



# SUSTAINABILITY REPORT 2024

ShVie



## About the Report

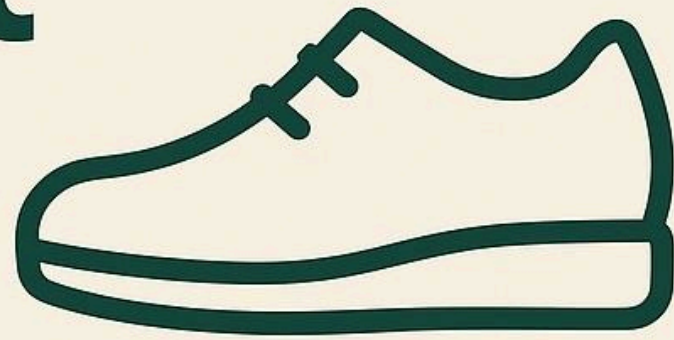
This sustainability report provides an overview of ShVie's environmental, social, and economic impacts related to its footwear manufacturing operations in Vietnam. It reflects the company's commitment to transparency, responsible production, and continuous improvement.

The report covers the calendar year 2024 and includes data and narratives from ShVie's primary production facilities, supply chain partnerships, and workforce development efforts. It focuses on key areas such as energy use, emissions, material sourcing, labor conditions, and waste management.

Topics were selected based on a structured materiality assessment and their relevance to stakeholders, including employees, suppliers, customers, and regulatory authorities. Each topic is addressed through a defined management approach supported by internal monitoring systems and performance metrics.

This report aligns with internationally recognized sustainability standards and forms part of ShVie's broader strategy to embed sustainability across its value chain and product lifecycle.

# About the Report



## Company Overview

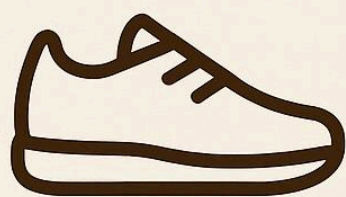
ShVie is a Vietnam-based footwear manufacturer established in 2011, specializing in the production of casual, athletic, and lifestyle shoes for global brands and retailers. With headquarters in Ho Chi Minh City and multiple production sites in southern Vietnam, the company supplies millions of pairs annually to markets in Europe, North America, and Asia.

ShVie's operations include design collaboration, material sourcing, cutting and stitching, assembly, quality control, and packaging. The company works with a network of approved suppliers and prioritizes traceable and responsibly sourced materials.

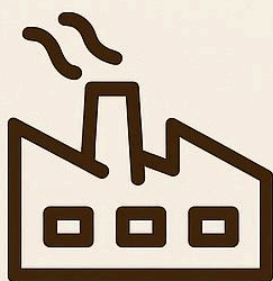
The company employs over 2,500 workers, most of whom are women from local communities. ShVie emphasizes ethical labor practices, skills development, and workplace safety. Dedicated teams ensure compliance with national labor laws and international standards related to wages, hours, and occupational health.

ShVie's mission is to create high-quality footwear through efficient production, sustainable material use, and responsible employment. The company continues to invest in cleaner technologies, energy-saving systems, and circular production models to reduce its environmental footprint and enhance long-term value.

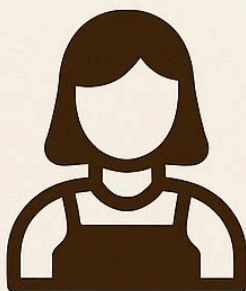
# Company Overview



Vietnam-based  
footwear  
manufacturer  
since 2011



Global supplier  
with multiple  
production  
sites



2,500+  
employees,  
mainly women



Focus on  
sustainability  
and responsible  
employment



# General Disclosures



## Organizational Profile

ShVie is a privately owned company registered under Vietnamese commercial law. Its core business esrs the manufacturing and export of footwear, with operations headquartered in Ho Chi Minn City and production facilities in Dong Nal and Binh Duong provinces.



## Ownership and Governance

The company Is governed by a Board of Directors and an Executive Management Team, with clear roles and responsibilities in-compliance, operations, finance, and sustainability. Oversight structures include internal audits and periodic board reviews.



## Reporting Period

This report covers the calendar year from January 1 to 2024.



## Contact Information

For inquiries regarding this report please [sustainability@shvie.com](mailto:sustainability@shvie.com)



## Scope of the Report

The information presented includes data -from ShVle's owned and operated factories, as we as selected impacttts related to upstream material suppliers and logistics partners, where available.



## Strategic Context

Sustainability is integrated into ShVle's operations through goals related to energy efficiency, emissions reduction, responsible sourcing, and fair labor.

