



ANNUAL
REPORT
2021

Because



A MESSAGE FROM PRESIDENT ANDREW KROES



Like for so many, the past couple of years have been full of challenges. If the theme for 2020 was

to adapt during an uncertain time, 2021 was the year of capturing the opportunities that have come in the midst of the challenges. We are so grateful for how our community has come together to use innovative products and social entrepreneurship to fight the effects of poverty around the world.

As many of you know, Because International started with the simple idea of inventing shoes that could adjust and expand with the growing feet of children. And in the years that have followed, hundreds of thousands of pairs have been put on the feet of children in over 100 countries around the world. But more recently, travel restrictions and COVID-19 shutdowns have meant finding new ways to distribute our footwear. In 2021, we saw a promising uptick in shoes delivered to kids. In addition to manufacturing all our footwear in Kenya, we finished developing a brand new version of our footwear that's simpler and more durable than ever before.

Several years ago we started connecting with incredible entrepreneurs who wanted to learn from the expertise we've built as The Shoe That Grows scaled into a global business. We began providing these entrepreneurs with training, networking, coaching and funding—a program collectively known as the Pursuit Incubator. This program

advanced and evolved tremendously in 2021 and is now known as the Because Accelerator. This past year we worked with two cohorts totaling over 30 entrepreneurs living all over the world whose products and businesses are solving important problems and providing jobs within their communities.

As you read through the following pages, you'll note how proud we are of the top-level metrics—including the number of shoes distributed and jobs created. You will also realize how inspired we are by the stories of every individual life that has been impacted by your support and generosity.

As we enter 2022, we're carrying the momentum of these accomplishments along with expanding the size of our board and welcoming four new members. We're in the best financial position we've ever been and more focused than ever on our long-term vision of distributing millions of pairs of shoes and working with entrepreneurs to create tens of thousands of jobs for those around the world that need them most.

We've yet to see the entire impact that COVID-19 will have on global progress to eradicate extreme poverty. But we remain as optimistic as ever and are continually encouraged with each child that receives a long-lasting pair of shoes and with each entrepreneur that is given the resources needed to create solutions for their local communities.

Thanks for being a part of this team that is solving the problem of poverty together. ☺



OUR MISSION IS TO USE PRODUCTS AS SOLUTIONS TO ALLEVIATE POVERTY BY MEETING IMMEDIATE NEEDS AND CREATING OPPORTUNITIES FOR EMPOWERMENT.

MEETING IMMEDIATE NEEDS

Because International was born out of our founder Kenton Lee's desire to help his friends who lived at an orphanage in Kenya. Long-lasting footwear can help guard children's feet from soil transmitted diseases, an issue that impacts over 1.5 billion people worldwide. Kenton's invention means protecting these kids' health and well-being with a tangible, innovative product—The Shoe That Grows.

CREATING OPPORTUNITIES FOR EMPOWERMENT

We believe that job creation is one of the best ways to move the needle on extreme poverty. A good source of income creates space for individuals and communities to set goals, envision change and become self-sufficient. In 2022, we aim to help create 250 jobs through the Because Accelerator, working with entrepreneurs worldwide who are developing manufactured products.

For children, we believe that meeting needs that allow them to remain healthy and attend school provides them with more opportunities to become future change agents.



Thanks to a distribution by Drawing Dreams Initiative in January, 350 kids in Kenya can play outside and walk to school with a pair of The Shoe That Grows.

LEARN MORE DISTRIBUTION FACTS ON PAGE 8.

1

2

In April, our Pledge for Products campaign gave our community the chance to try out products developed by Because Accelerator entrepreneurs. Be on the lookout for new opportunities to test entrepreneur products in 2022.



3



16 entrepreneurs went through the Because Accelerator's spring cohort, with products that included eco-conscious fashion and high performance micro houses.

READ MORE ABOUT RAWHAUS ON PAGE 10.

4

We started durability testing on the newest version of The Shoe That Grows mid-2021 and continued testing and making modifications throughout the year.

READ MORE ABOUT THE NEWEST VERISON AND WHEN IT WILL BE AVAILABLE ON PAGE 8.



5

BECAUSE DAY

At our virtual Because Day event in September, we raised more than \$37,000 and shared some exciting, behind-the-scenes program updates. We're already looking forward to Because Day 2022.

