



2021 Impact Report

March 2022



About Cotopaxi

Cotopaxi (Global Uprising, PBC) is a privately-held American public benefit corporation (PBC) based in Salt Lake City, UT. It was founded in 2013 as a vehicle to fight extreme poverty through sales of sustainably designed outdoor products. In addition to its legal designation, Cotopaxi is a certified B Corporation reflecting its commitment to address today's pressing and complex sustainability challenges.

To date, the company has given over three million dollars to vetted organizations providing universal education, health care, and meaningful employment. Cotopaxi also recognizes its responsibility to mitigate its negative impacts upon the planet and society. To account for our environmental, social, and governance (ESG) risks, Cotopaxi scrutinizes its impact across all stakeholder groups, from environmental impact to the wellbeing of employees. As we grow, we will continue to demonstrate and pilot strategies to support sustainability efforts and meet the challenges of the UN Sustainable Development Goals, especially Goal 1: No Poverty.

Cotopaxi operates primarily in the United States but also has international sales channels in the European Union, Canada, United Kingdom, Australia, New Zealand, and Japan. The company 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, the company has implemented sustainable supply chain management principles across its value chain. Cotopaxi, to the best of its ability and understanding, adheres to all local and international laws and strives to be early adopters of ESG best practices.

At present, Cotopaxi has around 114 full-time employees and a trailing 12 month revenue of \$58 million. In 2021, Cotopaxi gained an additional series-C impact investor, Bain Capital Double Impact. Currently, Cotopaxi operates eight retail stores all located in the United States. The company is a member of the Outdoor Industry Association, Pledge 1%, the Sustainable Apparel Coalition (Higg Index), and the Fair Trade Certified™ program. In 2021, Cotopaxi also certified as a Climate Neutral company after measuring, reducing, and offsetting the entirety of its carbon footprint. Through the Cotopaxi Foundation, Cotopaxi awards at least 1% of revenue to vetted nonprofit organizations tackling poverty.

Cotopaxi's greatest risks to others (salient risks) occur within its 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 its value chain. Cotopaxi has published a comprehensive list of its Tier 1 and Tier 2 suppliers as well as its Code of Conduct, Restricted Substance List, Human Rights Policy, and findings from audits and anonymous surveys. This report provides a comprehensive assessment of our holistic approach to sustainable supply chain management.

About This Report

Cotopaxi’s reporting cycle is from January 1 of 2021 to December 31 of 2021. The report is publicly available by March 31st of each year. 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. The Cotopaxi Foundation, which distributes at least 1% of Cotopaxi’s revenues to vetted organizations and programs, similarly reports on the outcomes of its grant making from the previous calendar year through this annual GRI report.

Cotopaxi has reported in accordance with the GRI Standards for the period January 1, 2021–December 31, 2021. This report includes the data based on the financial statements of both Cotopaxi and its eponymous foundation. Cotopaxi’s [previous impact report](#) was released in March of 2020. Last year’s impact report referenced GRI disclosures. This year, our impact report meets the requirements of a GRI core report. While prepared by the Senior Director of Impact and Sustainability, this report strives for balance and includes data of integrity around long term progress and shortfalls.

To define report content and topic boundaries, Cotopaxi engaged with its executives, governing board, employees, nonprofit partners, suppliers, customers, and third parties. We also routinely engage 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. That said, this year’s report was not externally assured. We will undertake third party assurance for our report next year. Cotopaxi’s leading material topic remains extreme poverty. Subsequent material topics are all reviewed from the lens of the ways in which various aspects of our business affect our efforts to fight extreme poverty.

The following material topics are the areas of our business that positively contribute to Sustainable Development Goal (SDG) #1, No Poverty: values-driven governance, creating and protecting value across our value chain, diversity and inclusion, environmental impacts, carbon neutrality, and effective corporate philanthropy. Cotopaxi has limited the scope of reporting topics by focusing on direct impacts from actions taken and their results. We do touch upon indirect impacts and where Cotopaxi has attempted to support policy and regulatory actions to protect the best interests of our planet and species.

To view our materiality topics and salient risk assessments, [click here](#).

The report was prepared by:

Cotopaxi
 Cotopaxi 74 S. Main St.
 Salt Lake City, UT 84101

Table of Contents

A Letter From Our CEO and Our Senior Director of Sustainability and Impact.....	6-7
Cotopaxi’s Governance and People	8-9
Diversity and Inclusion.....	10-11
Ending Extreme Poverty in Our Lifetime.....	12-17
Preserving the Value in our Value Chain	18-21
Cotopaxi’s Environmental Commitment.....	22-30
Contact Information.....	31
GRI Content Index	32-35



Geese drink water and wade in a man-made pond at a goose farm in Yang Lou, China, where we source our RDS-certified down. Photo by James Roh.



A youth refugee participates in an IRC- and Cotopaxi-sponsored rock-climbing educational event. Photo by James Roh.

A Letter From Our CEO and Our Senior Director of Sustainability and Impact

2021 was a year of evolution and growth at Cotopaxi. For Cotopaxi's impact leadership, it was a year characterized by urgency and concern but also by hope and determination. On the heels of COP24, the recent leading global conference on climate change, Cotopaxi's leadership continued to act upon our opportunity and responsibility to demonstrate that conscious capitalism can work. Prioritizing people and the planet alongside profit must become standard business practice. The many global events at play during this year illustrate how critical values-first companies and new economic models will be to solving the problems now facing humanity.

COVID-19 surfaced the many weak points in sustainable development such as fragile and failing supply chains, growing inequality, increasing political instability, and escalating climate change damages. Despite the challenges posed by the pandemic, our team continued to drive change and reduce our negative impacts. Our giving, carbon accounting, and governance were core to allowing Cotopaxi to grow in a manner that resulted in both financial and sustainable wins. But, alongside this internal success, COVID-19 pushed more than 10 million people into extreme poverty. The reversal of positive trends in human development due to the pandemic and climate change have been at the forefront of our business and collective hearts this past year. It also highlighted opportunities for improvement.

