

THE PROGRESSIVE JOURNEY

Vagabond Shoemakers Sustainability Report 2025

VAGABOND
SHOEMAKERS



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A word from our CEO

Looking back on 2025, I see a year of strong performance and continued progress in how we run our business. We have strengthened our position as a brand while taking further steps to integrate sustainability into our daily operations.

Our financial results reflect the value of a long-term approach, focusing on product quality, close partnerships and a consistent direction. As a self-financed company owned by the Vagabond Shoemakers Foundation, this also means that our success enables us to contribute beyond our own business. In 2025, the foundation completed its first full year of grantmaking, distributing SEK 15 million to organisations working within health, humanitarian aid and social development.

During the year, we continued to reduce emissions across our value chain. Compared to our 2022 base year, total emissions decreased by 12%, supported by a clear shift from air to ocean transport. This shows that operational decisions in logistics, sourcing and planning make a real difference.

At the same time, the work has made it clear where the main challenges remain. A large share of our emissions is linked to materials, particularly leather. Progress in this area depends not only on our own choices, but also on broader developments in energy systems and supplier capabilities.

In our supply chain, we have deepened our collaboration with factories and tanneries. Daily presence and closer follow-ups have given us a better understanding of key issues such as overtime, air quality and living wages. These are complex challenges that require time, consistency and strong partnerships to address.

We also see that stricter requirement, for example in chemical management, create new challenges for our suppliers. While this can slow progress in the short term, it also leads to more open discussions and a better shared understanding over time.

From a product perspective, our focus remains on longevity. A leather shoe is a complex product. It is difficult to recycle due to many components, but it's durable and long-lasting. This puts responsibility on us to design products that are used for as long as possible and to guide our customers towards more considered choices. Our message, "Only buy what you really love," remains central to this.

Looking ahead, our direction is clear. Progress comes from continuous improvements across many parts of the business, from materials and energy use to working conditions and transparency.

I would like to thank our employees, partners and customers for their continued commitment.

Mats Nilsson

Co-founder & CEO
Varberg, April 2026



We are Vagabond Shoemakers

Vagabond Shoemakers is a Swedish fashion company that makes shoes, accessories, and a small range of apparel for people who care about quality, style, and a sustainable way of life. We are driven by caring for the details that really count and always strive to be “a true style hero” for our end-users’ wardrobes. We stay inspired by the many exciting people crossing our path. Our products are made to be worn and to accompany a contemporary look for everyday use. The products should be an investment for wearers worldwide. The “why” behind each design is communicated, as is the guidance on how to care for the item to ensure longevity and what to do when worn out. Consistently providing our customers with a “good deal” and the best quality is essential. We want to guide our end-users to “Only buy what they really love” for sustainability reasons.

Vagabond Shoemakers operates in 44 markets worldwide through carefully selected multi-brand retailers, as well as our concept stores, official online stores, and shop-in-shops. Selling about 1 million pairs yearly, the company and brand have succeeded and stayed solid for many years to keep a sustainable business within new and existing markets.

“We are shoemakers at heart and soul, creating shoes and accessories that reflect long-lasting style and quality.”

- Marie Nilsson Peterzén, Co-founder & Board member

The Value Chain

Since the start of Vagabond, the idea has always been to stay close to the value chain. By deciding not just on the product’s design but also on its construction and on controlling all steps and actions behind it, we become a professional business partner who can work proactively on improvements. We address environmental and social impacts within each part of our business, from the design phase to the finished products.

Raw materials

Our primary material, leather, is a waste product from the meat industry. We work with cow, sheep, and goat leather, and our tanneries source the cattle breed and materials from Europe, Pakistan, Central Asian States, the Northeastern United States, Nigeria & India.

Sub-suppliers

The primary sub-suppliers include tanneries, textile manufacturers, and outsole factories. We collaborate directly with all these essential sub-suppliers to ensure a consistent supply of components to the factories. We continuously monitor our sub-supplier base.

Factories

We collaborate with a select number of factories, where our staff are consistently present during production. We maintain daily communication with these partners, including regular discussions on CSR matters and ongoing training initiatives.

Own offices and stores

Vagabond’s head office is situated in Varberg, a town on the west coast of Sweden. We have production offices in China and Vietnam, just a few hours from our main suppliers.

Lastly, we have small local sales offices in Oslo and Copenhagen, as well as concept stores in Stockholm, Gothenburg, Helsinki, and Berlin.

Own warehouse

Located just a few minutes from the head office, our warehouse manages all imported goods and distributes them to wholesale clients, our stores, and customers of our official online store. Additionally, we collaborate with a third-party warehouse in the USA for local distribution.

Client offices & Stores

Our clients are located across numerous countries and operate with diverse business models.

End-users

Our end-users are located worldwide. We target style- and quality-conscious individuals dedicated to a sustainable way of life.



Sustainability management

As we are a relatively small company in terms of employees, we team up internally in different ways to reach our sustainability objectives. The Sustainability Governance Group set these objectives and focus areas. This management group is a cross-functional team of executives, specialists, and the CEO. The responsibility for complying with our sustainability goals lies with each country or department manager, with support from the Sustainability Governance Group. The Sustainability Governance Group is led by the CFO, who organises regular meetings with each relevant function, primarily production/design and logistics, and the headquarters' HR. In 2025, we used our materiality analysis to further develop our sustainability work. Due to the OMNIBUS changes, Vagabond is no longer covered by the CSRD reporting requirements. The sustainability report has therefore been prepared in accordance with the Swedish Annual Accounts Act as it applied before 1 July 2024. We aim to continue improving our sustainability work and reporting going forward. The GHG data collection approach was used in 2025.

The Board of Directors of the Parent Company is continuously briefed on the development of our sustainability objectives. In 2025, we conducted briefings covering sustainability strategies, opportunities, risks, and the double materiality analysis, including discussions on threshold values and IROs.

Vagabond Sustainability Management Group 2025

Ann Hjelte, CFO & Deputy CEO, Head Of Sustainability

Alva Lennartsson, Planning & Sustainability Coordinator

Paulo Martins, Vice President, Vagabond Vietnam

Marcus Svensson, Purchase & Quality Manager

Ulrica Koutsouvaloglou, HR Manager

Tomas Paepke, Supply Chain Manager

Mats Nilsson, CEO

Sustainability risk & risk assessment

Our definition of sustainability risk is an event that harms sustainable development. We use Vagabond's value chain as a starting point when identifying our sustainability risks and consider Vagabond's possible impact on chemicals, the environment, and people.

Risks and opportunities can be found across all parts of Vagabond's value chain – from raw materials and production to consumption and end use of our products. In analysing, we also map how we handle the risks and look at what policies, activities, tools, and governance we have in the risk areas. In the final analysis phase, we assess risks by materiality from both external and internal perspectives. Our policies that address these risks include our Code of Conduct, Child Labour Policy and Action Plan, and Ethical Policy.

Procedures such as the Corrective Action Plan for suppliers and the Grievance Mechanism, available to all workers in suppliers' factories, allow us to address any identified issues in these areas.

Policies that guide us

To help us in this work, we use policies, routines, and action plans. Examples are policies and documented approaches to alcohol and drugs, business ethics, threat and violence, equality and diversity, harassment, bullying, rehabilitation, and work adjustment. Other central documents include our Code of Conduct, Child Labour Policy, and Action Plan. In 2022, we introduced a secure whistleblowing service that allows all staff and stakeholders to report suspected misconduct within our organisation anonymously. This is communicated on our website and in our staff handbook. Our policies are available in both Swedish and English, presented in a two-column format to support mutual understanding—particularly when language barriers may arise.

Ethics

We always strive to act respectfully towards one another, appreciating differences and various skills. Internal communication shall be open and honest, and we encourage co-workers to raise concerns and speak to their managers. Our Ethical Policy sets standards for ethical behaviour in the workplace and guides our employees in their daily work. We have zero tolerance for discrimination, harassment, and alcohol or drug abuse at work.

A Shoemaker's Handbook, developed in 2017, and our Leadership Handbook, set in 2018, are excellent tools for spreading values among all colleagues.

We aim to work preventively at Vagabond and align with "Always a We." We are all ambassadors for our company's code and Code of Conduct when representing the brand. We work to counteract all forms of corruption and bribery. No one acting on behalf of Vagabond may accept or offer bribes or engage in any other corrupt practices. As a global company, we are present in many countries where corruption can be part of daily business. An important insight is that the definitions of corruption and unethical behaviour can vary with such diversity. By clarifying Vagabond's anti-corruption stance and what is considered unacceptable business behaviour, we hope to dispel doubts within our organisation and among business partners. As a rule of thumb, a junior coworker is joined by a senior coworker with extensive experience and a deep understanding of our industry. Learning from your peers is the best way to pass on our company values. For external meetings and presentations, we always aim to have more than one Vagabond representative attend, especially in the early phase of the collaboration.

