ANNUAL REPORT 2022

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In the summer of 2020 while navigating the challenges of the pandemic, our leadership team

came together to set some ambitious long term goals. It was important that we not lose sight of the major outcomes that we exist to achieve, even as we scrambled to address the immediate challenges that we were facing.

Although our revenue and shoe distributions had been cut by more than half from pre-pandemic levels, we believed that Because would bounce back stronger than ever. We resolved that, by 2030, we would distribute 1,000,000 additional pairs of The Shoe That Grows and, through the Because Accelerator, create 25,000 jobs in communities around the world impacted by poverty.

We are proud and energized to be an organization doing our part in the global effort to combat poverty and the human suffering it causes. The United Nations has set the goal of eradicating extreme poverty by 2030, and that goal will become increasingly ambitious as the lasting impact of the pandemic becomes clear. Global poverty has been alleviated at a remarkable pace over the past few decades, and yet hundreds of millions of people around the world still struggle to survive on less than \$2.00 per day.

A MESSAGE FROM PRESIDENT ANDREW KROES

We believe in the power of innovative people to solve problems, both intense and immediate along with problems that are systemic and long term. We believe in the power of small things that can make a big difference in the daily lives of those struggling with poverty. And we believe in the power of entrepreneurs to create solutions, provide jobs and lift their communities out of poverty.

We recently surpassed 100,000 pairs distributed and 1,500 jobs created since 2020. Each pair distributed brings joy into the life of a child struggling with poverty and makes their daily life a bit easier. And each new job creates a long term path towards prosperity for individuals and families.

Our impact has been growing each year, but it must grow exponentially faster for us to hit our 2030 targets. Success is anything but guaranteed, but momentum is clearly building. We enter 2023 expecting a period of rapid growth and doing the hard work necessary to make it happen.

As Margaret Mead shared decades ago, "A small group of thoughtful people could change the world. Indeed, it's the only thing that ever has". Thanks for being a part of this thoughtful and committed group.

PHOTO CAPTION: STUDENTS AT A DISTRIBUTION IN KENYA IN EARLY 2022, COURTESY OF CECILIE OLAUSSEN PHOTOGRAPHY

Our mission is to alleviate poverty by distributing impact products and supporting product-focused entrepreneurs.

In 2022 we made the decision to change our mission statement to more directly reflect who we are and our two programs— The Shoe That Grows and the Because Accelerator.

DISTRIBUTING IMPACT PRODUCTS

Because International began with a simple idea—a shoe that could grow with a child. Today, we call it The Shoe That Grows. 400,000 pairs have been distributed in over 100 countries around the world, and it's produced in Kenya—creating jobs in one of the countries where it's commonly distributed.

SUPPORTING PRODUCT-FOCUSED ENTREPRENEURS

Following The Shoe That Grows' success, we wanted to take that model and amplify its impact through more products. The Because Accelerator works with entrepreneurs around the world helping them grow their businesses, distribute more products and create jobs in their communities.

4 BECAUSE INTERNATIONAL

PHOTO CAPTION: FALL 2022 COHORT ALUMNA MIRIAM FEZA (SECOND FROM THE RIGHT) AND HER TEAM AT CLAY COSMO 2022 ANNUAL REPORT 5

2022 AT A GLANCE



In January we awarded the Because Accelerator's first recoverable grants —\$10,000 each—to 2019 Cohort alumni Sadik Abdulai (pictured) and Joan Nalubega.

READ MORE ABOUT THE ACCELERATOR ON PAGE 10.

Ahadi Kenya Trust partnered with us in the spring to treat the feet of children who had been affected by jiggers and distribute 700 pairs of The Shoe That Grows funded by individual supporters—to prevent further infestations.





The Because Box beta test launched in the spring—a subscription box that featured entrepreneur products and allowed us to gather feedback from supporters and pass it on to entrepreneurs to aid in product development.

> The Sole community's quarterly distribution of The Shoe That Grows sent 850 pairs to displaced individuals in Pakistan through our partnership with Lifting Hands International.

LEARN MORE ABOUT THE SOLE'S IMPACT IN 2022 ON PAGE 13.





