

POPSOCKETS

Modern Slavery and Supply Chain Transparency Disclosure

Fiscal Year 2022



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Introduction

Modern slavery and human trafficking impact people in every country, including in the United States, and across every sector of the global economy. "Trafficking in persons," "human trafficking," "forced labor," and "modern slavery" are umbrella terms often used interchangeably to describe the phenomenon of forced labor, bonded labor or debt bondage, involuntary domestic servitude, and sex trafficking, with the primary emphasis on the traffickers' aim to exploit their victims¹. The negative impact of modern slavery weaves a complex tapestry of socioeconomic and political challenges including poverty, discrimination, and forced migration, and is especially prevalent under repressive authoritarian regimes and during times of social unrest, conflict, and war².

In 2021, there were an estimated 28 million people in forced labor globally³, a population roughly equal to that of metropolitan Delhi, India. Of that 28 million, over 17 million were exploited in the private sector. These staggering numbers offer a glimpse into the importance of private sector action in addressing modern slavery, and why governments around the world are enacting laws requiring companies to report on their identification, prevention, and mitigation of modern slavery risks in their supply chains.

As a growing company with global operations and sales, PopSockets is committed to addressing these risks as an integral part of our company's operations and culture. In addition to meeting our legal requirements, we endeavor to incorporate best practices to protect human rights.

To streamline our public reporting, this disclosure is structured to meet requirements set forth in existing laws including the California Transparency in Supply Chains Act, UK Modern Slavery Act of 2015, and Australia Modern Slavery Act of 2018. The disclosure encompasses activities undertaken during our most current fiscal year starting 1/1/2022 and ending 12/31/2022.

Current and Emerging Regulatory Framework

The regulatory framework for modern slavery and supply chain transparency reporting requirements for companies dates to the 2010 passage of California Senate Bill 657 as the Transparency in Supply Chains Act. Since then, several countries have either passed similar legislation, or have similar legislation pending in their respective lawmaking bodies.

California Senate Bill 657 – California Transparency in Supply Chains Act

Passed in 2010 and effective January 1, 2012, the California Transparency in Supply Chains Act ("CA Supply Chain Act")⁴ requires companies to publish a publicly facing disclosure about their efforts around verification, audits, certification, internal accountability, and training related to modern slavery. The CA Supply Chains Act applies to all companies operating as a retail seller or manufacturer in California with annual worldwide revenues exceeding USD \$100 million.

UK Modern Slavery Act of 2015

The UK Modern Slavery Act of 2015⁵ requires all companies doing business in the UK with annual revenues in excess of GBP 36 million (about USD 43 million) to publish a publicly facing disclosure that details "the steps the organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains, and in any part of its own business."

Australia Modern Slavery Act of 2018

The Australia Modern Slavery Act of 2018⁶ requires all companies doing business in Australia with revenues over AUD 100 million (about USD 70 million) in total annual revenues "to publish annual statements explaining their actions to assess and address modern slavery risks in their operations and supply chain." Unlike predecessor legislation in other jurisdictions, the Act requires all statements to be reviewed by the Australian Border Force and published on a free, online registry maintained by the Australian government to facilitate public access. The Australia Modern Slavery Act came into force in 2020.

The Uyghur Forced Labor Prevention Act

Signed by US President Joe Biden in December 2021, and coming into force in June 2022, the Uyghur Forced Labor Prevention Act ("UFLPA")⁷ establishes a "rebuttable presumption" that any goods produced in the Chinese province of Xinjiang, or outside of Xinjiang by "certain entities", are made with forced labor. This assumption allows US Customs and Border Protection to halt any goods suspected of being made with forced labor from entering the country⁸.

Other Current and Pending Legislation

As an American company, PopSockets is subject to modern slavery requirements under various US laws regarding trade and imports. The US Trade Facilitation and Trade Enforcement Act was amended in 2016⁹ to provide US Customs and Border Protection (CBP) agents with wider power to halt and inspect goods suspected of being made with forced labor or child labor. Passed in 2017, the Counter America's Adversaries

¹ <https://www.state.gov/j/tip/what/index.htm>

² <https://www.globallslaveryindex.org/2018/findings/executive-summary/>

³ https://www.ilo.org/global/topics/forced-labour/publications/WCMS_854733/lang--en/index.htm

⁴ <https://oag.ca.gov/SB657>

⁵ <https://www.gov.uk/government/collections/modern-slavery-bill>

⁶ <https://www.legislation.gov.au/Details/C2018A00153>

⁷ <https://www.congress.gov/bills/117th-congress/house-bill/6256>

⁸ <https://www.cbp.gov/trade/forced-labor/UFLPA>

⁹ <https://www.cbp.gov/sites/default/files/assets/documents/2016-Apr/tftea-repeal-consumptive-demand-clause-faqs.pdf>



through Sanctions Act, Title III Section 321(b)¹⁰, requires that companies importing goods into the United States be prepared to demonstrate upon request by CBP that they conducted sufficiently stringent due diligence activities to ensure that North Korean forced labor was not used in the manufacture of its imported products.

2020 saw the onset of new reporting laws in various European countries such as France, The Netherlands, Japan, and Germany. As of the time of writing, the European Union's Due Diligence Directive is pending approval. There are also pending legislations in Canada, Mexico, and Norway. Based on initial understanding of the new country-level laws and pending EU directive, PopSockets is not currently required to report under these legislations. As other countries consider similar modern slavery disclosure legislation, we fully intend to keep ourselves ahead of any applicable legal requirements.

About Us

PopSockets LLC is a privately owned digital lifestyle brand headquartered in Boulder, CO, that specializes in producing phone grips and other products such as cases, wallets, chargers, and mounts. Launched by CEO David Barnett in 2014, PopSockets has finished its eighth year of business, sold over 235 million phone grips in 75 countries, and has 200 employees globally. PopSockets sources from eight contract facilities and one owned facility across six countries.

Our Corporate Structure

PopSockets is a limited liability company (LLC) incorporated in the US state of Colorado. PopSockets is privately owned by members of the LLC and led by founder, member, manager, and CEO David Barnett. PopSockets owns several subsidiaries in the US and abroad, including in China, Colombia, Finland, Japan, and Mexico. All our products are sold under "PopSockets" brand name. Globally, PopSockets has approximately 200 employees.

Our Operations

PopSockets's operations include sales, marketing, research and development of products, printing of products, and supply chain and operational planning and logistics of our products. Our international offices are engaged in marketing, sales, and distribution logistics in their respective regions. Since the quality of our relationships with our suppliers is crucial to how we do business, our direct contractual relationships with our suppliers tend to be long-term in nature. These contracts are made directly with the suppliers; we do not use any factory-related intermediaries.

