





“Cotopaxi was founded with the belief that business can and should be a force for good.”

Davis Smith
Founder, CEO

Students play during recess at a school in Tunja, Colombia that uses the Fundación Escuela Nueva educational model. We partner with Escuela Nueva to support students affected by conflict and limited resources in Latin America. Photo by James Roh.



When I joined Cotopaxi two years ago, we were a small voice promoting conscious capitalism. Now, Cotopaxi is a leader among impact-oriented companies, but with that growing community involvement comes a higher set of obligations and responsibilities.

A Letter from Our Director of Impact

As a still small but rapidly growing start-up, we are positioned at the exciting and sometimes uncomfortable forefront of leveraging our business for good. Beyond continuing to achieve certifications such as B Corp, we want to take corporate social responsibility to the next level. In 2019, that meant launching our foundation, which allows us to democratize our impact by inviting our customers to follow our traceable grant giving and to contribute to the same programs and organizations we vet and support. As our impact officer, I feel strongly that Cotopaxi's giving cannot thrive within a protective bubble, and that our mission will always be our primary product. The Cotopaxi Foundation was a big and scary step in offering impact-as-a-service.

Knowing that climate change will eventually surpass disease and forced human migration as the leading cause for economic upheaval and poverty, we focused our efforts on sustainability this year. By joining the Sustainable Apparel Coalition, mapping our supply chain, offsetting carbon emissions associated with bulk shipping, and investing even further in

our (Re)Purpose™ Collection, we broke ground on important programs aimed at reducing our carbon footprint. Next year, we aim to go further, faster.

Our CEO and co-founder, Davis Smith, has always seen our customers as the true force behind our mission, and I share his sentiment—we have the best customers in the world. Thank you for being the sort of people who don't just buy our backpacks (although thanks for that, too), but who read this report. Thank you for being the reason I get up every day feeling optimistic, because our success shows that there are good people in the world, and that it's ultimately decent people like you that truly make a difference.

Thank you for the belief you place in Cotopaxi. We will work hard every day to ensure we deserve it.

Annie Agle
Director of Impact and Brand

Cotopaxi was founded to use business as a vehicle for reducing poverty. Mission drives every aspect of our operations, from our foundation and giving model to our approach to sustainable design and fair trade.

This year, Cotopaxi launched the Cotopaxi Foundation, which awards 1% of the company's revenue to outstanding nonprofit partners alleviating poverty in the Americas. Grants are multi-year and focus on education, health care access, and entrepreneurship. Beyond giving, the foundation provides stewardship of funds and a safe way for customers to support our impact.

Cotopaxi sees design and manufacturing as opportunity areas to minimize our negative impacts on the environment and to improve the lives of those who make our products. Our team aims to use only remnant or recycled fabric, and we are well on our way to achieving this goal. The Del Día line uses only remnant fabrics, which could have otherwise ended up in a landfill. Most products use sustainable materials such as responsibly sourced down, recycled nylon, and remnant fleece.

To meet the highest standards of transparency in regards to our supply chain, we share our factories publicly and conduct formal audits with all suppliers. We also work with our manufacturing partners to support worker and sustainability programs such as organic gardens, Fair Trade scholarships, and employee carpooling. In 2019, Cotopaxi also teamed up with Flexport and carbonfund.org to offset all of our bulk shipping through reforestation in the Amazon and alternative energy programs.

Beyond operations, Cotopaxi extends its mission-first approach to areas such as employee experience, community and events, and governance. We have one of the most diverse boards in the start-up world, and employees are rewarded stock options. Through Questival, Cotopaxi has picked up over 1 million pieces of litter, and donated over 15,000 items of food and 1,500 liters of blood.

We look forward to doing good *more effectively* every day.



TOP: Employees at our partner factory in Tianjin, China participate in the factory's ride share program on their way home from work. The program ensures each worker has safe, efficient, and reliable transportation to and from their village. **RIGHT:** A sewer works at our partner factory in Tianjin, China. Photos by James Roh.