In 2022, we started a new whistleblowing service with Whistlelink to increase security routines and ensure the safe handling of issues. No allegations of corruption were reported during 2025.

Cooperation

We are convinced that we can achieve a much greater and faster impact when interacting with others. We choose to partner with organisations and other companies that can help us reduce our negative impact on people and the planet. Our partnerships stretch across the value chain, from the design phase to the end of life of our products.

The sourcing process

Our team selects all our shoe factories, and our cooperation is governed by purchase agreements. We maintain close collaboration through our continuous presence during production.

For primary materials (tier 2), Vagabond either purchase materials (leather/fabrics) and critical components (outsoles) and supplies them to the shoe factories, or nominates suppliers of for example, technical components and accessories, from which the factories can order materials suitable for production.

The Code of Conduct and Restricted Substances List are mandatory in our purchasing and nomination processes. During 2025, our Restricted Substance List was renewed.

Before starting a collaboration, we conduct an initial Code of Conduct assessment to establish what gaps need to be corrected before placing the first order or plan for a corrective action plan simultaneously with onboarding. For 2025, we started with one new tier-1 factory: Juyi, with production starting in 2026.

The Code of Conduct

Our Code of Conduct (CoC) is based on the UN Human Rights Declarations, the UN Declaration of the Rights of the Child, and the ILO (International Labour Organisation) Conventions on Workers' Rights. Before starting a collaboration with vagabond all suppliers must sign and review the CoC to ensure mutual understanding.

Supporting human rights: We work in a global supply chain and industry that sometimes brings complex challenges regarding human rights. We focus on preventing any negative impact on human rights in the areas with the most significant direct impact within our supply chain. We pay attention to new and rising human rights risks and update our policies when needed.

Children's Rights: We would never accept the exploitation of children. By frequently inspecting the suppliers' factories and ensuring that our suppliers have enough knowledge and skills in the recruitment process, we strive to prevent the employment of underage workers.

Migrant workers and the risk of Modern Slavery and trafficking: Many people travel long distances to find jobs. In our industry, we often call these workers migrant workers. Migrant workers are at greater risk of being exploited by dishonest recruitment agencies. High fees to get jobs can lead to debt, making workers rely on their agents. In severe cases, this can lead to forced labour and human trafficking. All of this falls under the issues of modern slavery and people trafficking.

We want to ensure that any migrant workers involved in manufacturing our products have the same rights and benefits as local workers. There should be no discrimination in salaries, working hours, or benefits. It is also important that the employer or contractor does not withhold ID cards or passports. We bring these transparency and fair recruitment issues up on the agenda during our inspections throughout the supply chain.

The recruitment process can be highly complex in many countries, with numerous external parties involved and limited transparency. Sometimes, recruitment agencies

need greater insight into their own operations, leaving factories struggling to uphold human rights. We aim to support our suppliers in tackling these issues, but we cannot do it alone. Therefore, we work with local specialists and NGOs to achieve lasting change in the global recruitment industry. To demonstrate our commitment to combating Modern Slavery and Trafficking, we renew our statement under the UK Modern Slavery Act every year and sign the California Transparency in the Supply Chain Act.

Our CoC inspections

Our experienced local CSR staff conduct our inspections, both the initial full inspection and the follow-ups on misconduct cases. Using a tool based on the international SA8000 framework for working conditions, we document and measure how well the factories meet our Code of Conduct requirements. The local Vagabond CSR team is primarily responsible for closely monitoring these actions. In addition to addressing the points outlined in our tool, the team focused on air quality, living wages and overtime hours, emphasising the importance of consistency despite fluctuating market conditions. During 2025, we conducted external audits by SGS (Société Générale de Surveillance) at all of our factories in Vietnam.

In 2025, we also increased the production in China. A requirement from us is that all factories are BSCI-certified. In 2026, we will expand our presence and further develop our CSR initiatives.

Phasing out suppliers that cannot meet our standards

The supplier's good attitude and engagement in improving are crucial for our continued business relations. We favour the suppliers that engage in the Code of Conduct work. These suppliers will continue to receive stable production orders and ongoing interaction from Vagabond. There are occasions when our CoC requirements are yet to be met. We always explain our expectations clearly to the supplier and give them time to improve. If the supplier fails to meet our standards, we will gradually phase out the supplier, allowing time for production to be reallocated and for the supplier to secure orders from other customers. In 2025, no suppliers were eliminated due to non-compliance issues.

Grievance mechanisms

Since 2019, we have established a worker hotline to inform us of any concerns related to CoC compliance in the supplier factory. The hotline number is printed and displayed in the factories. No grievances were reported via the hotline during 2025.

Fair wage

A fair wage is a complex subject, as there is no universal benchmark for calculating a living wage. We always want to collaborate with the most skilled factories, so we expect suppliers to comply with nationally legislated salary requirements at a minimum. However, legislation must accurately reflect a labour market driven by need and supply. Our ongoing wage scanning shows that our suppliers' salary payments exceed minimum standards. Still, validating fair wages as a buying partner is challenging. We stress the importance of productive dialogue between management and worker organisations, which is crucial for raising awareness and promoting sound wage development. In the long run, there must be alignment among governments, trade unions, NGOs, buying companies, and producers to qualify for appropriate wage levels.



Vagabond Code of Conduct*

1. Contract of employment

There should be a legally binding employment relationship for every worker.

2. Minimum age and Regulations for Young Workers

Vagabond does not accept child labour.

3. No forced labour

Employment shall be freely chosen.

4. No discrimination

All employment relationships shall be based on equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, pregnancy or childbirth, social origin or handicaps.

5. Freedom of association and the right to collective bargaining

The right of all workers to form and join trade unions shall be respected. Workers' right to negotiate collectively must not be prevented in any way.

6. Compensation

Wages and benefits paid for a standard working week must meet at least legal and industry minimum standards. In any case, where the minimum standard is not enough to cover the workers' basic needs and allow for discretionary income (some savings), the employer is urged to strive for a living wage.

7. Working hours

There must be no excessive working hours.

8. Safe and healthy working conditions, no harassment or abuse

Vagabond requires that suppliers provide safe and healthful workplaces for their employees.

9. Housing conditions

If employers provide housing, it must be safe, hygienic, and meet legal space requirements. Evacuation plans, clear escape routes, and adequate firefighting equipment must be in place. Sanitary facilities must be separated by gender, and workers must have unrestricted access to their dormitories.

10. Environmental care

Vagabond encourages progressive environmental work. As a minimum, National Environmental legislation and standards in the country of operation must be followed.

11. Animal welfare

Suppliers must respect animal welfare and work progressively towards adopting healthy and humane practices toward animals.

12. Management

Management must have an anti-corruption policy, ensure two-way communication with workers, and appoint a manager responsible for social and environmental compliance and the Code of Conduct.

** Vagabond's Code of Conduct (CoC) in brief. The complete CoC can be read on <https://www.vagabond.com/us/about-us/sustainability/>. Vagabond's CoC is based on the UN Human Rights Declarations, the UN Declaration on the Rights of the Child, and the ILO Conventions on Workers' Rights. The CoC also includes our environmental requirements, and our CoC is currently translated into Vietnamese and Chinese.*

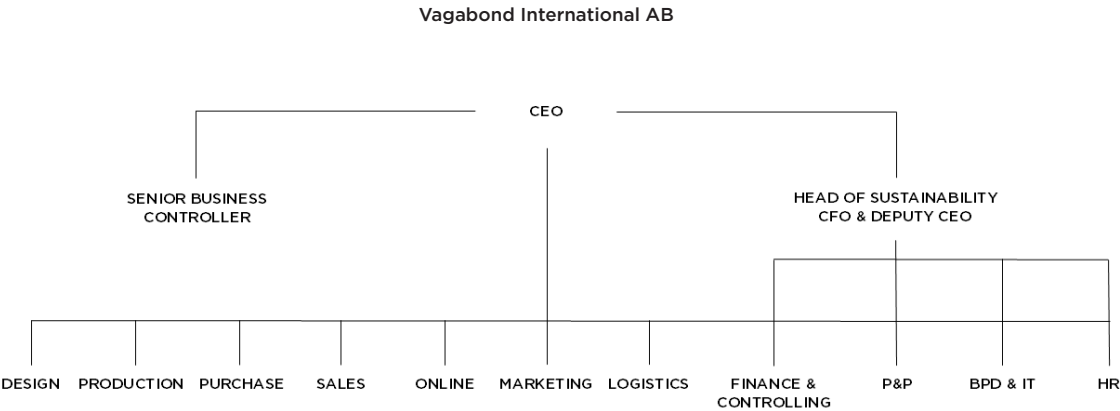
Our business structure

Vagabond Shoemakers was founded in 1993 and remained a private, family-owned company until 2023, when the owners transferred ownership of the Vagabond Group to the Vagabond Shoemakers Foundation.

Vagabond Shoemakers is one of Europe's leading fashion footwear brands, producing more than 1 million pairs of shoes, accessories and a small range of apparel annually. The brand's design studio includes a full-scale prototype production workshop located at the global headquarters in Varberg, Sweden.

