



# 2022 Impact Report

MARCH 2023

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## About Cotopaxi

The privately held American [public benefit corporation](#) (PBC) [Cotopaxi](#) (Global Uprising, PBC) was founded in 2014 in Salt Lake City, UT as a vehicle to fight extreme poverty by selling sustainably designed outdoor products. In addition to its PBC designation, Cotopaxi is a certified [B Corporation](#), reflecting its commitment to sustainable solutions to ending extreme poverty in our lifetimes.

To date, Cotopaxi has given over three million dollars to vetted organizations working to increase access to universal education, health care, climate solutions, and meaningful employment in impoverished communities. The company also recognizes its responsibility to mitigate its own negative impacts upon the planet and society.

To account for our environmental, social, and governance (ESG) risks, Cotopaxi scrutinizes our impact across our value chain. As Cotopaxi continues to grow, we are determined to demonstrate that growth can be decoupled from negative social and environmental impacts.

To help validate and maintain our commitments, in 2022, Cotopaxi joined two new networks. We became a business and nonprofit member of 1% for the Planet, a global organization that exists to ensure our planet and future generations thrive. And we also became a signatory of The Climate Pledge, which is a commitment to emit net-zero carbon by 2040—a decade ahead of the Paris Agreement's goal.



While Cotopaxi has always given at least 1% of its revenue to advance human sustainability, in 2021, it joined these multi-stakeholder initiatives to support other brands in their respective sustainability journeys.

Cotopaxi operates primarily in the United States, but also has international sales distribution channels in the European Union, Canada, United Kingdom, Australia, New Zealand, and Japan. Cotopaxi operates as a direct-to-consumer, retail, and wholesale brand. Cotopaxi's supply chain is multi-tiered and global, with many suppliers located in Asia. As a signatory of the [UN Global Compact](#), Cotopaxi has implemented sustainable supply chain management principles across its value chain, including auditing, training, and worker engagement.

At present, Cotopaxi has approximately 300 full-time and part-time employees. Currently, Cotopaxi operates [ten retail stores](#), all located in the United States. The company is a member of [1% for the Planet](#), the [Climate Pledge](#), the [Sustainable Apparel Coalition \(Higg Index\)](#), and the [Fair Trade USA Certified™](#) program. In 2021, Cotopaxi also recertified as a [Climate Neutral](#) company after measuring, reducing, and offsetting its entire carbon footprint. Through the Cotopaxi Foundation (the “foundation”), Cotopaxi awards 1% of revenue to vetted nonprofit organizations tackling poverty.

Cotopaxi's greatest risks to others (salient risks) occur within the supply chain. As a textile and apparel company, Cotopaxi remains vigilant about counteracting the risk of human rights abuses, such as child labor, forced labor, harassment and discrimination, additional hours, and significant environmental impacts across our value chain.

Cotopaxi also measures the carbon emissions from our supply chain (Scope 3), which accounts for approximately 98% of our carbon footprint.

In 2021, the Cotopaxi Foundation began investing in inseting reductions plans to financially support its suppliers transition to renewable energy usage. In addition to publishing a [comprehensive list of our Tier 1 and Tier 2 suppliers](#), we have publicized the [Code of Conduct](#), [Restricted Substance List](#), [Human Rights Policy](#), and [Animal Welfare Policy](#) to which we hold our suppliers, along with findings from audits and anonymous surveys. This report provides a comprehensive assessment of our holistic approach to sustainable supply chain management.



## About This Report

This Impact Report is based on the GRI Sustainability Reporting Standards and is reviewed to ensure the accuracy and completeness of reporting. This GRI Content Index directs readers to information on relevant indicators as defined by the GRI Standards. Cotopaxi has committed to GRI standards due to the framework's emphasis on double materiality.

Cotopaxi's reporting cycle is from January 1 to December 31 of each calendar year. This report represents the reporting cycle from January 1, 2022 to December 31, 2022. The report is publicly available by March 31 of each year. Cotopaxi's [previous impact report](#), which also referenced GRI standards, was released in March of 2021. Monitoring and evaluation pertaining to environmental, social, and governance (ESG) topics occurs on an ongoing basis. Stakeholder engagement and data collection for Cotopaxi's impact report is also ongoing.

This impact report also includes 2022 outcomes of grantmaking from the Cotopaxi Foundation, which distributes at least 1% of our revenue to vetted organizations and programs. This report also includes data based on the financial statements of both Cotopaxi and its eponymous foundation.

Cotopaxi and its leadership remain committed to not only reporting on sustainability topics considered financially material to its business, but also to disclosing information about all impact topics deemed salient and material to its stakeholders and mission.



# Preparation and Assurance of This Report

This report was prepared by Cotopaxi's internal impact and sustainability team and therefore has an inherent bias. To combat this bias, all data in this report has been reviewed, validated, and assured by third parties, as follows:

- **Climate data** by [Climate Neutral](#)
- **Giving data** by [1% for the Planet](#), a third-party auditor, and our nonprofit partners
- **Diversity, equity, and inclusion** statistics, as well as employee headcount, by [B Corporation](#)
- **Supply chain and human rights data** by B Corporation, and in certain instances, by third-party auditors, as well as by [Fair Trade USA Certified™](#)

This report strives for balance and includes data of integrity around long-term progress and shortfalls alike. Cotopaxi also remains actively involved in promoting integrity in its ESG reporting.

To define report content and topic boundaries, Cotopaxi engaged with its executives, governing board, employees, nonprofit partners, suppliers, customers, and third parties. Cotopaxi also routinely engages with third-party consultants such as human rights experts, certification verifiers, and auditors to ensure a high degree of accuracy and accountability in our reporting. Cotopaxi's leading material topics were determined through interviews and anonymous surveys.

Cotopaxi's Materiality Topics remain largely unchanged from the previous reporting period. However, diversity, equity, and inclusion were deemed issues of critical importance for the company to continue to report upon and advance.

Our 2022 material topics, based on the significance of the impact and importance to our stakeholders, are as follows:

- Ending extreme poverty
- Diversity, equity, inclusion, and belonging
- Governance and mission
- Sustainable supply chain management
  - These include the salient risks of coercion, debt bondage, harassment and discrimination, human rights abuses, child labor, additional hours
- Circularity and sustainable materials
- Emissions and climate impacts
- Transparency

[Click to view our complete assessments on the following items: stakeholders, materiality, saliency, and the Sustainable Development Goals.](#)



**Our material topics are as follows:**

**Economic Performance -**

201-1 Direct economic value generated and distributed
201-2 Financial implications and other risks and opportunities due to climate change
201-3 Defined benefit plan obligations and other retirement plans
201-4 Financial assistance received from government

**Materials -**

301-1 Materials used by weight or volume
301-2 Recycled input materials used
301-3 Reclaimed products and their packaging materials

**Energy -**

302-1 Energy consumption within the organization
302-2 Energy consumption outside of the organization
302-3 Energy intensity
302-4 Reduction of energy consumption
302-5 Reductions in energy requirements of products and services

**Water and effluents -**

303-1 Interactions with water as a shared resource
303-2 Management of water discharge-related impacts
303-3 Water withdrawal
303-4 Water discharge
303-5 Water consumption

**Emissions -**

305-1 Direct (Scope 1) GHG emissions
305-2 Energy indirect (Scope 2) GHG emissions
305-3 Other indirect (Scope 3) GHG emissions
305-4 GHG emissions intensity
305-5 Reduction of GHG emissions
305-6 Emissions of ozone-depleting substances (ODS)
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

**Supplier Environmental Assessment -**

308-1 New suppliers that were screened using environmental criteria
308-2 Negative environmental impacts in the supply chain and actions taken



### Employment -

401-1 New employee hires and employee turnover

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

401-3 Parental leave

### Diversity and equal opportunity -

405-1 Diversity of governance bodies and employees

405-2 Ratio of basic salary and remuneration of women to men

### Non-discrimination -

406-1 Incidents of discrimination and corrective actions taken

### Freedom of association and collective bargaining-

407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

### Child labor, Forced or compulsory labor, supplier social assessment -

408-1 Operations and suppliers at significant risk for incidents of child labor

409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

414-2 Negative social impacts in the supply chain and actions taken



## Letter From Our CEO

Reflecting upon Cotopaxi's breathtaking growth, I am filled with gratitude and optimism. Our lionhearted team and global stakeholders have managed to create a movement demonstrating that companies can serve communities, while maintaining financial performance. This past year, we advanced our sustainability—both social and environmental—on all fronts. We made gains in diversifying our workforce, improving upon our employee benefits, decarbonizing our supply chain, reducing the negative impacts of our products, and meaningfully expanding our corporate philanthropy.

After nearly a decade of building Cotopaxi with my friend and Co-Founder Stephan Jacob, I spent 2022 deeply immersed in our impact work, while also considering what would come next. After much consideration, my family and I made the challenging decision to return to missionary work in Brazil with our young children, beginning in July 2023. While I will miss being part of the day-to-day guidance of the company, I will remain Chairman of Cotopaxi, and Co-Chairman of the Cotopaxi Foundation.