6

This fall, we welcomed 15 new entrepreneurs into the Because Accelerator with innovative products ranging from bio-briquettes to kids' backpacks.

LEARN MORE ABOUT THE ACCELERATOR'S IMPACT ON PAGE 11.



7



Over 15,000 kids received a pair of The Shoe That Grows in Christmas shoeboxes this year—more than any other year!

8

In December we announced that, after three years of running the Because Accelerator and working with over 50 entrepreneurs, we would be offering two \$10,000 recoverable grant opportunities to alumni of the program.

READ MORE ABOUT ALL THAT OUR ENTREPRENEURS ACCOMPLISHED THIS YEAR ON PAGE 11.



THE SHOE THAT GROWS IS A SHOE THAT EXPANDS FIVE SIZES AND LASTS FOR YEARS, DEVELOPED FOR KIDS AND FAMILIES IMPACTED BY POVERTY.

TESTING THE NEW VERSION OF THE SHOE THAT GROWS

While The Shoe That Grows has undergone multiple changes over the years, the most recent update is one we're particularly excited about!

The new version has a single injection-molded sole, whereas originally the bottom was made up of eight separate parts stitched and glued together. More complexity meant that there was more opportunity for the old design to break down, as well as a higher production cost. The new shoe looks similar to previous versions, but this change is big and will impact our ability to get more shoes to kids around the world.

After designing the new version, we got to work undergoing rigorous testing in both factory and field. In the factory, the new version went through tests ranging from how the sole withstands abrasion over time, to the durability and flexibility of The Shoe as it moves with a foot.

In the field, Because International's East Africa distribution partner Japheth

Opondo distributed 500 pairs across seven locations in Kenya, visiting each month to see how the shoes were faring. "The latest version is really holding up well—I'm positive that if we produce them, we'll be able to reach out to more kids with this version," Japheth shares.

Now that initial testing has been completed, steel molds are being made, allowing for final field testing to take place alongside production in 2022.

"This new design and the production process gives us a path toward bigger partnerships, getting a lot more shoes produced in a given period of time, as well as distributed," President Andrew Kroes shares. The most important goal of this new design is to get more pairs of The Shoe That Grows to more kids around the world.

Founder Kenton Lee adds, "It really is a game-changing new version of The Shoe That Grows." ¹⁵

2021 IMPACT QUICK FACTS

32

OVER 32,000 PAIRS OF THE SHOE THAT GROWS WERE DISTRIBUTED IN 2021

48

THOSE 32,000 PAIRS WERE DISTRIBUTED IN 48 COUNTRIES AROUND THE WORLD

500

PAIRS OF THE SHOE UNDERWENT THOROUGH DURABILITY AND FIELD TESTING IN KENYA

19

JOB'S WERE CREATED IN MOMBASA, KENYA AS A RESULT OF SHOE PRODUCTION



PHOTO CAPTION: A STUDENT TRIES ON HER SHOES AT A 2019 DISTRIBUTION IN NAIROBI, KENYA.

USING OUR EXPERIENCE FROM *THE SHOE THAT GROWS*, THE *BECAUSE ACCELERATOR* HELPS ENTREPRENEURS GET TO THE NEXT STAGE WITH TRAINING, COACHING, NETWORKING AND FUNDING.



GERALD NDASHIMYE: ECO WAYS



▶ Gerald Ndashimye was inspired to create his social enterprise, Eco Ways, because he was “tired of seeing plastics that were lying and flying around, especially shopping bags and beverage bottles.”

Upcycling this plastic waste into unique and functional furnishings, Eco Ways sells products to consumers around Uganda in both urban and rural areas.

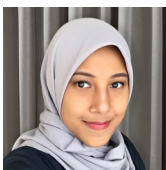
Gerald joined the Because Accelerator in the spring of 2021 to receive training and mentorship specifically around core business

principles. “I am more of a hands-on founder and this will help me learn and share ideas,” he shared.

Eco Ways now has 11 full-time employees at their workshop, in addition to employing 56 people across 28 collection points for recyclables. Gerald shares that since starting production two years ago they have decreased their product weight and improved design.

