF INDIGENOUS FOOTWEAR, COMMERCIAL MINIMAL SHOES, AND CONVENTIONAL WESTERN SHOES, COMPARED TO BAREFOOT WALKING

Peak plantar pressure distributions between minimal footwear and barefoot walking were very similar. Pressure distributions of conventional Western shoes were very variable and visually different.

DATE: SEPTEMBER 2020
FUNDED BY: LIVERPOOL UNIVERSITY & FUTURE FOOTWEAR FOUNDATION



3DTOWALK

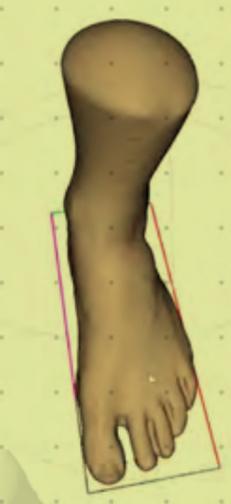
Can we design personalised shoes based on foot scans? This pilot study will validate and refine the design and biomechanical guidelines for personalised barefoot footwear, while increasing our understanding of how to print minimal shoes for any foot morphology.

DATE: 2021 - 2022
FUNDED BY: FUTURE FOOTWEAR FOUNDATION & UNIVERSITY OF GHENT

DOES AN AFRICAN FOOTWEAR FITTING STANDARD EXIST?

This research will explore post 15th Century Western footwear fitting standards versus the modern African footwear market. The researchers will create the first database of foot scans across the African continent, visiting 15 countries and scanning thousands of feet in cities, villages, and indigenous communities.

FUNDED BY: LONDON COLLEGE OF FASHION, FUTURE FOOTWEAR FOUNDATION & VIVOBAREFOOT



PROJECT DELAYED DUE TO COVID-RELATED RESTRICTIONS IN SCREENING SUBJECTS AND PRINTING FACILITIES

SADLY FURTHER DELAYED BECAUSE OF COVID-19 TRAVEL RESTRICTIONS

Photography by David Willems for Future Footwear Foundation

SHELTERING THE KALAHARI

In the Kalahari Desert in Namibia, the Ju'/hoansi San people are once again producing the hunting sandals their ancient ancestors wore. Through the Future Footwear Foundation, we have supported the construction of a workshop to support their craft.

Award-winning Namibian architect Nina Maritz drew the building details: an iron structure to roof the eighteen-metre workspace, walled with 70 cm earth bags. A group of seven local shoemakers then got to work, turning their cobbling skills to making perfect earth-bag bricks to partition their new workspace.

With the logistical and technical skills of David Willems, the building shot up by fourteen centimetres per day. The steel-frame roof and the first storage building was installed in January 2021 by a local contractor. As a finishing touch, the building will be plastered with locally harvested termite clay, which gives the strongest plaster due to its high clay content and natural glue component.

The new workspace is a testament to the local environment and the resourcefulness of the Ju'/hoansi San cobblers. It will provide a sustainable space for them to continue using their ancestral knowledge to produce the original barefoot shoes.

DATE: APRIL 2021
FUNDED BY: FUTURE FOOTWEAR FOUNDATION & VIVOBAREFOOT





JOE WICKS



RANGAN CHATTERJEE



CHRIS HEMSWORTH



DAVID POCKOCK



HUGH FEARNLEY-WHITTINGSTALL



TIMBALAND



PHIL DARU

SPOTTED IN THE WILD

We're proud that our footwear is loved by people at the top of their game. Here's a snapshot of some of the famous feet we've seen sporting Vivobarefoots recently...



BENEDICT WONG



SETH MINTER

UH OH! THERE ARE CLEARLY NOT ENOUGH WOMEN ON THIS PAGE. THAT'S NOT JUST AN 'US' PROBLEM, BUT WE'LL LOOK HARDER FOR MORE FAMOUS FEMALE FANS NEXT YEAR.



MAX LAHIFF



ZAC EFRON

PHIL IS A WORLD LEADING STRENGTH AND CONDITIONING COACH — HE TRAINS TIMBA AND PUT HIM IN VIVOS

FLORIAN ZITZELSBERGER

@florian.zitz

Florian is an elite coach who uses barefoot training as a key tool to improve the performance of his athletes.

What's your job?

As a physical therapist, I have worked with many different body types and always strive to achieve healing and wellbeing in everyone. I combine tools from osteopathy, rehabilitation and athletic strength training. I've worked with athletes like Novak Djokovic, Julia Goerges and Jennifer Brady.

What connection do you have to Vivobarefoot?

Vivobarefoot lets you live barefoot with shoes on. Working with the world's best athletes has taught me that the human foot is the foundation for high performance, injury free movement. Foundations have to be strong, and feet get strong by being barefoot.

What do your clients think about barefoot training?

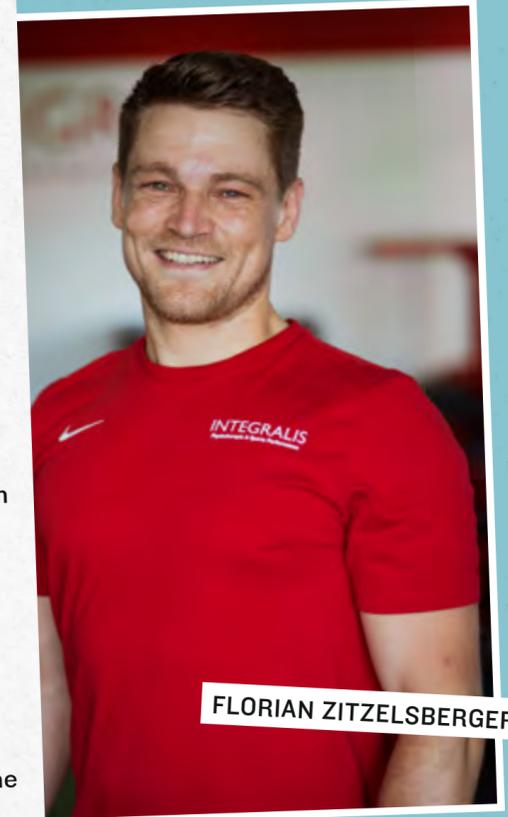
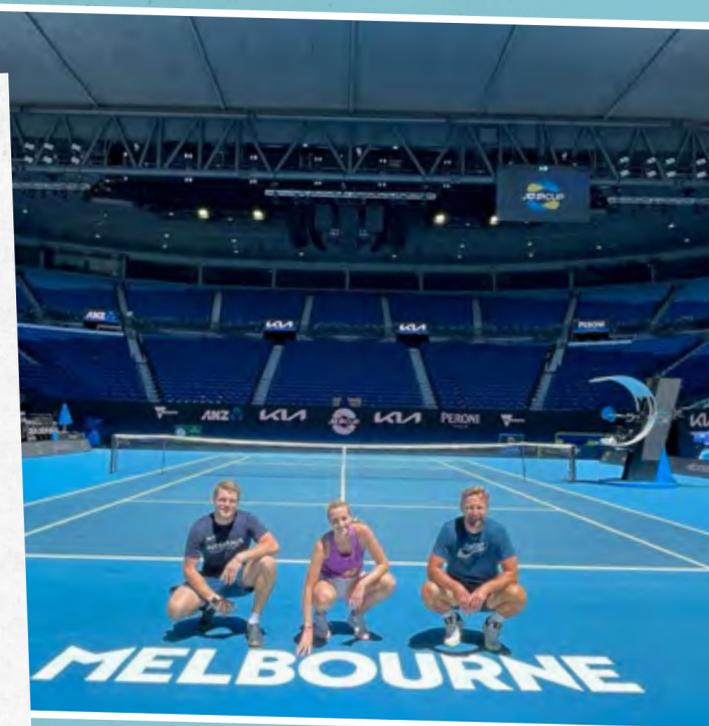
Clients are often confused about why being and training barefoot would change how their body functions. Vivobarefoot plays a big role in clarifying this confusion in our society.

Does barefoot training affect injury rate among your clients?

Injuries heal faster if the body's fascial chains are working properly, and those chains start in the feet. If rehabilitation, prevention and performance are the goal, being barefoot is the foundation.

Are the benefits of barefoot training measurable at all, in e.g. wins, records, etc?

At the end of the process, optimal performance always leads to better results and more wins.



FLORIAN ZITZELSBERGER

GROW WILD KIDS

BETTER FOR KIDS.
BETTER FOR THE PLANET.

We want to help more kids grow up with healthy feet, bodies and brains.

80% of adolescents are not sufficiently physically active. 74% of British kids spend less than an hour a day playing outdoors. A fifth of 10 year-olds in the UK are obese (another 14% are overweight).

Our feet, bodies and brains are all connected, and the more time we spend barefoot, the better. Kids who grow up largely barefoot have stronger feet and better balance and motor skills than their shod counterparts.

- Habitually barefoot adolescents were **53 percentage points less likely to have lower-limb injuries** than the habitually shod.
- Habitually barefoot children were noticeably **better at jumping and balancing** compared to habitually shod children.
- After four years of participation in a daily school barefoot running program, habitual barefoot running children: had shorter contact times and longer flight times, used a more anterior Foot Strike Pattern in shod sprinting, and **jumped higher** with shorter contact time.

BUT WE'RE GOING A STEP FURTHER.

We don't just want to raise a generation of children whose feet won't need fixing as adults, we want to help society get out of the way of kids' natural development — full stop. That's why our mission is to raise more rebels — wild and untamed — with feet on the earth, hands in the dirt and eyes on the horizon.

EVERY CHILD HAS THE RIGHT TO GO BAREFOOT

We think children should spend as much time as possible without shoes on. When they have to wear shoes, we believe they should be wide, thin and flexible — i.e. as close to barefoot as possible. Our footwear is expensive compared to some conventional children's shoes. And because children's feet grow so fast, many parents simply can't afford to keep buying new VivoKids footwear.

To make 'going barefoot' more accessible (without compromising on either quality or sustainability), we're looking to ReVivo — our secondhand market and repair shop. In 2020, 1,153 pairs of kids Vivos were sold through ReVivo.

We're also testing two pilot rental schemes to explore which would suit our customers (and their kids) better.

Of course, accessibility isn't just about money — we want every child to feel as comfortable as possible in our footwear. For us, this means we'll never sell 'gendered' products — all our kids' footwear is suitable for any child.

It also means we're really excited to support Dr Sharon Kinsella in her research into the impact of barefoot shoes for children with Autism Spectrum Disorder (ASD). Her initial 2020 study has shown that 80% of parents of children with ASD would buy Vivobarefoots over other brands.



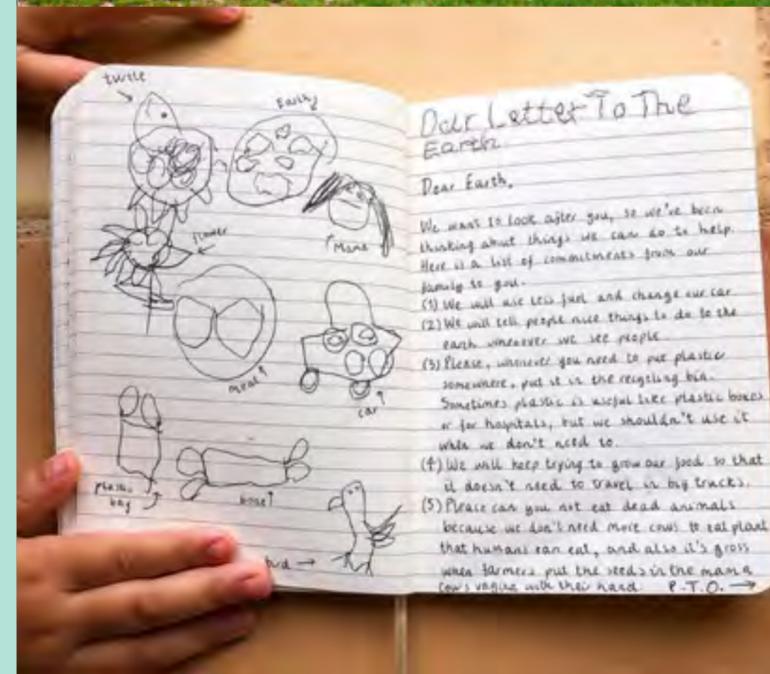
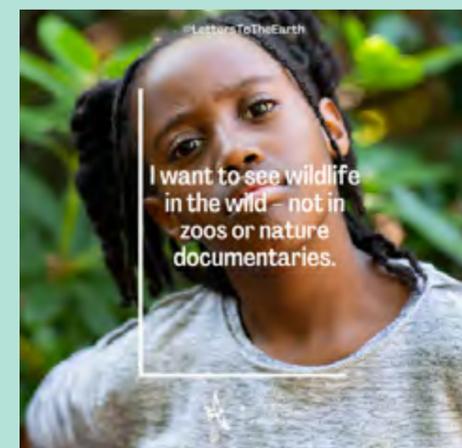
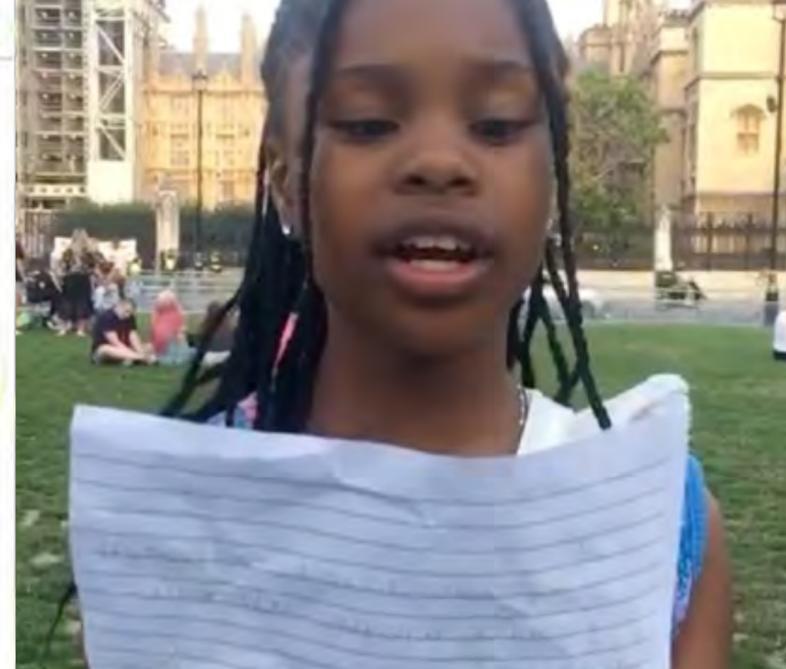
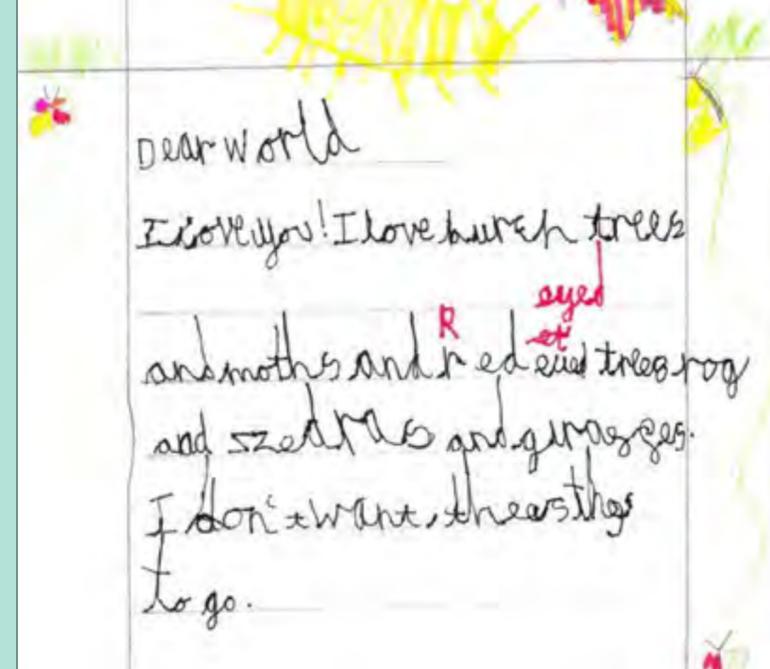
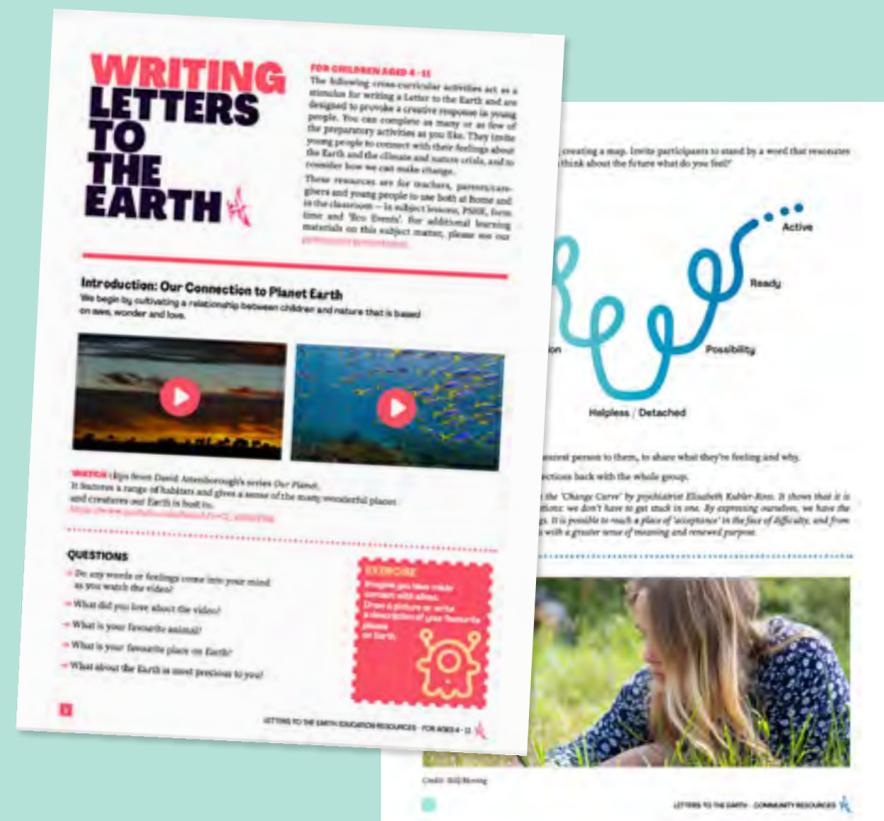
"I AM A MUM OF TWO AUTISTIC BOYS. I AM SO GRATEFUL FOR WHAT VIVOBAREFOOT SHOES HAVE MEANT FOR THEM! THEY HAVE HELPED STRENGTHEN A HYPER-MOBILE BODY, BY PLANTING FEET FIRMLY ON THE GROUND. THEY HAVE GIVEN THEM A SENSE OF INDEPENDENCE. BUT MOST OF ALL, THEY HAVE BEEN FAITHFUL & CONSTANT COMPANIONS ON OUR FOREST AND NATURE ADVENTURES."

— GRIZELDA FOURIE

LETTERS TO THE EARTH

This year we launched a campaign in collaboration with Culture Declares Emergency to combat the tidal wave of fear that has spread amongst children in response to the climate crisis.

We created and shared resources with schools around the UK to help children deepen their connection with the natural world and feel empowered to respond to the planetary crisis.



OUR AMBASSADOR NETWORK

A RECORD YEAR, BUT LET'S TAKE STOCK

We work with around 1200 partners, most of whom are in the active space. Last year, we were really pleased with the growth of our network.

In 2020/21, we paid our partners £170,000, with a further £120,000 investment in product to support their communities and interests. The gender split was 46% male/ 54% female.

These are part of our Vivobarefoot Health team rather than our marketing team because instead of selling products, they help us 'sell' barefoot movement. Through their credibility and creativity, we can reach and educate more people.

HOW DO WE DEVELOP A REGENERATIVE AMBASSADOR NETWORK?

We really value our network and want to grow its influence in a way that creates a positive impact for people and the planet. That's why we're currently looking for more voices that are passionate about defending their environment.

We are also looking at how to manage the risks associated with our partners: if someone says or promotes something that conflicts with our values, what action should we take?

A RESPONSIBLE PAYMENT STRUCTURE

The 'influencer sector' is spiralling out of control, with some people being paid tens of thousands (even millions!) for single social media posts pushing products that we, the customer, don't need.

Instead of a 'pay me for one post and move on' set up, we're trying to build long-lasting, meaningful and genuinely rewarding partnerships with our ambassadors and professionals. We're currently looking at tiering structures, which reward Vivobarefoot and the ambassador for successful partnerships. We will probably start with small and consistent fees within each tier, and scale partnerships when they're proven to work.

"WE WORK WITH AN INCREDIBLE NETWORK OF WONDERFUL, INSPIRING HUMANS WHO WE ARE PROUD TO CALL AMBASSADORS AND HAVE AS PART OF THE VIVO FAMILY. IT'S A PLEASURE TO WORK HAND IN HAND WITH THEM AND BUILD LONG LASTING, IMPACTFUL RELATIONSHIPS WITH THESE OUTSIDERS WHO SHARE OUR VISION OF RECONNECTING PEOPLE AND PLANET."

— PETE HILL, AMBASSADOR MANAGER



PETE HILL

OUR 2021/21 METRICS

These big numbers help us see how many people our amazing network is reaching, but they don't give us much insight. We want to measure 'reach + impact' — i.e. how many people we're helping to live healthier, barefoot lives.

ENGAGEMENT

anyone who directly engages with a post (like/comment/share)

6,048,795

TOTAL IMPRESSIONS

number of people who we know have actually seen a post

102,442,350

POTENTIAL REACH

the number of people who potentially could have seen a post

429,874,029

THESE STATS ALL RELATE TO AMBASSADOR CONTENT THAT FEATURES VIVOBAREFOOT

DR JEN MARRIED DR DOM (ANOTHER ONE OF OUR AMBASSADORS) AND THEY WORE VIVOS!



DR JEN FRABONI



FANNY KUHN

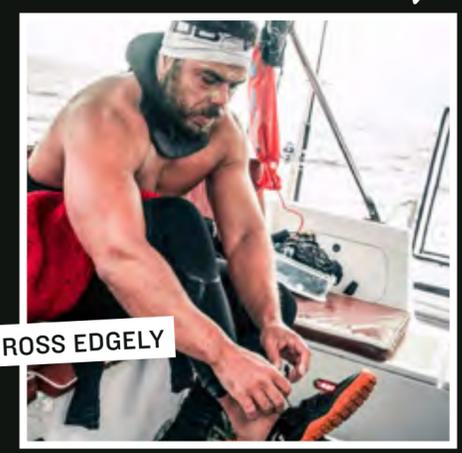
@DOCJENFIT

Jen's an inspiring natural health practitioner and we're proud to call her a friend. After you've finished exploring her instagram, check out her podcast The Optimal Body.

@WILD SWIMRUN

Our Swedish pal Fanny set up Wild Swim Run to encourage and support more women and families to take part in swim-run events.

20/21 'TOP PERFORMING' AMBASSADOR POST



ROSS EDGELY

@ROSSEDGLEY

"Throwback to tree-athlons, fell runs and boat life as myself and @vivobarefoot are encouraging people to reconnect and rewild in the great outdoors again."



JAMES ARMOUR

@JAMESARMOUR_

James ran, swam and cycled across the outer Hebrides to connect people to this incredible landscape while raising money for Hebridean Whale and Dolphin Trust.



ZENOVIA STEPHENS

@BLACKADVENTURECREW

Zenovia uses her account to show her family and their outdoor adventures in the USA, with the goal of normalising black families spending time outside.

ACTIVISM

Our founder's great great grandfather William Stephens ran Clarks in the late 1800s. He pioneered business being a force for good and supported many important changemakers of his time, like the suffragettes, abolitionists and prison reformers. Vivobarefoot lives and breathes that activist legacy, acting and campaigning on today's most critical social and environmental issues.



ANTI-BLACK FRIDAY X REVIVO

We've been hooked on the Black Friday drug in the past but we're going cold turkey. In 2020, we promised to never participate in this festival of rampant consumerism ever again. Instead, we promoted [regenerative solutions](#) via ReVivo and asked our followers to tag other brands to do the same.

A FEW BRANDS OUR FOLLOWERS TAGGED:
 @ADIDAS @NIKE @H&M
 @BROOKSRUNNING @ASICS
 @NEWBALANCE @UGG
 @VANS @CONVERSE

THE FUTURE IS FRAGILE X AGNES DENES

Agnes Denes (now 90 years-old) is a concept-based artist who emerged in the 1960s and 70s investigating science and philosophy through the arts. In partnership with Culturunners, we raised a flag designed by Agnes at the TATE Britain to support improved social and environmental health in the wake of the pandemic. It provoked some [challenging](#) conversations, from which we are learning and adapting.

THE OXYGEN PROJECT X STOP HABS

We teamed up with The Oxygen Project to take action and raise awareness about increasingly harmful algae blooms that are choking our planet's waterways, creating 'dead zones' that decimate aquatic life, pollute freshwater supplies and severely damage ecosystems. Lots of [incredible voices](#) joined the campaign and we're continuing to support the campaign alongside our Algae Bloom material innovations. The letter was signed by 10,000 people and delivered at COP26. Find out more and [sign the letter](#).

CUT THE CR*P

Lindsey (@stompycole) is a cold-water swimmer, adventurer, activist, educator and mermaid.

Lindsey has been educating us landlubbers on water quality issues for years. Most recently, she "mermaided" 50 miles of the Avon in the southwest of England while towing a large inflatable poo.

Wild swimming is a big part of the Livebarefoot culture, so we're furious about the raw sewage being legally dumped into our waterways. In 2020, there were 403,171 spills of sewage into England's rivers and seas, according to the Environment Agency.

We're supporting Lindsey's campaign — The Mermaid, The Otter and the Big Poo — a film and citizen science project to help end river pollution. [Want to help?](#)

"VIVO REALLY DO GIVE A 🐙 ABOUT THE PLANET. THEY'VE BEEN SUPPORTING ME FOR YEARS — AND AS WELL AS DONATING PRIZES AND HELPING ME PUBLICISE CAMPAIGNS, THEY'VE JUST INVESTED IN MY CROWDFUNDER ABOUT THE PLANET."

— LINDSEY COLE, MERMAID



LESS SHOE MORE YOU

REGENERATIVE PRODUCTS

We aspire to perfect barefoot-wear — regenerative to feet, human movement and planetary health. In comparison, conventional shoes are harmful every step of their often-short lives — in their creation, their use and their disposal. We want to make our products the same way nature does — test, learn, repeat, and never let anything go to waste. At Vivobarefoot, we are committed to transitioning to a fully circular business based on three principles: design out waste and pollution, keep products and materials in use, and regenerate natural systems.

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

PRODUCT MISSION

REGENERATIVE BAREFOOTWEAR

NORMAL



~~RUDDISH~~

NATURAL



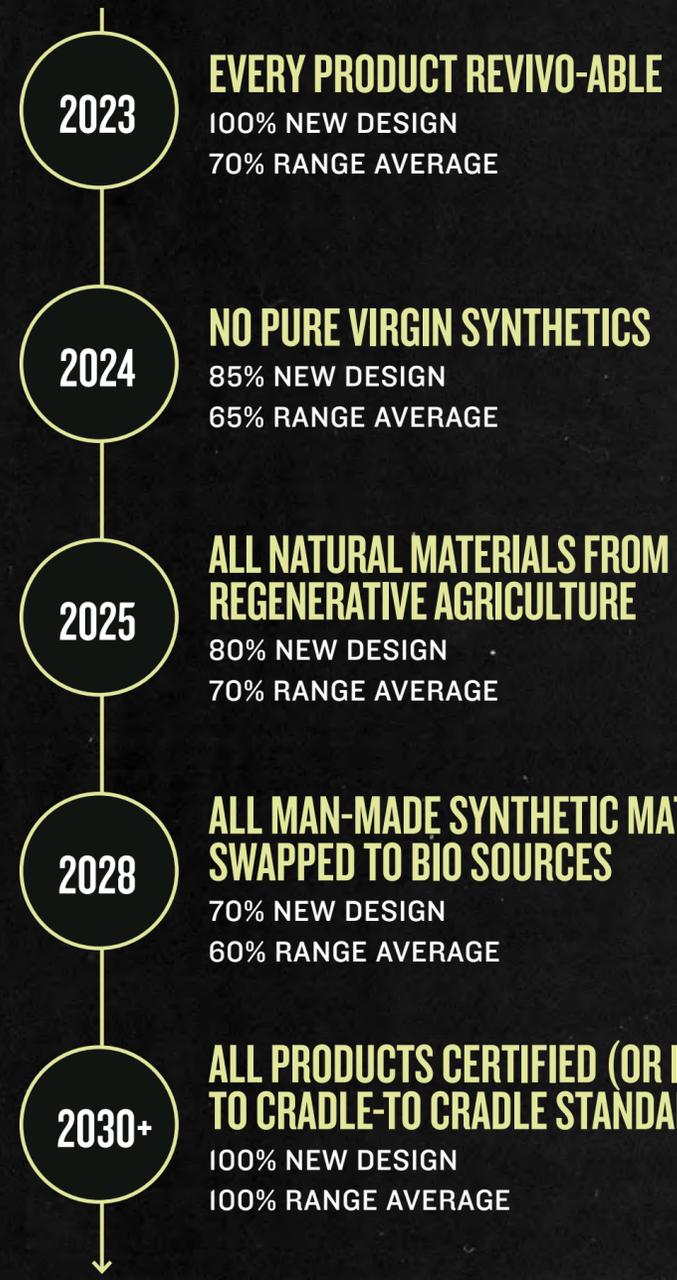
~~RECYCLED~~

SUPER NATURAL



REGENERATIVE

PRODUCT GOALS



These are our BHAGs (Big Hairy Audacious Goals).