After bringing on-board Damien Huang, former CEO of Eddie Bauer, in May of last year as our President, and shoring up our Executive Committee with additional leadership from marque companies widely recognized for their leadership in brand, people, mission, culture, and impact, I feel certain that my transition will not result in any departure from our mission or from our commitment to conscious capitalism. Following my departure, Damien will serve as our CEO. I have every confidence in both his leadership and his character. While I will be away for three years, I will continue to be engaged

in our work as Chairman, and upon my return, I'm committed to spending the rest of my life helping to build Cotopaxi and show that capitalism can be done better.

To deepen our commitment to the principles of effective corporate altruism, we expanded partnerships with numerous organizations in 2022. Through our long-term grants and carefully vetted partners, we've been able to help an estimated three million people unjustly constrained by cycles of economic inequality. While much remains to be done, I feel that our brand truly has come to stand for something bigger than itself. Looking forward, Damien, our leadership team, and our committed employees will be leading our brand and its community of stakeholders into its next chapter—one centered upon the principles of circularity, Net Zero, and economic prosperity for all. I could not be more honored and humbled by what Cotopaxi has accomplished with the support of our supporters and customers.

Yours in deepest gratitude,



Davis Smith  
Chairman, CEO, and Co-Founder, Cotopaxi





## Cotopaxi's Governance and People

Cotopaxi's approach to people and governance has always been through the lens of establishing a flourishing, diverse, inclusive, transparent, and purpose-led community of employees. In 2022, we added several new leadership hires, including a new President (who will assume the role of Chief Executive Officer in July 2023), Chief People and Impact Officer, and Chief Brand Officer. We also hired a Vice President of People and Inclusion to advance our investments in our Diversity, Equity, and Inclusion (DEI) priorities, as well as in our employee experience, development, and growth.

As part of this talent investment, Cotopaxi has introduced and updated many policies and programs. Our highly engaged Board of Directors and Executive Leadership Team (the "EC"), routinely discuss topics of impact, people, and culture. Cotopaxi also frequently solicits anonymous feedback from our employees and customers on aspects of our governance. And when developing action plans, we always seek to incorporate critical feedback.

Cotopaxi's governance structure remains adaptive and democratic. Our highest governance body remains our board of directors. Our executive leadership team (C-suite officers) report on at least a quarterly basis to our board of directors. Impact and sustainability topics are covered in a formal and comprehensive fashion in every quarterly board review. Our culture places human sustainability issues at the forefront of performance indicators. Every member of our team—from our board to our employees—understands their individual responsibility to help tackle Cotopaxi's sustainability challenges and manifest positive impacts upon society.

Based on strategic planning in 2021, our executives transitioned in January 2022 to a compensation plan that ties a portion of executive bonus eligibility to ESG performance. Specifically, in addition to financial performance, our Board of Directors reviews our B Impact Assessment score, diversity and inclusion statistics, employee satisfaction, carbon intensity, and giving on a quarterly basis through formal board meetings. Additionally, ESG issues are discussed, identified, managed, and resolved through quarterly board meetings, weekly executive committee meetings, committee meetings, quarterly foundation board meetings, and company-wide meetings.

While Cotopaxi remains a privately held company led by a board of directors and executives, employees can elevate and help resolve issues or opportunities that relate to our corporate impact. Cotopaxi supports a culture wherein employees can come directly to management or executives to flag concerns and/or opportunities, alongside formal mechanisms for reporting improper conduct through company policy. All workers across our supply chain are entitled to the right to collective bargaining—this is covered in our Supplier Code of Conduct. Functionally, Cotopaxi has an anonymous employee survey software that allows any employee to share anonymous feedback at any time, including about sustainability problems.

Employees are also encouraged to engage with our impact programming through paid-time off for volunteering and through an invitation to apply to join our foundation board. In 2022, we also launched Impact in Action (“IIA”), a routine learning and development series for employees featuring guest speakers from our impact partners on issues such as achieving carbon neutrality, fighting poverty through education, and advancing cutting-edge philanthropy.

To prioritize the emotional well-being of our team, many employees enjoy flexible [remote working](#) options through our remote-first policy. Cotopaxi also offers salaried employees unlimited responsible vacation and personal time off, as well as compensated “In the Wild Time” to enjoy outdoor recreation and work-life balance. All full-time employees are offered competitive compensation and benefits in relation to our business context. Remuneration and benefits are overseen by our People Operations Team and Compensation Committee. Employee topics including retention, benefits, feedback, and progress on DEI goals are covered in formal quarterly board meetings, as well as in weekly Executive Committee meetings.



# Careers and Benefits at Cotopaxi

As a humanitarian and mission-driven brand, Cotopaxi is hyper-aware of and deeply invested in putting people first. We welcome, embrace, and celebrate all people. No employee will be discriminated against on the basis of any state or federal legally protected status or characteristic, including, but not limited to, race, color, religion, sex, sexual orientation, self-identified or perceived sex, gender expression, gender identity, transgender status, national origin, ancestry, citizenship, age, disability, veteran status, pregnancy, marital status, predisposing genetic characteristics, and genetic information.

Our commitment to our mission starts with the people we hire. We care deeply about our employees and we're proud of our commitment to and investment in our team. We prioritize wages and benefits, while always keeping the employee experience in mind as we work to create quality work-life balance for all.

Some core benefits provided by Cotopaxi include the following:

- Cotopaxi-sponsored health, dental, and vision benefits
- Cotopaxi-paid mental health benefit
- Cotopaxi-paid time-off to volunteer
- Emergency health-care travel stipend
- Unlimited responsible paid time-off (PTO) for salaried staff and competitive PTO benefits for hourly staff
- “In The Wild Time”: dedicated time out of the work week to spend outdoors
- Remote work stipend for fully remote-based staff
- Generous Cotopaxi employee discount on all products
- Additional outdoor/adventure/lifestyle brand discounts
- \$1,000 stipend after 18 months for “Bucket List” trip of the employee’s choice
- \$5,000 stipend after 5 years for Bucket List trip of the employee’s choice
- Annual company-wide outings, trainings, and celebrations
- Regular virtual and in-person celebrations, education, and development opportunities
- A fun, caring, and empowering company culture



Cotopaxi offers a variety of health plans to our employees. Per the Transparency in Coverage Rule, Cotopaxi's In-Network and Out-of-Network forms can be found [here](#).

In regards to Cotopaxi Paid Parental Leave, birth parents and non-birth parents can receive 100% paid parental leave for 12 weeks or 8 weeks, respectively. We also offer up to two consecutive weeks of a 100% paid transition benefit, designed to support return to work post-parental leave.

Part social and part educational, Cotopaxi team gatherings build community and open our hearts and minds to new perspectives. Moreover, they take

place in the context of our change management commitment to the principles of radical candor—caring deeply and being direct.

In the summer of 2022, we held a socially distanced, [Cotopaxi-wide](#) summer camp that celebrated our passions for adventure and learning. This summer camp took place in a beautiful campground in Utah and featured camping, group meals, “Llamalympics Games,” and presentations from senior leaders on the company, our business, and our mission to Do Good. We will continue to develop creative approaches to putting our people first.



# Diversity, Equity, and Inclusion (DEI) at Cotopaxi

In 2021, Cotopaxi made an explicit effort to examine our internal and external practices as they relate to diversity, equity, inclusion, and belonging (DEIB). To help guide improvement, we engaged a third-party DEIB firm to formally evaluate the current state of our company as it relates to belonging, fairness, employee experience, recruitment, and human resources practices.

While gender representation in our workforce is strong, with women comprising 55% of the company and 40% of senior leadership roles, we acknowledge that our racial diversity and representation is only 19%—albeit an improvement from prior years. We recognize that diversifying our team is essential and are taking actionable steps to change this, including implementing the following practices:

- Adopting a remote-first model for most full-time staff
- Partnering with DEIB-specific job boards, communities, and organizations
- Providing transparent details on compensation and benefits on job postings
- Utilizing an anonymous applicant screening tool to eliminate unconscious bias and prioritizing a DEI lens on every aspect of our selection process to ensure fairness and inclusivity
- Ongoing racial, gender, and other representation measurement of our organization across all levels



- Integration of DEI into our people practices and policies, including tracking the advancement of diverse employees in promotion cycles, and establishing adequate policies in place to raise concerns and opportunities

In terms of inclusion and sense of belonging, we have focused on implementing programs like a DEI Committee, employee resource groups, and anonymous surveys in an effort to continuously make Cotopaxi a better place for all people to work. Here are a few tangible things we do to help people feel welcome every day:

- Hold monthly Allamas meetings where any employee can bring forward any concern directly to executives
- Have biannual offsites where employees can develop bonds, have real conversations, and participate in fun activities
- Use the principles of radical candor to express concerns, feelings, and suggestions without fear of repercussion
- Host routine celebrations of our inclusivity practices through programming like Impact in Action, Brave Spaces, Bi-Weekly Life Hikes and employee resource groups that we will look to expand in the future
- Anonymous surveys in a 24/7 feedback loop to keep a real-time pulse on overall employee experience and accountability among leaders to action plan.

