

# Impact Report

2022



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# Scope

The purpose of this document is to give you a glimpse into Dropps' impact-related priorities, with respect to environmental sustainability, our people, and our communities. It is also a way to share our successes over the last few years and our goals for the future. Note that the data reported in this document are not in accordance with any sustainability or ESG reporting guidelines and are not to be treated as such.





# Company

Dropps (Cot'n Wash Inc.) is an approximately 105-person organization that was founded in Philadelphia in 1991. Dropps, our liquid unit-dose pod brand, was created in 2008. Even prior to the COVID-19 pandemic, Dropps was and continues to be a primarily remote company. We have one physical location just outside of Chicago, Illinois. This location houses our assembly and fulfillment operations as well as Quality and R&D.

Dropps manufactures concentrated home cleaning products with a focus on the laundry and dish detergent categories. Our goal is to offer better, safer, and more sustainable ingredients for all products in responsible packaging. We develop our own proprietary formulas, manufacture with partners locally, and source from vendors globally.





# Introduction

As a company, it is not enough to be mission-driven. Great companies are also values-driven. As a Consumer Packaged Goods (CPG) company, it is not enough to make superior products. Those products must have a purpose that is greater than ourselves, and that comes from values. A value is a quality, an ideal. It is in the way we act, and can quickly become ingrained in our characters. It is a way to translate beliefs and hopes into action.

At Dropps we have five core values: commitment to sustainability, celebrating diversity, practice inclusion, leading with simplicity and transparency, and enjoying the ride. These create a common ground on which our team members operate together every day - not my ground, but our common ground! The values we have established have created a culture that is part of the DNA of the company and the work we do every day. Our culture, mission, and values help us adapt to the ever-changing environment. Our environment is changing, and Dropps is doing everything it can to be a victor of change rather than a victim. I am pleased to offer our second annual Impact Report as a newly Certified B Corporation. Significant effort went into assembling this document and becoming B Corp Certified.

Even greater effort by our entire team went into having the overall impact we've included in this report. At times it may feel that as a small company our efforts are just a "drop in the bucket." It has been part of our mission to reduce unnecessary water use and single-use plastic. Recently I noticed on Tide's website the following : "Tide pods are clear examples of efficient water use." Well Dropps invented the liquid laundry pod and that efficient water use. You may have heard me say, "the water is in the washer, the only thing you need to ship to the consumer is what cleans your clothes."

We introduced our paper box (with child safety lock) in 2017. The industry is now following suit and moving away from plastic containers for pods in easier-to-recycle paper products. It has been said that nobody made a greater mistake than he who did nothing because he could only do a little. It is clear a Dropps ripple is not a "drop in the bucket," but rather the beginning of a tidal wave of change.



Warm regards,  
**Jonathan Propper**  
Dropps Founder



# Our Core Belief

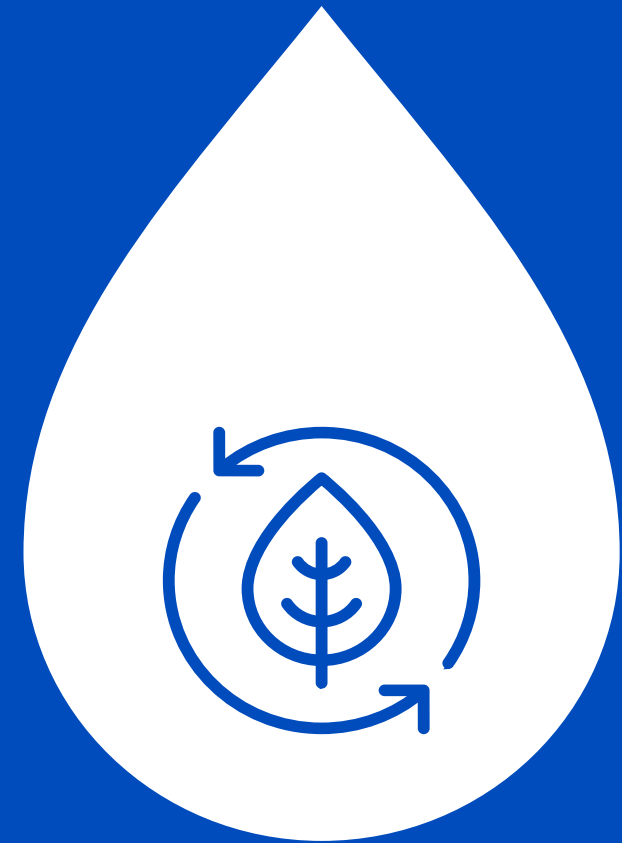


We have a vision for what home care can — and should — be. We believe that you can have it all: effective, eco-responsible, and convenient products. Not one thing at the expense of another.

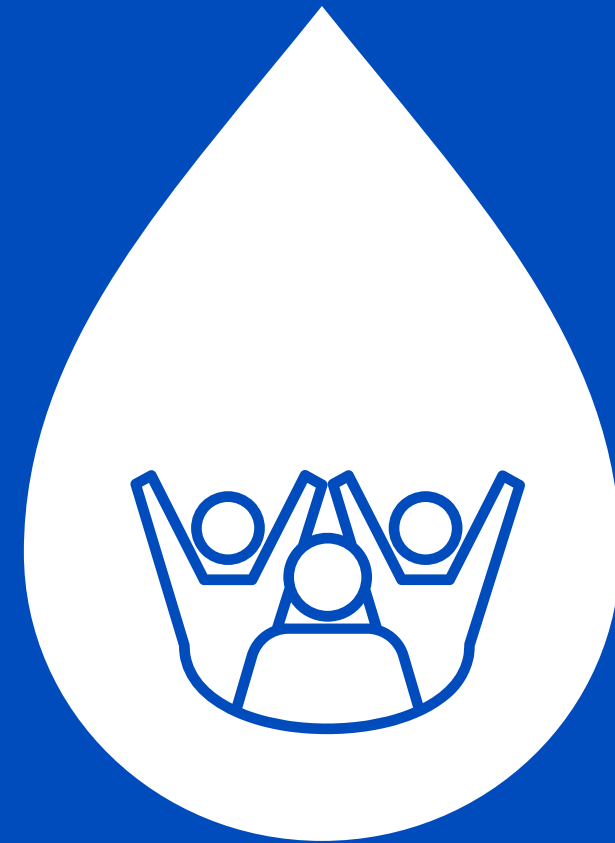
**Better for you, better for the planet.**



# Community Values



**Commit to  
Sustainability**



**Celebrate  
Diversity**



**Practice  
Inclusion**

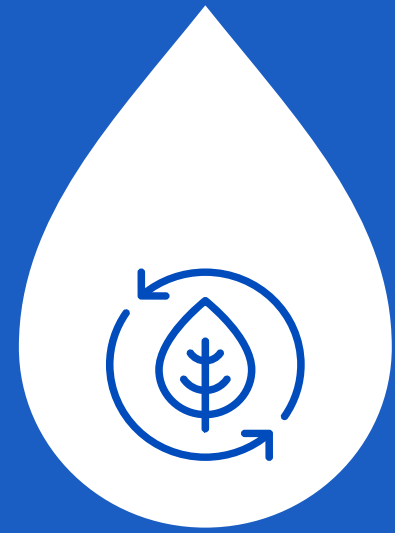


**Lead with  
Simplicity and  
Transparency**



**Enjoy the Ride**

# Commit to Sustainability



**We incorporate the spirit of conservation in our actions and we are kind to the resources we are accorded with.**

The word sustainability here refers to the concept of environmental sustainability. Our planet has finite resources. It is necessary for every business to recognize and appreciate what we take from the natural world to fuel our financial goals. Dropps has

long recognized this responsibility and has put environmental sustainability at the forefront of its priorities. This value is also of utmost importance to our customers. By being clear about this commitment, we hold ourselves accountable to this value.



