



THE SUSTAINABLE WAY

SUMMARY 2023



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THE SUSTAINABLE WAY

SUMMARY 2023

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YOUR CONNECTION TO EARTH

“ Dear stakeholders,

We are pleased to share the results of our effort on the ESG strategy Vibram The Sustainable Way, taking responsibility and being accountable for our impacts, as encouraged by the evolving European regulatory framework. Despite facing significant challenges, we remained steadfast in our pursuit of leadership in the footwear industry, promoting environmental stewardship and social responsibility.

At Vibram, we are dedicated to prioritizing our people and their welfare, embracing the “Repair if you care” campaign leading the industry in durability, while continuously improving our compounds through innovation. We thank you for your continued support and look forward to achieving even greater milestones together. ”



Paolo Manuzzi
Global General Manager

KPMG S.p.A. has performed a limited assurance on the 2023 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 2023

37 mln

10 of which manufactured internally



MARKETS REACHED

120



BUSINESS PARTNERS

1,000+

CERTIFICATIONS

Albizzate Facility



North Brookfield Facility



Vibram Technological Center



Plant certified for the purchasing of natural rubber, manufacturing and sale of products made of FSC natural rubber

WHAT WE DO



OUTDOOR & SPORTS



WORK & SAFETY MILITARY



REPAIR



ORTHOPAEDICS

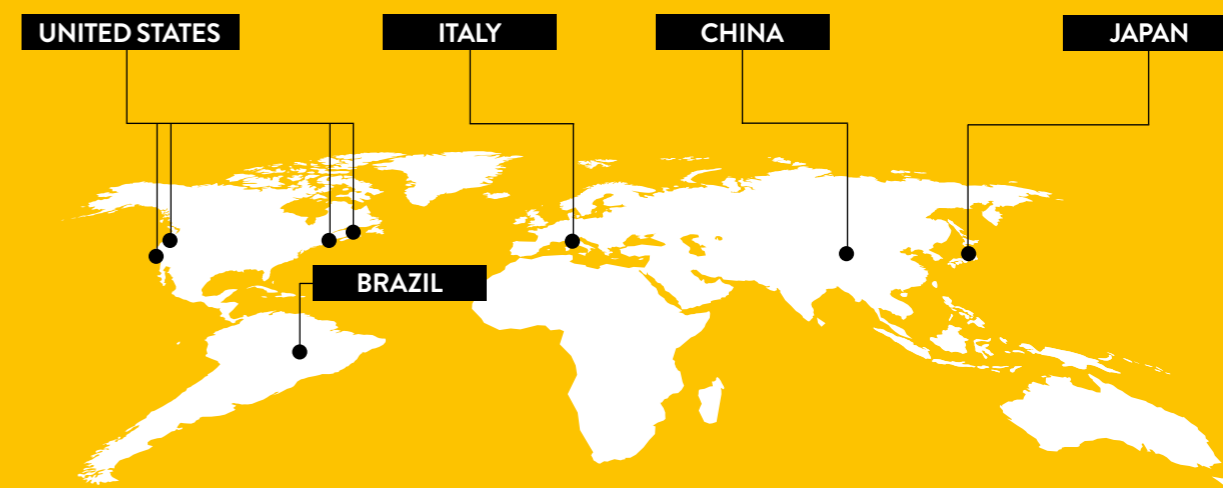


LIFESTYLE



FINISHED GOODS

WHERE WE ARE



Franca City in Brazil is a licensee.

- HEAD QUARTER IN ALBIZZATE, ITALY
- 3 PRODUCTION FACILITIES IN ITALY, THE US, AND CHINA
- 3 WORKSPACES
- 3 CONNECTION LABS (MILAN, BOSTON, LOS ANGELES)
- 1 TECHNOLOGICAL CENTER
- 2 VIBRAM RETAIL

2023 IN NUMBERS

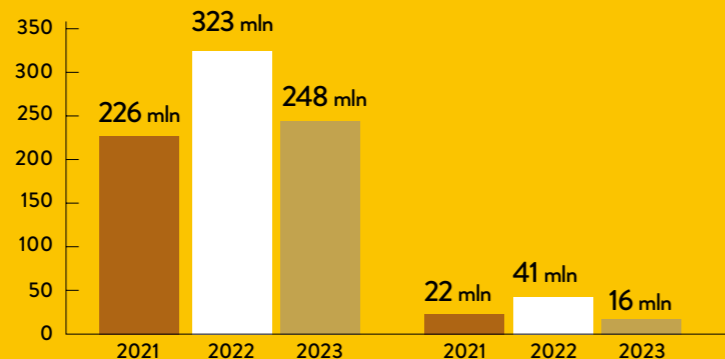
After the extraordinary increase in sales of the previous year, in 2023 the market experienced a slowdown due to an excess of inventory in the whole supply chain. Despite this, the financial and sustainability performance of the Vibram Group shows its resilience and the brand remains strong.



