



POPSOCKETS'S COMMITMENT TO FAIR COMPENSATION

PopSockets makes empowering, fun and expressive products that help people phone better. PopSockets has sold over 238 million of its iconic phone grips in 75 countries and now has an expanding ecosystem of related products, including phone cases, wallets and mounts. Our mission is to become an eternal positivity machine--an enduring global brand that makes an increasingly positive impact on the health and happiness of the planet.

Our Commitment

As part of the Eternal Positivity Machine, the [PopSockets Supplier Code of Conduct](#), in alignment with the [Fair Labor Association Workplace Code of Conduct](#), calls for the right of workers to fair compensation, specifically "compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income." We define fair compensation for facilities outside the United States based on the FLA's benchmarking tool, which leverages the [Global Living Wage Coalition's](#) (GLWC) living wage estimates. For US-based facilities, we use the [MIT living wage calculator](#). Regardless of location, fair compensation should be calculated at the base wage level and exclude overtime.

To make fair compensation a reality for workers in our supply chain, we maintain a series of actions and goals to work towards full implementation at our partner facilities as well as our owned facility. Our aim is to work progressively towards implementing fair compensation in a sustainable manner for the workers, our business, and the business of our supply chain partners.

Our Work So Far

Our approach to fair compensation so far focuses on four areas of activity: data collection, stakeholder collaboration, setting goals, and aligning goals with our business strategy.

Wage Data Collection and Analysis

Our main method for collecting data on fair compensation is through use of the FLA's wage tool, which provides wage ladder graphs assessing wages against existing living wage benchmarks. Since 2019, we have deployed the FLA's wage tool across our three strategic suppliers, two in China and one in Mexico.

We also use our annual Supplier Code of Conduct audits to understand the nature of wage-related issues in our supply chain. Since 2018, audit findings related to wages and excessive overtime have been our second and third most numerous behind health & safety.

PopSockets began a relationship with [Ulula](#), a technology services provider focused on worker voice tools, in late 2020. We deployed a survey to workers in early 2021 that included a question regarding living wages: "My salary is enough to provide food, accommodation, and clothing for me and my family or household." This question received the most responses indicating disagreement and strong disagreement compared with the other questions in the survey.

In 2021 we collected information from suppliers through a proprietary survey. We compared responses related to responsible purchasing practices to wages earned through overtime for the three facilities for which we have wage data and learned more about the links between our purchasing practices, such as lead times, and the excessive overtime workers rely on to make up to the GLWC benchmark wage.

Stakeholder Collaboration

Civil society organization (CSO) engagement is one of the core pillars of PopSockets's labor rights program. In 2021, we updated our CSO engagement strategy to prioritize collaboration with CSOs focused on fair compensation where such engagements are possible. We also included a member of civil society in our 2021 supplier summit as a speaker on the topic of fair compensation calculations. We also commit to collaborating with worker representative organizations on fair compensation if such organizations are present at a facility.

Our Goals

Given our data collection and civil society engagement up to this point, PopSockets has two main goals related to fair compensation:

5757 Central Avenue
Boulder, CO 80301

popsockets.com
@popsockets



- Goal 1: Raise average net wages for 30% of supplier workforce to GLWC/MIT Living Wage levels by 2025
- Goal 2: Reduce average overtime to within legal limits by 2025

We believe these goals will help us reduce the number of wage and overtime related audit findings and improve conditions for workers.

Alignment With Our Business Strategy and Market Conditions

Positive impact has always been a central tenant of PopSockets' culture. In 2021, we elevated further our long-standing commitment to positive social and environmental impact. Our fair compensation work is highly integrated into the social aspects of impact for PopSockets. Fair compensation work is also intertwined with our emphasis on process automation. The process can have multiple positive impacts on workers while driving down costs, smoothing out fluctuations in production cycles and making processes more efficient.

Measuring Progress

Wage Improvement Mechanisms

PopSockets sees automation as an important tool for labor efficiency gains. The savings accumulated from these gains can be passed along to workers to improve compensation levels. We also strongly encourage worker-management communication at our facilities so workers can voice their opinions about ways to improve wages, either through process efficiency gains or other creative means. We also aim to work alongside suppliers to ensure wages rates are preserved during currency fluctuations.

Measuring Performance

PopSockets recognizes that it is not enough to simply state a goal without developing a way to achieve it. To that end, we are working to improve year-on-year data analysis dating back to 2019. This will improve supplier engagement and keep them on track with their fair compensation achievement plans. In early 2022, PopSockets began a relationship with [Brightest](#), an ESG data warehousing service provider, where we will house all data related to fair compensation for ease of tracking and reporting against our progress.

Accountability

PopSockets maintains internal accountability procedures for achieving our fair compensation goals.

- Our Social Compliance Manager executes day-to-day management of our labor rights program, including working with suppliers on implementing their fair compensation achievement plans.
- VP Operations, who oversees integration of fair compensation considerations into our costing models.
- Chief Operations Officer ensures execution of our fair compensation at the strategic level.

In addition, our Chief Executive Officer, President and Chief Financial Officer, Director of Environmental and Social Impact, and Supply Chain team all play various roles in the execution of our fair compensation goals.

Questions? Contact responsiblesourcing@popsockets.com

5757 Central Avenue
Boulder, CO 80301

popsockets.com
@popsockets