# Celebrate Diversity



**We cherish differences in thought, being, and expression, and we do not indulge in sameness.**

At Dropps, we believe that diversity is the chief source of progress. Diversity includes all the ways in which people differ. It is all-inclusive and recognizes every individual in their own merit, outside of generalizations that are often made about groups of people.

Our broad consideration of diversity includes not only race, ethnicity, and gender — the characteristics that most often come to mind when

the term “diversity” is used — but also age, national origin, culture influences, religion, disability, sexual orientation, gender identity or expression, socioeconomic status, education, marital status, language, and physical appearance. For Dropps, it also involves different ideas, perspectives, and value systems, so long as they do not harm or hurt someone else’s identity, existence, and experience at Dropps.



# Practice Inclusion



**We aspire to give everyone a voice and a sense of belonging because we believe we are better together.**

At Dropps, inclusion is the act and effort of creating an organization in which any individual is made to feel welcomed, respected, supported, and valued for them to fully and authentically participate at our workplace. Our goal is to create a workplace which embraces differences and offers respect in words and actions for all team members. Inclusion goes hand in hand with equity, which acknowledges that there are historically underserved and underrepresented populations in the workplace who have not had the same treatment, access, opportunity and

advancement as their counterparts. Prioritizing equity allows Dropps to identify and eliminate barriers that have prevented the full participation of these groups, and provision resources and opportunities that better lead to equal outcomes across all groups.

Finally, Dropps recognizes that without inclusion and equity, a diverse workforce cannot thrive. Hence, it is imperative that our culture reflects the foundation of inclusion and equity upon which the diversity of our team members can flourish.



# Lead with Simplicity and Transparency



**We believe a clean product means a clean conscience — no nonsense, just the naked truth!**

The concept of “the naked truth” extends to everything we do at Dropps. We work to ensure that our products contain only the necessary ingredients for effective results and that our customers are given the information they need to make an informed decision.

This not only refers to the composition of our products, but also extends to our internal and external communications. We strive to maintain authenticity and directness in our daily interactions with customers and with each other. Our goal is to keep our products, programs, and processes as simple as possible, and be transparent with our intentions and decision making.



# Enjoy the Ride



**We believe our commitment to a better world goes hand in hand with a joyful work environment and a fulfilling career.**

At Dropps, we believe that a healthy work/home-life balance creates the best results. We do not want to push the idea of a "hard worker" in the traditional sense, and excellence does not mean putting the success of the organization at the expense of yourself.

We strive to work as a collective and believe that each team member's successes contribute to our larger mission. Our people are the backbone of our organization and it is important that each team member is happy and healthy. This may look different for each team member, but we encourage an atmosphere of growth and genuine positivity for each individual.

# Environmental Impact Strategy and Progress





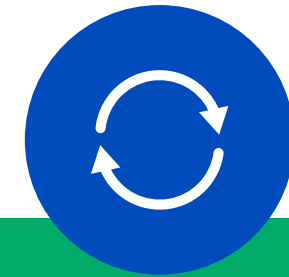
# Dropps Environmental Impact Strategy and Progress

In early 2021, we formalized our Impact Strategy. Our strategy is rooted in the following four goals:



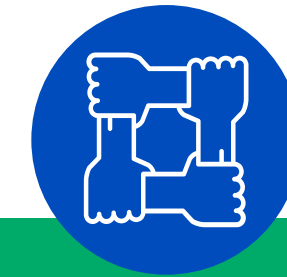
## Safety

Our ingredients, packaging, and operational decisions will be safe for human, animal, and environmental health and well-being.



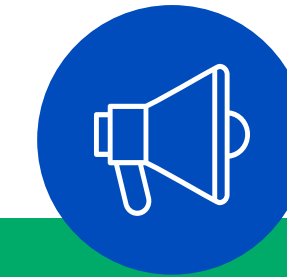
## Circularity

Our ingredients and packaging choices will have a readily available and accessible biological or technical circular economy.



## Inclusivity

Our product design, pricing, sales channels, promotions, and business relationships will emphasize inclusivity and accessibility of our products.



## Advocacy

Our voice will be used to advocate for our organizational beliefs and mission through deep customer engagement, expanding business relationships, empowering team members, and communicating our successes and goals via annual reports.



## Safety and Circularity

Since the start, our products have been formulated with people and the planet in mind. We know that what we put into the world can have an impact for years to come, not only on our homes and our bodies, but also on the water we drink, the air we breathe, and the soil we rely on to keep us nourished. Recognizing the importance of this, we've incorporated safety and circularity as a core pillar of our product development process.



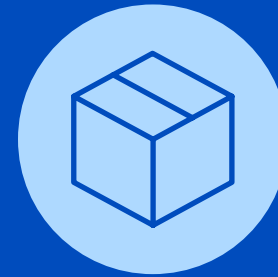
# Priorities

Our Safety and Circularity priorities and goals include:



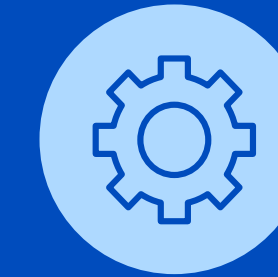
## Formulations

- Concentrated and minimal use of water
- Prioritizing safety for human, animal, and environmental health
- Use of bio-based ingredients
- Vegan and not tested on animals
- Sustainable certified mass-balanced Palm Oil



## Primary and secondary packaging

- Primary packaging (pod film) contains a bittering agent to keep away children and pets
- Recycled, recyclable, compostable, and/or biodegradable