REVENUE

248

million euros



NET PROFIT

16

million euros



EMPLOYEES

788



WORKFORCE
<30 YEARS OLD

14%



HOURS OF TRAINING
PROVIDED

8,585

+23%
with respect to 2022



HOURS OF VOLUNTEERING

1,690



REDUCTION OF SCOPE 1
EMISSIONS VS 2022

-17%



ELECTRICITY CONSUMPTION
FROM RENEWABLE SOURCES*

73%



WASTE INTENDED FOR
REUSE AND RECYCLING

42%

*Chinese share of the national energy mix
from renewable sources not included.

VISION & MISSION

VISION:

Provide confidence, inspiration and innovation to every individual and athlete

MISSION:

Create the best soles on Earth



SUSTAINABILITY GOVERNANCE

In order to fulfil our sustainability commitments and manage our impacts on the environment, people and their human rights, 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

Corporate culture lays on a structured set of policies, starting from the **Vibram Ethical Code**. The latter guides our goals and the behavioral standards we see as crucial towards building valuable relationships with stakeholders. After the adoption of the **Anticorruption Code** in 2022, we implemented a whistleblowing mechanism that will become fully operational for the entire Group in 2024, strengthening 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.

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 appreciation for our people and make working at Vibram an opportunity for growth and enrichment, we have delineated global guidelines to manage resource selection, remuneration, training, security, while also being attentive to local needs and regulations. In 2023, we focused on youth engagement and people wellbeing.



DIVERSITY & INCLUSION

Vibram's corporate culture is inseparable from the diversity and multicultural nature of the Group, 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 embedded in **Vibram's Diversity and Inclusion Policy**.

Several initiatives were implemented to enhance awareness among employees, like the Black Footwear Forum organized at Vibram Corporation (US) and the Mini Marathon in occasion of the World Autism Awareness Day at the VTC (China). Vibram Spa has partnered with associations that integrate vulnerable youth into the Company workforce.

37%
OF OUR WORKFORCE
ARE WOMEN

14%
OF OUR WORKFORCE
IS UNDER 30 YRS



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 and performance evaluation procedure for the continuous improvement of employees' technical and soft skills. In 2023, the total hours of training increased by 23% compared to 2022. Amongst them, 17% of the training program was dedicated to sustainability and health and safety. Furthermore, we launched the **Vibram Global Exchange Program**, an initiative designed to provide a comprehensive understanding of the company and to immerse participants in the local culture of other regions. This program involves international traveling aiming at promoting global alignment, inclusion, continuous training, knowledge sharing, global inspiration and investment in our people.

12
EMPLOYEES INVOLVED IN THE
VIBRAM GLOBAL EXCHANGE
PROGRAM



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**. In addition to safeguarding our employees, we raise awareness about adopting a healthy lifestyle and promote healthy living initiatives, like through prevention initiatives, accessibility to sports facilities and counseling on health and wellbeing issues. Vibram is committed to promoting a positive and health environment through wellbeing, physical wellness activities, creating well-maintained spaces and encouraging nutritional wellness.