The links between COVID-19, climate change, marginalization, and extreme poverty led to a particularly heightened sense of responsibility around environmental performance and sustainable procurement. In an effort to reduce our footprint and contributions to drivers of extreme poverty, Cotopaxi achieved full carbon neutrality, completed its bid to recertify as a B Corporation, and sought novel solutions to address the risks we pose to others across our supply chain.

More than ever before, 2021 demanded a higher degree of human collaboration. It meant connecting with and directly supporting sewers making our products struggling to afford groceries. It entailed having hard and truthful conversations with our employees and customers around societal injustices. Competitors became peers. And our strongest sources of leadership came from a wide range of constituents, including our part time staff, suppliers, nonprofit beneficiaries, and marginalized individuals. These shared interdependencies and collaborations became a source of strength for our company. No one company, nation, sustainable development topic, or person can manifest the change needed to ensure a positive future. We all must put aside competition, pride, and perfection in favor of shared values, compromise, and humility.

As we reflect on what it is that has made Cotopaxi successful in its impact, we believe that it is the courageous optimism of everyday people who choose to support accountable capitalism. Optimism has been shaken, but when it is grounded in both an acknowledgement of hard truths alongside a dogged faith in humanity, hope can power not just a company, but a movement. Thank you for being part of this movement with us this past year.

With our deepest gratitude,

Davis Smith
Chief Executive Officer

Annie Agle
Senior Direct of Impact and Sustainability

* Cotopaxi remains in the verification queue as B Corporation has struggled to process a tremendous rise in participation in its Benefit Impact Assessment and certification. Our current unverified but submitted score is 192 points, a more than doubling of our previous score. We are happy to provide evidence of this upon request.

Cotopaxi's Governance and People

Cotopaxi's approach to people has always been through the lens of establishing a flourishing, democratized, diverse, and engaged internal society that could scale to wider society. Through B Corporation, we have scored among the Best Companies in the World for our governance and continue to prioritize that aspect of our ESG. Cotopaxi offers competitive equity packages to its tenured employees and has one of the most diverse boards in our industry. A majority of our team consists of women, and we adopted strong ethical, anti-corruption, and transparent policies upon our founding. As we grow, we will continue to strive to improve our governance and employee treatment to live our values. We routinely solicit anonymous feedback from our employees and customers on aspects of our governance and always try to incorporate critical feedback.

Cotopaxi's governance structure remains adaptive and democratic. Our culture places environmental, social, and governance (ESG) issues at the forefront of performance indicators. Our CEO and foundation Executive Director have signed and adhere to conflicts of interest policies. Every member of our team, from our board, to our employees, understands individual responsibility to help tackle our negative impacts and contribute to our give-back programs. Based on strategic planning in 2021, the company and executives transitioned in January of 2022 to a compensation plan that ties a portion of company-wide bonus eligibility to company performance around ESG topics. Specifically, in addition to financial performance, our board looks at our B Impact Assessment score, diversity and inclusion statistics, employee satisfaction, carbon intensity, and giving when assessing bonus eligibility.



Cotopaxi employees participate in a team kayaking trip in southern Utah. Photo by Ren Barrus.

While Cotopaxi remains a privately held company led by a board of governors and C-Suite executives, employees can elevate and help resolve issues or opportunities that relate to our corporate impact. All employees across our supply chain are entitled to the right to collective bargaining - this is present in our Code of Conduct. Functionally, Cotopaxi has an anonymous employee survey software that allows any employee to share anonymous feedback including about sustainability problems. Each employee is also given two paid days a year to volunteer and are able to apply for Cotopaxi's numerous impact committees. Our employee-led impact committees include: two employee board seats on the Cotopaxi Foundation, the environmental committee, diversity and inclusion committee, and impact ambassadors. ESG issues are discussed, identified, managed, and resolved through quarterly board meetings, weekly director meetings, committee meetings, quarterly foundation board meetings, and "All Hands" meetings.

To prioritize the emotional well being of our team, employees enjoy flexible remote working options through our remote-first company policy. Cotopaxi also offers salaried employees unlimited responsible vacation and personal time, competitive benefits that cover mental health and certain fitness programs, and compensated time to volunteer and play outside. After eighteen months of employment, we offer a \$1,000 stipend and several weeks off to go on a trip—whether it's a wilderness adventure, a service trip, or time exploring a new country—that offers new perspectives and recharges batteries. And after five years of service, we offer more time off and a larger \$5,000 stipend for an even more ambitious adventure.

To facilitate team connection through meaningful experiences, Cotopaxi hosts monthly Almuerzo get togethers, which are lunch and learn events for everyone in the company. Part social and part educational, these 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 2021, we also held a socially-distanced, company-wide weekend that realized our internalized themes of adventure and learning to the next level. 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 think creatively about putting our people first.

Diversity and Inclusion

Over the past year Cotopaxi has made an explicit effort to examine our internal and external practices as they relate to diversity, equity, and inclusion. In 2021, we engaged a third party DEI firm to formally evaluate the current state of our company as it relates to subjects like diversity, employee experience, recruitment and human resources practices, and sense of belonging. Out of the findings came a comprehensive strategy to improve practices and policies. We are proud of the culture that all of our employees helped to build over the past years, and we view this moment as an opportunity to strengthen and evolve.

The survey results from polled employees established the following recommendations in order of stated priority:

- The company should hire a VP of People and Inclusion and begin long term planning for DEI benchmarking and improvement.
- The people team should use inclusive language in job descriptions and explore ways to generate a robust pipeline of diverse talent.
- Cotopaxi should assess its recruiting, retention, hiring, and onboarding processes to ensure equitable and inclusive practices.
- Our human resources systems should evolve to capture more data around DEI (diversity, equity, and inclusion) to help identify gaps.
- Cotopaxi should establish partnerships with nonprofit organizations to help contribute to the job readiness of underrepresented groups.
- Cotopaxi’s marketing meets diversity best practices, but we could use our voice to advocate for fair treatment of marginalized peoples.
- In 2022, Cotopaxi should also undertake an examination of its salaries to ensure that equal pay is in place.

