



THE SUSTAINABLE WAY

SUMMARY 2022

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YOUR CONNECTION TO EARTH

“Vibram has always been a pioneer in the sector and, being the transversal connection to earth for many brands, we feel it is our responsibility to maintain this leadership position through concrete actions creating shared value. We believe that by aligning our business strategies with societal needs, we can create sustainable solutions that benefit both our company and society.”

We will continue to guide the industry towards constant improvement, promoting collaborations among companies, involving our employees in non-profit projects, driving innovation, creating shared value, encouraging shoe repair, and promoting traceability and transparency. Vibram The Sustainable Way, let's work together toward a more sustainable future. ”



Paolo Manuzzi
Global General Manager

KPMG S.p.A. has performed a limited assurance on the 2022 Sustainability Report.

VIBRAM AT A GLANCE

Every day, our goal is to manufacture the best soles in the world, giving confidence and inspiration to each person and athlete who wears them, without forgetting the impact that the production and use of a sole can have on people and the environment.



MODELS DEVELOPED EVERY YEAR
300



PAIRS OF VIBRAM SOLES MANUFACTURED IN 2022
55 mln
12 of which manufactured internally



MARKETS REACHED
120



BUSINESS PARTNERS OVER
1,000

CERTIFICATIONS

Albizzate Facility



North Brookfield Facility



Vibram Technological Center



WHAT WE DO



OUTDOOR & SPORTS



WORK & SAFETY MILITARY



REPAIR



MOTORSPORTS

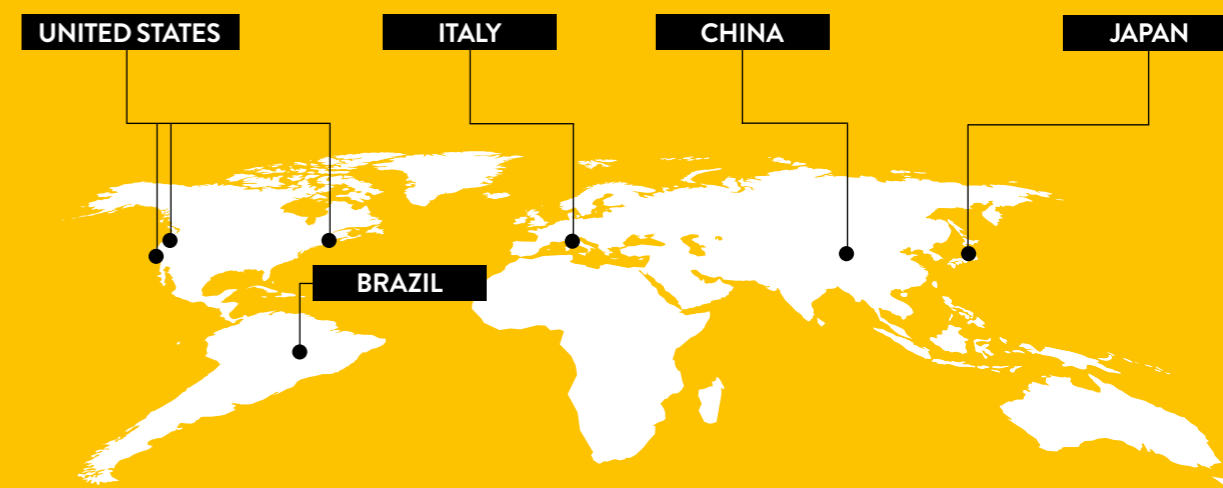


DRESS & CASUAL



FINISHED GOODS

WHERE WE ARE



HEAD QUARTER IN ALBIZZATE, ITALY
3 PRODUCTION FACILITIES IN ITALY, THE US, AND CHINA
2 COMMERCIAL OFFICES IN PORTLAND AND TOKYO

1 TECHNOLOGICAL CENTER
3 FLAGSHIP STORES
3 CONNECTION LABS

2022 IN NUMBERS

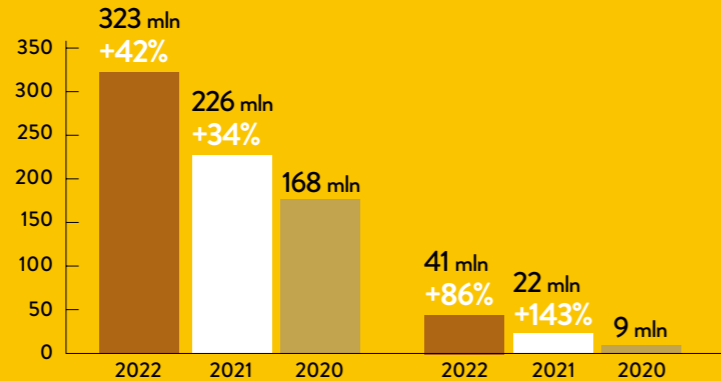
Increased sales performance, driven by the post-pandemic upward trend of sales and business volumes, and greater market penetration marked another year of growth for Vibram.



REVENUE

323

million euros



NET PROFIT

41

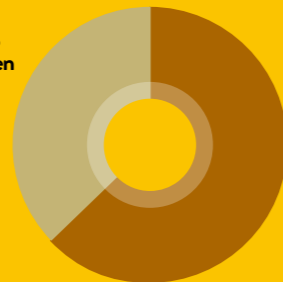
million euros



EMPLOYEES

795

37%
Women



63%
Men



PERMANENT
CONTRACTS

78%



HOURS OF TRAINING
PROVIDED

6,996

+4%



HOURS OF VOLUNTEERING
COMPLETED

1,800

+115%



PARTICIPANTS

314

VISION & MISSION

VISION:

Provide confidence, inspiration and innovation to every individual / athlete

MISSION:

Create the best soles on Earth

INSPIRATIONAL
CREATIVITY

INNOVATION

CIRCULAR
APPROACH

PEOPLE

WASTE PREVENTION

BEST QUALITY

TESTED
PRODUCTS

SUSTAINABILITY GOVERNANCE

In order to manage our impacts on the environment, society, people and their human rights and fulfil our sustainability commitments, it is vital to involve all areas of business and foster a responsibility-centered corporate culture.

We have defined a clear and efficient organization, with cross-departmental systems and procedures that integrate sustainability into our corporate strategy.



Paolo Manuzzi, Global General Manager

POLICIES

The **Vibram Ethical Policy** formalizes the principles that guide our corporate goals and the behavioral standards we see as crucial to building valuable relationships. It is a reference point for our day-to-day activities and in our relationships with stakeholders. In 2022, we adopted an **Anticorruption Policy**, the implementation of which is overseen by the appointed anticorruption managers: a further step in consolidating our approach to the principles of ethics.