# Material Topics

## 1. Identifying Key Priorities

ShVie conducted a materiality assessment to identify the sustainability topics most relevant to its operations and stakeholders. This process included:

- Internal consultations with production, HR, and compliance teams
- Feedback from customers, suppliers, and employee representatives
- Review of national regulations and international sustainability standards
- Assessment of operational risks and environmental impacts across the value chain

The goal was to prioritize topics with the greatest significance for long-term business performance, employee well-being, and environmental responsibility.

## 2. Topics Identified as Material

- Energy Use and Efficiency
- Greenhouse Gas Emissions
- Occupational Health and Safety
- Fair Labor Practices and Working Conditions
- Anti-Corruption and Ethics



- Supplier Environmental and Social Assessment
- Waste Management
- Water Use and Discharge

### 3. Management Approach

Each material topic is addressed through dedicated policies, monitoring tools, training, and corrective action protocols. More detailed descriptions and 2024 results are provided in the respective topic sections of this report.

#### 1 Identifying Key Priorities



Internal consultations



Stakeholder feedback



Occupational & standards



Risks & impacts

#### 2 Topics Identified as Material



Energy Use and Efficiency



Greenhouse Gas Emissions



Occupational Health and Safety



Fair Labor Practices and Working Conditions



Anti-Corruption and Ethics



Supplier Environmental and Social Assessment



Waste Management



Water Use and Discharge



# Energy Use and Efficiency

## Management Approach

ShVie relies on energy to power its manufacturing facilities, office operations, and supply chain logistics. As part of its sustainability goals, the company is committed to improving energy efficiency, reducing electricity consumption, and exploring renewable energy options.

All production lines are monitored for energy intensity, and operational schedules are optimized to reduce peak-hour loads. ShVie also invests in upgrading machinery and facility lighting to reduce overall consumption.

## Key Actions

- Installation of high-efficiency motors in the main stitching and molding lines
- Replacement of halogen lighting with LED systems across all facilities
- Introduction of energy awareness training for staff and production supervisors
- Use of programmable timers and motion sensors in office and warehouse areas

## 2024 Results

In 2024, ShVie reduced electricity consumption per unit produced by 12% compared to 2023. The company also completed a feasibility study for rooftop solar installation at its main factory in Bình Dương, with plans to begin installation in 2025.

**MANAGEMENT APPROACH**



**Installation of high-efficiency motors**



**Replacement of halogen lighting with LED systems**



**Introduction of energy awareness training**



**Use of programmable timers and motion sensors**

# Greenhouse Gas Emissions

## Management Approach

ShVie recognizes the importance of limiting its carbon footprint as part of global climate action. The company tracks and manages its greenhouse gas (GHG) emissions primarily from electricity use, fuel consumption in logistics, and process-related emissions in footwear manufacturing.

ShVie focuses on Scope 1 (direct) and Scope 2 (indirect) emissions and is working toward better transparency in reporting and reduction targets.

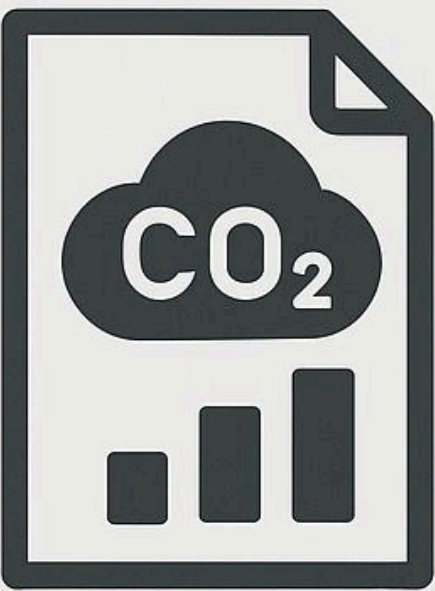
## Key Measures

- Annual carbon footprint assessment based on GHG Protocol standards
- Monitoring of diesel and LPG use in internal transport and backup systems
- Procurement of electricity from lower-emission suppliers where possible
- Energy-saving initiatives aligned with emission reduction targets

## 2024 Performance

In 2024, ShVie recorded a 9% decrease in combined Scope 1 and 2 emissions, driven by improvements in energy efficiency and reduced generator reliance. The company also began exploring carbon offset partnerships with local forest protection initiatives.





# Supplier Environmental Assessment

## Management Approach

ShVie collaborates with a broad network of suppliers, including raw material producers, component manufacturers, and logistics providers. The company is committed to sourcing from partners who uphold high environmental standards and actively reduce their ecological footprint.

Environmental expectations are integrated into supplier selection and evaluation processes. All partners are required to adhere to ShVie's Supplier Code of Conduct, which outlines key criteria on emissions, resource use, and waste management.