Our leadership and people teams have taken this feedback to heart. We aim to have more than 18% of our employees be from under-represented groups by the end of 2022. We have also focused on ensuring that we have feedback and support loops that make Cotopaxi a comfortable, safe, and inspiring place for all people to work.

Cotopaxi recognizes the role marginalization plays in destabilizing societies and driving extreme poverty. Leadership will continue to work towards building the same society internally as we aspire to create externally. We are committed to equal opportunity and are focused on achieving goals in this space.

Metric*	Current Actual	2022 Goal
Number of employees (part time, full time, temporary)	188	285
Number of full time employees	114 (60% of total employees)	175 (61% of total employees)
Number of part time employees	43 (23% of total employees)	79 (28% of total employees)
Number of temporary employees	31 (17% of total employees)	31 (11% of total employees)
Percentage of external governing board who are women	50%	Maintain current percentage
Percentage of external governing board who are BIPOC*	25%	Maintain current percentage
Percentage of women in the company	54%	Maintain current percentage
Percentage of BIPOC employees*	14%	18%
Percentage of female senior leaders (i.e. Manager)	41%	42%
Percentage of BIPOC senior leaders (i.e. Manager, Director, VP, Executive)*	11%	14%

* This table currently only reflects race, ie non-white employees. We do not have data on sexual orientation, disability, etc in our employee base yet. Therefore we think it likely that these numbers underreport diversity based on available data. We are actively taking steps to close these knowledge gaps.



Alivio Soler farms coffee on the steep hillsides of the Andes mountains outside Chaparral, Colombia. Alivio also tends a kitchen garden, which Mercy Corps helped him develop by providing seeds and fencing, along with training on organic gardening practices. Photo courtesy, Mercy Corps.

Ending Extreme Poverty in Our Lifetime

Our mission to fight extreme poverty is the “why” behind our company’s existence. As we sit at the end of 2021, forces that drive global poverty are increasing and evolving. Today, the biggest drivers of extreme poverty are climate change, marginalization, human conflict, forced migration, and the COVID-19 pandemic. Due to the nexus of these issues, global extreme poverty rose in 2020 and continues to do so at an alarming rate for the first time in 20 years. [A recent study by the World Bank](#) estimated that 150 million people currently live below the extreme poverty line. Despite these sobering statistics, we take heart as a company that our partners and giving methodologies have proven resilient and effective. Not only have we directed funding to partners like the International Rescue Committee (IRC) and Mercy Corps to mitigate the effects of COVID-19 and worked to get hundreds of thousands of facemasks into the hands of vulnerable populations, we also offset all of our own carbon emissions through projects, which help create equitable access to jobs for frontline communities. Beyond these more recent interventions we continue to invest heavily in programming which increases access to healthcare, education, and livelihoods through our Pledge 1% commitment.

Field Spotlight

Mercy Corps: Connecting Venezuelan Families With Urgent Financial Support

The current Venezuelan refugee crisis is one of the worst humanitarian crises in the past 50 years and is larger in scale than that of Syria. Those lucky enough to find their way to neighboring countries like Colombia and Ecuador still face joblessness, hunger, and social welfare systems already stressed to their breaking point. In 2021, we partnered with Mercy Corps to help refugees like Jose and Ana (names redacted for security) regain stability so they can begin to rebuild their lives. Jose and his wife Ana withstood the crisis in Venezuela for as long as they could, but when their situation grew so desperate that they were drinking glasses of water for dinner, they made the painful decision to leave their home and seek survival in Colombia. More than 1.8 million Venezuelans are living in Colombia after fleeing economic, governmental, and social collapse that has plunged the majority of the population into poverty, joblessness, and hunger. Many, like Jose and Ana, are funneling into communities that already struggled with poverty and lack of opportunity, and where resources are at a breaking point. Jose and Ana now live with their five children in a small room at the back of another house along a busy street in Riohacha. They earn money selling small goods and mobile phone minutes on the street where they live, but the income is not enough and Jose worries about his children’s future. Mercy Corps is distributing emergency cash to help vulnerable Venezuelans in Colombia meet their urgent needs, including food, medicine, and shelter. Ana was pregnant with their now 3-month-old daughter when the family received their cash disbursement from Mercy Corps, and the money allowed her to get medical care for the birth. They say they would have had no way to go to the hospital without the assistance. The family also purchased essential household items for their shelter.



Mercy Corps works with families in Colombia in response to the Venezuelan refugee crisis. Photo by Ezra Millstein for Mercy Corps.



We've partnered with The Chain Collaborative to support the collective livelihoods of coffee growing communities in Manabí, Ecuador. Photo courtesy, The Chain Collaborative.

Field Spotlight

The Chain Collaborative: Empowering Local Community Leaders To Lead Development

Since launching their collaborative micro-processing project with the support of The Chain Collaborative and Cotopaxi, Alicia Roque Farms has increased farmer income and autonomy, and deepened ties with their partner communities. These strong ties are evidenced by increases in feelings of trust, security, and independence. Farmers have noted that Alicia Roque Farms follows through on commitments, listens to community needs, and values farmers' efforts through offering higher coffee prices. Alicia Roque Farms also return profits back to their collective of growers.

This is just the first of many community-driven, livelihood projects that Alicia Roque Farms envisions for their community. In the future, as they expand their processing center with the support of their community and international partners, they aim to continue using profits from their coffee business to improve livelihoods. Current plans include organic gardening projects for increased food security, women's empowerment initiatives such as alternative income development, the expansion of educational opportunities for youth, and launching a potable water project in the community of Ambache Grande.



The Chain Collaborative invests in the capacity of Change Leaders in coffee-growing regions and accompanies them as they drive grassroots, sustainable development in their own communities.