GLOBAL STRATEGIC COMMITTEE Sustainability Director

Responsible for reviewing sustainability goals and performances and updating the strategy.



OPERATING COMMITTEE

The key committee for enacting the sustainability strategy, it implements actions at the local level.



3 PROJECT LEADERS Italy – USA – China

One per facility, they coordinate the corporate department representatives.

OUR PEOPLE

The people who work at Vibram, with their unique skillsets, are the true strongpoint that allows us to generate long-term value.

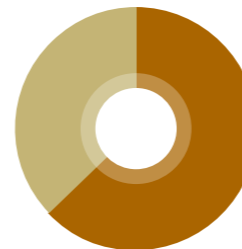
To show our appreciation for our people and make working at Vibram an opportunity for growth and enrichment, we have delineated global guidelines and procedures to manage resource selection and planning, remuneration, training and security, while also being attentive to local needs and regulations.



DIVERSITY & INCLUSION

Vibram's corporate culture is inseparable from the diversity and multicultural nature of the Group, both of which are precious drivers of our diversified, innovative, and creative workplace and of the company's growth. We commit to treat employees equally, fostering awareness on diversity and inclusion, and we do not tolerate any form of discrimination, facts also enshrined in **Vibram's Diversity and Inclusion Policy**.

37%
Women



63%
Men



TRAINING & DEVELOPMENT

The professional and personal growth of Vibram's people is very close to our hearts. To guarantee an effective and consistent training offer, we have devised a training plan for the continuous improvement of employees' technical and soft skills. The plan is defined during the performance assessment stage, guided by the "Performance Management System". In 2022 Vibram entire workforce completed a dedicated sustainability training program and participated in periodic events and informal meetings aimed at promoting a corporate culture based on sustainability at all levels.

20%
OF TRAINING HOURS DEDICATED
TO SUSTAINABILITY, HEALTH
AND SAFETY



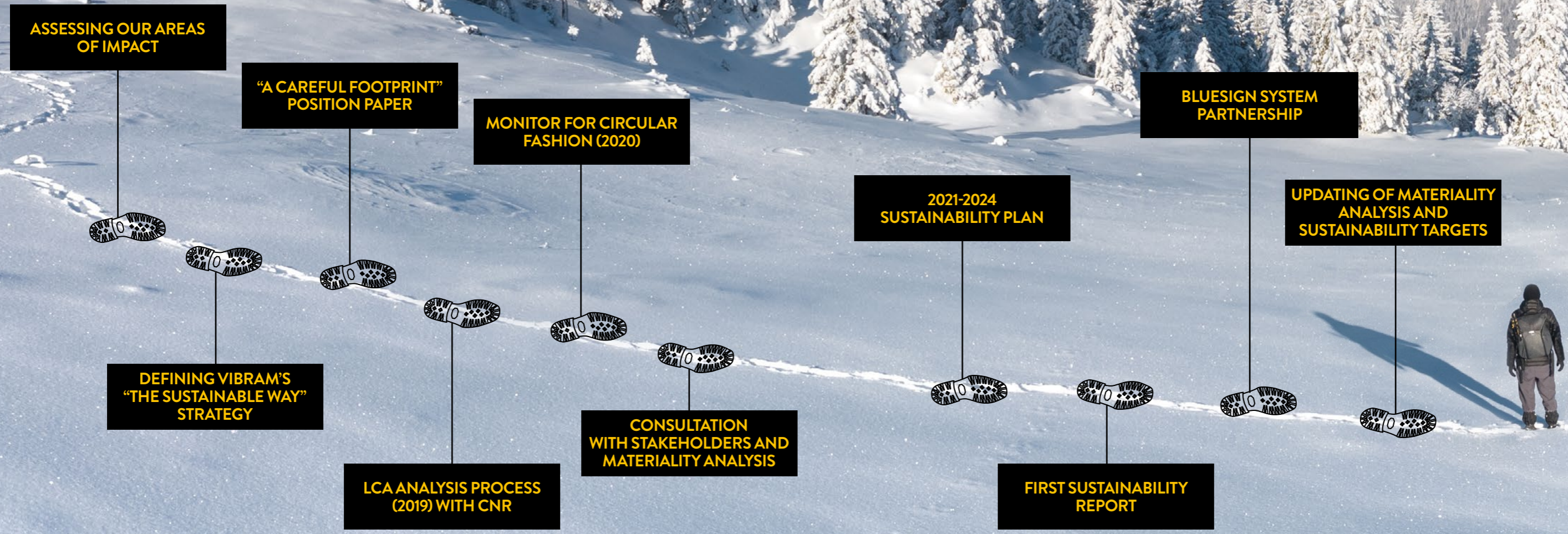
HEALTH & SAFETY

We are committed to guaranteeing a safe workplace, ensuring that all necessary measures are taken to prevent hazards that can cause accidents and injuries. For the Albizzate facility, we have implemented an ISO 45001-certified workplace health and safety management system, and we plan to obtain this certification at our US site by 2024. In addition to safeguarding our employees, we raise awareness about adopting a healthy lifestyle and promote healthy living initiatives, like through the biweekly training program at Albizzate and the accessibility to the training room at the VTC facility in China and in the US.

-52%
REDUCTION OF THE INJURY
FREQUENCY RATE VS 2021

OUR PATH TO SUSTAINABILITY

The principles of respect and collaboration that we find in the world of sport and a connection to nature are all part of our DNA, pushing us to act responsibly toward people and the environment. Over time, this spontaneous attitude evolved to become structured into a concrete commitment to integrating sustainability into all areas and activities of our business, with the goal of reducing our negative impacts to a minimum and generating benefits for society and the planet. These are the key steps in our path:



THE SUSTAINABLE WAY

For us at Vibram, sustainability does not travel on separate tracks from those of true business, but rather it is a dimension that is integrated into doing business.

Our “The Sustainable Way” approach is a purposeful plan for the improvement of sustainability performance. It consists of 6 pillars and details the activities and projects to be pursued to ensure economic growth while being respectful of people and the planet.

Thus, we are contributing to the achievement of 9 of the 17 Sustainable Development Goals (SDGs) in the United Nations’ Agenda 2030.