We are going to keep improving the impact of our products along their lifecycle, and these goals help focus our trajectory. However, like most brands we don't own our own manufacturing and there's a very real limit to what we can promise to commit. Which is why long-term partnerships with our value chain partners are so crucial.

"IT STILL BAFLES ME HOW OTHER BRANDS ARE CONFIDENT ENOUGH TO SET ABSOLUTE SUSTAINABILITY TARGETS THAT GENERATE BIG PRESS MOMENTS. THE GOALS YOU SEE HERE AREN'T PERFECT, BUT WE ARE SURE THAT IF WE RUN AT THESE WITH OUR HEADS AND OUR HEARTS, WE'LL BE ABLE TO LOOK BACK IN 10 YEARS' TIME AND SAY WE HELPED SHOW THE WORLD WHAT REGENERATIVE SHOEMAKING COULD REALLY LOOK LIKE."

— EMMA FOSTER-GEERING, DIRECTOR OF REGENERATION



EMMA FOSTER-GEERING

DESIGN PRINCIPLES

There are three evergreen concepts that underpin all design decisions:

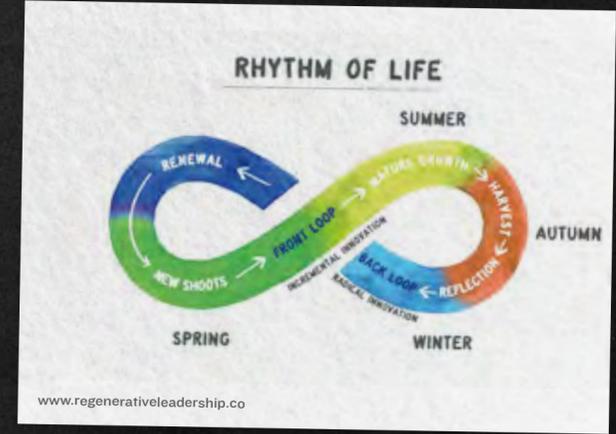
- 1. ONLY DESIGN PRODUCTS THAT SOLVE IMPORTANT HEALTH AND ECOLOGICAL PROBLEMS**
- 2. NO PRODUCT SHOULD BE ADDED TO THE RANGE FOR LESS THAN 3+ YEARS**
- 3. PAYING MORE FOR REGENERATIVE SOLUTIONS SHOULD NEVER BE A BARRIER TO CREATION**

DESIGN JOURNEY

For millennia humans and animals have lived in harmony with the natural world and the seasonal flow of life.

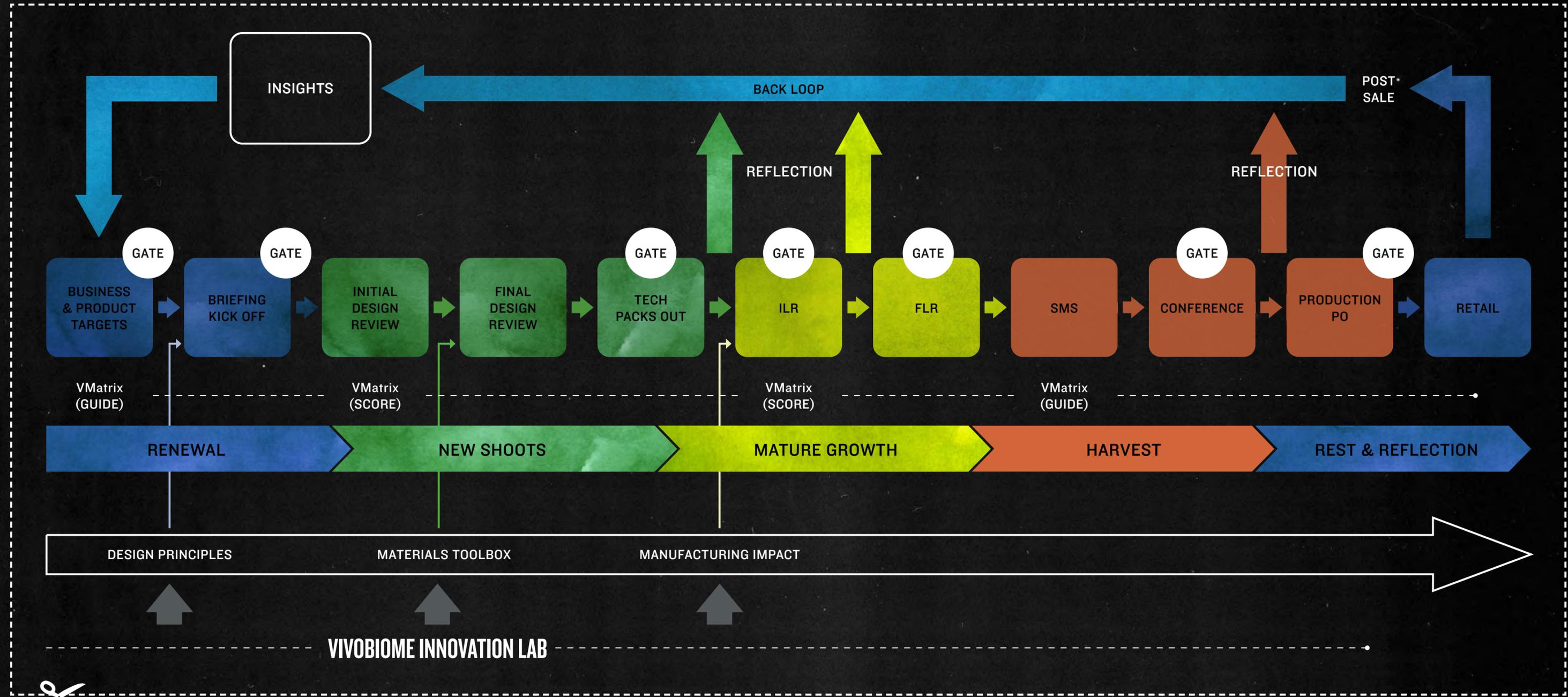
Our home is in the temperate biome of England, UK. It is an extremely seasonal place.

As a regenerative business, our mission is to reconnect people into the natural world and the UK seasonal flow informs the way we make our products and services appropriate for the modern world.



OUR DESIGN JOURNEY IS INSPIRED BY THE 'RHYTHM OF LIFE' FROM THE BOOK 'REGENERATIVE LEADERSHIP' BY GILES HUTCHINS AND LAURA STORM

THIS JOURNEY HAPPENS TWICE A YEAR



WE'D REALLY LOVE YOU TO USE THIS IN YOUR OWN WORK — KEEP US POSTED!

VMATRIX

The VMatrix is a tool we have built to guide and assess products against our design principles.

You can see when we use it in the design journey adjacent. The scores on page 40 show how a selection of our 20–21 range performed against our aspirations.

- ✓ VIVO DNA
- ✓ COMPLEXITY
- ✓ MATERIALS
- ✓ LONGEVITY
- ✓ END OF LIFE
- ✓ VALUE CHAIN



VIVO DNA

All products must be:

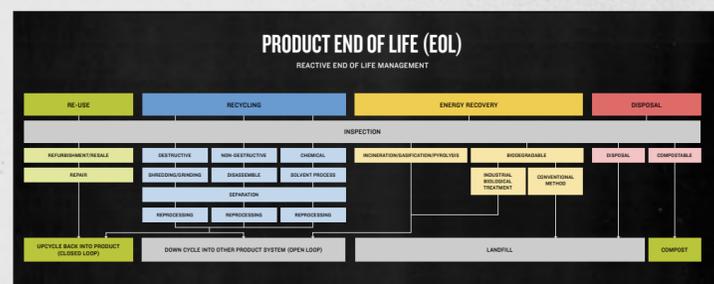
- Wide, thin and flexible (WTF)
- Fit for purpose and respectful of natural movement
- Unisex in form, fit and colourway



COMPLEXITY

All new designs must:

- Reduce componentry and construction complexity
- Eliminate material blends that cannot be recycled



LIFECYCLE

- All products and their components must have a meaningful 'end-of-life' solution. Check out ReVivo on page 52 for more on our end-of-life strategy.
- No product added to the range for less than 3+ years

MATERIALS



NATURAL | WEAR MORE NATURE

Compostable materials from regenerative agricultural systems, focusing on:

- Wild reared livestock e.g. cattle
- Materials made from keratin, fibroin, mycelium and collagen protein(s) e.g. merino wool
- Non-food competitive plant sources e.g. rubber



RECYCLED | WEAR MORE RUBBISH

Fully recycled and recyclable materials, focusing on:

- Post-consumer materials collected and reused from ReVivo
- Cross-industrial symbiosis for recycled sources e.g. construction/local industry waste
- Pre-consumer option with VB manufacturing waste e.g. leather offcuts



BIO | WEAR MORE PLANTS

Biomimetic, bio-fabricated materials only, focusing on:

- Raw materials from regenerative agriculture and/or industrial waste
- Finished products that biodegrade and/or compost in the open environment
- Materials that actively cultivate the user's microbiome



LONGEVITY

Products must be designed for durability to ensure they can be kept on feet for as long as possible:

- Product performance and material durability is paramount
- Designing for disassembly and repair
- Designing for emotional durability



VALUE CHAIN

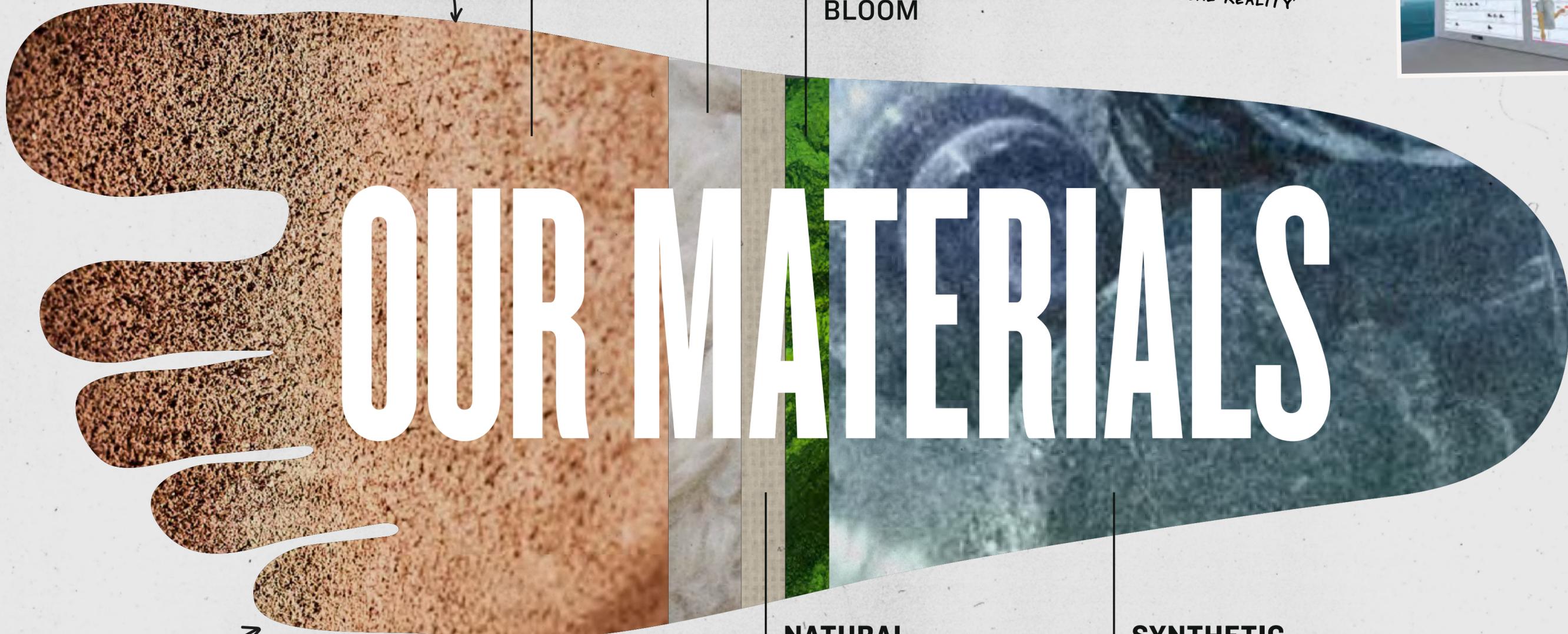
Manufacturing best practice looks like:

- Strong, long-term relationships with our value chain partners
- A fully transparent value chain from farm to factory to feet
- Never compromising our standards on regeneration or transparency for commercial gains
- Tracking our environmental and social impact across all value chain partners and setting roadmaps to reduce our impact as far and as fast as we possibly can

We know that all our value chain partners are at different stages on their regeneration journey. For this reason, we're rolling out a supplier-first software solution to share and collect impact data.



WE'D REALLY LOVE YOU TO USE THIS IN YOUR OWN WORK — KEEP US POSTED!



THIS IS A VERY ROUGH
BREAKDOWN OF THE
TYPES OF MATERIALS
WE USED IN 20/21

**NATURAL
LEATHER**

**NATURAL
WOOL**

**BIO
BLOOM**

**NATURAL
COTTON & HEMP**

**SYNTHETIC
INCLUDING RECYCLED**



ONE OF THE WAYS WE'RE
REDUCING OUR MATERIAL WASTE
IS BY DESIGNING AND REVIEWING
SAMPLES IN VIRTUAL REALITY

WE HAVE HIRED NEW
RESOURCES + ON-BOARDED
NEW TECHNOLOGY TO
DRAMATICALLY IMPROVE
THIS DATA FOR NEXT YEAR

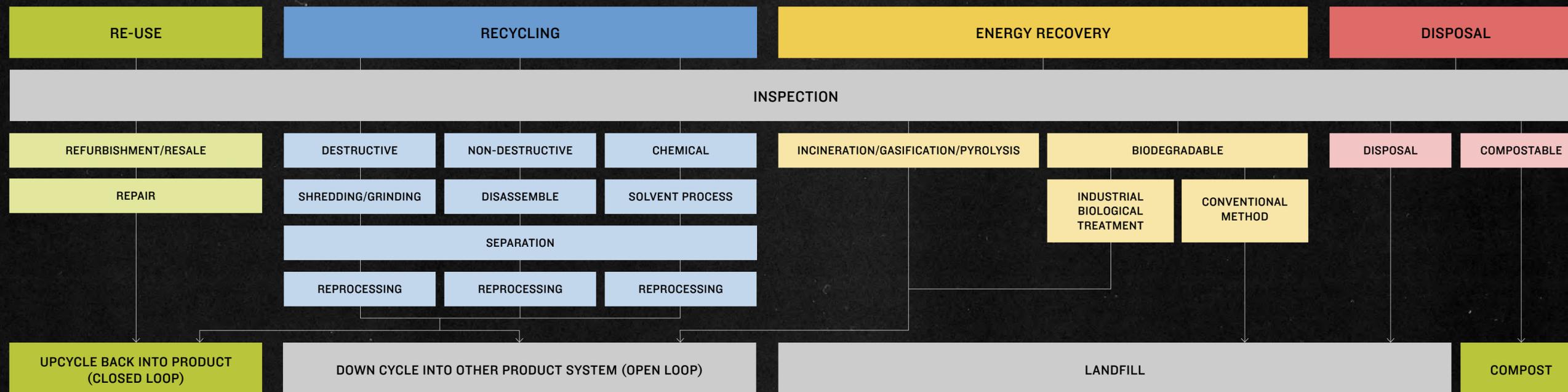
OUR MATERIALS



WE'D REALLY LOVE YOU TO USE THIS IN YOUR OWN WORK — KEEP US POSTED!

PRODUCT END OF LIFE (EOL)

REACTIVE END OF LIFE MANAGEMENT



MATERIAL FLOWCHART

PROACTIVE WASTE MINIMISATION



2021/22 FY

VMATRIX SCORES

Our (re)new and improved footwear initiative has continued through the year.

Focusing on reinventing our design and manufacturing, with simplification and transparency as key motivators. With our company restructure into a category-led approach and overhaul of our Asian manufacturing value chain, progress has been frustratingly slow.

“THE REALITY IS THAT WE’VE NEVER SOLELY MADE A DECISION TO CANCEL A STYLE BASED ON A POOR VMATRIX SCORE. BUT THIS IS ALL ABOUT TO CHANGE AND FROM 2022 ONWARDS, IT WILL BE AN ESSENTIAL ASPECT OF WHAT WE CALL OUR INITIAL AND FINAL LINE REVIEWS. WE NEED TO BE TOUGHER AND MAKE SURE THE NEW CATEGORY TEAMS ARE 100% FULLY ALIGNED AND SUPPORTED, BUT I’M PROUD OF THE HARD WORK EVERYONE HAS PUT IN TO GETTING US HERE.”

— CHARLOTTE PUMFORD,
HEAD OF REGENERATIVE IMPACT

OUR BEST SHOE IS OUR WORST SHOE



OUR BEST SHOE IS OUR WORST SHOE

We know the Tracker shows up badly right now, but it’s a hard concept for us to swallow. You see, we believe a really important part of sustainable design is helping people to connect better with themselves, each other and with nature.

Vivobarefoot shoes uniquely achieve this by helping people connect to the natural world, be more aware of their bodies in every step and set off a more sustainable mindset that impacts all areas of their life. Still, we know there are some important aspects of the Tracker we need to fix and we’re working hard to do just that.

“OUR MOST COMMERCIAL PRODUCTS ARE OUR TWO WORST OFFENDERS AND OUR MORE SUSTAINABLE PRODUCTS ARE THE ONES WE SELL AND MAKE THE LEAST FROM.”

— ASHER CLARK

	STYLE	VMATRIX SCORE	UNITS PURCHASED	UNITS SOLD	SELL THROUGH	CONTRIBUTION TO REVENUE
OUTDOOR	 TRACKER FG	32%	46,881	28,821	61.5%	9%
	 MAGNA	56%	13,374	3,235	24.2%	0.8%
	 ULTRA	42%	6,745	6,677	9%	0.8%
ACTIVE	 PRIMUS TRAIL	41%	69,200	31,493	41%	5.3%
	 PRIMUS LITE	45%	134,758	62,233	46.2%	10.9%
	 PRIMUS KNIT	60%	35,941	13,303	37%	2.6%
	 GEO COURT	34%	73,417	35,624	48.5%	7.3%
	 GEO RACER	37%	13,810	13,420	97.2%	2.2%
	 OPANKA	61%	4,717	2,365	50.1%	0.5%
	 ABABA	64%	11,026	9,553	86.6%	1.3%
	KIDS	 ABABA KIDS	64%	6,624	4,865	73.4%
			416,493	211,589		

THE 99% CLUB

AS CLOSE TO PERFECT AS POSSIBLE, WHILE RECOGNISING THAT PERFECT IS PROBABLY IMPOSSIBLE

In an attempt to reach our ambitious product goals, Vivobarefoot founder and Chief Design Officer, Asher Clark, created the 99% club in 2021.

Aiming to connect our dreams with reality, the designs bring to life what we need to do in the short-term to reach the perfect regenerative footwear (or as close as humanly possible) in each of our circular design categories: NATURAL, RECYCLED and BIOSYNTHETIC.

We use the 99% club to drill down into the detail of what we actually need to make our product dreams come to life. It's what we have used to identify project partners and funding priorities. The material challenges and end-to-end solutions and learning here will quickly trickle down into the footwear line at large.

"WE ARE ALWAYS GOING TO BE BANGING THE DRUM MORE THAN OTHER BRANDS ABOUT SUSTAINABILITY. THE REALITY HAS BEEN UNTIL NOW THAT THE WAY WE BUY PRODUCTS IS FOCUSED ON GROWING NUMBERS. THE WAY WE CHANGE. THIS IS BY BETTER COLLABORATION AND MUCH MORE EMPHASIS FROM THE GET GO ON OUR NON-FINANCIAL KPIS. MORE REGENERATION, LESS BOTTOM LINE. INCREASED PROFIT IS A NO BRAINER IN ORDER TO BE A VIABLE BUSINESS THAT CAN INVEST IN MATERIALISING OUR MISSION, BUT IT IS A MEANS TO AN END, NOT OUR BE ALL AND END ALL."

— ASHER CLARK, CHIEF DESIGN OFFICER



ASHER CLARK



WE NEED HELP

What is working well is our ability to identify the problems we need to solve through the VMMatrix and initiate powerful programmes and partnerships to solve them. Here are the biggest problems we have right now and what we're doing about them:



REGENERATIVE LEATHER

We're partnering with farmers in Ethiopia to procure fully traceable wildhide leather from regenerative agricultural systems, tanned with sustainable chemistry. Again, it needs to be certified and demonstrate best practice animal welfare.



REGENERATIVE WOOL

We only want to use fully traceable merino wool from regenerative agricultural systems. It has to be certified and demonstrate best practice animal welfare. We're working with our partners Woolmark to bring this into our products.



BIOME ALGAE

We want to get into regenerative seaweed farming in the UK. Sequestering carbon, reconnecting communities and partnering with material innovators to create future seaweed biomaterials.



'GOLDEN LAST'

Everyone's feet are functionally the same but very different in shape. We are working with millions of foot scans and scanning thousands of our customers' feet to make the first data-driven 'last' (the 3D shape we use to make our footwear).



VIRGIN PLASTIC MATERIALS

We need to move away from the no-sew plastic adhesives used on our Primus Lite and Primus Trail styles, which are currently not made from recycled materials and prevent us from repairing them through ReVivo.



OUTSOLES

We need to reduce our reliance on virgin synthetics, without losing their technical performance. We want to replace the virgin synthetic rubber in our outsoles with more recycled synthetic rubber and natural rubber. Sorry about all the rubbers.



COMPLEXITY

Our footwear is too complex. We want to reduce the impact of our materials and make footwear that is easier to disassemble and repair. Can you help us minimise materials and components?



CIRCULARITY

We don't want our footwear to end up in landfill. We're partnering with experts to find ways to reuse and regenerate old materials for future products. We want to eliminate waste to landfill and enable circular manufacturing for our materials.



UNISEX

We want to make gender-inclusive designs, with a fit based on real-world dimensions not an average of female/male sizes. The same with colourways and shopping experiences — open to all, you do you.

LET'S TALK ABOUT WHY WE ARE NOT A VEGAN BRAND...



We make products from plants, but we have no plans to go vegan... why?

Too many companies get away with huge amounts of greenwashing by using the words 'sustainable', 'vegan' and 'ethical' with reckless abandon.

We continue to use one of the best and oldest materials for shoe making — but naturally, with respect and understanding for the interconnectedness of the plant and animal ecosystem.

And we are not afraid to expose the planet-destroying systems within the 'normal' leather industry.

There are cheaper and easier ways to work with leather, but instead we choose a better way. We use Wild hide.

It means that instead of large corporations, we choose to support small-scale community cooperatives — independently owned and run farms on which animals are free to roam.

The end result is a unique leather we are proud of. One that carries the unique patterns and marks of the scuffs and scars that only come with freedom, exploration and a life well-lived. It's a leather that's perfectly imperfect.

And we are not afraid to call bullsh*t on the normal leather industry.

WE CALL BULLSH*T ON INTENSIVE FARMING AND AGRICULTURAL PRACTICES.
WE CALL BULLSH*T ON DEFORESTATION TO CREATE INDUSTRIAL PASTURES.
WE CALL BULLSH*T ON THE USE OF CHEMICALS IN SOIL, FEED AND LEATHER TANNING.
WE CALL BULLSH*T ON DISRESPECTING ANIMALS AND NATURE.
WE CALL BULLSH*T ON UNNECESSARY LEATHER CONSUMPTION.
WE CALL BULLSH*T ON COMPANIES THAT SELL 'VEGAN' LEATHER AS AN ECO-FRIENDLY ALTERNATIVE.

WE CALL BULLSHOT

Most vegan leathers* are still made of synthetic materials. And synthetic materials are made of fossil fuels and toxic chemicals, and can't be recycled properly.

The data is flawed because big fashion, fossil fuel and chemical companies do not want us to know the truth.

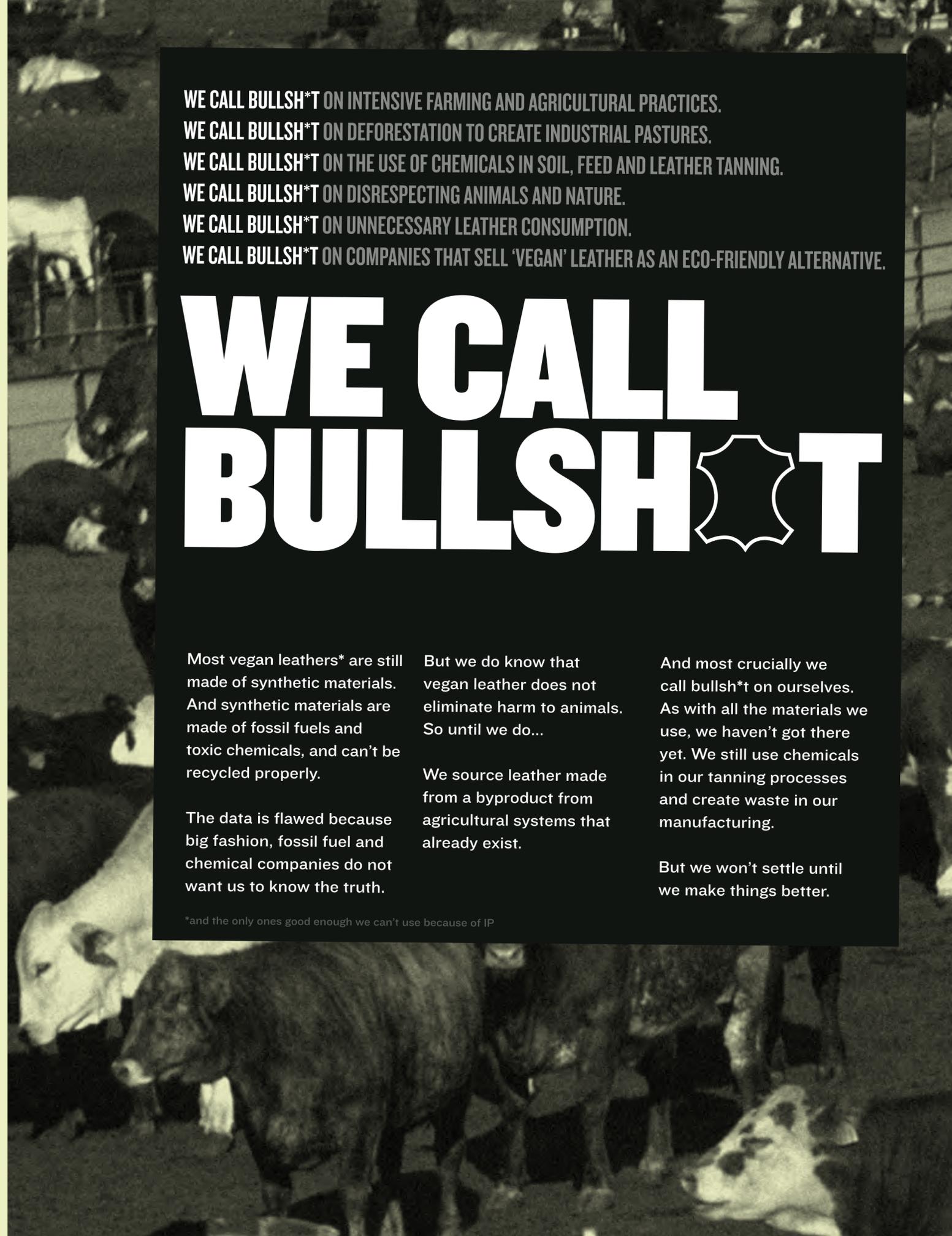
But we do know that vegan leather does not eliminate harm to animals. So until we do...

We source leather made from a byproduct from agricultural systems that already exist.

And most crucially we call bullsh*t on ourselves. As with all the materials we use, we haven't got there yet. We still use chemicals in our tanning processes and create waste in our manufacturing.

But we won't settle until we make things better.

*and the only ones good enough we can't use because of IP



FULLY TRANSPARENT.
FULLY TRACEABLE
MATERIALS, DISCLOSED TO
TIER 5 (RAW MATERIAL)

SETS AN
EXAMPLE.
RAISING THE
BAR FOR
OUR PEERS

SUPPLY CHAIN
EXTRACTIVE
AND NO
END-OF-LIFE
PLAN

WE DON'T WANT A SUPPLY CHAIN, WE'RE BUILDING A VALUE CHAIN

REGENERATIVE
NOT DEGENERATIVE.
ALIGNING WITH NATURE
TO RESTORE HEALTH OF
PEOPLE, COMMUNITIES
AND PLANET

ADDS VALUE.
GIVING BACK WAY
MORE THAN WE TAKE

ALWAYS SEEKING
OPPORTUNITIES
FOR INNOVATION
& DEVELOPMENT

THIS GIVES US MORE
CONTROL, TRANSPARENCY
AND OPPORTUNITY
TO INNOVATE

PRODUCT MANUFACTURING

OUR VALUE CHAIN CHANGES

The global footwear industry is characterised by exploitative employment, poor environmental practices and a lack of transparency across its many tiers of suppliers and factories.