2021 Giving Totals

Maintaining Our 1% Commitment

Grant/Program	Amount Given	Number of People Assisted	Form of Assistance
Mercy Corps	\$67,098	186 individuals treated directly, 930 in families assisted	Life-saving response
Nothing but Nets	\$71,848	67,238 treatments, 403,416 individuals benefited from programs	Malaria prevention and treatment
Fundación Escuela Nueva	\$67,098	1,200 rural teachers trained, 25 rural schools served, 230 impoverished municipalities served, 24,000 children received online education	Online education in Colombia and South American countries
Mona Foundation	\$27,098	700 students enrolled in school, 54 teachers trained, 291 parents trained, 1,500 additional people served indirectly through student service projects	Education for girls
IRC Venezuela	Grant was paid in 2020 and carried out programmatically in 2021	89,100 served directly, 445,500 served indirectly	Emergency response for displaced persons from Venezuela
IRC Salt Lake City	\$90,000	129 refugee students tutored, 55 students attended digital literacy workshops, 83 families served with laptops, additional digital inclusion trainings also occurred, estimated 1,068 benefited	Online education, needs assessment, youth leadership, and gender equity
IRC Afghanistan Emergency Fund	\$13,120	Estimates not yet available	Assistance to displaced Afghan families
Chain Collaborative Ecuador	\$5,000	130 individuals across 36 coffee growing families served through infrastructure improvements	Economic development through fair trade coffee programs in Ecuador
Range of Motion Project - Ecuador	\$5,000	80 individuals equipped with prostheses, 485 office visits, 360 individuals served indirectly	Assistance to amputees in Ecuador
Boys and Girls Clubs of Hollywood and Metro Denver	\$10,000	Estimated 2,300 marginalized families benefited from programs	DEI, education, and outdoor access
Water1st	\$10,000	Project impacted an estimated 620 people across 115 families	Water and hygiene access to alleviate poverty
Community Grants*	\$30,793	Estimated with help from various nonprofits	Various

Grant/Program	Amount Given	Number of People Assisted	Form of Assistance
Carbon Offsetting - Carbonfund.org and Bonneville Environmental Foundation	\$39,200	3,311 CO2 tonnes offset, entirety of Cotopaxi's Carbon Footprint, estimate 19,866 employed through projects, 99,330 individuals indirectly served (5 being the average family size in countries where offset programs occur)	Reforestation and renewable energy projects in South America
Grants to Tier 1 Suppliers	\$20,000	63,300 workers and family members served	Personal protection equipment against COVID-19 pandemic
Reusable Masks Donated	202,000 masks worth \$707,000	202,000 homeless families served	Personal protection equipment against COVID-19 pandemic
Total Giving		Total Number of People Assisted	
\$456,255 (total dollars given)		1,053,490	
\$1,163,255 (includes price of donated masks)		1,255,490 (includes persons who received masks)	
2021 Revenue		\$55,613,730.29	
Total percentage of revenue given		2%	

* Cotopaxi methodology takes into account the number of both those directly served (think one person treated for malaria) and those who indirectly benefit from program services (ie. immediate family of the person treated.) This allows us to invest in programs and organizations that reach the most amount of people with limited funds. As family finances are nearly always bundled, ensuring that families are not bankrupt due to illness, loss of work, displacement, etc., Cotopaxi monitors both direct and indirect benefits to best estimate the strength of outcomes.

** Cotopaxi cannot separate its funding from other corporate sponsors for this program. These are the organizations' best estimates.

*** Community grants were also supported in part through contributions from customers

Preserving the Value Across our Value Chain

As a company, we strive to combat the manifold risks posed to the millions of individuals trapped in cycles of predation and poverty in global supply chains as well as the communities impacted by waste. That means doing right by the people who make, sell, use, and benefit from our products.

Beyond meeting minimum compliance, Cotopaxi is committed to addressing issues in the supply chain problems when they arise and have made commitments to protecting human rights at all levels of our supply chain through alignment with the [UN Global Compact](#) and UN Principles of Responsible Business. In addition to conducting annual auditing and anonymous supplier surveys, in 2021, we adopted the Ethical Trading Initiative’s [Guide to Better Buying](#), provided direct grants to all workers in cut-and-sew factories to increase their well-being, and maintained and ensured adoption of our standard [Code of Conduct](#). This year, after completing annual social and environmental auditing, Cotopaxi added one supplier to its Tier 1. We look forward to expanding our business by partnering with leading factories around the world.

While Cotopaxi maintains a rigorous stance against abuses in supply chains—namely, forced labor, slavery, child labor, harassment, lack of right to collective bargaining—the insidious nature of human rights abuses across apparel supply chains makes them hard to detect and impossible for us to completely prevent. Cotopaxi cannot tackle these issues alone, which is why our company promoted [California’s Garment Workers Protection Act](#), the first legislation in America to specifically protect garment workers in supply chains. We need international and local policy makers to hold nation states accountable for protecting human rights, including the many millions of vulnerable workers in the garment sector. Cotopaxi will continue to lend support for all those fighting for dignity for workers.

In the following sections, we revisit negative findings from our [2020 Impact Report](#) with regards to our supply chain to illustrate resolution and progress:

2020 Negative Findings from Supply Chain Due Diligence and 2021 Resolutions and Progress

Source of Finding	Finding	Year of Finding	2021 Finding
Tier 1 Social Audit	Insufficient training for workers around collective bargaining	2020	Additional training was provided through a working group. A third party auditor noted that this had been successfully addressed
Anonymous Supplier Survey	Two cases of subcontracting	2020	In this year’s anonymous supplier survey, there were no cases of subcontracting
Anonymous Supplier Survey	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. This was also confirmed in audits
Tier 1 Social Audit	Additional worker hours that exceeded Cotopaxi’s 60 hour 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 working within limits.



Factory owner George Huang, left, talks with employee Song Xiao Ying at the factory outside of Tianjin. Photo by James Roh.

2021 Positive Findings from Supply Chain Due Diligence

While 2021 presented manifold challenges for the people, brands, and nations trapped in a volatile environment due to the COVID-19 pandemic, Cotopaxi saw the resilience that comes from investing in the partners and people across our supply chain. The result was fewer negative findings in audits, improved feedback from suppliers through our anonymous supplier survey, and mutual business growth in spite of the odds.