The UN’s Agenda 2030 for Sustainable Development is a program that includes 17 macro-objectives, the so-called SDGs (Sustainable Development Goals), and 169 targets to reach by 2030. “The Sustainable Way” contributes to this agenda: the most relevant goals are listed alongside each pillar.

ORGANIZATION AND PROCESSES



To make sustainability an integral part of the culture and management of our organization, it is vital to develop systems and procedures shared across all corporate departments and levels.

MATERIAL TOPICS

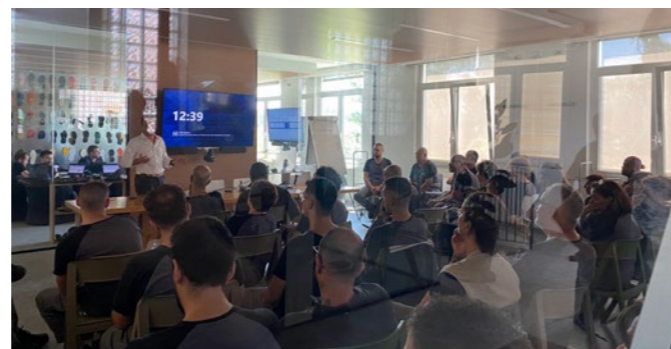
Ethics, Integrity, and Compliance
Sustainability Governance
Shared Value Creation
Data Protection and Cybersecurity

ACTIONS

- ▶ Sharing of corporate values among stakeholders via the Vibram Ethical Policy
- ▶ Updating strategic sustainability objectives
- ▶ Data collection and continuous monitoring of sustainability performance indicators
- ▶ Allocation of sustainability KPIs to all managers

MAIN OUTCOMES

- ▶ Adoption of the Anticorruption Policy



PRODUCT INNOVATION



Vibram soles are safe, high-performance, and high-quality; we draw from the principles of the circular economy and ecodesign to improve sustainability and durability.

Product Quality and Innovation

- ▶ New circular production models for reusing production waste
- ▶ New compounds with sustainable characteristics
- ▶ Solutions for reducing the chemicals used in production processes

- ▶ Over 200 active patents
- ▶ >90% natural raw materials in ECOSTEP NATURAL
- ▶ Launch of 2 compounds with sustainable features: EVA Natural and EVA Recycled



ENERGY



We want to contribute to the energy transition by making our processes increasingly efficient and choosing to use renewable energy.

Use of Renewable Energy
Energy Efficiency
Climate Change and Emissions

- ▶ Purchase of electricity from renewable sources whenever possible
- ▶ Streamlining production lines by replacing machineries, repairing and revamping devices, and doing system maintenance
- ▶ Transition to LED technology
- ▶ Gradual improvement of buildings’ thermal insulation

- ▶ 74% of total electricity from renewable sources*
- ▶ 19% reduction of total energy consumption
- ▶ 17% reduction of Scope 1 and Scope 2 location-based emissions from 2021
- ▶ Achievement of 100% LED lighting globally

*See footnote at page 22.



SUPPLY CHAIN



To us, suppliers are process partners: each link in the supply chain has to be involved in the pursuit of sustainability goals.

MATERIAL TOPICS

Responsible Supply Chain and Transparency
 Engagement with Suppliers
 Industrial Relations Management
 Respect for Human Rights

ACTIONS

- ▶ Analysis and monitoring of our supply chain
- ▶ Logistical optimization, also with a view to lower environmental impact
- ▶ Encouraging the adoption of environmental certifications, such as ISO 14001

MAIN OUTCOMES

- ▶ 85% of total suppliers have undersigned the Vibram Ethical Code*
- ▶ 96% of total subcontractors have undersigned the Vibram Ethical Code*
- ▶ Assessment and data collection from main subcontractors representing 75% of supply value

* Calculated on the expenditure for outsourced production (excluded the one American subcontractor representing a minimal share of the US production).



NO WASTE



The reduction of waste is one of the key principles of the circular economy. We believe that managing waste virtuously means seizing every opportunity to reuse and recycle, giving new life to waste.

Responsible Use of Natural Resources
 Responsible Waste Management
 Circular Economy
 Sustainable Packaging

- ▶ Continuous monitoring of waste production and optimization of processes
- ▶ Reuse of waste or distribution to recycling and reuse projects in collaboration with external partners
- ▶ Reduction of water use in our production processes
- ▶ Chinese plant certified for purchasing, processing, and selling FSC natural rubber
- ▶ Level of biodegradability of ECOSTEP Natural certified by Intertek*

- ▶ 50.6% of total waste intended for recycle or reuse, +2.5% vs 2021
- ▶ 30 tons of production scraps intended for external reuse projects

* Helping better understand the impact of the material on the environment.



STAKEHOLDERS



In every company, human relationships represent the opportunity to share value. This is why, at Vibram, we carefully cultivate our relationships with employees, communities, and clients.

Health and Safety, Wellbeing
 Training and Development
 Remuneration and Benefit
 Diversity, Equity, and Inclusion
 Engagement with Local Communities
 Client Satisfaction

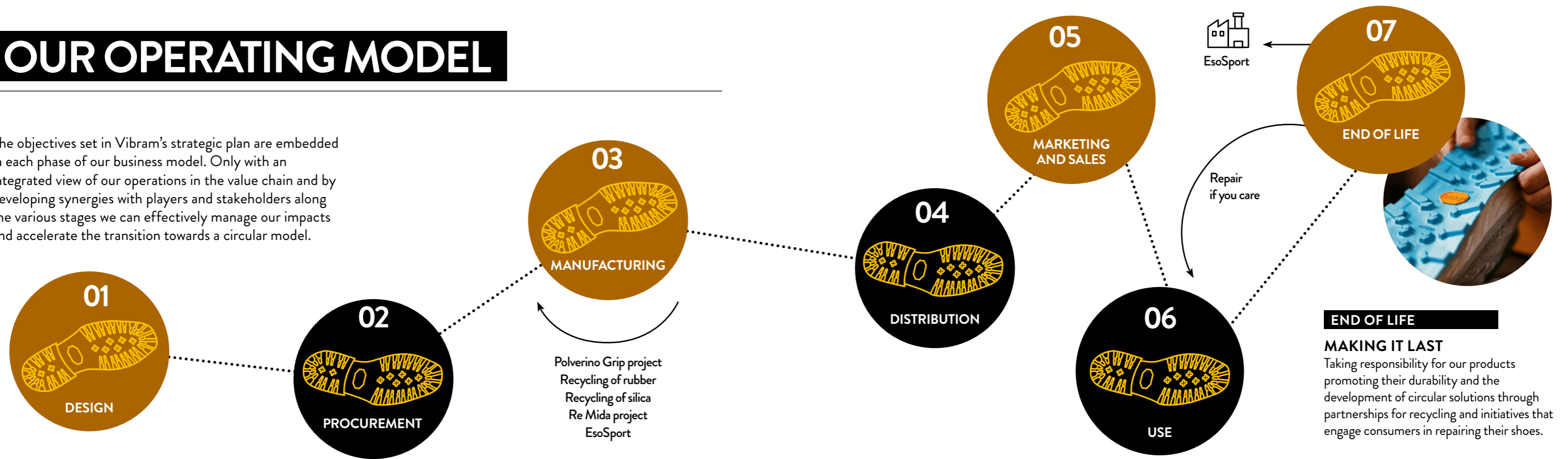
- ▶ Specific training programs on sustainability, integrated with regular awareness campaigns
- ▶ Involvement of employees in volunteering activities
- ▶ Participation in the Circular Fashion Manifesto and other sector initiatives to promote the sustainable evolution of the industry