Obviously, we don't want to either contribute to, or be complicit in, this extractive and destructive system.

But Vivobarefoot isn't just about doing less bad. Instead, we want our footwear and the way we do business to do more good. Every time we make and sell our footwear, we want the world to step towards a better place.

WHERE WE'RE AT

Our products typically have between 30 and 40 individual parts, most of which come from single vendors. We are part of an extremely complex system of many moving parts and pieces across multiple countries. Each of these countries brings with it a different set of challenges, such as infrastructure and logistics, lack of localised materials, and technical capabilities.

In 2020, 85% of our shoes were made by one agent in Vietnam. Because this supplier doesn't own the factories making our shoes, we were always at least two steps away from knowing how most of our product was being made. Which is two steps too far to see what's really going on and affect any kind of change. The rest of our shoes came from one small supplier in China (Sheng Nuo for Ultra), one supplier in Ethiopia and another in Portugal.

Covid has been an amazing test of our supply chain resilience and served to clearly expose our areas of risk, lack of transparency and over-dependence on single sources for footwear and raw materials.

WHERE WE'RE HEADING

The more we learn, the harder we're working towards a more resilient, agile and directly-operated value chain. We want to build long-term, transparent and trusting relationships with a small (but not too small) number of supply partners.

We want a more balanced global supply base with less reliance on Asia and a shift towards Portugal and Ethiopia. This will reduce risk, add even greater agility and accelerate our transition to regenerative manufacturing hubs (see page 47).

As we move to a new supplier in Vietnam, we're also increasing the share of production from Ethiopia and Portugal. Today, we source 90% of our product from Asia, 3% from Portugal and 7% from Ethiopia. By 2024, we're aiming for 70% from Asia, 15% from Portugal and 15% from Ethiopia.

IT'S BEEN EXTREMELY
CHALLENGING TRYING TO
ONBOARD NEW VENDORS WHILST
UNDER A GLOBAL TRAVEL BAN

HOW WE'LL GET THERE

- Identifying the right partners**
 We only work with partners who don't sacrifice design or performance for sustainability. We will always make our needs clear and agree on intentions and strategy from the outset.
- Building long-term relationships**
 We will keep facilitating increasingly open dialogue with our partners, which in turn builds trust, honesty and collaboration. That's the only way we'll fully understand and keep improving conditions along our value chain.
- Working towards 100% transparency**
 We're still rolling out CleanChain and are collecting transparency data all the way back to our raw material suppliers. This transparent social and environmental impact data will allow us and our stakeholders to critically evaluate real-time progress.
- Being a great partner**
 We've further improved our approval process, capacity planning and forecasting to better support our supply partners. Our Code of Conduct has been signed by 100% of our footwear manufacturing sites (Tier I Suppliers).

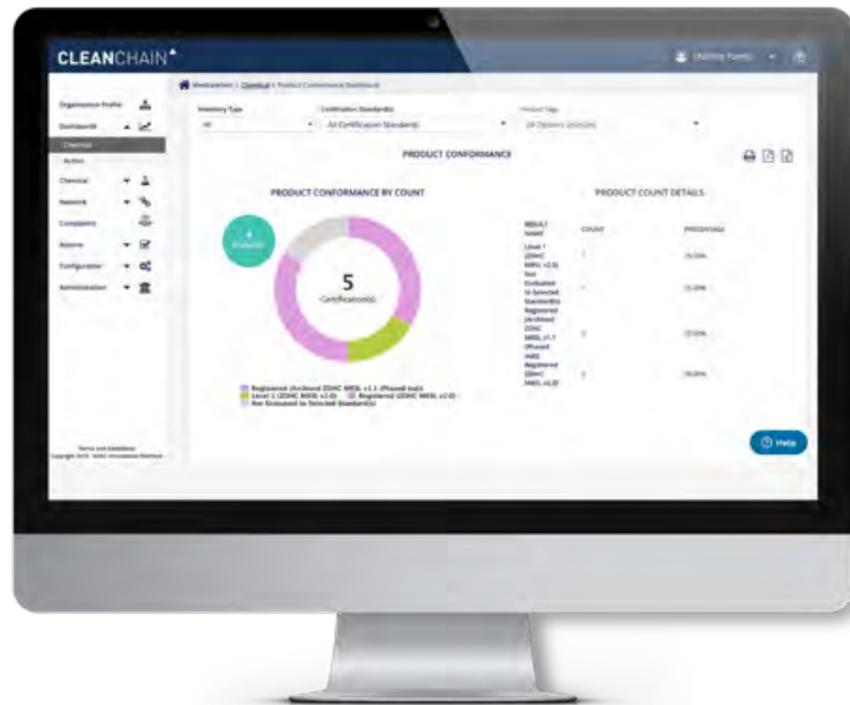
“STELLA IS A MANUFACTURER OF QUALITY FOOTWEAR FOR A NUMBER OF GREAT GLOBAL BRANDS, BUT THERE HAS ALWAYS BEEN SOMETHING UNIQUE ABOUT VIVOBAREFOOT THAT HAS DRAWN US TO THEM.

IN THE EARLY DAYS OF VIVOBAREFOOT WE LEANT A HELPING HAND WHEN THEY NEEDED IT MOST. WE WATCHED THEM MATURE FROM AFAR, BUT WITH ONE FOOT IN THEIR EXECUTIVE TEAM.

WE ARE EXCITED ABOUT THIS NEW PARTNERSHIP AS WE HAVE SEEN THEM GROW UP TO BE A POWERFUL FORCE FOR THE FUTURE OF BOTH FOOTWEAR AND BUSINESS.

OUR JOURNEY TO SHOWING THE WORLD HOW WE CAN DO BOTH IN A WAY THAT REGENERATES PEOPLE AND PLANET, HAS JUST BEGUN – AND WE ARE EXCITED TO BE ON THE PATH TOGETHER WITH THEM.”

– STEPHEN, CEO, STELLA



WE'RE PILOTING THE CHEMICAL MODULE IN CLEANCHAIN AND HAVE BEGUN TESTING THE CONFORMANCE OF OUR PRODUCTS TO THE ZDHC BEST PRACTICE INDUSTRY STANDARDS.

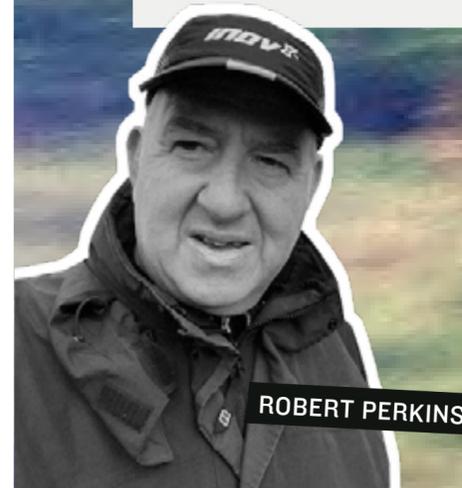
“It became clear that the relationship between Vivobarefoot and its principal manufacturing partner had broken down, over a misalignment of ambition and commitment to quickly attaining high standards of sustainability and transparency.

Vivos community is rightly demanding complete transparency on where and how we create, specify and manufacture our footwear. These trends are rapidly growing and we are attempting to achieve standards that are significantly beyond the norms of sustainability and transparency in global footwear supply chains. We therefore have to try much harder to deliver the progress and results we believe are possible.

Progress has been too slow and it is frustrating to acknowledge that there remains a significant disconnect between the rhetoric and reality. The issues are complex and the Covid pandemic and Brexit have added to the challenge. Nevertheless, we remain clear that our community expects us to work tirelessly to deliver the highest possible standards, and to do so as quickly as possible.

A growing number of brands are having to manage these issues and the tension between customer expectations and the reality of the fashion and footwear industry. The need for change is urgent and we must act now to solve the very immediate problems facing the planet and society. Transparency will promote best practice and collaborating with partners and like minded brands will help us drive the required changes more quickly.”

– ROBERT PERKINS, BOARD ADVISOR TO VIVOBAREFOOT AND CHAIRMAN OF THE BRITISH FOOTWEAR ASSOCIATION



ROBERT PERKINS

OUR VALUE CHAIN

HEAR FROM OUR CANADIAN DISTRIBUTORS ON PX

OUR HQ IN LONDON

OUR REVIVO REPAIRS HAPPEN IN LEEDS

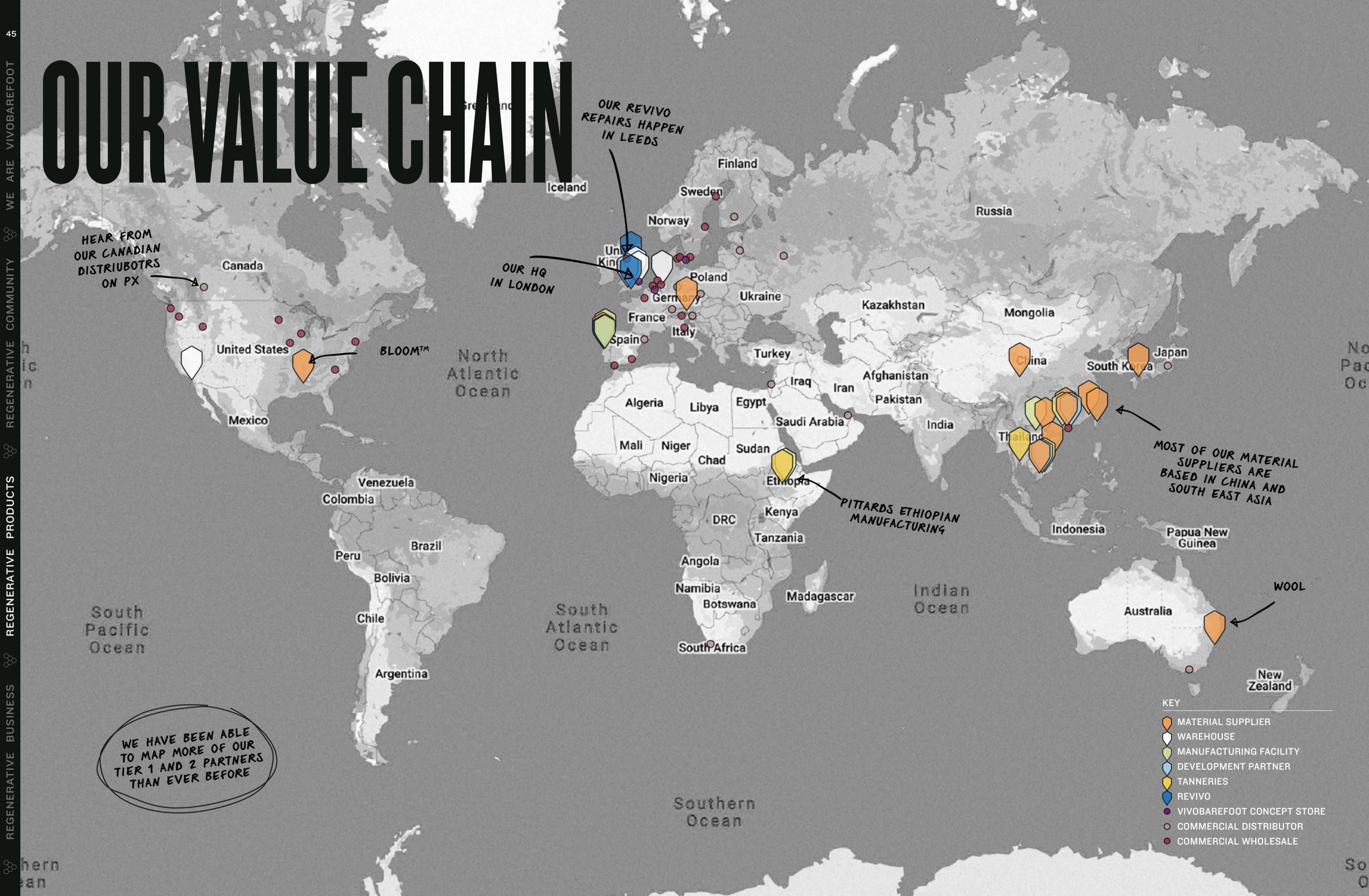
PITTARDS ETHIOPIAN MANUFACTURING

MOST OF OUR MATERIAL SUPPLIERS ARE BASED IN CHINA AND SOUTH EAST ASIA

WOOL

WE HAVE BEEN ABLE TO MAP MORE OF OUR TIER 1 AND 2 PARTNERS THAN EVER BEFORE

- KEY
- MATERIAL SUPPLIER
 - WAREHOUSE
 - MANUFACTURING FACILITY
 - DEVELOPMENT PARTNER
 - TANNERIES
 - REVIVO
 - VIVOBAREFOOT CONCEPT STORE
 - COMMERCIAL DISTRIBUTOR
 - COMMERCIAL WHOLESALE



OUR PARTNERS



MATERIAL SUPPLIER

AJ Solutions. 33, Noksansandan 261-ro 13beon-gil, Gangseo-gu, Busan, Republic of Korea 35.21221, 128.98056

Ban Bao Gia. Mang Yang District, Gia Lai, Vietnam 14.05832, 108.27719

Bentex Essential Sustainable Textiles Co., Ltd. No. 10, Yonghe Rd, Daya District, Taichung City, Taiwan 428 24.20816, 120.62916

Bloom™ 5168 Water Tower Road, Meridian, Mississippi, USA 39301 32.41274, -88.62891

Coats China Footwear and Speciality Coats Industrial Park, FengTang DaDao, Tangwei Village, Fuyong Town, BaoAn District, Shenzhen City, Guangdong Province, China 22.66747, 113.81433

Cosmo, Nanlang, Zhongshan, Guangdong Province, China 22.49861, 113.53099

Dongguan LiYing Trademark Manufacture Co., Ltd. No.5 Changxing Industrial Park, Changantang, Dongkeng Town, Dongguan City, Guangdong Province, China 23.37903, 113.76328

Dongguan Rongsheng Sporting Goods Co., Ltd. Room 101, No.79 xiaohu Road, Daojiao Town, Dongguan City, Guangdong Province, China 23.01314, 113.67017

Dongguan Yu Shen Shoes Material Inc. No.10, Xingtang Rd., Wulian Village, Fenggang Town, Dongguan City, Guangdong Province, China 22.74695, 114.13694

Dongguan ZhuYi Shoes Material Co., Ltd. Dongguan, China 23.02067, 113.75179

Feng Tsai Rubber Co., Ltd. Tandinh Village, Bencat District, Binh Duong Province, Vietnam 11.09587, 106.54678

Goodbox. Hai Phong & South Vietnam 20.84491, 106.68808

Guangdong Hongtai Sports Products Co., Ltd. YangWu #3, XiaSha Area, ShiPai Town, Dongguan City, Guangdong, China 23.02067, 113.75179

Guo Xiang Printing Co., Vietnam 14.05832, 108.27719

Jnjiang Chengzhang Shoes Material Co., Ltd. Hankou No. 1 Industrial Area, Chendai Town, Jinjiang, Quanzhou, Fujian, China 24.82203, 118.60159

Liying, China 35.86166, 104.19539

Ortholite (China). DGEP, No. 9 Dong Ye Road, Qiaotou 4th Industrial Area, Houjie Town, Dongguan City, Guangdong, China 22.93527, 113.67039

Ortholite (Vietnam). Lot No. 137 - 138 - 139, No.7, VSIP II-A, Road No. 23, Vietnam - Singapore II-A Industrial Park, Vinh Tan Ward, Tan Uyen Town, Binh Duong Province, Vietnam 11.3254, 106.47701

Procalçado - Produtora de Componentes para Calçado. Largo Alminhas das Barrancas 97, 4415-343 Pedrosa, Portugal 41.04579, -8.56433

Qin Xin Hardware Co., Ltd. Dongguan, China 23.02067, 113.75179

Renapur. Waldseestrasse 10, Kirchdorf, D-84375, Germany 48.25382, 13.00151

RuiDe Shoe Materials Co., Ltd. Longsheng Industrial Park, Zhuyuan Road, Four Villages, Baisha, Humen Town, Dongguan City, China 22.81483, 113.67255

Sam Bu Vina. China 35.86166, 104.19539

Texon International Group Limited. Texon Management Ltd/Texon Non Woven Ltd., Skelton, Saltburn-by-the-Sea, Cleveland, TS12 2LH, UK 55.37805, -3.43597

UPACO Asia Limited. Worthen Industries, Inc., Rm 904, Bldg F1, Dongguan TianAn Cyber Par, I HuangJin Road, Southern City, Dongguan City, Guangdong Province, China 23.02067, 113.75179

Woolmark Wool Innovation Limited. Level 6, 68 Harrington Street, Sydney, NSW, Australia 2000 -33.85932, 151.20811

Yaoyan. China 35.86166, 104.19539

Yingfeng Rubber Industrial (HK) Limited. Dahuanchong Xiaohu, Daojiao Town, Dongguan City, Guangdong Province, China 23.00436, 113.67523

Zhengbo. Dongguan, China 23.02067, 113.75179



WAREHOUSE

Amethyst Group Limited. Lodge Rd, Staplehurst, Tonbridge TN12 0QW, UK 51.16918, 0.54941

Eleets, 17300 Slover Ave, Fontana, CA 92337, USA 34.06439, -117.4257

DSV Solutions B.V. Transportweg 7, 7041 kk 's-Heerenberg, Netherlands 51.87416, 6.25281



REVIVO

The Boot Repair Company, 4 Brown Ln W, Holbeck, Leeds LS12 6BH, UK 53.78348, -1.57452

Charles Birch Ltd, 7-8, Purdey's Industrial Estate, Fleethall Rd, Rochford, Southend-on-Sea SS4 1NF, UK 51.57477, 0.71671



TANNERIES

Cartumes Aveneda Lda, Rua Da Aveneda, Ovar, 3880-836 S. Vicente Pereira, Portugal 40.8677, -8.53237

Interhides Public Co., Ltd. (สำนักงานใหญ่) 2 678 Soi T.J.C., Tambon Bang Pu Mai, Amphoe Mueang Samut Prakan, Chang Wat Samut Prakan 10280, Thailand 13.53052, 100.64618

Pittards Ethiopia Tannery, Modjo, Edjersa, Ethiopia 8.58701, 39.12314



MANUFACTURING FACILITY

CÔNG TY TNHH SPARKLIN, Lô 31 và 34 đường D2, KCN Nhơn Trạch 6, Xã Long Thọ, Huyện Nhơn Trạch, Tỉnh Đồng Nai, Vietnam 10.69351, 106.95356

Dongguan Sheng Nuo Shoes Co. Ltd., Henglong Industrial Zone Nan Ya Village, Daojiao Town, Dongguan city, Guangdong, Province, China 22.96686, 113.64797

Golden Star Company Limited. An Trang t-junction, Truong Son Town, An Lao District, Hai Phong City, Vietnam 20.81621, 106.60629

Marisport Calçado Lda*, Felgueiras, Portugal 41.36641, -8.19719

Phu Tho Jim Brother's Corporation, Soc Dang Town, Doan Hung County, Phu Tho Province, Vietnam 21.60654, 105.1873

Pittards Product Manufacturing s.C, Nefas Silk Laphto KK, Industry Zone, Addis Ababa, Ethiopia 8.94464, 38.74565

Rapanui (Teemill Tech Ltd.), Freshwater, Isle of Wight PO40 9BG, UK 50.68207, -1.51597

Sociedade de Calçado, Pilar, Lda, Rua D.Afonso Henriques, 505 (Apartado 91), 3701-910 S.João, Da Madeira, Portugal 40.90246, -8.49588

Yonghao, A part Block CNI2, DI and N4 Street, Song Than 3 Industrial, Phu Tan Ward, Thu Dau Mot City, Binh Duong Province, Vietnam 10.99298, 106.6557



DEVELOPMENT PARTNER

Innolux Group Asia Ltd., Group 4, Hamlet 4, Xuan Hoa., Xuan Loc, Dong Nai, Vietnam 10.92632, 107.53868

MAXGREAT, East no.6 Guangming, Third Road, Dong Cheng District, Dongguan City, Guangdong, China 23.02805, 113.78332

Pittards Plc. HQ, Sherborne Rd, Yeovil BA21 5BA, UK 50.94333, -2.61235

SHOEfabrik Co. Ltd, 46-64, Street No.8, Trung Son Residence, Binh Hung Ward, Binh Chanh District, Khu dân cư Trung Sơn, Ho Chi Minh, Thành phố Hồ Chí Minh 700000, Vietnam 10.73582, 106.69242

Stella International Trading, Stella International Trading (Macao Commercial Offshore) Limited Avenida de Marciano Baptista No. 26-54B, Centro Comercial Chong Fok BIO, Macao, China 22.19482, 113.55411



COMMERCIAL DISTRIBUTOR

Baltic Street, Brīvības gatve 214b, Riga, LV-1039, Latvia 56.97062, 24.16135

Barefootshoes AG, Galgenried 22 Stans, NIDWALDEN, 6370 Switzerland 46.96758, 8.34514

EBN, EBN Supplements, Hirsimetsäntie 17, Lahti, 152000, Finland 60.99346, 25.67215

EOD, 99986 Oberdorla, Germany 51.16569, 10.45152

Hogo Fogo, 42003 CUTNA, Czech Republic 49.81749, 15.47296

Native Sport, 12 Cavendish Street, Claremont, Cape Town, Western Cape, 7708, South Africa -33.98064, 18.46235

New Dawn, Bograshov St 20, Tel Aviv-Yafo, Israel 32.07697, 34.76926

NOMADICS Inc, 2-9-2 Higashi Okegawa-City, Saitama, Japan 36.00576, 139.54258

Parsus, Parsus d.o.o., Brnciceva 13/71 I231 Ljubljana, Slovenia 46.09771, 14.54668

Primarelli, ADUANAS PUJOL Y RUBIO Calle E, Sector C - Pol. Industrial Zona Franca, Barcelona, 08040, Spain 41.38739, 2.16856

Quality Group (Andy Enterprises L.L.C), Dubai Investment Park-2, P.O.Box 24249, Dubai, UAE 24.97451, 55.1983

Sole Trader Nasonov Rondin, 115183 7 Kozhuhovskaia 7 office 3 Moscow, 115183, Russia 55.75582, 37.6173

Vivobarefoot Australia, 91 Tulip St, Cheltenham VIC 3192, Australia -37.96353, 145.03278

Vivobarefoot Canada, 2411 Juniper Road NW, Calgary, Alberta, T2N3V3, Canada 51.06248, -114.11673



MAJOR STOCKIST

ESCAPEDE Sports Causeway Bay, I/F, Yee Hing Building, 19 Leighton Road, Causeway Bay, Hong Kong 22.27702, 114.18177

ESCAPEDE Sports Central. Unit D, 5/F, On Hing Building, No.1 On Hing Terrace, Hong Kong 22.28054, 114.15649

ESCAPEDE Sports Repulse Bay, Shop 110, Level 1, The Pulse, 28 Beach Road, Repulse Bay, Hong Kong 22.23596, 114.19791

Moove by Vivobarefoot ZA, Shop 1, Cavendish Place, 12 Cavendish Street, Claremont, South Africa -33.9806, 18.4623

Barefoot Life, 74 Bograshov St., Tel Aviv Yafo, Israel, 6342914 32.07514, 34.77299

Barefoot & More, Kleine Oord 80, Arnhem, NL, 6811 HZ, Netherlands 51.97963, 5.90689

Lili Jolie, Brnciceva 13/71, Ljubljana, Slovenia, 1231 46.0992, 14.5402

Moonlightgear Tokyo, Rokumaru BLDG IF 2-8-10 Iwamoto-cho Chiyoda-ku, Tokyo, Japan, 101-0032 35.69368, 139.77671

PARK Barefootwear Hamburg, Feldstraße 30, 20357 Hamburg, Germany 53.55751, 9.96937

PARK Barefootwear, Herzogstraße 16-20, 50667 Cologne, Germany 50.93724, 6.95397

PARK Barefootwear, Kapuzinergasse 14, 40213 Düsseldorf, Germany 51.2258, 6.77397

PARK Barefootwear, Brüdergasse 4, 53111 Bonn, Germany 50.73582, 7.10257

PARK Barefootwear, Turnerstraße 1-3, 33602 Bielefeld, Germany 52.02317, 8.53704

PARK Barefootwear, Oberlinden 10 (am Schwabentor), 79098 Freiburg, Germany 47.9935, 7.85369

PARK Barefootwear, Hauptstraße 79, 69117 Heidelberg, Germany 49.41121, 8.70166

PARK Barefootwear, Brunnenstraße 3, Berlin Mitte, 10119 Berlin, Germany 52.53038, 13.40089

PARK Barefootwear Berlin, Bleibtreustraße 50a, (Berlin-Charlottenburg), 10623 Berlin, Germany 52.5056, 13.32023

PARK Barefootwear, Karl-Liebknecht-Straße 8, 01097 Leipzig, Germany 51.05913, 13.74297

PARK Barefootwear Leipzig, Karl-Liebknecht-Straße 8, 04107 Leipzig, Germany 51.33043, 12.37334

PARK Barefootwear, Rathausstraße 4 72764 Reutlingen, Germany 48.49143, 9.21044

PARK Barefootwear, Grapengießerstraße 47, 21335 Lüneburg, Germany 53.2472, 10.40718

Schritt für Schritt - Der fußfreundliche Schuhladen, Klenzestraße 37, 80469 Munich, Germany 48.13077, 11.57471

VIVOBAREFOOT Corner, Kopf und Fuß, Ludwig-Strauß-Straße 1, (DentART), 67098 Bad Dürkheim, Germany 49.47482, 8.2091

ŞZAMI, Antonia Diaz 14G, Marchena, (Sevilla), Spain, 41620 37.3293, -5.41706

Vivokauppa, Hämeenkatu 12, Helsinki, Finland, F100530 61.9241, 25.74815

Brandstore, Hämeentie 65, Hyvinkää, Finland, F105820 61.9241, 25.74815



STOCKIST

Commeopiedsnus, 58 av. de la République, Paris, France, 75011 48.86476, 2.37607

Mærkbare, Westend 4, Copenhagen, DK, 1661 55.67223, 12.55156

STRIDE LAB TOKYO, Kariandora II IF 2-19-1 Ichinomiya Tama-city, Tokyo, Japan, 206-0002 35.6508, 139.44278

SUNDAY, I-19-9 Kokubo Koufucity, Yamashashi, Japan, 400-0043 35.64035, 138.5562

Outdoor Speciality MOOSE, 2-1904 Ueda Tempaku-ku Nagoya-city, Aichi, Japan, 468-0009 35.18145, 136.90655

YOSEMITE, 147-3 Kuzumoto-cho Kashiara-city, Nara, Japan, 634-0007 34.52698, 135.801

Moonlightgea Osaka, F IF Daisan Yodogawa BLDG. 3-4-6 Toiyosaki Kita-ku Osaka-city, Japan 34.71384, 135.50044

SKY HIGHT MOUNTAIN WORKS, II-6 Nishiyama-cho Ashiya-city, Hyogo, Japan, 659-0083 34.73674, 135.29879

STRIDE LAB FUKUOKA, Shin-Akasakamon 2F 2-II-15 Daimyo Chuo-ku Fukuoka-city, Japan 33.58892, 130.39431

De Trek Outdoor, Nieuwsteeg 55, Hoorn, Netherlands, 1621EC 52.64152, 5.05939

De Trek Barefoot, Haarlemmerplein 25, Amsterdam, Netherlands, 1013HP 52.38429, 4.88329

Aventura Travel, Talackerstrasse 2, Uster, Switzerland, 8610 47.34549, 8.71575

Bareshop, Pirkankatu 1, Tampere, Finland, F133230 61.49765, 23.74411

Activ Scotland, Activ Scotland, 142 West Nile Street - 2/I, Victoria Chambers, Glasgow, G12RQ, UK 55.86311, -4.2517

Act R Retail, Unit I13 Riverwalk, Halton Lea Shopping Centre, Runcorn, Cheshire, WA72BX, UK 53.32745, -2.69796

Barefoot and More, Weverstraat 34a, Arnhem, Gelderland, 6811EM, Netherlands 51.98052, 5.90665

Billy Goat Shoes Ltd, II East Street, Alresford, Hampshire, SO24 9EQ, UK 51.0906, -1.16013

Campsaver LLC, 2280 Heritage Dr, Logan, Utah, 84321, USA 41.69118, -111.86608

Chronofocus, 58 Avenue De Le Republique, Paris, 75011, France 48.86476, 2.37607

De Trek Outdoor, De Trek Outdoor Nieuwsteeg 55 1621 EC Hoorn, Hoorn, 1621 EC, Netherlands 52.64149, 5.05927

Eirberg ehf, Storchofei 25, Reykjavik, Iceland 64.1282, -21.80535

Happy Little Soles, Unit II Pool Bank Business Park High Street, Tarvin, Chester CH3 8JH, UK 53.19863, -2.75917

Little Goat Gruff, 40 Fore Street, St Ives, Cornwall, TR26 IHE, UK 50.21408, -5.48048

Little Trekkers, 10 St John Street, Derbyshire, Derbyshire, DE6 1GH, UK 53.01721, -1.73282

Luna Kids, Sweden 60.12816, 18.64335

Mama Owl, 49 Green Lanes, Newington Green, London, N16 9BU, UK 51.55288, -0.08794

Moove Claremont, Shop 1, 12 Cavendish Street, Claremont, Cape Town, Western Cape, 7708, South Africa -33.9816, 18.46296

North Sport, Kungsgatan 119, Umeå, 90332, Sweden 63.82237, 20.28427

Northsole, USA 37.09024, -95.71289

Northwest Foot & Ankle - Correct Toes, 2701 NW Vaughn St., Suite 424, Portland, 97210, USA 45.53754, -122.7078

Oddsox Ltd, 204 Gloucester Road, Bristol, Bristol, B56 6TQ, UK 51.47883, -2.58973

Optista, Atle i Hoor AB/Optista Friluftsvagen 14, Frost Center, HÖÖR, HÖÖR, 24330, Sweden 55.9381, 13.54952

Pie Footwear, 2916 NE Alberta St. Portland OR, 97211, Portland, 97211, USA 45.55886, -122.6354

Public Lands, USA 37.09024, -95.71289

Racing Denmark, Racingdenmark Norrevanget 5c 8600 Silkeborg, Silkeborg, 8600, Denmark 56.18268, 9.53985

REI, USA 37.09024, -95.71289

Seven Teen, Via Marcechiese, 17 - 47922, Rimini, 47922, Italy 44.05688, 12.55765

SMALL FOLK, 89 High Street Totnes, Totnes, T29 5PB, UK 50.43122, -3.69122

Vivo di Lion Kristel, Via Alcide de Gasperi, 40-63, 31020 San Vendemiano TV, Italy 45.89011, 12.3394



VIVOBAREFOOT CONCEPT STORE

Badstuestræde 2, Copenhagen, 1209, Denmark 55.6785, 12.57465

Panska 7, Prague 1, Czech Republic, 11000 50.08433, 14.42748

Palackeho namesti 5, Plzen, Czech Republic, 30100 49.7482, 13.37124

Biskupska 283/I, Brno, Czech Republic, 60200 49.1917, 16.60679

Zahradnicka 43, Bratislava, Slovakia, 82108 48.15405, 17.12658

tr. Edvarda Benese, Hradec Kralove, Czech Republic, 50012 50.19476, 15.83815

Krajinska 229/33, eské Budejovice, Czech Republic, 37001 48.97604, 14.4737

THIS IS WHAT REGENERATIVE MANUFACTURING HUBS COULD LOOK LIKE

WITH A CLEARER VISION OF WHAT WE WANT, WE CAN WORK WITH OUR SUPPLIERS TO CREATE THE PARTNERSHIPS WE NEED

Since our last update, we've continued to work with our partners and industry experts to define what a 'regenerative manufacturing hub' looks like.