Here are a few of our findings:

Source of Finding	Positive Finding	Future Goals
Anonymous Survey 2021	93% of our partners (up from 87% in 2020) stated that Cotopaxi had helped them improve their sustainability (social or environmental)	97% of partners in 2022 stating that we had assisted them with improving their sustainability performance
Anonymous Survey 2021	100% of our suppliers said our technical specifications were adequate (up from 96% in 2020)	Maintain 100% satisfaction with regards to our technical specifications
Anonymous Survey 2021	There were no shared examples of subcontracting, decreased wages, financial losses, or hiring of temporary sewers	Maintain a zero findings record around these topics of concern
Social Audit from Tier 1 supplier in China	Auditor shared that, "This supplier meets the highest standards in terms of employee well being; we did not see evidence of any risk of exposure to forced or slave labor; all employees rate management very highly. There were no findings of too much overtime or incorrect record keeping."	Keep investing in partnership with both managers and worker to promote conscious capitalism
Grants to Workers across our Supply Chain	63,300 workers and family members benefitted from cash assistance, subsidized groceries, internet installation, iPads for education, and/or pediatric care	Continue making annual grants to our biggest Tier 1 partners and expanding the program to include Tier 2 suppliers

Next Steps

As we move forward as a company, we will always take steps to improve upon our sustainable supply chain management approach. This will involve financially supporting additional and comprehensive training to both workers and supplier managers about sustainability topics. We have a goal to work with two of our Tier 1 suppliers to financially contribute to environmental improvements that would potentially involve renewable energy installations, water waste recycling systems, or carpooling. We are also working on expanding the testing done on our products for both quality and sustainability factors. Our supply chain team saw net improvements in both audit and survey outcomes. More than ever the 160 million children (UNICEF and ILO, 2020) and 16 million marginalized individuals trapped in slavery in global supply chains, deserve our support and advocacy (ILO, 2016).



Employees get a ride home in a van as part of the ride share program initiated by owner George Huang. The program provides safe transportation and an opportunity to earn more income for the drivers. Photo by James Roh.

Cotopaxi's Environmental Commitment

Acting on our Sustainable Design Principles

Climate change is one of the largest single drivers of extreme poverty. It is estimated that without climate action, environmental degradation will displace up to 1.5 billion people by 2050. Predictions also report a likely increase to 690 million people who will experience severe food and water insecurity in the next 5-10 years. Taking this foundational contributor to extreme poverty into account, Cotopaxi has continuously worked on reducing its environmental impacts. Since our founding, Cotopaxi has piloted new ways of building functional products designed using sustainable principles and materials. This year we went past aligning with science-based targets and officially became carbon neutral through undertaking the Climate Neutral certification.

Climate Neutral

As part of our endeavor to reduce our negative impact across our entire value chain, Cotopaxi partnered with a rigorous third party certifying body, Climate Neutral (CN), to address our entire 2020 carbon footprint and reduce our greenhouse gas (GHG) emissions. Climate Neutral is a nonprofit organization that assists brands in accurately and completely measuring their carbon footprint and becoming 100% carbon neutral. CN provides brands with the resources and guidance needed 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 Climate Neutral, Cotopaxi felt that there was mutual accountability and transparency. We know that companies are biased in favor of under-estimating their impacts upon the environment. Cotopaxi worked with a highly credible, science-based partner to ensure a rigorous and objective process for measuring our emissions.

The Process Behind the Certification

Step 1: Measure

It all starts with creating a solid estimate of carbon emissions from the manufacturing and delivery of Cotopaxi's products and services. Cotopaxi's footprint for certification includes Scopes 1, 2, and upstream Scope 3 emissions (per the Greenhouse Gas Protocol).

Climate Neutral has simplified this sometimes prohibitively complex step with their own software tool, the Brand Emissions Estimator, or BEE. This suite of measurement tools helps brands to estimate their carbon footprint where they are unable to measure themselves due to inherent complexities. The tool overestimates as a rule to ensure that no corners are cut. Cotopaxi's total carbon footprint in 2020 was 3,311 tCO₂e (tonnes of carbon dioxide equivalent, see diagram on p. 24).

Step 2: Offset

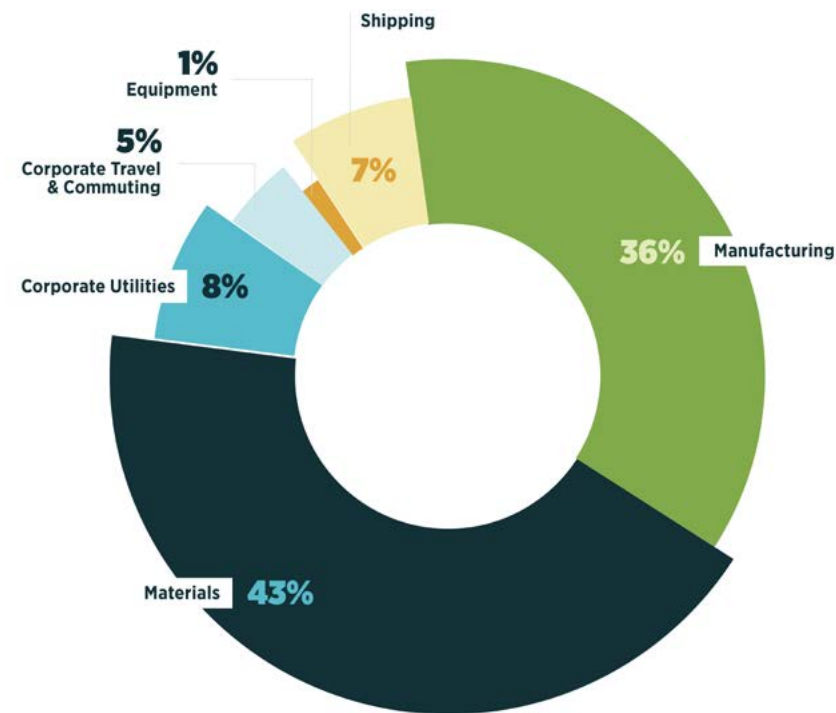
Once Cotopaxi calculated the previous year's emissions, we purchased standardized and multi-beneficial carbon credits to remove our carbon emissions from the atmosphere. Projects like reforestation remove carbon from the atmosphere, while renewable energy sources obviate the need for carbon-emitting fossil fuels.