Our Supply Chain

PopSockets has suppliers across a wide range of countries in Asia, North America, and Europe. Our manufacturing partners in China, the United States, and Vietnam, are what we consider to be "Tier 1", where we procure finished goods and component parts including our mobile phone accessories such as phone grips and car mounts, phone chargers. Our suppliers beyond Tier 1 are almost exclusively concentrated in Guangdong Province, China. PopSockets's suppliers beyond Tier 1 are involved in activities such as gel, packaging, and the creation of specialty design inlays for our phone grips, which are then shipped to our manufacturers in China for final assembly. We maintain relationships with logistics partners, who we also consider as Tier 1 suppliers, in Mexico, Japan, South Korea, China, and the Netherlands who print and fulfill customer orders and have one on-site printing and order fulfillment facility at our headquarters in Colorado. Our public factory list is currently available on our website¹¹.

¹⁰ <https://www.dhs.gov/news/2018/03/30/caatsa-title-iii-section-321b-faqs>

¹¹ <https://www.popsockets.com/on/demandware.static/-/Library-Sites-AutobahnSharedLibrary/default/dw0d1e9ca1/pdfs/PopSockets%20Supplier%20List%20April%202023.xlsx>



Our Risks

PopSockets regularly reviews risk within our supply chain through our monitoring program and other due diligence activities. Identifying risks allows us to take more targeted and concrete actions to address, prevent, and mitigate them throughout our supply chain. While we do not know of any modern slavery or human rights violations in our operations, and we have installed policies, practices, monitoring, reporting, and other steps to actively discover, remediate, and prevent any such future activities, below is a summary of potential risks.

Risks We May Cause

PopSockets has identified risks we may cause related to the geographic and sectoral mix of our operations and supply chain. China and Vietnam have been identified as high-risk countries for forced labor by international NGOs. The United States and Mexico have also been identified as medium-risk countries, and we increased our sourcing from these two countries in 2022. We also source from facilities in the manufacturing and electronics industries, both considered to be high-risk industries.

An additional identified risk in our operations that we may cause relates to the use of labor brokers and employment agencies. PopSockets uses third-party employment agencies based in the United States to hire contract workers at our on-site facilities in Colorado, including janitorial services. We also use third-party employment agencies to staff our overseas owned entities. The use of agencies puts workers at risk of precarious employment situations and is considered a high-risk activity for forced labor.

Risks We May Contribute To

PopSockets's operations and supply chain may contribute to forced labor risks through our purchasing practices. As a fast-growing company, our relationships with our suppliers may be impacted by shortened lead times and tight turnaround, which could lead to exploitation of labor to meet customer demands. The link between a brand's purchasing practices and working conditions is being examined with increased scrutiny by the academic and non-profit communities, particularly since the collapse of the Rana Plaza factory in Bangladesh in 2013.

Risks We May Be Directly Linked To

One of the biggest forced labor risks we may be linked to concerns labor brokers. Many of our suppliers leverage labor brokers and employment agencies to hire contract or temporary workers; this may put workers at risk of exploitation and forced labor.

We may also be at risk of being linked to North Korean forced labor. The electronics manufacturing industry in China, where PopSockets has suppliers, is a top destination for North Korean laborers, who are sent by the government to work overseas only to have their wages repatriated upon their return home. Vietnam is another destination for North Korean laborers.

Additionally, we may be at risk of being linked to forced labor related to the Xinjiang region of China. While PopSockets maintains no sourcing relationships directly tied to Xinjiang, including beyond Tier 1, workers from Xinjiang may be present in PopSockets's supply chain through a system of worker exchange programs. Through these programs, workers from Xinjiang are sent to participating workplaces in other parts of China. Electronics manufacturing is a sector at high risk for these exchange programs.

Areas of Limited Visibility

While PopSockets has visibility into our supply chain to Tier 3, we currently lack that same visibility beyond this point, particularly regarding the chemical manufacturing and raw materials of our plastics. Oil and gas, as with all extractives, is a relatively high-risk industry for forced labor.



Our Relevant Policies and Procedures

PopSockets maintains a mix of internal and external policies, procedures, and accountability measures related to responsible sourcing due diligence. We are constantly evolving these measures to align with emerging best practice and changes to our supply chain.

Our Standards

Supplier Code of Conduct and Standards

PopSockets first adopted a Supplier Code of Conduct¹² (henceforth "COC") in 2016, with updates made each year since 2018. As part of our membership requirements for the Fair Labor Association (henceforth "FLA"), a multi-stakeholder non-profit dedicated to improving workers' lives worldwide¹³, our COC is aligned with the FLA's Workplace Code of Conduct¹⁴ as well as International Labour Organization standards¹⁵, with additional elements and enhancements above and beyond these documents.

The COC dictates PopSockets's policy stance on forced labor, the term we use to encompass modern slavery and human trafficking, and child labor:

Forced Labor, Slavery, & Human Trafficking – Suppliers will prohibit the use of forced, bonded, indentured or prison labor, which is defined as any work or service extracted from a person under the threat of penalty and which the worker does not offer voluntarily. No workers will be required to hand over passports or identity documents or pay recruitment-related fees. Any form of slavery and human trafficking is strictly prohibited.

Child Labor – Suppliers will not employ any person under the age of 17 or under the age for completion of compulsory education, whichever is higher. All local child labor laws concerning work hours, wages, minimum education, internship and apprenticeship, and working conditions will be followed. The supplier will maintain "proof of age" documents.

Two supporting documents, our Labor¹⁶ and Health, Safety, and Environment¹⁷ Standards (henceforth "the Standards"), provide detailed requirements for each element of the COC. The Standards also serve as the basis of our monitoring program and are currently being updated to support our newly refreshed COC. Our Standards on forced labor cover freedom of movement, treatment of migrant workers, and training staff on forced labor policies and procedures.

The COC and Standards are provided to all suppliers in English. We also provide translations of the COC in Chinese, Vietnamese, Spanish, Japanese, and Somali for suppliers where the local language differs from English.

PopSockets's top management publicly commits¹⁸ to the COC and to ensuring its adoption and implementation throughout the PopSockets supply chain. All known entities within our supply chain, including subcontractors, gel/packaging partners, logistics partners, and manufacturers, are required to adopt the COC and commit to making continuous improvement to meeting our standards.