## Assessment Practices

- Environmental screening during supplier onboarding
- Annual environmental self-assessment for all Tier 1 suppliers
- Targeted audits for suppliers in high-impact categories (e.g., synthetic materials, dyeing)
- Contractual clauses on pollution control and resource efficiency

## 2024 Outcomes

In 2024, 84% of ShVie's primary suppliers completed environmental compliance assessments. Two suppliers received corrective action plans related to chemical storage and wastewater treatment. Follow-up support and verification are scheduled for 2025.



# Supplier Environmental Assessment



## Management Approach

## Assessment Practices



## 2024 Outcomes

ShVie



# Waste and Materials Management

## Management Approach

ShVie generates various types of waste throughout its operations, including fabric scraps, packaging materials, adhesives, and maintenance-related waste. The company prioritizes waste reduction through process efficiency, material optimization, and responsible disposal.

A structured waste management system is in place at all production facilities. Waste is sorted at source, with clear separation between recyclable, organic, and hazardous streams. ShVie also works with certified recycling partners and promotes circular practices in design and packaging.

## Key Practices

- Material cutting optimized to reduce offcuts and scrap
- Reuse of internal packaging between production and assembly sites
- Partnerships with recyclers for plastics, rubber, and fabric waste
- Employee training on waste sorting and reduction targets

## 2024 Progress

In 2024, ShVie diverted 72% of its total waste from landfill through recycling and reuse programs. Packaging weight per product unit was reduced by 18%, and a pilot program for recycled-content insoles was launched in two product lines.



Material cutting  
optimized



Reuse of internal  
packaging



Partnerships with  
recyclers



Employee training  
on waste

# **Employee Wellbeing and Workplace Conditions**

## **Management Approach**

ShVie is committed to providing a safe, fair, and respectful working environment for all employees. The company employs over 900 people across its production facilities in Vietnam and ensures full compliance with local labor laws and international labor standards.

Employee wellbeing is integrated into daily operations through occupational safety programs, fair compensation, health services, and opportunities for skill development. A dedicated Human Resources and Compliance team oversees implementation and continuous improvement.

## **Key Practices**

- Written contracts and wage transparency for all employees
- Equal opportunity policies and a non-discrimination code of conduct
- Health and safety trainings conducted quarterly
- On-site clinics and mental health support programs
- Clean break areas, rest facilities, and hydration points in all plants

## **2024 Highlights**

In 2024, ShVie reduced its turnover rate by 11% and recorded a 98% participation rate in voluntary wellness check-ups. The company introduced new ergonomic workstations across 70% of assembly lines and launched a leadership development program for female supervisors.

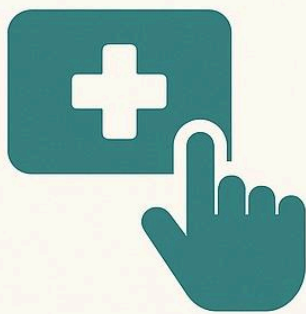




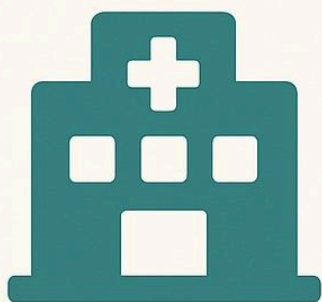
Written contracts



Equal opportunity



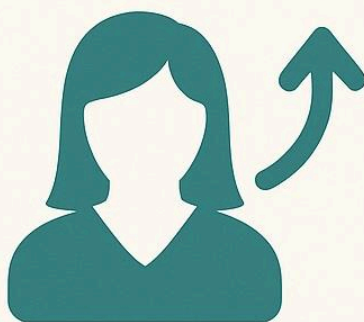
Health and safety



On-site clinics



Rest facilities



Leadership training

Employee Wellbeing and Workplace Conditions

# Sustainable Design and Innovation

## Management Approach

ShVie integrates sustainability into product design and innovation as a core business principle. The company aims to reduce environmental impact while enhancing performance, durability, and aesthetic value across its footwear lines. Sustainability considerations are embedded from the concept stage through to material selection, prototyping, and production.

Cross-functional teams—including design, R&D, and procurement—collaborate to identify alternative materials, minimize production waste, and explore circular business models such as repairability and end-of-life recycling.