LAUNCH OF A WELFARE PLATFORM (ITALY)*

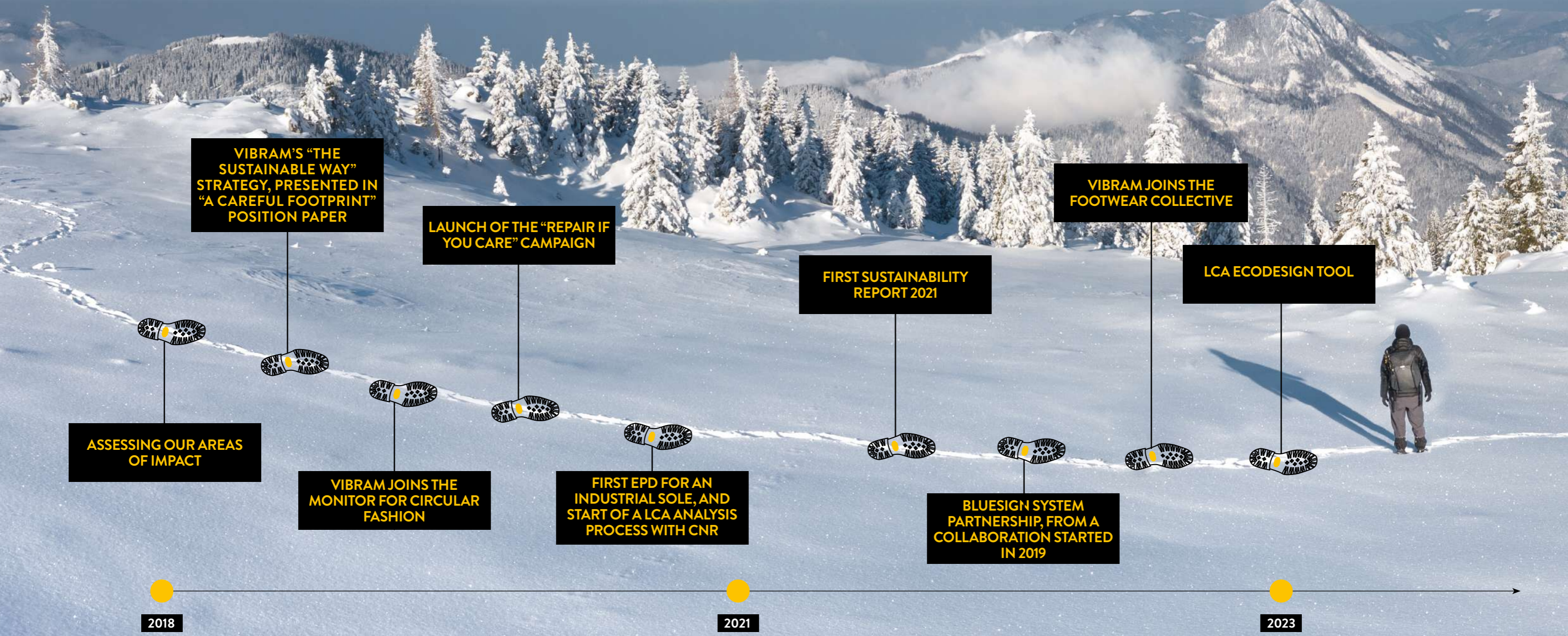
LAUNCH OF A SKIN CANCER PREVENTION PROGRAM

ENGAGING WELLBEING INITIATIVES

*Tested on first line managers in 2023, and extended to all employees in 2024.

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.

Data variations refer to 2022 performances.

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

- ▶ Development of a whistleblowing procedure to be fully implemented in 2024
- ▶ Update of Sustainability Strategic Plan
- ▶ 88% of Vibram Global sole production under data collection monitoring



PRODUCT INNOVATION

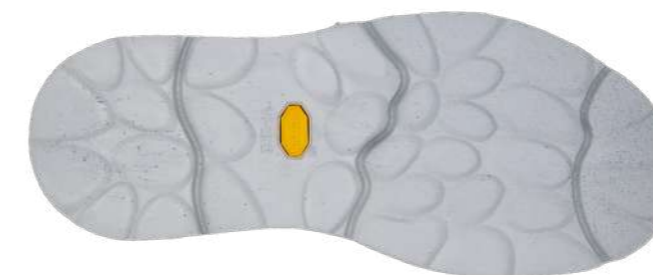


Vibram soles are safe, high-performance, and high-quality; we draw from the principles of the circular economy and ecodesign to improve sustainability and durability.

Product Quality and Innovation

- ▶ New circular production models for reusing production waste
- ▶ New compounds with sustainable characteristics
- ▶ Development of an LCA tool for ecodesign
- ▶ Solutions for reducing the chemicals used in production processes
- ▶ Creation of global interfunctional teams dedicated to researching innovative solutions applicable to corporate strategic areas

- ▶ Over 200 active patents
- ▶ >90% natural raw materials in ECOSTEP NATURAL
- ▶ Launch of 2 compounds with sustainable features: Morflex Natural and Vi-Lite Recycle
- ▶ Bluesign System Partnership



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

- ▶ 73% of total electricity from renewable sources*
- ▶ 17% reduction of natural gas and diesel consumption
- ▶ 12% reduction of total energy consumption
- ▶ 17% reduction of Scope 1 and 4% reduction of Scope 2 market-based emissions

*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
- ▶ Encouraging the adoption of environmental certifications among suppliers
- ▶ Logistical optimization, also with a view to lower environmental impact

MAIN OUTCOMES

- ▶ 84% of total suppliers have undersigned the Vibram Ethical Code
- ▶ 97% of subcontractors have undersigned the Vibram Ethical Code*
- ▶ Assessment and data collection from main subcontractors representing 88% of the total number of pairs of soles produced externally