2014

Cotopaxi founded as a Delaware Benefit Corporation

Cotopaxi becomes the first Benefit Corporation to receive venture capital funding

2015



Cotopaxi becomes a B Corporation after successfully completing assessment

2016

Cotopaxi launches its formal grant program

Cotopaxi joins the 1% program

2018



Cotopaxi re-certified as a B Corp



Cotopaxi joins the Fair Trade Certified program

2019

Launch of the COTOPAXI FOUNDATION

Cotopaxi joins the Sustainable Apparel Coalition





Students read together at a school in Combita, Colombia that uses the Fundación Escuela Nueva educational model. Photo by James Roh.

Eradicating Poverty within Our Lifetime

Over the past two decades, living conditions have noticeably improved almost everywhere in the world. Economic well-being (measured as GDP per capita) doubled in the poorest countries between 1995 and 2018. Child mortality has halved relative to 1995, and the proportion of children attending school has increased from 56% to 80%.

Despite this trending reduction in global poverty, 700 million people still subsist on below living incomes; 50% of the world's children still do not complete the education needed to gain basic literacy; and 3 million people perish each year from preventable diseases. These realities are our call-to-arms at Cotopaxi.

Although Cotopaxi will not be the biggest organization working toward eradicating poverty, we will give all that we can to the solution.

This year, our leadership and impact team decided to make a longer term investment by launching a foundation. The Cotopaxi Foundation builds on and formalizes our grant program, which is focused on alleviating poverty. Specifically, we award grants to organizations working to improve health, education, and livelihoods in the Americas. We also lengthened our grants to three year contracts in order to give partner organizations the stability and commitment they need in building, implementing, and supporting sustainable solutions to these main poverty contributors.

COTOPAXI FOUNDATION

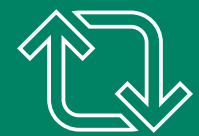
In 2019, the Cotopaxi Foundation awarded over \$300,000 in contributions. And we're just getting started. Beyond deploying a sophisticated and traceable grant program, the Cotopaxi Foundation will protect our mission and the legacy our stakeholders helped us build. Here are a few special features of our foundation:



Specific bylaws hold Cotopaxi accountable to giving 1% of its profits away in the form of grants for perpetuity.



Two elected foundation board seats are awarded to employees annually, democratizing the grant program and board.



Our giving model and foundation must remain active, even in the event of a sale.

The Foundation & Our Giving

Selecting and Committing to Grantees

When selecting long-term grant partners, we deploy a rigorous qualification process that looks at programmatic effectiveness, financial health and transparency, organization ethics, and reporting sophistication. All of our partners are located within the Americas and help fulfill our mission to sustainably alleviate poverty through health, livelihoods, and education.



TOP: Students play during recess at a school in Combita, Colombia that uses the Fundación Escuela Nueva model. BOTTOM: Refugee youth in Salt Lake City participate in a computer-building program hosted by the International Rescue Committee. Photos by James Roh.

Qualities We Look for in Our Partners



Proven Effectiveness

All of our grant partners must have proven track records of successfully providing innovative solutions to entrenched poverty.



Empathetic Expertise

Each one of our partners brings specific and profound knowledge of the problems they are addressing and the solutions they offer.



Collaborative and Innovative Strategies

We support programs and partners with strong local ties that make use of data, innovation, and collaboration to cleverly resolve issues.



Reporting and Reputation

All partners are subjected to outside scrutiny through third party evaluation tools and companies such as Charity Navigator, and our internal impact team carefully examines mandatory quarterly reports that include both financial and programmatic monitoring.

IRC

The International Rescue Committee responds to the world's worst humanitarian crises and helps people whose lives and livelihoods are shattered by conflict and disaster to survive, recover, and gain control of their future. In more than 40 countries and in 26 U.S. cities, their dedicated teams provide clean water, shelter, health care, education, and empowerment support to refugees and displaced people.