Production is managed through a selected group of carefully chosen external suppliers. Vagabond products are available in 44 markets worldwide, where the largest markets are Germany, the US, Scandinavia, and the UK. The brand is featured in concept stores, online stores, and shop-in-shops, as well as in international department stores and selected multi-brand retailers. Our in-house online store, www.vagabond.com, is the fastest-growing channel and serves as the official hub for product information and initiatives.

As of December 2025, Vagabond employs 188 people, including 138 at the headquarters and warehouse in Varberg. Local sales, retail business, and manufacturing are handled by twelve subsidiaries, all wholly owned by the mother company, Vagabond International AB. Among these eleven subsidiaries, two are dormant (the Russia and Hong Kong subsidiaries). Offices abroad are staffed locally and report to Vagabond International AB in Sweden. For 2025, net sales were 898 MSEK, and the total equity was 369 MSEK.



The Vagabond Shoemakers Foundation

Familjen Nilsson Peterzén Stiftelse – Vagabond Shoemakers Foundation was established in November 2023. By the end of the year, the founders of Vagabond Shoemakers, Mats Nilsson and Marie Nilsson Peterzén, transferred full ownership of the company, including all trademark rights, to the foundation. This new ownership structure ensures that future profits will be used to support research, education, and humanitarian initiatives that align with the foundation's mission.

During 2025, the foundation provided contributions and grants to support charitable projects in the following areas:

Health, primarily by contributions and grants for research and education.

Young People, especially in or from Varberg, by scholarships and contributions for education, support participating in leisure activities or other support which will enhance the positive development of a young person's life.

Exposed, by various forms of support for people who are financially or otherwise struggling in society.

Climate and Environment, especially by supporting sustainable development.

Culture, by contributions to cultural heritage conservation or other non-profit cultural activities, especially in or around Varberg.

Entrepreneurship, primarily through contributions and grants for research and education.

The Vagabond Group remains entirely self-financed.

"We have always wanted our achievements to become support for initiatives and projects needed in our present time. A foundation means the opportunity to give continuous and substantial support. Also, it means a lot to us that the company will continue developing according to set goals and intentions."

- Mats Nilsson & Marie Nilsson Peterzén, Co-founders

Learn more about the Vagabond Shoemakers Foundation at www.vagabondshoemakersfoundation.com.

The sustainability strategy

Our sustainability vision declares our ambitions for continuous sustainable business.

Aiming for a step-by-step approach towards a positive impact, we follow the sustainability strategies set by our Board:

1. Long-term sustainable business and sustainable development throughout our value chain.
2. Managing the planetary resources by choosing more sustainable and circular materials, encouraging maintenance and repair, facilitating and supporting improved water, energy and chemical management and reducing emissions and waste throughout our value chain.
3. Engaging in the people and communities that are impacted by our business and guiding our end users to more sustainable choices. Our targets should always align with these sustainability strategies.

General target: reducing emissions by 50% by 2030 (single aspect perspective)

After thoroughly breaking down our value chain to identify key event areas and impacts, we decided to “reduce emissions to air” as our overall target since 2018. This is because we can locate emissions into the air as a general risk in all action steps in our value chain. According to the Paris Climate Agreement, Agenda 2030, we share this responsibility with the rest of our industry. The target of a 50% reduction in air emissions by 2030 was based on documented and verified emission data, which at that time only included emissions associated with transport.

General target update: value-chain perspective

The key learning from base year GHG protocol calculations 2022 clearly shows how our main emission impact is derived from leather as a material and energy intensity connected to shoe production. Therefore, we see the need to break down our emission target into more manageable subcategories. Then, ideally, connect that to each activity/order, but at least towards that goal, quarter by quarter or season.

The Due Diligence Approach

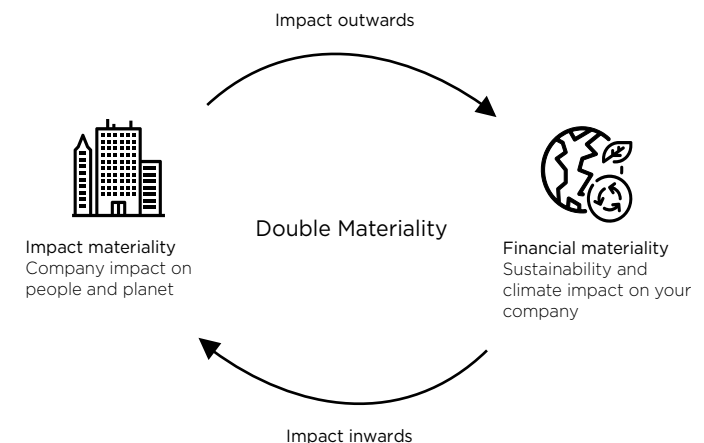
This is a step-by-step journey where we embed responsible business conduct, identify and assess impact, and work to cease or prevent adverse impacts caused by our value chain operations. We collaborate closely with all Tier 1 suppliers and tanneries, maintaining daily communications and conducting site visits.

Regarding Tier 2 suppliers, Vagabond actively participates in sourcing all materials and conducts seasonal follow-ups with the supplier base. This involves external inspections, internal inspections, action plans, correction action follow-ups, supplier meetings, training and nudging around Production Working Conditions and Emissions to air for both short and long-term development.

- External inspections to ensure third-party reliability
- Internal inspections for ongoing follow-ups, enabling us to initiate and monitor progression
- Action plans for mutual understanding
- Corrective action follow-ups for support of a long-term business relationship.
- Supplier meetings for transparency and traceability
- Training for CSR teams
- Nudging for directing a) towards internal HR policies at the suppliers, b) the green energy transit

Double Materiality Analysis

The double materiality analysis was prepared in 2024, together with the external consultants ENACT, to obtain an expert yet neutral perspective on our IROs (Impact, Risk, Opportunity). This report has been a guide for our work in 2025, although the reporting requirements were changed due to OMNIBUS. The identified IROs (net list) and threshold values have supported us when prioritising our focus areas in 2025.



A sustainability issue is material from an impact perspective when it significantly impacts the environment and/or people, including their human rights, and from a financial perspective when it entails a significant financial risk or opportunity for the company.

Stakeholders

Our stakeholder dialogue is ongoing and reviewed yearly. We build knowledge and awareness of our upstream and downstream value chain through regular meetings, interviews and other activities. Our primary stakeholders are those directly affecting our value chain or those affected by our operations throughout the value chain: staff, suppliers, wholesale partners, and end-users. During 2025, we continued to deepen our relationship with our main suppliers in Vietnam and China by having Vagabond staff at the production sites daily and spending more time at our main tanneries. Another significant stakeholder is the customer, specifically the e-commerce customer. Within this context, the two principal focus areas are personalised experiences and accessibility.

STAKE-HOLDER	DESCRIPTION	KEY PROCESS	MAIN MATERIALITY TOPIC
Co-workers	We are 188 people working with Vagabond globally, at our head office & warehouse in Varberg, Sweden, at regional sales offices, concept stores, and production office.	Own offices & stores Own warehouse	Physical and psychosocial working environment Working conditions and fair wage Knowledge sharing and transparent communication
Owners	Vagabond is owned by the Vagabond Shoe-makers Foundation.	Own offices & stores	Physical and psychosocial working environment Working conditions and fair wage Reduction of GHG/CO2 emissions
Suppliers	Our business partners in supply or sub-supply for our production, logistics, stores, and office premises.	Material suppliers Factories	Working conditions and fair wage Knowledge sharing and transparent communication
Wholesale partners	Vagabond products are available through independent multi-brand stores in more than 45 markets.	Client warehouse & distributors Client offices & Stores	Sustainable and circular materials Animal welfare and ethics leather and fur Working conditions in production and fair wage
End-users	The end-users who either buy their Vagabond products from our retail partners or directly from our concept channels.	End-users	Sustainable and circular materials Animal welfare and ethics leather and fur Working conditions in production and fair wage

STAKE-HOLDER	DESCRIPTION	KEY PROCESS	MAIN MATERIALITY TOPIC
Partner Organisations	Svensk Handel, the Leather Working Group (LWG), and other industry forums are necessary for a progressive dialogue concerning our business, development, and innovations.	Own offices & stores Factories Material suppliers	Reduction of GHG/CO2 emissions Reduction and substitution of process chemicals Sustainable and circular materials Animal welfare and ethics leather and fur Working conditions in production and fair wage
Public Media	Media that relate to our operations, establishments, and product news. Includes fashion, trade, business, and daily press in all countries where we are active.	Own offices & stores	Reduction of GHG/CO2 emissions Sustainable and circular materials Animal welfare and ethics leather and fur Working conditions in production and fair wage
Press & Collaborations	Independent creators and talents are invited to context or express our product messages in different forums.	Own offices & stores	Sustainable and circular materials Animal welfare and ethics leather and fur Working conditions in production and fair wage
Students & Apprentices	Recurring and creative exchange connected to the head office and designer house activities in Sweden.	Own offices & stores	Reduction of GHG/CO2 emissions Reduction and substitution of process chemicals Sustainable and circular materials
Authorities	Our primary authority communication concerns customs, taxes, and chemical verifications.	Own offices & stores Factories Material suppliers	Reduction of GHG/CO2 emissions Reduction and substitution of process chemicals Sustainable and circular materials
Non-governmental organisations	Organisations working with social responsibility, environment, and animal welfare. Reviewing journalism is closely connected.	Own offices & stores Factories Material suppliers	Reduction of GHG/CO2 emissions Reduction and substitution of process chemicals Sustainable and circular materials Animal welfare and ethics leather and fur Working conditions in production and fair wage

