



## POPSOCKETS' COMMITMENT TO FAIR COMPENSATION

PopSockets makes empowering, fun and expressive products that help people phone better. PopSockets has sold over 281 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 started deploying the FLA's wage tool across our strategic suppliers; until now, we have collected and analyzed the wage of strategic suppliers in 2020, 2022, 2023, and the number of strategic suppliers has from two to increase to seven, which are spread in China, Mexico, Vietnam, USA and Netherland.

We also use our annual Supplier Code of Conduct audits to understand the nature of wage-related issues in our supply chain. Since 2022, audit findings related to excessive overtime and wage & benefits have been our first and fifth most numerous.

PopSockets began a relationship with Ulula, a technology services provider focused on worker voice tools, in late 2020. Ulula is a secondary grievance mechanism PopSockets provides at our largest strategic suppliers for workers to express grievances without fear of retaliation. PopSockets as a bridge link suppliers and their workers, we would pass the grievance to supplier management to request them to find the root cause of the grievance and provide the corrective action plan or the solution, then we would come back to the worker the corrective action plan or solution from supplier management. Until now, we have received 39 grievances from workers, 37 grievances had been improved.

Excessive overtime is the biggest and most recurring labor compliance issue on monitoring audits. When PopSockets engaged with suppliers to reduce OT, the supplier management stated that their workers prefer more overtime, and would resign if OT was lessened. PopSockets proposed a survey to ask workers their views on overtime. The survey result shows that most workers would like to have more overtime, which demonstrated worker stability would be risked if we take action too quickly. Based on this reality, PopSockets and Suppliers created long term plans to slowly reduce OT which is not risk to workers well being. PopSockets continues to expect suppliers make sustainable improvements the overtime status.

PopSockets cares about our suppliers, thus we invite suppliers to participate in an annual survey being conducted by Better Buying Institute, an initiative that examines the quality of company's partnership with its suppliers from 2021. We use this survey to better understand how our buying practices impact our business partners. We compared responses related to responsible purchasing practices to wages earned through overtime for facilities for which we have wage data and learned

1426 Pearl Street, Suite 400  
Boulder CO, USA 80302

popsockets.com  
@popsockets



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.

The efforts to date by PopSockets and suppliers, show the wage level of our suppliers workforce reach the GLWC/MIT increased from 0% in 2019 to 43% in 2023, and the sample workers from those 4 out of 7 main suppliers have achieved the GLWC/MIT.

#### 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. In 2024 we made a donation to the Anker Research Foundation whose work develops the GLWC benchmarks used by PopSockets. We also commit to collaborating with worker representative organizations on fair compensation if such organizations are present at a facility.

#### Our Updated Goals

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

- Goal 1: Raise average net wages for 65% supplier workforce to GLWC/MIT Living Wage Levels by 2027.
- Goal 2: Total Weekly working hours to be controlled within 60 hours/week; 50% of workers do not face excessive OT by 2027, and elimination of excessive overtime by 2032.

We believe these goals will help make more positive impacts on workers and suppliers and promote long term sustainability.

#### 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. Furthermore, we understand workers want to earn more income, so they want more OT, so we encourage our suppliers to build up proper incentive system to enhance workers' working efficiency to reduce OT, but provide the OT wage savings to workers as incentive payments. In that case, workers could earn the same amount money but have less OT.

##### 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.

#### Accountability

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

- Our Corporate Social Responsibility Lead executes day-to-day management of our labor rights program, including working with suppliers on implementing their fair compensation achievement plans.

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- VP Sourcing & Sustainability, who oversees integration of fair compensation considerations into our costing models.
- Head of Operations (at COO level) ensures execution of our fair compensation at the strategic level.

In addition, our Chief Executive Officer, heads of finance, accounting, and product/merchandising/planning, and Supply Chain teams all play various roles in the execution of our fair compensation goals.

Questions? Contact [responsiblesourcing@popsockets.com](mailto:responsiblesourcing@popsockets.com)

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Boulder CO, USA 80302

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