* 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

- ▶ Start of a global project for waste management focused on improving monitoring processes and exchanging best practices to reduce production scraps
- ▶ 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
- ▶ Progressive reduction of disposable materials in the offices, replaced by reusable and durable solutions

- ▶ 42% of total waste intended for recycle or reuse
- ▶ 23,5 tons of internal production scraps intended for reuse through Remida project in Italy
- ▶ 35% reduction of hazardous waste
- ▶ 11% reduction of cardboard for packaging



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

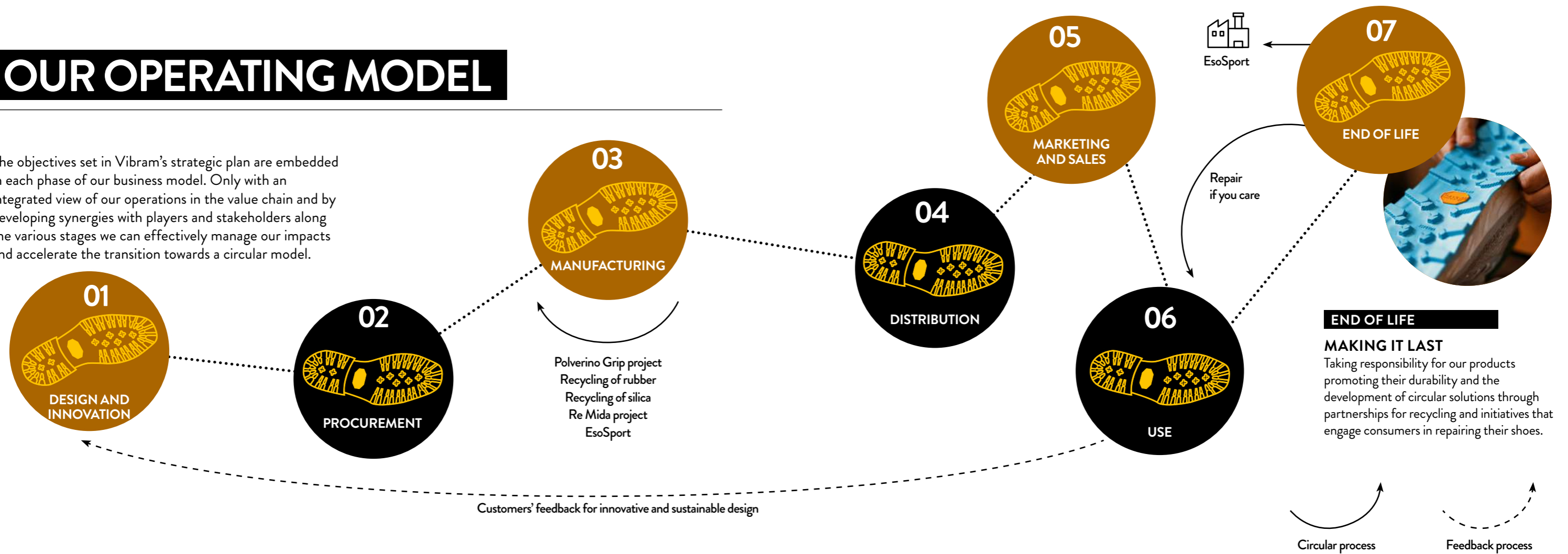
- ▶ Specific training programs on sustainability, integrated with regular awareness campaigns
- ▶ Implementation of welfare initiatives
- ▶ Involvement of employees in volunteering activities
- ▶ Participation in several sector initiatives to promote the sustainable evolution of the industry
- ▶ 8,585 total hours of training provided, +23% vs 2022
- ▶ 17% of total training hours dedicated to sustainability and H&S
- ▶ 12 employees involved in the Global Exchange Program in 2023
- ▶ 1,690 hours dedicated to volunteering, benefiting communities linked to Vibram



Data variations refer to 2022 performances.

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 AND INNOVATION

THINKING BEYOND THE LIMITS
 The expression of Vibram's mission: functionality, innovative technology and sustainability combined for a durable product that changes the daily lives of people and become 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 AND INNOVATION

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).