## Operations

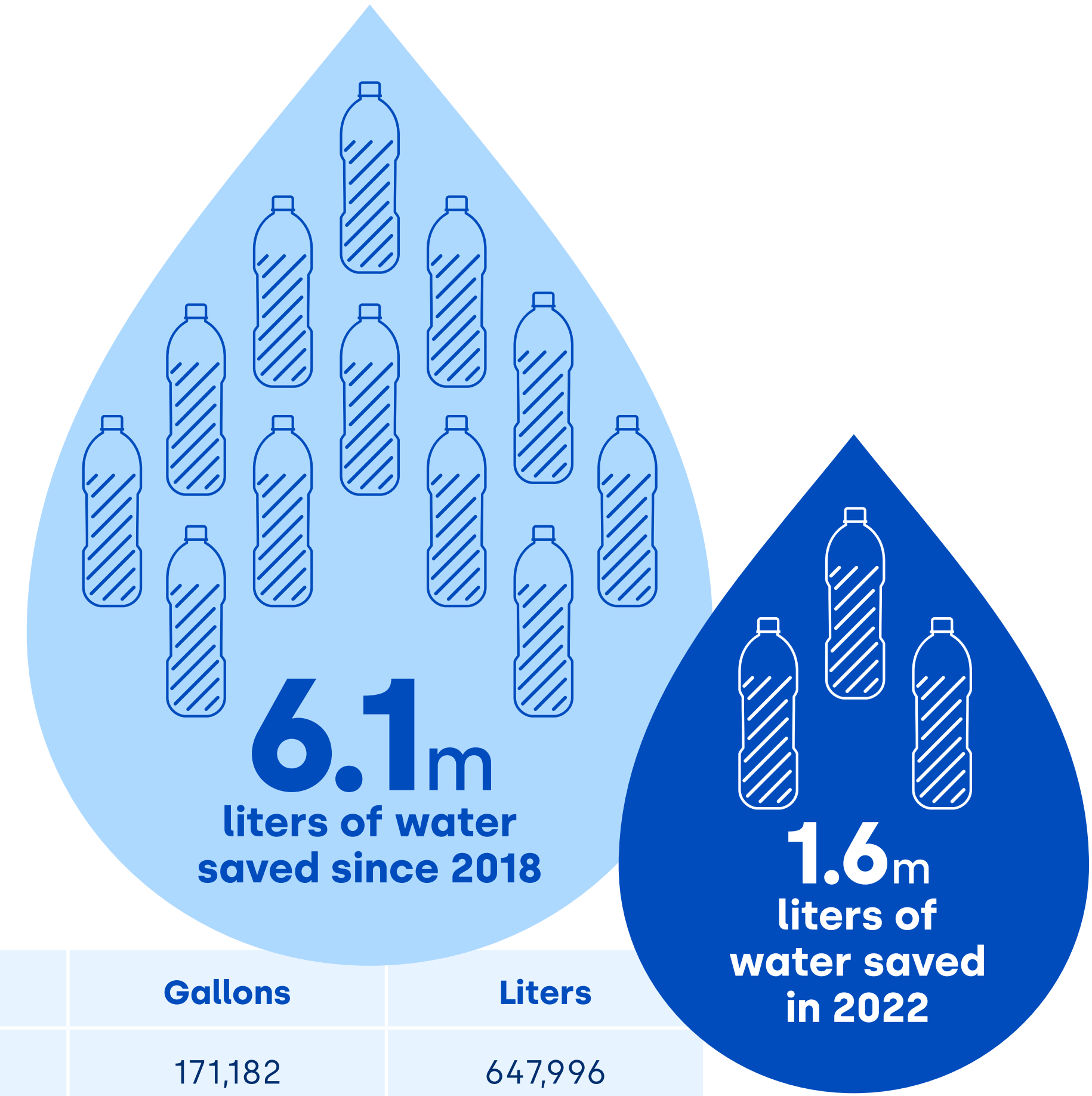
- Operational choices that enable reuse and recycling of materials
- Ethical sourcing along with fair labor and operational practices
- Operational choices that minimize or eliminate emissions
- Responsible disposal guidance for all products

# Formulations



## Concentrated and minimal use of water in our core products

Dropps believes that concentrated formulations can be delivered to our customers safely. Focusing on concentrated formulations allows us to develop products



	Gallons	Liters
2018	171,182	647,996
2019	227,648	861,742
2020	366,296	1,386,580
2021	431,689	1,634,121
2022	438,581	1,660,209
<b>TOTAL</b>	<b>1,635,397</b>	<b>6,190,647</b>



# Formulations



## Prioritizing safety for human, animal and environmental health

Our R&D team retains a focus on assessing our product formulations through a lens of safety and sustainability. We use CleanGredients<sup>®</sup>, a third-party reference database for safer ingredients, in developing and refining our formulations. We have an ongoing engagement with MBDC, a sustainability consulting company that is an accredited assessor of the Cradle to Cradle Certified<sup>®</sup> Products Program. MBDC works with us to assess all of our product formulation ingredients, new and existing, according to the Cradle to Cradle Products Innovation

Institute's safety profile. All formulations are assessed keeping in mind the concentrations of each ingredient, end use of the product, exposure, and risk of exposure. We also assess these for prevalence of carcinogenic, mutagenic and reprotoxic chemicals (CMRs), skin sensitizers, eye irritants, respiratory irritants, aquatic toxins, bio-accumulators, and biodegradability. Where applicable, we have reformulated and will continue to reformulate our products and fragrances for a stronger sustainability profile.

# Formulations



## Use of bio-based and plant-based ingredients

Where possible, we prioritize using bio-based ingredients. Bio-based ingredients are those “derived from raw materials such as plants and other renewable agricultural, marine, and forestry materials.”<sup>[2]</sup> Plant-based ingredients are those where the bio-based content primarily comes from plants.

The majority of our liquid and powder pod components are bio-based, based on our internal theoretical estimations. All of our softener products are mineral-based.<sup>[3]</sup>

A goal for 2023 is to continue to increase the bio-based content of the ingredients in our formulas, get final formulations 3rd-party lab tested for actual bio-based content, and embark on the USDA BioPreferred Certification process.





# Formulations



## Vegan and not tested on animals

We are proud that all of our formulations are free of any animal or animal-derived product. Our formulations have never been (nor will they ever be) tested on animals. We are also working with our ingredients suppliers continuously to ensure that the materials they supply are never tested on animals. The goal for 2023 is to secure the Leaping Bunny certification for Dropps.



# Formulations



## Use of Palm Oil

Dropps utilizes Certified Sustainable Palm Oil through the Mass Balance (MB) supply chain model. The Mass Balance system allows for mixing of the Roundtable on Sustainable Palm Oil (RSPO) and non-RSPO certified palm oil at any stage in the supply chain, provided that the overall quantities are controlled and traceable to RSPO certified mills. This system helps to actively promote the trading of RSPO certified palm oil.

There are several advantages to using palm oil, which accounts for its popularity and the difficulty in replacing it. Palm oil is the highest-yielding vegetable oil crop, and thus requires less land than other vegetable oils. Since it is more efficient and productive than other crops, replacing palm oil with other types of vegetable oil would require much larger amounts of land, which would result in more deforestation and environmental damage. The unique chemistry and characteristics of palm oil also limits the number of acceptable alternatives.

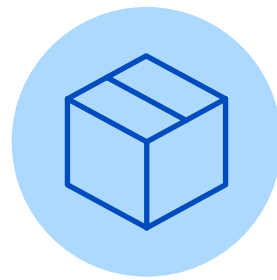
Two viable alternatives to palm oil are coconut oil and babassu oil, which have similar properties to palm oil, notably a high content of lauric acid. Coconut and babassu are both grown in tropical regions as well, leading to many of the same environmental and ethical issues associated with palm oil. Other exotic oil alternatives such as shea,

jojoba, and mango are not as readily available as palm oil, making their supply chain vulnerable to disruption and unable to meet the high demands associated with palm oil. Innovative alternatives such as oil-producing algae or yeast are still works in progress, and the growing conditions require a lot of sugar, a crop which only 4% worldwide is grown under sustainable conditions.

While not perfect, given the difficulty in replacing palm oil and the challenges associated with its alternatives, the use of RSPO certified palm oil allows for a more sustainable impact than traditional palm oil, and can help drive the enormous palm market towards sustainable palm. That said, Dropps continues to explore alternatives by working closely with our suppliers and industry partners to drive our palm oil content even lower.



# Primary and secondary packaging



## Primary packaging for pods

Our pod film is Polyvinyl Alcohol (known as PVA or PVOH), a partially plant-based synthetic polymer with a bio-based portion. As with most polymers, PVOH can be made to take many shapes and forms to give it different hardness and solubility properties. The degree of hydrolysis here is very important as it dictates the level of water solubility of the end product. High-hydrolysis PVOH is very water resistant and does not break down easily. On the other hand, low/mid-hydrolysis PVOH is very water soluble, and that is what we use at Dropps. There are many uses for these films outside of laundry and home care. Food and personal care grade PVOH films, such as what is used in our pod products, are commonly used and sold in the US.

