

ZuLoo™

2021

Benefit Report





December 2021

Dear Friends:

The following is our benefit report for the past year ending 2021.

INTRODUCTION

As a benefit corporation, ZuLoo* seeks to make progress towards the universal goal for everyone in the world to have access to clean and safe toilets, clean water, hygiene, and sanitation.

At ZuLoo, we continue to believe it is possible, through the power of social enterprise, to generate economic value and profitability while also making an impact on today's global sanitation crisis.

BACKGROUND

Access to clean and safe toilets is a basic human necessity, and yet about 3 billion people in our world are still in lack.†

Of course, this disparity causes devastating effects on the health, safety, and well-being of nearly half the people on our planet.

Health: Inadequate sanitation is a leading cause of infectious diseases including typhoid, cholera, and dysentery worldwide. Diarrheal disease is the leading cause of death for children under 5, with nearly 1,000 children dying each day due to sanitation-related complications.‡

Safety: Open defecation due to lack of sanitation poses extreme safety risks, particularly for women and girls as they are forced to travel long distances for defecation and menstruation. This includes increased risk of violence such as physical,

* ZuLoo, Inc., is a Utah benefit corporation.

† Source: United Nations, Sustainable Development Goal #6, available at <https://www.un.org/sustainabledevelopment/wp-content/uploads/2016/08/6.pdf>

‡ Source: World Health Organization, Health Topics: Sanitation, available at <https://www.who.int/topics/sanitation/en/>

verbal, and sexual assault, with affects going beyond physical to long-term psychological damage.*

Well-being: The health effects resulting from lack of sanitation access is a major contributor to impaired cognition and stunting, both of which are permanent conditions beyond childhood. This leads to lower academic and employment opportunities, throwing individuals and societies into generational poverty.

The United Nation’s Sustainable Development Goal #6 seeks to “ensure availability and sustainable management of water and sanitation for all,” with Target 6.2 aiming to achieve access to equitable and adequate sanitation and hygiene for all and end open defecation, with special attention to women, girls, and other vulnerable populations.†

While the UN is still not on track to meet these objectives by the year 2030, we believe ZuLoo, together with other social enterprise partners, is making strides despite the challenges posed by the global COVID-19 pandemic.

OUR PUBLIC BENEFIT EFFORTS AND SOCIAL IMPACT

INDIA 🇮🇳



* Source: BMC Public Health, Health and social impacts of open defecation on women: a systematic review, February 6, 2019, available at <https://bmcpublihealth.biomedcentral.com/articles/10.1186/s12889-019-6423-z>.

† Source: United Nations, Sustainable Development Goal #6, available at <https://www.un.org/sustainabledevelopment/wp-content/uploads/2016/08/6.pdf>

India accounts for 60% of the world's population practicing open defecation, with over 600 million people lacking access to a toilet.*

In 2021, ZuLoo's 501c3 affiliate† re-commenced building toilets and drilling new water wells throughout the slum communities of Hyderabad, India.

Our local in-country partner organization, SAPID, a grassroots Indian NGO, helps ZuLoo implement the reliable process of working with the local community to have them identify the most vulnerable families to receive subsidized toilets, giving first priority to households with high numbers of women and girls, pregnant and lactating women, elderly, and people with disabilities.

Each ZuLoo toilet helps an average family size of 7 persons.

In 2021, ZuLoo's 501c3 affiliate constructed an additional 30 toilets in the slum areas surrounding Hyderabad, including the communities of Illiah Colony, BJR Nagar 2, and Jaishankarnagar.

Some of these recipients are highlighted as follows:



Saraswathi

Saraswathi hails from Andhra, India, and presently resides in the Illaiah Colony slum community of Hyderabad. Her family migrated to Hyderabad in search of work. Her husband works as a mason. She has 2 young daughters. Saraswathi shared with us a bitter experience she and one of her daughters faced while attempting to find a place to answer nature's call. While they were out in search of a place near the city dump to relieve themselves, a drunken man started following them uttering vulgar comments. When she turned to confront him, the man removed his pants and made obscene gestures towards them. After fleeing in terror back to their village, her daughter was so frightened that she refused to leave their humble home afterwards for over a week despite the stomach pains of holding everything in. Saraswathi eventually decided to leave her child at her grandparents' home as it was affecting her daughter's health with constipation and bowel related problems. Now

* Source: World Health Organization, Water Sanitation Hygiene WHO/UNICEF Joint Monitoring Report 2012, available at https://www.who.int/water_sanitation_health/monitoring/jmp2012/fast_facts/en/

† ZuLoo Humanitarian Outreach, a Utah non-profit corporation, is a tax-exempt 501(c)(3) charity.

that she has a ZuLoo toilet, her daughter has returned and is able to enjoy the safety and privacy it provides.



