

# CONSULTATION RESPONSE “SWEDISH TAX ON FASHION”

”Betänkande av Utredningen om skatt på skadliga kemikalier och skor, SOU 2020:20”

Remissinstans: Svensk Handel

We at Vagabond Shoemakers welcome all initiatives that will support our sustainability vision to offer quality fashion products made in an economically, socially, and environmentally sustainable way. For each component included in shoemaking, we have for many years been committed to identify, reduce, and replace possible harmful substances from both production, environmental and end-consumers perspectives. Based upon vast industry experience, we know that this must be a step by step approach and to succeed it must involve the entire chain and rely on international joint goals, regulations, and tools. Being a Swedish based fashion company, we rely heavily on cooperation, shared expertise, and free trade to be a part of the sustainability journey that is beneficial to all markets. What our industry requires, are further harmonized international restrictions and legislations that will form a unified regulatory framework for continuous sustainable initiatives and innovations that will meet the needs of our present and future stakeholders.

Therefore, we are concerned that a national excise duty will defeat the purpose, rather having the intended effect. The risk of exposure and spread of substances that is harmful to the environment and human health, is not something that can be successfully be approached from a national perspective.

Our concerns are:

- a) Introducing a national excise duty will create a lot of extra administration and testing which drive cost whilst being counter efficient as most of the substances listed has been phased out since several years.
- b) This added-on administration typically falls under the same heading as the general sustainability work of reducing and substituting possibly harmful chemicals - initiatives which are then likely to slow down due to shortage of resources.
- c) We will get a higher average consumer price on fashion without justification, as this tax system lacks full incitements for good initiatives. We also argue that this tax will be distorted towards women as our experience shows that at least 2/3 of staff working in the fashion industry, all positions, are female. In addition, for consumers buying our fashion items and discussing fashion in different forums, the ratio is 80/20 in favour for the female audience.
- d) We at Vagabond Shoemakers have experienced for many years that Swedish fashion, despite our relatively small size, is in the forefront and well-respect within design and innovations. This national tax will not contribute in a constructive way to the general world-wide sustainability dialogue.

To reduce chemicals and to avoid the spread of potentially harmful substances, these are some examples of our sustainability work today:

- For chemicals, our RSL (restricted substances list) is based on EU REACH in combination with other strict national legislations. All suppliers working with us must sign our RSL and we regularly run tests on the materials that are included in our products.
- We have replaced each upper material with 100% sustainable options (LWG certified leathers, organic GOTS certified cotton, Tencel, S.Café and recycled polyester).
- We are members of The Leather Working Group (LWG), which is made up of member brands, retailers, product manufacturers, leather manufacturers, chemical suppliers and technical experts that have worked together to develop an environmental stewardship protocol specifically for the leather manufacturing industry. We are also members of the Nordic Shoe Network, Global Fashion Agenda and the Chemical Group, all which drive sustainability issues in a focused way.
- We work closely with our retail clients world-wide to make joint commitments regarding sustainable fashion.
- We remind our customers to “only buy what they really love”, care for it and pass it on for reuse or recycling. In this we are committed to make the shoes that are long-lasting and we were one of the

first shoe brands to join I:Collect, where old shoes for reuse and safe recycling. The increased interest and knowledge among our end-consumers to act sustainable is evident and aspirational.

Vagabond Shoemakers is a global brand with 30 years of experience in the industry. Our head office is placed in Varberg, the unofficial “shoe capital” of Sweden, and our idea is to stay close to the whole process from design and production all the way to distribution. We employ 500 people worldwide of which 120 in Sweden, and we are proud to see how our inhouse knowledge is used to improve our sustainability efforts and dialogues in production units and on markets worldwide. Our retail partners are spread world-wide and we produce and distribute about 2 million pairs of shoes & accessories annually. Our home market is Sweden, here we are presented by about 250 independent shoe retailers. We worry that we will see this market weakening due to this complicated tax system and that the general call for a sustainable fashion will be led in the wrong direction.

Varberg September 14<sup>th</sup>,

Anders Odén

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