Main stakeholders

Suppliers

Our first-tier suppliers include three shoe factories in Vietnam, located near our production office in Ho Chi Minh City, and three factories in China, two in Zhejiang province and one in Fujian province. Additionally we are producing accessories in one factory in India, in state of Tamil Nadu. We maintain close collaboration with all our partner factories and are committed to building long-term business relationships. At our primary suppliers, we have on-site offices staffed by our team to support daily operations and planning, helping to ensure the quality of our shoes and social sustainability matters. From our primary offices, our team also visits and supports other factories and sub-suppliers.

Customers

Wholesale partners: In 2025, we have focused on maintaining close dialogue to ensure access to sell-out data, providing the highest possible support and relevance in restock orders for mutually sustainable business development. In 2025, we increased our outlet sales to avoid unnecessary obsolescence and ensure that all shoes produced are worn, regardless of style or fashion. We collaborated with our wholesale partners to provide sustainability data on our products and organisation, with the goal of being transparent with the end customer.

End-users: In 2022, we developed a framework for our philosophy based on the four C's: The Craft, The Choice, The Care, and The Change.

In November 2025, Vagabond Shoemakers launched *Revived by Vagabond Shoemakers - The Leather Archive Collection*, a limited capsule created using leftover leather and materials from previous seasons. The initiative aimed to extend the life of existing resources and reduce material waste by repurposing materials from our internal archives. The collection featured familiar silhouettes such as Blanca, Yasmin, Kenova and Livia, reintroduced using archived materials. In addition to leather, surplus materials were also explored in new ways, including a special edition of the Sammie style made from leftover lining materials.

Customer care and accessibility: Although the core of the wholesale business is essential, we are seeing a growing interest in direct contact with and/or purchasing from the brand. One sustainability advantage is offering guidance to reduce return rates, a critical challenge in a growing e-commerce world.

To offer the best possible experience, we handle all translations in-house by hiring local editors for each new online market; this way, we ensure that we maintain a consistent tone of voice.

Our service is available 24/7. Through our live chat, shoppers can receive assistance, advice, and information from our experts, regardless of the time or their location.

In 2025, the new WCAG directive was introduced, making accessibility a central focus for the e-commerce team. Over the course of the year, multiple user tests have been conducted to identify areas for improvement, with the end goal of making vagabond.

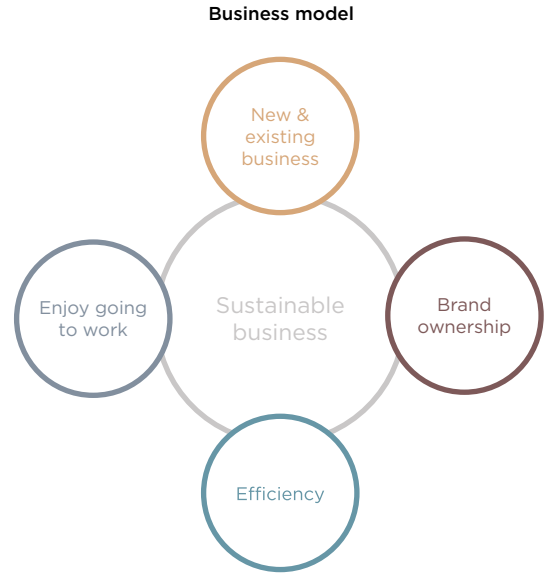


“Accessibility has always been an integral part of our development process, from sketching and design to technical implementation. With WCAG as a guiding framework, we have further strengthened our procedures and ways of working, becoming more mindful at every stage. For me, the experience on vagabond.com should not be limited to a specific group of users. Everyone should be able to find inspiration, explore our range, access information, get in touch, and make a purchase.”

- Virve Langemark, Head of E-commerce

Staff

Enjoy going to work: A key aspect of our business model is creating a work environment where employees feel engaged and supported. While we offer flexibility through remote work when appropriate, our primary workplace is our headquarters in Varberg. We value the dynamism and creativity that arise when we work together on-site. To promote a sense of community, the company provides a daily breakfast for all staff. Additionally, our internal Trivselgrupp (Social committee) arranges occasional social activities such as after-work gatherings and seasonal celebrations. These initiatives contribute to maintaining a positive and collaborative workplace culture.



New & Existing Business: Illustrates our business process for easy onboarding and cross-function collaborations

Brand Ownership: Access to all essential brand learnings/training

Efficiency: Updating of meeting and feedback routines

Enjoy going to work: Customised onboarding for new staff and continuous internal knowledge sharing

Partner and membership organisations

We connect with a variety of membership organisations that, while not directly involved in our value chain, have made significant contributions to it across all facets. Although we are part of the textile industry, our product does not entirely address the specific challenges of textile production. Consequently, a blend of fashion/textile-focused and niche leather organisations are most suitable for us.

AREA	PARTNER/COLLABORATOR	TYPE
Chemical Management	Stefan Posner	Consultant
Chemical Management	Kemikaliegruppern	Membership
Water / energy / chemical / social	Leather Working Group (LWG)	Membership
Reuse / Recycling	I:CO / SOEX	Membership
Cross-industry network	CSR in Western Sweden	Membership
Cross-industry network	Svensk Handel	Membership

Facts LWG (Leather Working Group)

Leather Working Group is a not-for-profit organisation responsible for the world's leading environmental certification for the leather manufacturing industry. As a multi-stakeholder group, LWG boasts over 1300 members from across the leather supply chain, including tanneries (manufacturers of leather), leather goods manufacturers, suppliers for the leather industry, brands & retailers, and other associations within the leather industry.

The LWG vision is to be the number one globally recognised brand representing responsible leather sourcing to the industry and end-users. The mission of LWG is to improve the impact of the LWG supply chain holistically by becoming the overarching standard for leather manufacturing, covering all elements and actors in the leather value chain. An LWG certification is a credible environmental, social, and governance (ESG) certification based on accurate metrics and data-driven insights.

LWG aim to provide detailed information to enable brands and members to make informed decisions in their leather sourcing.

Our own workplaces

As an international company, we have the potential to make a positive impact on people across our global value chain. By maintaining close involvement in our processes and taking responsibility for our products and brand, we create strong teams where values and ways of working are shared across functions and locations.

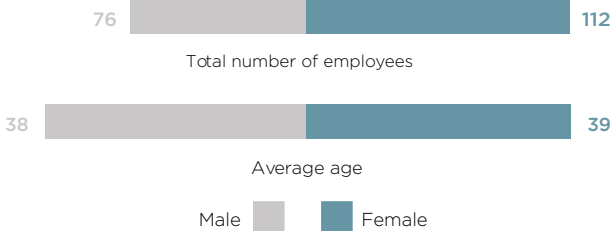
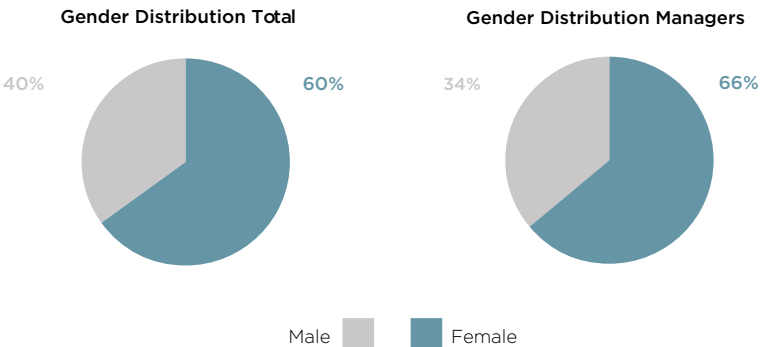
We have a strong base of shared business knowledge and foster an environment where questions are encouraged. We follow a decision-making principle that allows anyone to make decisions, provided they involve colleagues with relevant experience and those affected by the decision.

At the core of our beliefs is the idea that we are “Always a We.” We therefore see strong value in bringing together people with diverse skills and backgrounds. Through regular gatherings of our multicultural global team, we gain new perspectives that enrich our organisation and support its sustainable development.

A central collective agreement covers 100% of employees at Vagabond International AB in Sweden. We collaborate with international HR partners to support our remote sales and production offices, ensuring compliance with local legislation and relevant employment conditions.