Laxmi

Laxmi is a 57 year old resident of Illaiah Colony slum community of Hyderabad and she hails from Warangal district. She is a house wife and her husband works as a daily wage laborer. Laxmi developed health issues due to not having access to a toilet, including frequent urinary tract infections. Due to calcium deficiencies she was recently diagnosed with arthritis. Prior to receiving a ZuLoo toilet, Laxmi had to walk over a mile to attend nature's call. Due to the intense arthritic pain in her legs and knees it would take her more than 2 hours to make the round trip. She shared with us that she would often go to nearby bushes to relief herself in the late afternoon or after dusk, risking rape or snake bites. Now she can use her ZuLoo toilet safely only a few short steps from her front door.



Sujatha

Sujatha is 35 years old with 5 children, hailing from Mothkoor District in Warangal, India. Her husband works as a security guard for a local Hyderabad apartment building. Sujatha says she would often argue with her husband to construct toilet at home as she and her daughters felt unsafe and embarrassed because they had to walk a mile outside the village to relieve themselves in the nearby bushes. This became increasingly urgent when her two oldest daughters entered puberty and started their monthly mensuration cycles. Her husband's income only covers the bare minimum needs of the family and they lacked the means to construct a toilet. Now that her family has a ZuLoo toilet she said, "The ZuLoo toilet has made my life very comfortable and I no longer have to worry to go in wee hours or during dusk time" adding, "and I don't have to fight with my husband now!" Sujatha's husband added that he is at peace now and happy for the safety of his wife and children.



Apamma

Apamma is a 60 year-old woman who lives with her husband who is 70 years old. Before they purchased 80 square yards of land and built their one-room home in the Illaiah Colony slum outside Hyderabad, both of them worked as construction laborers. Her husband, who still works as a mason, says he cannot go for work every day as he cannot walk long distances. Most of his earnings goes towards transportation. He expressed frustration because his wife pestered him daily to construct a toilet but he had no funds or means to do so. Apamma says they used to walk about a mile to a field to defecate in the open but now that field is fenced off and has security cameras and guards. If they trespassed, the security guards would chase them away, forcing them to turn to the bushes which were full of snakes, centipedes, mosquitoes, and flies. She says she is full of gratitude for her new ZuLoo toilet which now gives her and her husband a better and healthier life.



Anita

Anita is 30 years old and lives with her husband, Ramamurthy, a cab driver, on the outskirts of Hyderabad. Their small one-room house is located at the far edge of the slum, making it vulnerable to insects and snakes. Anita has three young children – one girl and two boys. Anita expressed to us that without access to a toilet, women in her slum are vulnerable not only to physical, sexual and psychological or emotional violence, but also to social discrimination and economic exclusion, putting them at further risk. Anita shared with us an incident when she left her children sleeping at home in order to relieve herself outside the village – where she had to walk for more than 2 miles – and when she returned home she found a poisonous snake coiled next to her sleeping son. Luckily, she was able to find one of her neighbors who had skills catching snakes, so her son was soon out of danger. However, such incidents are commonplace and are still fresh in her mind. Now with their new ZuLoo toilet, Anita and her husband are happy and full of gratitude they no longer have to leaving their children alone when they need to go.



Lalitha

A widow, Lalitha resides in the Illaiah Colony slum outside Hyderabad who lives with her daughter and mother-in-law. She is a day laborer with unpredictable income and explains, “The place where we went before we received a ZuLoo toilet is about a mile away from here. It was threatening and dirty. It was frightening too. We had to go in groups. There are seedy men who loiter near that place who are not nice. When they see a lone woman by herself, they often attempt to abuse and rape her. It happened to someone I know. I didn’t want my daughter to go to that place because I was afraid of her being raped. We initially dug a hole near our home for defecation, but that made my neighbors angry since it was not a proper or sanitary toilet. Now that I have a proper and clean ZuLoo toilet, I have time to work without worrying about the safety of my family. Plus, my social status and economic status will improve now. I feel very happy to see such changes in our life and my mind is at ease.”