Over the past two years, Cotopaxi has made an explicit effort to lead our industry in terms of diversity and belonging.

In 2022, Cotopaxi hired and onboarded over 120 new employees, leading to additional investments in leadership including a new VP of People and Inclusion as well as a Chief People and Impact Officer. Last year, under the guidance of executive leadership, Cotopaxi expanded its onboarding programming with a focus on inclusion, updated its anti-harassment and anti-discrimination policy, created a new remote work policy, and launched paid time off for employee volunteering.

To counteract any possible impacts associated with implicit bias, our People Operations team introduced a new partnership with Career Place that ensures candidate information remains anonymous throughout the selection process for all hires. Since 2021, Cotopaxi has tracked a variety of metrics to ensure that we increase and maintain the diversity of our workforce, including the following year-over-year comparisons.



Cotopaxi recognizes the role that marginalization plays in destabilizing societies and driving extreme poverty. Our leadership will continue to work towards building the same society internally as we aspire to create externally.

In 2023, we plan to undergo a pay equity analysis to ensure that employee gender and race do not affect pay decisions and that employees in similar job levels are being paid fairly based on justifiable compensation factors, not on discriminatory factors. No discrimination instances were reported in 2022.



## Cotopaxi's People by the Numbers

Metric	2021 Actual	2022 Goal	2022 Actual	% to Goal
<b>Number of employees (part time, full time, temporary)</b>	188	285	312	109% to goal
<b>Number of full-time employees</b>	114 (60% of total employees)	175 (61% of total employees)	209 (67% of total employees)	119% to goal
<b>Number of part-time employees</b>	43 (23% of total employees)	79 (28% of total employees)	81 (26% of total employees)	103% to goal
<b>Number of temporary employees</b>	31 (17% of total employees)	31 (11% of total employees)	22 (7% of total employees)	29% decrease
<b>Percentage of external governing board who identify as women</b>	50%	Maintain current percentage	50%	No change
<b>Percentage of external governing board who identify as BIPOC*</b>	25%	Maintain current percentage	25%	No change
<b>Percentage of women in the company</b>	54%	Maintain current percentage	55%	101% to goal
<b>Percentage of BIPOC employees* in the company</b>	14%	18%	19%	101% to goal
<b>Percentage of leaders (i.e., manager and above) who identify as female</b>	41%	42%	51%	121% to goal
<b>Percentage of senior leaders (i.e., director and above)* who identify as BIPOC</b>	11%	14%	21%	153% to goal

\*This summary only reflects race identification, i.e., non-white employees, as reported by our employees. We do not currently offer our employees the option to disclose their sexual orientation to Cotopaxi; therefore, we think it is likely that our numbers underreport diversity as defined by Cotopaxi based on available data. We will be taking steps to close these knowledge gaps in the future, should employees wish to report additional information to Cotopaxi.



# Meeting Our Mission: Ending Extreme Poverty in Our Lifetime

Cotopaxi believes passionately that corporate philanthropy must be hardwired into business models. When done effectively—leveraging advanced research and vetted partners—philanthropy can significantly contribute to societal change and progress. Cotopaxi’s brand was specifically founded with an aim to help sustainably end extreme poverty in our lifetimes.

In 2018, we launched the Cotopaxi Foundation, which awards at least 1% of Cotopaxi business revenue each year to carefully vetted grantees that generate long-term economic progress through double-blind, tested methods in accordance with insights from MIT’s Abdul Latif Jameel Poverty Action Lab (J-PAL).

To promote effective altruism, our foundation largely commits to multi-year investments that allow organizations to make long-term investments in staff and community integration. Research proves that a long-term approach promotes measurable improvements to economic disparity. While philanthropy remains a voluntary area of sustainability, our foundation champions scientific and data-based decision-making that can be monitored and benchmarked over time. Our grantee portfolio leverages a variety of organizational expertises to tackle the “wicked” problem of extreme poverty.

One example of how we utilize data to make giving decisions is our long-term partnership with United to Beat Malaria. While disease prevention does not on the surface seem directly related to poverty, malaria remains a leading

cause of family bankruptcy and education disruption. Providing Amazonian communities with insecticide-treated bed nets helps prevent ruinous downward cycles of expense and income loss.

To further lean into our efforts to advance the cause of effective corporate philanthropy, our foundation established its first official grant with J-PAL LAC (Latin America and the Caribbean) in late 2022. To kick off our partnership, we’ve focused on women’s economic agency in Central America, since J-PAL has identified this region as an area where women are at the highest risk of being excluded from economic activities, while also having the lowest access to interventions, compared to other regions in Latin America.

In June of 2022, we also joined the 1% for the Planet® program, a global third-party certification. This entailed in-depth audits of both our corporate and foundation activities. After careful consideration by the 1% for the Planet team, Cotopaxi joined as a Business Member and the Cotopaxi Foundation joined as an Environmental Partner. This double membership means that the 1% of revenue we donate to our foundation is verified by 1% for the Planet, and officially qualifies for 1% for the Planet annual certification. We are in a community of 5,000+ businesses and environmental partners around the world, all furthering the larger cause of social climate justice and other issues invested in by the program.



# Meeting Our Mission: Ending Extreme Poverty in Our Lifetime

In 2022, we expanded our portfolio to include the following three new grantee partners:



**CARE**  
(Ecuador)

We're supporting community food security and climate resilience, with a gender equity lens.



**J-PAL LAC**  
(Central America)

We're funding network-building and the dissemination of evidence-based solutions to support gender equity and women's economic agency.



**True Colors United**  
(Latin America and the U.S.)

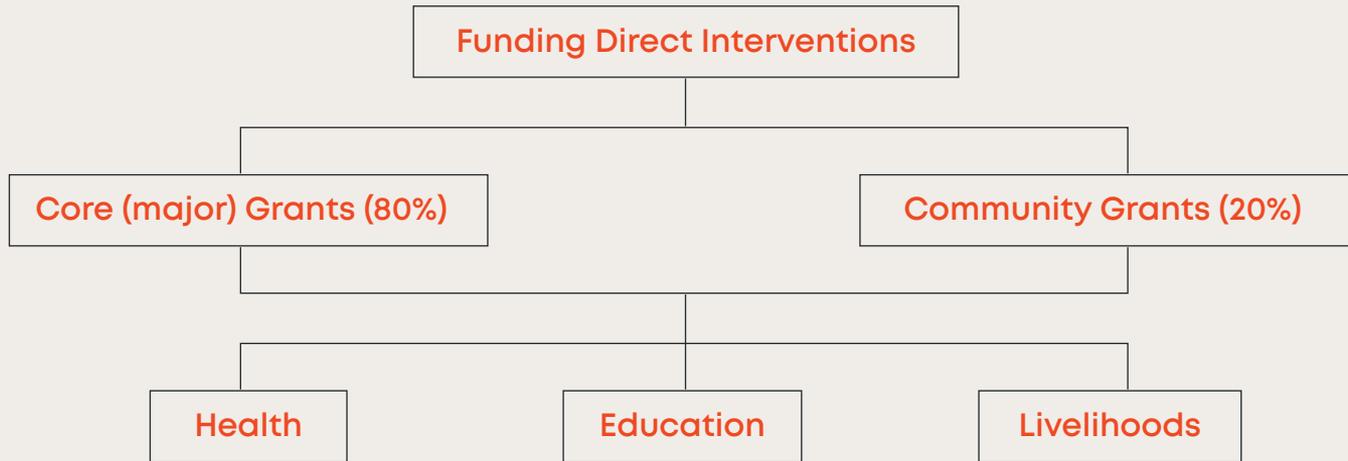
Funding the development of resources designed to support homeless LGBTQ+ youth who are at a disproportionately high risk for experiencing poverty.



# Our Giving Visualized

To help stakeholders better understand how we approach philanthropy, we've visualized the complex and comprehensive nature of our giving philosophy and strategy. Many of our guidelines build on recommendations from [MIT's Poverty Action Lab](#), which uses double-blind economic studies to determine the areas of investment with the highest potential for effectively addressing global poverty and economic inequality. We fund direct investments in programs that address gaps in health, education, and livelihoods.

We encourage other corporations to make multi-year grant agreements that provision both programs and the organizations undertaking interventions. Targeted, but semi-unrestricted long-term donations allow organizations the continuity and resources needed to invest and improve communities.