In August we announced the winner of Because International's first impact competition— Esther, founder of Venille. Based in Nigeria, Venille repurposes banana stems to produce disposable pads for women.



In 2022, supporters purchased more than 15,000 pairs of The Shoe That Grows to pack in Christmas shoeboxes including 861 individuals who chose to include The Shoe for the first time.

Girl Scouts troops funded the distribution of 2,000 pairs of The Shoe That Grows in Kenya—all through individual girls who opted to use their cookie rewards to help others.

READ MORE ABOUT THE SHOE THAT GROWS ON PAGE 8.



Throughout the year, almost 1000 volunteers visited us at our office in Idaho to help correct an issue with our spring shoe shipment and ensure that each pair was the best it could be for the child receiving it. We are so grateful for the support of this generous community.



A DISTRIBUTION IN BURUNDI

Denis Ndayizeye first learned about The Shoe That Grows while in the Fall 2021 Cohort of the Because Accelerator. Shortly after completing the program, he emailed the Because team to inquire about having shoes distributed to his community in Burundi, Africa—one of the world's poorest countries.

"I [understand] that children living in rural areas are struggling in achieving basic education due to poverty, and it is a common situation and personal experience," shares Denis. "I remember how jiggers and wounds affected me personally."

In June 2022, Denis distributed 350 pairs of The Shoe That Grows to children living in the province of Bubanza, which he selected due to the high rates of early marriage, children on the streets and infections from jiggers.

Denis' shoe distribution was made possible thanks to the generous donations of The Sole community. **O**

2022 IMPACT QUICK FACTS



and lasts for years, developed to protect health and access to education for kids and families impacted by poverty.

The Shoe That Grows expands five sizes

THE LIMB KIND FOUNDATION

In countries impacted by poverty, individuals with limb loss don't have the resources to pay for needed prosthetics and even if they did, prosthetic services aren't widely available in developing areas.

That's where Limb Kind Foundation steps in—a New York-based nonprofit that provides free prosthetics to children around the world.

"In almost all these countries that we go to," says founder Robert Shulman, "the children show up with barely any shoes at all and we feel bad that we're providing prosthetics but no shoes to put on them."

Since each size of The Shoe That Grows expands five sizes, it helps ensure Limb Kind will have a pair of shoes that will fit any child they work with.

In 2022, Limb Kind distributed 36 pairs to youth and children in Kenya who also received prosthetic limbs—and there are plans for even more in 2023.

THOSE 35,000 PAIRS WERE DISTRIBUTED IN 36

COUNTRIES AROUND

JOBS WERE CREATED

IN MOMBASA, KENYA

AS A RESULT OF SHOE

THE WORLD

PRODUCTION

36

20



Using our experience from developing The Shoe That Grows, the Because Accelerator helps entrepreneurs get to the next stage with training, coaching, networking and funding.



OMAR NEGRON OCASIO: REMORA



After Hurricane Maria left Omar's community in Puerto Rico without clean water for five

months, he was inspired to design a product that could filter water from the country's natural water sources.

"Hurricane Maria destroyed my island and my home," Omar shared. "It was heartbreaking to see everything that I knew as home was gone. For five months straight, we had to form long lines every single day hoping the water truck would arrive."

Remora's device is an innovative, solar-powered water filtration unit that's able to filter any water source except the ocean. Since launching in 2018, the Remora team has installed 13 water filtration devices, providing 2,000 individuals across the country with access to clean water. Omar joined the Because Accelerator in the spring of 2022, where he won his cohort's final pitch competition.

Omar shared that he would put the prize funds toward "a digital front panel on the device that will track the gallons of water filtered and will notify the community if maintenance is needed."

In the six months following the program, Omar doubled the number of jobs at Remora and now employs four full-time and four part-time individuals.

Remora was featured on National Geographic's 2021 series The Ripple Effect, which can be viewed on YouTube or Disney+. (5)

LEARN MORE ABOUT THE BECAUSE ACCELERATOR AND HOW YOU CAN GET INVOLVED AT BECAUSEINTERNATIONAL. ORG/ACCELERATOR.