Bhagyalaxmi

Bhagyalaxmi is a 38 year-old woman residing in the Illaiah Colony slum outside Hyderabad. Her husband works as a carpenter. Bhagyalaxmi is a mother of two teenage daughters. She is often worried about their safety. Before receiving a ZuLoo toilet, Bhagyalaxmi shared with us her experience of walking long distances to find private clean places for defecation and menstrual management. “Pathetic and tiring, it becomes even more challenging when we are sick. We had to walk a long distance with great difficulty in reaching sites,” she said. One of Bhagyalaxmi’s daughters said that she often had to miss school during her menstruation periods: “I was always under the fear of menstrual fluid leaking and visibly staining my clothes. I have only one school uniform. When my clothes got stained, the boys’ laughter was is not nice and I would feel ashamed, sad, and I would often cry.” Bhagyalaxmi and her daughters say they are now relieved and extremely happy that they have their own ZuLoo toilet.



Manga

Manga is a 35 year-old mother of a 19 year-old daughter who lives with her 70 year-old mother-in-law and her husband who works as a daily wage laborer. Manga often had to forgo time at work and forgo a meal in order to accompany their daughter to the open defecation fields outside of the village. Manga says now that they have a ZuLoo toilet, "There has been a huge change in our lives. Before, men would follow us and wait for us to sit in the field and then they would watch in a threatening manner. Now, thanks to ZuLoo and SAPID, we have a toilet at home." Manga says, "We don't need to venture out now. Now my child is safe."



Meghamala

Meghamala is a 33 year-old resident of the Illiaiah Colony slum community outside Hyderabad. Her husband, Chandraprasad, is a carpenter. They are blessed two children: a girl and a boy. Before receiving a ZuLoo toilet, Meghamala and Chandraprasad were worried about their daughter's safety. They used to go to someone's field who would scold and abuse them while they were in the act of defecating which would make it difficult and humiliating. Chandraprasad said he felt inadequate as a father being unable to give his daughter basic amenities due to his lack of financial resources. He says now that his family has a toilet, his family is safe and happy and he has no more complaints.



Lavanya

Lavanya is a 27 year-old mother of three children. Her husband is an auto driver. Her 70 year-old mother-in-law lives with them in their small one-room home in the Illiaiah Colony slum of Hyderabad. Her mother-in-law shared her embarrassing and stressful experiences as an older woman walking almost a mile in the dark at night to an unsafe public latrine, often falling and injuring herself on stones or sharp objects along the unlit pathway. She said, "Sometimes when I stay too long in the squatting position, I am not able to stand up; I find support by touching the ground, which is covered with feces and filth. I was often obliged to defecate beside the house

and my daughter-in-law had to clean it up early the next morning.” In her old age, lack of latrine has caused her mental stress and agony. She is happy now with the support of ZuLoo and SAPID who enabled them to construct a toilet which gives her a healthier and happier life.



Nazeera

Nazeera lives with her husband in the Illaiah Colony slum community outside of Hyderabad. She has one son and two daughters. Her oldest daughter is married and currently pregnant with her first child. Nazeera said their family faces financial pressures daily because her husband’s meager irregular income as a car driver is sometimes not enough to support their family. They also have to take care of the medical expenses of their pregnant daughter who is anemic with medical complications. She says that lack of a toilet was one of their biggest constraints, their sick and pregnant daughter having to walk long distances to relieve herself, risking a miscarriage. “Now that we have a ZuLoo toilet at home,” she says, “God has heard our prayers.”