FLA Fair Labor Association

PopSockets is an accredited Participating Company member of the FLA. The accreditation process evaluates our labor rights program's elements and activities, including those discussed in this document, against the FLA's Principles of Fair Labor and Responsible Sourcing¹⁹ to ensure our program's effectiveness in improving workplace conditions throughout our supply chain. The FLA's Principles are among the most stringent in the labor rights field in terms of requirements for company labor rights programs, and we are proud to be among those who have received accreditation.

Responsible Recruitment and Labor Brokers

The Employment Relationship section of PopSockets's Labor Standards outlines our requirements for responsible recruitment, including recruitment fees and the use of labor brokers. The language from our Standards is included in Appendix III. Although we are not a member of the American Apparel and Footwear Association (AAFA), we have based our responsible recruitment standards on the AAFA/FLA Apparel & Footwear Industry Commitment to Responsible Recruitment²⁰. PopSockets monitors risks related to responsible recruitment and labor brokers through our monitoring and remediation program. Our audit tool contains multiple questions regarding employment agency use, and any suspected issues regarding employment agencies are triangulated through our audit process.

¹² https://www.popsockets.com/on/demandware.static/-/Library-Sites-AutobahnSharedLibrary/default/dw9351992f/pdfs/EN_POPSOCKETS_SUPPLIER_CODE_OF_CONDUCT_V6%20FEB2022_USLetter.pdf

¹³ <https://www.fairlabor.org>

¹⁴ <https://www.fairlabor.org/accountability/standards/>

¹⁵ <https://www.ilo.org/global/topics/decent-work/lang--en/index.htm>

¹⁶ https://www.popsockets.com/on/demandware.static/-/Library-Sites-AutobahnSharedLibrary/default/dw5a0992fc/pdfs/POPSOCKETS%20LABOR%20STANDARDS_FEB%202022_V2_FINAL.pdf

¹⁷ https://www.popsockets.com/on/demandware.static/-/Library-Sites-AutobahnSharedLibrary/default/dw17eeb8f2/pdfs/POPSOCKETS%20HSE%20STANDARDS_FEB%202022_V2_FINAL.pdf

¹⁸ https://www.popsockets.com/on/demandware.static/-/Library-Sites-AutobahnSharedLibrary/default/dw6ea7a14b/pdfs/PopSockets_Letter_of_Commitment_to_Social_Compliance_November_2020.pdf

¹⁹ <https://www.fairlabor.org/accountability/standards/manufacturing/mfg-principles/>

²⁰ https://www.aafaglobal.org/AAFA/Solutions_Pages/Commitment_to_Responsible_Recruitment



Internal Accountability

Dedicated Staff

PopSockets employs one Director of Responsible Sourcing, reporting to VP Sourcing & Sustainability, who oversees the day-to-day operations of the company's labor rights program. The Director of Responsible Sourcing's responsibilities include management of our monitoring and remediation program, working directly with suppliers on capacity-building, and ensuring all aspects of our labor rights program meet or exceed current best practice.

Several other functions within the organization are responsible for developing and executing impact-related goals, including labor rights. The Sustainability & Social Impact Associate, Sr. Marketing Manager of Social Impact & Lifecycle, Chief Operating Officer, and President/Chief Financial Officer develop and execute related goals jointly with the Director of Responsible Sourcing and VP Sourcing & Sustainability.

Our Employee Handbook

For workers based in our on-site production facility, the PopSockets Employee Handbook contains all policies and procedures related to employment relationship. The handbook is aligned with our COC, which applies to our on-site facility. Relevant policies and procedures include internal grievance procedures and whistleblowing. Any suspected violation of the COC at the headquarter level can be reported through this mechanism and is resolved by our Human Resources team.

Engaging with Employees Globally

For our owned entities across the globe, employees are provided information about our forced labor policies either through in-person trainings when visiting our Colorado office or through ad hoc virtual training sessions. Employees of our owned entities also leverage our intra-company chat program, where the Director of Responsible Sourcing provides updates on forced labor risks such as the ones provided by the FLA. They are also encouraged to bring forward forced labor risks either directly to the Director of Responsible Sourcing or through our intra-company chat program. For the purposes of consultation for the creation of this statement, our owned entities, which all exist for financial reasons only, are informed of its publication and are provided a copy upon release.

Supplier Certification

PopSockets requires all Tier 1 suppliers to self-certify their commitment to the adoption and implementation of our COC and to our monitoring program through a specific provision in our contracts. Any egregious violation of these terms can be considered breach of contract. Egregious violations include, but are not limited to, confirmed instances of forced labor or child labor. We verify our suppliers' efforts to comply with applicable local laws and our Standards through our monitoring program. We require all suppliers to submit a form with a photograph of the updated COC posted in the local language whenever updates to our COC are made, and a signature verifying its placement. This serves as an additional signal of commitment to the stipulations of our contractual agreement and to our labor rights work.

Our 2022 Progress on Relevant Policies and Procedures

In early 2022, we deployed our 2021 COC and Standards updates to suppliers. All Tier 1 suppliers signed a commitment letter and provided photographic evidence of the posting of the new COC in a location frequented by workers.

PopSockets became an accredited member of the FLA in July 2022. The accreditation process took approximately four years and involved annual evaluations, SCI assessments, and a virtual headquarter visit in February and March of 2022. Our accreditation report, which details our labor rights program, can be found on the FLA's website²¹.

²¹ <https://www.fairlabor.org/reports/assessment-for-accreditation-popsockets/>



Due Diligence and Remediation

Assessing and Addressing Risks

PopSockets deploys a variety of tactics through our monitoring and remediation program to assess and address risks of forced labor in our supply chain. We maintain an internal standard operating procedure document covering pre-sourcing, annual COC audits, and our remediation process, as outlined below.

Due Diligence in Pre-Sourcing

To ensure alignment with PopSockets's responsible sourcing outlook and requirements, potential supply chain partners are screened for responsible sourcing risks and willingness to collaborate. All potential supply chain partners, regardless of their function or tier within the supply chain, must go through a screening process. The results of our risk assessment process are shared with internal stakeholders as part of the decision process to move forward with a sourcing relationship.

The pre-sourcing process involves a risk analysis and on-site evaluation. We evaluate country-level risk through a proprietary matrix comprised of the US Department of State's Trafficking-In-Persons Report²², Global Slavery Index²³, Transparency International's Corruption Perceptions Index²⁴, and the ITUC Global Rights Index²⁵. For facility-level risk, we conduct a qualitative review of a potential supplier's existing code of conduct, grievance mechanism policies and procedures, and any active collective bargaining agreements, if applicable. Our on-site evaluation criteria cover all elements of our COC with an emphasis on health and safety conditions.