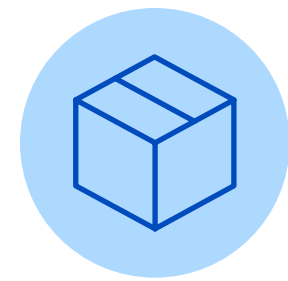
Our PVOH pod technology also helps keep the active ingredients off of skin and prevents spills. PVOH is included on the CleanGredients® database (the definitive database of chemical ingredients whose formulations have been pre-approved by the U.S. EPA's Safer Choice Standard). There are over 50+ independent peer-reviewed scientific papers, including a significant body of work, citing over 190 peer-reviewed papers, supporting the use of PVOH.

At Dropps, sustainability is a journey, not a destination. Our goal is to continuously invest in innovation to find and commercialize more sustainable materials for our products and our packaging.

## Multi-use packaging

In addition to choosing ingredients and packaging that are recycled, recyclable, compostable, and/or biodegradable, we are also proud to have designed packaging for our pod products that minimizes cardboard usage. Often our product packaging doubles as our shipping box - which means that for the most part there will not be a box in a box in a box...with Dropps!

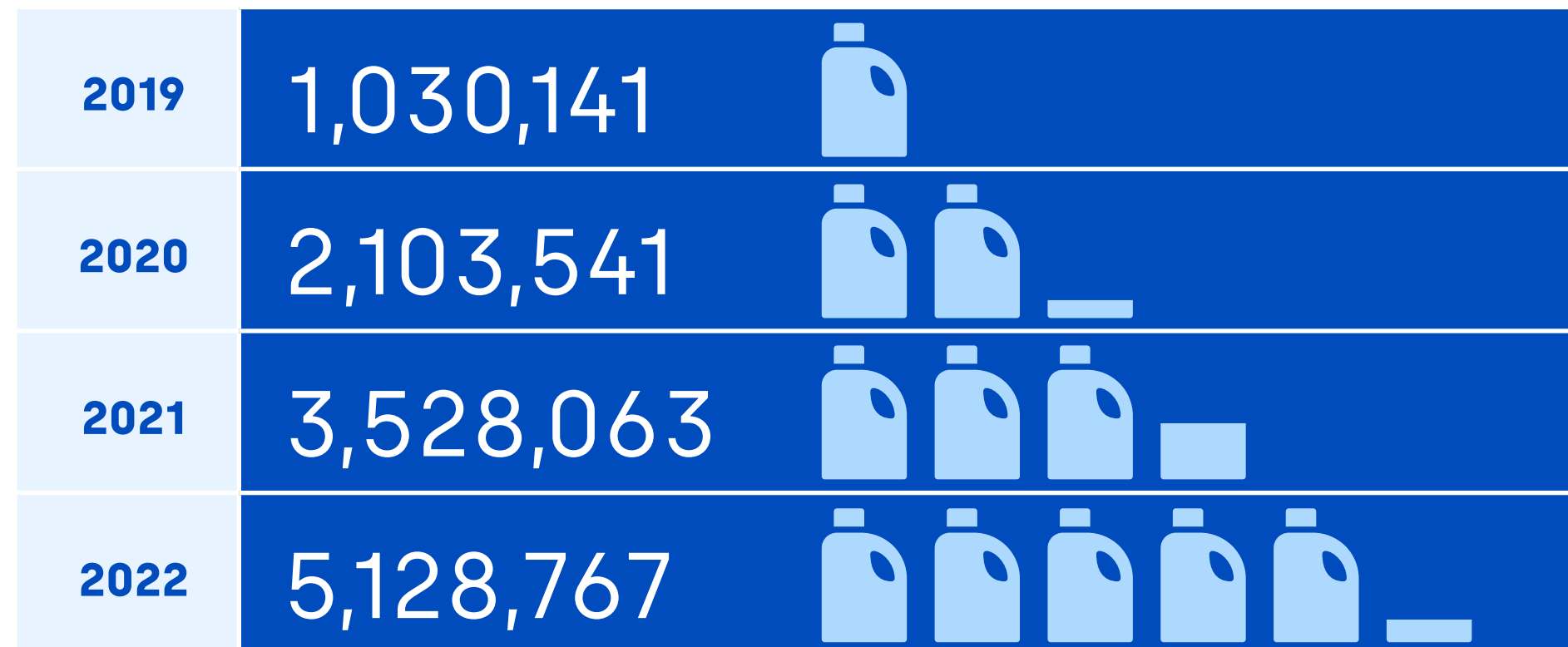
# Primary and secondary packaging



## Eco-friendly packaging suppliers

Droppps is very cautious with supplier selection. Our current packaging suppliers have demonstrated their commitment to sustainability by monitoring purchases and providing sustainability reports for Droppps purchases. To the right is an example of a supplier sustainability report provided by EcoEnclose.<sup>[10]</sup>

As a result of our choices, using innovative packaging and PVOH, Droppps has been able to prevent 5.1 million single-use plastic jugs (traditional liquid laundry detergent containers).<sup>[4]</sup>



### 2022 at a Glance

#### 100% Recycled Paper Padded Mailers

- 100% recycled content, 20% post-consumer waste
- Made in Pennsylvania, USA
- 6 x 9": 20,000 units

#### Zero Waste Custom Labels

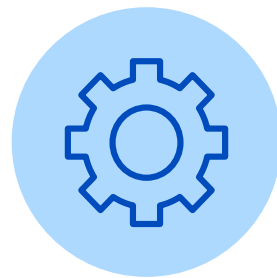
- 100% recycled content release liner, 0% recycled label
- Made in New York, USA
- 4 x 8": 528,000 units

#### Zero Waste Shipping Labels

- 100% recycled content release liner, 0% recycled label
- Made in New York, USA
- 4 x 6": 85,000 units



# Operations



Operational choices that enable minimizing, reusing, and/or recycling of materials

A lot of material needs to be moved between raw material suppliers, manufacturers, and our facilities. In order to reduce the materials used in our supply chains for our formulated products, we reuse containers between various points in the supply chain.



## Drums/Totes

The containers that hold bulk detergent are called totes. We ship bulk liquid in totes between raw material suppliers and our manufacturers. Once manufacturing is complete, the totes are sent to a cleaning facility to be sanitized, and are brought back into circulation for subsequent production runs.

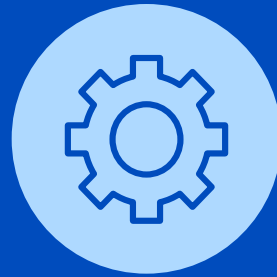


## Bins

The containers that hold finished pods are called bins. We transport pods from our manufacturers to our distribution facility in these bins. Once we have used up all the pods in a bin for assembly into our finished goods, we make these bins available to our manufacturers again for subsequent production runs.

These practices not only save on materials but also save us money, helping us to run a more robust and lean operation.

# Operations



## Ethical sourcing and fair labor and operational practices

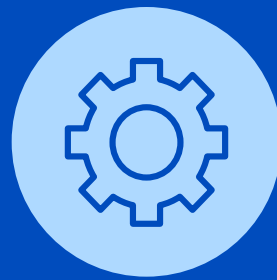
Dropps is fortunate to have strong relationships with its major suppliers and manufacturers. We believe we have good visibility into the operational and labor practices of these partners. Whether new or existing, these are some examples of the types of questions we ask our partners (where applicable):

In 2022 we formalized a Supplier Responsibility Program that will allow us to better track and analyze our supplier practices and make choices which would elevate the quality of our supply chain. Supplier social responsibility surveys were sent out to all Contract Manufacturing organizations in 2022 and the response rate was 100%. These surveys covered questions related to labor, environment, social, ethics, quality etc. Half of our suppliers scored 100% and the other half scored anywhere between 94-99%, which gives Dropps the confidence that its suppliers are taking social responsibility very seriously. Our goal for 2023 is to expand the social responsibility program to all of Dropps' service providers and testing laboratories..