Step 3: Reduce

Climate Neutral also requires all brands to develop and implement a reduction action plan (RAP) to reduce their emissions or carbon intensity score over the next 12-24 months.

After measuring our emissions, we worked with [CarbonFund](#) and the Bonneville Environmental Foundation to purchase carbon offsets from verified and vetted offsetting projects. These partners helped us identify projects that not only meet third party verification, but that positively affect local communities experiencing poverty through job creation and education. By purchasing a carbon credit, one tonne of carbon is removed or avoided from entering the atmosphere. When we purchased carbon credits to offset our 3,311 tCO₂e footprint, we became carbon neutral.

Our Footprint in Numbers



2021 Positive Findings from Supply Chain Due Diligence

Source of Emissions*	Number (tCO2e)
Scope 1	1 tCO2e
Scope 2	264 tCO2e
Scope 3	3,046 tCO2e
Total	3,311 tCO2e
Carbon Intensity Score (MT of CO2/million of revenue)	0%

* For 2020 (environmental reporting occurs for the previous calendar year - 2020 figures), our carbon intensity score was calculated based on 3,311MT/\$35,344,584 in revenue.

Selection of Accredited Carbon Offsetting Projects

Los Eucaliptos Afforestation Project

Project Location: Canelones, Uruguay

Project Owner: Iberpapel

Project Type: Afforestation

The Los Eucaliptos project in Southeast Uruguay will contribute to the sequestration of carbon by introducing the silvopastoral system on lands degraded by heavy tillage and cattle grazing. The more than 11,000 acre project will improve the livelihood of nearby communities by creating jobs associated with improved forest management and activities related to the eucalyptus plantation.

Inner Mongolia Wu'erqihan IFM Project

Project Location: Wu'erqihan Town, Yakeshi City, Mongolia

Project Type: Improved Forest Management (IFM)

The Inner Mongolia Wu'erqihan IFM project is dedicated to the conversion of logged forests to protected forests, and being implemented in Wu'erqihan Town, Yakeshi City, Inner Mongolia Autonomous Region of China. The area of the project activity is 43,167ha. The species involved in the project are Birch (*Betula platyphylla*) and Larch (*Larix gmelinii*).

Tribal Renewable Energy Stacked Offsets

Project Location: Washington, USA

Project Owner: Twende Solar

Project Type: Renewable Energy

The Quinault Indian Nation is partnering with nonprofits Twende Solar, Bonneville Environmental Foundation, and iconic Pacific Northwest companies to advance the first solar project located on their reservation in Queets, Washington.

As a community heavily impacted by climate change with concerns about rising sea levels and struggling salmon populations, transitioning from an extractive fossil fuel-dependent economy to a renewable energy future is a priority for the Quinault. Incorporating workforce training and renewable energy curriculum development into this project helps set the stage for future installations.

Sustainable by Design

Cotopaxi's 3 R's

In 2020, we built on our original sustainable design framework by implementing a comprehensive plan to manufacture 100% of our products from non-virgin and responsible materials. We refer to this as the Three R framework, which ensures that everything we make is either made from Repurposed, Recycled, or Responsibly sourced (must have a third-party standard or designation, i.e. RDS down). To date, 94% of Cotopaxi products use repurposed, recycled, or responsible materials with a goal to get to 100% by 2025. We improved our performance in 2021 in comparison to the prior year by 4%.



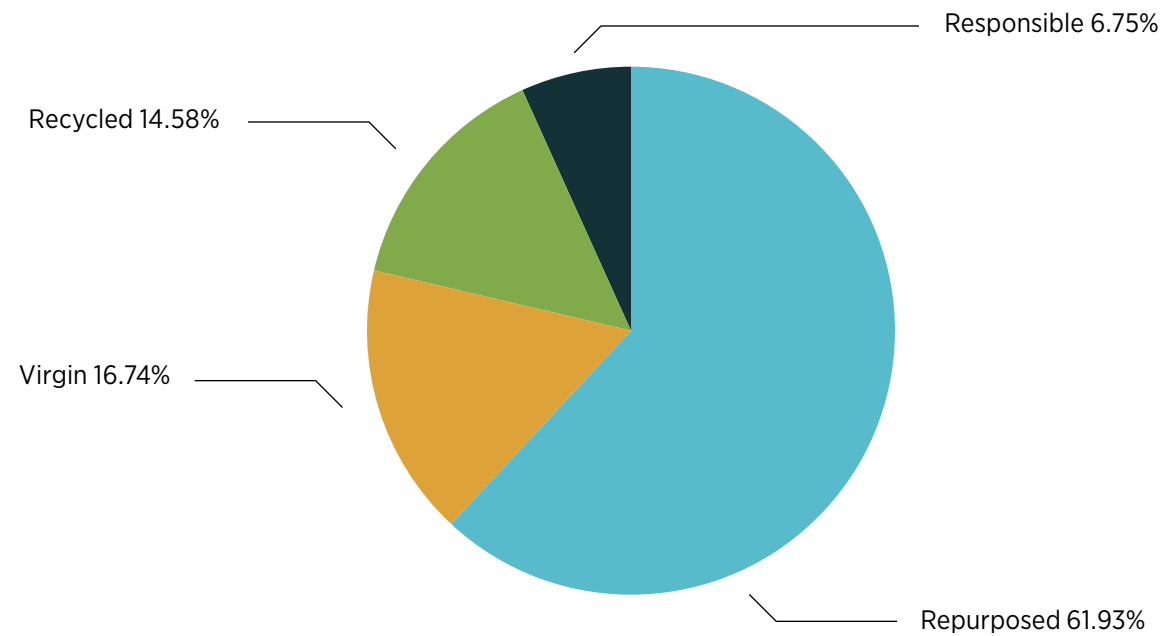
Factory workers assemble Del Día backpacks at our partner factory in the Philippines. Photo by Shaira Luna.