- ▶ 6,996 total hours of training provided, + 4% vs 2021
- ▶ 1,800 hours dedicated to volunteering, benefiting communities linked to Vibram, +115% vs 2021



OUR OPERATING MODEL

The objectives set in Vibram's strategic plan are embedded in each phase of our business model. Only with an integrated view of our operations in the value chain and by developing synergies with players and stakeholders along the various stages we can effectively manage our impacts and accelerate the transition towards a circular model.



DESIGN

THINKING BEYOND THE LIMITS

The expression of Vibram's mission: functionality, innovative technology, and sustainability combined for a product that changes the daily lives of people and becomes part of their lifestyles.



PROCUREMENT

CHOOSING THE RIGHT DIRECTION

A careful selection of materials and substances from partners aligned with Vibram's values, with the purpose of leading the supply chain towards a sustainable future.



MANUFACTURING

SHAPING PATHS

Mixing, cutting and molding with the lowest impact, to protect the Earth that our soles allow people to explore.



DISTRIBUTION

CUTTING DISTANCES

Optimizing transport solutions whenever possible to reduce the footprint of our soles' journey to customers and consumers.



MARKETING AND SALES

SEIZING OPPORTUNITIES

Responding to people's needs for best quality and highest safety, aware that we are part of an interconnected system striving for change and innovation.



USE

LIVING THE EXPERIENCE

Supporting consumers in their daily challenges with top performing products, engaging them in dialogue and initiatives to understand their needs and exceed expectations.



DESIGN

Thinking beyond the limits

R&D and design have always been the engine of business development that allowed Vibram to become leader in the production of rubber soles for high-performance footwear. We work on innovative designs and cutting-edge technologies to achieve maximum quality, performance, and safety.

Design is also crucial for the transition to a circular production model: to prevent waste and pollution, keep materials in use, and allow the regeneration of natural systems it is fundamental to intervene at the early stage of the process, with an “innovability” rationale (innovation + sustainability).



OUR APPROACH TO ECODESIGN

We commit to develop product and process solutions that over time will allow Vibram’s production to become ever more circular. To this end, adopting a **Life Cycle Assessment (LCA) approach** is strategic: only by knowing the impacts that our products generate along their life cycle and measuring them we can identify opportunities to improve our processes and reduce the environmental footprint of our soles.

Vibram has invested in LCA, starting with the analysis of specific products. For example, we performed an ISO 14025-compliant LCA study of the TRONT compound Fourà sole, subsequently validated by a third party registered with the international EPD System Program, thus becoming the **first case of EPD (Environmental Product Declaration) for an industrial sole**.

In 2022 we started working on the development of an **LCA software**: a tool to measure the carbon footprint of all our soles and predict the potential impact of new compounds. This information will allow our designers to develop new products with higher sustainable performance.

The project is ambitious, requiring major efforts to collect data and a deep engagement of the supply chain, but it will represent a step forward in our path to sustainability.



KEY ELEMENTS OF PRODUCT INNOVATION

To create products with a lower environmental impact we focus on two areas:

- **MATERIALS:** we design products with pre-consumer recycled content or products with recyclable components and compounds containing natural, biobased and biodegradable materials.
- **DURABILITY:** we develop processing techniques to maximally extend the life of our soles while maintaining optimal performance.

In 2022 we laid the foundations and secured partnerships to develop a system to objectively measure the durability of Vibram soles, so as to continue to improve their performance.

VIBRAM'S INNOVATIVE COMPOUNDS WITH SUSTAINABLE FEATURES		
ECOSTEP NATURAL	ECOSTEP NATURAL	Compound made of organic components (at least 90%) that are not derived from oil. The soles' unique and original colors come from 100% natural pigments obtained from plants and byproducts of organic farming.
ECOSTEP RECYCLE	ECOEVA	Midsole compound containing up to 15% recycled industrial waste.
	ECOSTEP ECOSTEP EVO	Compounds that contain up to 30% recycled Vibram rubber by weight. Created in 1994, Vibram ECOSTEP is a pioneering eco-compound, a global benchmark for recycled rubber sole applications. Vibram ECOSTEP EVO is the latest evolution of Vibram ECOSTEP: an innovative combination of sustainability and performance, providing greater durability and improved traction on wet and dry surfaces.
	ECOSTEP PRO	Compound for soles for the industrial sector, with processing waste reused (up to 20% for production in Europe and up to 30% in Asia).
	XSECO	Compound for climbing with 20% of processing waste reused.

In 2022 we launched on the market two compounds:

EVA NATURAL
More than 80% of the compound deriving from bio-based materials

EVA RECYCLED
Approx. 50% of compound made of recycled content



VIRTUOUS PRODUCTION MODELS

In our philosophy, a sole is first and foremost the element that connects a person with the earth and nature that they are part of. Therefore, rethinking production and use models drawing inspiration from natural processes is what we did with Vibram Component Shoe and Vibram Sole Factor.



VIBRAM COMPONENT SHOE

A system of soles to be assembled by hand, without glue, choosing among multiple combinations of sole compounds, uppers, and laces. Following circular economy principles, it sets forth an alternative production model that, thanks to the simple disassembly process, makes it possible to recycle and give new life to each material. With this concept Vibram aims at stimulating the footwear industry to conceive new models with lower impact, also using Vibram's materials.