The clearer our definition becomes, the better we can see how much more work there is to do to create a value chain that regenerates people, flora and fauna.

To understand regenerative manufacturing and the type of manufacturing hubs we'd like to co-create, we've been asking the following questions — of ourselves, our partners, academics and industry experts:

Q/ What does regenerative footwear manufacturing look like?

Q/ How can we better understand, monitor and reduce our impact?

Q/ What is a collaborative partnership focused on regenerative manufacturing?

Q/ How can we build a roadmap to get us to shared net positive impact?

And this, so far, is what the answer looks like.

WHAT IS REGENERATIVE MANUFACTURING?

REGENERATIVE MISSION:

By building strong, long-lasting partnerships with raw material suppliers, manufacturing facilities and development partners, we are engineering resilience into Vivobarefoot's journey towards regenerative, net positive value chain impact.

SUSTAINABLE OPERATIONS:

Net positive logistics, innovative solutions for product packaging and distribution, and identifying upcycling and recycling opportunities for materials used across all product categories.

RADICAL TRANSPARENCY:

Creating a culture that supports the full external disclosure of Vivobarefoot's value chain operations and progress towards regeneration.



FULLY TRACEABLE, NATURALLY TANNED, REGENERATIVE LEATHER

Small-scale community cooperatives — independently owned and run farms on which animals are free to roam



CERTIFIED B CORP FACTORIES

Opportunity for Vivobarefoot manufacturing hubs to demonstrate best practice business beyond brands and across the value chain



DIGITAL IMPACT MONITORING

Leveraging digital platforms across the value chain to collect impact data, build relationships with our partners based on trust and implement a collaborative 'not policing' approach

REGENERATIVE AGRICULTURE

Implementing regenerative farming practices to enhance biodiversity, sequester carbon in soils, eliminate synthetic fertilisers/pesticides and increase yields for farmers



LOCAL RAW MATERIAL PRODUCTION & SOURCING

Sourcing locally to reduce our impact, support local economies and suppliers, increase transparency and build supplier direct relationships



360° TRANSPARENCY

100% transparency across the entire value chain, from raw material to finished product



RENEWABLE ENERGY PRODUCTION & STORAGE

On-site renewable energy generation and storage, rapidly reducing reliance on unrennewable energy sources to zero

CRADLE2CRADLE CERTIFIED PRODUCTS & MANUFACTURING PROCESSES

Industry product and value chain certification, demonstrating environmental and social best practice



INNOVATING MANUFACTURING MACHINERY & PROCESSES

Installing the best available, most efficient machinery and implementing streamlined processes to maximise on productivity and reduce negative manufacturing impacts

BEST PRACTICE GOVERNANCE

Work with majority suppliers to implement B Corp governance best practice actions



ENVIRONMENTAL & SOCIAL IMPACT MONITORING

Measuring, monitoring and reducing our negative impacts in order to maximise positive impact in our pursuit of net positive

PACKAGING

Over the past 12 months we have looked at several initiatives to improve our packaging.

For ecommerce, we introduced packaging that was made of 80% recycled content and could be recycled after use where collections are available at supermarkets.

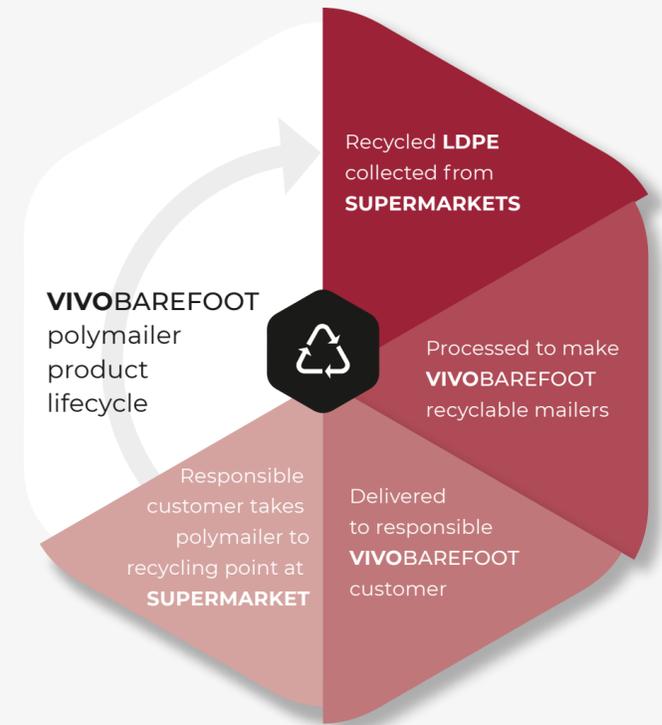
We've rolled the same packaging out to ReVivo. For pairs that come back to us without a shoe box, we have manufactured a box that can be used for both outbound and returns shipping. This eliminates the need for a shipping bag at all.

Our ambitions for more sustainable packaging go much further, but we haven't had much luck getting there. About six months ago we trialed a reusable packaging solution and although we loved the idea, it wasn't cost effective. It needed to be shipped in and out of Estonia and it wasn't safe. We're still actively seeking other reusable options to ship our products in!



A FANTASTIC FAILURE

POLYTHENE MAILER CHAIN OF CUSTODY



MATERIAL SPECIFICATIONS

MATERIAL TYPE AND COMPOSITION

Recycled material composition & % breakdown of mix (where mixed with virgin and/or other materials)

- 80% Recycled LDPE/HDPE
- 15% Metallocene
- 5% Virgin LDPE

MATERIAL SOURCE

Recycled material feedstock source and confirmation of pre and/or post-consumer content

The recycled material comes from **OPRL** plastic recycling collection points at supermarkets. Material is post-consumer content.

IS THE MATERIAL RECYCLABLE AT END-OF-LIFE?

Yes, using the **OPRL** code of recycle in larger stores with carrier bags.

MATERIAL CERTIFICATIONS

e.g. Global Recycle Standard (GRS), Recycled Content Standard (RCS)

Guaranteed minimum 80% post-consumer content in line with RCS guidelines and guaranteed 100% recyclability to the GRS.

SOCIAL & ENVIRONMENTAL PRACTICES

Any social & environmental practices within Vivobarefoot or supply chain e.g. management systems, audit standards etc.

- ICO 9001
- BRC AA
- ISO 14001

BAREFOOT RESILIENCE

WE HAD 40K PAIRS OF VIVOS STUCK FOR WEEKS BEHIND THE SUEZ CANAL BLOCKAGE



The last 18 months have presented a perfect storm of disruption to business across sales, supply chain, logistics and freight.

And this is just a sign of things to come: companies can expect to lose 42%+ of future profits every decade due to disruptions in global value chains.

Here's a quick summary of how we weathered the storm, and what we're putting in place to increase our resilience in the years ahead.

COVID

One of the main challenges of Covid was the closure of our partner factories in Vietnam from mid-July to early October.

We saw inbound transit delays of 2-3 weeks:

- There were port delays because of revised working practices and reduced capacity.
- Transit times were slower because of port delays or longer waits for connecting ships.
- Widespread driver shortages delayed port to warehouse transit.
- Costs increased because of a spike in demand when factories opened, plus less staff and equipment were available.

There were also outbound delays in our customer deliveries:

- Delivery networks were strained by the growth in demand for ecommerce.
- Couriers increased their delivery costs to employ temporary staff and incorporate new working procedures.

“THIS HAS BEEN A HUGE TESTING YEAR FOR THE TEAM. AS WE REFLECT ON THE CHALLENGES WE FACED, WE ARE LOOKING AT SEVERAL ACTIONS. THESE INCLUDE: ALTERNATIVE TRANSPORT OPTIONS, SUCH AS SEA/AIR/RAIL HYBRIDS; MULTIPLE OUTBOUND DELIVERY COMPANIES, SO WE ARE NEVER RELIANT ON ONE SINGLE COURIER; AND A MORE BALANCED VALUE CHAIN, SO WE ARE NEVER SOURCING 100% OF PRODUCTS, MATERIALS OR COMPONENTS FROM ONE SINGLE SOURCE.”

— JULIAN GOOD, DIRECTOR OF OPERATIONS



JULIAN GOOD

BREXIT

In April 2019, Vivobarefoot opened a warehouse in the Netherlands in preparation for the UK leaving the EU. This was a well timed decision. In early 2021, businesses experienced serious challenges moving goods between the EU and UK. Factoring in the delays and price increases, we forecast that opening this warehouse saved Vivobarefoot around £500k in additional ecommerce courier costs between January and July. As a result of our forward planning, we have experienced only minor disruption to business as a result of Brexit – so far.

SUEZ

In March '21, the Ever Given blocked the Suez canal for six days, holding up billions of dollars' worth of goods – including some of ours. There were considerable delays in shipping because vessels were either rerouted to avoid the Suez Canal or held in a queue once the ship was freed.

As a result, costs increased because containers and vessels were out of position. This meant that shipping lines could charge more because companies needed to move their goods.

To keep stock available on our website, we airfreighted 8k pairs to our UK and NL warehouses. We also moved 1.5k pairs from wholesale stock to ecommerce stock.

ACTIONS

We have taken the following actions to reduce any further disruption.

INBOUND

- Picked up stock early where possible
- Prioritised key styles for production and focused on seasonal product or key lines
- 35k pairs for Winter '21 moved from sea freight to air freight
- 46k pairs for Spring '22 identified as potentially needing to be air freighted

OUTBOUND

- We worked with ecom and customer services to message customers regularly to keep them informed of any delivery impact
- We published banners on our website to inform customers of delivery delays
- We introduced a new carrier in the USA when the incumbent carrier ran into difficulties delivering

OUR THRIVING DISTRIBUTION NETWORK

HOW AND WHY WE CHOOSE OUR DISTRIBUTION PARTNERS

This year, our ecommerce platforms grew 5% to £20.6M while our distributor sales grew 6% to £9.9M. Distributors are an important part of how we connect with our growing customer base around the world.

Recently, we've brought some new distributors on board in regions where it makes better financial sense and better sense for our customers. To find those 'sweet spot' opportunities, we analysed the growth rate (a great measure of whether our customers are happy) and profitability of our top 25 countries.

Canada leapt off the list. Despite strong growth (it was our fastest growing region in 2020), we weren't profitable — mainly because the cost of import duties was destroying our margins. What's more, we were struggling to break out of the health/active space and reach more people to help transition to barefoot.

The closer we looked, the clearer it became: Canada would do better with a distributor. We want meaningful and long-term partnerships with our partners — which is why we were thrilled to start a relationship with Andrew and Tabor — an amazing father and son-in-law team. Read their interview on page 51.

Our other new distributor partner is Nomadics in Japan. In this instance, the decision was 100% based on customer needs. We really admire the Japanese market but it is famously discerning and we have very little local knowledge (no-one

at Vivo even speaks Japanese). We needed help to make a good first impression.

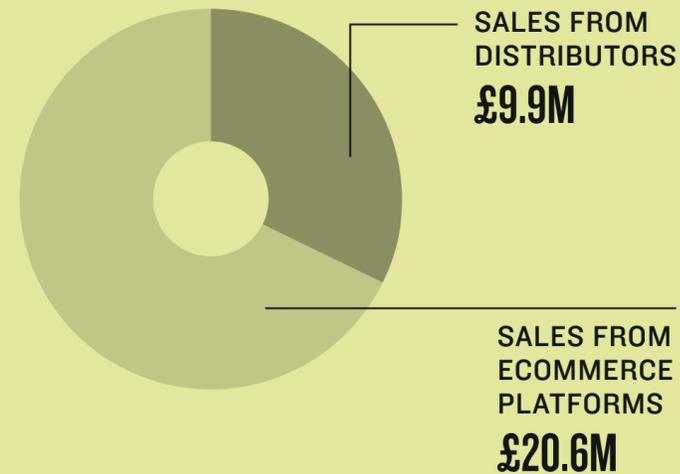
Since onboarding these new partners, we've seen excellent results. In Canada, Andrew and Tabor have built our wholesale to a far greater capacity than we ever could, while also reaching beyond the health/active space and into the everyday category. We're excited about continuing these rewarding partnerships.

We're also proud of how our team at Vivo has risen to this new challenge. A decade of focus on ecommerce meant there was a lot to learn about working with distribution partners — and quickly. We are always learning how to be better partners and we'll put the lessons to good use going forward.

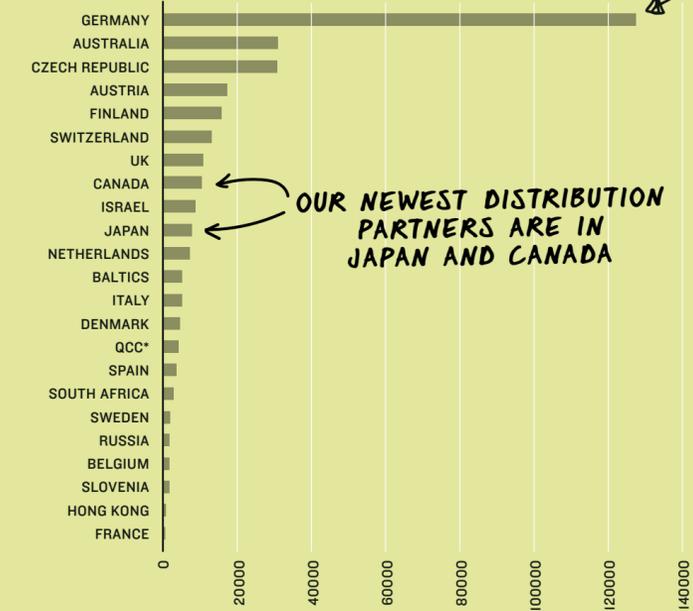
DISTRIBUTORS TYPICALLY MANAGE EVERYTHING WITHIN THEIR REGION, AND WE OFFER SUPPORT WHERE NECESSARY



SALES



UNITS SOLD PER COUNTRY/REGION



*GCC (Gulf Cooperation Council) consisting of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and UAE.

“DISTRIBUTION PARTNERS HAVE PLAYED AN INTEGRAL ROLE FOR VIVO THROUGHOUT THE YEARS. NOT ONLY HAVE MANY OF THEM BEEN WITH US ON OUR JOURNEY FROM INFANCY, CONTINUING TO THRIVE IN EVER-CHALLENGING MARKETS, BUT THEY HAVE IN TURN EDUCATED US THROUGH A PERSONALISED BRAND EXPERIENCE.

LOCALISATION ENSURES THAT WE ENTER A MARKET IN A CULTURALLY AND LINGUISTICALLY APPROPRIATE WAY, WHETHER IT IS AN INCREASED CUSTOMER RETAIL PRESENCE ACROSS THE DACHS REGION OR TRANSLATING EDUCATION TO A CONSCIOUS JAPANESE CUSTOMER.”

—LUCY STEWART,
HEAD OF GLOBAL SALES AND
INTERNATIONAL DEVELOPMENT



MEET OUR CANADIAN DISTRIBUTORS



Q/ Tell us a bit about yourselves?

ANDREW: I've spent 30 years working for the likes of Microsoft, Amazon, IBM and HP. I've been married for 40 years, have three daughters and six grandchildren. I'm happiest outside — cycling, hiking, kayaking and the occasional golf game.

TABOR: With a background in business and sciences, and qualifications in clinical prosthetics, I've been working with limb deficient patients to restore function for 20 years. My wife Alana and I, together with our children Tas, Shae, and Zena, love to explore the outdoors.

Q/ What's your relationship with Vivobarefoot?

ANDREW: We're the Canadian distributors for Vivobarefoot. It's our commitment to make barefoot and athleticism synonymous, ensuring access to effective footwear for Canadians.

Q/ How did this relationship start?

ANDREW: The real story of our relationship dates back 10 years when Tabor's wife found Vivos in a store and suggested Tabor try them.

TABOR: Fast forward eight years and I made a bet with Andrew — we'd buy him some Vivos if he set up a meeting. Andrew contacted Galahad through LinkedIn and made it happen — our parallel paths began to cross and converge.

Q/ ...and how's it going so far?

ANDREW: It's been so successful. What I've most enjoyed is the congruence of Vivo values. Whether you're a distributor or customer, Vivobarefoot operates with transparency, fairness, inclusion, and long-term thinking.

TABOR: We want to continue to learn from Vivo, and hope to share our vision and knowledge reciprocally.

Q/ What do you think about Vivos mission to reconnect people with nature?

TABOR: It's spot on. I believe that nature is healing, and Vivos mission of re-connection is needed. I believe in an even simpler beginning of just movement. Does the initiation of restoring natural movement instinctively point people back to nature?

ANDREW: People are hardwired to need three things to live well: purpose, connection and development. When we are connected to a larger purpose and develop ourselves, so much of who we are falls into alignment and flow.

Q/ What was your highlight from the last year?

ANDREW: Absolutely launching Vivobarefoot Canada and being a part of such a great community.

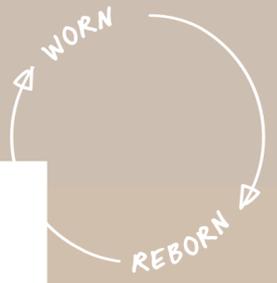
TABOR: The past year has been challenging. I have struggled with undiagnosed neurological deficiencies that have affected my movement. Which in turn has highlighted my awe and wonder of natural movement.

Q/ What are you excited about next year?

TABOR: I'm looking forward to more discussion about natural foot movement, increasing access of Vivos to Canadians, and better understanding the effect of the big toe alignment on the whole body.

ANDREW: Making Vivobarefoot Canada the fastest growing distributor in the world, and hosting our new Vivobarefoot friends from the UK on Vancouver Island!

LAND FEEL, NOT LANDFILL



ReVivo is how we keep footwear on feet (and out of landfill)

Globally, over 20 billion pairs of shoes are produced every year. Over 90% of those will likely end up in landfill. The vast majority of these shoes contain toxic substances and materials that take hundreds of years to degrade.

This cannot go on. Through the launch of ReVivo, we are committed to keeping every pair of Vivobarefoots out of landfill.

IT STARTS WITH DESIGN

We have to go back to the drawing board: the end-of-life of our footwear starts at its genesis. We must design items that last as long as possible — that are durable and can be easily repaired. That way, we keep our footwear on feet for longer.

To help with this, we've opened a channel of communication between our designers and the ReVivo team. We want our designers to know how and where our footwear wears out over the long term, so that they can create something even more durable and/or easier to repair.

Alongside this, we are working to make every pair of Vivobarefoots using materials that can either be endlessly recycled into new products or composted and returned to the land (rather than to landfill).

CHECK OUT OUR DESIGN PRINCIPLES ON PAGE 35 AND OUR MATERIAL INNOVATION ON PAGE 38 FOR MORE ON THIS.

IT CONTINUES WITH CUSTOMER CARE

But design is just one piece of the puzzle. Through ReVivo, we are also helping our customers understand how to care for their Vivobarefoots — both during their life, and when they're ready to dispose of them.

Firstly, we have a 100 day return policy at Vivobarefoot, any condition. Beyond 100 days, we want every customer to know they can get their Vivobarefoots repaired and reconditioned throughout their long and happy life using our repair service. And secondly, we want every customer to understand they'll never have to throw their Vivobarefoots away — there will always be a home for them through our take back scheme.

A WORK IN PROGRESS

As we keep perfecting our circularity solution, we don't want any Vivobarefoots to go to landfill — starting today. That's why any customer in the UK or EU can send back their Vivobarefoots when they're done with them. We will either put them to good use by repairing and reconditioning them to sell on revivo.com, or we'll store them until we figure out a responsible solution.

Our partners, The Boot Repair Company are currently exploring solutions for a footwear mechanical recycling line in the UK. We've also just started working with students at the London College of Fashion to see if they can use old Vivobarefoots to create new footwear. The success or failure of this project will tell us whether upcycling is a viable option for some of our old stock.

WE CURRENTLY HAVE ABOUT £300K WORTH OF VIVOS THAT CAN NEITHER BE RESOLD NOR — FOR NOW — RECYCLED. BUT WE'RE WORKING ON IT.

REVIVO.COM

We're really excited about being able to sell our footwear at a more accessible price without having to compromise on our regenerative design principles. We want barefoot to be more available to more people, and revivo.com is a great opportunity to increase our reach.

What's more, the variety of styles from different seasons available means that customers can find old favourites or fall in love with something they might've missed the first time around.

"A SHARED GOAL IS TO MAKE SERVICES LIKE REPAIRS AND FREE SHIPPING FOR OUR TAKE BACK PROGRAM AVAILABLE INTERNATIONALLY, SO THAT CUSTOMERS CAN ENJOY THEIR VIVOS FOR AS LONG AS POSSIBLE, AND EASILY RETURN THEM TO US WHEN THEY'RE DONE. IT'D BE AMAZING IF EVERY VIVO EVER SOLD EVENTUALLY FINDS ITS WAY BACK TO US."

— TANDI TUAKLI, HEAD OF REVIVO



TANDI TUAKLI, HEAD OF REVIVO

REVIVO: OUR REUSE STRATEGY

BLAST FROM THE PAST
— WE'VE HAD A PAIR
RETURNED FROM 2008



TAKEBACK SCHEME

We don't want our customers to leave their old Vivos at the back of a cupboard or – worse – throw them in the bin. We'll take back any old pair from the UK or the EU and deal with them responsibly. We'll cover the cost of the postage in the UK, and are looking for ways to scale this internationally.

2,500 SHOES
COLLECTED
SO FAR

REVIVO.COM

A resale platform for second hand Vivobarefoots, reconditioned to perform like new. Most of the shoes on revivo.com come from either unsold stock (that's why we have a lot of small and large sizes), and customer returns. At the moment, because they're beyond repair, only about 10% of the shoes that come back to us via the takeback scheme make it onto revivo.com.

REPAIR SERVICE

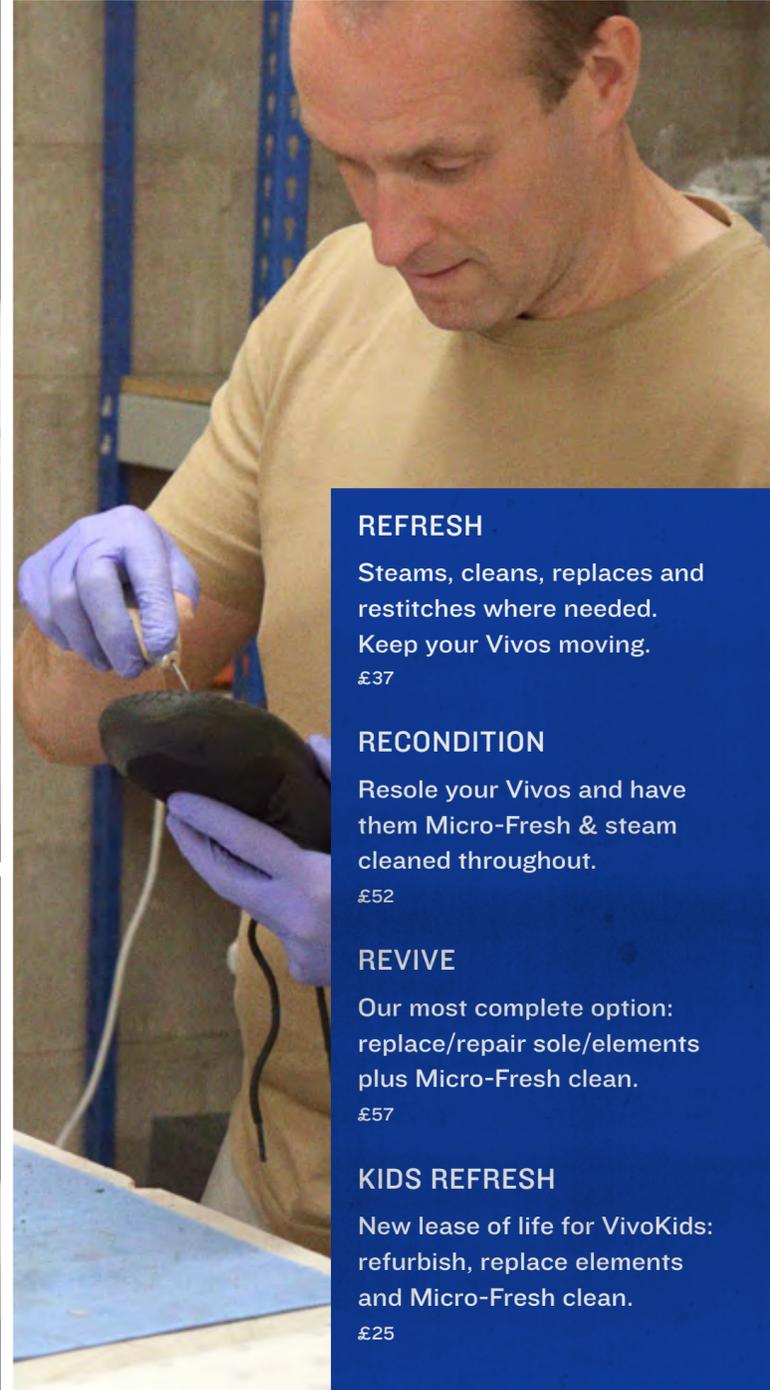
We've partnered with The Boot Repair Company to offer a repair service to extend the life of our customers' Vivobarefoots. We have a few different packages – from a simple spruce up to a complete reconditioning. This service is only offered in the UK for now, but we're working on a plan for scaling to other regions.

“WE HAVE A 100-DAY RETURN POLICY AT VIVO, ANY CONDITION. BEYOND 100 DAYS WE WILL REPAIR ANYONE'S SHOES. THEN AT THE END OF THEIR LIFE, WE'LL TAKE THEM BACK, RECONDITION AND RESELL.”

— PAUL WALKER, COMMERCIAL DIRECTOR

PAUL WALKER, COMMERCIAL DIRECTOR

19,308 SHOES
SOLD SO FAR



REFRESH

Steams, cleans, replaces and restitches where needed. Keep your Vivos moving. £37

RECONDITION

Resole your Vivos and have them Micro-Fresh & steam cleaned throughout. £52

REVIVE

Our most complete option: replace/repair sole/elements plus Micro-Fresh clean. £57

KIDS REFRESH

New lease of life for VivoKids: refurbish, replace elements and Micro-Fresh clean. £25



EVOLUTION — REVOLUTION

E9

VIVOBIONE IS OUR VISION OF THE FUTURE OF FOOTWEAR

Grounded in nature. Rooted in evolutionary science. Learning from our ancestors. Realising the potential of technology.

The way footwear is designed, made, experienced, taken back and redesigned is a radically different model to the century-old industrial model of today. We've been working on this for over three years and now a coalition of partnerships led by our very own V-labs innovation team are set to turn this idea into a reality in 2022.

STARTING FROM FIRST PRINCIPLES

Our feet are our foundation and create the one constant connection we have with Mother Earth. But most shoes separate us from the ground beneath, while obstructing our natural movement and stealing our natural strength, balance and mobility.