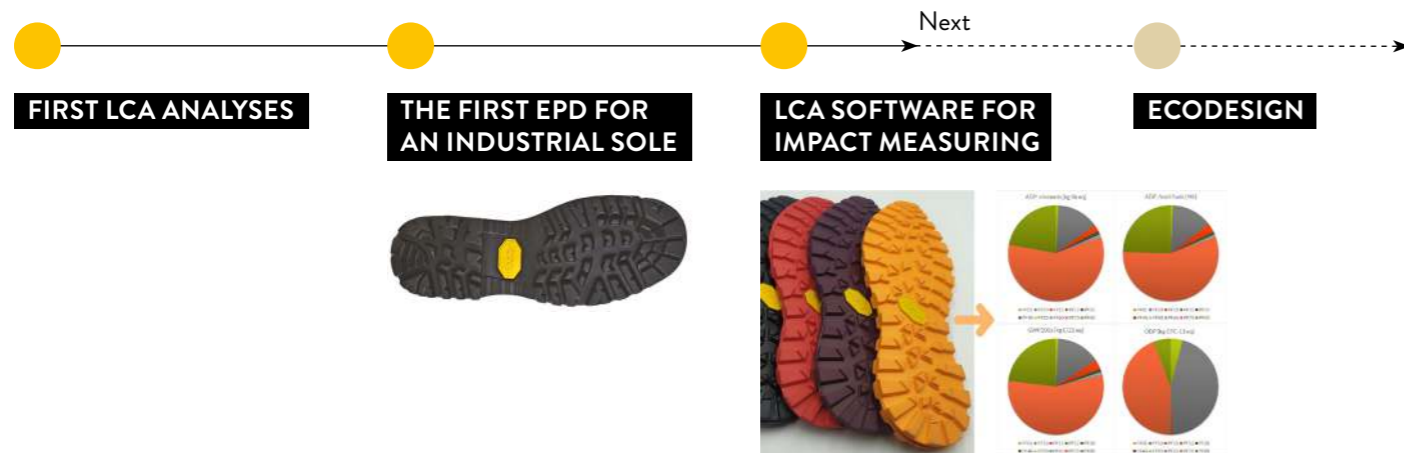
OUR APPROACH TO ECODESIGN

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, allowing our designers to develop new products with higher sustainable performance. In 2023 the tool was finalized for the Italian facility and the first results were shared with strategic clients. Now we aim to complete the tool to assess also the impact of soles produced at the US and Chinese plants.

The project is ambitious, requiring major efforts and a deep engagement of the supply chain to collect data, but it will represent a strategic asset of our sustainability approach.



KEY ELEMENTS OF PRODUCT INNOVATION

When creating new products, Vibram follows the principles of ecodesign, balancing the ambition of reducing environmental impact with the guarantee of performance and safety.

- **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 the past two years we have worked with specialized partners to develop a system to objectively measure the durability of Vibram soles, so as to continue to improve their performance. The goal is challenging, but we are confident about the benefits that this innovative path will bring.

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.
	NATURAL EVA	Compound containing over 85% biobased EVA certified by DIN*. <small>*Biobased content certified in conformity with the standard ASTM D6866-21 Method B (AMS).</small>
ECOSTEP RECYCLE	ECOEVA	Midsole compound containing up to 50% 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 than previous models.
	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 2023 we launched on the market two compounds:

MORFLEX NATURAL
Expanded EVA based rubber compound, produced with up to 50% bio-based contents, circular raw materials coming from agri-food wastes and circular raw materials as plastic waste.

VI-LITE RECYCLE
Made with up to 25% recycled Vibram Vi-Lite in powder or flakes.



INNOVATIVE PRODUCTION MODELS

In our philosophy, a sole is first and foremost the element that connects a person with the earth and nature they are part of. Therefore, rethinking production using models inspired from natural processes is what we did with the Vibram FiveFingers and Vibram Lock System.



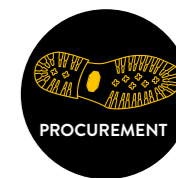
VIBRAM FIVEFINGERS

Vibram develops FiveFingers, a foot glove, a true “second skin”, revolutionizing the concept of walking “barefoot”. In 2006, FiveFingers is presented globally, being named one of the “Best Invention of 2007” by Time Magazine. The mission of Vibram Fivefingers is to engineer essential protective footwear, always aiming at allowing the human foot to move naturally and uncompromised.



VIBRAM LOCK SYSTEM

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.



PROCUREMENT

Choosing the right direction

Our suppliers are more than what 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, we are working on the definition of a responsible procurement policy that should be implemented by the end of 2024.



RESPECT FOR SOCIAL AND ENVIRONMENTAL CRITERIA

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

Simultaneously, we remain vigilant about the environmental impacts of production throughout the supply chain. In addition to conducting laboratory tests to ensure the absence of banned chemicals, if we detect a product or raw material with a negative environmental impact, we inform our suppliers and collaborate with them to investigate the causes and develop improvement plans. Finally, we promote the “pull supply chain” model, manufacturing to order and reducing our stock size 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. We involved our main **subcontractors*** in an **annual monitoring activity**, asking them 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 invite them to share data on environmental and social performances associated to the production of Vibram’s soles. We aggregate these data and report them in our Sustainability Report in order to quantify part of the indirect impacts of Vibram along the supply chain. In this way, we intend to increase our accountability and transparency while identifying opportunities for collaborations to drive sustainability in the supply chain.