A Breakdown of Our Items by Sustainable Category

Product Line*	Recycled	(Re)Purpose™	Other Certification
Del Día	-	Yes, 100% (Re) Purposed fabric	-
Teca and Mira Jackets	Insulated Teca jackets use 100% recycled polyester for insulation	Yes, all Teca items use (Re)Purposed materials	-
Fuego	-	-	RDS-certified down
Solazo Down Jacket	Yes, F/W 21 Solazo jackets use 100% recycled polyester (lining) and 90% recycled polyester for sleeves	-	RDS-certified down
Trico Hybrid Jacket	Yes, shell and insulation are 100% recycled polyester	Yes, shell is (Re) Purposed polyester	-
Abrazo Half-Zip	Yes, 100% recycled polyester fleece	-	-
Logo Wear	Yes, all logowear is 60% organic cotton, 40% recycled polyester	-	Produced using Organic cotton at a certified, Fair Trade™ Certified factory
Dorado Fleece	Yes, 100% of the fleece is recycled polyester	-	-
Monte Fleece	Yes, 100% of this hybrid fleece is recycled polyester	-	-
Lozano Fleece and Jogger	Yes, 46% of product line is recycled polyester	-	-
Lagunas Jacket	Yes, jacket is 100% recycled polyester	-	-
Bandera Sweatshirts	Yes, 58% recycled polyester	-	-
Paseo, Cala, Cerro, Cambio, and Baja Activewear	Yes, all are made from at least 79% recycled polyester	-	-
Hats	Yes	Yes	-
Viento Travel Jacket	-	-	-
Veza and Tierra Bottoms	-	-	Fair Trade Certified™
Parque Rain Jacket	-	-	-
Ara Joggers	-	-	-
Allpa (non-Del Día)	-	-	-
Percentage of styles that meet the sustainability standards		94% (147 of 155 of product groups)	
Percentage improvement from last year		4%	

* Taken from F/W20-S/S21. We did not gather material percentages before F/W 20.

A Breakdown Based on Sustainability Class of All Items Manufactured and Shipped in 2021



Year	Repurposed	Virgin (Not Yet Fully Sustainable)	Recycled	Fair Trade	Responsibly Certified (RDS, Certified 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

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 by 2025. From 2020 to 2021, we decreased the percentage of products that do not meet sustainability principles by 23%.

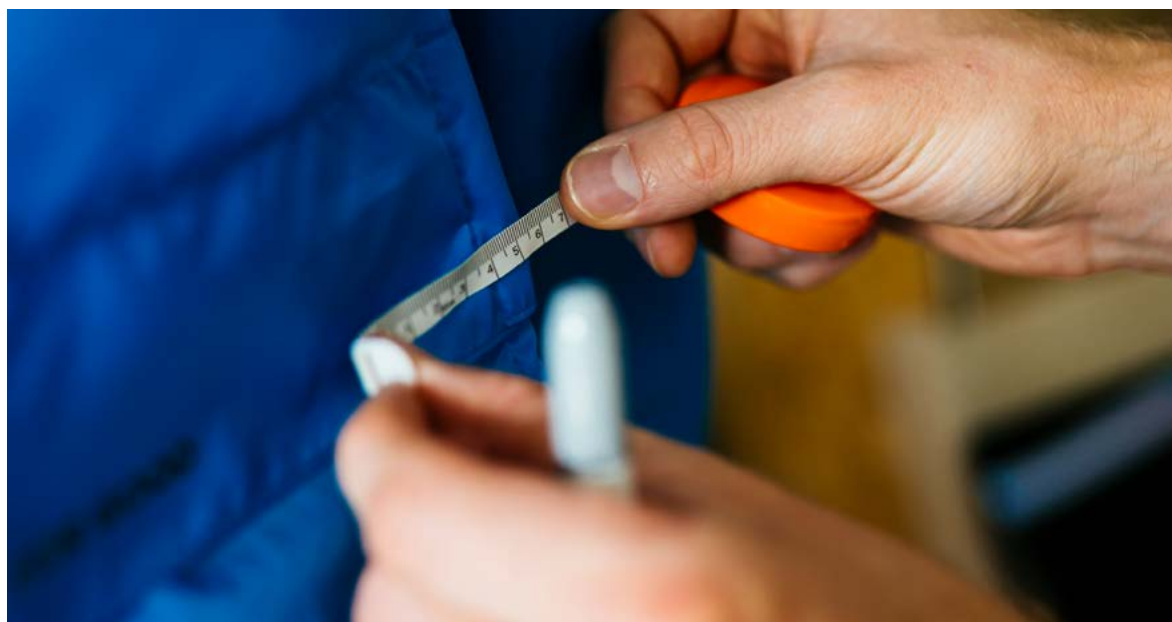
(Re)Purpose™ Progress to Date

When we launched our (Re)Purposed line 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 in the fashion and apparel industries. To date, we estimate that Cotopaxi has used 800,000 yards of remnant fabric for our Del Día program and 250,000 yards of remnant fabric for our Teca program. This means we've kept out nearly a million yards of fabric from going to waste. If you lined the fabric up yard by yard, that would stretch over 560 miles.

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 are areas in flight currently for future product delivery seasons.



A cutter in the sample room pulls fabric for use in a product prototype in our Philippines partner factory. Photo by Shaira Luna.



A sewer in our partner factory in Tianjin, China, adjusts measurements on a Cotopaxi prototype jacket. Photo by James Roh.

Launching Our Resale Platform

To close the loop in terms of downstream circularity, Cotopaxi took several steps to scale up our repair and resale options. In 2021, Cotopaxi and our collaborators, Trove and REI, announced the launch of a new trade-in recommerce program. This collaboration resulted in a pilot program that allowed Cotopaxi to enter the resale market as a small- to medium-sized B Corporation.

REI now sells Cotopaxi's pre-owned merchandise through its existing Used Gear resale site. Through this partnership, Cotopaxi has been able to prolong the lifecycle of our products, while engaging conscious consumers and driving a more sustainable and circular retail economy.

Customers can now trade in their Cotopaxi items in exchange for a gift card by mailing in their gently used gear and apparel. The items are sent to Trove, which assesses each product, assigns a condition grade, and cleans and/or repairs the item prior to approving it for photography and placement for sale on REI's Used Gear site.