Conventional shoes are over-designed and don't fit. They're made in long, complex supply chains — creating vast volumes of pre-production waste, plus a finished product that is barely worn before it's destined for landfill.

WHERE DO WE GO FROM HERE?

It's time to retrace our steps. To learn from our ancestors; when footwear was made person-by-person, foot-by-foot and with locally-sourced, sustainable materials. At the same time we must look to the future and embrace the new technologies that can create change at scale.

WHAT IS VIVOBIONE?

This is not just a new product. This is a new system. Made to measure. Designed by you, for you. With no excess. No waste. No dead stock.

The future of regenerative footwear will be a democratised circular system with people and planetary health at the centre. It's not about the next 3D printed shoe. It's about your personal barefoot transformation and reconnecting communities into their natural biome — feet first!

THE FUTURE OF OUR PLANET WILL BE DECIDED AT COP26

Hosted in Glasgow in the UK, Vivobarefoot is just one of a handful of British brands chosen to be at the heart of this critical UN conference.

We launched VivoBiome at COP because we believe being reunited with the earth is the only path forward to human and planetary wellbeing. A reconnection with nature that kickstarts the reparation of ourselves and the restoration of our earth.

OUR BIOME EXHIBITION AT COP26 IN GLASGOW



BUSINESS IS BROKEN

REGENERATIVE BUSINESS

Humans are incredible problem solvers, but we've become focused on the wrong issue — making money instead of creating value.

This is decimating our economy, our environment and the wellbeing of people — even those 'succeeding' within the system.

Vivobarefoot seeks to restore and heal the health of people, our communities and mother earth, while acting with radical transparency, integrity and inclusivity in everything we do.

JOURNEY TO REGENERATIVE BUSINESS

YEAR I



Dear Reader,

I'm here to tell you a story about our little shoe company called Vivobarefoot and our journey to being a regenerative business. We're just at the beginning of this journey but we're trying to enjoy it and hope you will join us and a growing ecosystem of businesses around the world that are not just trying to be sustainable but to be a lasting multi-generational force for good. The truth will hurt, but then it will set you free...

Our regenerative journey really started almost exactly one year ago. Before anything, I saw Laura Storm's brilliant

TED talk — and was spurred into reading her and Giles Hutchin's book, 'Regenerative Leadership'.

In the late summer of 2020 we gathered by the beach on the South Coast of Devon and self-hosted our first workshop set up by Giles and Laura in absentia (with global lockdowns still looming). We drew out the maps of our living systems with coloured pens and curious minds.

A week later we were at Springwood immersions (see page 69), with our leadership teams making a pact to go on the regenerative journey. We were visioning in the woods. In the last year,

over 50 people from Vivo have spent considerable time in Springwood. To Giles and Laura's credit, they never 'gave' answers to us — they really facilitated us to come up with the answers ourselves. Made us feel it....

Let me share with you a little bit of the background. We come from a long line of cobblers. For seven generations we were in winter — sleeping amongst it all amongst the other brands.

Then we met Tim Brennan, a design student at the Royal College of Art. We licensed the idea of barefoot shoes together with my late father and started the barefoot running movement.

Starting a business centered around reeducating the shoe industry, with John Erenfield's wisdom at its heart; solving important environmental and social problems through design.

In 2012 we launched as a stand-alone brand. We welcomed our Chairman Nick Beart into the fold and focused on getting Vivo from loss making to profitability and nailing some business fundamentals. We built a simple hierarchy where everyone had one boss and a few people spent an enormous amount of time gathering information. This was an effective approach for the time but as we have grown so have our management ambitions.

In 2019, we made a subtle shift — independent and profitable, aiming to sell over 1m pairs of life-changing barefoot shoes per year: from sustainable to regeneration.

So what does this mean — 'from sustainability to regeneration'? Vivobarefoot exists to reconnect people back to the natural world. To 'connect and inspire' a personalised journey to thrive within nature.

And it starts with feet. We make regenerative footwear and experiences that bring us close to nature and our natural potential. This means we sleep, eat, move and relax in tune with nature. It is about running along the beach like a 10 year-old child. Upright, free, joyful.

In 2019 we set out to evolve the structure and this was exacerbated by being thrown into a virtual organisation in early 2020. We started the journey to a more networked organisation. We also wanted to reduce the naval gazing, minimise middle management and reconnect with customers with more entrepreneurial spirit. We were on our own Livebarefoot transformation.

So where are we? The way we make shoes. The way we organise ourselves. The way we educate and inspire. We aim to base the running of the business on regenerative principles. We have a very long way to go in every aspect and are learning everyday and we welcome you to join us on this transformational voyage of regenerative adventure! Sincerely,

Galahad Clark,
Chief Ecosystem Officer

WHAT HAVE WE LEARNT SO FAR?

START FROM A REGENERATIVE PHILOSOPHY

- Brand mission is everything
- Don't do the wrong things, righter
- Make sure leadership is on the journey. Connecting to the field

TAKE TIME

- There are no immediate answers
- Feel into your own system and your own organisation

BRING EVERYONE ALONG FOR THE JOURNEY

- Surveys — get the mandate
- Spend a lot of time in nature together — make it real
- Trial cross-functional project teams

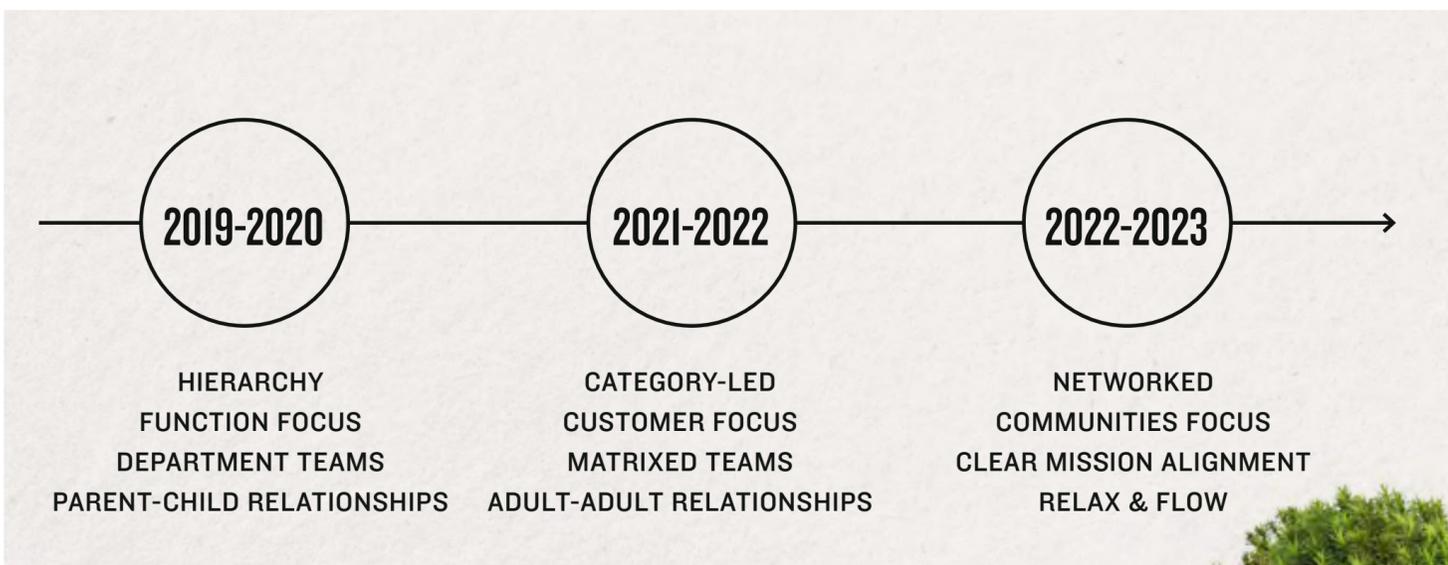
USE YOUR OWN LANGUAGE. BUILD CULTURE WITH IDIOSYNCRASIES

- Keep it very simple, very consistent
- Embrace diversity
- Dance

ALWAYS THINK CUSTOMER CITIZEN VALUE & IMPACT FIRST

“THERE IS NOTHING BETTER I CAN DO NOW THAN MOVE OUT OF THE WAY FOR OTHER VOICES TO SHINE THROUGH.”

— GALAHAD CLARK,
CHIEF ECOSYSTEM OFFICER



FINANCIAL CAPITAL

As Covid-19 marches on, we are in a very different place to 12 months ago. While a version of 'normality' returns to some countries, there are still so many uncertainties and challenges to face.

Because we believe we must address these issues holistically, rather than in silos, we present an integrated report of our impact, which includes an account of our financial performance.

This is our second integrated report. We believe it's an improvement but, like last year, this is Unfinished Business. We will go further: for example, we want to audit all our non-financial data too.

Covid-19 continued to impact our business, not least keeping our flagship store closed for most of the year. We also experienced production delays due to lockdowns in Vietnam, where our main supplier is based. This was compounded by global distribution challenges, including those caused by the blockage of the Suez Canal. And yet, this year — in many ways — has been our most successful to date.

BAREFOOT SALES

In 2016, we offered 7% of the business to Crowdcube investors. We told these investors that sales would be £28M by the end of the 2020/21 financial year. In fact, we reached £36M, exceeding our target by more than 25% — an increase on last year of over 6%. However, this year our EBITDA* was £0.6m, quite a way short of our expected EBITDA of £2.5m. In part (c£0.3m), this was due to the forced closure of Neal Street this year. Additionally, there was an increase in our holiday pay accrual (c£0.2m) as staff were allowed to carry over unused holiday due to Covid restrictions. More importantly, we have invested more than our original Crowdcube plan in marketing and product development to build upon the momentum we have shown over the past years.

It should be noted that whilst this has held back profit growth in the short term when compared to our Crowdcube plans, we have still achieved record levels of profit. In the coming year, we are planning to continue to invest more into marketing and product development, but the team is committed to growing profits each year.

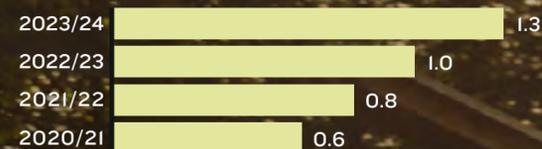
Our business is split between Direct to Consumer (DTC) ecommerce, retail and marketplace platforms, and Business to Business (B2B) wholesale and distributor partners. This year our ecommerce platforms grew 5% to £20.6M. ReVivo, our re-commerce platform, made £1.5M while saving over 19k pairs of shoes from landfill. Our Neal Street store saw a decline in sales to £0.4M — down 54% on the previous year, which was down 26% on the year before that. Meanwhile, our distributors have grown steadily with sales up 6% to £9.9M.

As our barefootprint continues to spread, sales grew by 26% to £9.1M in the UK and by 8% to £14.9M in the US and the rest of the world. Sales contracted by 7% to £12.1M in the EU.

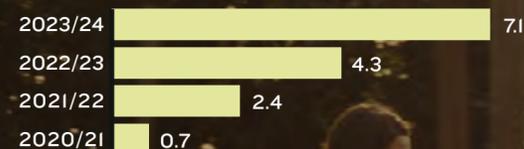
TOPLINE PLAN TO 2024 AS IT IS...

	2020/21	2021/22	2022/23	2023/24
PAIRS	0.6	0.8	1	1.3
SALES	36	50	73	100
Contribution	11	17	25	34
	30%	34%	35%	35%
OVERHEADS	(10.3)	(14.5)	(20.7)	(26.9)
	29%	29%	28%	27%
Trading Profit	0.7	2.4	4.3	7.1
DEPRECIATION	(0.3)	(0.3)	(0.3)	(0.3)
R&D/TAX	0.5			
Profit	0.9	2.1	4.0	6.8
	3%	4%	5%	7%

MILLIONS OF PAIRS



MILLIONS OF £ TRADING PROFIT



MILLIONS OF £ TURNOVER



*Earnings before interest, taxes, depreciation, and amortisation

PROFIT WITH PURPOSE

We report a profit before tax of £392k (£292k last year) and a record profit after tax of £935k (£735k previous year). The profit after tax figure of £935k includes two factors:

1. We have carried forward losses of £6.8M which results in a deferred tax asset of £1.3M. This year we recognised £277k of the asset. Considering the continuing current global uncertainty, we only partially recognised this in 2020/21 against profits we expect to make in the next year's trading.
2. We received research and development (R&D) tax credits of c. £265k. 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.

Vivobarefoot doesn't have huge cash reserves to call on, so we took a cautious approach to Covid by making sure we had the financial stability to weather the storm. We decided to scale back future buys to free up cash and pulled together as a team to focus on the fundamentals.

We didn't get everything right. We believed we wouldn't see the same demand for our footwear in the short term. We were wrong! People went outdoors for their legal dose of fresh air and exercise, and did online classes at home. We sold out of many of our key styles and were understocked at the start of the financial year. This fell at the same time as we faced issues migrating website platforms.

We continued to invest in our people, with staff costs making up more than 30% of our admin expenses both this and last year. We also continue to invest in marketing and product development, which combined accounted for 9% of admin expenses in the year.

LONG-TERM GROWTH

Business growth is a delicate balance. While we must continue to invest in talent and innovation, we need to make sure our cash position remains healthy. Getting this balance right during this particular global economic environment is even more challenging. We are grateful to HSBC, our banking partners, for their support this year. They extended our trade loan facility from \$2M to \$5M — which we used to facilitate stock purchases so that we aren't bringing new people into our community only to search through 'sold out' signs.

TO OUR SHAREHOLDERS

We remain committed to creating a marketplace for shareholders to buy and sell shares in Vivobarefoot, a UK Private Company. Creating a fair and transparent platform for this is technically and legally complex, and may take some time yet. We will keep you informed of any progress.

We have now been profitable for several years, but this was not always the case. Previously, we used a capital reduction to offset the share premium against some of the historic losses, reducing them to just over (£3.2M). This year's profits took this down to (£2.3M).

As Covid uncertainty continued to ravage the world, we worked hard to shore up the balance sheet. We focused on managing the short-term challenges of cash whilst maintaining adequate stock levels to match our growth to ensure the long term health of Vivo.

We had nearly £0.7M more stock inbound at the period end than last year meaning stock levels were up to £5.2M. Additionally, the facility's impact on our working capital cycle meant that cash was £3.4M at the year end, double what it was last year £1.7M.

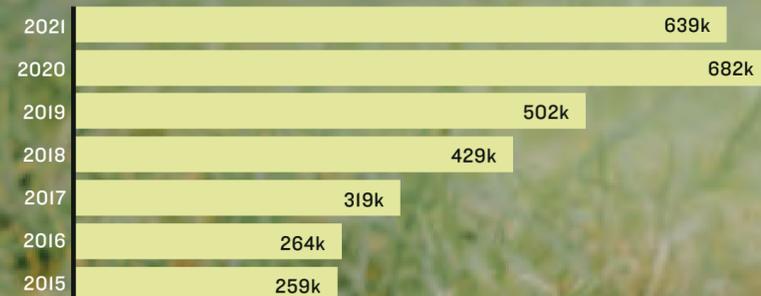
So, although we could have had stronger financial results, we are now in the strongest financial position we have ever been. We remain the same independent, private and largely self-funded family business. As the world rebuilds, we must help more people reconnect with their feet, their bodies and the natural world.

WRITTEN BY MARC ARNOLD,
FINANCE DIRECTOR

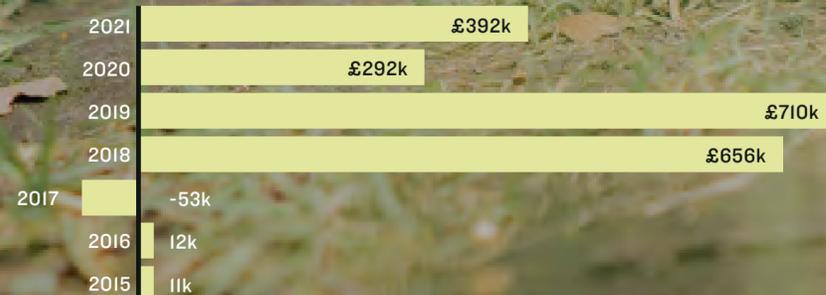
SALES VALUE



SALES UNITS



PROFIT BEFORE TAX



PROFIT AFTER TAX



FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 26 JUNE 2021

	Note	26 June 2021 £	27 June 2020 £
Turnover	4	36,209,560	34,075,034
Cost of sales		(19,948,114)	(20,246,807)
Gross Profit		16,261,446	13,828,227
Administrative expenses		(15,910,441)	(13,986,854)
Other operating income	5	101,054	463,561
Operating profit	6	452,059	304,934
Interest receivable and similar income	9	2	45
Interest payable and similar expenses	10	(59,652)	(12,772)
Profit before tax		392,409	292,207
Tax on profit	11	542,724	443,245
Profit for the financial 52 weeks		935,133	735,452

There are no items of other comprehensive income for either the 52 week period or the prior 52 week period other than the profit for the 52 week period. Accordingly, no statement of other comprehensive income has been presented.

The notes on pages 89 to 98 form part of these financial statements.

BALANCE SHEET AS AT 26 JUNE 2021

	Note	26 June 2021 £	27 June 2020 £
Fixed assets			
Intangible assets	12	644,288	390,524
Tangible assets	13	341,674	558,550
Investments	14	101	101
		986,063	949,175
Current assets			
Stocks	15	5,279,776	4,667,482
Debtors: amounts falling due within one year	16	4,056,962	3,178,171
Cash at bank and in hand	17	3,438,581	1,688,170
		12,775,319	9,533,823
Total assets		13,761,382	10,482,998
Capital and reserves			
Called up share capital	21	4,595,795	4,595,795
Other reserves	22	416,435	352,343
Profit and loss account	22	(2,314,492)	(3,249,625)
Shareholders' funds		2,697,738	1,698,513
Creditors			
Amounts Falling Due Within One Year		9,779,346	7,078,187
Amounts Falling Due After More Than One Year		1,284,298	1,706,298
Total equity and liabilities		13,761,382	10,482,998

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



G J D Clark, Director
Date: 9th December 2021

The notes on pages 89 to 98 form part of these financial statements.



STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEKS ENDED 26 JUNE 2021

	Called up share capital	Share premium account	Share option reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 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 28 June 2020	4,595,795	-	352,343	(3,249,625)	1,698,513
Profit for the 52 weeks	-	-	-	935,133	935,133
Share-based payment expense	-	-	64,092	-	64,092
At 26 June 2021	4,595,795	-	416,435	(2,314,492)	2,697,738

The notes on pages 89 to 98 form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE 52 WEEKS ENDED 26 JUNE 2021

	26 June 2021 £	27 June 2020 £
Cash flows from operating activities		
Profit for the financial 52 weeks	935,133	735,452
Adjustments for:		
Amortisation of intangible assets	145,072	3,984
Depreciation of tangible assets	138,734	238,096
Loss on disposal of tangible assets	-	1,259
Interest paid	59,652	12,772
Interest received	(2)	(45)
Taxation credit	(542,724)	(443,245)
(Increase) in stocks	(612,294)	(2,145,689)
(Increase) in debtors	(578,206)	(1,650,429)
Increase in creditors	2,629,159	3,939,538
Increase/(decrease) in provisions	-	(56,114)
Corporation tax received	242,139	80,993
Share based payments expense	64,092	185,461
Net cash generated from operating activities	2,480,755	902,033
Cash flows from investing activities		
Purchase of intangible fixed assets	(184,523)	(360,000)
Purchase of tangible fixed assets	(136,171)	(441,556)
Interest received	2	45
Net cash from investing activities	(320,692)	(801,511)
Cash flows from financing activities		
Repayment of other loans	(350,000)	(371,700)
Interest paid	(59,652)	(12,772)
Net cash used in financing activities	(409,652)	(384,472)
Net increase/(decrease) in cash and cash equivalents	1,750,411	(283,950)
Cash and cash equivalents at beginning of 52 weeks	1,688,170	1,972,120
Cash and cash equivalents at the end of 52 weeks	3,438,581	1,688,170
Cash and cash equivalents at the end of 52 weeks comprise:		
Cash at bank and in hand	3,438,581	1,688,170



STRATEGIC REPORT

FOR THE 52 WEEKS ENDED 26 JUNE 2021

BUSINESS ENVIRONMENT

We run our business from the United Kingdom, source our footwear from Ethiopia, Portugal, China and Vietnam and sell internationally via ecommerce platforms and through a network of distributors. See our value chain map on page 45 and product manufacturing details on page 43.

The footwear sector has continued to face challenges: formalwear has declined, as have heels (not that we're too bothered about that!). The sourcing and selling challenges we were facing last year have lessened but not disappeared — see some of these in Barefoot Resilience on page 49.

KPIS

In case you missed them, our KPIs can be found on page 10. Sources suggest the resale market could outgrow fast fashion within ten years and younger consumers are driving this change. You'll find details of ReVivo, our reuse/resale platform, on pages 52-53.

STRATEGIC MANAGEMENT & FUTURE DEVELOPMENTS

Our long-term sustainability and innovation goals are to invest in healthy products and experiences sold through healthy digital ecommerce. This continues to set Vivobarefoot up for strong, sustained success. Find out how we're making our products healthier through VivoBiome on page 54 and Regenerative Manufacturing on page 47.

Vivobarefoot invested in Regenerative Leadership training for all staff, equipping the business to sense and respond to threats and opportunities as they arise and ensure agility in its actions. Read the full story on page 67.

RISKS

Our Strategic Risks are detailed on page 11.

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 takes on an important oversight role in this regard, with input from expert third parties where necessary.

BUSINESS PERFORMANCE

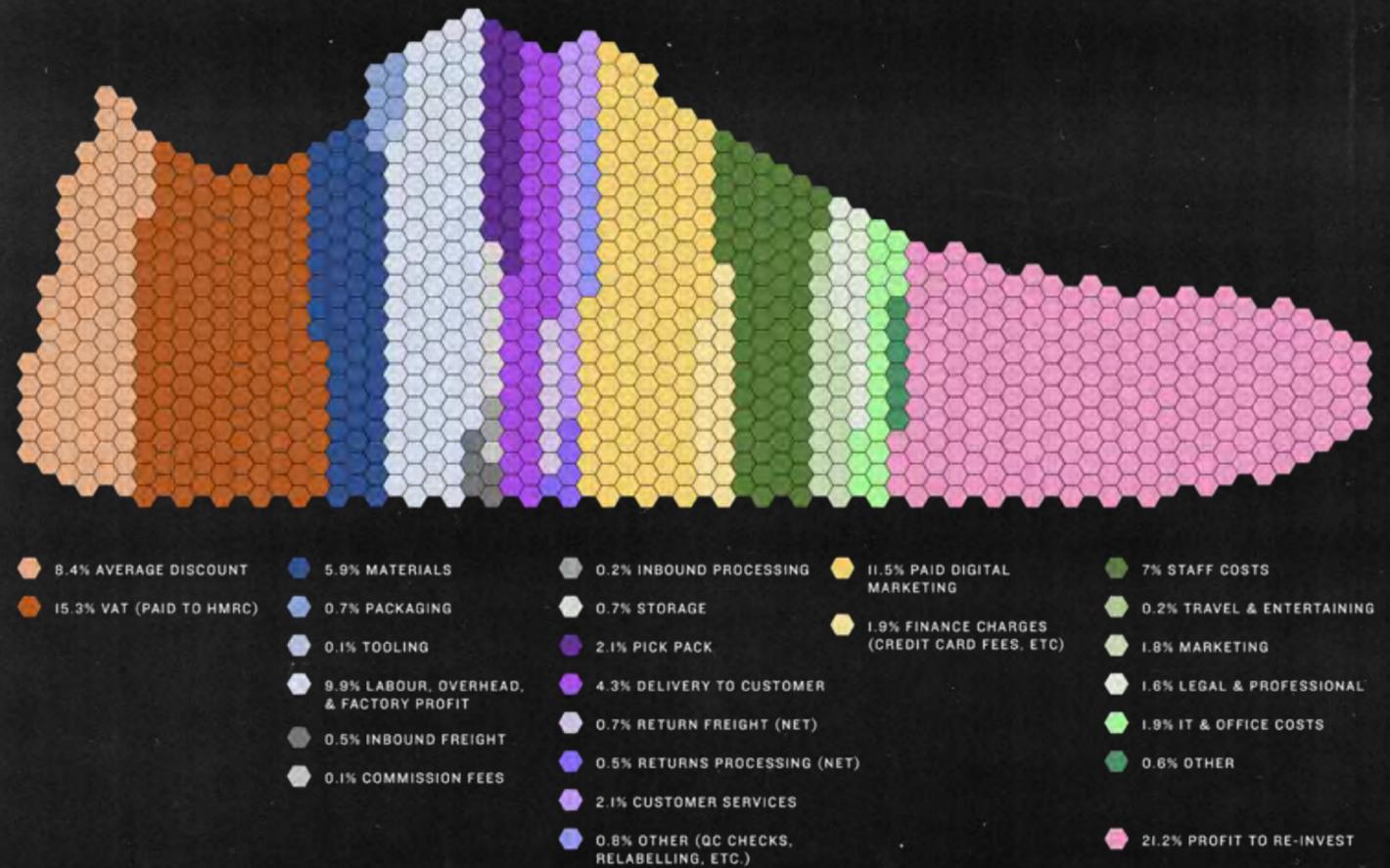
The full details of this year's performance can be found in 'Financial Capital' (pages 57-58) and if you're really interested, detailed notes to the accounts are available from page 89.

G J D Clark
Director

Date: 9th December 2021

COST BREAKDOWN OF A SHOE

PRIMUS LITE WOMENS BRIGHT WHITE SOLD ON UK ECOM PLATFORM



THE LIVEBAREFOOT FUND

OUR IMPACT INNOVATION INCUBATOR

In July 2020, we launched the Livebarefoot Fund (LBF), an internal programme for initiating, nurturing and funding social and environmental impact programs aligned with our mission.

All projects that go through LBF are co-created with external partners to create a systemic impact on people and planet.

To learn more, read our [Impact Investment Policy](#), which sets out our guiding principles for impact investment and charitable giving, and operational processes to manage them.

Because each project we support is selected to help solve a specific problem within Vivobarefoot, you will find Livebarefoot Fund stories dotted throughout this report.

For example, you can learn about:

- Future Footwear Foundation on page 27
- Oxygen on page 32
- Wild Human on page 19
- Letters to the Earth on page 30

The Livebarefoot Fund is spearheaded by our indomitable Dulma Clark, who is supported by a steering group made up of internal and external impact experts.

WHAT'S NEXT?

Having successfully piloted LBF across multiple projects, we are now ready to focus on supporting a small number of hero projects to maximise impact and attract external funders.

PROGRAMMATIC REVIEW

1. BAREFOOT LIVING

Reconnect people to nature and their natural potential:

- Research to expand knowledge of natural movement and holistic health.
- Fund educational and physical experiences to bring more people back to barefoot.
- Advocacy campaigns and product collaborations to inspire more people to Live Barefoot.

2. BAREFOOT SHOEMAKING

Bring regenerative footwear to the world:

- Research and development of materials that help regenerate ecosystems, especially for biodiversity.

- Research and development of regenerative footwear value chains with closed loop production.
- Collaborations with indigenous communities that honour their wisdom and practice of biodiversity stewardship and cobbling.

STEERING GROUP

Our Steering Group was formed to advise and direct on strategy. Alongside the Vivobarefoot team of Galahad Clark (CEO) as Chair and Emma Foster-Geering (Director of Sustainability), we are joined by:



LINA CONSTANTINOVICI
UNA-SF Advisory Board,
Innovation 4.4 Oceans Funders



THOMAS BOURNE
Founder Greenheart Consulting



KATE FLETCHER
Research Professor, Author,
Consultant and Design Activist



DIRK BISCHOF
Founder of Hatch Enterprise



DULMA CLARK

LIVEBAREFOOT FUND FUN-DAMENTALS

	2020-21	2019-20
IMPACT PROJECT COST	194,409	218,076
STAFF TIME & OVERHEAD COSTS	133,092	40,663
TOTAL VIVO CONTRIBUTION	327,501	258,739
% TURNOVER	0.9%	0.8%
% PRE-TAX PROFIT	83.5%	88.5%

“BY SIMPLY CAPITALISING ON CORE STRENGTHS AND KNOWLEDGE, COMPANIES AND ENTREPRENEURS CAN ENGAGE IN AN EMERGING BUSINESS MODEL THAT WILL ENABLE THEM TO CREATE – AND DEMONSTRATE – REAL, SUSTAINABLE SOCIAL IMPACT IN SOCIETY.”