Any instance of forced labor found during the pre-sourcing process is reported immediately to the Director of Responsible Sourcing through a dedicated channel in our intra-company chat program. The Director of Responsible Sourcing assesses the severity of the situation on a case-by-case basis and will recommend corrective actions range from creating a root cause-focused remediation plan to termination of the relationship exploration process.

Ongoing Due Diligence

PopSockets works with Sumerra²⁶, an auditing and consulting firm specializing in environment and labor rights, to manage the logistics of our audits. PopSockets audits are announced, and the supplier works with Sumerra to set the audit date. Sumerra does not conduct the audits themselves; independent auditors must complete and pass a proprietary elearning course covering PopSockets's audit standards and tools before being approved to conduct our audits. This gives an additional layer of independence between PopSockets and the auditor.

PopSockets audits include the following components:

- Pre-audit research, where previous zero-tolerance findings such as forced labor will be identified for the auditor's edification
- Opening meeting, covering the requirements and process for the audit
- Facility walkthrough
- Worker interviews, including migrant workers and union representatives, if present
- Management interviews
- Interviews with union/worker representatives, if applicable
- Document review
- Closing meeting, to discuss findings and engage in root cause analysis

Audit findings are identified and verified through a triangulation process based on the facility walkthrough, worker interviews, and document review. Findings are submitted to PopSockets through a report and scorecard that undergoes quality control by Sumerra.

PopSockets conducts ongoing monitoring and due diligence activities for Tier 1 facilities and those beyond Tier 1.

1. Tier 1

It is PopSockets's policy that all Tier 1 supply chain partners receive an annual PopSockets COC audit. All Tier 1 facilities will also be disclosed to the FLA, and therefore brought under the FLA's monitoring program, described above. Tier 1 facilities include directly contracted manufacturers and our third-party logistics providers.

2. Beyond Tier 1

It is PopSockets's policy that all facilities beyond Tier 1 that produce core products and/or greater than USD 1 million in value, are monitored annually via a COC audit or through an accepted equivalency scheme. Tier 1 manufacturers are required to disclose to PopSockets staff all subcontractors that may be involved in the production PopSockets products or components. Beyond Tier 1 for PopSockets consists of subcontractors such as inlay manufacturers, gel and packaging suppliers, or suppliers involved in the application of premium inlays or finishes such as epoxy glitter. Our supply chain partner list is available on our website.

3. Audit Equivalencies

In some cases, supply chain partners or PopSockets face extenuating circumstances preventing the conducting of COC audits. Circumstances include, but are not limited to, disruptions to business processes such as during COVID-19 and regulatory

²² <https://www.state.gov/reports/2022-trafficking-in-persons-report/>

²³ <https://www.globallslaveryindex.org/>

²⁴ <https://www.transparency.org/en/cpi/2022>

²⁵ <https://www.ituc-csi.org/2022-global-rights-index-en>

²⁶ <https://www.sumerra.com>



environments that make it difficult to openly conduct responsible sourcing activities. In such cases, PopSockets works with supply chain partners on a case-by-case basis to determine whether PopSockets will accept an audit report from another reputable scheme in place of a COC audit. Acceptable schemes currently include amfori BSCI²⁷, Sedex SMETA²⁸, FLA SCI Assessment²⁹, Disney ILS³⁰, and the Responsible Business Alliance's VAP³¹.

4. Verification Audits

PopSockets conducts verification audits on an annual basis. The purpose of verification audits is to ensure remediation of findings from previous audits and the resolution of grievances brought forth by workers. Any supply chain partner whose COC audit contains any zero-tolerance issue, including forced labor and child labor, will receive a verification audit six months after their most recent COC audit.

Remediation

Receipt of an audit report kicks off a 120-day remediation period during which the supply chain partner submits evidence of remediation at 30-day intervals. Submitted evidence undergoes quality review by Sumerra, who determines whether a finding is sufficiently remediated. Supply chain partners work with PopSockets on a case-by-case basis on any outstanding findings following the 120-day deadline.

Any zero-tolerance issue found in an audit, including forced labor or child labor, triggers a protocol called a Critical Incident Notification (CIN). Auditors report CINs to PopSockets staff within 24 hours of the conclusion of the audit. PopSockets works with the supply chain partner and any on-site worker representative structures to assesses next steps on a case-by-case basis. Potential actions taken range from creating a robust remediation plan focused on root cause and preventative measures to termination of the sourcing relationship.

PopSockets is committed to engaging with our supply chain partners on effective and sustainable remediation with a focus on management systems, training, and facility-level accountability. We use a variety of tools and methods, including in-person visits, training sessions, and regular check-in calls to ensure supply chain partners have the capacity and skills to implement lasting solutions to issues identified through the audit process. PopSockets also leverages relationships with the FLA, other brands sourcing from PopSockets's supply chain partners, and civil society organizations to get a full picture of the impacts of our remediation efforts.

FLA Due Diligence

FLA due diligence adds an additional layer of risk identification and assessment. As part of our membership requirements, PopSockets is subject to annual FLA audits, called SCI assessments, for 5% of our Tier 1 supply chain. The FLA deploys SCI assessments at facilities selected through a proprietary risk assessment methodology. For PopSockets, the size of our supply chain means we receive one SCI assessment per year. Following an SCI assessment, the FLA requires brands to submit a CAP developed collaboratively between the brand and supplier that includes root cause analysis and target completion dates for each item. Companies are then required to submit remediation updates every six months following the audit.

Worker Voice and Protections

PopSockets requires all supply chain partners to post our COC in a place easily accessible by workers, such as a frequented notice board or in canteens, in the language(s) spoken by workers. Our auditors verify the posting of the COC and worker training during our annual audit process. We also require all supply chain partners to train workers on their rights as enshrined in both local law and our COC as part of new hire training and on an annual basis.

We require all supply chain partners to develop policies and procedures around worker access to grievance mechanisms, the process for addressing and resolving grievances, and tracking related data. We also require all supply chain partners to maintain at least one anonymous mechanism, such as a suggestion box. PopSockets expressly forbids any form of retaliation by management against workers who submit a grievance.

PopSockets provides an email address at the bottom of its COC through which any worker in our supply chain can anonymously submit a grievance directly to us. Workers can also submit grievances directly to the FLA through their third-party complaint mechanism³². At certain facilities, workers also have access to an anonymous grievance hotline hosted by Ulula³³, a third-party service provider of grievance hotlines and worker surveys.

Our 2022 Progress on Due Diligence and Remediation

In 2022, we onboarded one Tier 1 manufacturer and 10 Tier 2 subcontractors. No newly onboarded suppliers were found to have signs of forced labor or child labor.