VIBRAM SOLE FACTOR

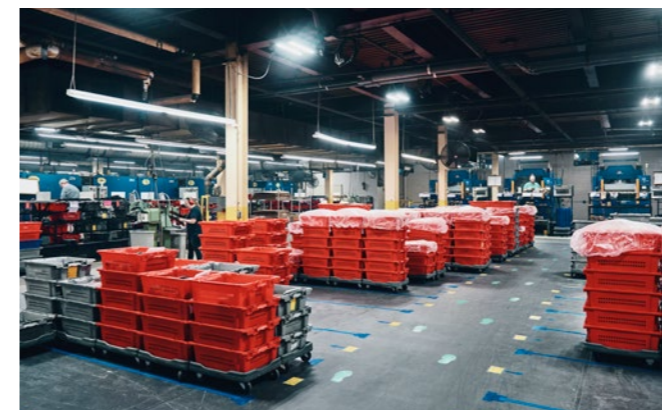
A repair project that offers end users the possibility to personalize their shoes, choosing between different Vibram high performance rubber compounds. Through this system, we highlight the high-added-value expert work of shoemakers and promote and test new Vibram technologies, exclusively. Furthermore, this project has the objective to learn about consumers' needs. In fact, consumers can test the new technology giving back interesting insight for innovation.



PROCUREMENT

Choosing the right direction

Our suppliers are more than the name suggests: they are our partners. Each link in the supply chain has to be involved in the pursuit of our sustainability goals. We trust only those suppliers aligned with Vibram's values and quality standards, which we choose following a preliminary assessment and the successful completion of an audit. In addition to quality requirements, we are working to progressively integrate ESG requirements in the procurement process.



RESPECT FOR SOCIAL AND ENVIRONMENTAL CRITERIA

We demand that all our suppliers guarantee their respect for the human rights of workers, specifically prohibiting any form of forced labor, captive or involuntary, and child labor. We also monitor our suppliers to ensure that social conditions for workers are adequate.

In parallel, we are attentive to the environmental impacts of production throughout the supply chain: in addition to carrying out laboratory testing to ensure that there are no traces of banned chemicals, if we detect a product or a raw material with a negative environmental impact, we inform our suppliers and work with them to examine the causes and set up plans for improvement. Finally, we promote the "pull supply chain" model, whereby we manufacture to order and reduce the size of our stock to minimize the time it takes for goods to arrive on the market and limit environmental impacts throughout the value chain.

DRIVING SUSTAINABILITY IN THE SUPPLY CHAIN

The work to assess and monitor the supply chain that we have undertaken in the past years aims to foster a shared vision of sustainability and ethical values with our suppliers. In 2022 we went even further: we asked our main subcontractors* to complete a self-assessment questionnaire to understand how they manage impacts associated to their processes, like quality management, raw material sourcing, energy management, and health and safety. Furthermore, we invited them to share data on environmental and social performances associated to the production of Vibram's soles. We aggregated these data and reported them in our Sustainability Report in order to quantify part of the indirect impact of Vibram along the supply chain. In this way, we intend to increase our accountability and transparency and at the same time identify opportunities for collaborations to drive sustainability in the supply chain.

15 mln

KG OF MATERIALS USED TO PRODUCE VIBRAM'S OUTSOURCED SOLES

62.2 mln

KWH OF ENERGY CONSUMED TO PRODUCE VIBRAM'S OUTSOURCED SOLES

88%

OF TOTAL WASTE GENERATED BY VIBRAM'S SUBCONTRACTORS COLLECTED FOR REUSE, RECYCLING, OR WASTE TO ENERGY

*The analysis includes 3 Asian and 2 European subcontractors, representing 75% of the total number of pairs of soles produced by Vibram's subcontractors.

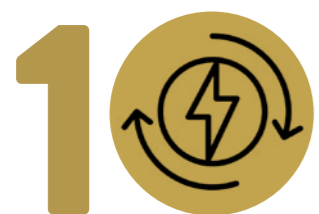
MANUFACTURING

Shaping paths

The core of Vibram's business, manufacturing processes are managed through an integrated system to ensure the efficient use of resources and raw materials and to minimize the production of waste. Technology, such as industry 4.0 management software or virtual factory, as well as circular solutions, like the recovery and reuse of scraps, contribute to optimize processes and reduce environmental impacts.

THE ENERGY WE NEED

We want to play our part in the energy transition, choosing renewable energy and reducing our consumption thanks to increasingly efficient processes. We carefully measure the energy consumption required to power the work at our offices and production facilities. Thanks to the data collected through our regular monitoring activity, we have identified two courses of action:



REDUCTION OF ENERGY USE THROUGH MORE EFFICIENT PROCESSES AND CUTTING-EDGE SYSTEMS

Implemented actions include:

- Installation of LED lamps;
- Maintenance or replacement of systems and machinery;
- Replacement of some steam presses with electrical presses;
- Thermal insulation projects.

-19%

REDUCTION OF TOTAL ENERGY CONSUMPTION VS 2021



USE OF CLEAN ENERGY

Where possible, we prioritise the purchase of renewable electricity. In China, where the energy market does not allow us to choose which sources we get our supply from, we have installed a solar plant that powers the streetlights and heating in the on-site dormitory.

74%

OF TOTAL ELECTRICITY FROM RENEWABLE SOURCES*

*Vibram purchases 100% electricity from renewable sources with certified guarantees of origin for the Italian and the American facilities. In China, the characteristics of the energy market do not allow it, notwithstanding that a share of the national energy mix is composed of renewable energy. Vibram commits to find a way to obtain a reliable certification for the amount of electricity purchased from renewable sources that, in the meantime, is not considered.



EMISSIONS MONITORED

We have gained an understanding of our **Scope 1** and **2** emissions, which we are working to expand on with a company-wide Carbon Footprint study, including **Scope 3** emissions. This will be the first step in defining a climate strategy with consistent emission reduction goals.

2,400 t CO₂ eq

SCOPE 1 emissions generated by non-renewable sources used to heat spaces, power production machinery, and by fuel for corporate mobility (petrol and diesel)

2,263 t CO₂ eq
market-based*

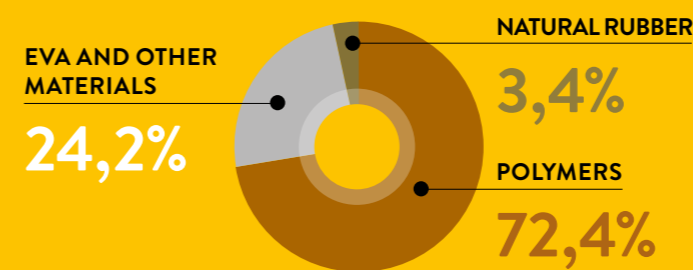
SCOPE 2 emissions generated by the use of electricity purchased from third parties

*The market-based method reports the emissions related to the electricity that the company has purposefully decided to purchase.