Grant Outcomes

Cotopaxi works with the IRC to support our local refugee community. With the IRC SLC, we host educational events for refugee youth, provide digital inclusion programming, and offer bridge employment through our card-writing program.

- Two cohorts of high school refugee students participated in digital safety workshops that resulted in measurable increases in digital knowledge and security.
- Digital inclusion courses were held for newly-arrived refugee high school students as part of a 24 month case management program that successfully increased their ability to integrate into their local communities.
- Hosted digital literacy workshops for 80+ women, including 40+ young women under the age of 18, which resulted in tangible increases in female digital equality and safety.
- 75 women received smartphones and accompanying training within 3 months of arrival.
- 70 hours of volunteer mentorship was provided by 15+ trainers to help interested, new Americans master digital and mobile literacy with a measurable increase in digital knowledge after 6 weeks of effective mentorship.
- Cotopaxi also provided and prepared 200 emergency kits to refugee families trapped on the US - Mexico border.



TOP: High school students and Cotopaxi employees work together to fill out college applications during an event hosted at Cotopaxi HQ through our partner, the IRC. **BOTTOM:** Syrian refugee Yasser Al-Zouabi participates in our card-writing program. Photos by James Roh.



“Getting out of the camp is a miracle. It’s a dream come true.”

Ismael
Ugandan Refugee

After fleeing Uganda, Ismael spent two years in a Kenyan refugee camp before securing an emigration pass to the United States. Out of the 70 million displaced people in the world, only one percent get sanctuary.

“Getting out of the camp is a miracle,” Ismael says. “It’s a dream come true.”

When refugees are relocated to a sanctuary nation, they are removed from immediate danger but their hardships are far from over. Navigating a new culture, language, and way of life can be very overwhelming.

“The dream came to reality, but that couldn’t remove the fact that everything was new to me,” Ismael says about his resettlement in the U.S.

Thankfully, the IRC’s Salt Lake City office is able to welcome Ismael and many other refugees to their new home and assist them throughout the resettlement process. Whether it’s scheduling doctor appointments, finding housing, or providing invaluable one-on-one assistance, the IRC helps refugees get on their feet, setting them up for long-term success.

“They showed love for refugees” says Ismael. “I was so amazed. Without them, it would be very hard because you know nothing.”

For many refugees, earning an income is a major challenge upon arrival. To address this, the IRC hosts classes, called “job club,” that teach recent refugees how to submit a resume, apply for jobs, interview, and prepare for many other employment-related skills that may be foreign to them. As refugees hone their skills, Cotopaxi offers a program for the IRC’s job club participants that pays individuals to write “thank you” cards to Cotopaxi customers. This program offers refugees a simple way to make money while they work to find a more permanent source of income.

Ismael’s success in the job club and card-writing programs helped him to get hired at the Salt Lake City airport as a supervisor over several stores owned by Paradies Lagardère.

“If they have good skills, they have good skills,” says Bob Taylor, HR manager at Paradies Lagardère, about his company’s willingness to hire Ismael and other recent refugees. “We knew it’d be a steep learning curve for him, but we knew he could handle it. So far he has done very well.”

“Refugees are not bad people; they are people,” Ismael says about some preconceived stereotypes of refugees in the U.S. “Being a refugee is not a choice. No one wants to be a refugee. If they are given an opportunity, like we have, they can turn their lives around. They can contribute to the community in a positive way.”



TOP: Ismael completes a car-buying class with a financial education specialist at the IRC. BOTTOM: Ismael works as a supervisor over several Paradies Lagardère shops at the Salt Lake City International Airport. Photos by James Roh.

Nothing But Nets

A campaign of the UN Foundation, Nothing But Nets is on a mission to eradicate malaria. Since its creation in 2006, NBN has delivered more than 13 million bed nets to families in need, along with other crucial malaria intervention services such as diagnosis, treatment, and training for healthcare workers.