Supporting our staff and leaders

Internally, we have a cultural staff handbook, titled ‘A Shoemaker’s Handbook,’ which focuses on who we are, what we believe in and stand for, and how we work and envision the future. The handbook is given to each employee during onboarding and serves as a tool for guidance or inspiration when needed.



Gender distribution

Traditionally, our industry attracts more female than male employees, as reflected in our global employee statistics. Currently, 60% of our employees with permanent contracts are female, while 40% are male. Both female and male employees are represented in all departments, and the gender distribution of managers at Vagabond Head Office is 66% female and 34% male. The average age is 39 for women and 38 for men. This data pertains to the global head office in Sweden, and the same distribution is observed in our subsidiaries.

Empowering our people

Education and engagement: In our sustainability process, all employees must be continuously updated on the latest developments in the business, the steps we are taking, and how we address the challenges we encounter. Along with regular staff meetings at our head office, our intranet and LinkedIn are used for company-related news, including sustainability initiatives. Our social hub is our kitchen area, where we promote household waste sorting and the “one coffee mug a day” initiative to raise awareness of easy, daily responsible actions.

Health and Safety

We are committed to providing a safe and healthy environment for all our units. In 2025, we had two minor work-related injuries reported.

We provide first aid and firefighting training at our head office and warehouse in Sweden. Regularly, all store managers and selected HQ staff receive full first-aid training. In 2025, we held CPR training for 23 employees at the HQ and warehouse. We also ensured that light, noise, and temperature levels were within specified limits to maintain optimal working conditions.

Additionally, we ensured that the chemical emission levels from our production departments were acceptable.

We work with a healthcare partner, Avonova, to enhance the work environment and promote preventive measures.

The sustainability focus areas

Since 2019, our identified and highlighted sustainability priorities are summarised in seven key areas: Emissions to Air, Material and Circular Economy, Production Working Conditions, Transparency/Knowledge Sharing, Clean Water, Process Chemicals, and our workplaces.

Among these key focus areas related to our value chain, we have prioritised emissions to air, material and circular economy, and production working conditions as the most important.

The overarching target for Emissions

Our overarching environmental target is to reduce air emissions by 50% by 2030, relative to our growth. This target was set in 2018, and the base year for our GHG protocol calculations is 2022. We have been reviewing the entire value chain and calculating emissions in accordance with the Greenhouse Gas Protocol reporting standard. Based on our findings, we are focusing on achieving a filling ratio of over 90% for containers, prioritising sea shipping, while trying to avoid air freight to reduce our emissions to the air.

In 2025, we concluded our fourth year of extended emissions calculations using the GHG Protocol. Materials are closely interlinked, as this is where our primary emissions impact originates; thus, it remains a highly prioritised topic.

TOP PRIORITY AREAS	2025 ACTIONS
Emission to air - GHG calculation	- Primary data - Simplified collection - Separation material - process - Sample meetings
Material & Circular Economy	- LWG - Vinnova - The 4C's - The Change - Shoe bring back - Revived by Vagabond Shoemakers
Production working conditions	- Special project: - Air quality - Working hours - Living wage - More visits at sub-suppliers
Transparency/Knowledge sharing	- Onboarding new factories
Process chemicals	- REACH updates - Updated RSL
Clean water	- LWG



Emissions to Air – Greenhouse Gas Calculations

The 2015 Paris Agreement — and the global commitment to limit warming to 1.5°C — continues to guide international climate action. At COP30 in Belém, Brazil, in November 2025, countries emphasised the urgent need to accelerate the implementation of the Paris Agreement, advancing work on climate finance and adaptation, and strengthening national targets to keep the 1.5°C goal within reach. Within our value chain, greenhouse gas emissions are recognised as the most significant contributor to negative environmental impact. Given our strong relationships with key actors across the value chain, we strive to gather as much primary data as possible, leveraging close collaboration with suppliers and a comprehensive view of operations. Science-based secondary data is used only as a complement when necessary. Our goal is to develop decision-making tools and ensure sustainable growth through accurate measurement and traceability of emission sources. This enables us to take targeted action to reduce emissions effectively.

The Methodology

For the 2025 reporting year, our greenhouse gas calculations are based on the Kering Environmental Profit & Loss (EP&L) database, which provides science-based life-cycle data for materials and processes across the value chain. This methodology enables a detailed assessment of upstream impacts and strengthens the accuracy of our emissions modelling.

The 2025 update includes the latest Kering LCA datasets for key raw materials, such as bovine leather, reflecting ongoing industry research and improvements in production practices. These updated factors offer a more precise representation of the environmental footprint of leather and other natural materials, ensuring alignment with current scientific evidence.

The EP&L database is designed to identify environmental hotspots and quantify impacts from raw material extraction through manufacturing. While it supports highlevel climate disclosures, its core function is to provide harmonised impact factors that can be consistently applied across materials and processes. It is widely used in the luxury and fashion sector as a reliable foundation for environmental impact modelling.

**Kering factors translate activities such as raw material production, manufacturing, and logistics into measurable GHG emissions and other environmental indicators, forming a key component of the EP&L methodology.*

In 2025, we once again partnered with 2050 Consulting for our greenhouse gas (GHG) calculations. We maintained the data collection process from previous years, however using the Kering database makes the analysis more relevant compared to our base year 2022. Our data collection process has strengthened over the years, resulting in more complete and reliable reporting. The improvements reflect better data coverage and a broader scope, giving us a more accurate picture of our actual emissions.

Emissions from transportation and distribution are primarily based on the carrier's actual emission data and calculations based on provided information about

transported weights and distances. For air transportation, the radiative forcing index (RFI) of 1.7 has been considered to account for the impact of emissions emitted at high altitudes. For business travel, emission factors from the Network of Transport Measures (NTM) and Exiobase v3.8 have been used to calculate emissions.

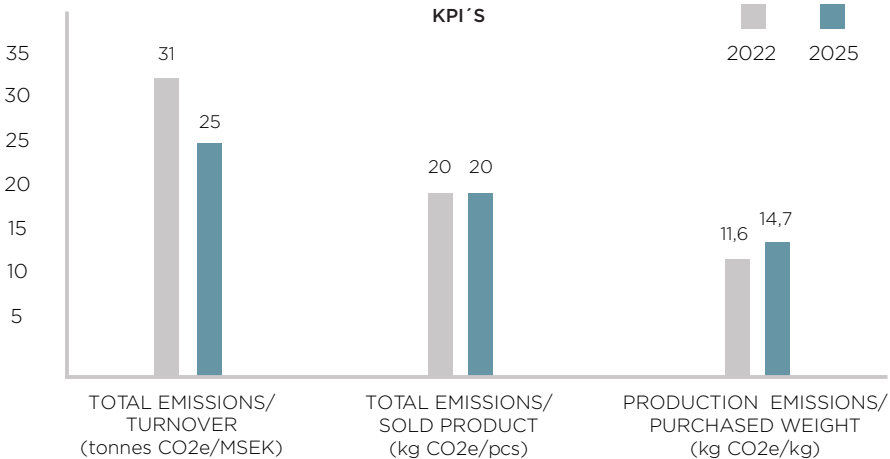
GHG Calculation Results 2025

Emission per scope & category

EMISSIONS PER SCOPE (TONNES CO2e)				
	2025	SHARE 2025	2022	CHANGE 2022-2025
SCOPE 1	23	0,10%	39	-42%
SCOPE 2	34	0,20%	39	-12%
SCOPE 3	22293	99,70%	25184	-11%
TOTAL	22350	100%	25262	-12%

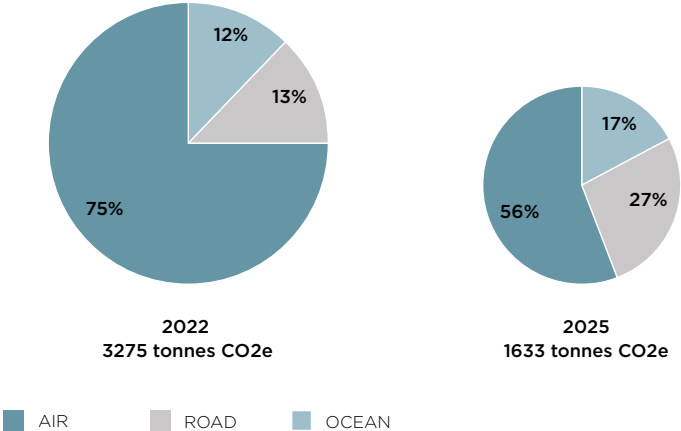
In 2025, total greenhouse gas emissions reach 22,352 tons of CO₂e. Scope 1 accounts for 23 tons (0.10%) and Scope 2 contributes 34 tons (0.20%). The remaining 22,293 tons (99.7%) fall under Scope 3 with the most significant drivers being purchased goods and services, transportation activities, and distribution.