- Documentation about PPE and safety protocols used for material handling across processes
- Potential problematic post-manufacturing exhausts and effluents, and direct contact by workers, if any (e.g. endocrine disruptors, carcinogens etc)
- Worker pay and protections
- Worker benefits such as paid time off or sick leave
- COVID-19 safety practices
- Training provided to workers prior to using machinery
- Access to proper documentation of safety protocols for every worker



# Operations



## Operational choices that minimize or eliminate emissions

### Air versus ground shipments

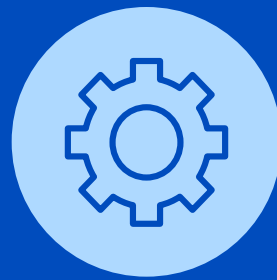
There is an environmental cost to expedited shipping — that is why we do not do it. Expedited shipping means packages may not be as consolidated as they could be, leading to more cars and trucks required to deliver them, which adds more congestion to our cities and pollutants to our air.

We ship via ground transportation only and leverage existing ground networks — private and public — to minimize our carbon footprint. Our centrally located manufacturing and distribution facilities in the Chicago area allow us to deliver nationwide with greater efficiency.





# Operations



Operational choices that minimize or eliminate emissions

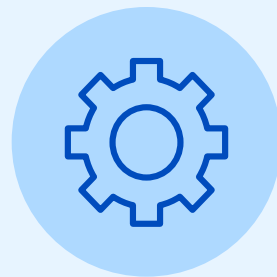
## Pathway to carbon neutrality

That said, any shipment will cause emissions, regardless of the method utilized. We are constantly looking for ways to lighten our load on the environment and reduce greenhouse gasses associated with our normal business operations. That is why we purchase carbon offsets to provide carbon neutral shipping on all orders processed through [www.dropps.com](http://www.dropps.com). A carbon offset is a scientifically quantified reduction in greenhouse gas emissions created when one metric ton of greenhouse gas is captured, avoided, or destroyed in order to compensate for an equivalent emission made.





# Operations



## Operational choices that minimize or eliminate emissions

**From 2017 to 2020**, we have offset our emissions via the Clinton Landfill #2 Gas Collection and Combustion project. Through our carbon offset partner, 3Degrees, we supported a project located near our warehouse facility in Chicago. The project we supported involved voluntary expansion of the landfill gas management system to capture and destroy methane that would otherwise be released to the atmosphere. The system included wells, piping, blowers, meters and valves, a back-up open flare, two 1.6 MW Caterpillar engine generator sets, gas conditioning equipment, a building to house the generators, and associated interconnection and metering devices.

**In 2021**, we partnered with Clearloop to expand access to clean energy by funding the construction of new solar projects. Dropps reclaimed more than 1.3 million pounds of carbon (emissions from shipping of all of our products, as well as the electricity use of all of our employees working from home in 2021) by investing in almost 22,000 watts to help Clearloop reach the 1 million watt goal for their first project in Jackson, TN. That means that Dropps helped Clearloop build 50 new solar panels, enough to expand access to clean energy to at least 4 homes in Jackson, TN.

**In 2022**, we partnered with ClimatePartner to more accurately calculate our company and product carbon footprint and help us establish an emissions baseline for our operations in accordance with generally accepted standards for sustainability. ClimatePartner will also provide additional carbon emission reduction and offsetting options in 2023 which we are excited to share with you next year.



**With the Clinton project, we offset 650 MT of carbon emissions.<sup>[6]</sup>**

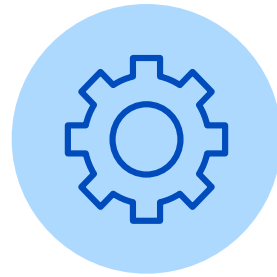


**With our investment, neighborhoods in places like Jackson, TN will have greater access to clean energy.<sup>[7]</sup> Whoop!**



**Our goal for 2023 is to utilize the established baseline and monitor our performance on a monthly basis to get to a Carbon Neutral status via reduction and mitigation programs and policies.**

# Operations



## Operational choices that minimize or eliminate emissions

### Logistics

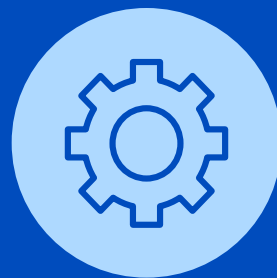
Since late 2020, Dropps has utilized Convoy ([www.convoy.com](http://www.convoy.com)) where possible to manage our full truckload freight network. The design of Dropps' supply chain network means that our main routes are typically backhaul lanes for other shippers. Convoy finds these backhaul shippers so that overall the empty trucking miles in the industry can be reduced.

### Data hosting

In 2020, we changed cloud providers from Amazon Web Services to Google Cloud. The driving factor behind the decision was Google's stronger (although still not perfect) commitment to sustainability. Google's efforts have involved a reduction in their carbon footprint from an estimated 4.9 million tons of CO<sub>2</sub>e to 1.2 million tons of CO<sub>2</sub>e, along with the purchase of renewable energy credits to offset the remainder<sup>[8]</sup>. Our share of the carbon emissions from Google Cloud for the past year were 140 kg of CO<sub>2</sub>e.



# Operations



## Responsible disposal for our customers

All our corrugated cardboard can either be recycled or composted via municipal and/or recycling/composting systems. Below is a summary of Dropps's packaging sustainability profile.





	Recycled	Recyclable*	Compostable	Biodegradable
<b>PRIMARY PACKAGING</b>				
<b>Glass Bottles</b>	Partial	Yes	No	No
<b>Caps -Aluminum/plastic</b>	No	Yes	No	No
<b>Pumps - Aluminum/plastic</b>	No	Yes	No	No
<b>Sprayer - Plastic/metal</b>	No	Yes	No	No
<b>SECONDARY PACKAGING</b>				
<b>Product corrugated box</b>	Partial	Yes	Yes	Yes
<b>Kraft Paper-filler</b>	Yes	Yes	No	No
<b>Paper (Kraft) Tape</b>	Partial	Yes	No	No
<b>Product Box Labels</b>	Partial	Yes	Yes	Yes
<b>Inserts</b>	Partial	Yes	Yes	Yes
<b>Shipping Box</b>	Partial	Yes	Yes	Yes
<b>Shipping labels</b>	Partial	Yes	No	No
<b>Water based inks</b>	No	Yes	Partial****	Partial****
<b>Padded Mailer</b>	Partial	Yes	No	No
<b>ACCESSORIES</b>				
<b>Funnel</b>	No	Yes	No	No
<b>Pod Keeper</b>	No	Yes	No	No
<b>Wool Balls</b>	Yes	Yes	Yes	Yes
<b>Dish Cloths</b>	Yes	Yes	Yes	Yes
<b>Sponges</b>	Yes	Yes	Yes	No
<b>Brushes</b>	Yes	Yes	Yes**	Yes
<b>Mesh Bag</b>	Yes	Yes	Yes***	No

Our goal for 2023 is to provide Dropps customers with the latest, updated information regarding responsible disposal options for each Dropps product.

