

Cotopaxi Environmental Sustainability Policy as of 2023

Overview

Cotopaxi aims to help end extreme poverty in our lifetimes. Given the manifold ways in which climate change negatively contributes to poverty, Cotopaxi sees it as self-evident that we must combat the negative effects our business has upon our shared human habitat. To ensure that we are accounting for our impacts upon nature and society, we are committed to carbon neutrality today and will strive for true Net Zero by 2030.

This Policy commits Cotopaxi to:

- 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 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.