8.7 mln

KG OF MATERIALS USED TO PRODUCE VIBRAM’S OUTSOURCED SOLES

73.4 mln

KWH OF ENERGY CONSUMED TO PRODUCE VIBRAM’S OUTSOURCED SOLES

84%

OF TOTAL WASTE GENERATED BY VIBRAM’S SUBCONTRACTORS COLLECTED FOR REUSE OR RECYCLING

*The analysis includes 5 Asian and 3 European subcontractors, representing 88% of the total number of pairs of soles produced by Vibram’s subcontractors.

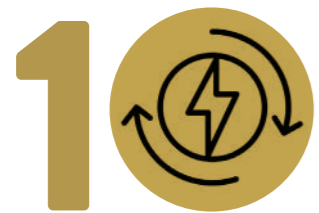
MANUFACTURING

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, as stated in **Vibram's Environmental Policy**. The 2023 quality investments in the production facility in Albizzate focused on enhancing precision, reliability and safety of the manufacturing processes. These upgrades, including automated dosing systems and energy-efficient power centers, not only improve process efficiency and compliance with ultimate standards but also the health and safety of our associates. Moreover, technology such as industry 4.0 management software and circular solutions like the recovery and reuse of scraps, contribute to the reduction of 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 our offices and production facilities. Thanks to the data collected through our regular monitoring activity, we pursue two courses of action:



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

Implemented actions include:

- Installation of counters to monitor energy consumption;
- Installation of LED lamps;
- Electric power center replacement;
- Maintenance or replacement of systems and machinery such as motors, mixers and fans to improve efficiency;
- Replacement of some steam presses with electrical presses;
- Thermal insulation projects.

-12%

REDUCTION OF TOTAL ENERGY CONSUMPTION VS 2022



USE OF CLEAN ENERGY

Where possible, we prioritize 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.

73%

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. For the next future, Vibram commits to find a way to obtain a reliable certification for the amount of electricity purchased from renewable sources. In the meantime, adopting a conservative approach, the Chinese share of renewable energy is not considered.



EMISSIONS MONITORED

We annually monitor our **Scope 1** and **2** emissions, aiming at expanding to 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.

2,000 t CO₂ eq
-17% vs 2022

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

2,169 t CO₂ eq
market-based*
-4% vs 2022

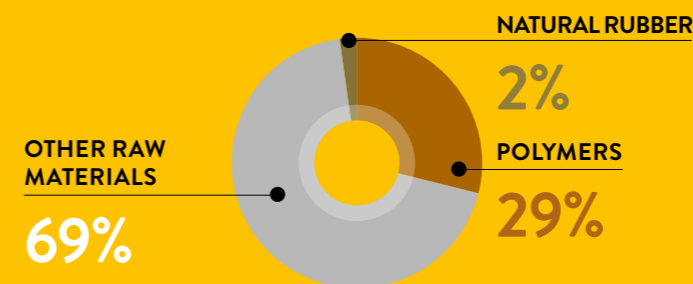
SCOPE 2 emissions generated by the use of electricity purchased from third parties

*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.

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.

COOPERATING FOR RESPONSIBLE PRODUCTION STANDARDS

In 2023 Vibram became a **Bluesign System Partner** to contribute to the development of responsible production standards for the footwear industry. As part of this collaboration, Vibram and Bluesign worked together to analyze the industry's basic chemical requirements, from internal operations to raw material usage, collecting data from suppliers. Following this analysis, Vibram and Bluesign have started working with chemical suppliers to develop strategies to reduce or replace the use of harmful compounds in footwear components.

WATER RESOURCES

We implement actions to further reduce water consumption in our production processes and ensure correct wastewater management to minimize 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.

-7%

REDUCTION OF TOTAL WATER CONSUMPTION VS 2022

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.