– MUHAMMAD YUNUS



BAREFOOT LIVING

PROJECT	DESCRIPTION	START-END DATE	2020-21, VIVO DIRECT CONTRIBUTION	TOTAL FUNDED TO DATE INCLUDING FUNDRAISED/MATCH-FUNDED*	TOTAL PROJECT BUDGET COMMITTED*
RESEARCH	Carlow	4 research streams on sensory feedback & natural movement. PhD ends in 2022 3 MScs end in 2023	£18,552	£55,656 directly funded by Vivo for the PhD student	£100,000
	Future Footwear Foundation	Continuous partnership to conduct design anthropology and biomechanics research with the indigenous communities.	£30,000	£125,000 Vivo direct contribution for the research	£42,000 annual contribution until contract revision date
EDUCATION & EXPERIENCES	Wild Human	Rewilding and bush-crafting experiences in Lake District.	£12,000	N/A	To be reviewed
	Hatch Enterprise	BAME Female Founders Incubation program.	£10,000	£250,000+ investment secured for the early stage founders	New incubation program on Diversity and Inclusion in the outdoors is being designed
	Devon Environmental Foundation	Founding member. Mission – protect and restore Devon’s environment by funding local nature regeneration.	£20,000	£180,000	£10,000 annual contribution until cancelled
IMPACT CAMPAIGNS	Covid Rapid Response	Footwear donation to frontline volunteers.	£13,943	N/A	N/A
	Small Steps Project	Annual fundraising: celebrity shoe action.	N/A	£25,000 raised as a grant for the project in Kenya; £32,981 raised in auction.	To be reviewed
	Oxygen Project	Advocacy campaign to raise awareness of harmful algae Blooms: an open letter to UNESCO.	£9,230	N/A	N/A
	Culrunners	Arts programs for mental health. Our angle – arts reflecting nature – focus on Agnes Denes & indigenous artists.	May 2020 – Dec 2021	N/A	To be calculated and reported in the next EOY report

HATCH ENTERPRISE

In September 2020, 20 female founders joined our incubator cohort programme. Alongside fortnightly workshops, this group received 1-2-1 advice and support from Vivobarefoot volunteers on business strategy, branding, marketing and more.

This programme was run by Hatch Enterprise, which has been working since 2014 to grow ideas from under-served communities into profitable positive impact businesses.

WHAT WENT IN

- 20 BAME founders
- 13 Vivobarefoot volunteers
- 37 1-2-1 sessions provided

WHAT CAME OUT

- 50 new jobs created
- 30+ volunteering opportunities
- £250,000+ investment secured



*excluding any amplification costs

BAREFOOT SHOEMAKING

PROJECT	DESCRIPTION	START-END DATE	2020-21, VIVO DIRECT CONTRIBUTION	TOTAL FUNDED TO DATE INCLUDING FUNDRAISED/MATCH-FUNDED*	TOTAL PROJECT BUDGET COMMITTED*	
REGENERATIVE MATERIALS	Fashion for Good	A platform for sustainable fashion innovation to bring together an ecosystem to make fashion a force for good.	2019 – ongoing	£48,765	£97,512	£48,765 annually until cancelled
	Kelp	First off-shore kelp farming trial with a vision of developing bio materials suitable for footwear.	Nov 2020 – ongoing	£10,000	£40,000 match-funded via Devon Environmental Foundation	To be reviewed
REGENERATIVE VALUE CHAINS	London College of Fashion	1 Scholarship MA in Footwear and business case partnership for footwear upcycling design.	Sep 2021 – May 2022	N/A	N/A	£10,000
	Royal College of Arts, supported by London Business School	Future Fashion Factory Grant on 3D designs and Service Design.	Jan 2021 – Feb 2022	N/A	N/A	Project total of £97,073, including £51,865 in grant funding. Additional leverage from the RCA of £43,510
	Manchester Metropolitan University	Knowledge transfer partnership for Digital Design and Supply Chain Analyst (KTP Associate), Innovate UK part of UK Research and Innovation.	Dec 2021– Dec 2023	N/A	N/A	£186,977, of which Vivo contribution is £61,454 and UK Government contribution is £125,275
	3D2WALK by Future Footwear Foundation	3D fitting algorithm research & development.	May 2021 – ongoing	N/A	N/A	50,000 EUR Vivo direct annual contribution
BAREFOOT COBBLING	Namibia	SAN-DAL: barefoot hunting sandal made with the San people of the Kalahari.	2016 – ongoing	£12,000	£92,554 raised as a Kickstarter project in 2016; additional funding £30K+ is being raised via Future Footwear Foundation.	Ongoing support to bring 1,000 pairs of handmade sandals to the world.

DEVON ENVIRONMENTAL FOUNDATION

The Devon Environmental Foundation (DEF) exists to protect and restore Devon’s environment by channelling funds to the most impactful local nature regeneration projects. Vivobarefoot was a founding member of DEF, contributing £20,000 in year one and helping raise a further £180K.

These funds were invested in 15 projects, from protecting river wildlife corridors to an off-shore seaweed farming trial.



IMPACT 'REPORTING' FRAMEWORK MAP

As a growing business we need to access finance. The way we do that is increasingly becoming about how we report on ESG (Environmental, Social and Governance) criteria.

But the ESG space is vast and extremely muddy. We've spent 12 months reviewing the cacophony of standards, certifications and frameworks with our partners at Greenheart consulting to try and make sense of it all.

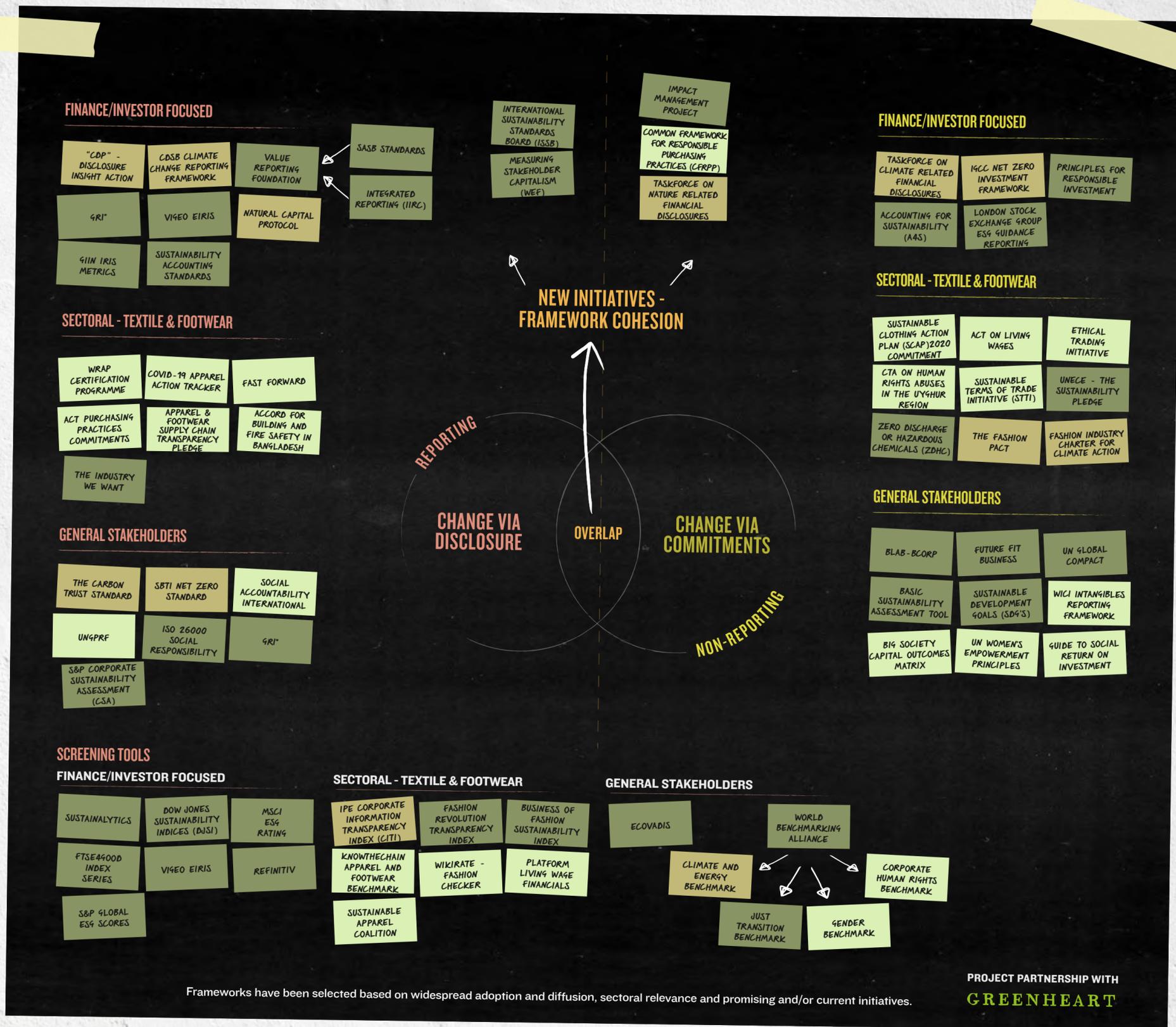
We think it's important to share what we can of this work (not least because we know there's lots of people out there that share our pain).

On the image adjacent we concluded there are:

- Two overarching approaches 1) change driven via disclosure i.e. reporting (they are strict and follow a framework) and 2) change driven via commitment i.e. certification or principles that companies sign up to (less rigorous)
- Three main audiences 1) finance/ investor, 2) sector specific e.g. footwear or fashion and 3) general (mainly the generic 'consumer')
- Three broad categories based on what 'issues' they consider most important 1) social 2) environmental and 3) holistic

Then on top of all that, the multiplicity of frameworks and their overlap has led to the emergence of 'new initiatives' which seek streamlining. Which, in conclusion, left us pretty much scratching our heads and staying with using the WEF again this year (see page 78).

Meanwhile our work on Unconventional Wisdom, again with Greenheart, helps us get closer to deciding where we put our resources to see the most impact going into the new year.



“THE WORLD HAS CHANGED. BUSINESSES NEED TO MOVE FROM SUSTAINABILITY REPORTING FOR ITS OWN SAKE TO MEASURING, MANAGING AND DEMONSTRATING THE IMPACTS THEY HAVE ON PEOPLE AND PLANET. YES, THERE IS A TON OF BASIC HEALTHCHECK METRICS THAT ARE A PRE-REQUISITE FOR CREDIBILITY IN THE SUSTAINABLE BUSINESS SPACE. BUT WHAT MATTERS MOST – AND ELUDES MANY – IS THE ABILITY TO DEMONSTRATE HOW THEIR ACTIVITIES CHANGE LIVES AND ECOSYSTEMS TANGIBLY FOR THE BETTER.”

– THOMAS BOURNE, GREENHEART

WHY HAVEN'T WE MADE A PUBLIC COMMITMENT TO NET ZERO?

GOOD QUESTION.

We believe in the urgency of the climate crisis and the importance of dramatic systems change to keep within 1.5 degrees of warming. But we will not ride the tide of bogus corporate net zero commitments just to make ourselves look and feel better.

The fashion industry is one of the guiltiest climate criminals around (and that's picking from a line-up of very shady characters). The humble shoe has evolved to be actively harmful to our planetary and personal health.

95% of that harm comes via a complex, global web of toxic manufacturing — known in climate-speak as 'Scope 3 emissions'. Because it is almost impossible to unravel this web to quantify impact, brands cannot make genuine net zero promises backed by robust data.

Instead, brands rely on extremely poor secondary data to make an 'educated' guess. By investing millions in carbon companies, brands pay away their guilt (and their reputational risk) without having to take any meaningful action.

But that's not even the worst part: becoming net zero is actually only one of this industry's biggest problems.

Billions of shoes go to landfill each year. There are mountains of product samples, returns and quality rejects, plus pre-product waste on cutting room floors.

Chemical companies are pumping toxic substances into our lives that only avoid prohibition through corporate lobbying and a health system that treats symptoms instead of causes. Human rights violations and issues of diversity, equity and inclusion injustice remain deeply entrenched in corporate governance and have only been made worse by the Covid crisis.

Our sedentary, cushioned lifestyles don't just make us and our planet sick, they disconnect us from this reality.

THE WORLD DOESN'T NEED ANY MORE PADDED, NARROW SHOES MADE FROM TOXIC PLASTICS, SOLD TO US BY COMPANIES PROPPED UP ON PRIVATE EQUITY CASH FOCUSED ON EXPONENTIAL GROWTH AND SHORT-TERM PROFITS.

At Vivobarefoot, we are committed to being a regenerative business. One that has a net positive impact on nature, the people who make our products, and the people wearing them. We are fiercely independent, bold, and passionate for change.

WE BELIEVE THAT BEING CONNECTED TO NATURE ISN'T JUST GOOD FOR US, IT IS FUNDAMENTAL FOR OUR TRANSITION TOWARD A SUSTAINABLE FUTURE.

Study after study shows that time in nature makes us love it more. And when you love something, you protect it.

It all comes down to our feet. The fundamental 'rightness' of living barefoot, exposed to and deeply connected with the natural world, runs deep through our business. We are stuck in a broken system and creative carbon accounting is at best a false economy and at worse an intentional distraction. We see the chasm between commitment, implementation and impact. We intend to help solve this problem, not exacerbate it. We are 100% committed to taking urgent climate action... but let's do it right.

WHAT ARE WE ASKING POLICY MAKERS TO DO THIS COP?

- For the Corporations Act in the UK to be updated to reflect the legal requirement for companies to account for financial and non-financial capital, and then introduce penalties for brands that are setting unrealistic financial growth targets that directly threaten planetary boundaries. Incentivise de-growth.
- For there to be significant tax breaks for B Corp Certified companies to trade in international markets and for Cradle-to-Cradle product certification.
- For meaningful prioritisation of funds into preventative systemic solutions to health and ecological issues such as outdoor exercise and rewilding.
- For the new Public Environmental Footprint (PEF) regulation to be radically rethought.
- More specifically to fashion and footwear, the de-privatisation of the Sustainable Apparel Coalition (SAC) and its paywalled data platform HIGG, plus a redesign of the SAC Goals.

B CORP



We achieved our first B Corp certification over 12 months ago.

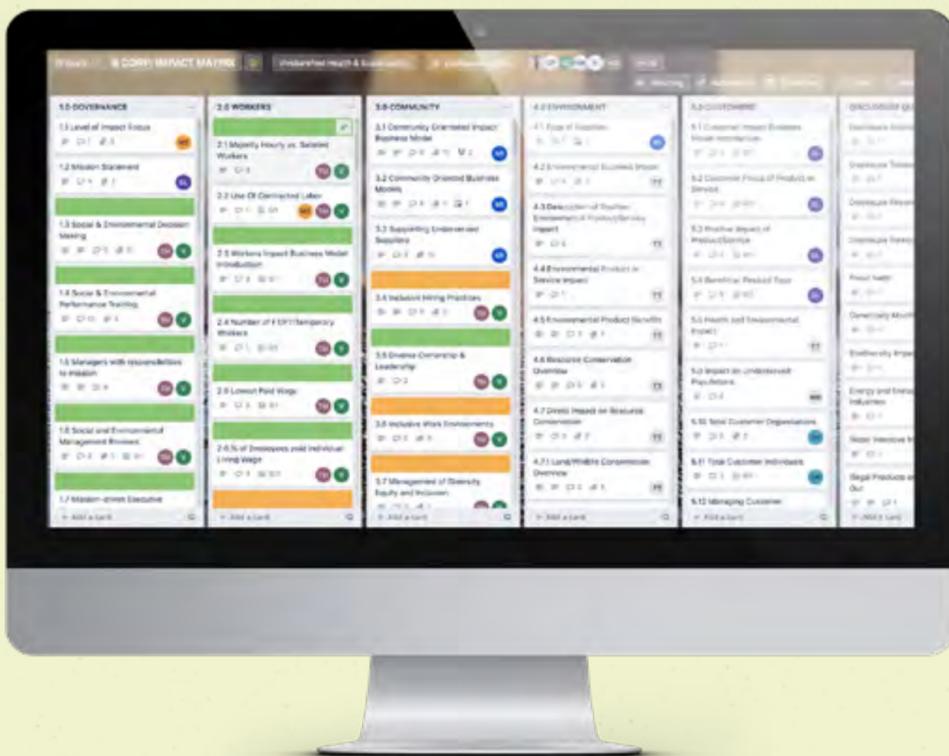
We're still proud of this, but we want to score much more highly and implement best practice across our business. To accomplish this, we've set up a cross-functional circle from across our Vivo ecosystem. Each member owns their respective B Corp area/s and helps deliver continuous improvement.

To measure our progress between B Corp's three-year certification timeline, we recently conducted a self-assessment using their online Business Impact Assessment platform. We're super happy to announce we moved our score from our certified 98.8 to 106.4!

In our pursuit of balancing profit, people and purpose, we've set ourselves some ambitious targets for future certifications:



OUR B CORP CIRCLE USE A TRELLO BOARD TO KEEP TRACK OF PROGRESS, COLLATE KEY EVIDENCE DOCUMENTATION AND MONITOR OUR RESPONSES TO THE B CORP FRAMEWORK ON A QUARTERLY BASIS.



BETTER BANKING

HSBC'S FIRST UK GREEN TRADING FACILITY

In 2021, we were thrilled to become HSBC's first ever recipient of their newest product – a green trade facility.

WHY WE NEED A LOAN

We have to pay our suppliers a long time before our customers buy our shoes. Because we're growing so fast, we need to borrow money to be able to pay all our bills on time.

HOW IS IT GREEN?

To qualify for one of these new loans, we had to pass a rigorous vetting process. Vivo was the first company to qualify for this Trade Facility – but we hope many more will follow in our footsteps.

THIS WAS ALL VERIFIED BY SUSTAINALYTICS – A CRITICAL THIRD PARTY.

HOW IS THIS GOOD FOR OUR IMPACT?

We believe HSBC can and will do great things with their suite of green products. By setting a high bar for entry, they are encouraging more businesses to reach for positive impact.

We want to support them on this journey by feeding back about the process, creating case studies to showcase best practice, publishing joint communications to attract new applicants, and running working groups on 'green business' through our networks.

HANG ON, IS HSBC A 'GOOD' BANK?

HSBC is committed to being carbon neutral in its own operations by 2030, and for its portfolio of customers to be carbon neutral by 2050. But we're on the same page as HSBC with this one: we both know they can and will do better. Meet Tim, our man at HSBC:

"Lots of businesses aspire to 'green', but don't really know how to get there.

What sets Vivo apart is that their sustainability lens is always in place – you can see it in every decision they make. I'm excited to share the Vivo story with my colleagues and other customers – it's so useful to be able to show what 'good' looks like."

"STAYING AS SELF-FUNDED AS POSSIBLE MEANS WE CAN RUN OUR MISSION WITH AGILITY AND INTEGRITY. WE CAN'T SAY WHAT WILL HAPPEN IN THE FUTURE, BUT WE'RE GRATEFUL THAT HSBC HAS HELPED US REMAIN LARGELY SELF-FUNDED SO FAR AND ARE BY OUR SIDE ON THIS JOURNEY."

– CHARLOTTE BEYER, COMPANY SECRETARY



CHARLOTTE BEYER

BUSINESS AS NATURE INTENDED

We want our business to change the world. Foot by foot, person by person.

To do that, we need a way of working that allows every single Vivobarefoot team member to truly fulfil their potential. That doesn't mean extracting maximum possible productivity from every employee — instead, it means creating a non-hierarchical, self-organising living-system culture that supports our people to flourish and contribute their creativity, empathy, resilience and resourcefulness.

To succeed, we have to stay away from 'middle management' style behaviours and make sure everyone is as close as possible to customer impact. We want our teams to give transformational customer journeys. We are seeking a totally new way of doing business, and that just isn't possible using traditional mindsets and models.

MEET GILES AND LAURA

In their words: "Regenerative leadership is a fundamental departure from traditional linear mechanistic management theory that much of today's mainstream organisational development approaches are still rooted in. Instead, a regenerative approach works with a living-systems worldview that understands the innate interconnectedness of all life on Earth.

This approach unlocks self-and-system consciousness so we can better sense and respond to the systemic dynamics at play across the organisation, and all play our part in cultivating a culture where we show-up with our whole-selves and engage in adult-adult (rather than parent-child) relationships of respect, responsibility and reciprocity.

We – Giles & Laura — have had the great pleasure of working alongside Vivobarefoot over the last

12 months as they embark upon this regenerative journey; transforming Vivos inner-nature (its culture) and outer-nature (its products and value propositions) to align with life."



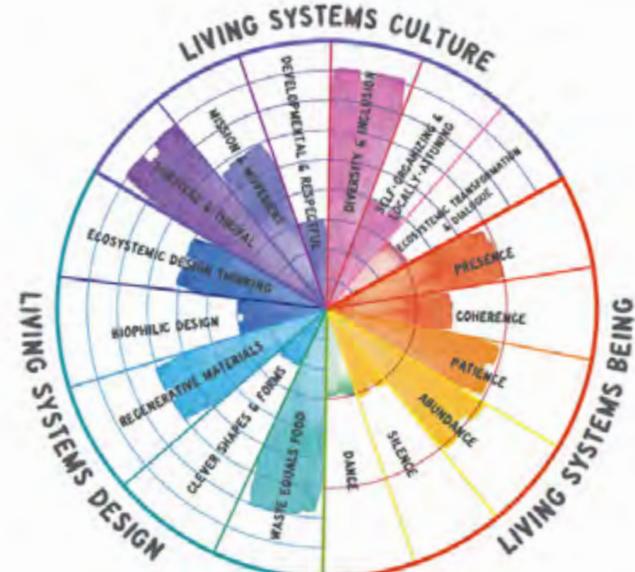
THE JOURNEY BEGINS...

In spring 2020, amid all the turmoil and uncertainty of Covid, we started our tailored Regenerative Leadership journey. Fast forward to today and the result has been transformative.

In that time, every Vivobarefoot employee has received extensive training in the principles of regenerative leadership through online webinars, off-line homework, peer-learning, and in-person nature immersions. This approach was created by Giles Hutchins and Laura Storm, who have provided invaluable and ongoing inspiration and guidance.

Over the last year we have homegrown our own version of this regenerative leadership approach into our Livebarefoot way. We've done this through in person nature immersion and online webinars.

THE DNA DIAGNOSIS WHEEL



www.regenerativeleadership.co

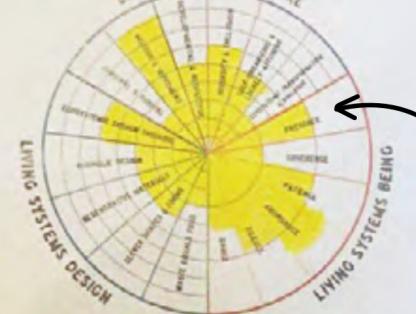
REGENERATIVE TRANSFORMATION

SEPT 2020

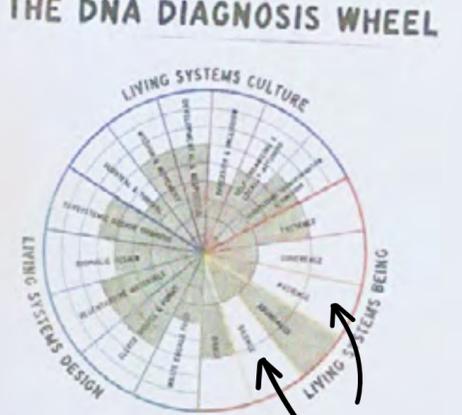
- Stress
- Negative gossip
- Lack of clarity
- Reactivity
- Dis-empowered
- 'Them and us'
- Cliques & in crowds
- Yang macho
- Siloed
- Hierarchic
- Parent-child
- No overarching developmental culture

SEPT 2021

- More connected
- More self-responsibility
- Self-regulating, self-learning, self-evolving
- More responsiveness and agility
- Empowered
- Sense of a 'Vivo Way'
- Galahad improving his feedback and comms
- Working across functions, category led, customer focus
- Yin-Yang
- Becoming more networked
- Joined up journey on strategy as People-Culture-Strategy
- More Adult-Adult
- Coaching culture
- Regular sensory feedback
- Barefoot way — values and behaviours



THE WAY PEOPLE SHOW UP HAS GREATLY IMPROVED — THE WAY WE ARRIVE IN MEETINGS, BEHAVE ON EMAILS ETC

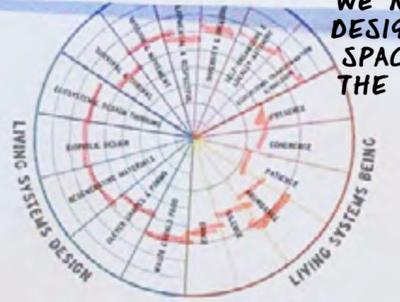


SILENCE AND PATIENCE ARE OUR BIGGEST PROBLEMS — WE NEED TO DESIGN MORE SPACE INTO THE SYSTEM

THE DNA DIAGNOSIS WHEEL



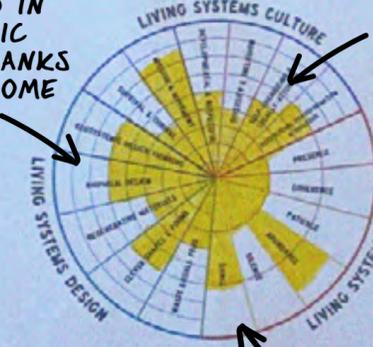
DIALOGUE IS GOOD, BUT CAN STILL BE A LOT BETTER. WE ARE THINKING OF BRINGING SOME EDGY VIDEOGRAPHER SKILLS IN HOUSE TO HELP US SHARE OUR CONVERSATIONS THROUGHOUT THE ECOSYSTEM. IS THAT PERSON YOU?



18/021, 5:40 PM

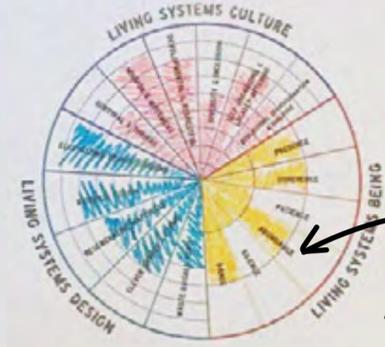
THE DNA DIAGNOSIS WHEEL

HUGE STRIDES FORWARD IN BIOPHILIC DESIGN, THANKS TO VIVOBIOIME



SELF ORGANISING IS MAKING SIGNIFICANT HEADWAY BUT WE'RE STILL FIGURING SOME OF THAT OUT

THE DNA DIAGNOSIS WHEEL



ABUNDANCE IS FULL, ESPECIALLY AROUND OUR MISSION AND RESOURCES

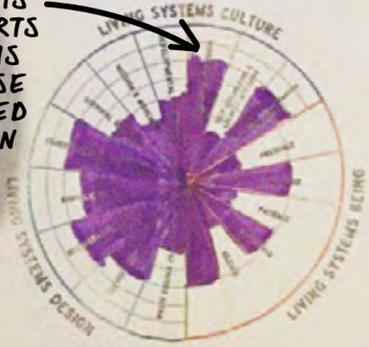
PM

THE DNA DIAGNOSIS WHEEL



DANCE IS HIGH, HIGH, HIGH

THE DNA DIAGNOSIS WHEEL



INCLUSIVITY IS OFF THE CHARTS BUT THERE IS STILL A SENSE THAT WE NEED TO INVEST IN DIVERSITY

DISCONNECT TO RECONNECT

WELCOME TO THE WOODS

Springwood Farm is a 60-acre ancient woodland retreat centre near London where Giles runs regenerative leadership immersions.

Everyone at Vivobarefoot has spent time in the woods – it’s where we go to learn about and practice the principles of regenerative leadership, immersed in nature. No mobile phones, no armour, hearts open, campfire conversations, forest walks, meditations, nature connecting, good food, and no booze.

← THE OCCASIONAL HIP FLASK IS SMUGGLED IN

→ THE BIOLOGICAL NAME FOR THE SENSORY NEURONS THAT SENSE AND RESPOND TO MOVEMENT IN OUR BODIES

ACTIVITIES AND OUTPUTS

Many powerful things have come out of this process — here’s a quick summary of the highlights so far.

PODS

Everyone at Vivo is part of a small cross-functional, silo-busting group that meets every six weeks to work through the regenerative leadership principles. These group training sessions (virtual when necessary) often start with a head-to-heart meditation and usually involve homework.

SOLO SESSIONS

One-to-one sessions for anyone who wants/needs them. Growth by day, camping by night. Giles also provides one-to-one coaching to strategic leaders across the business, which is a systemic way to embed regenerative business practices.

STRATEGY PLANNING

Team or department workshops that allow us to think big and solve sticky problems.

TEAM SESSIONS

When there’s stress within a team or other group, we head to the woods. A powerful safe space to unpack our feelings, say the things that need saying and find resolutions together.

REGENERATIVE RIPPLES

Creating positive regenerative ripples as part of an interconnected Vivo living-system. Including peer-sharing and personal commitments.

PROPRIOCEPTORS

12-14 people who collectively sense and respond to what’s really going on at Vivobarefoot. With regular in-person check-ins, these ‘sensors’ collect and share feedback across the whole system, picking up on tensions and hotspots, helping people resolve issues and seeding new ideas or behaviours.

THE LIVEBAREFOOT MODEL

Our Head of Culture and Transformation, Ash Pollock, has 'Vivo-fied' Regenerative Leadership to create our own model.

