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# COTOPAXI

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Supplier Code of Conduct  
And  
Compliance Declaration

# SUPPLIER CODE OF CONDUCT

## COTOPAXI

Cotopaxi's mission is to create innovative outdoor products and experiences that fund sustainable poverty alleviation, move people to do good, and inspire adventure. As a Delaware Public Benefit Corporation, Cotopaxi has made a formal commitment to creating positive social impact through its model, operations and business practices. These priorities extend to our supply chain, where we are committed to working with our manufacturing and supply chain partners to maintain and improve labor, health and safety, and environmental conditions in the workplace.

The Cotopaxi Supplier Code of Conduct (the "Code") outlines the expectations we hold for Suppliers and Manufacturers ("Suppliers") regarding compliance with international laws, regulations and standards for fair, safe, and healthy working conditions as well as environmentally responsible practices throughout our supply chain. These Code requirements are based on International Labor Organization (ILO) core conventions and the Universal Declaration of Human Rights.

Cotopaxi pledges to work with our suppliers to ensure that these code requirements are met along the whole supply chain, including sub-suppliers, sub-contractors, and farms. In the event that any Code standards are not met, Cotopaxi will work with the Supplier to identify deficiencies, then prepare and implement a corrective action plan that is supported by the appropriate management, reporting, and tracking systems to ensure ongoing compliance. We recognize that this effort requires listening to our suppliers and their employees' needs, and requires a collaborative approach using capacity building tools such as training and management-system development to drive meaningful change.

### **I. Law and Code Compliance**

Suppliers shall operate in full compliance with the applicable laws of the United States as well as their respective countries, the Code, and with all other applicable laws, rules, and regulations. All suppliers must agree to announced and unannounced assessments by Cotopaxi, including the polling of workers without management interference.

### **II. Environment**

Suppliers recognize that environmental responsibility is integral to producing high quality products. In manufacturing operations, adverse effects on the environment and natural resources are to be minimized while safeguarding the health and safety of the public and workers. Suppliers shall comply with all environmental laws, regulations, and industry standards applicable to their operations, such as requirements regarding industrial wastewater treatment and discharge, air emission controls, recycling, chemical and waste management and disposal, land management, environmental permits and environmental reporting. Suppliers will observe environmentally conscientious practices in all locations where they operate. When

local requirements are less stringent than Cotopaxi's own, Suppliers are strongly encouraged to meet globally recognized best practices.

### **III. Labor**

#### **A. Forced Labor**

Suppliers shall not use any type of forced or compulsory labor, as defined by the ILO's Forced Labor Convention. Workers shall be free to quit at any time.

#### **B. Child Labor**

Suppliers shall only employ workers who meet local worker age requirements or the ILO's Minimum Age Convention's applicable minimum legal age requirement of at least 15 years of age for general employment, or 18 years of age for hazardous work, whichever is greater. Juvenile workers (ages 15-17) shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to compromise their health, safety, or morals (ILO Conventions 138 and 182).

#### **C. Discrimination**

Suppliers shall hire, pay, promote, and terminate—in addition to providing access to training and benefits to—employees on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs.

#### **D. Freedom of Association and Collective Bargaining**

Workers must be free to join organizations of their own choice. Suppliers shall not interfere with workers who wish to lawfully and peacefully associate, organize, or bargain collectively.

#### **E. Harassment or Abuse**

Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological, or verbal harassment or abuse.

#### **F. Wages and Benefits**

Cotopaxi seeks and favors suppliers who progressively raise employee living standards through improved wage systems, benefits, welfare programs, and other services, which exceed legal requirements and enhance quality of life. Every worker has a right to compensation for a regular workweek that is sufficient to meet the workers' and their families' basic needs and provide some discretionary income. Employers shall pay wages which equal or exceed minimum wage or the appropriate prevailing wage, whichever is higher and comply with all legal requirements on wages. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with Cotopaxi to take appropriate actions that seek to progressively realize a level of compensation that does.

#### **G. Overtime Wages**

In addition to compensation for regular working hours, employees must be compensated for overtime hours at the rate legally required in the country of manufacture or, in those countries

where such laws do not exist, at a rate exceeding the regular hourly compensation rate by at least 125%

#### **H. Working Hours**

Suppliers shall set working hours in compliance with all applicable laws. The regular workweek shall not exceed 48 hours or the maximum allowed by the law of the country of manufacture, whichever is less.