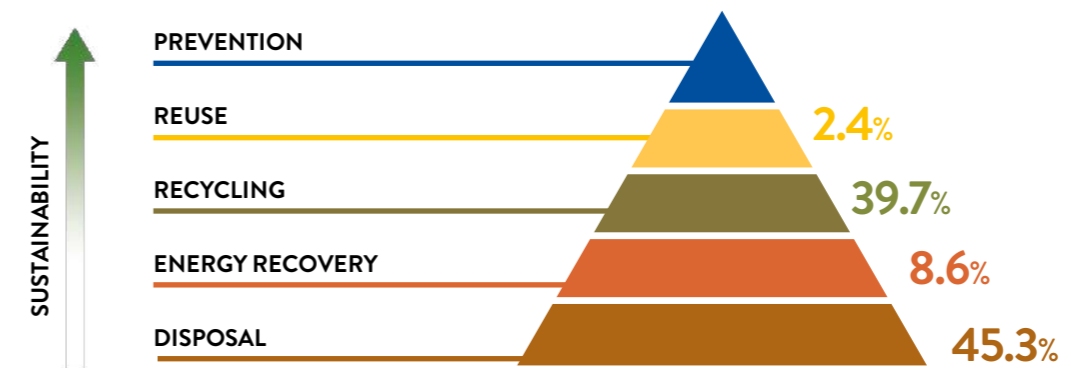
Despite the measures taken in recent years, in 2023 the amount of waste produced per ton of soles slightly increased compared to the previous year (+15,6%). That is why we activated further monitoring projects, as for the measurement and reduction of compounds to be scrapped. On the contrary, in 2023 the amount of hazardous waste reduced compared to 2022, as well as its share over total waste.

We ensure that the companies we entrust with the disposal of non-recyclable and hazardous waste comply with current regulations.

-34%

REDUCTION OF HAZARDOUS WASTE VS 2022

DESTINATION OF WASTE



CIRCULARITY PROJECTS

In 2023 we continued the following projects:

- **Polverino Grip**, for recovering carding waste (referred to as polverino) and reusing it in the new XSECO compound, as well as other reuse projects managed by external partners.
- **Remida**, 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 to build playgrounds for children, athletics tracks and floors for climbing gyms.

23.5 tons

INTERNAL PRODUCTION SCRAPS INTENDED FOR REUSE THROUGH REMIDA PROJECT IN ITALY



DISTRIBUTION

Cutting distances

PREPARING OUR PRODUCTS FOR SHIPPING

Packaging plays a crucial role in protecting products during distribution, storage, sales, and use. However, it can also have significant environmental and social impacts throughout its lifecycle. In 2023, approximately 3% 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.

For example, in 2023 all e-commerce shipments within the EU used cardboard packaging sealed with paper tape, thus limiting the consumption of plastic material. Furthermore, we reduced the size of cardboard packaging, saving a relevant amount of material compared to the previous year.

-11%
REDUCTION OF CARDBOARD USED
FOR PACKAGING VS 2022

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 established agreements allowing our partners to autonomously send production parts outsourced beyond Europe directly to clients, avoiding the need for the goods to transit through our Albizzate storehouse. This approach saves time, reduces costs and lower emissions;
- where possible, we require our partners to respect technical 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**. We actively listen to their demands and perspectives through surveys, direct communication with our marketing, sales, and sustainability departments, as well as site visits. Additionally, our communication campaigns aim to spread Vibram's values and raise awareness about a sustainable way of life.

- **Repair if you care campaign:** launched in 2020, the campaign renews and evolves every year to engage customers, pursuing the mission of educating to the values of repair and reuse to give shoes a second life and make them more durable thanks to Vibram's soles.
- **Sport innovation marketing:** we partner with international athletes that share our vision to tell stories of commitment, dedication, and connection to nature. This collaboration also represents an important occasion to receive feedbacks on products' performances and understand athletes' needs. In 2023, the para-athlete and mountaineer Andrea Lanfri joined the Team Vibram. With its sporting achievements, he inspires people to find confidence and overcome their limits.

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.

VIBRAM CONNECTION DAYS

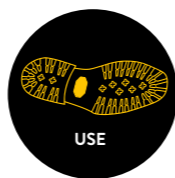
In November 2023 we organized Vibram Connection Days in Montebelluna, located in northeastern Italy and center of a historic sports footwear district. The initiative aimed at bringing together a broad community of athletes, clients, customers and citizens passionate about outdoor activities to exchange experiences and raise awareness about sustainability values.



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.

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.



VIBRAM ACADEMY

Vibram Academy is more than only branded stores: it is a program to enhance artisan skills and exchange ideas for product innovation and circularity. Here, in fact, the cobblers of the Vibram’s network have access to professional training. Consumers, instead, can repair and customize their shoes through exclusive Vibram Sole Factor Soles Collection. Moreover, they can test the newest products and technologies. Vibram Academy is present in 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 MOBILE 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, but above all directly involve end users to get feedback on soles characteristics and performance which is crucial for the design and innovation activities.