With a mobile crusher and bailing machine in the near future, Eco Ways will be able to create even more jobs with their innovative products, reclaiming plastic waste along the way. 🌱

CASSANDRA SARI DAMAYANTI: RAWHAUS



▶ When Cassandra Sari Damayanti joined the Because Accelerator in the spring of 2021, she was

still at the beginning stages of growing awareness for her company, Rawhaus, and the importance of its product—tiny, sustainable homes for Indonesian communities.

Less than one year after winning

the Because Accelerator pitch competition, Cassandra has successfully sold her first home—and learned a lot along the way!

The Rawhaus team constructed the house at their facility in Bandung, Indonesia. They then disassembled the house to where it could be delivered with just one truckload, and off it went.

Following a 1,500 mile trek across land and sea, the materials arrived in Gorontalo, Indonesia, where the house was reassembled by a team of one Rawhaus representative and several local residents. A recycling program initiative called Paredice, an alliance of social enterprises and NGOs, will use the new tiny home for conservation programming and community outreach.

“By starting from this small, simple project and being hands-on throughout the process,” shares Cassandra, “I learned more about building than I did in architecture school and learned more about running a business than I did throughout my MBA!”

So far, Cassandra’s business has provided employment for 33 people. 🌱

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

2021 IMPACT QUICK FACTS

191 TOTAL JOBS CREATED BY ALUMNI OF THE *BECAUSE ACCELERATOR*

\$75K TOTAL FUNDING PROVIDED BY THE *BECAUSE ACCELERATOR* AS OF DECEMBER 2021

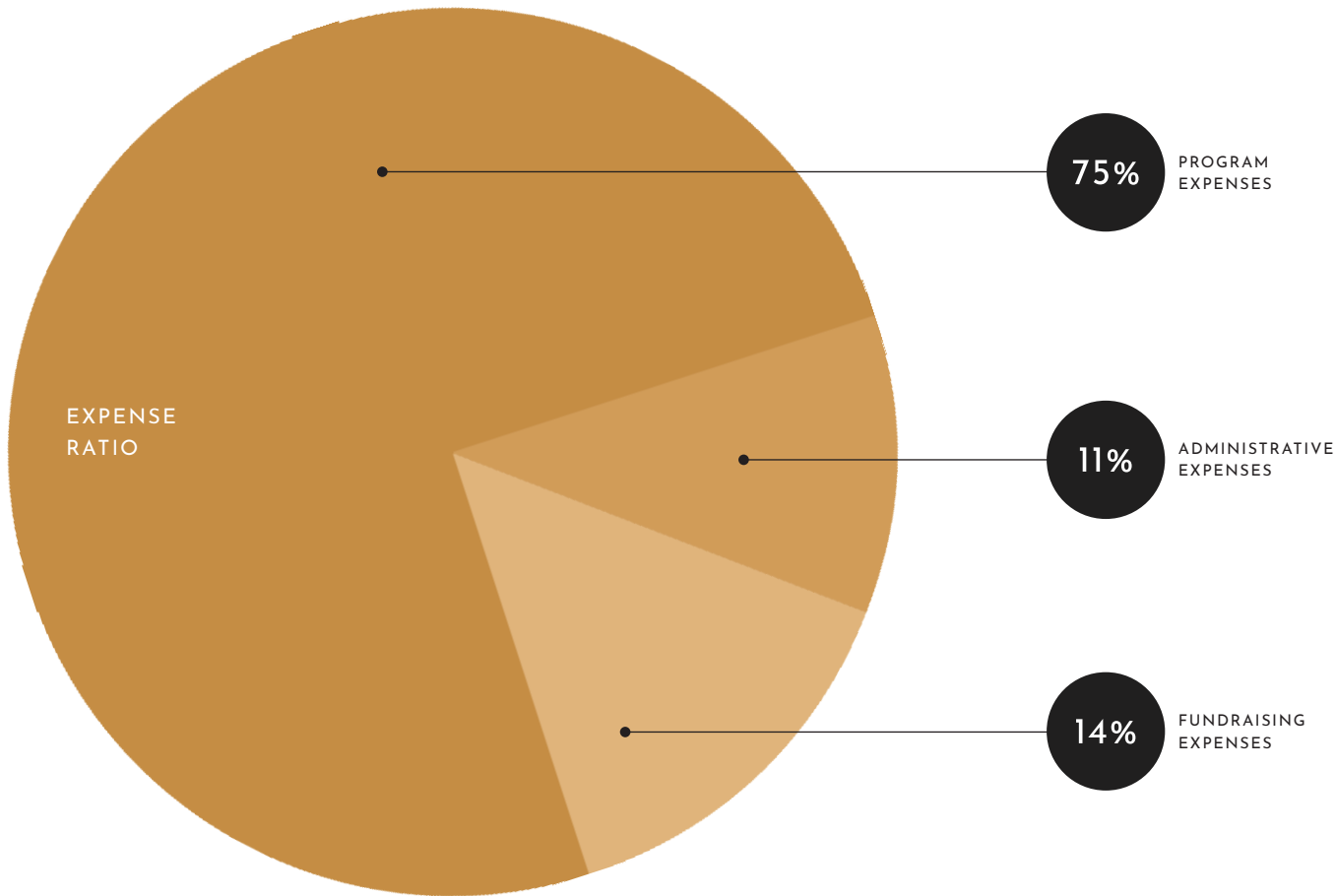
726 HOURS OF ENTREPRENEUR COACHING BY *BECAUSE* STAFF AND ADVISOR NETWORK MEMBERS IN 2021