# Field Spotlights

## Fundación Escuela Nueva (FEN): Rural learning, reimagined

No roads lead to Vaupés, one of the most remote regions in Colombia, deep in the Amazon. The only way there is by river boat or plane. Most who call this region home are Indigenous, with a population density of just .75 people per square kilometer (for comparison's sake, the density of Los Angeles, CA is 3,206 people per square kilometer).

It's rural, remote areas like Vaupés that our nonprofit partner, [Fundación Escuela Nueva \(FEN\)](#), focus most of their efforts on. In 1987, this Bogota-based nonprofit began as a grassroots initiative to improve education for students in rural Colombia. In the decades since, its transformative approach to learning has spread to over 18 countries, including Vietnam and Zambia.

In the summer of 2022, a team of FEN pedagogical trainers flew to Vaupés for a week to work with five schools. On field visits like this, the goal is to train teachers on the Escuela Nueva Activa or ENA (New Active School) model, which totally reimagines learning. As the English translation of its name suggests, the ENA model is a transformative, active approach to learning that repositions the teacher as facilitator, and empowers the student to learn for the sake of learning. Studies have shown that students who learn this way perform better academically, socially, and emotionally. And during FEN visits like the one to Vaupés, trainers help rural teachers implement this active, cooperative, personalized, student-centered way of learning.

School by school, FEN is truly reaching the world with its innovative paradigm shift. Not only has FEN documented sharper academic performance with its model, but it's boosted self-esteem among students,

planted the seeds of democratic behavior, and shown children how to coexist peacefully. There's even evidence that its methodology helps promote gender equity in the classroom. Outcomes set the children up for social, career and further educational success, all factors that have been proven to lower the chance of a child remaining in poverty throughout their lives.

We've partnered with FEN since 2016 on creating lasting change for students in Colombia. We're proud to support their critical work improving the quality of education and transforming learning paradigms in Colombia, and throughout Latin America through our Cotopaxi Foundation.



# The Mona Foundation: Amplifying impact through access to education



Cotopaxi has partnered with [The Mona Foundation](#) since 2021 because of their incredible commitment to providing children experiencing, or at risk of experiencing, poverty with high-quality education, as well as social and emotional support. In 2022, Cotopaxi Foundation funding focused on three schools with differing approaches designed not only to empower children with excellent educational opportunities, but to emphasize wider impact through community service. This gives families and community members an often critical lifeline while instilling in students a desire to lift others up with the skills and tools they learn.

## **ADCAM (Manaus, Brazil)**

The Association for Cohesive Development of the Amazon (ADCAM) is a nationally recognized educational nonprofit in Manaus, Brazil. Its mission is to promote the wellbeing and prosperity of the Amazonian people through quality education that empowers individual and social transformation. Since 1985, ADCAM has provided an education to thousands of underserved children, youth, and adults, transforming entire communities.

Specific support areas include scholarships for School of the Future, teacher trainings, a Young Apprentice Program, and COVID19-permitting, services for the elderly.

*In 2022, with Cotopaxi's support, the Mona Foundation was able to train 30 teachers, reach 357 students, engage 250 parents in educational activities, and serve 2,268 community members through student service projects.*

# The Mona Foundation: Amplifying impact through access to education

## Badi School (Panama City, Panama)

Badi School started in 1993 as a kindergarten in the carport of a trailer home and has since grown into a K-12 school serving over 500 students, 57% of whom are girls. The school is widely acknowledged as one of the best in South and Central America and recognized for excellence in its academics, arts, music, and technology programs. Its graduates receive full scholarships to the finest universities in Panama and the U.S. Beyond this significant achievement, the school's service to the wider community has transformed the surrounding area into a thriving neighborhood committed to the education of children and service to all those in need. Specific support areas include scholarships, and arts and music programs.



In 2022, with Cotopaxi's support, the Mona Foundation was able to enroll 400 students in the school, serve 109 students with youth empowerment programs, and train 30 teachers.

## MAIA Impact School (Guatemala)

MAIA unlocks and maximizes the potential of young Maya women to lead transformational change and create a more equitable society. Launched in 2017 and located near the city of Solola, the MAIA Impact School is Central America's first female, Indigenous-led secondary school, specifically designed to connect the talents of rural Indigenous young women with the opportunities of the 21st century.



In 2022, with Cotopaxi's support, the Mona Foundation was able to train 25 teachers, enroll 257 students in school, engage 403 parents in school programs, and serve 2,544 community members across 39 communities with student service projects.

# Maintaining Our 1% Commitment

## Calendar Year 2022 Giving Totals

Organization	Grant Activity Location	Area of Focus	Amount Given	Number of People Assisted (directly and indirectly)	Form of Assistance
Boys and Girls Club of Hollywood	USA - Hollywood, CA	Education	\$5,000	Estimates not yet available	DEI, education, and outdoor access
CARE	Ecuador	Livelihoods	\$15,000 grant \$10,000 bonus contribution	388	Food security assistance
The Chain Collaborative	Ecuador	Livelihoods	\$20,000 grant \$25,000 bonus contribution	548 total (128 direct, 420 indirect)	Economic development of coffee-growing communities in Ecuador
Community Grants* (Cotopaxi partnerships)	USA - Various	Various	\$26,500	Not tracked	Various
Community Solutions [501(c) (3) organization]	USA - Nationwide	Homelessness	\$15,000	Not tracked	Training and research assistance for local homelessness nonprofits
Fair Trade USA Certified (TM) USA Certified (TM) Grants	India	Livelihoods	\$20,000	Estimates not yet available	N/A
Fundación Escuela Nueva	Colombia	Education	\$60,000 grant \$25,000 bonus contribution	16,735	Educator training in Colombia
International Rescue Committee (IRC)	Ecuador	Emergency Response	\$60,000 grant \$10,000 bonus contribution	6,267 direct, 3,000 indirect	Emergency response for displaced persons from Venezuela
IRC in Salt Lake City	USA - Utah	Education	\$90,000 grant \$10,000 bonus contribution	1,909 total (537 direct, 1,372 indirect)	College and career readiness, youth leadership, family support, and gender equity



## Calendar Year 2022 Giving Totals

Organization	Grant Activity Location	Area of Focus	Amount Given	Number of People Assisted (directly and indirectly)	Form of Assistance
Mercy Corps	Venezuela	Health	\$60,000 grant \$10,000 bonus contribution	2,238 direct	Medical supplies, doctor incentive programs, NICU support in Venezuela
Mercy Corps (Ukraine response)	Ukraine, Poland, Romania	Emergency Response	\$50,000	76,817 indirect	Food, cash, medical supplies, shelter
Mona Foundation	Brazil, Panama, Guatemala	Education	\$40,000 grant \$25,000 bonus contribution	7,055 total (2,243 direct, 4,812 indirect)	Education for girls in Panama and Brazil
National Philanthropic Trust (1% for the Planet's Planet Impact Fund)	N/A	Climate Justice	\$10,200	N/A	N/A
Range of Motion Project - Ecuador	Ecuador	Health	\$20,000 grant \$25,000 bonus contribution	1,200 direct	Assistance to amputees in Ecuador
True Colors United	Latin America and the U.S.	Homelessness	\$10,000 grant \$10,000 bonus contribution	Estimates not yet available	Education and resource development for LGBTQ+ individuals
United to Beat Malaria (UN Foundation, formerly Nothing but Nets)	Ecuador	Health	\$65,000 grant \$10,000 bonus contribution	171,827 total (54,802 direct, treated, 117,025 indirect, tested)	Malaria prevention and treatment in Latin America
Water1st	Honduras	Health	\$15,000	Estimates not yet available	Water and hygiene access to alleviate poverty



## Calendar Year 2022 Giving Totals

Organization	Grant Activity Location	Area of Focus	Amount Given	Number of People Assisted (directly and indirectly)	Form of Assistance
Tipping Point Community	USA - San Francisco	Homelessness	\$50,000	Grant activity to be carried out in 2023	Poverty alleviation in the San Francisco Bay Area
J-PAL (MIT Poverty Action Lab) - Central America	Central America (Countries TBD in 2023)	Livelihoods	\$30,000	Grant activity to be carried out in 2023	Research and findings dissemination

<b>Total FY22 Giving Amount (Global Uprising dba Cotopaxi to The Cotopaxi Foundation)</b>	<b>\$1,080,218</b>
<b>Total FY22 percentage of company revenue given</b>	<b>1%*</b>
<b>Total FY22 Grantmaking Amount (The Cotopaxi Foundation to grantee partners)**</b>	<b>\$906,000</b>
<b>Total FY22 percentage of company revenue granted out to organizations</b>	<b>.91%</b>
<b>Amount FY22 contributions remaining in the Cotopaxi Foundation grant fund as cash to be deployed**</b>	<b>\$174,218</b>
<b>Total Number of People Assisted through foundation grants (Directly and Indirectly)***</b>	<b>287,984</b>

\*Calculated as "1% of Cotopaxi product revenue less discounts, returns and credit card processing fees".