Grant Outcomes

This year, Cotopaxi partnered with Nothing But Nets to work towards eliminating malaria within the overlooked region of Latin America and in Ecuador, specifically. Between 2000 and 2015, the number of malaria cases and deaths declined overall in the Americas, but due to a variety of factors including increases in the mosquito population, an increase in insecticide and drug resistance in various regions, and other political and economic factors, progress in Latin America is at risk. Malaria prevention in Ecuador is increasingly urgent.

- Through Nothing But Nets, 60,000 bed nets were distributed in Ecuador in 2018–2019 to protect close to 120,000 people
- 5,000+ bed nets were provided through the Cotopaxi grant to Nothing But Nets
- Nets were distributed in the following provinces:
 - 26,100 to Esmeraldas Province
 - 18,900 to Orellana Province
 - 7,700 to Morona Santiago Province
 - 5,200 to Pastaza Province



Photos courtesy of PAHO/WHO.



Grant Outcomes

- Supported roughly 500-700 indigenous youths with the financial wherewithal and programming to complete primary education.
- Provided tutoring and social-emotional support to 81 school-enrolled, vulnerable, low-income children and youth in one of the poorest suburbs of Bogotá.
- Mentored students in 10th and 11th grade in vocational and professional training.
- Supported six cohorts of 20 kids in receiving supplemental education focused on developing emotional and social skills in children and youth through flexible pedagogical strategies based on active, participatory, and cooperative learning.

The Fundación Escuela Nueva educational model emphasizes themes such as collaboration, communication, and teamwork. Photos by James Roh.

Escuela Nueva

As its name suggests, Escuela Nueva's focus is education. More specifically, the organization seeks to provide student-directed education models to communities affected by conflict and limited opportunity. With over 86 schools throughout rural Colombia and Latin America, Escuela Nueva empowers students to be active participants in their education and brings schooling to those without access.

Because of FEN's focus on holistic education, Flor's school is teeming with life.

In a small town in the coffee growing region of Colombia, educators like Flor use Foundation Escuela Nueva's (FEN) flexible educational model to provide students with a quality education rooted in culturally and economically relevant teachings.

Because of FEN's focus on holistic education, Flor's school is teeming with life. Goats roam the playground, vegetables grow tall in the garden, fish swim in the man-made pond, and students collect chicken eggs daily. On top of typical school subjects like math and history, students also learn about responsibility, how to care for livestock, the biology of animals, and food production. In a region where corporations are attempting to acquire large swaths of land, learning agricultural skills at an early age will set the students up for future success, help them to appreciate their culture, and inspire them to seek economic opportunity in the region.



Mercy Corps

One of the most recognized global humanitarian organizations, Mercy Corps empowers people recovering from crisis. Currently, Cotopaxi supports Mercy Corps' efforts to meet the urgent needs of Colombian and Venezuelan refugees through cash assistance, medicine, and small business grants.



Grant Outcomes

- In 2019, Mercy Corps helped over 2,500 Venezuelan refugees and migrants in Colombia purchase prescription medications, food, and non-food items.
- Mercy Corps is currently assisting 6,000 Venezuelans with access to primary health care services.
- Mercy Corps is leading a consortium of four international nonprofit organizations to provide emergency cash assistance to help nearly 90,000 people over the next 18 months purchase urgently needed items like water, food, and shelter.



ABOVE: Photo by Miguel Samper, courtesy of Mercy Corps. **BELOW:** "If you want proof that it is possible to change the world, look at the actions of Mercy Corps," said Alejandro Rodriguez, communications intern at Mercy Corps. Rodriguez declined other job opportunities to pursue a career with Mercy Corps, where he deploys his skills in support of an organization with an ethos and mission in line with his own passion around humanitarianism and community building. Photo by James Roh.

Company Volunteering

As part of the 1% pledge, Cotopaxi committed to volunteering 1% of its work year. Making common cause around a cause bigger than ourselves lies at the center of our company culture. Here are some highlights from our volunteering in 2019:


1,300+

Hours of employee volunteering during work hours, amounting to 10 hours of service per full-time employee.