Our auditing program comprised of 10 audits at nine Tier 1 suppliers and one Tier 3 facility. These audits took place in China, Mexico, The Netherlands, Vietnam, and the United States.

²⁷ <https://www.amfori.org/content/amfori-bsci>

²⁸ <https://www.sedex.com/solutions/smeta-audit/>

²⁹ <https://www.fairlabor.org/accountability/assessments/>

³⁰ https://thewaltdisneycompany.com/app/uploads/2019/06/ENG_Disney_ILS_Manual.pdf

³¹ <https://www.responsiblebusiness.org/vap/about-vap/>

³² <https://www.fairlabor.org/accountability/fair-labor-investigations/tpc/>

³³ <https://ulula.com/>



Our Tier 1 manufacturer in Vietnam received our 2022 FLA SCI assessment, during which an instance of child labor was found. PopSockets engaged with The Centre for Child Rights and Business³⁴ to remediate the finding in a sustainable manner. Our remediation approach included an on-site one-day session at the factory with The Centre and one training for all Asia-based suppliers conducted by The Centre. The Vietnam facility received our only verification assessment this year to ensure remediation of the child labor finding. More information about our remediation efforts can be found in the FLA's public SCI assessment report^{35,36}.

We received four grievances through Ulula in 2022. All four were tracked to completion. Our worker surveys in 2022 included multiple questions designed to understand indicators of forced labor. In our April 2022 survey, 97% of workers confirmed they had access to their identity documents, and 96% of workers indicated they did not pay recruitment fees to obtain employment. In our December 2022 survey, we asked different questions related to indicators of forced labor. 95.5% of workers felt comfortable and safe reporting grievances through their available means, and 96% reported that management keeps them informed of progress on grievance resolution. PopSockets engaged in dialogue with suppliers to address remaining gaps on worker understanding and sentiment about their working conditions through targeted training and posting of notices.

³⁴ <https://www.childrights-business.org/>

³⁵ https://fla.fairfactories.org/fla_files/pdf_files/2121.pdf

³⁶ https://fla.fairfactories.org/web/Information/CustomReports/DownloadAuditFile?FileName=17793.xlsx&AuditOwnerAccountId=87093&UploadFileLabel=CAP_17-Apr-2023



Measuring Due Diligence Effectiveness

Ensuring Proper Identification and Assessment of Risks

PopSockets's relationship with the FLA supports our efforts to properly identify and assess risks, particularly as they emerge. The FLA frequently publishes issue briefs and notifications on emerging egregious issues for members. The goal of these issue briefs and notifications is to spur action on the part of brands to engage in risk mitigation and prevention within their supply chains. PopSockets saves all issue briefs within our company files, adds relevant analysis based on the briefs to pre-sourcing and annual audit activities, and distributes them to all staff through our intra-office chat program.

To ensure our due diligence procedures capture risks effectively, we undertake an annual review of our pre-sourcing tools to ensure back-end data is up to date and includes the most up to date and relevant quantitative risk identifiers. We also annually review all policies and procedures related to due diligence, remediation, and training to reflect lessons learned from qualitative experiences from the previous year. This includes review of our Work Instruction for auditors to properly execute our audit protocols.

Ensuring Effectiveness of Our Actions

PopSockets tracks effectiveness of our actions through our key performance indicator (KPI) reporting process. We report KPIs monthly by department; the Chief Operating Officer oversees the reporting of our labor rights data. The Director of Responsible Sourcing compiles relevant data from our due diligence activities, including:

- Audit scores by facility and functional grouping
- Audit scores of subcontractors
- Top issues and findings in audits
- The number of issues violating local law versus violating our COC

Due to the low number of grievances currently received through our grievance mechanisms, we report these on a case-by-case basis. Any CINs flagged during our audit process, including any incidence of forced labor, would be included in our KPI reporting process on a case-by-case basis as we track it to resolution.

We also report on data related to the remediation process. This data includes:

- Changes to recommended remediation completion dates if the Director of Responsible Sourcing and the facility agree to a reprioritization of an issue
- Whether the root cause of an issue has been updated
- The completion status of remediation items throughout the 120-day remediation period
- Year-on-year changes in finding types and audit scores
- Percentage of workers in our supply chain earning a living wage

Our 2022 Progress on Measuring Due Diligence Effectiveness

In 2022, we updated our labor rights risk matrix to align with newly released country risk ratings from the US Department of State's Trafficking-In-Persons Report. We conducted a verification audit of our Vietnam facility following an incident of child labor to ensure sustainable remediation. Our verification audit results indicated that the facility had sufficiently remediated the issue. Of the four grievances we received through Ulula in 2022, all four were tracked to completion.



Training and Capacity-Building

Staff Training

New Hires

All new hires to our US offices must participate in a new hire orientation. Orientation includes a mandatory hour-long session taught by the Director of Responsible Sourcing introducing the concept of responsible sourcing, PopSockets's Code of Conduct and Standards, PopSockets's labor rights program, FLA membership, and PopSockets's sustainability and social impact initiatives. We assess new hires on their learnings and training effectiveness through pre- and post-training questionnaires. We include data on training effectiveness in our KPI process described above and use it to make improvements to the new hire training session.

Dedicated Staff

The Director of Responsible Sourcing is trained on all PopSockets internal policies and procedures regarding labor and human rights risks during their first week, including our COC and accompanying Standards, monitoring and remediation policy, and internal accountability policies. The VP Sourcing & Sustainability is responsible for ensuring the training of the Director of Responsible Sourcing.

As per the FLA's requirements, the Director of Responsible Sourcing also receives training year-round on labor rights topics through webinars, training opportunities from our memberships with the FLA and Outdoor Industry Association, and eLearning courses.

All Staff

PopSockets conducts annual refresher training for all staff in our headquarters and other US offices through our bi-weekly all-staff meeting. Meetings are recorded, and recordings are distributed to all staff, including to our international offices. Training covers the PopSockets COC, an overview of our relationship with the FLA, and our monitoring program. PopSockets does not currently collaborate with any organizations for the annual training of our staff.

Our China team also receives training on identifying and investigating zero-tolerance issues such as forced labor and child labor in our factories. The training covers an internal reporting mechanism to inform the Director of Responsible Sourcing of zero-tolerance issues.

Supplier Training and Capacity-Building

Suppliers receive annual training on our COC during our annual supplier summit. All entities in our Asia-based supply chain are invited to participate, including subcontractors and logistics partners. Each supplier summit begins with a review of the COC and Standards, including our forced labor policy, and any changes or updates made to the COC and/or Standards in the past year.