\* Please follow the applicable federal, state and/or local recyclability guidelines

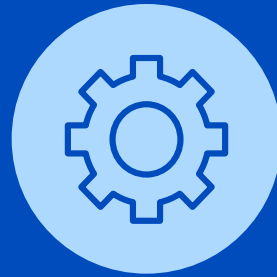
\*\* except the long handle pot brush as it contains stainless steel

\*\*\* except metal zipper

\*\*\*\* 50%



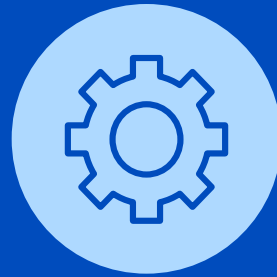
# Operations



## Responsible disposal at our warehouse

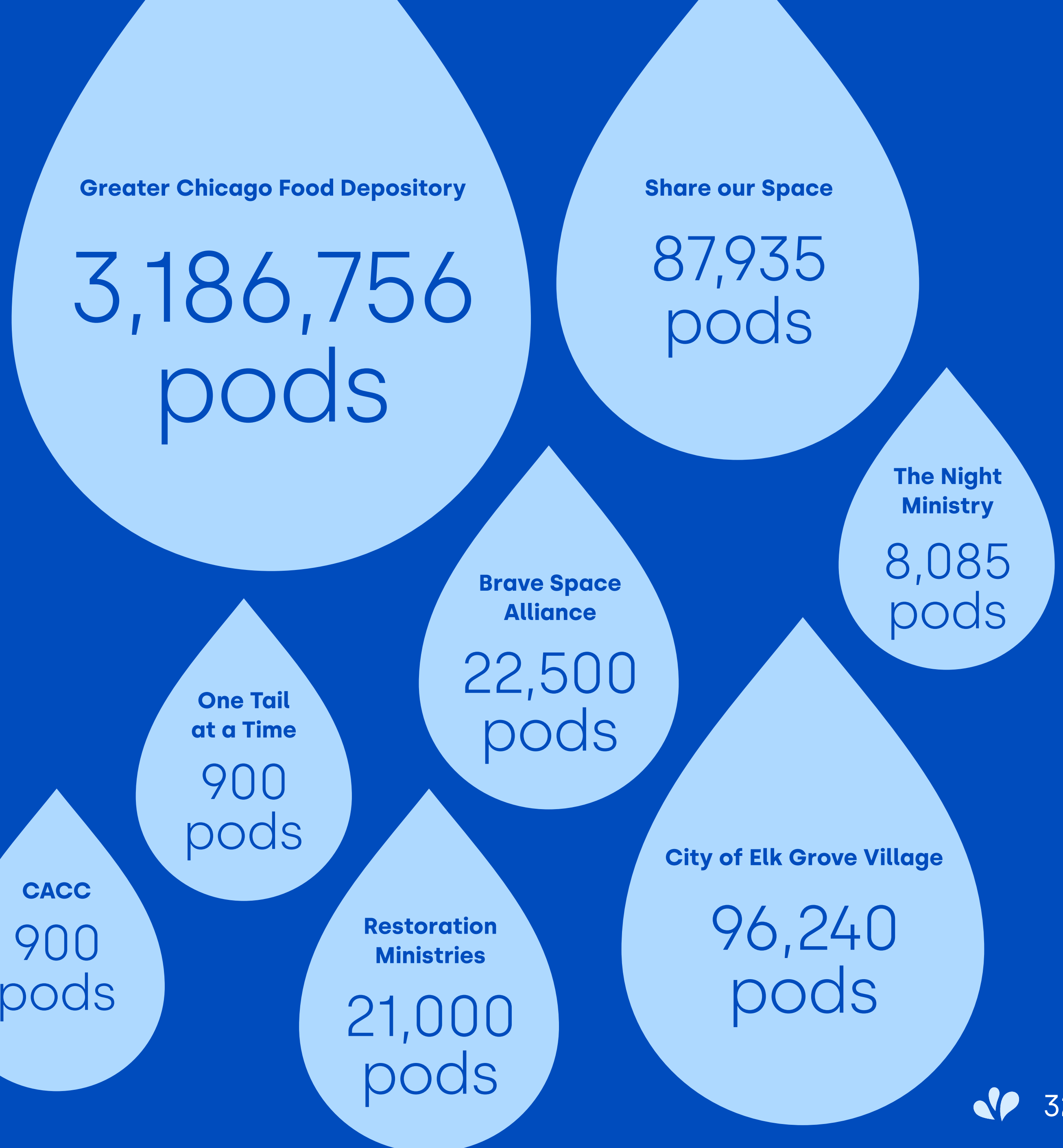
- Our corrugated cardboard waste is currently recycled back into the market via our partnership with International Paper. Our goal for 2023 is to invest in machinery that can help us convert waste cardboard into packaging materials for Dropps products and we are very excited to see this in action during 2023.
- Our recycled and reusable totes are made from HDPE plastic. When they break after several hundred uses, we recycle them, also with International Paper.
- Our R&D lab waste is responsibly disposed of through our partnership with Hazchem Environmental Corporation located in Addison, IL. Hazchem specializes in hazardous and non-hazardous waste disposal in compliance with applicable laws. Hazchem picks up hazardous and nonhazardous waste and provides us with a certificate of destruction so that we have peace of mind that the waste is properly disposed of.

# Operations



## Responsible disposal at our warehouse

When we have excess inventory we donate them to nonprofits serving our local communities in Chicago. To date, we have donated the equivalent of more than 3 million wash loads to various organizations! Some of these organizations are:



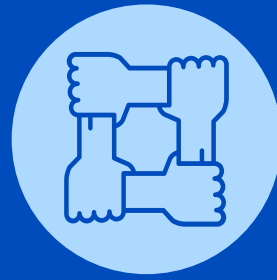


## Inclusivity and Advocacy

At Dropps, we believe that our sustainability aspirations can have the greatest impact if our products are widely accessible and available, and if we are relentless in our communication efforts to advocate for the sustainable world we desire.

# Priorities

Our Inclusivity and Advocacy priorities and goals include:



## Inclusivity

- 🔹 Accessibility to safe products
- 🔹 Accessibility to easy-to-handle products
- 🔹 Diversity of representation and diversity of target audiences



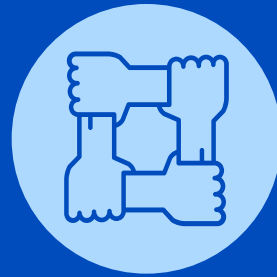
## Advocacy

- 🔹 Environmental sustainability advocacy programming partnerships
- 🔹 Intersectional environmentalism initiative





# Inclusivity



## Accessibility to safe products

We take great care to formulate and design our products. Product safety is a top priority. We design products to meet a variety of sensitivities and needs so that our customers do not have to compromise. We are proud to offer an unscented and fragrance-free variation for every product line we sell, and we merchandise them in a variety of different sizes to meet different household size needs.

Some of our products have completed HRIPT (Human Repeat Insult Patch Test) testing, the standard human clinical test used for personal care and pharmaceutical products, used to help predict the likelihood for induced allergic contact dermatitis (ACD) of topically applied products. The following products completed HRIPT testing in 2022 and have been clinically proven to be gentle on skin:

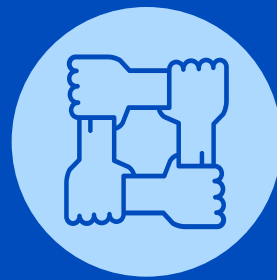
- 💧 **Dropps Sensitive Skin Laundry Detergent Pods, Unscented**
- 💧 **Dropps Sensitive Skin Laundry Detergent Pods, Fresh Air**
- 💧 **Dropps Sensitive Skin Laundry Detergent Pods, Lavender Chamomile**
- 💧 **Dropps Stain & Odor Laundry Detergent Pods, Unscented**
- 💧 **Dropps Active Wash Laundry Detergent Pods, Unscented**
- 💧 **Dropps Fabric Softener Pods, Unscented**
- 💧 **Dropps Laundry & Household Oxi Booster Pods, Unscented**
- 💧 **Dropps Power Dish Spray, Unscented**

Our goal for 2023 is to complete the HRIPT testing for all our products.