\$34,000

Estimated value of employee volunteering, based on employee time and hourly wages.



Community Grants

Beyond our multi-year grants with larger organizations focused on alleviating poverty, we award around 20 community grants each year to grassroots organizations that offer creative solutions to problems within our areas of operation.

In 2019, one such grant was with community LGBTQ+ activist and environmentalist, Pattiegonia. Working to support Pattiegonia's fundraisers, we joined forces with individuals and outdoor company peers to support land protection in threatened indigenous communities and protection for homeless queer youth.

CLOCKWISE FROM TOP LEFT: Ren Barrus, Customer Experience Manager at Cotopaxi, demonstrates how to adjust a backpacking pack; a refugee youth registers for college classes through a partnership with IRC; Ren Barrus explains proper layering techniques for outdoor activities; Cotopaxi employees pose after clearing a trail in Big Cottonwood Canyon, Utah. All photos except trail photo by James Roh.

Details Make the Difference

Impact and sustainability start within the supply chain. 2019 was a watershed year for us in terms of formalizing, auditing, and benchmarking our sustainability and supply chain. Within any supply chain, improvement opportunity remains a constant, but Cotopaxi took tangible steps to ensure that our manufacturing met our standards of corporate responsibility. Here are some of the tools and programs we introduced this year.

TOP: Geese drink water and wade in a man-made pond at a farm in Yang Lou, China. Through our partnership with Allied Feather & Down, we source RDS-certified down from geese farms like this one. MIDDLE: Sewers work on our Teca line at one of our partner factories in Tianjin, China. BOTTOM: Colorful yarns made from llama fiber at our partner factory in La Paz, Bolivia. Photos by James Roh.



Sustainability & Supply Chain

CLOCKWISE FROM LEFT: Workers eat their daily free lunch at our partner factory in Tianjin, China; A high-quality down cluster at Allied Feather and Down's testing lab in Hangzhou, China; Workers perform quality assurance tests at Allied Feather and Down's testing lab in Hangzhou, China. Photos by James Roh.



Higg Index and Sustainable Apparel Coalition

One of the steps we took to map our supply chain in 2019 was joining the Sustainable Apparel Coalition, which gave us access to the Higg Index, a suite of tools that enables brands and facilities to accurately measure and score sustainability performance. The Higg Index delivers a holistic overview that empowers businesses to make meaningful improvements that protect the well-being of factory workers, local communities, and the environment.

After reviewing the Higg modules from the majority of our Tier 1 (cut and sew) and Tier 2 (textiles and dyeing) suppliers, we benchmarked areas for improvement and made our factories and code of conduct available publicly on our website. Beyond agreeing to annual audits and our rigorous code of conduct—which protects workers from predatory practices and insists on fair wages—our suppliers made commitments of their own. One of our factories operates in a green-certified building and recycles more than 90% of its water. Another supplier provides free transport and lunch to all its employees.

Restricted Substance Lists

Here's a fact that most consumers don't know: 94% of any garment's carbon footprint occurs before cutting and sewing. The processes requiring the most energy in producing a t-shirt, for example, are the raw materials production (i.e., growing the cotton) and the chemical treatment and dyeing. To ensure we were truly addressing these areas of our supply chain, this year we introduced a restricted substance list (RSL) with all of our Tier 1 and Tier 2 suppliers. An RSL allows us to make sure that no dangerous and environmentally damaging chemicals go into making our products.

Going forward, we aim to set up a testing process to account properly for adoption. But at the end of 2019, we are honored to share that we have total adoption of a rigorous chemical standard. We are building on this standard as we explore the most sustainable ways to treat and dye our products.

Sustainability & Supply Chain

Carbon Offset

We are now successfully carbon offsetting our bulk shipping through carbonfund.org and Flexport.org. After mapping our carbon footprint as a company, bulk shipping stood out as a large carbon contributor. According to Flexport.org, “If the shipping industry were a country, it would be the world’s 6th largest polluter. For individual companies, shipping can create more than 50% of their total carbon footprint—but it’s an often overlooked opportunity to make a huge impact.” Thanks to Flexport, we were able to implement a carbon offsetting program.