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. 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

Aware that even a small contribution by one person can make a true difference in the collective environmental impact, Vibram has launched the Repair if You Care program to **educate consumers on reusing and repairing shoes** as a sustainable way of reducing the environmental burden generated from waste production. This initiative aims at **giving a second life** to shoes by encouraging consumers to reuse and customize their products instead of throwing them away.

Through this system, shoes can be easily **resoled by expert cobblers** using Vibram’s soles and technologies to extend their durability and improve their performances. Consumers can easily find the cobblers network directly on Vibram’s website.

In 2023, Vibram’s Repair if you care initiative significantly expanded its reach, including its business customers and their consumers, thus promoting the resolability of footwear, not only under its own brand but also under other brands.



832

COBBLERS OF THE VIBRAM NETWORK

150+

CERTIFIED VIBRAM DIAMOND/PREMIUM COBBLERS

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.

Since the launch of the Green Team Vibram in 2021, we have been actively supporting the local communities and areas where we operate by engaging our employees in volunteering activities. **The Green Team Vibram** focuses on local maintenance and trail maintenance following trail running races organized and sponsored directly by Vibram, such as Vibram Trail Mottarone and the Ultra Trail du Mont Blanc (UTMB). Associates can freely take part in this team and contribute to corporate social responsibility.

1,690

HOURS OF VOLUNTEERING PROVIDED BY VIBRAM'S EMPLOYEES

30+

EVENTS WHERE THE GREEN TEAM WAS PRESENT (GLOBALLY)

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.

- ▶ **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.
- ▶ **THE FOOTWEAR COLLECTIVE:** initiative that drives a collaborative approach among brands of the footwear industry to enable the transition towards a circular production and consumption model.
- ▶ **BLUESIGN TECHNOLOGIES:** a pioneer in sustainable industry manufacturing, it develops tools and unique 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.
- ▶ **LEONARDO DA VINCI THINK TANK:** initiative that involves companies from various sectors in developing concrete proposals for policymakers to stimulate both corporate innovation and Open Innovation. The first achievement was a publication outlining how to recognize, enhance, and incentivize managerial excellence in innovation, thus fostering the growth of the Italian system.
- ▶ **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.
- ▶ **BLACK FOOTWEAR FORUM:** initiative that promotes the influence, leadership, and creativity provided by blacks in the global footwear industry. Vibram USA hosts the Forum's events to encourage development and networking opportunities.

Vibram is actively engaged in local industry associations activities and has established long-standing collaborations with universities, among which Politecnico Calzaturiero, European Design Institute, Hong Kong Design Institute, Guangdong University of Technology and Beijing Institute of Fashion Technology. These collaborations are realized also through the **Vibram University Program**, launched in 2014, to support our innovation system. In 2023 over 1.550 talented young people were involved globally.





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 partnered 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;
- On the occasion of International Women's Day, a donation was made to **Casa delle Donne di Milano**, an association that provides support to abused women, offering them shelter and organizing cultural initiatives;
- Vibram donate production scraps to a community of artisans in Ethiopia part of the project **Material for Ethiopia**, allowing materials unusable for the group's production to have new life and utility;
- To promote health and skin cancer prevention, all Vibram employees were given the opportunity to undergo an examination against skin melanoma, in collaboration with the Italian Cancer Association.

ASIA

China

- We created the **VTC Charitable Foundation** for carrying out various solidarity initiatives in the region. In 2023 Vibram donated stationery and sports supplies to a primary school of a mountain community;
- We donated a **sports field** entirely made of recycled rubber to a **primary school** in Gansu Province. During the opening event, Vibram's people engaged the kids in educational and sports activities to raise awareness about environmental protection and the principle of moving freely together;
- On the World Autism Awareness Day, we organized a **mini marathon** around the Huadu Lake with local **autistic families**, involving Vibram colleagues and their children to raise awareness about the values of inclusion and care for others. Later in the year, we also promoted a caring activity for **hearing-impaired children** as part of our commitment towards vulnerable groups.

Japan

- We took part in voluntary cleanup activities in the area surrounding our offices in Tokyo.

UNITED STATES

- We supported several activities in collaboration with local associations including The Clean Wave, Brigham Hospital and Sole4soles. Donations of clothing, shoes, essential food and numerous cleanings have united colleagues and families in Green Team Vibram initiatives.



LOOKING TO THE FUTURE

● TARGET ACHIEVED
 ● 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" (USA)

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
- 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 transition towards more durable and circular solutions to limit our footprint on the planet.



Keep up to date
with our sustainability initiatives on

vibram.com



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