#### **IV. Occupational Health and Safety**

Suppliers shall comply with all applicable laws and regulations regarding working conditions and shall provide workers with a safe and healthy environment.

#### **V. Animal Welfare**

Suppliers must respect animal welfare and work progressively toward adopting healthy and humane practices toward animals based on best available technology and standards.

#### **VI. Community**

Cotopaxi encourages all Suppliers and their employees to engage in socially and environmentally beneficial efforts by volunteering time and/or providing other types of support. Cotopaxi seeks long-term partnerships with Suppliers that share Cotopaxi's core values and offers support in the development and implementation of effective philanthropic efforts. For resources and support, please contact [impact@cotopaxi.com](mailto:impact@cotopaxi.com).

#### **VII. Subcontracting**

Cotopaxi does not permit subcontracting without our prior written approval. All sample and bulk production orders must be placed within facilities that have been pre-approved by Cotopaxi, without exception. Direct Suppliers are required to continuously monitor approved subcontractors and sub-suppliers for social and environmental responsibility using standards that meet or exceed the Code.

#### **VIII. Traceability**

Cotopaxi and Suppliers are jointly responsible for ensuring social and environmental responsibility throughout the supply chain. In pursuit of transparency and traceability goals, Cotopaxi requires Suppliers to map and continuously track and monitor all locations in all levels of their supply chain and, upon request, provide transparency information into the owned and/or subcontracted farms, mills, plants, factories, and other sites that are involved in the production of Cotopaxi products. In cases where there is a lack of transparency and traceability into the policies and practices of sub-contractors and sub-suppliers, Cotopaxi will work with the Supplier to map and track all locations in all levels of their supply chain.

#### **IX. Quality**

Suppliers must have a clearly documented quality system and quality improvement plan. That system must include reliable "in process" and final finished goods audits and procedures that meet Cotopaxi's quality standards. These audits must be performed by a trained QA staff

person provided by Cotopaxi and/or the Supplier. The QA staff person must be granted the autonomy and support he/she needs in order to provide an unbiased report on the quality of every shipment of finished goods. Compliance with our quality requirements is monitored by Cotopaxi's Product department.

#### **X. Code Communication**

Suppliers are required to post the Cotopaxi Code standards and Cotopaxi grievance email address ([impact@cotopaxi.com](mailto:impact@cotopaxi.com)) in a conspicuous place frequented by all employees in the local languages spoken by employees, supervisors, and managers. Suppliers shall undertake annual, documented training efforts to educate current and new employees about Cotopaxi's Code. If, however, it can be confirmed that the Supplier is otherwise providing staff with sufficient training and resources in accordance with international laws and best practices, the Supplier will not be expected to duplicate these efforts with a training specific to the Cotopaxi Code.

#### **XI. Monitoring, Enforcement & Compliance Management**

As a condition of doing business with Cotopaxi, each Supplier must comply with the Cotopaxi Code of Conduct. Cotopaxi will continue to develop monitoring systems to assess and ensure compliance. If Cotopaxi determines that any factory has violated this Code, Cotopaxi may at its discretion either terminate its business relationship and/or require the factory to implement a corrective action plan. If corrective action is advised but not taken, Cotopaxi will suspend placement of future orders and may terminate current production.

Cotopaxi strongly encourages factories to define and implement a policy for social accountability and to adopt or establish a management system to ensure that the requirements of the Cotopaxi Supplier Code of Conduct can be met in a consistent way.

**Any questions related to this Code can be addressed to [impact@cotopaxi.com](mailto:impact@cotopaxi.com).**

If Suppliers are violating any of these Code elements, we would like to know about it. Please feel free to write in your local language. All information we receive will be kept in strict confidence and your identity protected.

# SUPPLIER CODE OF CONDUCT COMPLIANCE DECLARATION

COTOPAXI

We, the undersigned hereby confirm:

1. That we have received and taken due note of the Cotopaxi Supplier Code of Conduct (the "Code") and commit ourselves to fully comply with its principles and requirements.
2. That we agree that Cotopaxi or a third party appointed by Cotopaxi may carry out periodic, unannounced inspections / audits on our facilities to verify our compliance with the Code.
3. That we effectively communicate the contents of the Code to our employees, agents, subcontractors and suppliers and ensure all measures required are implemented accordingly.

We also confirm that we have noted that compliance to the Code is an essential component of business relations between Cotopaxi and us as a Supplier for Cotopaxi.

Please sign and date this letter. We ask that you return a signed copy along with the Code and retain one for your records.