Additional supplier capacity-building occurs during bi-weekly check-ins between the Director of Responsible Sourcing and our highest risk Tier 1 suppliers. Bi-weekly check-ins focus on post-audit remediation, beyond-compliance work such as living wages, and promoting additional training opportunities on labor rights-related topics. PopSockets also covers fees for any optional trainings undertaken as a reward for strong supplier scorecard performance.

Our 2022 Progress on Training and Capacity-Building

In 2021, the Director of Responsible Sourcing logged a total of 20.5 hours of training, of which two hours or approximately 10% were devoted specifically to forced labor and child labor. 21 employees in our US-based offices were trained on our labor rights program through our new hire orientation process. Annual staff training took place in August 2022.

For suppliers, PopSockets hosted our supplier summit virtually over three days in December 2022. This year's summit covered forced labor and responsible recruitment. For both topics, suppliers were introduced to the topic and participated in breakout groups to identify violations of the PopSockets COC via anonymized real-world cases. For responsible recruitment, a labor broker screening tool was developed and provided to suppliers in English and Chinese.



The above statement has been approved by the principle governing body of PopSockets, its limited liability company, comprising solely of CEO and Founder David Barnett.

David Barnett

David Barnett
CEO, PopSockets LLC

05 / 11 / 2023

Date of Signature

[Signature as required by the UK Modern Slavery Act and Australia Modern Slavery Act]

Australia Tax Number: 3000 1631 7146
US Employer Identification Number (registered office details): 27-3935248

Contact Us

If you have any questions about the contents of this disclosure, or about our labor rights program, please contact responsiblesourcing@popsockets.com.



Appendix 1: Our Standards on Child Labor

Standard

Suppliers will not employ any person under the age of 17 or under the age for completion of compulsory education, whichever is higher. All local child labor laws concerning work hours, wages, minimum education, internship and apprenticeship, and working conditions will be followed. The supplier will maintain "proof of age" documents.

Definitions

- Child labor: Work that deprives children of their childhood, their potential, and their dignity, and that is harmful to physical and mental development.
- Hazardous work: Work that, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety, or morals of persons under the age of 18.
- Juvenile or young worker: Workers who are of school age but are legally permitted to work certain hours with permission from their local school or labor authority in non-hazardous jobs. They are typically between the minimum age for work and the age of 18.
- Apprenticeship: Any system through which an employer undertakes, by contract, to employ a young person and train them or have them trained systematically for a trade for a period the duration of which has been fixed in advance, and in the course of which the apprentice is bound to work in the employer's service.

Standard Expectations

Management will establish and implement policies and procedures ensuring compliance with PopSockets's requirements, as well as all national laws, regulations, and procedures concerning the prohibition of child labor. At a minimum, policies and procedures related to child labor should cover:

- Child labor
- Age verification
- Juvenile or young workers and apprentices
- Remediation

CL.1 Child Labor

CL.1.1 Policies and procedures related to child labor must be written, either on paper or digitally, and supported by proper and accurate records.

CL.1.2 Management does not employ anyone under the age of 17 or under the age of compulsory education, whichever is higher. Apprentices or vocational students are not under the age of 17 or under the age for completion of compulsory education, whichever is higher.

CL.1.3 Children, even if accompanied by a parent or worker, are not allowed onto the premises during work hours or onto any work area, except for within a childcare facility.

CL.1.4 Applicable legal or regulatory requirements regarding conditions of employment, such as parental consent, are followed by management, and compliance documentation is kept on-site for inspection at all times.

CL.2 Age Verification

CL.2.1 Management maintains all documentation necessary to verify date of birth of all workers.

- Management takes reasonable measures to ensure such documentation is complete and accurate.

CL.2.2 If the law does not specify required documentation, management keeps a copy, not an original (see FL.2.6), on file of at least one of the following at a minimum:

- Birth certificate
- Government-issued personal identification card
- Driver's license
- Voting registration card
- Official stamped copy of a school certificate
- Affidavit from local government representative
- Foreign national work permit
- Doctor's certificate (may be accepted in combination with a school certificate)

CL.2.3 If proof of age documentation is not reliable or readily available, management takes all necessary precautions that can reasonably be expected of them to ensure workers meet the minimum age requirement.

- This can include requesting and maintaining medical or religious records, or through an approach that is effective considering local context.



CL.2.4 Copies of age documentation are kept on file in personnel records throughout the employment period and for a minimum for three years after the worker has left.

CL.3 Juvenile or Young Workers and Apprentices

CL.3.1 Management meets all legal requirements that apply to juvenile or young workers and apprentices, including regulations related to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime, as well as conditions set forth by the PopSockets Supplier Code of Conduct.

- Juvenile or young workers and apprentices do not undertake hazardous work.
- Juvenile or young workers and apprentices do not undertake nighttime work, which is work done between 10 pm and 5 am, unless there are country regulations that define nighttime work differently.
- Apprentice and vocational training programs are exclusively for workers who lack necessary training or experience which prevents them from being hired as regular workers.

CL.3.2 Management develops and maintains an internal system or database that documents the following at a minimum:

- Identifies all juvenile, apprentice, or vocational workers;
- The type of work they are legally able to do;
- Legally allowable working hours;
- The expiration date for the work permit or parental permission granted (if applicable);
- The legally recognized work program (if applicable);
- Identifying work functions they can and cannot perform within the facility; and
- Parts of the facility where they are not permitted to enter.

CL.3.3 Supervisors are responsible for ensuring juvenile or young workers and apprentices do not work on any other jobs outside of those designated, or outside of the working hours specified.

CL.3.4 Periodic meetings are held with managers and supervisors who have juvenile or young workers and apprentices to remind them of related policies, procedures, and requirements.

CL.3.5 No informal work arrangements for juvenile or young workers and apprentices are allowed (see ER.3.2).

CL.3.6 Apprentices receive wages and benefits that match the legal minimum wage or the industry prevailing wage for regular workers, whichever is higher, and all legally mandated benefits for participation in training.

- If local law allows for a lower minimum wage for apprentices/trainees, this lower minimum wage may only be applied for the first 30 days, if that time is dedicated primarily to training and not to production or other essential tasks.
- Apprentices are subject to all conditions contained within these Standards and any applicable national laws and regulations.

CL.4 Remediation

CL.4.1 If management knowingly or unknowingly employs child labor, they must take appropriate steps to address the issues when is discovered, including the following at a minimum:

- Facilitating the underage worker's safe returned to a relative or caretaker.
- Providing financial support so the underage worker may attend school or vocational training.
- When the worker reaches the minimum legal working age, providing them with the opportunity to regain employment.