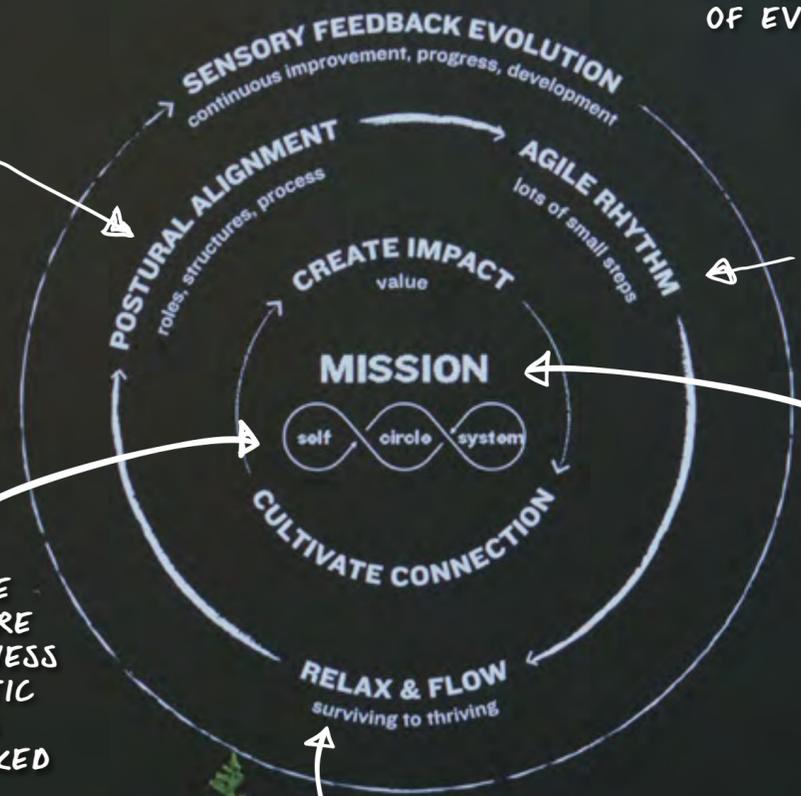
Using the core elements of barefoot movement, this model summarises how we want to show up as a business — in our values, behaviours, rhythms, rituals, recruitment, on-boarding, coaching-culture, project-prioritisation and agile ways of working.



LIVEBAREFOOT MODEL

THE SCAFFOLDING OF HOW THE BUSINESS RUNS — IS THERE TOO MUCH, TOO LITTLE?

TAKING THE STING OUT OF FEEDBACK BY MAKING IT PART OF EVERY MOMENT



SHORT TIMELINES, LOTS OF LEARNING

EVERY DAY, IN EVERY DECISION, WE'RE HERE TO RECONNECT PEOPLE TO THE NATURAL WORLD

HOW WE ORGANISE OURSELVES. WE ARE CHANGING THE BUSINESS FROM A MECHANISTIC HIERARCHY TO A SYSTEM OF NETWORKED COMMUNITIES. SEE PAGE 72

HOW DO WE REMOVE EXCESS STRESS SO EVERYONE CAN FIND THEIR GROOVE?

ABOUT A YEAR AGO WE STARTED DEEP BREATHING IN MEETINGS. IT HELPS REMOVE EGO AND CONNECT AT A DEEPER LEVEL. TENSION RESOLVES AND CREATIVITY FLOURISHES



THE PROJECT COUNCIL

The Project Council is a new cross-functional team that will help align resources and facilitate entrepreneurial decision-making based on our core mission.

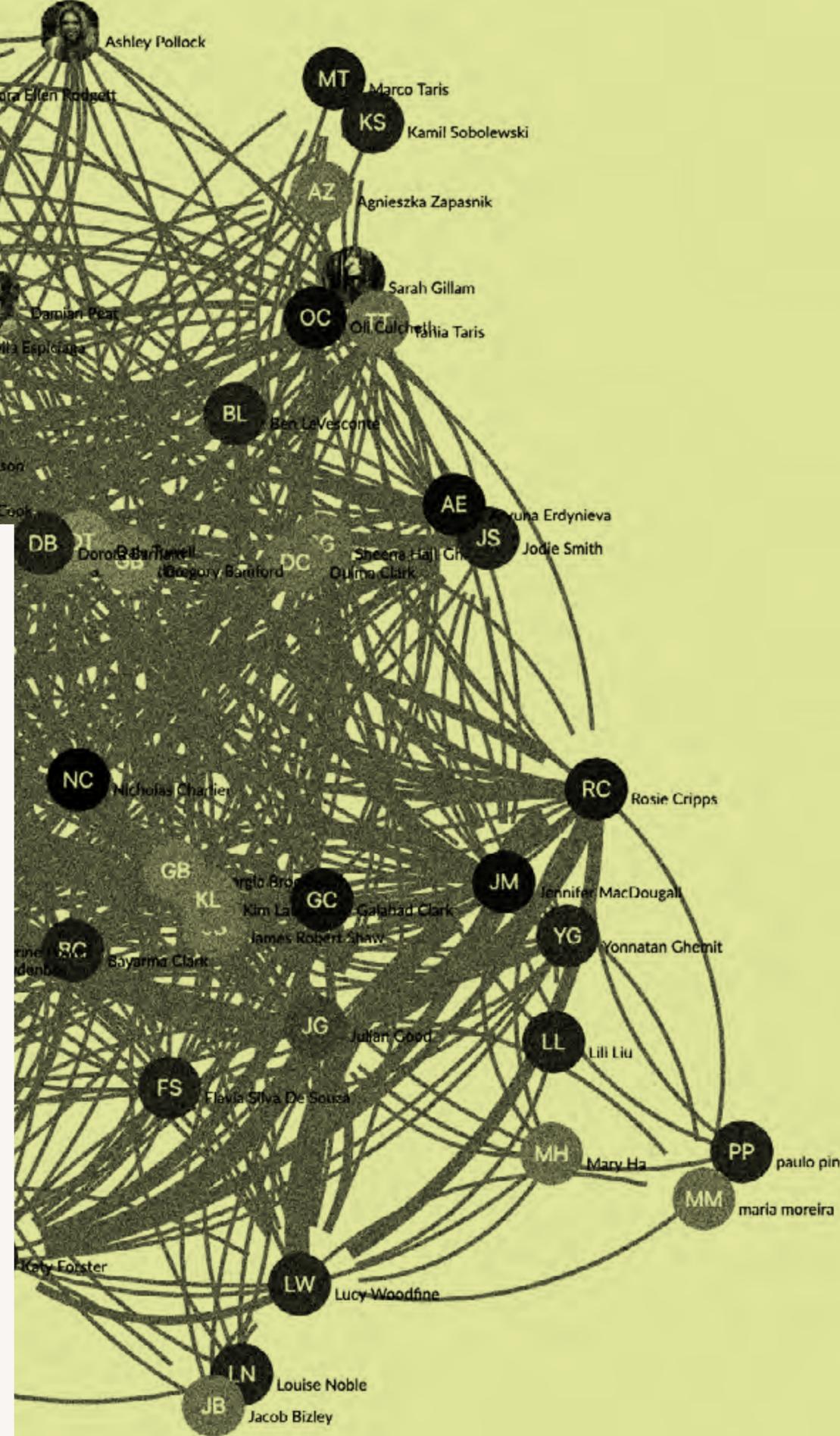
Project Council members will prioritise/de-prioritise projects, eliminating the need to go through the Board and democratising our decision-making process.

This is complemented using our self-developed Vivo Business Case Tools, which allow us to consistently score projects based on their strategic alignment, cost and resource-requirements.

“UNPRECEDENTED TIMES AS THESE ARE, LET’S NOT KID OURSELVES THAT WHAT LIES AHEAD WILL BE EASY. WE ARE STEPPING INTO A GLOBAL TRANSITION WHICH SPARES NO ORGANISATION. PIONEERS LIKE VIVOBAREFOOT NOT ONLY FUTURE-PROOF THEMSELVES BUT CREATE VITAL INSPIRATION FOR OTHER ORGANISATIONS EMBARKING ON THE REGENERATIVE JOURNEY.”

— GILES AND LAURA





OUR ECOSYSTEM

We've mapped the relationships across the Vivo-ecosystem and explored how to enliven the Vivo-system towards regenerative futures.

SELF

It starts with self — making sure everyone knows their role within Vivobarefoot, both as an employee and a human being. And ensuring we all achieve balance, fulfilment and personal growth.

CIRCLE

The next level is the circle. Everyone's primary circle or department is their core team which we call Home Circles (e.g. the Operations). We also have cross-functional Project Circles which are mission-specific circles that form as and when needed (e.g. the ReVivo team). Project Circles break down silos and bring together a diverse mix of skills and experience as required by each project.

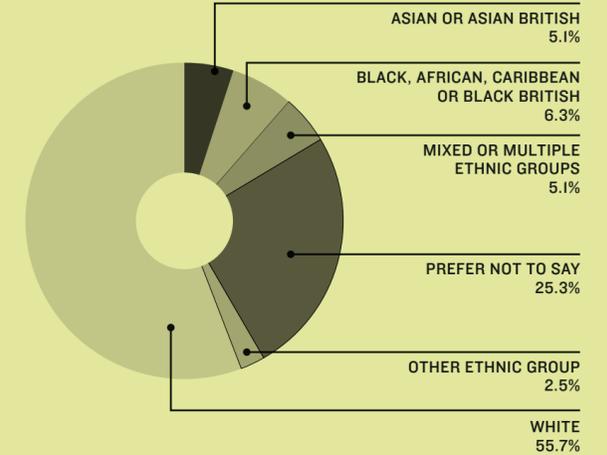
SYSTEM

Finally, the system: this is how we think about Vivobarefoot as a whole — our holistic Vivo 'ecosystem' (our whole Vivo team). We also recognise we are part of other systems beyond our business, like the fashion industry.

VIVOBAREFOOT PAY GRADES BY TIER



ETHNICITY



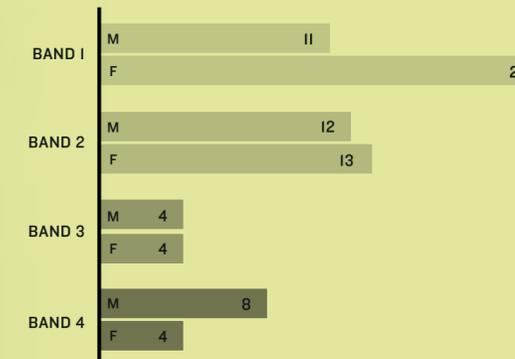
AVERAGE PAY BY TIER AND GENDER

Tier	Gender	Average Pay	Pay Gap
BAND 1	M	£31,652	7.7%
	F	£34,088	
BAND 2	M	£59,917	0.5%
	F	£59,615	
BAND 3	M	£82,500	8.42%
	F	£89,444	
BAND 4	M	£111,500	3.71%
	F	£107,361	

AVERAGE PAY BY ETHNICITY

Ethnicity	Average Pay
ASIAN OR ASIAN BRITISH	£46,125
BLACK, BLACK BRITISH AFRICAN, OR CARIBBEAN	£37,920
MIXED OR MULTIPLE ETHNIC GROUPS	£49,000
OTHER ETHNIC GROUP	£33,328
PREFER NOT TO SAY	£62,078
WHITE	£60,169

GENDER SPLIT BY TIER



“THE GREATEST CONTRIBUTION TO THE WORLD IS TO BE AT THE PEAK OF WELLBEING. THEN WHAT YOU DO WILL ALSO BE TRULY WONDERFUL.”
 — SADHGURU

A COACHING CULTURE

As a result of work with Giles and Laura, we've seen and felt the benefits of coaching at a self, circle and system level.

Why would we not want more of that in our business? That's why we're currently rolling out a pilot of the Vivobarefoot Regenerative Coaching programme, where six of our team are being trained as a developmental coach. By embedding these skills and this level of awareness deep within our culture, we'll keep progressing on our journey towards becoming a truly regenerative business.

HOW WE SHOW UP

We've been exploring how we show up in the workplace, noticing our own blind-spots, triggers and inner-voices. Cultivating the courage to have learning-based regenerative feedback with each other regardless of hierarchy. The courage to reach-out across perceived boundaries of separation, hierarchy, power or difference and show-up in a more whole and adult-adult way. We've created buddy-connections across silos for sharing, learning and evolving across the Vivo-system.



Q&A WITH ASH

We asked Ash, our Head of Culture & Transformation, a few questions about the past year.

Q/ Why is this journey the right fit for Vivobarefoot?

I consulted in innovation for five-and-a-half years and Vivo is the most innovative company I have ever worked with. It's incredible. We forget because it's so 'normal' here. We really are trying to change the world and this is just another example of that regenerative innovative spirit. Business is broken, and we're trying out a solution.

Q/ So how is our culture transforming?

It's unfinished business! It's going super well, but we also know we're not perfect. People are still stressed, there are seriously exciting projects in every team, plus there is so much transformation happening simultaneously. Our team certainly has courage, compassion, and grit!

Q/ Do you think it's working?

Absolutely. There are lots of ways I know it is, but here's a good example. We use an anonymous feedback platform called Employee Voice. A couple of years ago, we were getting loads of negative feedback through that — which is okay, that's what it's there for. But now we hardly get any. I don't think that's because people have stopped having negative feedback — it's because we have a culture where people feel safer and comfortable enough to give that feedback face to face — which is just so much better, more regenerative. Our steadily increasing Happiness Index score (see page 74) is another great example of this.

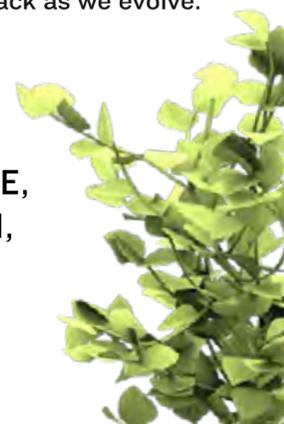
Q/ But we're not going to change too much, right?

Of course not. We still want all that entrepreneurial, crazy, fun energy that makes us, us. We need more clarity on roles, and more agile structures and processes to help increase flow, but not too much that it stops it. We still want that Vivo spirit we all love.

Q/ The company is recruiting a lot at the moment. Does all this regenerative journey you're on affect how you bring new joiners on board?

It's huge. When someone comes into the system, we want to help them land 'softly' without feeling too much of the stress. To help, everyone is put into a Pod when they join (a team of new Viconistas from across the business), which immediately gives them a system and circle view. Then they get time with Giles and I — normally a full immersive day in the woods, followed up by a few online sessions diving into regenerative leadership, our journey, and what it really means to 'live barefoot'. We're always listening and improving our onboarding process, and we're getting great feedback as we evolve.

“OUR TEAM CERTAINLY HAS COURAGE, COMPASSION, AND GRIT!”



THE HAPPINESS INDEX

AN UPDATE ON DEI
 We conducted a Diversity, Equality and Inclusion survey in April 2020.

The results helped us see the work we had to do, and we decided to focus on inclusivity. As you've seen over the previous few pages, we've invested in our company culture, making sure everyone at Vivobarefoot is engaged, fulfilled and looked after.

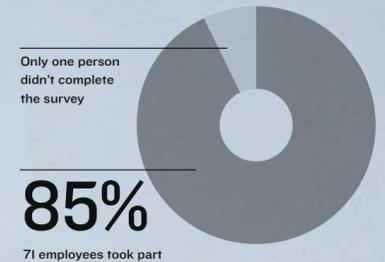
We know we need to do more on diversity, but we also believe it shouldn't be a box-ticking exercise. It's far too easy to send everyone on a half day's training and report progress – but that's not our style. Instead, as our journey to Regenerative Business continues to take us to new places, we'll invest in action that genuinely shifts the dial on diversity.

For now, here's what we're doing to progress our diversity score:

- Various chats around how to tackle this in the next year with Ash and Giles
- Looking at creating a diversity project circle
- Pay captain – we'll be analysing ethnicity, nationality and religion pay gaps and taking action accordingly

“THE ESSENCE OF AN ECOSYSTEM IS DIVERSITY. IT IS ALSO THE ESSENCE OF CREATIVITY.”
 — GALAHAD CLARK

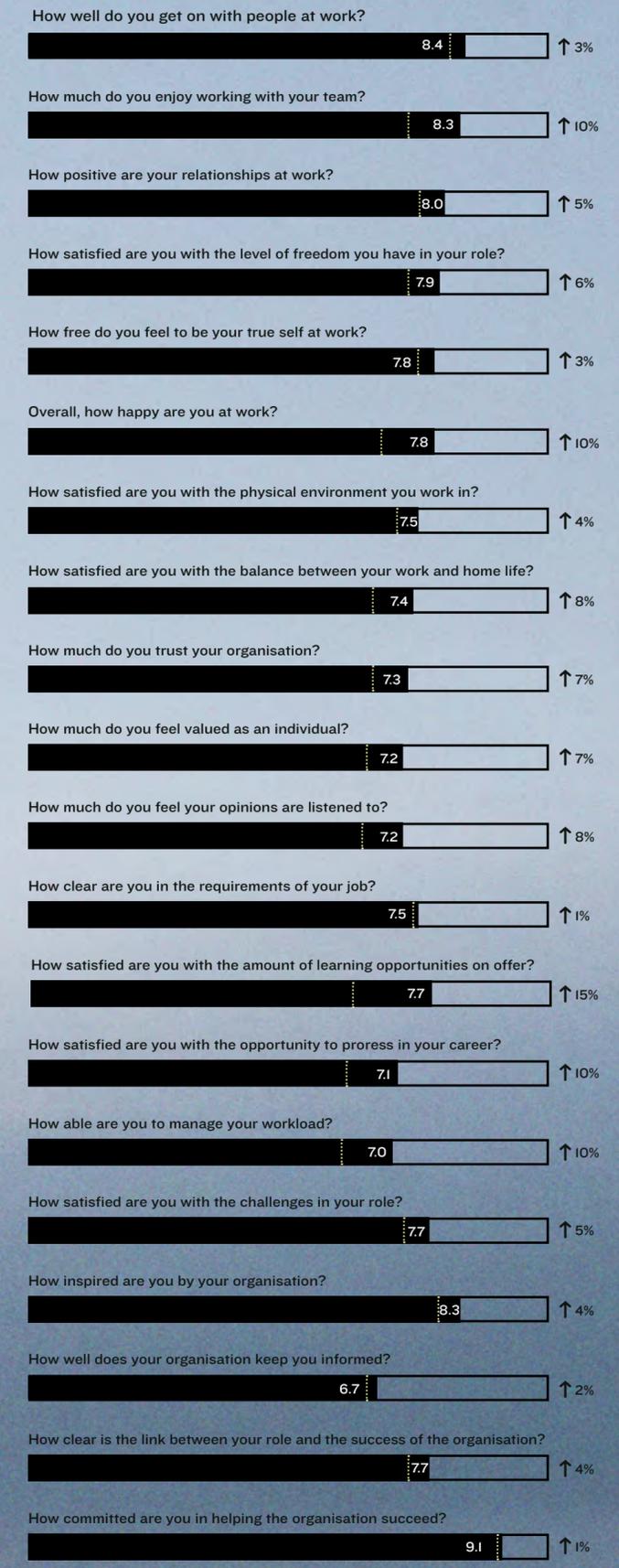
RESPONSE RATE



AVERAGE SCORE



HAPPINESS INDEX RESULTS



BAREFOOT CODE

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. Our employee benefits are extensive and get reviewed each year. Here's the latest version.

WE WILL HAVE A CENTRALISED APPROACH TO TITLES AND REWARDS COME THE END OF THE YEAR.

- Living wage employer
- Barefoot transition support
- £1000 for the successful hire of any known referred contacts
- Private health care with Vitality
- Fr Fridays are meeting free
- £1000 personal development and wellbeing fund — use to learn new things or for your own wellbeing
- £1000 per annum for professional training support
- 4x fully trained Mental Health First Aiders
- Industry leading parental leave policies
- Choice of participation & costs covered for swimrun events
- Four days a year to engage in volunteering or community service
- Cross-functional projects and secondment opportunities

Enough seasonal barefoot footwear to enjoy and promote #livebarefoot

£150 vouchers — twice a year, a gift to celebrate the summer and winter solstice

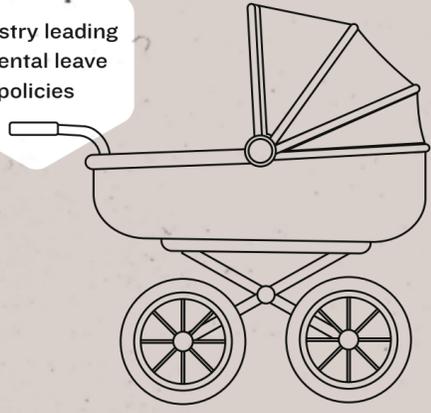


Alternative health and spiritual experiences

Financial incentives for low impact travel e.g. cycling, trains

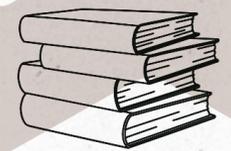
Four extra days off for your birthday, Christmas & New Year, religious days. There's also an option to buy an extra five days AND four days for nature, volunteering or wellbeing

We offer external life or business coaching to anyone who wants it



100% flexible working days and hours

Anonymous employee feedback mechanism



On-boarding experience with all departments and a gift pack that includes books, three pairs of Vivobarefoot footwear, laptop of choice, a work-from-home allowance of £300 and more

Discount codes (50% for employees and 30% for friends and family)



Personal and planetary health goals embedded in every job description

Long service awards and sabbaticals

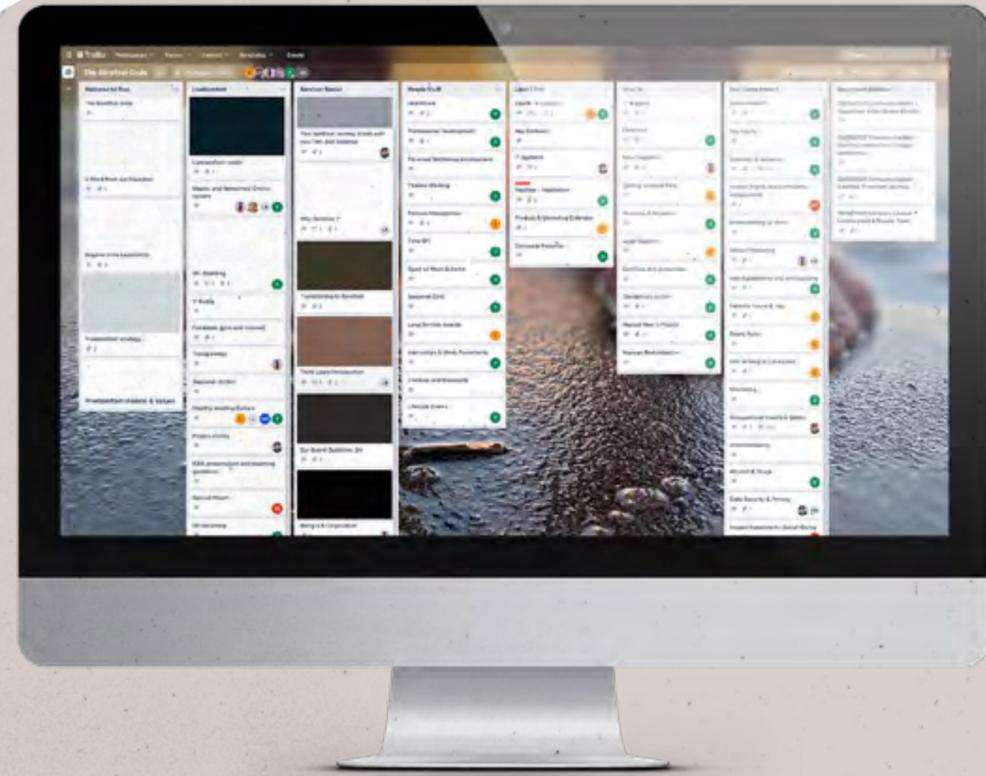
Immersive regenerative leadership training in nature



Anyone can expense a taxi if they feel unsafe walking home at night



Pension contributions at 4% for both employer and employee



HOW OUR PEOPLE SPENT THEIR PROFESSIONAL DEVELOPMENT FUND



CHARLOTTE BOUGHT A KAYAK



CATHERINE DID A POTTERY COURSE



GEORGIA LEARNT TO PLAY CRICKET

ROSIE DID AN UPHOLSTERY COURSE



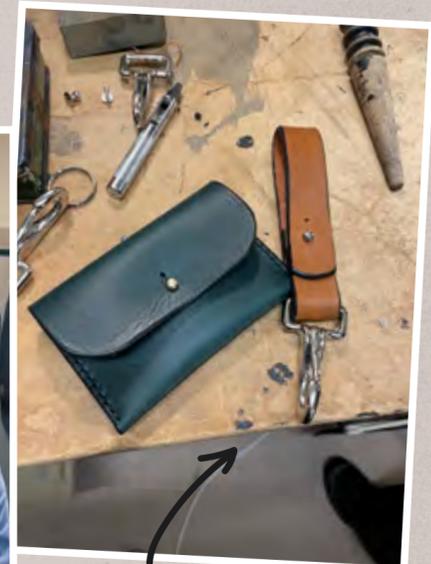
JAMES MADE THIS AFTER TAKING A WOODWORK COURSE



JACOB BOUGHT A SLEEPING BAG SO THAT HE WOULDN'T FREEZE IN BANTHAM



KATY DID A SAILING COURSE



GRAHAM DID A LEATHERWORKING COURSE

GREG BOUGHT AND LEARNT HOW TO PADDLEBOARD



ASH LEARNT TO KITE SURF



TANG DID A KOREAN COOKERY COURSE



EMMA DID A WINE-MAKING COURSE

CONSUMER CITIZEN

As we progress on our regenerative business journey we have begun to reframe our company as a community and consumers as citizens of that global community.

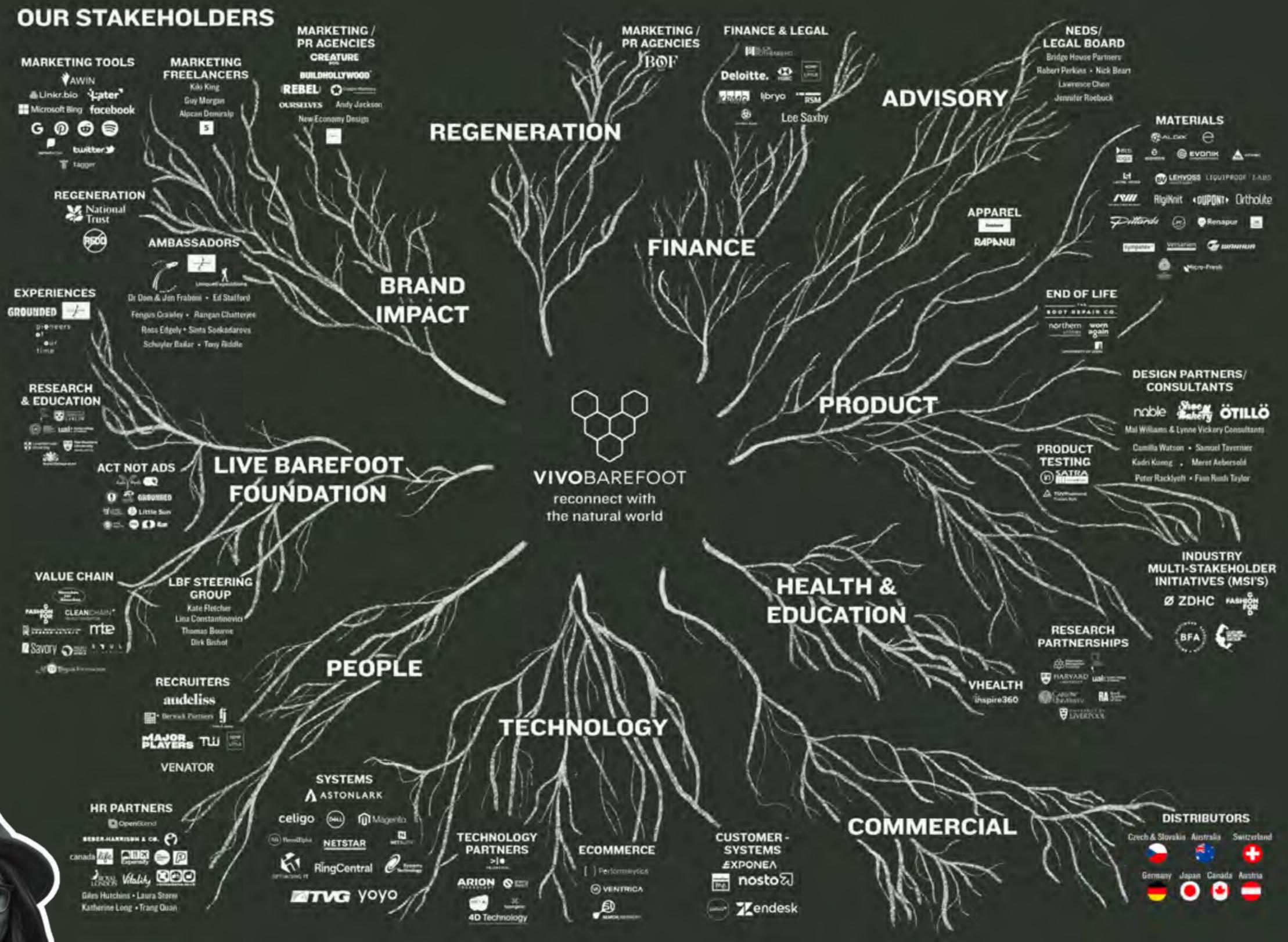
Vivobarefoot HQ is a small nucleus with enormous radiation — we must understand and nurture our entire ecosystem.

Our main goal is to manage our internal and external stakeholders via an integrated digital tool — enabling us to sense into our partners, monitor heat and encourage deeper collaboration.

Not managing our stakeholders wisely until now, allowing it to grow to the size it has without strong mission-based filters and engagement processes, has become a business risk.