"Cotopaxi has always strived to design in ways that reduce waste and contribute to sustainable development," our founder, Davis Smith says. "Our partnership with Trove and REI will help us to further that commitment, allowing our gear to prove its durability, re-enter the marketplace, and reduce its impact on the planet."

To Date:

- 77 items have sold to date through Trove/REI
- Average Carbon Savings of 51.4% vs. buying new for these items

Thank You!

Thank you for the accountability and support that all of our stakeholders provide Cotopaxi. We are always open to opportunities and sustainable strategies that Cotopaxi can adopt. We give you our word that we will always use our resources to uplift the complex and precious world we inhabit.

- **For media requests and inquiries, please contact:** pr@cotopaxi.com
- **For specific questions pertaining to this report, please contact:** llamas@cotopaxi.com



Nicole Ver Kuilen, Cotopaxi ambassador and advocate for Cotopaxi's nonprofit partner, The Range of Motion Project (ROMP), grabs a high five with friends in Mount Tamalpais State Park, CA. Photo by Adam Wells.

GRI Content Index

For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report. Cotopaxi has reported in accordance with the GRI Standards for the period of January 1, 2021–December 31, 2021.

GRI Standard	Disclosure	Location
GRI 1: Foundation 2021		About this Report Section
GRI 2: General Disclosures 2021	2-1 Organizational details	About Cotopaxi Section
	2-2 Entities included in the organization's sustainability reporting	About Cotopaxi Section
	2-3 Reporting period, frequency and contact point	About this Report Section
	2-4 Restatements of information	About this Report Section
	2-5 External assurance	About this Report Section
	2-6 Activities, value chain and other business relationships	About Cotopaxi Section
	2-7 Employees	About Cotopaxi Section
	2-8 Workers who are not employees	About Cotopaxi Section, Preserving the Value across our Value Chain Section
	2-9 Governance structure and composition	About Cotopaxi Section
	2-10 Nomination and selection of the highest governance body	About Cotopaxi Section
	2-11 Chair of the highest governance body	About Cotopaxi Section
	2-12 Role of the highest governance body in overseeing the management of impacts	Cotopaxi Governance and People Section
	2-13 Delegation of responsibility for managing impacts	Cotopaxi Governance and People Section
	2-14 Role of the highest governance body in sustainability reporting	Cotopaxi Governance and People Section
	2-15 Conflicts of interest	Cotopaxi Governance and People Section
	2-16 Communication of critical concerns	Cotopaxi Governance and People Section

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	Cotopaxi Governance and People Section
	2-18 Evaluation of the performance of the highest governance body	Cotopaxi Governance and People Section
	2-19 Remuneration policies	Cotopaxi Governance and People Section
	2-20 Process to determine remuneration	Cotopaxi Governance and People Section
	2-21 Annual total compensation ratio	Omitted and explained - Diversity and Inclusion Section
	2-22 Statement on sustainable development strategy	About Cotopaxi Section, Letter from ESG Leadership
	2-23 Policy commitments	About Cotopaxi Section
	2-24 Embedding policy commitments	About Cotopaxi Section, Cotopaxi Governance and People Section
	2-25 Processes to remediate negative impacts	Cotopaxi Governance and People Section
	2-26 Mechanisms for seeking advice and raising concerns	Cotopaxi Governance and People Section
	2-27 Compliance with laws and regulations	About Cotopaxi Section
	2-28 Membership associations	About Cotopaxi Section
	2-29 Approach to stakeholder engagement	About this Report Section
	2-30 Collective bargaining agreements	About Cotopaxi Section, Preserving the Value across our Value Chain Section
GRI 3: Material Topics 2021	3-1 Process to determine material topics	About this Report Section
	3-2 List of material topics	About this Report Section
	3-3 Management of material topics	About this Report Section
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Sustainable by Design Section
	301-2 Recycled input materials used	Sustainable by Design Section
	301-3 Reclaimed products and their packaging materials	Sustainable by Design Section
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Cotopaxi's Environmental Commitment - Climate Neutral

GRI Content Index, cont.

GRI Standard	Disclosure	Location
GRI 302: Energy 2016	302-2 Energy consumption outside of the organization	Cotopaxi's Environmental Commitment - Climate Neutral
	302-3 Energy intensity	Cotopaxi's Environmental Commitment - Climate Neutral
	302-4 Reduction of energy consumption	Cotopaxi's Environmental Commitment - Climate Neutral
	302-5 Reductions in energy requirements of products and services	Cotopaxi's Environmental Commitment - Climate Neutral , Sustainable by Design Section
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Cotopaxi's Environmental Commitment - Climate Neutral
	305-2 Energy indirect (Scope 2) GHG emissions	Cotopaxi's Environmental Commitment - Climate Neutral
	305-3 Other indirect (Scope 3) GHG emissions	Cotopaxi's Environmental Commitment - Climate Neutral
	305-4 GHG emissions intensity	Cotopaxi's Environmental Commitment - Climate Neutral
	305-5 Reduction of GHG emissions	Cotopaxi's Environmental Commitment - Climate Neutral
	305-6 Emissions of ozone-depleting substances (ODS)	Out of scope
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Out of scope
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Preserving the Value across our Value Chain Section
	308-2 Negative environmental impacts in the supply chain and actions taken	Preserving the Value across our Value Chain Section
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Diversity and Inclusion Section
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Cotopaxi Governance and People Section
	401-3 Parental leave	Cotopaxi Governance and People Section

GRI Standard	Disclosure	Location
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity and Inclusion Section
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	Omitted and explained - Diversity and Inclusion Section
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Preserving the Value across our Value Chain Section
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Preserving the Value across our Value Chain Section
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Preserving the Value across our Value Chain Section
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Ending Extreme Poverty Section , Preserving the Value across our Value Chain Section
	413-2 Operations with significant actual and potential negative impacts on local communities	Out of scope
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Preserving the Value across our Value Chain Section
	414-2 Negative social impacts in the supply chain and actions taken	Preserving the Value across our Value Chain Section