Yadhalaxmi

Yadhalaxmi is a resident of the Illaiah Colony slum community outside of Hyderabad. She is 36 years old and lives with her husband who works as a daily wage laborer. She is blessed with a son and a daughter and lives with her family and her mother-in-law in a one-room small home. Yadhalaxmi said she used to live in fear of sexual violence daily where the simple act of defecation was a matter of life or death. Yadhalaxmi’s story is similar to that of other women of her slum who lack a toilet in her home. She would often wake up early before sunrise, while it was yet dark, and walk toward the bushes on the edge of the slum with her daughter and squat there to relieve themselves. Yadhalaxmi explained to us that the lack of toilets creates numerous health hazards, including the risk of girls being molested, raped or killed, as well as bites from scorpions and snakes. Yadhalaxmi says she is now very happy that, with the help of ZuLoo and SAPID, she now has a toilet in her home which gives her family a better life.

In 2021, ZuLoo's 501c3 affiliate drilled an additional four water wells in the slum areas surrounding Hyderabad, including the communities of Illiah Colony, BJR Nagar 2, and Jaishankarnagar.



Each water well provides clean, safe and a sustainable daily water supply to approximately 600 or more persons.

In 2022, we expect we will continue to work together with SAPID to construct eco-friendly toilets for as many families on the waiting list as possible in these slum areas and drill additional fresh water wells.

PUERTO RICO 🇵🇷

Since the U.S. territory of Puerto Rico remained open during the COVID-19 pandemic for domestic travel, in 2021 we were able to continue with the initiatives we started in 2020. Puerto Rico is not typically the first country or region of the world people think of when it comes to sanitation or toilets. Like India, much of Puerto Rico is considered "first world" and technologically advanced, with many urban areas enjoying the "flush and plumbed" world of modern toilets and wastewater treatment plants. However, there is a significant part of the territory which suffers in poverty and is still struggling to recover from the devastation of Hurricane Maria* and the frequent

* After Hurricane Maria: Predisaster Conditions, Hurricane Damage, and Recovery Needs in Puerto Rico, Homeland Security Operational Analysis Center operated by the RAND Corporation, 2020. Accessed December 6, 2020, at https://www.rand.org/pubs/research_reports/RR2595.html.

earthquakes which continue to rattle the island.* In addition, Puerto Rico’s water quality and aging wastewater infrastructure continue to decline.†

In 2021 we completed a fresh water and toilet system, including a shower, for a mentally-challenged man called “Señor Cesar” who lives in the foothills of Humacao whose home was destroyed by Hurricane Maria. While his relatives and the Halos and Heart Foundation had built a replacement shed-like structure out of plywood and other donated materials for him to live in, the structure itself lacked a fresh water supply line and electricity and his “toilet” consisted of a hole in the ground covered by a piece of plywood. ZuLoo’s 501c3 affiliate committed resources and helped organized local labor and other service providers to help install a flushing toilet, sink, and shower, helping this man improve his living conditions to pre-hurricane standards and live with increased independence.



In addition to Señor Cesar’s small but important project, we helped “Señora Ortiz” rebuild her modest toilet that was destroyed when Hurricane Maria ripped through the island.

* See Magnitude 6.4 Earthquake in Puerto Rico, U.S. Geological Service, January 29, 2020, accessed December 6, 2020 at <https://www.usgs.gov/news/magnitude-64-earthquake-puerto-rico>.

† Puerto Rico’s Next Big Crisis Is Water, The Huffington Post, by Alexander C. Kaufman, originally published November 23, 2019; accessed December 6, 2020 at https://www.huffpost.com/entry/puerto-rico-water_n_5dd2e6e9e4b0d2e79f917f43.



In 2022 we expect to continue to look for opportunities in Puerto Rico and elsewhere to help provide sanitation solutions to those in need and who are often overlooked right in our midst.

PERU

Through our existing relationships with CHOICE Humanitarian, we have recently identified a number of potential sanitation solution projects in Peru among the indigenous community who bear the often overlooked burden of life without access to sanitation. In 2022, we hope to travel there to assess and implement sanitation solutions in the lives of those living there who need it most.

CHALLENGES AND GO-FORWARD PLANS

In 2021, due to global supply chain disruptions resulting from government-imposed mitigation measures implemented during the COVID-19 pandemic, we decided to delay the launch and opening of our planned ZuLoo-branded online e-commerce store ZuLoo.shop. We may decide to launch this store in 2022 given sufficient supplies and resources are secured.

In 2022, we also intend to focus on the development of our new “ZuLoo 242 Partner” program where we intend to provide engaging media content, including a podcast, story-telling, social media, and other content and customer



messaging to businesses who are seeking to have their brand associated with ZuLoo's social impact cause.