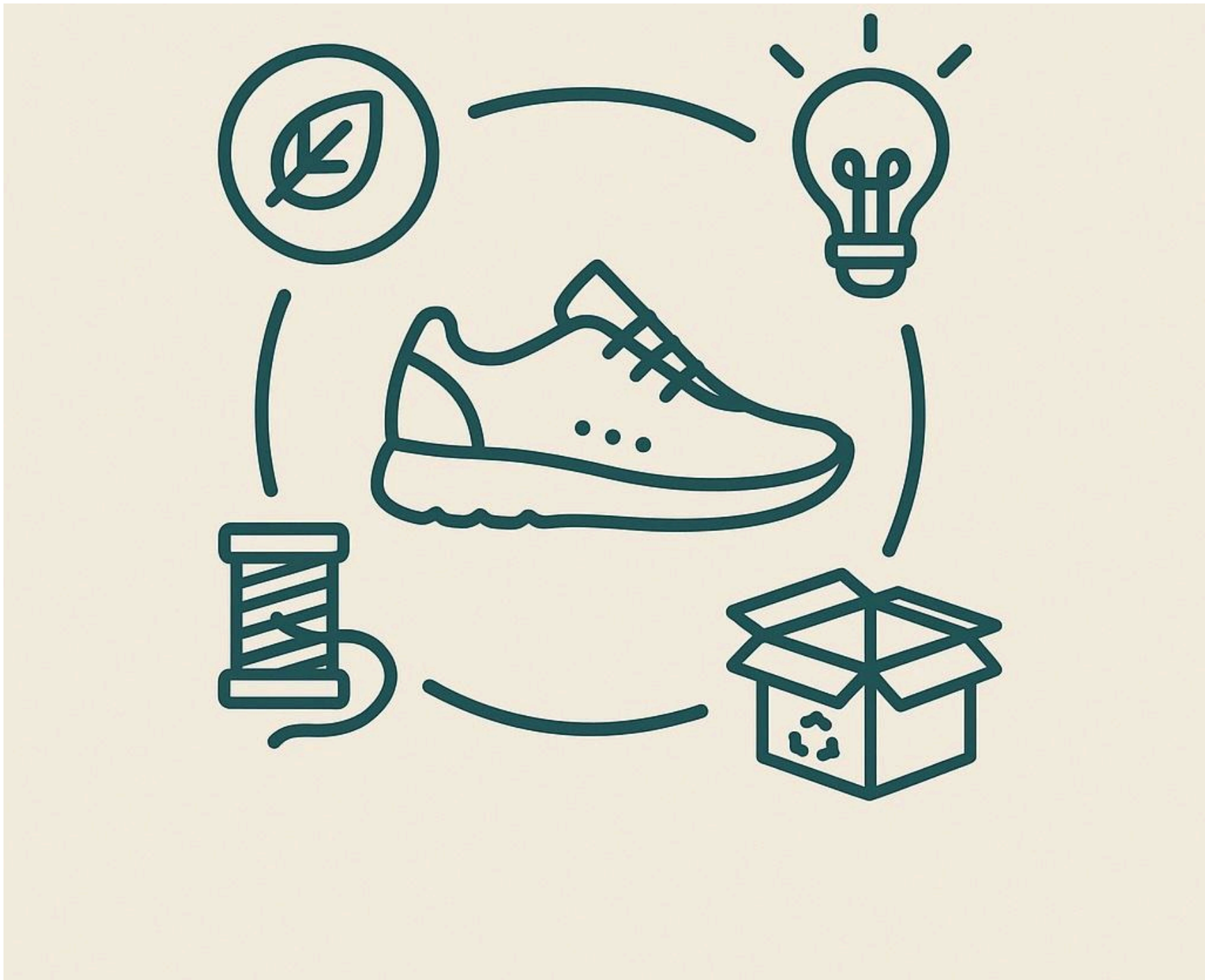
## Key Initiatives

- Use of recycled and bio-based materials in selected shoe components
- Design-for-disassembly techniques to support recyclability
- Piloting 3D-knitted uppers to reduce offcut waste
- Packaging redesign to eliminate single-use plastics and reduce bulk
- Collaboration with material science startups for low-impact alternatives

## 2024 Results

In 2024, 38% of ShVie's total product output included at least one recycled or renewable material. Two new footwear lines achieved cradle-to-cradle design certification, and the company reduced

average material waste per unit by 9% through improved cutting efficiency.





## **Closing Statement**

At ShVie, sustainability is not an afterthought — it is embedded in every step we take, from the materials we source to the shoes we deliver. In 2024, we made meaningful progress toward building a more responsible supply chain, reducing our environmental footprint, and creating a healthier, more inclusive workplace.

We recognize that the fashion and footwear industry faces growing pressure to adapt, innovate, and lead. Our commitment is to remain transparent, listen to our stakeholders, and take action where it matters most — in energy efficiency, material responsibility, ethical sourcing, and employee wellbeing.

As we look ahead, we will continue investing in sustainable design, circular practices, and collaborative partnerships that enable us to walk forward — with integrity, creativity, and care for the planet.

**The ShVie Team**

Vietnam — December 2024



Sustainability is not an afterthought — it is embedded in every step we take



reducing our environmental footprint, and creating a healthier, more inclusive workplace



innovate, and lead. Our commitment is to remain transparent, listen to our stakeholders, collaborative partnerships and take action



investing in sustainable design, circular practices, and