Compared to the 2022 base year, total emissions have decreased by 12%, mainly due to Scope 3 and fewer purchased products. Scope 1 mainly covers company-operated cars, and in 2025, we switched to electric cars. Scope 2 mainly relates to electricity used in our offices and storage, where emissions were reduced by 12%.



Between 2022 and 2025, the company has strengthened its emission efficiency across several key indicators. Emissions related to total turnover have decreased significantly, due to increased revenue from our own channels such as e-commerce and physical stores. Emissions linked to purchased weight have likewise improved, indicating progress in sourcing practices and a reduction in material-related emissions. At the same time, product level emission efficiency has been maintained, even as total emissions declined. Together, these developments demonstrate a clear shift toward more sustainable operations and procurement practices.

TRANSPORT 2025 VS BASE YEAR 2022



Between the base year 2022 and 2025, the distribution of transportation modes shifts significantly. In 2022, air transport accounted for 75% of total volume, with ocean and road transport representing 13% and 12% respectively. By 2025, air transport's share decreases substantially to 56%, while ocean transport increases to 27% and road transport to 17%.

Scope 1 (Direct GHG emissions) Company operations: 23 Tons CO2e
The greenhouse gas emissions deriving from our head office operations (company cars) are not a significant part of our total emissions. However, in 2025, we moved from using multiple company petrol cars to a single electric vehicle.

Scope 2 (Indirect GHG emissions): Purchased energy for offices, stores, and warehouses: 34 Tons CO2e
We strive to supply all electricity at our Swedish head office, warehouse, and stores with 100% water, wind, or solar power. The same goes for our Finnish, Norwegian and Danish offices. For Germany, it is a "German residual mix"; for the USA office, the heating is by oil, whereas the electricity is from a mixed source. The energy source is mixed at our Vietnam production office, and usage is higher due to the need for an efficient cooling system. In 2025, we closed our offices in USA and Finland.

Scope 3 (Other indirect GHG emissions) Purchased materials, production and transport: 22.293 Tons CO2e
Leather remains one of the most significant contributors to our Scope 3 greenhouse gas emissions. Although hides originate as a by-product of the meat industry and would be generated regardless of our demand, current lifecycle assessment standards allocate a share of cattle-related emissions to leather. In addition, processing hides into finished leather suitable for footwear is energy-intensive. Together, these factors result in a comparatively high carbon footprint for leather within our inventory, despite our limited influence over upstream cattle production.

At the same time, the use of hides supports circularity by diverting a material that would otherwise become waste and extending its value through long-lasting products. Leather's durability and long service life can also contribute to lower impacts over the full product lifecycle compared with shorter-lived alternatives.



Type of material

Leather and outsole materials account for the majority of material-derived emissions. Consequently, we must focus on understanding and making informed choices in our sourcing of leather and outsole materials. Both origin and weight make a difference, as does the availability of green energy at the tannery or factory.

Place of production

The availability of renewable energy at the point of production is crucial, as is energy efficiency in production equipment.

Logistics Solutions & Mode of Transport

Following purchased goods and services, transportation and distribution are the second-largest contributors to Vagabond’s emissions. Compared to 2022, emissions from transport and distribution have decreased by approximately 50%, while payload distance has increased by 34%.

This positive development is mainly driven by a shift from air and road transport to ocean freight. Increased use of ocean transport—typically the least emissions-intensive option for long-distance shipping—supports our ambition to reduce carbon emissions in logistics.

Efforts to reduce shipment volumes are ongoing, with a strong focus on space and material optimisation. This includes improving packing efficiency by maximising container utilisation and exploring alternative packaging materials.

In 2022, transport activities generated 3,275 tonnes CO₂e, and by 2025 this had fallen to 1,633 tonnes CO₂e. This 50% reduction means that the goal of halving transport-related emissions by 2030 was achieved during 2025.

“This achievement reflects the impact of our continued efforts to reduce emissions, optimise logistics, and improve efficiency. While we’re proud to have reached this milestone, our work is far from finished.”

- Tomas Paepke, Head of logistics & business support

Another aspect of transportation-related emissions is business travel. In 2025, emissions from business travel increased by 23% compared to the base year 2022. Air travel remains the primary source of these emissions.

The increase is partly due to expanded data collection, which now includes all Vagabond employees, such as production staff and quality controllers involved in leather and shoe production. This has resulted in higher reported emissions per hotel night compared to 2022.

We have invested in enhanced equipment for digital client and supplier meetings to complement physical meetings and reduce the frequency of business travel. However, as a global company, business travel remains crucial for maintaining close relationships with our supply and retail partners. Being on-site reduces the risks of errors involving quality, shipping and unnecessary waste.

MODE OF TRANSPORT

Mode of transport	Payload distance 2025 (tkm)	Share (%)	Emissions (tonnes CO2e)	Share (%)	Payload distance 2022 (tkm)	Share (%)	Emissions (tonnes CO2e)	Share (%)	Change in emissions 2022-2025
Road freight	2.075.914	6%	217	17%	2.801.560	12%	397	12%	45.34%
Air freight	801.334	3%	919	56%	1.336.469	6%	2.436	74%	62.27%
Ocean freight	29.096.811	91%	443.1	27%	19.630.269	83%	442	13%	0.25%
TOTAL	31.947.059	100%	1.633	100%	23.828.298	100%	3.275	100%	100.6%

Reduction of emissions

The types of material and origin are factors included in our active decision-making, but the amount of energy and the energy source are more complex. The production is energy-intensive, and the electricity source is “mixed”, meaning coal, natural gas, hydro and solar, where coal is still the most significant. In contrast, electricity from renewable sources accounts for only a minor share. For our emission footprint, we need to rely on template emission data for the raw materials. In addition, there are vast variations depending on the database used to calculate emissions for raw materials. Regardless, the conclusion is that leather and outsoles are the most significant source of emissions in our value chain. Therefore, being able to work with primary data for electricity used by our suppliers is crucial to being able to actively choose and collaborate on emission reduction with our suppliers in material sourcing and processing.

Reducing emissions in production: Although energy efficiency through investments in new technologies and equipment is of great importance going forward, the most tangible solution is to work toward the accessibility of green energy. Two of our main factories in China have now made significant investments in solar panels, new energy-efficient machinery, and robotisation. These initiatives are expected to substantially reduce energy consumption and emissions in our own production. We continue our efforts to increase the share of renewable electricity across the supply chain.

In general, we are committed to reducing emissions by staying close to our value chain and managing disruptions in the production and transport sectors, resulting in the lowest level of emissions associated with our activities. For the preparation and tanning of leather, we only collaborate with LWG tanneries, many of which have installed solar panels and developed internal plans and strategies to reduce their climate footprint. With more primary GHG data, we can also use it to evaluate our tanneries.

Reducing emissions in the sample process: During 2025, some samples were showcased during digital meetings. This to reduce the amount of samples sent by air from factories to the head office in Sweden.

Reducing emissions in our offices: At the head office, we offer electric car charging on our parking lot to support the use of electric cars.

Reducing emissions for business travel: The key is efficiency, meaning that all travel should have a clear purpose and a defined agenda. Travel should be carefully planned, and where possible, meetings and nearby destinations can be coordinated within the same trip to make the most of each journey.

We also encourage travelling by train whenever possible.

Reducing emissions through smarter packaging: Shoe boxes are designed according to the dimensions of each shoe. This ensures that the shoes are well-kept and protected during shipping, while we avoid using more packaging material than necessary.

Based on parcel-size simulations, in 2021 we shifted to special-sized outer shipping boxes, aiming to minimise unnecessary “empty space” for environmental and efficiency reasons. We have a maximum of 5 pairs per order when ordering online on our website, as orders larger than 5 pairs are likely to lead to unnecessary returns, which places extra strain on the environment. Also, “Only buy what you really love” is the leading star. Another essential part is the choice of packaging material for shoe boxes, outer shipping boxes, and outer cartons for wholesale. All shoe boxes, shipping boxes, and outer cartons are made from FCS-certified paper. The filling material (to maintain our product’s shape during transport) is made of recycled paper.

Material & Circular Economy

“Our responsibility begins with the materials we choose. Leather remains the most durable option for footwear, but it must be sourced and used responsibly. That’s why we only work with LWG-certified tanneries -100% of which achieved Gold in 2025 -and pair leather with conscious materials like recycled polyester, GOTS-certified cotton, and Tencel™. Whether it’s extending product life or developing non-animal alternatives, our focus is always long-term durability and sustainability.”

- Paulo Martins, Vice President, Vagabond Vietnam

Although leather is a by-product of the meat industry, we must source only sustainably processed leather, use it wisely, and minimise waste. When creating a product, there is always a choice between making it easy to recycle and producing one that will last over time. Leather is challenging to recycle fully, but it has longevity features. Therefore, our primary responsibility is to prolong the life of each leather product.