In exchange, each ZuLoo 242 Partner will be expected to make a tax-deductible donation of 2% of a certain revenue metric to ZuLoo's 501c3 affiliate to support its ongoing efforts to bring clean, safe, and sustainable sanitation (toilets) to the poor.

ZuLoo 242 Partners can elect to donate either 2% of their gross sales, 2% of their net profits, 2% of their revenue from a particular product or promotion, or custom-design a 2% program of their own.

We expect to roll out and test the ZuLoo 242 Partner program in 2022.

ASSESSMENT OF OVERALL SOCIAL AND ENVIRONMENTAL PERFORMANCE

So far, ZuLoo's 501c3 affiliate has operated 100% from donations received from generous corporate donors such as the Sorensen Legacy Foundation, the Young Living Foundation, and the law firm of Mangum & Associates PC, among others.

We continue to believe that private enterprise, technological innovations, and social entrepreneurship pose the best chance to deliver safe and affordable sanitation technologies to the world.

Toward this end, we still have a goal to donating a share of our revenues and/or profits – through our 242 Partner program and/or otherwise – towards the operating budget of ZuLoo's 501c3 affiliate which, in turn, will continue to spearhead global initiatives to expand access to affordable and innovative sanitation technologies to some of the world's most poor.

BENEFIT DIRECTOR

Our current designated "benefit officer" and "benefit director" is Darin Mangum (the undersigned). Correspondence concerning this report may be directed to compliance@zuloo.com or via regular mail at 560 South, 100 West, Suite 1, Provo, Utah 84601 USA.

BENEFIT DIRECTOR STATEMENT

As ZuLoo's benefit director, I am of the opinion that the Company has acted in accordance with its general public benefit purpose and/or specific public benefit

purpose in all material respects during the period covered by this report. I am also of the opinion that ZuLoo's directors and officers have acted in compliance with Subsections 16-10b 301(1) and 16-10b-303(1), respectively, of the Utah Benefit Corporation Act, as amended.

THIRD PARTY STANDARDS

We continue to consider the standards published by B Lab (<http://benefitcorp.net/>) and have plans to eventually apply for certification. We believe our board is likely to adopt B Lab as the standard for future reports. Also, the Utah Chapter of the Social Enterprise Alliance (<https://socialenterprise.us/>) continues to help us model our operations towards further standards by which to assess our impact and overall social performance. To our knowledge, there is no connection between the organizations that establish these third-party standards, or their directors, officers, or a holder of 5% or more of the governance interests in such organizations, and ZuLoo or our directors, officers, or a holder of 5% or more of the outstanding shares of ZuLoo, including a financial or governance relationship that might materially affect the credibility of the use of the third-party standard.

BOARD OF DIRECTORS

As of the date of this report, ZuLoo has not dispensed with, or restricted the discretion or powers of, its board of directors.

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As the current worldwide COVID-19 pandemic subsides and as local government restrictions on travel ease, we are excited to expand our impact worldwide as we continue to assess the sanitation needs of vulnerable communities, develop and connect with best practice solutions, and deliver these solutions in partnership with trusted in-country partners.

We will endeavor to either post this report on our website or make it available to anyone upon reasonable request; provided, however, we may require them to first sign a non-disclosure agreement in the event we believe, in our sole discretion, confidential information is contained in this report.*

If you have questions or concerns regarding this report, please contact me directly.

Thank you, and Kind Regards,



Darin H. Mangum, Esq.
CEO and Benefit Director



* Please Note: This report is being prepared solely in order to comply with Section 16-10b-401 of the Utah Benefit Corporation Act, as amended, and does not constitute an offer to sell or a solicitation to buy the company's products, services and/or securities. Statements in this report are the sole responsibility and opinion of the named Benefit Director of ZuLoo, Inc., a Utah benefit corporation ("we", "our", "us", "ZuLoo", or the "Company") and do not operate as admissions or statements of material fact by the Company or its officers, directors, or Affiliates. Accordingly, you are hereby cautioned and advised to NOT rely upon this report in making any investment or financial decision regarding the Company or in connection with our securities, offerings, or products or services. This report speaks only as of the date hereof. The Company does not undertake any obligation to update this report.