\*\*Anticipated to be deployed to current and/or new Impact Partners in Q1-Q2 FY23. Readers can refer to the Cotopaxi Foundation 990 filings for further information.

\*\*\*As reported by our Impact Partners.



# Cotopaxi's Environmental Management

# Cotopaxi's Environmental Management

Given the links between poverty and climate change, Cotopaxi has achieved and maintained Climate Neutrality since 2020. The company recognizes the considerable impacts the apparel industry has upon the environment and has strived to reduce its emissions as much as possible through sustainable innovation and product design.



## Cotopaxi's environmental policy commits to the following guidelines:

- Doing all in its power to minimize its harm upon the environment.
- Maintaining executive oversight of environmental impacts.
- Including sustainability metrics in the overall company compensation programs.
- Creating products that use sustainable materials and are designed with circularity in mind and expand our use of sustainable materials, takeback, and recycling as reduction vehicles wherever possible.
- Including environmental risk management as part of our operations.
- Ensuring compliance with applicable regulations and guidelines while also striving to adopt evolving best practices for minimizing negative impacts.
- Improving continuously as new measurement technologies and mitigation strategies become available.
- Monitoring, measuring, and reporting on our material environmental impacts including all Greenhouse Gas (GHG) emissions in order to reduce and responsibly offset our entire carbon footprint.
- Engaging with our employees and stakeholders to collaborate effectively for change.
- Collaborating with peers, regulators, and society to advance climate and poverty action.



To achieve our ambitious environmental goals and move beyond a policy, Cotopaxi is committed to both the letter and the spirit of Net Zero and also considers other environmental impacts such as water usage, chemical waste, and biodiversity loss. As an apparel brand, we know we pose a threat to the environment. To take action, we have already taken the following specific steps as a company and will continue to adhere to the following principles:

- Offer customers pathways to repair, resell, and return our products.
- Adhere to slow fashion principles whereby trends are eschewed in favor of longstanding product lines that are improved over time and only updated twice a year.
- Prioritize products that are durable and promote clean and meaningful living and which can exist alongside nature.
- Create and maintain longstanding partnerships with suppliers that are based on equality and a mutual commitment to improve our shared sustainability performance over time.
- Financially support suppliers in their efforts to reduce their environmental impacts.
- Maintain a strict adherence to our Animal Welfare Code.
- Set and maintain a rigorous degree of transparency that extends to all tiers of supply chain by 2025 so that our performance may be reviewed and vetted by the public to combat greenwashing and flailing confidence in climate action.
- Review environmental data and programs via at least one if not several unbiased third parties to take into account internal bias and help promote the standardization of quality and comparability of environmental data.

- Through the Cotopaxi Foundation, provide grants to organizations that are advancing environmental justice programs as a means of alleviating extreme poverty.

## Scope

Cotopaxi remains a privately-held Public Benefit Corporation. As such, our ability to influence wider systems remains constrained. However, we commit to leveraging our resources whether they be processes or partnerships to advance the cause of environmental action.

## Cotopaxi's Approach to Reduction and Offsets

Cotopaxi recognizes that reduction must be the first priority. We are committed to measuring all of our activities to both account for emissions and as a first step to allow for future reductions. Given that over 95% of our emissions come from within our supply chain, Cotopaxi has two main areas of focus for reducing emissions:

1. Assisting our suppliers to reduce their impacts, and
2. Reducing our impacts by constantly striving and experimenting with more circular ways to create our products.

In terms of our efforts, Cotopaxi will always prioritize reductions over offsets, but we still recognize that investing in legitimate nature-based solutions that repair and regenerate ecosystems will be critical to achieving Net Zero and supporting our poverty alleviation efforts.

Today, we use carefully selected carbon brokers to vet our offsetting options to ensure for additionality, legitimacy, and community betterment.



## Cotopaxi's Approach to Suppliers

Cotopaxi asks its suppliers and value chain community to take the following steps 1) publicly disclose environmental impacts and activities through regular reporting; 2) eliminate toxic and hazardous substances from products and operations; 3) increase efficiencies and thereby minimize pollution and waste; 4) reduce use of natural resources, including raw materials, energy and water; and 5) take responsibility for proper waste management and any environmental problems associated with disposal of wastes.

We ask that each supplier establish an environmental policy endorsed by top management. The policy should be appropriate to the environmental impact of the facilities activities, products and/or services. It should at least include a commitment to:

- Reducing and preventing pollution.
- Complying with relevant environmental legislation and regulations.
- Complying with good management practices.
- Performing regular environmental reviews, and ensuring awareness of all environmental effects under normal and abnormal operating conditions. This includes inventories of environmental aspects and their significance.
- Prioritizing significant environmental aspects and set objectives and targets for improving environmental performance, including specific timelines and responsibilities.
- Appointing at least one person responsible for environmental management at the facility.

- Assigning specific environmental programs and goals to specific people or departments.
- Putting systems in place to measure, track, verify, and ensure continuous environmental performance improvements.

## Water

Given the increasing scarcity of clean water of sufficient quality for drinking and for supporting healthy aquatic ecosystems, Cotopaxi asks all suppliers to track water use. Reduction of water use and/or reuse of process water, cooling water, or domestic greywater will also result in cost savings for the facility. Using the Higg FEM Modules, Cotopaxi reviews all of our suppliers' approaches to water usage including:

- Quantifying, tracking, and categorizing all water input.
- Implementing a management approach to identifying the primary water consumption activities and potential for water savings.
- Training workers in water saving techniques and encouraging workers to identify opportunities to save water.
- Regularly checking for leaks in pipes, joints, valves, and pumps and repairing all leaks no matter how small.
- Minimizing spills by using proper containers and secondary containment to catch spills or leaks.
- Using low-water cleaners, dyes, and processing chemicals.
- Adopting countercurrent principles in washing and dyeing facilities so that material is first rinsed in the dirtier water and then in progressively



cleaner water (e.g. water from the last bath is reused for the next-to-last bath and so on). Countercurrent processes can be applied in a continuous range (water flows in the opposite direction of the fabric) or in batch processes by recycling water from one bath to the next.

- Reusing noncontact cooling water and steam condensate. This high-quality and high-temperature water should always be reused. Condensate steam can be directed back to the boiler or for other manufacturing processes.
- Assessing the feasibility of installing wastewater-recycling systems, such as a reverse osmosis system. Reverse osmosis systems enable the water to be reused in factory processes.

## Chemical Management

Chemical management, especially at dyehouses, is a high-priority area for Cotopaxi.

We expect our suppliers and value chain community to take the following steps with regards to chemical management:

- Meet Cotopaxi's Restricted Substance List and any required tests.
- Identify and assess chemicals for their hazard profile to identify and assess chemicals for their hazard profile and prioritize reductions.
- Provide certainty in meeting global regulatory and customer chemical restrictions.
- Implement a transparent screening process, providing full disclosure of all chemical ingredients.

- Eliminate or substitute hazardous chemicals in products or manufacturing.
- And, implement tools, best practices, and training that advance chemical stewardship.

Suppliers must have an occupational health and safety program with documented procedures to protect workers. The program should include the communication of chemical hazards and training on how to safely handle, transfer, use, and dispose of chemicals and the required PPE. To ensure that our products and suppliers comply with our RSL, Cotopaxi tests all products for chemistry.

## Sustainable Sourcing

Cotopaxi expects that when our suppliers source their raw materials, chemicals, packaging, materials, or any other products or services, they will work with suppliers that embrace sustainability and are reducing their environmental impacts in all aspects of their business practices, operations, and sourcing. Cotopaxi approved subcontractors meet all legal requirements at a minimum, with a preference towards going beyond the minimum.

## Materials

Cotopaxi is committed to using eco-preferred materials for all products. Eco-preferred fibers may include recycled fibers (cotton, wool, cashmere, polyester, nylon), organic fibers (cotton, linen, hemp, silk), lyocell/Tencel®, and wool that is certified to the Responsible Wool Standard. Cotopaxi does not use furs, exotic skins, or any materials that pose a high risk to animals.



## Down

Cotopaxi is committed to sourcing all down and feathers from suppliers that meet Responsible Down Standard (RDS) through Allied Down. The RDS is an independent, voluntary global standard that ensures ducks and geese are well treated.

To further ensure that this standard is met, currently, Cotopaxi only sources RDS down through Allied Down, which blockchains all farms and materials to ensure that animal welfare is preserved throughout the supply chain. The RDS standard includes ensuring the animals live healthy lives, express innate behaviors, and do not suffer from pain, fear, or distress. The standard includes the following aspects:

- Removal of down and feathers from live birds (live-plucking or molt harvesting) is prohibited
- Force-feeding is prohibited
- The welfare of the birds is respected at all times, from hatching to slaughter
- The down and feathers must be properly identified with any certification or claims such as RDS

## Packaging

Reducing the weight and volume (size) of packaging minimizes costs and reduces the amount of energy, water, petroleum, and trees needed to produce the packaging materials. As of 2022, Cotopaxi has eliminated all single use plastic packaging from its entire supply chain. Cotopaxi will continue to experiment and transition to new packaging alternatives that decrease waste and emissions.