CL.5 Documentation

CL.5.1 The following documentation related to policies and procedures for child labor should be kept at a minimum:

- Policies related to compliance with PopSockets's requirements on minimum working age, compliance with applicable child labor laws, working hours not interfering with educational requirements, and preventing the assignment of dangerous work to young workers.
- Procedures related to verifying the age of all workers, verifying age verification documents, verifying consent to work, ensuring young workers do not perform hazardous work, and ensuring young workers are not deprived of education due to work.

CL.5.2 The following documentation related to child labor should be kept at a minimum:

- Copies of worker contracts for all workers, including contracts for young workers.
- Records of parental consent for young workers.
- Copies of age verification documentation for all workers.
- Records of employee grievances related to child labor.
- An inventory of jobs and tasks that cannot be assigned to the young workers because of inherent health and safety hazards.

CL.5.3 The following documentation related to training on child labor should be kept at a minimum:

- Logs, slides, or post-training quizzes demonstrating worker training on workplace policies and procedures that assist with detecting child labor.
- Evidence of training for recruitment and hiring staff on policies, procedures, and legal requirements for child labor prevention.



Appendix 2: Our Standards on Forced Labor

Standard

Suppliers will prohibit the use of forced, bonded, indentured or prison labor, which is defined as any work or service extracted from a person under the threat of penalty and which the worker does not offer voluntarily. No workers will be required to hand over passports or identity documents or pay recruitment-related fees. Any form of slavery and human trafficking is strictly prohibited.

Definitions

- **Bonded labor:** Used interchangeably with debt bondage. A form of labor where the worker signs a contract either with a supplier or labor broker to work for a specific period of time for which they are paid only with accommodation and sustenance through their wages.
- **Forced labor:** All work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily. Used interchangeably with modern slavery, various forms of debt bondage and prison labor, and human trafficking. (Source: International Labour Organization)
- **Human trafficking:** The recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery. (Source: US code – title 22: foreign relations and intercourse – chapter 78)
- **Indentured labor:** A form of labor where the worker signs a contract to work for another person for a definite period of time, typically without pay in exchange for free passage to a new country.
- **Migrant worker:** Worker who leaves their home country or place of origin for employment. The term applies to both domestic (intra-country) and foreign (inter-country) workers.
- **Prison labor:** any instance where incarcerated individuals are used to perform work. This includes government-sponsored work programs and labor where incarcerated individuals are compensated for their work.
- **Receiving locale:** Geographic location (city, country, etc.) to which a migrant worker arrives to work for a supplier.
- **Sending locale:** Geographic location (city, country, etc.) from which a migrant worker departs to work for a supplier.

Standard Expectations

Management will establish and implement policies and procedures ensuring compliance with PopSockets's requirements, as well as all national laws, regulations, and procedures concerning the prohibition of forced labor, slavery, or human trafficking in the workplace. This includes bonded labor, indentured, and prison labor. At a minimum, policies and procedures related to forced labor cover:

- Forced labor
- Freedom of movement
- Treatment of migrant workers

FL.1 Forced Labor

FL.1.1 Policies and procedures related to forced labor must be written, either on paper or digitally, and supported by proper and accurate records.

FL.2 Freedom of Movement

FL.2.1 Management and supervisors do not restrict worker freedom of movement. All workers can freely enter into and terminate their employment and exit the premises within reason at any time with legal and reasonable notice.

FL.2.2 Except where necessary for worker safety, management will not restrict movement within the workplace.

- Management will not restrict access to drinking water or toilets, including the limiting of toilet breaks or the use of non-payment toilet breaks.
- Management will not restrict freedom of movement via security personnel and/or use intimidation against workers.

FL.2.3 Management provides unrestricted exit at all times if the workplace is locked or guarded to prevent non-employee access.

FL.2.4 Dormitories and other facilities provided to workers are adequate, clean, safe, and identical for all workers regardless of employment situation or place of origin.

- Management will not unreasonably restrict the freedom of movement for workers living in dormitories.
- Management does not require or influence workers to live in dormitories as a condition of recruitment, continued employment, or to receive equal terms of employment or working conditions as other similarly employed workers.
- Workers have the right to use or refuse accommodation, and there is no attempt by management to influence their decision.
- Management will only set curfew and visitor policies where necessary for worker safety and privacy. Curfews, if necessary, are reasonable and allow adequate time for workers during non-working hours to take part in personal activities.



FL.2.5 Workers maintain possession of their passports, identity papers, travel documents, work visas, or other personal legal documents at all times.

- The only time management may possess a personal legal document is to make a copy for record-keeping.
- Management will not withhold or restrict access to personal legal documents in any way, including to ensure workers remain in employment in the workplace.
- Management provides secure, lockable, disaster-resistant storage options for workers who wish to voluntarily leave their personal legal documents with management.
- Worker access to storage options should be immediate, available at all times, and without barriers or the need for management assistance.

FL.2.6 Management, employment agencies, or intermediaries do not engage in any practice or terms that restricts freedom of movement, free transit, or the ability of a worker to terminate their employment. Forbidden practices include the following at a minimum:

- Physical or mental coercion or the threat of such coercion (see HA.1.2);
- Setting unrealistic piece rate or production targets that mandate work outside of regular hours to complete (excluding overtime) to be able to earn the legal minimum wage or prevailing industry wage (see WB.1.13);
- Charging deposits or imposing any kind of financial penalty;
- Denying, impeding, or hindering access to or renewal of personal legal documents (see FL.2.5);
- Requiring deposits or recruitment and/or employment fees (see ER.2);
- Providing precarious employment (see ER.8); or
- Using false information to recruit workers.

FL.2.7 The imposition of overtime where workers are unable to leave the work premises constitutes forced labor.

- Management does not retaliate against any worker for refusing overtime. Workers are free to refuse overtime.

FL.3 Treatment of Migrant Workers

Migrant workers are one of the most vulnerable group of workers within any supply chain and often end up in situations of precarious employment (see ER.8).

FL.3.1 Management will establish and implement policies and procedures specific to the protection and fair treatment of migrant workers. All conditions of employment and labor are identical to that of a local worker.

FL.3.2 Management performs due diligence on respective employment agencies to ensure it contracts with those committed to complying with any applicable laws and regulations in both the sending and receiving locales and these Standards.

FL.3.3 All stipulations in these Standards on responsible recruitment, including recruitment fees and conditions of employment (see ER.2, ER.3), are equally applicable to migrant workers.