USE OF MATERIALS AND CHEMICALS

Soles production is mainly based on non-renewable raw materials like synthetic rubber, polymers, Ethylene Vinyl Acetate (EVA), blown materials and silica. We promote a conscious and responsible use of materials as to minimize their environmental impact. Furthermore, we continue investing on products with recycled content and products made of biobased and biodegradable materials. In 2022 the amount of natural rubber used increased by 85% compared to 2021.

MAIN MATERIALS USED FOR PRODUCTION





- Our Chinese plant is certified for the purchasing, manufacturing and sale of product composed of FSC NATURAL RUBBER
- The biobased content and the rate of biodegradability of the ECOSTEP Natural compound have been verified by third parties

Managing chemical substances is crucial to guarantee product safety. All our products, packaging, and ancillary materials undergo a yearly RSL (Restricted Substances List) test to ensure that the chemicals that we use comply with health and environmental protection standards.

WATER RESOURCES

Responsible use of water and correct wastewater disposal:

we implement actions to further reduce water consumption in our production processes and ensure correct wastewater management to minimise the risk of contamination.

- We have converted our cooling circuits into semi-closed circuits to reduce the amount of water required.
- The water used for cooling ground rubber is collected and recycled in cooling towers.
- Our chemical water treatment station treat wastewater so that it can be reused or released without contaminating the environment surrounding our facilities. We regularly sample and monitor the water we release.

PREVENTING WASTE

We strive to prevent the generation of unnecessary waste throughout our operations by optimizing processes and identifying opportunities for recovering and recycling scraps. For example, a portion of the rubber waste from manufacturing is recycled to become a part of the ECOSTEP sole.

In 2022 the aspiration systems in the Albizzate plant were replaced in order to separate hazardous and non-hazardous waste, to be reused in specific blends. In the US facility, we introduced rubber grinding so that rubber can be then sold to a third party for re-use projects.

We make sure that the companies to which we entrust the disposal of waste that we cannot recycle, and hazardous waste, operate in compliance with current regulations.



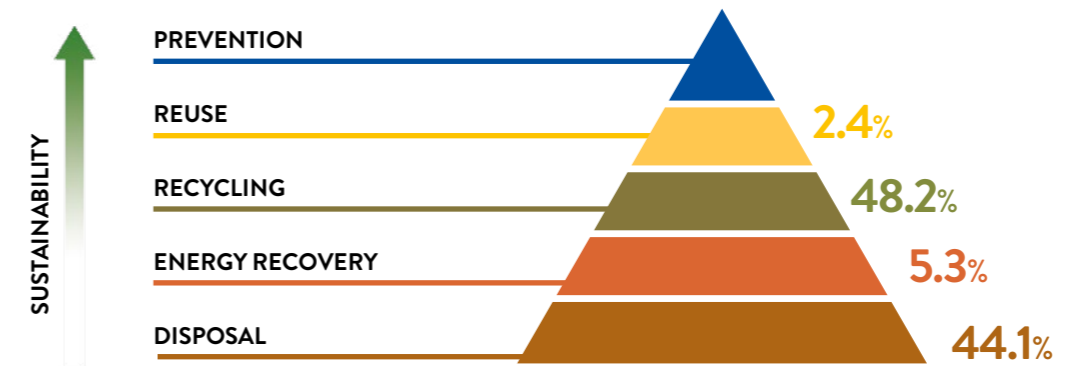
-7.4%

REDUCTION OF TOTAL WASTE*

-2.7%

REDUCTION OF THE RATE OF WASTE AGAINST TOTAL PRODUCTION VOLUME*

DESTINATION OF WASTE



50.6%

SHARE OF TOTAL WASTE INTENDED FOR RECYCLE AND REUSE, +2.5%*

-4.4%

WASTE INTENDED FOR LANDFILL*

CIRCULARITY PROJECTS

In 2022 we continued the following projects:

- **Polverino Grip**, for recovering carding waste (referred as polverino) and reusing it in the new XSECO compound, and in other reuse projects entrusted to external partners.
- **Re Mida**, to sort production waste by color and pass it on to a company that recycles vulcanized rubber waste.
- **Collaboration with EsoSport**. Started with the aim of testing the possibility of reusing rubber scraps, the project consists in recycling and reusing industrial rubber and end-of-life soles from the Sole Factor project to build a playground for children, athletics tracks, and floors for climbing gyms.

*Compared to 2021



DISTRIBUTION

Cutting distances

PREPARING OUR PRODUCTS FOR SHIPPING

Packaging plays a crucial role in protecting products during distribution, storage, sale, and use, but it can also have significant environmental and social impacts throughout its lifecycle. In 2022, approximately 5.2% of the total materials purchased by the whole Group was represented by packaging, mainly cardboard, stretch wrap pallets and glue.

Our approach to minimize the impact of packaging is based on:

- **AVOIDING** unnecessary packaging or single-use packaging
- **REDUCING** the amount of material used
- **PREFERRING** resistant, recyclable and/or recycled materials
- **REUSING** packaging containers and other packaging components
- **COLLECTING** plastic containers and metal boxes and returning them to suppliers

THE JOURNEY TO CUSTOMERS AND CONSUMERS

The distribution of Vibram's products is mostly managed by third parties. However, we have implemented some measures to limit the impact of distribution activities:

- since 2019, we have drawn up agreements so that our partners can autonomously send production parts outsourced beyond Europe directly to clients, avoiding the need for the goods to transit via the storehouse in Albizzate and thus saving time, costs, and emissions;
- where possible, we require our partners to respect technicalities requirements for the shipment;
- to optimize transport loads, we modified the size of the cardboard allowing the packaging to better fit the pallets.

Furthermore, production is generally located in the nearest location to the customer thanks to an extensive network of business partners, located across all geographical areas.



MARKETING AND SALES

Seizing opportunities



Our customers, together with the final users of our products, represent the priority focus of our activities.

We are fully committed to **meeting the expectations of our customer base**. Through surveys, direct communication with marketing & sales and sustainability departments, as well as site visits, we monitor customers' demands and perspectives. Attention to products' sustainability is increasing: customers ask us to keep furthering our commitment to energy efficiency and the use of recycled or natural components, always without compromising on safety, because our products must guarantee that they can meet any challenges, from daily life tasks to the highest level performances set by extreme sports.