59 ALL-TIME NUMBER OF COMPANIES SUPPORTED BY THE *BECAUSE ACCELERATOR* AS OF DECEMBER 2021

\$10K AVERAGE STATED VALUE OF THE *BECAUSE ACCELERATOR* PROGRAM BY ENTREPRENEURS WHO HAVE COMPLETED IT

60 NUMBER OF MEMBERS IN THE *BECAUSE* ADVISOR NETWORK, 30 OF WHOM ACTED AS VOLUNTEER COACHES IN 2021

2.9M TOTAL PROGRAM BENEFICIARIES—INCLUDES EMPLOYEES, CUSTOMERS AND OTHER LIVES AFFECTED BY ENTREPRENEUR BUSINESSES



REVENUE

\$787k
WAS RAISED THROUGH CONTRIBUTIONS FROM DONORS, CAMPAIGNS AND GRANT FUNDING

\$731k
WAS DONATED TO TAKE OR SEND PAIRS OF THE SHOE THAT GROWS BY INDIVIDUALS AND ORGS

PROGRAM EXPENSES

\$720k
WENT TOWARDS FUNDING THE SHOE THAT GROWS PROGRAM AND GETTING MORE PAIRS TO MORE KIDS

\$293k
WENT TOWARDS FUNDING THE BECAUSE ACCELERATOR PROGRAM AND TRAINING ENTREPRENEURS

75% PROGRAM EXPENSES

11% ADMINISTRATIVE EXPENSES

14% FUNDRAISING EXPENSES

In 2021, we were able to invest more in programs than in 2020—both in total and as a percentage of our expenses. We're grateful to the individuals and organizations who helped make this possible through continued, generous support.

THE SOLE

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 the past year, this giving club has grown by 350 percent! In 2021, members of The Sole funded the distribution of 2,240 pairs of The Shoe That Grows.

[BECAUSEINTERNATIONAL.ORG/THE-SOLE](https://becauseinternational.org/the-sole)

FOUNDER'S CLUB

The 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 2021, members of Founder's Club gave over \$33,000, supporting kids, families and entrepreneurs around the world.

[BECAUSEINTERNATIONAL.ORG/FOUNDERS](https://becauseinternational.org/founders)





FROM THE RETIRED TEACHERS IN INDIANA TO THE YOUTH GROUPS AND GIRL SCOUT TROOPS IN WASHINGTON, FROM THE BUSINESS OWNERS IN NAIROBI, KENYA, TO THE FAMILY FOUNDATIONS IN COLORADO—YOU HAVE COME TOGETHER AS A COMMUNITY OF OVER 12,000 PEOPLE TO FIGHT POVERTY.

DESPITE A DIFFICULT COUPLE OF YEARS, YOU HAVE HELPED US MAKE STRIDES TOWARD A WORLD OF OPPORTUNITIES OVER OBSTACLES, OF SELF-EMPOWERMENT OVER STRUGGLE.

BECAUSE POVERTY IS A PROBLEM WE CAN SOLVE TOGETHER, THANK YOU.

-THE BECAUSE TEAM



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