## Sustainable by Design

In 2020, Cotopaxi launched an internal initiative referred to as the “3 R’s” to drive strategic decisions down to fabric selection within our design and manufacturing processes to ensure we are considering sustainability implications throughout a garment’s lifecycle. To meet the benchmark, all Cotopaxi garments must meet our standards for integrating at least one element of the “3 R’s”: Repurposed material, Recycled material, or Responsibly sourced material. To meet the category of “Responsible,” the product must carry at least one third-party designation (e.g., Fair Trade USA Certified™). To date, 97% of Cotopaxi styles use repurposed, recycled, and/or responsible materials, with a goal to get to 100% by 2025. We improved our performance in 2022 over the prior year by 3%.

Since last year, we have transitioned all athleisure wear to use recycled principle fabrics. Moving forward, the biggest challenge we faced in meeting our “3 R’s” objective is transitioning our adventure packs—specifically, our Allpa line—to recycled materials, without compromising product longevity and durability. Starting in 2023, the Allpa line will transition to a recycled principle fabric (TPU) to improve its sustainability performance. All Allpa products will be from recycled materials by 2024. We’re thrilled to be able to redesign our signature packs in a more sustainable way.

Below is a breakdown of our products by which “R” it uses. Products are from Fall/Winter ‘20 through Spring/Summer ‘22 (we did not gather material percentages before Fall/Winter ‘20):

Product Line	Recycled	Repurposed	Responsible (Third Party Certification)
Del Día Backpacks		100% repurposed fabric	
Cada Día	840D recycled nylon front shell; 630D recycled nylon shell 2 on main body; 150D recycled ripstop polyester lining		
Teca Full-Zip and Half-Zip; Calido	100% recycled polyester insulation for insulated jackets	Repurposed materials used in every Teca product	
Fuego Down Jackets			Responsible Down Standard (RDS) certified down
Solazo Down Jackets	F/W ‘21 jackets use a 100% recycled polyester lining and 90% recycled polyester for sleeves		RDS-certified down
Trico Hybrid Jackets	100% recycled polyester shell & insulation	Repurposed polyester shell	



Product Line	Recycled	Repurposed	Responsible (Third Party Certification)
Abrazo Half-Zip, Full-Zip, and Fleece Joggers	100% recycled polyester shell; 100% recycled polyester fleece		
Vuelta Windbreaker	86% recycled nylon shell		
Logowear	60% organic cotton/ 40% recycled polyester blend		All organic cotton produced at a Fair Trade USA Certified™ factory
Capa Jackets	100% recycled nylon shell; 100% recycled synthetic insulation		
Lozano Fleece and Jogger	46% recycled polyester		
Bandera Sweatshirts	58% recycled polyester		
Paseo, Mari, Cerro, Roso, and Verso Tights	At least 79% recycled polyester		
Fresco, Salto, and Mero shorts and shirts			Organic cotton
Bandera Sweatshirt	38% recycled TENCEL™		57% organic cotton

Product Line	Recycled	Repurposed	Responsible (Third Party Certification)
Hats	Brims are made from upcycled fishing nets	Yes	Made in Fair Trade USA Certified™ factories
Sombra Sun Hoodie	100% recycled polyester shell		
Fino Shirts	100% recycled polyester		
Brinco Shorts	96% recycled nylon		
Cielo Rain Jacket	100% recycled fabric		PFC-free DWR treatment
Amado Fleece	100% recycled polyester shell		
Otero Fleece	97% recycled polyester shell		
Subo Pants	90% recycled nylon		
Allpa (non-Del Día)			

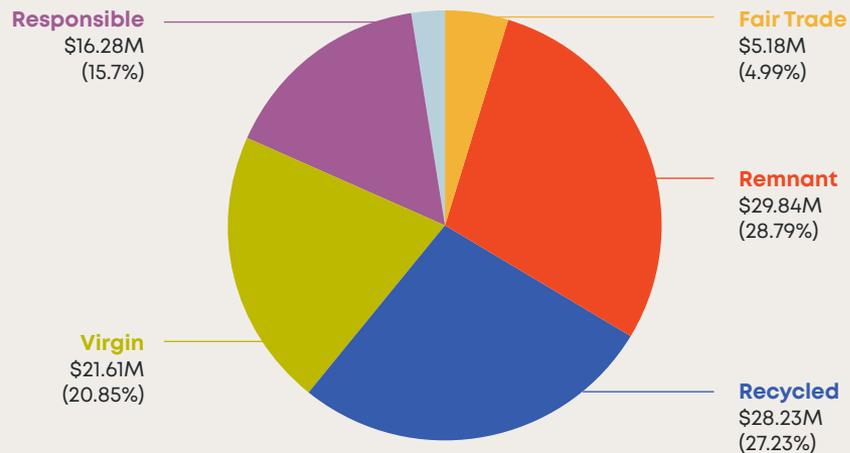
<b>Percentage of styles that meet the sustainability standards</b>	<b>97% (33/34 product families)</b>
<b>Percentage improvement from last year</b>	<b>3%</b>



## Shipped Net Sales by Item Merch Material

A breakdown based on sustainability class of all items manufactured and shipped in 2022.

In [last year's report](#), we shared our goal of eliminating products that use virgin materials and do not meet Cotopaxi's 3 R's standard by 2025. From 2021 to 2022, we decreased the percentage of products that do not meet sustainability principles by 4%.



Year	Repurposed	Virgin (not yet sustainable)	Recycled	Fair Trade USA Certified™	Responsibly Sourced & Certified (RDS, organic, etc.)	Total
2020	996,812 items	671,776 items	78,329 items	4,476 items	N/A	1,763,759
2021	931,748 items	251,904 items	219,353 items	42,537 items	13,983 items	1,504,631 items
2022	962,850 items	208,355 items	520,077 items	190,309 items	13,983 items	2,054,519 items



## (Re)Purpose Progress to date

When we launched our (Re)Purpose® collection in 2015, we did not know if it would be possible to scale a product line that used limited dead stock (material that would otherwise end up in the landfill). Today, we are thrilled to see that not only is it possible, but the sustainability performance of doing so suggests that it is one of the strongest available solutions for decreasing the footprint of the fashion and apparel industries.

To date, Cotopaxi has used an estimated 1,610,000 yards of remnant fabric for our Del Día program and 265,000 yards of remnant fabric for our Teca program. This means we've kept more than 1,875,000 yards of fabric from going to waste. If you lined the fabric up yard by yard, that would stretch 1,065 miles.

In 2018, we launched our repairs program that evolved and expanded into our brand promise, Guaranteed for Good™, which now includes returns, warranties, repairs, and trade-in. To date, our efforts here have saved over \$100,000 in COGS by repairing 1,500+ products and enabling thousands more to prolong the lifespan of their products through DIY solutions and component replacements. Guaranteed for Good exists to educate and serve our customers, inviting them to advance from gear consumers to gear stewards.

As we look ahead, we will continue to evolve our materials usage, expand remnant usage into additional products, and partner with credible mill sources on bringing new sustainable textiles to market areas in flight

currently for future product delivery seasons. Additionally, we are aggressively researching the Recommerce landscape, looking for the right partners to launch a Cotopaxi end-to-end recommerce and circularity initiative. To become truly circular, we will need to center our product design process upon a holistic product multi-lifetime.



# Cotopaxi's Environmental Performance

For the year 2022, Cotopaxi maintained a carbon intensity score of under 1% and continued to advance environmental improvements. Our carbon intensity score is measured (in accordance with the Global Greenhouse Gas protocol) as our total carbon emissions divided by our net revenue. Cotopaxi treats its carbon intensity score with the utmost importance, since it measures the amount of emissions required to produce a dollar of revenue. We're thrilled that we've been able to keep our environmental impact extremely low even as we have grown as a brand.

This reporting year, Cotopaxi also maintained a zero single use plastic policy and transitioned to renewable energy sources or credits across all of our retail stores. We will continue to consider even more ways to reduce our Scope 1 and Scope 2 emissions. In addition, we financially contributed to an inseting project that helped one of our largest suppliers transition to 100% solar energy.

Unfortunately, we did receive negative social findings from an audit of one of our suppliers, but immediately created a working group including representatives at that supplier to help remediate the damages.