Customers are also strategic partners for the development of products with innovative characteristics: co-development projects are systematically set up and executed to design, develop and test new products, also with a view to sustainability.

ENSURING MAXIMUM QUALITY AND SAFETY STANDARDS

Our commitment to quality is proven by the presence of Quality Management Systems, which are certified according to the **ISO 9001:2015** standard in the Albizzate and US facilities. We ascribe utmost importance to the product testing phase to improve performance and guarantee the quality of our soles before they are put on the market. New developed sole types are tested indoor and outdoor by our Tester Team to ensure performances, while routine sample tests are made along the full production cycle.



PARTNERSHIPS FOR INNOVATION

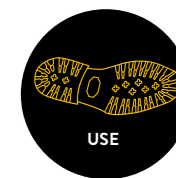
We are committed to make our contribution to the sustainable development of the footwear industry. Therefore, we promote partnerships and projects to share information and best practices, increase trust among stakeholders and strengthen our positioning as market leader.

- ▶ **BLUESIGN TECHNOLOGIES:** a pioneer in sustainable industry manufacturing, it develops tools and solutions for measuring, monitoring, and reporting the environmental and social impact of production. Vibram is a **Bluesign SYSTEM PARTNER**, a network of organizations of the textile industry and related sectors, aiming at leading the footwear industry towards responsible production and the reduction of the environmental footprint.
- ▶ **LIFEM3P:** a material match-making platform that promotes the circular economy by developing a system for the valorization of industrial waste and the improvement of waste management.
- ▶ **ASSOCIAZIONE FABBRICA INTELLIGENTE LOMBARDIA (AFIL):** an industry association composed of a wide range of stakeholders that collaborate on projects related to circular economy, artificial intelligence, advanced polymers, additive manufacturing, and secure and sustainable food manufacturing.
- ▶ **HORIZON 2020 DIGIUP:** project in partnership with other organizations and universities for the development of target-driven circular solutions for the upcycling of end-of-life products enhanced by hardware and digital technologies. Vibram was responsible for the technical and economic viability of the rubber upcycling circular business cases.
- ▶ **MONITOR FOR CIRCULAR FASHION:** a multi-stakeholder project and a technological and scientific community supported by SDA Bocconi Lab and Enel X. Its objective is to develop standards and best practices on circular economy in the fashion industry.

Vibram took part in two pilot projects:

- **COMPONENT SHOE** made only of five components designed with circularity principles which enable easy disassembly, reparability, and recyclability at the end of its life cycle. The upper is made using 100% upcycled cotton denim and cotton thread while the sole is made of natural FSC-certified materials; a lace made of a blend of cotton and TENCEL™ is used to link the upper to the sole. The percentage of pre-consumer recycled material (represented by the upper) used on the weight of the final product amounts to 21%.
- **ANIMA** is a bi-material backpack composed of two materials that can be easily disassembled: 100% recycled polyamide fabric and 100% recycled rubber.

Vibram has also established long-standing collaborations with universities, among which Politecnico di Milano, European Design Institute, and Hong Kong Design Institute. These collaborations are realized also through the **Vibram University Program**, launched in 2014, to support our innovation system by involving over 3,000 talented young people in over 200 projects globally.



USE

Living the experience

Strengthening the dialog with the final users of our soles is fundamental for the development of increasingly high-performance products and relevant services that meet their expectations, also in terms of sustainability. That is why, over the last few years we have invested in the development of a direct-to-consumer relationship through different online and offline channels.



VIBRAM SOLE FACTOR PROJECT

Launched in 2015, the project offers to consumers the possibility to customize shoes with a unique sole on the basis of the desired performance and personal taste. As stated by the claim 'Customize your shoes with a Vibram sole', every shoe can change its performance with regard to grip, volume and weight, depending on the sole. On top of it, we provide the opportunity for a longer life to the shoe. You can experience Vibram Sole Factor in all our **Sole Factor Academies** and **Vibram Diamonds** cobblers. Moreover, you can follow **VIBRAM INNOVATION LAB** on tour.



VIBRAM ACADEMY

Vibram branded locations where consumers can repair and customize their shoes also through exclusive Vibram Sole Factor Soles Collection. Moreover, clients can test the newest Vibram performing products and technologies, choosing from the most recent and innovative models to the classic ones. Availability also of Vibram Finished Products Collections. Vibram Academy is present in the city centers of the main European cities: London, Paris, Athens and Vienna.



VIBRAM DIAMOND STORES

Independent shoe repair shops. They are expert cobblers certified by Vibram, selected and managed by the Academy having 100% Vibram products and being part of the Sole Factor Project so that they can offer the exclusive Vibram Sole Factor soles collection.



VIBRAM INNOVATION LAB

Special truck equipped with an onboard innovative laboratory for the customization of footwear by Vibram's specialized shoe technicians. The objective of the Vibram Innovation Lab is to promote Vibram innovative products, tested by end users and present at the most important Vibram-sponsored outdoor events.

Vibram interacts with consumers also at its **Flagship Stores** where it is possible to purchase Vibram's products, test new technologies, and talk with Vibram's staff. Available within the stores the best partners collaboration powered by Vibram. Furthermore, the **e-commerce platform** represents another channel where consumers can access information on products' technical and, if available, sustainability features to enable informed purchases.



END OF LIFE

Making it last

We care about the soles we produce also when they reach the end of their life cycle. In addition to designing our soles to ensure high **durability**, we commit to enable **repair and maintenance services** to extend the life cycle of shoes, thus preventing waste and the consumption of new resources. We do this by investing in partnerships with shoemakers and cobblers and promoting awareness raising initiatives aimed at consumers.

REPAIR IF YOU CARE

Since the **mid-1950s**, Vibram has also been a leading player in developing products designed for the **shoe repair market**. Every year, Vibram develops soling products with unique designs and compounds specifically intended for repairing all types of footwear. Every day, all over the world, thousands of shoemakers put their trust in Vibram products to guarantee the best results for their customers. Over time we have developed a **capillary and certified network of cobblers**, in continuous expansion, precisely to promote the concept of reuse, repair, recycling and customize. **Vibram Academy and Diamonds** are part of this network, as well as all the **Premium Cobblers**, selected, trained and certified by Vibram to offer a high-level resoling service, proposing innovative solutions to meet the customer's needs.