MIRIAM FEZA: CLAY COSMO



Miriam was born in the Democratic Republic of Congo, but was forced

to flee in 2015 due to political instabilities. Later, while living as a refugee in Uganda, she found herself struggling financially—often ending up in unsafe situations in an effort to survive.

In 2016, Miriam founded Clay Cosmo, a business that produces beauty products from natural materials. Clay Cosmo trains and hires refugee women who are going through situations similar to what Miriam experienced, offering a safe, sustainable way to provide for their families.

At the end of the Fall 2022 Cohort, Miriam was awarded first place in the Because Accelerator pitch competition.

"It was such a privilege from a refugee background to win such an international prize and be an example for so many that it is possible no matter your background to make it," shared Miriam.

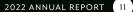
Today, Miriam employs four fulltime employees and 26 women in refugee camps who work part-time in sales, in production and in the fields to plant and harvest ingredients. In five years, Miriam hopes to have three branches of Clay Cosmo to employ 5,000 refugee women in East Africa. **6**

2022 IMPACT QUICK FACTS

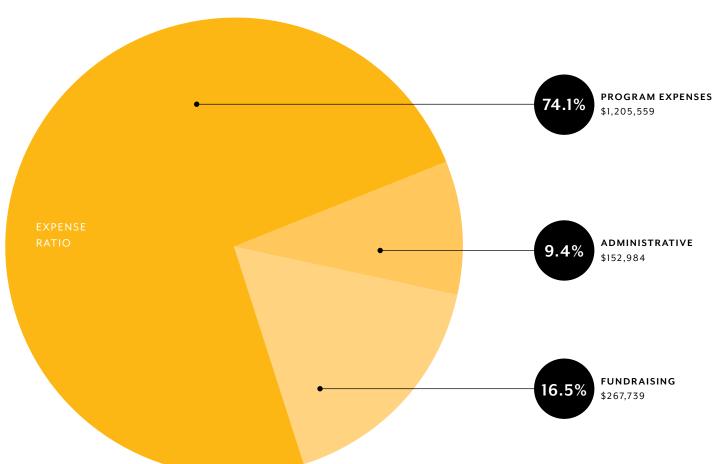


TOTAL PROGRAM BENEFICIARIES-INCLUDES EMPLOYEES, CUSTOMERS AND OTHER LIVES AFFECTED BY ENTREPRENEUR BUSINESSES

5.7M



2022 FINANCIAL SNAPSHOT



CAME FROM INDIVIDUAL DONORS, ORGANIZATIONS, AND GRANT FUNDING



WAS DONATED TO TAKE OR SEND PAIRS OF THE \$771k SHOE THAT GROWS BY INDIVIDUALS AND ORGS



Δ.

\$413k

WENT TOWARDS FUNDING THE SHOE THAT GROWS PROGRAM AND GETTING MORE PAIRS TO MORE KIDS

WENT TOWARDS FUNDING THE BECAUSE ACCELERATOR PROGRAM AND TRAINING ENTREPRENEURS

In 2022, we continued to build on the financial health we experienced in 2021. We're grateful to the individuals and organizations who helped make this possible through continued, generous support.

GIVING CLUB UPDATES

THESOLE

Members of The Sole give monthly to send pairs of The Shoe That Grows to kids and families in need of humanitarian relief worldwide. In 2022, members of The Sole funded the distribution of 3,217 pairs of The Shoe That Grows—1,000 more pairs than were funded in 2021. BECAUSEINTERNATIONAL.ORG/THE-SOLE

FOUNDER'S CLUB

Founder's Club is a community of monthly givers who commit to donating \$100 or more a month to fund the work of poverty alleviation. In 2022, members of Founder's Club gave over \$45,000, supporting kids, families, and entrepreneurs around the world. BECAUSEINTERNATIONAL.ORG/FOUNDERS





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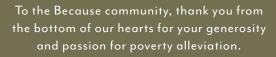








CAROLYNN DUNCAN (PICTURED ABOVE)



For your time, encouragement, gifts, mentorship, and so much more—we are deeply grateful.

Poverty is a complex issue, but together we can work towards a world where all children have shoes, individuals have jobs, and communities can thrive. Because poverty is a problem we can solve together.

-THE BECAUSE TEAM





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