## 2022 Energy, Emissions, and Climate Neutral Certification

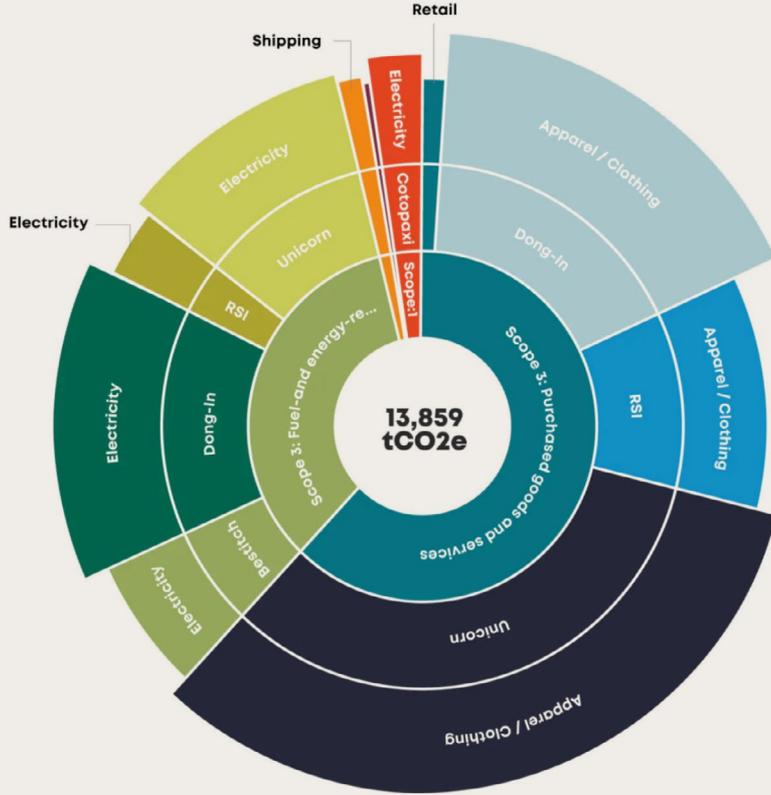
As part of our endeavor to reduce our negative impact across our entire value chain, Cotopaxi partnered with Climate Neutral (CN), a rigorous third-party certifying body, to address our entire 2022 carbon footprint and reduce our greenhouse gas (GHG) emissions. CN is a nonprofit organization that assists

brands in accurately measuring their carbon footprint and becoming 100% carbon neutral, while providing resources and guidance throughout the certification journey.

Certification is a guided 3-step process developed around peer-reviewed standards consisting of the measurement of emissions, the purchase of third-party verified offsets, and the implementation of a meaningful reduction plan. By working with CN, Cotopaxi felt that there was mutual accountability and transparency. We know that companies are more likely to underestimate their impacts upon the environment. We worked with Climate Neutral due to its credible and science-based approach to accountability to ensure a rigorous and objective process for measuring our emissions.

## Cotopaxi's footprint in numbers, as measured by the Global Greenhouse Gas Standards





## Cotopaxi's footprint in numbers, as measured by the Global Greenhouse Gas Standards

Source of Emissions	Number (tCO2e)
Scope 1	0 tCO2e
Scope 2	328 tCO2e
Scope 3	13,531 tCO2e
<b>Total</b>	<b>13,859 tCO2e</b>
<b>Carbon Intensity Score (Metric Tonnes of CO2/million of revenue)<sup>1</sup></b>	<b>1%</b>

<sup>1</sup>For 2021 (environmental reporting occurs for the previous calendar year - 2021 figures), our carbon intensity score was calculated based on our 2021 total footprint divided by our revenue.

Cotopaxi works with [Pachama](#) and [BEF](#) to purchase carbon offsets from verified and vetted projects. By purchasing a carbon credit, one tonne of carbon is removed or prevented from entering the atmosphere. When we purchase the total equivalent of carbon credits, Climate Neutral awards us certification, verifying that we are carbon neutral and have taken complete responsibility for our carbon footprint. While we recognize additional reductions will be necessary to get to full Net Zero in the future, Cotopaxi feels that the urgency of the climate crisis requires as much action as possible today, not just tomorrow.



## Cotopaxi's Stance on Offsets and Nature-Based Solutions to Climate Change

While Cotopaxi recognizes that reductions must be prioritized above offsets, we feel that we must do everything in our power to take as much responsibility as possible for the entirety of our footprint. While the carbon markets remain bifurcated, we stand by the nature-based and energy transition projects which we support.

One of our partners, [Pachama](#), trains machine learning models using satellite imagery, a vast network of field plots, LiDAR imaging, and other remote sensing data to identify key forest characteristics that are used to assure and measure carbon sequestration. Using machine learning, Pachama is able to constantly monitor offsets projects and verify their effectiveness. Bonneville Environmental Fund uses a combination of digital technologies, on site visits, and certifications to ensure the quality of their projects.

### Our 2021 Carbon Offsets

- Mersin Wind Project (Turkey)
- Soluglu Wind Farm Project (Turkey)
- AgroCortex Reforestation Project (Brazil)
- Guyuan Wuhuaping Renewable Wind (China)
- Manantiales Behr Wind Project (Argentina)

## Insetting Project Spotlight

Given that nearly a third of Cotopaxi's Scope 3 emissions result from energy usage by suppliers, we contributed to our first pilot insetting project at Cotopaxi's second largest Tier 1 factory, Unicorn. Working to support the leadership of Unicorn's management team, Cotopaxi financially contributed to the factory's transition to 100% solar energy.

While we do not yet have finalized data, we anticipate this will result in an approximate 70% reduction in the factory's emissions, and a 14% reduction in Cotopaxi's total emissions. Given the success of this pilot, which also helped advance climate justice since many environmental impacts remain localized, Cotopaxi will pursue additional insetting projects to decarbonize our supply chain and advance climate justice.

## Net Zero and Science Based Target Initiative

While Cotopaxi has not yet reached the revenue threshold at which Climate Neutral requires brands to make science-aligned reduction targets, Cotopaxi will be submitting a formal reduction map to realize its 2045 Net Zero goal using the Science Based Target Initiative (SBTI) starting in 2023.

Given that our carbon intensity score is already under 1% during a period of rapid growth in Cotopaxi's business, reducing our footprint by the 45% suggested by Net Zero frameworks in the coming decades will be a challenge, but one we are committed to as a brand, leadership team, and employee community. We will be exploring circularity programs, such as expanded recommerce and textile recycling, alongside alternative materials, additional insetting, and peer-to-peer collaboration with brands with shared suppliers. We will continue to report on our goals and performance on this critical topic in the coming year. markets remain bifurcated, we stand by the nature-based and energy transition projects which we support.



## Monitoring Water Usage Across Our Value Chain



As a textile apparel brand, Cotopaxi recognizes that one of its largest harmful impacts stems from water usage across its supply chain. The treatment and dyeing practices that occur within our Tier 2 suppliers can be extremely water-intensive. To begin taking responsibility for this impact, in 2022, we began to request water usage measurement across all our Tier 1 and Tier 2 suppliers. We also began requesting water reduction targets from these suppliers, notably from those with the capacity and technology to do so. Of our twenty Tier 1 and Tier 2 suppliers, 18 were able to provide and confirm water usage through third-party audits.

**Our total water usage in 2022 across Tier 1 and Tier 2 suppliers that participated in measurement was 7429899.06 m3.**

**Eight of the 18 suppliers that measured their usage have set water reduction targets.**

To see a complete breakdown of our water use and reduction targets by supplier, click to view our publicly available supplier data sheet. In 2023, Cotopaxi will assist all Tier 2 suppliers (which carry out the most water-intensive processes in apparel manufacturing) in setting water reduction targets.



## Preserving Value Across Our Value Chain

As a textile and apparel brand, Cotopaxi recognizes that its most significant negative human impacts occur within its supply chain. While recent regulatory action, such as the Uyghur Forced Labor Protection Act (UFLPA), has begun to address the insidious human rights abuses within apparel supply chains, violations remain widespread. To further advance much needed regulation of apparel supply chains, Cotopaxi also publicly supported [California's Garment Worker Protection Act](#) and the [New York Fashion Act](#).

Given our commitment to uplifting marginalized communities, Cotopaxi aspires to leverage its policies, contracts, resources, and grant-making activities to combat the risks posed to workers across our value chain. To further transparency and monitoring across our supply chain, Cotopaxi reached 100% third-party audit coverage of all its Tier 1 and Tier 2 suppliers, undertook onsite visits, implemented a revised contract, established an oversight working group, collected employee headcounts, obtained additional anonymous worker surveys, and worked with one Tier 1 supplier to greatly improve its social performance as part of a peer group.

In 2022, we added two new suppliers that will be providing shipped Spring/Summer 2023 products. These suppliers—Pung Kook (Vietnam) and Wonder (China)—were added to our portfolio after careful consideration and thorough vetting with regards to environmental and social performance. Cotopaxi looked to third-party audits, extensive interviews, and signed Codes of Conduct to ensure that our sustainability standards were met.

Since 2020, Cotopaxi has been aligned with the [UN Global Compact](#) and UN Principles of Responsible Business. To counteract the potentially negative impacts of our purchasing practices, Cotopaxi adopted the Ethical Trading Initiative's [Guide to Better Buying](#), which we implemented formally in 2022 as part of our revised contract. The contract, as well as our Anonymous Supplier Surveys, provide suppliers with impunity and mechanisms for reporting when our timelines lead to additional hours or potential subcontracting.