Additionally, all of our pod products are packaged in boxes that have a child lock to ensure security and safety for storage around children and pets.

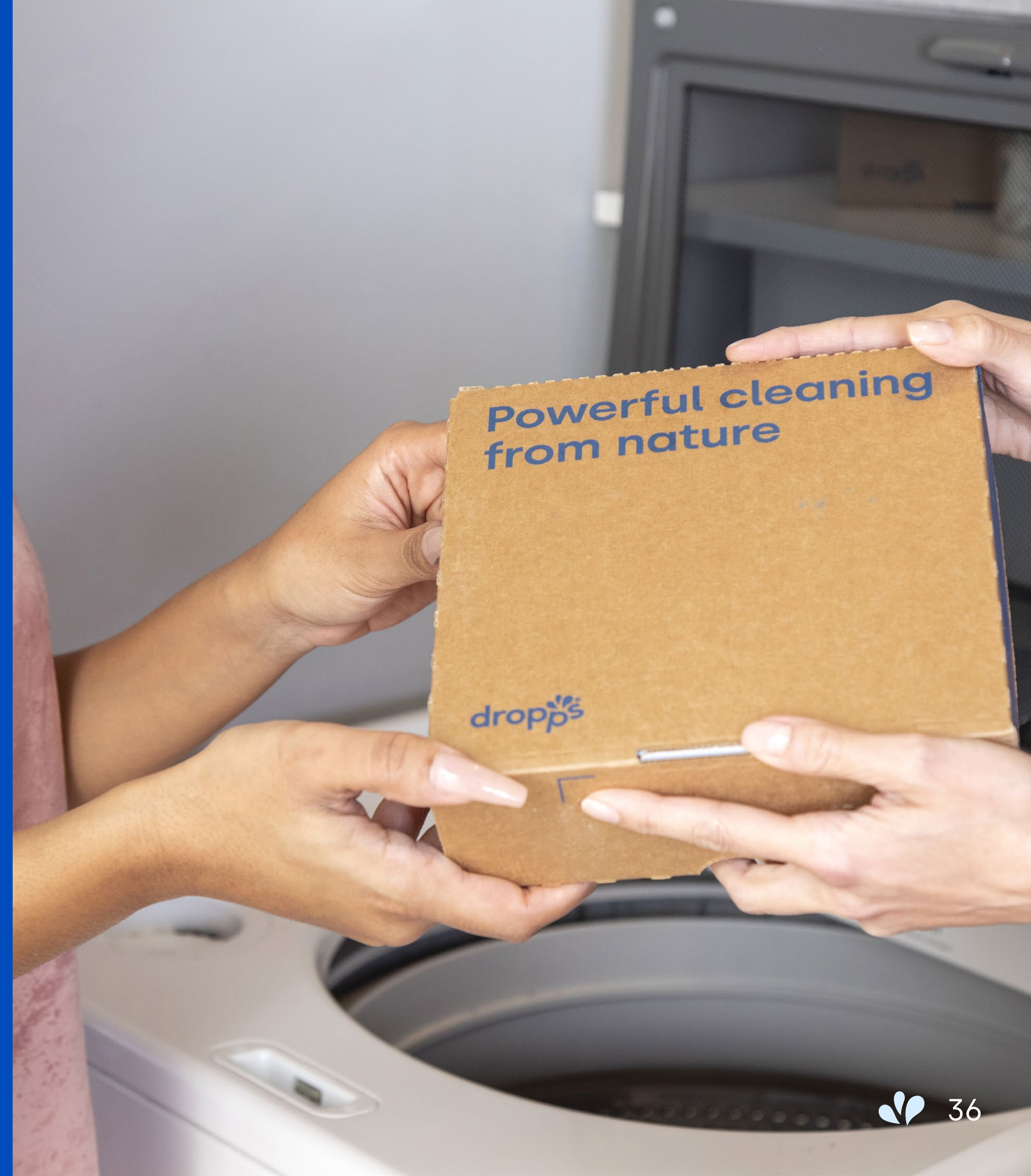


# Inclusivity



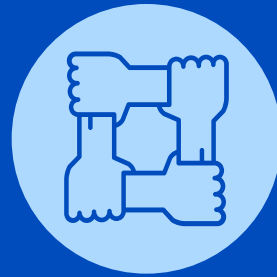
## Accessibility to easy-to-handle products

We take great care in our product and package design to ensure that people of different ages and abilities can handle our products easily. The fact that our detergents are packaged in pods instead of a heavy plastic jug makes a significant difference for the elderly and differently abled, especially if a laundromat is utilized for washing. Our packages are designed to be easy to open (however not easy for children to open), store, transport, and dispose of.





# Inclusivity



## Diversity of representation and diversity of target audiences

Dropps believes that, just like in the real world, our marketing should be a reflection of the people who use our product every day. Our community is made up of a range of ages, abilities, backgrounds, ethnicities, and orientations, and we strive to display diversity and inclusion in our marketing activities. We are actively engaged with partners to shed light on communities that are underrepresented by many companies. In 2022, Dropps formed an internal task force group to discuss and improve representation and accessibility in our products, brand, and company marketing.





# Advocacy



## Environmental sustainability advocacy programming partnerships

"Our oceans cover more than 70% of the planet, and they are as important as they are vast. Protecting them requires engaged citizen advocates around the world and we're grateful for Dropps' help in growing our ocean conservation community. Thanks to support from Dropps, Oceana is winning campaigns that prevent overfishing, protect habitat, and curb pollution."

—JON FRANK, DIRECTOR, GLOBAL CORPORATE & CELEBRITY PARTNERSHIPS

### Oceana

Dropps is Oceana's partner in the home cleaning & care category. Oceana is the largest international advocacy organization dedicated solely to ocean conservation. Oceana is rebuilding abundant and biodiverse oceans by winning science-based policies in countries that control one-quarter of the world's wild fish catch. With more than 275 victories that stop overfishing, habitat destruction, oil and plastic pollution, and the killing of threatened species like turtles, whales, and sharks, Oceana's campaigns are delivering results. A restored ocean means that 1 billion people can enjoy a healthy seafood meal every day, forever. Together, we can save the oceans and help feed the world. Visit [Oceana.org](https://Oceana.org) to learn more.

Dropps has been working together with Oceana since 2019. To date, Dropps has supported Oceana through over \$350K in financial support. Together, we educate consumers on the impact of their actions and choices, and encourage them to care about the massive global plastic pollution crisis. Our partnership includes endorsement, event sponsorship, branded content, and product collaborations.