Through Flexport and Carbonfund.org, a leading 501(c)(3) nonprofit climate solutions provider, we have invested in certified projects including renewable energy and deforestation prevention to offset our CO₂ emissions. We were especially determined to contribute to reforestation and deforestation prevention in the Amazon.



Photos courtesy of Carbonfund.org Foundation.



Carbon Offset Project Spotlight

The Valparaiso Project houses our carbon offset program.

Located near the city of Cruzeiro do Sul in the State of Acre, Brazil, the project has successfully continued to protect over 70,000 acres of pristine rainforest and biodiversity while mitigating billions of pounds of CO₂ emissions. Additional project successes include: the completion of several health clinics; the renovation of several local schools; the facilitation of medical and dental visits; dozens of sustainable agricultural courses; and the distribution of mosquito nets, generators, and planting tools.

Looking Forward

Repairs Program

This year, we successfully piloted a repairs project to provide customers with a way to repair or donate their used product. With the assistance of Utah State University's outdoor product design program and with personnel support from refugee sewers and retired employee moms, we successfully launched a pilot program, which will be formally launched in 2020.

- Give a second life to items that only need minor repairs and re-sell them, with proceeds going to the Cotopaxi Foundation.
- Make good on our impact goal of alleviating poverty and advancing inclusivity by supporting local partnerships and providing mentorship and hands-on opportunities to USU students, refugees, and other skilled workers.
- Advance company impact goal of decreasing our carbon footprint by providing the option to repair, which decreases the carbon footprint of the product and extends its lifecycle.



LEFT: Rabab Omer, left, a refugee now living in Utah, learns how to repair an article of clothing from volunteer, MG Draper, as part of the pilot launch for our repairs program through the Utah Department of Workforce Services. **ABOVE:** Lauren Joyner, a USU student, fixes a broken seam on a damaged Cotopaxi jacket. Photos by James Roh.



Initial Outcomes



600+ items repaired



50+ items upcycled



2000+ items donated



\$14

Refugee and student sewers' hourly wage. They outperformed the terms of the initial pilot.



Financial Independence

Sewers were able to gain greater financial independence—one sewer was able to receive her first dental hygiene care with money acquired through sewing.



1,000 items saved

Data around customers and carbon footprint were successfully gathered, and we were positively able to upcycle or repair close to 1,000 items that would have otherwise ended up as landfill waste.

Between the Venezuelan crisis—which has displaced 4.8 million people—and the apocalyptic fires in Australia, the problems now facing human society can feel overwhelming. At five years from our founding, we head into this new, critical decade full of determination to make an even bigger impact in poverty alleviation, sustainable manufacturing, and community building.

Looking Forward

Here are some of the problems we haven't tackled (yet) and want to solve this year:

- Planting our flag around the issue of humane refugee response and immigration.
- Completing a carbon mapping through rigorous life cycle analyses and additional auditing.
- Working towards moving beyond compliance with our sustainability and design.
- Finding replacements for poly-shipping bags.
- Implementing formal and progressive diversity and inclusion standards during the hiring process.
- Helping our suppliers tackle their own sustainability goals, even if it does not impact our product.
- Joining forces with other B Corps and peers to hold capitalism accountable in ways that consumers cannot.

We share our intentions because we want you to hold us accountable. Check in with us throughout the year to see how we're doing. Take us to task on keeping our promises and maintaining our mission.



LEFT: A teacher explains a concept to students at a FEN school in Combita, Colombia. Photo by James Roh.



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COVER: Gong Jia Quan holds a bird at his goose farm in Ma Jing, China. Jia Quan is a second generation farmer and takes pride in caring for his geese. His farm is one of several in the area that abide by the Responsible Down Standard. Photo by James Roh.