In the interest of transparency with our customers, our website provides copies of our [Code of Conduct](#), [Restricted Substance List](#), [Animal Welfare Policy](#), [Human Rights Policy](#), and Supplier List. All relevant sourcing, design, and sustainability team members are also trained on our Human Rights Policy; they regularly monitor and discuss ongoing changes to human rights risks across our value chain. Training occurs through an onboarding process, as well via ongoing topical webinars from third-party experts.

We recently updated our supplier list to include employee numbers, water usage, carbon emissions, supplier reduction goals, and risk levels. In 2022, we also launched a comprehensive testing program to ensure compliance with our Restricted Substance List given our increased concerns around the harmful impacts of chemicals upon human physiology. Our testing suggests that our suppliers are indeed compliant with our rigorous chemical guidelines. We hope this sets a new standard for corporate supply chain transparency. While we remain vigilant with regards to our supply chain, much work remains to be done. In 2023, we will be making more commitments and assessments with Fair Trade USA Certified™ to expand our certification efforts.



## Supply Chain Performance in 2022

While shutdown and supply chain disruptions continued in 2022, posing challenges to both our brand and workers, Cotopaxi's overall social and environmental performance improved. Our audit results—in conjunction with supplementary sources of information such as responses from our Anonymous Supplier Survey, worker questionnaires, and onsite visits—suggest that human rights are protected across our supply chain. This data also verifies that our manufacturing partners are not only meeting our Code of Conduct, but are moving beyond compliance and increasingly setting their own bold sustainability goals.

However, one Tier 1 audit returned with concerning findings related to several health and safety topics, as well as potentially coercive recruitment practices. To resolve these findings, Cotopaxi worked with two competitor brands using the same supplier to jointly facilitate the remediation of all detected issues. We provided onsite assistance to managers and workers, as well as conducted a re-audit. We have detailed all of these findings and actions below.



## Cotopaxi's 2022 Adverse Supplier Findings and Actions

In the following sections, we revisit negative findings from this year and previous reports with regards to our supply chain to illustrate resolution and progress.

Source of Finding	Finding	Year of Finding	2021 Finding	Remediation Check
Tier 1 Social Audit 2020	Potentially coercive recruitment practices through a third-party agency, pre-employment medical appointments not covered by suppliers, access to bathrooms limited at times, certain exits blocked, additional fire suppressants needed	2022	Issues were not present in 2021 audits, surveys, or visits	Remediation is ongoing. Cotopaxi has partnered with other brands using this shared supplier to help cover expenses for training, remediations, and re-audits
Tier 1 Social Audit 2020	Insufficient worker training on collective bargaining	2020	Additional training was provided through a working group. A third-party auditor noted this had been successfully addressed.	Issue did not re-emerge
Anonymous Supplier Survey 2020	Two cases of subcontracting	2020	In this year's anonymous supplier survey, there were no cases of subcontracting	Issue did not re-emerge
Anonymous Supplier Survey 2020	92% of our partners shared that our purchasing practices had led to additional overtime	2020	In this year's anonymous supplier survey, no partner mentioned additional overtime, which was confirmed in audits.	Issue did not re-emerge
Anonymous Supplier Survey 2022	3 suppliers shared that our timeline expectations made it challenging to avoid additional hours due to inflation	2022	Not relevant	We will follow up with our supplier base to ensure our timelines consider increased external pressures on our partners
Tier 1 Social Audit	Additional worker hours exceeded Cotopaxi's 60-hour Fair Labor Association (FLA) cap	2020	This supplier was audited again after receiving additional training at the management level. In the 2021 audit, workers were found to be within hour limits.	Issue did not re-emerge



## Remediations

Unfortunately, in 2022, through a third-party audit, Cotopaxi learned that one of its Tier 1 suppliers was not meeting our criteria for social responsibility and safety. Upon learning of these findings, Cotopaxi joined a working group of two other brands with production at this location to immediately work with Elevate, a third-party audit and remediation consulting firm, to assist the supplier in remediating all risks and damages.

Of the issues listed above, the most troubling was potentially coercive recruitment practices, which arose due to regional labor shortages connected with the pandemic. As part of our ethos, Cotopaxi has co-shouldered the financial burden of improving and re-auditing. As part of this ongoing process, Cotopaxi has regularly worked with both the supplier, brands, and third-party vendors to address these issues as compassionately and urgently as possible.

While Cotopaxi leverages many aforementioned tools—such as third-party audits, anonymous surveys and reporting mechanisms, on-site visits, collaboration with peers, and egalitarian calls with supplier managers—negative findings do occasionally persist. Across our supply chain, negative findings have decreased in real terms, which we believe to be a result of not only our internal vigilance, but also due to increased global regulation and awareness.

To date, the most egregious findings have been remediated, namely potentially coercive recruitment practices; employees have been remunerated and given safeguarded hiring contracts. Also, many health and safety improvements have been made, such as ensuring bathroom access, exit routes, and supplier-financed medical examinations. Some items such as an installation of a metal detector (for consumer safety testing) and other more minor findings remain in remediation. We will provide an in-depth report on improvements during the next reporting cycle as well. A re-audit will be conducted during the first quarter of 2023.

These negative findings are a constant reminder of the widespread social issues that occur across the supply chain. To further combat these unfair systems, Cotopaxi will continue to advocate for additional awareness and regulation, though we can only do so much as a small firm to combat problematic and systemic operation patterns in apparel value chains.

While we were discouraged by these findings, we also note that no instances of egregious human rights abuses, such as slave or child labor, were found. All other audits, as illustrated in our publicly available supplier list, returned with positive findings.



## Cotopaxi's 2022 Positive Supplier Findings

Source of Finding	Finding	Future Goal
Anonymous Survey 2022 (includes all Tier 1 and Tier 2, not including trim producers)	80% of our partners stated that Cotopaxi had helped them improve their sustainability (social or environmental)	We aim to focus our efforts through working groups with shared suppliers to improve wages and sustainability performance more effectively
Anonymous Survey 2022	90% of our suppliers said our technical specifications were excellent	Maintain satisfaction with regards to our technical specifications
Anonymous Survey 2022	There were no shared examples of subcontracting, decreased wages, financial losses, or hiring of temporary sewers due to our purchasing practices	Maintain a zero findings record around these topics of concern
Anonymous Survey 2022	100% of our suppliers shared that they found our purchasing practices to be fair and clear, including within our contracts	Continue to solicit feedback and provide clarification with regards to our purchasing practices
Anonymous Survey 2022	80% of our suppliers expressed a desire to work with us to provide a living wage	Align with external experts, such as Fair Trade USA Certified™, and suppliers to expand living wage across our value chain
Worker's Survey from Unbiased Third Party	92% of workers were very satisfied with management	Keep investing in programs with our suppliers that enable worker feedback and promote goodwill between managers, workers, and our brand



## Looking Forward

In 2023, Cotopaxi and its team are deeply concerned with the manifold ways in which macro-economic and political instability jeopardize the fight for economic equality. Growing inflation, a possible recession, climate change, and upheaval caused by the conflict in Ukraine have the potential to greatly increase expenses, which could exacerbate to cycles of injustice and poverty.

Given these circumstances, Cotopaxi will move even more urgently to mitigate its negative impacts and pursue its mission under the leadership of our incoming CEO and current President Damien Huang. We will also establish a [Science-Based Target](#) to support our long-term efforts to reduce as much of our greenhouse gas emissions as possible. Another priority will be developing and integrating a circularity strategy that includes new sustainable materials, expanded resale and donation options, and textile recycling partnerships.

“Our impact work is the essence of Cotopaxi,” says President Huang. “We are proud of our accomplishments, and more driven than ever to redefine how business can Do Good. In 2023, we will expand our initiatives for Fair Trade, living wage programs, circularity, and sustainability. We will also set revised, ambitious goals to lessen our negative impacts, as well as launching a variety of circularity and recommerce initiatives. More importantly, the participation of our employees, customers, and partners in the business of doing good will reach new heights.”

We recognize that our workers are on the front lines of widespread upheaval, and while global relations remain volatile, Cotopaxi remains vigilant in its optimism. We plan to offer our suppliers more support for inseting, living wage, and Fair Trade USATM certifications.

Every day, new stakeholders, customers, and communities share their support not only for our products, but for our values. Each and every one of us at Cotopaxi feels the force of this support and will do everything in our power as citizen-employees to realize a better future. We will never give up. And with your support, we will succeed.



# GRI Index

The index below outlines the location of material GRI reporting elements in accordance with GRI standards. The indexed topics are addressed in this Sustainability Report and links are provided to publicly available documentation wherever possible and relevant. For the Content Index - Advanced Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for all disclosures are included correctly and aligned with the appropriate sections in the body of the report.

[GRI Content Index](#)





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