SARA FAUSTINO



“AS A CERTIFIED B CORP, WE HAVE ALREADY MADE A LEGALLY-BINDING COMMITMENT TO VALUE ALL STAKEHOLDERS, NOT JUST OUR SHAREHOLDERS. PEOPLE DON’T JUST BUY OUR PRODUCTS AND THEY DON’T JUST WORK WITH US FOR THE MONEY — THEY BUY INTO THE MISSION. THAT’S A HUGE RESPONSIBILITY THAT WE TAKE SUPER SERIOUSLY, BUT WE NEED TO DO MUCH MORE TO CREATE OPPORTUNITIES FOR AGENCY AND BELONGING.”

— SARA FAUSTINO, ECOSYSTEM ASSISTANT

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?
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' starting on page 3, which includes our vision statement	✓
PURPOSE-LED MANAGEMENT		
How the company's stated purpose is embedded in company strategies, policies and goals.	See Regenerative Business section starting on page 55.	✓
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 10.	✓
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.	Vivobarefoot does not have performance based pay. Details of directors' remuneration can be found on page 72.	✗
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.	The Vivobarefoot Leadership Team has a range of competencies related to economic, environmental and social topics, including formal qualifications and industry experience. Qualifications include degrees in sustainable business, anthropology, marketing, design engineering, ecommerce systems, business IT management and industrial design. Experience ranges from management roles in large multinational corporations to board roles in B Corporations, including multiple footwear, outdoor and sports brands. Particularly specialisms include environmental and corporate systems, cultural narratives, consumer attitudes, responsible marketing, footwear development, sourcing, digital futures and sustainable product design.	✓

✓ Yes ✓ Partially ✗ Not yet

Composition of the highest governance body and its committees by: Executive or non-executive.	N Beart - Non-executive (Chairman) L Chen - Non-executive A Clark - Executive G Clark - Executive (CEO) J Roebuck - Non-executive	✓
Composition of the highest governance body and its committees by: Independence.	N Beart - Non-executive L Chen - Non-executive A Clark - Executive G Clark - Executive J Roebuck - Non-executive	✓
Composition of the highest governance body and its committees by: Tenure on the governance body.	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 C Beyer (Secretary) appt 06.20	✓
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 Director, Nemadi General Partners Limited Director, Cawston Press Limited A Clark Director, AMC Design House Limited Director, Mozekiel Investments Limited G Clark Director, Street Trustee Family Company Limited Director, Terra Plana International Limited J Roebuck Director, No Ordinary Designer Label Limited	✓
Composition of the highest governance body and its committees by: Gender.	N Beart - Male L Chen - Male A Clark - Male G Clark - Male J Roebuck - Female	✓
Composition of the highest governance body and its committees by: Membership of under-represented social groups	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		
	Our material topics: <ul style="list-style-type: none"> • 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.	✓
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.		✓

ETHICAL BEHAVIOUR		
ANTI-CORRUPTION		
Total % of governance body members, employees and business partners who have received training on the organisation's anti-corruption policies and procedures, broken down by region.	<ul style="list-style-type: none"> • 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 anticorruption. 	✓
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.	100% of employees have received training on Anti-Bribery and Corruption in the last two years.	✓
A DESCRIPTION OF INTERNAL AND EXTERNAL MECHANISMS FOR		
Seeking advice about ethical and lawful behaviour, and organisational integrity.	See our Anti-Corruption Policy See our policies	✓
Reporting concerns about unethical or unlawful behaviour, and lack of organisational integrity.	See our Anti-Corruption Policy See our policies	✓
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 rewilding 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. See Risks on page II.	✓
The company appetite in respect of these risks.	See Risks on page II.	✓
How these risks and opportunities have moved over time and the response to those changes.	See Risks on page II.	✓
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 KPIs on page IO.	✓

PLANET

WEF INDICATOR

CLIMATE CHANGE

VIVOBAREFOOT

DISCLOSED?

✓ Yes ✓ Partially ✗ Not yet

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.

Over the course of 2020/21 we have worked with ADEC Innovations to calculate and formalise GHG inventories for our Scope 1 & 2 emissions, in compliance with the GHG Protocol. Our Scope 1 emissions are as follows:

2019 - 9.97 MT CO₂e
2020 - 2.83 MT CO₂e



We will now look to get these additionally verified by a third party, providing assurance for future certifications.

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.

Over the course of 2020/21 we have worked with ADEC Innovations to calculate and formalise GHG inventories for our Scope 1 & 2 emissions, in compliance with the GHG Protocol. Our Scope 2 emissions are as follows:

2019 - 22.59 MT CO₂e
2020 - 23.13 MT CO₂e



We will now look to get these additionally verified by a third party, providing assurance for future certifications.

We are still in the process of collecting as much primary data as possible from across our business operations, in order to define our Scope 3 GHG inventories for both 2019 and 2020.

We have conducted a thorough analysis of our Scope 3 operations against the GHG Protocol and have identified the categories within the protocol of relevance to our business. We have begun collating data for our GHG inventories for the below categories:

Category 1. Purchased Goods and Services
Category 4. Upstream Transportation and Distribution
Category 9. Downstream Transportation and Distribution
Category 10. Processing of Sold Products
Category 12. End-of-Life Treatment of Sold Products



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

IMPACT OF GHG EMISSIONS

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

Now that we have Scope 1 & 2 GHG inventories for both 2019 and 2020, we will work with ADEC innovations as a second step to create a methodology for confirming the value impact of our emissions. We will then use this methodology across our Scope 1-2 emissions (Scope 3 to follow when completed) and report in full in 2021-22.



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

Now that we have Scope 1 & 2 GHG inventories for both 2019 and 2020, we will work with ADEC innovations as a second step to create a methodology for confirming the value impact and societal cost of our emissions. We will then use this methodology across our Scope 1-2 emissions (Scope 3 to follow when completed) and report in full in 2021-22.



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 don't currently align our reporting to include the TCFD recommendations. We are however reviewing the feasibility for us to voluntarily report to the TCFD reporting framework in future.



Disclose whether you have 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.

Utilising our 2019 and 2020 GHG inventories for Scope 1 & 2, we will now formalise absolute reduction roadmaps that align with the Paris Agreement. It took us a little longer than we anticipated to finalise our Scope 1 & 2 inventories, so we will now confirm our roadmaps in early 2022.



As we also move through calculating our baselines for Scope 3, we will confirm absolute reduction roadmaps aligned to the Paris Agreement for all relevant Scope 3 categories over the course of 2022.

PARIS-ALIGNED GHG EMISSIONS TARGETS

Define and report progress against time bound sciencebased 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, as our goal is to implement renewable energy sources across Scope 1-3 as far as we possibly can, with the aim of creating net positive impact through the generation and storage of energy. However, we will need to create our absolute reduction roadmaps first, 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).

Our office and store in Central London are leased sites and are not situated in or adjacent to protected and/or key biodiversity areas.



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).

Over the course of 2021 we have moved some of our manufacturing operations in Asia to a new development partner and subsequent material suppliers. This has meant that our material toolboxes have been reviewed and changed in areas. We are still in the process of confirming these toolboxes, to define a standard set of materials with varying levels of sustainable content e.g. recycled, organic etc, which will then allow us to report on our land use, material and value chain impacts going forward.



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.



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 formalised 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. Over the course of 2021 we have moved some of our manufacturing operations in Asia to a new development partner and subsequent material suppliers. This has meant that our material toolboxes have been reviewed and changed in areas. We are still in the process of confirming these toolboxes, to define a standard set of materials with varying levels of sustainable content e.g. recycled, organic etc, which will then allow us to report on our land use, material and value chain impacts going forward.	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.	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.	X
Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.		
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. We will begin to collect wastewater impact data through the CleanChain online platform across our TI manufacturing facilities over 2022.	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.

Over the course of 2021 we have moved some of our manufacturing operations in Asia to a new development partner and subsequent material suppliers. This has meant that our material toolboxes have been reviewed and changed in areas. We are still in the process of confirming these toolboxes, to define a standard set of materials with varying levels of sustainable content e.g. recycled, organic etc, which will then allow us to report on our single use plastic consumption, applications, reduction and definition.

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. Over 2021, we started the roll out of the CleanChain online platform to our TI 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 going forward.

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 continue to 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 and design level, integrating circular/ regenerative principles into our design processes, and through our VMatrix manufacturing programme, will widen this approach to our value chain at site level.

✓

Our ReVivo programme enables us to repair and refurbish a large number of our footwear (over 30k pairs repaired over 2020/21), however we're in the process of identifying partners for longer term mechanical and chemical recycling for the pairs we aren't able to repair or refurbish.

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

See VMatrix framework and update on page 37-40.

✓



PEOPLE

WEF INDICATOR

VIVOBAREFOOT

DISCLOSED?

DIGNITY AND EQUALITY		✓ Yes ✓ Partially ✗ Not yet
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' by Gender, Ethnicity and Age. Please see page 72. 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 = 5% (LY - 4%) % of workforce that identifies as a woman = 54% (LY - 53%) % of the workforce that identifies as being from a racial or ethnic minority = 19% (LY - 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 £10.85 per hour. During the year it was agreed that as a London-based company the minimum salary for Head Office staff should be £30k. Please see Annual salary by 'Band' by Gender, Ethnicity and Age. Please see page 72.	✓
Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	209% (LY - 231%) Median salary for employees: £57,293 CEO salary: £120,000	✓
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 value chain at Tier 1 level. We have continued to enforce and monitor our updated Code of Conduct across all manufacturing regions and have strengthened our in-country resources to monitor compliance on the ground. T2 mapping and due diligence is in active progress and a formalised plan has been confirmed for T3-T5.	✓
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' by Gender, Ethnicity and Age. Please see page 72. 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 organisation'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.	209% (LY - 231%) Median salary for employees: £57,293 CEO salary: £120,000 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 organisation to address these risks.	Our Code of Conduct sets out the minimum requirements for our value chain, and their value 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.	✓
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.	This year we crossed the threshold for mandatory reporting on Modern Slavery risks across our business operations and value chain. We have confirmed the rollout and next steps for key actions to conduct a full human rights review by country over the course of 2022.	✓
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.	In 2020/21 we set up a confidential grievance process and communication line, which is visible and accessible for all TI value chain partners. As we gain greater transparency over T2-T5 this process will be rolled out. To date, we have not received any grievances through this channel.	✓
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, Vietnam 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. Ethiopia: there is no minimum wage in Ethiopia, the factory we use pays four-times higher than other similar factories. 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.	✗

MONETISED IMPACTS OF WORK-RELATED INCIDENTS ON ORGANISATION (#£)

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 collected or calculated.



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 three 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 organisation'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).

70 hours per person / per year of paid professional development (LY - 40). This was not monitored by gender or 'band' but was available to all employees without prejudice.
 Total training expenditure £256,516 (LY - £69,454) resulting in an average spend per full time employee of £3,665 (LY - £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) 10 at year end
 b) 20%



MONETISED 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) 5.9% of payroll (LY - 1.5%)
 b) Vivo does not yet report or quantify



PROSPERITY

WEF INDICATOR

VIVOBAREFOOT

DISCLOSED?

EMPLOYMENT AND WEALTH GENERATION

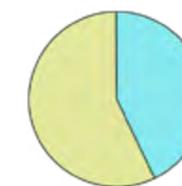
✓ Yes ✓ Partially ✗ Not yet

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:
 40 employees / 37.4% of employees
 Men 19 employees
 Women 21 employees



TURNOVER BY GENDER
 Men 43%
 Women 57%

WOMEN

15-19	0
20-29	7 employee
30-39	6 employees
40-49	2 employees
50-59	0
60+	0

MEN

15-19	0
20-29	1 employee
30-39	8 employees
40-49	1 employee
50-59	1 employee
60+	0

Please note that it was only during the year we were able to record ethnicity, as such we only have partial data for joiners and leavers. With this in mind, we have only been able to detail joiners by gender and age again this year, but will have complete data next year by other indicators.

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

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

Leavers 14, 18% (LY 7, 10%)

Although the number and percentage of leavers increased on the prior year, this year saw a net increase in staff of 15%.



ECONOMIC CONTRIBUTION

Direct economic value generated and distributed (EVG&D) – on an accruals basis, covering the basic components for the organisation'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	36,210
Other Income	101
Total Economic Value Generated	36,311
ECONOMIC VALUE DISTRIBUTED	
Employee Wages and Benefits	
Salaries and wages	4,354
Pension contributions	136
Operating Expenses	
Cost of goods sold	19,948
Administrative expenses	10,649
Interest payable	60
Payments to Government	
Payroll tax	540
Property tax	34
Payment to Community	
Donations	0
Soul of Africa	0
Regenerative experiences	43
Regenerative value chain	88
Barefoot Research & Education	16
Indigenous support	30
University sponsorships	22
Total Economic Value Distributed	35,919
ECONOMIC VALUE RETAINED	392



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

Furlough	90,466
Business Rates	21,435
TOTAL	111,901



FINANCIAL INVESTMENT CONTRIBUTION

Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.

Additions, £320,694
Depreciation £204,630
Net £116,064



Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.

No share buybacks in this or last year.



INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED

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.
3. Whether these investments and services are commercial, in-kind or pro bono engagements.

No share buybacks in this or last year.



SIGNIFICANT INDIRECT ECONOMIC IMPACTS

Examples of significant identified indirect economic impacts of the organisation, including positive and negative impacts.

We do not currently calculate this data.



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.



INNOVATION OF BETTER PRODUCTS AND SERVICES

TOTAL R&D EXPENSES (£)

£1,844,136

Total costs related to research and development.

5.1% of revenue



99.6% revenue is from barefoot shoes (99.1% last year)

SOCIAL VALUE GENERATED (%)

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.

	18-19	19-20	20-21	Total
2019 NEW STYLES	554,073	5,035,899	1,090,245	6,680,217
2020 NEW STYLES		1,661,314	2,121,096	3,782,410
2021 NEW STYLES			2,715,861	2,715,861
	55,073	6,697,213	5,927,202	13,178,488
TOTAL REVENUE	26,175,858	34,075,025	36,209,560	96,460,443
	2.1%	19.7%	16.4%	13.7%



COMMUNITY AND SOCIAL VITALITY

TOTAL TAX PAID

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.

Payable

UK VAT £2,066,171
Dutch VAT £21,354
Employers NI £539,663
Other EU VAT £330,454
California Sales Tax -
Business Rates £34,005
Total £2,991,646



Receivable

UK VAT £1,740,396
Dutch VAT £1,095,047
Total £2,835,442

TOTAL SOCIAL INVESTMENT (£)

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

	20-21	19-20
Donations	-	92,829
Soul of Africa spend	-	106,194
University sponsorships	18,552	19,053
Regenerative experiences	43,022	-
Regenerative value chain	87,836	-
Barefoot Research & Education	15,000	-
Indigenous support	30,000	-
Overheads	22,103	-
Staff Time	110,989	40,663
TOTAL	227,501	258,739
Pre-tax Profit	392,409	292,207
	83.5%	88.5%



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 £2,066,171
Dutch VAT £21,354
Employers NI £539,663
Other EU VAT £330,454
California Sales Tax -
Total £2,957,641



TOTAL TAX PAID BY COUNTRY FOR SIGNIFICANT LOCATIONS	UK VAT £325,775 Dutch VAT -£1,073,693 Employers NI £539,663 Other EU VAT £330,454 California Sales Tax - Business Rates £34,005 Total £156,204	✓
Total tax paid and, if reported, additional tax remitted, by country for significant locations.		

COVID-19 PURCHASING POWER

WEF INDICATOR	VIVOBAREFOOT	DISCLOSED?
		✓ Yes ✓ Partially ✗ Not yet
The maximum number of days from invoice date within which suppliers are paid.	60 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 45 days after shipping ShengNuo is paid 45 days after shipping Pittards is paid 30 days after shipping Pilar is paid 30 days after shipping 	✓
Number of suppliers asking 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.)	a) Our agreements include penalties for air freighting and discounts/cancellations for extremely late deliveries.	✓
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.)	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.	a) Yes	✓
b) All in-production orders.	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, or otherwise provided for during periods of lockdown.	We did not collect this data.	✗
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.	100% of orders were maintained this year.	✓
% 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 Conduct set out our requirements of suppliers.	✓
Number of workers furloughed and dismissed from supplier sites, by gender.	We did not collect this data.	✗
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.	✗



APPENDIX



DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE 52 WEEKS ENDED 26 JUNE 2021

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 IO2 '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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

DIRECTORS' REPORT

FOR THE 52 WEEKS ENDED 26 JUNE 2021

PRINCIPAL ACTIVITY

We make barefoot shoes. See pages 6 & 7 for the details of why and where.

RESULTS AND DIVIDENDS

Pages 57 & 58 detail the profit we made this financial year. The directors do not recommend a dividend.

DIRECTORS

A list of directors who served in the period can be found on page 2.

MATTERS COVERED IN THE STRATEGIC REPORT

As permitted by s414c(II) 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: 9th December 2021



INDEPENDENT AUDITOR'S REPORT

OPINION

We have audited the financial statements of Vivobarefoot Limited (the 'company') for the 52 weeks ended 26 June 2021, which comprise the profit and loss account on page 59, the balance sheet on page 59, the statement of cash flows on page 60, the statement of changes in equity on page 60, and the related notes on pages 89 to 98, 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 IO2 '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 26 June 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not

identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 on page 61 and the directors' report on page 87 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 set out on page 87, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. This description forms part of our auditor's report.

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in accounting estimates set out in note 3 on page 92 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HM Revenue and Customs, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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, as a body, 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, as a body, for our audit work, for this report, or for the opinions we have formed.

Blick Rothenberg Audit LLP

David Hough (senior statutory auditor)
for and on behalf of Blick Rothenberg Audit LLP
Chartered Accountants & Statutory Auditor
16 Great Queen Street, Covent Garden, WC2B 5AH

Date: 9th December 2021

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 26 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 26 JUNE 2021

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 28 June 2020 to 26 June 2021. The comparative figures reflect a 52 week period from 30 June 2019 to 27 June 2020.

The financial statements are presented in Sterling (£), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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 directors have elected to adopt the presentation of the Balance Sheet as at 26 June 2021 under Format 2 as permitted by the Companies Act 2006. The directors believe that the change of presentation reflects the business' growth in international trade, and therefore aligns the balance sheet with a format that will aid the interpretation of the company's financial position by potential customers and suppliers of the business in markets not just in the UK but across other global markets.

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

The company continues to monitor the developments in respect of the ongoing Coronavirus pandemic and has put in place several measures to ensure the safety and wellbeing of all stakeholders. Having considered post year-end trading, financial results, cash flow forecasts, cash reserves and committed borrowing facilities, and after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and will continue to be supported by its bankers and shareholders to 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 are 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 26 JUNE 2021

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 non-monetary 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 26 JUNE 2021

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 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

Government grants comprise amounts received or receivable from HM Revenue and Customs for employees on the furlough scheme under the Coronavirus Job Retention Scheme. These are recognised in the period in which they become receivable.

2.9 Interest income

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

2.10 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.

2.11 Borrowing costs

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



2. Accounting policies (continued)

2.12 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.

2.13 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
Computer software	—	3 years straight line

2.14 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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2. Accounting policies (continued)

2.15 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.

2.16 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 weighted average 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.

2.17 Financial instruments

The company has elected to apply Sections II and I2 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 26 JUNE 2021

2. Accounting policies (continued)

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.

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.

2.18 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.

2.19 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 26 JUNE 2021

2. Accounting policies (continued)

2.20 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.

Deferred tax asset

The company recognises a deferred tax asset in respect of brought forward tax losses. The asset is recognised to the extent that the directors believe that it is probable that the brought forward losses will be recovered and offset against future taxable profits. The value of the asset is calculated by reference to the applicable corporation tax rate at the date the losses are expected to be utilised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 26 JUNE 2021

4. Turnover	52 weeks	52 weeks
	26 June 2021	27 June 2020
	£	£
Sale of goods	36,209,560	34,075,034
Analysis of turnover by country of destination:		
	52 weeks	52 weeks
	26 June 2021	27 June 2020
	£	£
United Kingdom	9,077,902	7,190,013
Rest of Europe	12,185,299	13,042,336
Rest of the world	14,946,359	13,842,685
	36,209,560	34,075,034
5. Other operating income		
	52 weeks	52 weeks
	26 June 2021	27 June 2020
	£	£
Other operating income	10,588	293,809
Net rents receivable	-	56,250
Government grants receivable	90,466	113,502
	101,054	463,561
6. Operating profit		
The operating profit is stated after charging:		
	52 weeks	52 weeks
	26 June 2021	27 June 2020
	£	£
Depreciation	138,734	238,096
Amortisation	145,072	3,984
Pension costs	136,067	121,161
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	26,500	18,500
Fees payable to the company's auditor and its associates for other services	21,000	4,850
Exchange differences	593,780	(77,843)
Other operating lease rentals	143,173	115,991

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 26 JUNE 2021

7. Employees

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

	52 weeks	52 weeks
	26 June 2021	27 June 2020
	£	£
Wages and salaries	4,354,126	4,008,947
Social security costs	539,663	442,653
Cost of defined contribution scheme	136,067	121,161
	5,029,856	4,572,761

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

	52 weeks	52 weeks
	26 June 2021	27 June 2020
	No.	No.
Administration	65	61
Directors	5	8
	70	69

8. Directors' remuneration

	52 weeks	52 weeks
	26 June 2021	27 June 2020
	£	£
Directors' emoluments	323,941	784,155
Company contributions to defined contribution pension schemes	12,780	28,488
	336,721	812,643

During the 52 weeks retirement benefits were accruing to 4 directors (2020 -6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £123,287 (2020 -£122,471).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,720 (2020 -£4,680).

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 26 JUNE 2021

9. Interest receivable

	52 weeks 26 June 2021	52 weeks 27 June 2020
	£	£
Other interest receivable	2	45

10. Interest payable and similar expenses

	52 weeks 26 June 2021	52 weeks 27 June 2020
	£	£
Other loan interest payable	59,652	12,772

II. Taxation

	52 weeks 26 June 2021	52 weeks 27 June 2020
	£	£
Corporation tax		
Current tax on profits for the year	(265,306)	(242,139)
Total current tax	(265,306)	(242,139)
Tax losses	(277,418)	(201,106)
Total deferred tax	(277,418)	(201,106)
Taxation on loss on ordinary activities	(542,724)	(443,245)

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 26 JUNE 2021

II. Taxation (continued)

Factors affecting tax charge for the 52 weeks

The tax assessed for the 52 weeks is lower than (2020 -lower than) the standard rate of corporation tax in the UK of 19% (2020 -19%). The differences are explained below:

	52 weeks 26 June 2021	52 weeks 27 June 2020
	£	£
Profit on ordinary activities before tax	392,409	292,207
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 -19%)	74,558	55,519
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	14,161	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	15,993	68,144
Capital allowances for 52 weeks in excess of depreciation	(1,031)	(40,484)
Utilisation of tax losses	(265,306)	(242,139)
Impact of R&D enhanced expenditure	(103,681)	(83,179)
Previously unrecognised tax losses	(277,418)	(201,106)
Total tax charge for the 52 weeks	(542,724)	(443,245)

Factors that may affect future tax charges

In the Spring Budget 2021 on 3 March 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25% for companies with profits of over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. From this date companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. This new law was substantively enacted on 24 May 2021.

Deferred tax

The company has carried forward tax losses of £7,204,465 (2020: £7,182,471) resulting in a potential deferred tax asset (at the corporation tax rate of 19%) of £1,368,848 (2020: £1,364,669). The directors have considered the relief of these losses against future profits. As the current year is only the fourth consecutive year of achieving a profit (before tax), coupled with uncertainties regarding future performance as set out in the Strategic Report on page 61, the directors consider it prudent for the amounts to be only partially recognised in the current period. At 26 June 2021, a deferred tax asset of £478,524 (2020: £201,106) has been recognised.



NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 26 JUNE 2021

12. Intangible assets

	Intellectual Property £	Computer software £	Total
Cost			
At 28 June 2020	399,837	-	399,837
Additions	-	184,523	184,523
Transfers between classes	-	368,224	368,224
At 26 June 2021	399,837	552,747	952,584
Amortisation			
At 28 June 2020	9,313	-	9,313
Charge for the 52 weeks on owned assets	39,983	105,089	145,072
Transfers between classes	-	153,911	153,911
At 26 June 2021	49,296	259,000	308,296
Net book value			
At 26 June 2021	350,541	293,747	644,288
At 27 June 2020	390,524	-	390,524

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 26 JUNE 2021

13. Tangible fixed assets

	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	IT £	Moulds and tooling £	Total £
Cost						
At 28 June 2020	23,900	10,968	210,235	514,077	254,411	1,013,591
Additions	-	-	1,000	21,829	113,342	136,171
Transfers between classes	-	-	-	(368,224)	-	(368,224)
At 26 June 2021	23,900	10,968	211,235	167,682	367,753	781,538
Depreciation						
At 28 June 2020	8,963	10,968	151,307	239,741	44,062	455,041
Charge for the 52 weeks on owned assets	7,967	-	41,698	23,173	65,896	138,734
Transfers between classes	-	-	-	(153,911)	-	(153,911)
At 26 June 2021	16,930	10,968	193,005	109,003	109,958	439,864
Net book value						
At 26 June 2021	6,970	-	18,230	58,679	257,795	341,674
At 27 June 2020	14,937	-	58,928	274,336	210,349	558,550



NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 26 JUNE 2021

14. Fixed asset investments

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 28 June 2020	1	100	101
At 26 June 2021	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 26 June 2021 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

	26 June 2021 £	27 June 2020 £
Finished goods and goods for resale	5,279,776	4,667,482

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 26 JUNE 2021

16. Debtors

	26 June 2021 £	27 June 2020 £
Trade debtors	2,052,895	2,273,277
Other debtors	750,877	335,543
Prepayments and accrued income	774,666	368,245
Deferred taxation	478,524	201,106
	4,056,962	3,178,171

17. Cash and cash equivalents

	26 June 2021 £	27 June 2020 £
Cash at bank and in hand	3,438,581	1,688,170
	3,438,581	1,688,170

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

	26 June 2021 £	27 June 2020 £
Trade creditors	2,756,693	2,025,912
Tax due to HMRC	256,823	682,405
Other creditors	4,234,811	2,078,151
Accruals and deferred income	2,531,019	2,291,719
	9,779,346	7,078,187

The following liabilities were secured:

	26 June 2021 £	27 June 2020 £
Other creditors		
HSBC trade facility	2,985,120	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. The facility is also secured over the stock it is intended to finance

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 26 JUNE 2021

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

	26 June 2021	27 June 2020
	£	£
Shareholders loans falling due 1-2 years	1,044,298	1,394,298
Other creditors falling due 1-5 years	240,000	312,000
	<u>1,284,298</u>	<u>1,706,298</u>

Of the loans in issue, £648,775 (2020: £868,768) are interest free. The remainder incur interest at a rate of LIBOR +2% per annum.

An amount of £312,000 previously included under creditors due within one year within the comparative financial information has been reclassified to include within creditors falling due in more than one year.

20. Deferred taxation

	2021
	£
At beginning of year	201,106
Charged to profit and loss	277,418
	<u>478,524</u>
At 26 June 2021	<u>478,524</u>

The deferred tax asset is made up as follows:

	26 June 2021	27 June 2020
	£	£
Tax losses carried forward	478,524	201,106
	<u>478,524</u>	<u>201,106</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 26 JUNE 2021

21. Share capital

	26 June 2021	27 June 2020
	£	£
Allotted, called up and fully paid		
2,421,423 (2020 -2,421,423) Ordinary shares of £1.000 each	2,421,423	2,421,423
8,681,687 (2020 -8,681,687) B Ordinary shares of £0.250 each	2,170,422	2,170,422
3,950,000 (2020 -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

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 26 JUNE 2021

23. Analysis of net debt

	At 28 June 2020	Cash flows	At 26 June 2021
	£	£	£
Cash at bank and in hand	1,688,170	1,965,120	3,653,290
Bank overdrafts	-	(214,709)	(214,709)
Debt due after 1 year	<u>(1,394,298)</u>	<u>350,000</u>	<u>(1,044,298)</u>
	293,872	2,100,411	2,394,283

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) 2021	Number 2021	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	57	685,371	59	337,263
Granted during the year	62	137,319	58	426,314
Forfeited during the year	-	-	73	(78,206)
	<u>58</u>	<u>822,690</u>	<u>57</u>	<u>685,371</u>

There were 669,028 (2020: no) share options exercisable at the end of the year. None of these share options have been exercised.

	26 June 2021	27 June 2020
	£	£
Share-based payment expense	64,092	185,461

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 26 JUNE 2021

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 £136,067 (2020: £121,161). Contributions totalling £27,868 (2020: £25,477) were payable to the fund at the balance sheet date and are included in creditors.

26. Commitments under operating leases

At 26 June 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	26 June 2021	27 June 2020
	£	£
Not later than 1 year	135,333	168,833
Later than 1 year and not later than 5 years	<u>142,101</u>	<u>254,792</u>
	277,434	423,625

27. Related party transactions

At the balance sheet date, directors and shareholders of the company were owed £1,044,298 (2020: £1,394,298) by Vivobarefoot Limited. These loans are unsecured. Of the loans in issue, £648,775 (2020: £868,768) are interest free. The remainder incur interest at a rate of LIBOR +2% per annum.

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 £Nil (2020: £214,433). At the balance sheet date the company owed £Nil (2020: £Nil) to the Charity.

28. Controlling party

In the opinion of the directors there is no ultimate controlling party.