To raise awareness about this segment, we launched the Vibram **"Repair If You Care" program** to invite consumers to give new life to their well-worn shoes. By promoting the concept of reuse and repair as a sustainable approach, we encourage consumers not to throw shoes away, but to reuse and customize them, highlighting the fact that repair is a precious opportunity to reduce waste and a conscious decision linked to sustainability. Consumers can easily find the nearest shoe repair on Vibram's website on the dedicated cobbler locator page and everyone can actively contribute to the 'Repair if You Care' initiative, thus generating positive impacts thanks to reusing and repurposing footwear.



ENGAGEMENT WITH LOCAL COMMUNITIES

We collaborate with many non-profit organizations and associations that share our values with the aim of promoting sport, well-being, and care for the environment among local communities. We invest in initiatives for young people, helping them to act more responsibly. To ensure the greatest transparency in the identification, selection, and approval of initiatives in support of non-profits we have set out the **Vibram Non-Profit Policy**.

THE DRIVERS OF THE NON-PROFIT POLICY



PEOPLE

Promoting the well-being of people in need and the fair distribution of resources in the region; offering training opportunities and facilitating the entry of young people into the world of work; promoting psychological and physical well-being through sports.



ENVIRONMENT

Raising awareness and informing stakeholders about environmental protection by promoting contact with nature and responsible behavior; supporting environmental protection initiatives, also in partnership with non-profit organizations; promoting the energy transition and the circular economy.



SUSTAINABLE INNOVATION

Promoting the research and development of new sustainable products, also in partnership with other stakeholders in the supply chain and the sector; contributing to the development of sustainability standards and best practices for the fashion and footwear sectors.

To support the local communities and territories in which we operate, we also engage our employees in volunteering activities. We have set up the **Green Team Vibram**, which offers local maintenance and cleaning services together with trails maintenance after trail running races organized and sponsored directly by Vibram, such as Vibram Trail Mottarone and Valle dell'Orco Climbing Festival. Employees can freely take part in this team and contribute to corporate social responsibility.

1,800

HOURS OF VOLUNTEERING PROVIDED BY VIBRAM'S EMPLOYEES

314

PARTICIPANTS



ASSOCIATIONS AND INITIATIVES WE SUPPORT

EUROPE

Italy

- We contribute through donations and shoe distribution to **Casa Jannacci's** workshop, in which homeless people can learn shoe craftsmanship.
- We collaborate with **il Bullone (B. Live)**, a project of the non-profit association Fondazione Near Onlus, aimed at promoting social responsibility of individuals and organizations through the engagement of young people suffering from serious and chronic diseases, known as B. Liver. Activities, workshops, and partnerships with companies are established to promote awareness, training sessions and new product development.
- We have begun a collaboration with the non-profit associations **Più di 21** and **AGPD** to welcome individuals affected by disabilities in the Albizzate plant and in the Milan Connection Lab, starting from 2023.

ASIA

China

- We created the **VTC Charitable Foundation** for carrying out various solidarity initiatives in the region. In 2022 Vibram donated clothing, stationery and sports supplies to a local primary school. Moreover, tents for Covid-19 testing were donated to support the government facing the new surge registered in October.
- We organized **outdoor activities dedicated to autistic children** and their families, with the aim of offering them the opportunity to learn and experience new playing activities outdoors. Vibram's employees and their families were also invited, to promote the values of diversity and integration in our community.
- Pleased about the enthusiastic participation of Vibram's employees in the previous edition, we renewed our collaboration with **CBN**, Guangzhou's largest running club, taking part to voluntary cleaning activities in the surrounding mountain area.

Japan

- We made a contribution to the **Japanese Mountain Heritage Fund**.

UNITED STATES

- Vibram volunteers participated to the cleanup of the Quincy Quarries Reservation located in Quincy, MA, helping collect trash and waste. We partnered with **The Clean Wave**, an organization of community-driven volunteers for the preservation of clean and healthy environments.



LOOKING TO THE FUTURE

● 2023
 ● 2024
 ● 2025/2026
 ● CONTINUOUS



ORGANIZATION AND PROCESSES

- Achieve 70% VOE (Vibram Overall Efficiency) target
- Reach 92.5% FFT (First Time Through) level
- Plan and implement specific training dedicated to Group policies (ex. Anti-corruption Policy, D&I Policy, etc.)

PRODUCT INNOVATION

- Design a tool to measure the product carbon footprint of Vibram's core production
- Adopt Vibram's product carbon footprint tool to improve eco-design processes
- Launch two new products with sustainable features
- Structure and elaborate an objective methodology to assess the lifespan of selected products
- Complete the implementation of the FSC certification for Albizzate production plant (Italy only)

ENERGY

- Continued focus on reducing energy use via implementation of energy efficiency measures
- Maintain renewable electricity use above 85% globally
- Achieve 100% LED lighting globally
- Measure Vibram's Carbon Footprint
- Implement ISO 50001 - "Energy Management Systems"

SUPPLY CHAIN

- Over 90%* of the supply chain aligned with the principles of Vibram's ethics code
*(% expressed in terms of expenditure)
- Complete the mapping of strategic suppliers and adopt a sustainable procurement policy
- Involve 50% of suppliers and external contractors in the sustainable procurement policy

NO WASTE

- Reduce production waste and residues by 25% against total rubber waste
- Achieve and maintain below 40% the rate of total waste generated by business activities sent to landfill
- Increase sales of products with recycled content derived from production scraps

STAKEHOLDERS

- Engage employees in corporate volunteering programs
- Engage the workforce in an annual event to socialize and raise awareness
- Continuously monitor sustainability and social responsibility certifications relevant to the sector
- Maintain support to relevant local associations
- Increase the average hours of training per employee compared to the previous year
- Increase services to associates through welfare activities
- Monitor the progress and results of relevant sustainable development projects led by national and international organizations and associations and apply to one per region (Italy and US only)
- Implement the ISO 45001 certification - "Occupational Health and Safety"
- Explore the needs of disabled athletes for future projects (Italy only)
- Adopt welfare platform (Italy only)
- Promote and spread a corporate culture based on equity and inclusion through the implementation of dedicated programs and initiatives (Italy and US only)

Our journey continues

Vibram has always been a pioneer in the footwear industry, being the transversal connection to earth for many brands. Feeling the responsibility to keep driving continuous improvement in the sector, we embarked on a challenging journey. By aligning our business strategy to the needs of our society and the environment, we commit to contribute to a more sustainable and circular future.



Keep up to date
with our sustainability initiatives on

vibram.com



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