FL.3.4 Management ensures migrant workers receive a pre-departure briefing in a language understood by workers prior to signing their employment contract and prior to departure from their sending locale. The briefing can be conducted by management or the employment agency, and should include the following information at a minimum:

- Management's workplace conditions and rules;
- The requirements set forth in these Standards;
- Travel and visa logistics;
- Legal protections and rights protected under both the sending and receiving locale; and
- Information on the sending locale's embassy or consulate if applicable.

FL.3.5 Migrant worker employment contracts contain the same conditions of employment on working hours, overtime, wages, bonuses, and personal leave as local, permanent workers. Additionally, the contract is:

- Legally enforceable in the host country;
- Provided in a printed copy to the worker prior to leaving their home country (by a third-party recruiter if applicable) and upon arrival in the country of employment; and
- Amended only if the terms of employment are still met with the revision. If this is the case, the worker signs to accept the changes under no threat or fear of penalty.

FL.3.6 All stipulations in these Standards on freedom of movement, dormitories, and personal legal documents are equally applicable to migrant workers.

FL.3.7 Migrant workers have equal and unrestricted access to grievance mechanisms available to other workers (see WV.1). Management follows its policies and procedures related to grievance mechanisms equally for all workers, including migrant workers.

FL.3.8 In the event of repatriation, management arranges and pays for any travel or other costs related to the termination of a contract for any reason, except in situations of documented misconduct or illegal activity on the part of the worker.

- Management is not required to pay repatriation-related fees to workers who are legally permitted to remain in the receiving locale and choose to remain, or workers exempted through an authorized official of a US contracting agency.



FL.4 Debt and Bonded Labor

FL.4.1 Management, employment agencies, or intermediaries will not bind workers to employment as a condition of fulfilling terms of a debt to a third party or to their employer.

FL.4.2 Management, employment agencies, or intermediaries may provide loans directly to workers only if they are a component of a larger loan program available to all workers, such as housing or education loans.

- Lending and savings programs provided to workers by management, employment agencies, or intermediaries must comply with all national laws and regulations for such programs.

FL.4.3 The continuance of loans is not dependent on continued employment at the workplace.

- No penalties may be assessed on the loan for workers ending employment at the workplace.

FL.4.4 Interest may not exceed the cost of administering the loan program and any tax liabilities incurred by the program, and according to legal limits.

FL.5 Documentation

FL.5.1 The following documentation related to policies and procedures for forced labor should be kept at a minimum:

- Policies related to recruitment fees, accurate terms and conditions of employment for migrant workers, worker retention of personal legal documents, and freedom of movement.
- Procedures related to accurate job postings, providing employment contracts in a language understood by workers, timely reimbursement of any recruitment-related fees, and due diligence for employment agencies.

FL.5.2 The following documentation related to forced labor should be kept at a minimum:

- Copies of worker contracts for all workers, including contracts for migrant workers.
- Copies of migrant worker personal identification documents, work permits, visas, medical certificates and any other records required by law.
- Contracts with employment agencies.
- Evidence of due diligence for employment agencies ensuring compliance with all relevant laws and the PopSockets Supplier Code of Conduct.
- Evidence of payment or reimbursement of recruitment or repatriation-related fees.
- Pre-departure briefing documents.
- Records of employee grievances related to forced labor.

FL.5.3 The following documentation related to training on forced labor should be kept at a minimum:

- Logs, slides, or post-training quizzes demonstrating worker training on workplace policies and procedures that assist with detecting forced labor, and policies and procedures communicated to employment agencies.
- Evidence of training for migrant workers on contract terms before departing their sending locale.
- Evidence of training for recruitment and hiring staff on policies, procedures, and legal requirements for forced labor prevention.



Appendix 3: Our Standards on Responsible Recruitment

ER.2 Responsible Recruitment

ER.2.1 Policies and procedures related to responsible recruitment must be written, either on paper or digitally, and supported by proper and accurate records.

ER.2.2 Written policies and procedures related to responsible recruitment cover the following at a minimum:

- The hiring process, including conditions for hiring contract/contingent/temporary workers and migrant workers (see ER.8, FL.3);
- Conditions for working with employment agencies (see ER.2.4, ER.2.5); and
- Rules regarding recruitment fees (see ER.2.6, ER.2.7, ER.2.8).

ER.2.3 Workers are hired directly whenever possible. When using a third-party labor broker, agent, sub-agent, or intermediary is necessary, management ensures that the party fully understands and aligns with all PopSockets, legal, and regulatory requirements of the worker's sending and receiving countries. Specifically, third parties used:

- Are legally approved and licensed or registered;
- Provide legitimate and true information and the employment opportunity promised; and
- Follow all requirements outlined regarding freedom of movement, recruitment fees, fair and equal treatment, and non-discrimination as outlined in both local law and these Standards. (see ER.2.6, ER.2.7, ER.2.8, FL.2, ND.2)

ER.2.4 Management will not work with employment agencies engaged in the following practices, at a minimum:

- Using false information to recruit workers;
- Restricting workers' freedom of movement;
- Requiring workers to pay recruitment and/or employment fees;
- Providing inadequate housing;
- Restricting transit of workers;
- Providing precarious employment; (see ER.8)
- Withholding from workers a copy of their employment contract in their native language that sets forth the general terms and conditions of engagement and employment;
- For migrant workers, a copy should be provided prior to departure from their hometown;
- Retaining possession or control of workers identification and other documents like passports, identity papers, work permits, and other personal legal documents;
- Providing for financial penalties; or
- Punishing workers for terminating employment.

ER.2.5 Contracts with employment agencies state the following at a minimum:

- The employer directly pays wages to all workers it employs through the agency.
- Ensuring equality of compensation and standards under the PopSockets Supplier Code of Conduct and national laws and regulations.

ER.2.6 All fees and other costs associated with employing any worker will be paid by the employer.

- Workers will not pay recruitment-related fees of any kind at any time or phase in the employment cycle as part of application, recruitment, hiring, placement, processing, transportation, or re-location.

ER.2.7 Fees to be paid by either the employment agency or management, but not workers, include the following at a minimum:





- Any third-party (labor broker, agent, sub-agent, or intermediary) fees for assistance in hiring and re-location;
- Travel documents required for employment;
- Permits and certifications;
- Transportation and lodging; or
- Repatriation (see FL.3.8).

ER.2.8 If it is unavoidable to have the worker pay a fee at the time it is due, management will work with any other appropriate party to repay the fee as soon as possible and no later than within 30 days of the start of employment. Receipt of re-payment is documented and available for review upon request.

ER.2.9 Management checks all documentation, including proof of age documents (see CL.2), before work begins to confirm they are allowed to work according to relevant national laws and workplace rules.

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