We are committed to reducing the amount of waste generated by our production. This commitment begins at the design stage, where we apply in-house expertise to optimise material use and minimise waste. Our approach includes thoughtful product construction, exploring recycled and more sustainable material options, and encouraging responsible use and safe handling of shoes throughout their entire lifecycle. From first wear to the point when they are no longer usable.

Leathers

We have been members of the Leather Working Group since 2019. Since 2022, we have been committed to purchasing only leather from LWG-rated tanneries that are produced in accordance with strict environmental and social standards. LWG is the best existing standard for the leather industry. As LWG members, we attend webinars

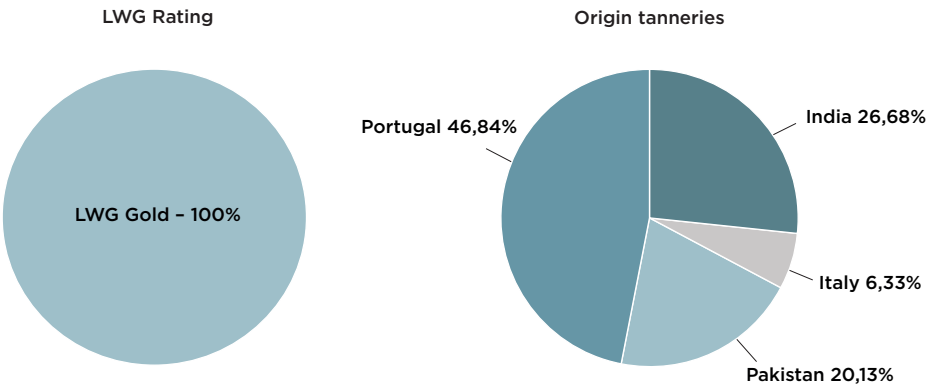
and stakeholder meetings with the LWG organisation. The LWG tool is evolving to include full traceability, along with social conditions, expanding beyond the initial focus on environmental issues and energy use.

Our material suppliers are committed to the overarching standard for leather manufacturing, covering all of 2025; all our tanneries are gold-certified actors in the leather value chain. Although the LWG criteria are the same across countries, we also consider the country of origin in our risk assessment, especially social conditions and transport.

We provide our suppliers with the leather used to produce our products. For certain parts of our production, our Chinese factories source leather locally in China . These sourced leathers come from 100% LWG certified tanneries, where 100% where gold certified during 2025, in accordance with our sustainability goals and sourcing standards.

Another aspect we have in mind is deforestation, which is addressed through EUDR (EU Deforestation Regulation). The new regulation is designed to prevent trade in goods that contribute to deforestation and forest degradation. Although EUDR has not yet taken form, the topic has been considered as we aim to avoid deforestation.

We have taken further steps to strengthen traceability in our leather supply chain, setting a clear goal to achieve traceability at the farm level. While this level of detail is extremely complex due to the nature of leather as a by-product of the meat industry, we recognise its importance and are committed to pursuing it. Currently, through close collaboration with our tanneries and leveraging our in-house supplier relationships, we can trace the leather back to the animal's country of origin and the country where the slaughterhouse is located. This is a meaningful step, but we acknowledge that full farm-level traceability remains a significant challenge across the industry.



Our raw materials originate from:

- Europe
- India
- Pakistan
- United States
- Nigeria
- Central Asia

These regions are the source of the hides and skins processed by our tanneries. As traceability systems continue to evolve across the sector, we are actively engaged in improving due diligence processes and contributing to a more transparent and responsible leather supply chain.

Chemical testing

We conclude that all material batches we source are thoroughly tested. This is because we test our leathers regularly and apply chemical testing standards that are stricter than legal limits. Through a progressive RSL aiming for a usage ban in our value chain, we continuously phase out substances of concern and promote safer material use.

Leather inner soles

All our shoes with leather inner soles are made from non-chrome tanned leather, as chrome-tanned leather may cause skin allergies when exposed to bare skin.

Textile linings

Our textile linings and inner soles are made from organic GOTS-certified cotton, Tencel™, or recycled polyester. Since introducing Tencel™ in 2019, it has gradually become our primary choice of material for textile linings. Tencel™ is a fabric made from cellulose fibre that is equally comfortable as cotton but requires significantly less water in its production compared to cotton. Tencel™ is a more sustainable choice in both its production and its longevity.

Reinforcements

As of 2024, we are committed to using exclusively GOTS-certified cotton in all our textile reinforcements.

In addition, we are gradually transitioning to as many recycled or biobased materials as possible for technical components, such as toe caps and back counters.

**Sustainable materials include chrome-free tanned leather to prevent chrome allergies, organic GOTS-certified cotton for environmental care and healthier cotton farming, recycled material for a more circular approach, Tencel™ for significantly reduced water usage in the manufacturing process, and other materials from renewable sources.*



Outsoles

Besides leather, the outsole is a crucial component. The outsole raw materials must be compounded to withstand weather, wear, and tear and last for a long time. Virgin rubber is mixed with thermoplastic rubber to get a mix suitable for durability and various surface and temperature conditions. What is essential for recycling is to keep the number of different substances to the lowest possible without compromising quality. Therefore, this is a critical focus we share with industry peers.

Ethical Material Considerations

Animal welfare is a key component of our requirements and is addressed in a dedicated section of our Code of Conduct. We stand against the use of unethical materials, such as fur or leather from endangered species and animals bred solely for their leather. We require our leather materials to be by-products of the meat industry and argue for using all animal parts for sustainable reasons. As an experienced leather goods brand, our responsibility is to use our production know-how to maximise the leather's use to avoid unnecessary use or waste.

The traceability of leather is also included in the LWG audit scheme, which was one of the reasons for joining the LWG cooperation. From 2022/2023, LWG has further focused on traceability and deforestation, as these are among the top five most relevant topics for LWG members. Their LWG audit protocol is used in their assessment of leather manufacturers and supports a more sustainable and secure leather supply chain. Their commitment emphasises a comprehensive ESG approach that encompasses all aspects of responsible leather manufacturing, including environmental management, traceability, chemical management, social responsibility, and governance.

Material Development Collaboration

In 2023, we entered as co-partners in a new project for developing non-animal leather-like material financed by Vinnova, the Swedish innovation agency. Irmas Fabric, the project initiator, and RISE Research Institute of Sweden, the innovation partner, brought together eight other partners, including brand owners, material suppliers and material development companies. The idea is to develop a leather-like material based on valorised waste streams from the fruit and forest industry while meeting the high durability demands for apparel products. The project runs until 2025, and our part is to test the new material's features in the shoemaking process.

Shoe Bring Back

Shoe Bring Back is an initiative aimed at extending the lifespan of our products and raising awareness of product lifecycles. During 2025, collection boxes were available in selected stores, allowing customers to return used shoes for further handling.

The initiative has contributed to increased awareness of consumption, product longevity, and the challenges associated with footwear recycling. At the same time, recycling shoes remains complex, both technically and from an environmental perspective, particularly due to transport and material separation.

A significant share of the environmental impact of footwear occurs during production. For this reason, extending product lifespan plays a key role in reducing overall impact. Our focus is therefore on encouraging long-term use, care, repair, and, where possible, resale. Recycling is considered a final step once a product can no longer be used.

During the year, we have reviewed the conditions for collection and recycling solutions. While we continue to explore future alternatives, it is clear that current systems must be both environmentally and operationally viable to be relevant in the long term.

Production working conditions

Our suppliers must be skilled shoemakers and pass our strict quality and chemical requirements. Once the CoC is signed, an initial inspection visit will be conducted at the factory in due time to enable the development of corrective action plans and follow-ups before production commences. As soon as a supplier is approved to produce for Vagabond, they are included in the inspection scheme.

Working conditions, including the physical working environment, are essential for our company and brand. Although shoemaking is machine-supported, it strongly depends on each person's trained eye and handicraft skills on the production line, mainly since the products cover many different shoe types (from sandals to high boots).

Vagabond operates within a diverse global network across the production supply chain. Our direct suppliers are shoe and accessory manufacturers, and our focus has been on providing weekly support to all direct suppliers, particularly our shoe factories.

Freedom of association is according to Vietnamese national law, all our factories provide trade unions, with 90-95% of workers participating. Meetings are held regularly, and by law, they must take place once a year.

We require all our factories in China to comply with local regulations on freedom of association.

In 2025, we began onboarding a new factory in China, Juyi, with planned production for 2026.

Our handbags are crafted in India. We maintain a close partnership with the factory, Sara Leathers Industries, which produces all our bags. The factory holds SA8000 and HIGG Index certificates.

CoC inspections 2025

In 2025, we continued to use SGS for external audits for factories in Vietnam, as their structure and unique focus are well-suited to our CoC. All our factories in China are BSCI certified.



One challenge in our current audit system is that scores are not weighted, meaning all criteria carry equal importance in the overall result. While our factories achieve high average scores, we recognise that issues in our prioritised areas of concern may still be present, as these are not given greater weight in the final assessment.

SUB-SECTION	QUESTION	DMD	OSCO	JY LUX
Summary	2025 Total NC	13	7	8
	2024 Total NC	17	6	11
	% of Change (number of NC)	-23,53%	16,67%	27.27%
	2024 VB Rating	92,33%	97,48%	96,50%
	2025 VB Rating	94,66%	97,38%	96,50%

Correction action plan follow-ups 2025

For every finding in our 2025 follow-up, we managed the risks through the steps outlined below:

- The risk level (standard/medium/major)
- What can be quickly corrected
- What can be corrected in steps
- *What is challenging to correct and why (outside factors)*

To ensure swift and effective follow-up, our local CSR coordinator conducts daily coaching sessions and check-ins. The coordinator reports directly to our General Production Manager to promptly initiate necessary corrective actions. Additionally, all our Quality Controllers and staff travelling for production follow a compliance checklist and routine. This ensures that all Vagabond staff in production serve as ambassadors of high product quality and a good work environment. Any issues are to be reported to our Vietnam CSR team and the Production Manager, ensuring they are addressed immediately, regardless of severity.

Correction action plan, special focus; living wage, overtime and working environment (air quality)

During 2025, we continued our projects focused on overtime and the workplace air quality in our Vietnamese factories, conducting continuous follow-ups to improve understanding. We also initiated a follow-up on living wages. These focus areas are of company concern, require step-by-step correction, and, in some cases, are challenging to address due to external factors.

Risk: All circumstances connected to every hand involved in our value chain are always of essential concern. Our main discussion point during the management visits with suppliers at the end of September, beginning of October, was the necessity

of building relevant business cases over time and correlating them between both parties. We are aware that seasonal fluctuations occur and that factories operate with rapid changeovers, during which a safe working environment and adherence to working hours must be maintained in accordance with legal requirements.

Potential for improvement:

When it comes to air quality and overtime, referring only to national legal requirements is not enough. We need to take a hands-on approach and work step by step to drive improvement. Production Planners must assess whether a new order could create air quality risks or lead to overtime beyond legal limits. Quality Controllers must also ensure that safe working conditions are maintained. For example, if a specific type of shoe requires additional gluing stations, the air quality in that area must be checked.

Overtime remains a challenge because it is deeply embedded in the industry and is often seen by workers as a desirable opportunity during peak seasons. While we are committed to avoiding unauthorised overtime linked to our orders, it may still occur in connection with other production.

The CSR team's work model:

Weekly follow-up on overtime hours: Each week, the CSR team requests follow-ups on working hours. When discrepancies occur with national regulations, we verify whether they are related to our orders and continuously request corrective action plans from the factory itself in step-by-step basis.

Air quality check-ups: Using air quality monitoring equipment, the CSR team conducts on-site measurements in key areas of the factory floor. Adequate air circulation is essential, and the team has identified risk areas where, for example, gluing processes may pose challenges to maintaining a safe working environment.

Living wage follow-ups: On a monthly basis, we follow up on the living wages at our Vietnamese factories. We use an internal tool for gathering information. This is intended to ensure that the wages of all workers meet the limits set by national legislation.

CSR training

During 2025, we continued our close collaboration with suppliers to ensure responsible working conditions and compliance with applicable standards. While no major operational changes required formal training sessions, we maintained ongoing engagement through regular dialogue and follow-ups.

Throughout the year, we engaged with suppliers on topics including working hours, adherence to local labour legislation, and workplace safety. These discussions are part of our ongoing efforts to promote fair and safe working environments across our supply chain.

By maintaining regular communication and strengthening our partnerships, we aim to support our suppliers in meeting both legal requirements and our own expectations regarding social responsibility. This collaborative approach helps us address potential challenges early and work together toward continuous improvement.

Transparency / Knowledge sharing

Transparency and knowledge sharing are key to enabling more responsible consumption. By providing clear and detailed product information, we aim to guide our customers in making informed choices, while also supporting more sustainable purchasing behaviour.

Product information

Vagabond.com serves as the hub for our product specifications and descriptions. This information includes address information to material suppliers, manufacturing factories, and material features connected to shoe care. We continually refine the product descriptions because we have found a clear correlation between product information and return frequency.

We use this information both internally and for training purposes, and share it with our brand-representing retailers.

Product Sizing

As a multi-market brand, a challenge is size information and translating European sizes for markets outside Europe. Although we humbly pride ourselves on being experts in our field, it is essential to align with what consumers are accustomed to from an international perspective, such as the sizing standards used by the worldwide sports shoe industry. On our product pages, fitting reviews are included, this to share customer experience of fit and feel.

General knowledge sharing

"Only buy what you really love" is a core message in our brand communication, aimed at both end-users and retail partners. It reflects our ambition to encourage more conscious consumption and move away from the negative aspects of fast fashion.

Make Every Step Count – Consumer Dialogue

The 4C's consist of The Craft, The Choice, The Care, and The Change. In 2025, we further developed this framework under the theme "Make Every Step Count – from the leather we choose to the shoes you use."

As part of this, we focused on Change by launching Revived by Vagabond Shoemakers, a limited capsule collection made from leftover materials. The collection was designed to extend the life of existing resources and reduce material waste by repurposing materials from our internal archive.



The 4C's



The Craft

To reduce our impact on Mother Earth, we always strive to create shoes made to be loved. Built on pieces that will stand the test of time, both in craftsmanship and design.



The Choice

We think conscious consumption is all about a mindset: Only buy what you really love. Because your choices matter.



The Care

The stronger the relationship, the more likely you are to take care of your shoes. To help you, we provide shoe care products and guides that will increase the longevity of your everyday heroes.



The Change

All good things come to an end. When the love is over, close the loop by passing your unwanted shoes forward. We help you, by bringing them back to life – either for reuse or recycling, no matter their condition.

Process chemicals

Reduction and substitution of process chemicals that can be environmentally and/or health-hazardous

Chemicals are a significant challenge in the modern shoe industry. At both shoe manufacturers and material producers, the processes are chemically intensive. We are committed to reducing and replacing chemicals that can harm people and the planet. We recognise that replacing some of the process chemicals without adverse effects on the product quality is very challenging. Our Restricted Substances List (RSL) outlines our chemical management and prevention work, encompassing all our chemical requirements. The RSL is based on the EU REACH legislation (The European Regulation of Registration, Evaluation, Authorisation, and Restriction of Chemicals) and additional national requirements in our sales and production countries.

We test relevant substances in our products against our RSL. We have developed a framework for testing our materials to ensure they are as appropriate and effective as possible. For example, some substances can be tested at the material level, while others require testing at the colour level.

Suppliers must demonstrate compliance with our RSL, and we conduct extensive chemical testing each season to verify their compliance with our requirements. Our upper materials are tested by independent, certified laboratories, which conduct tests at the tanneries' request and in accordance with our specifications.

In October 2025, we updated our RSL (Restricted Substances List) to reflect new REACH requirements. We are supported by consultant Stefan Posner, a polymer and textile chemist with over 30 years of experience in our industry. Posner helps us determine whether this is relevant to our product when a change in the REACH framework is announced. This way, we avoid passing on irrelevant restrictions to our suppliers.

We have noticed that our restrictive stance is challenging for some of our tanneries, as they struggle to guarantee complete bans on certain newly added substances or to refrain from using them. We have also noticed that some newly added substances can be complex to test, as some testing processes are not yet developed. Still, we appreciate how these dialogues deepened our knowledge in the area and improved our understanding and communication with our tanneries.

Clean water

Wastewater purification

Access to clean water is a fundamental human right. Manufacturing textile and leather materials can pose a high risk to the water supply and lead to contamination. This kind of production often occurs in areas vulnerable to changes in water supply, biodiversity, and soil quality. The tanning process is more complex than the textile industry, with significantly fewer initiatives to monitor water and substances throughout the chain of activities. This is the main reason we joined the Leather Working Group (LWG*) in 2019, as purifying wastewater for environmental and biodiversity reasons is a fundamental part of the LWG's mission. 100% of our leathers come from LWG-certified tanneries.

**read more about LWG on page 11.*

About the report

This report provides information for the financial year 2025, covering the period from 1 January to 31 December. It constitutes Vagabond International AB's statutory sustainability reporting and encompasses the entire Vagabond Group.

We report on our impact across prioritised areas within our value chain, primarily using our own data, complemented by relevant statistics from selected partners. Each issue addressed in the external report is supported by corresponding data. Our sustainability team gathers all relevant information from internal functions and external parties, including suppliers and partners. The data presented reflects the best systems currently available to us.

This report has been voluntarily prepared with reference to the GRI Standards. In 2025, we closely followed the work around CSRD. With the introduction of OMNIBUS, we have paused our CSRD efforts and are following the progress closely.

The sustainability report has been prepared in accordance with the Swedish Annual Accounts Act (Årsredovisningslagen) in its wording applicable prior to 1 July 2024.

Contact

For more information, please get in touch with us at:
www.vagabond.com/contact