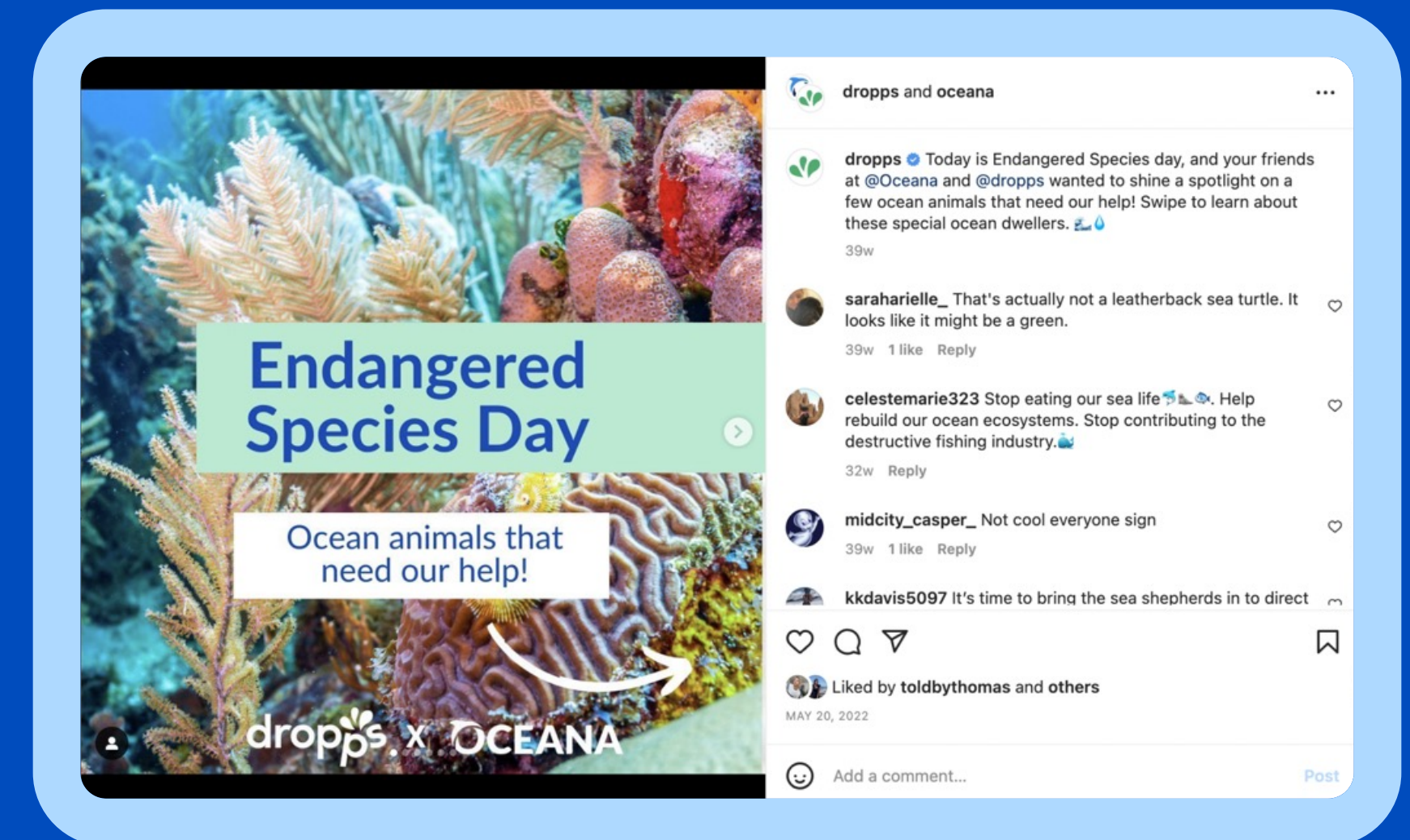
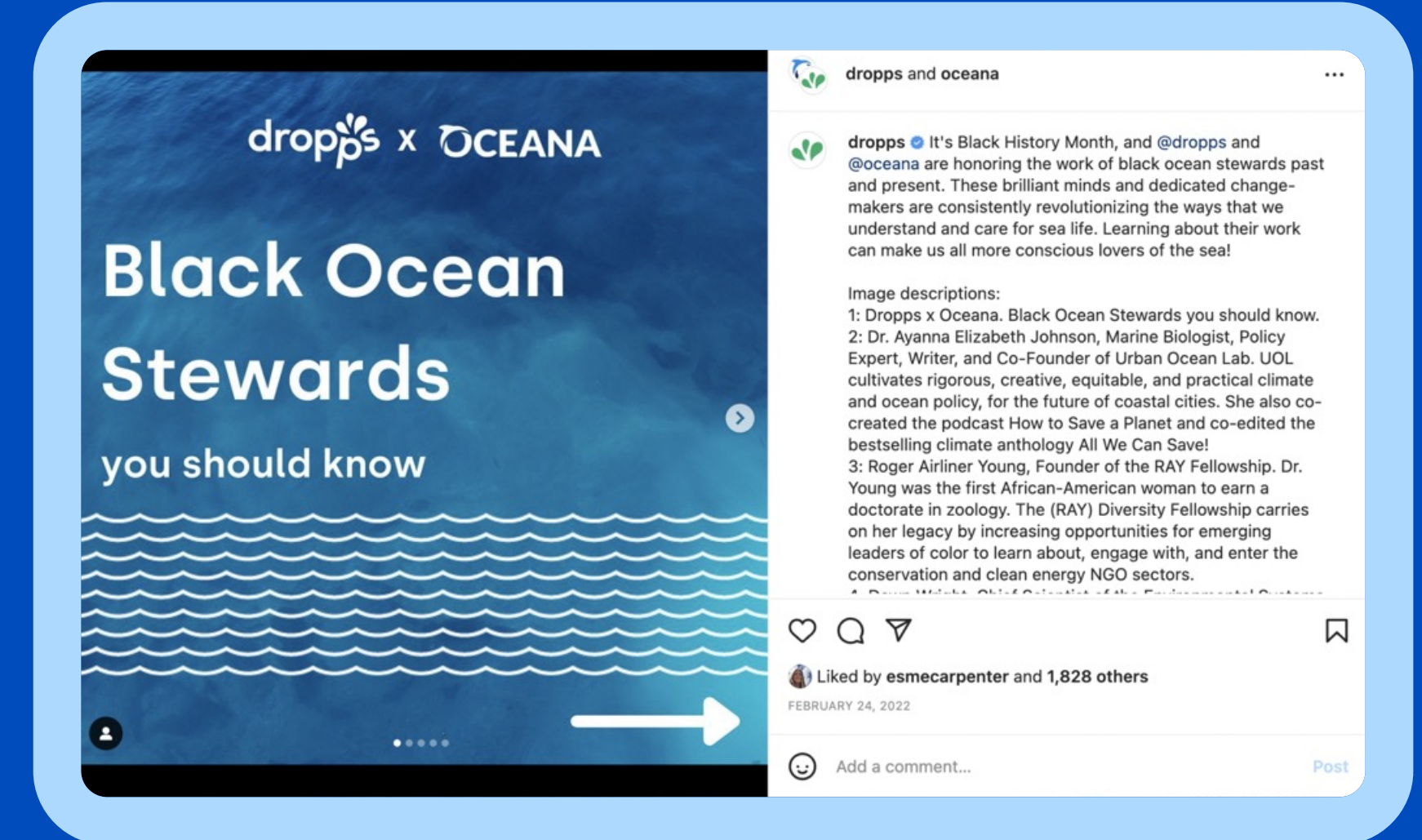
# Advocacy



## Environmental sustainability advocacy programming partnerships

For **Black History Month**, Oceana and Dropps honored the work of black ocean stewards, past and present. These brilliant minds and dedicated changemakers are consistently revolutionizing the ways that we understand and care for sea life. Learning about their work can make us all more conscious lovers of the sea!

Together with Oceana we shined a spotlight on Endangered Species Day to educate our audience on a few ocean animals that need our help!





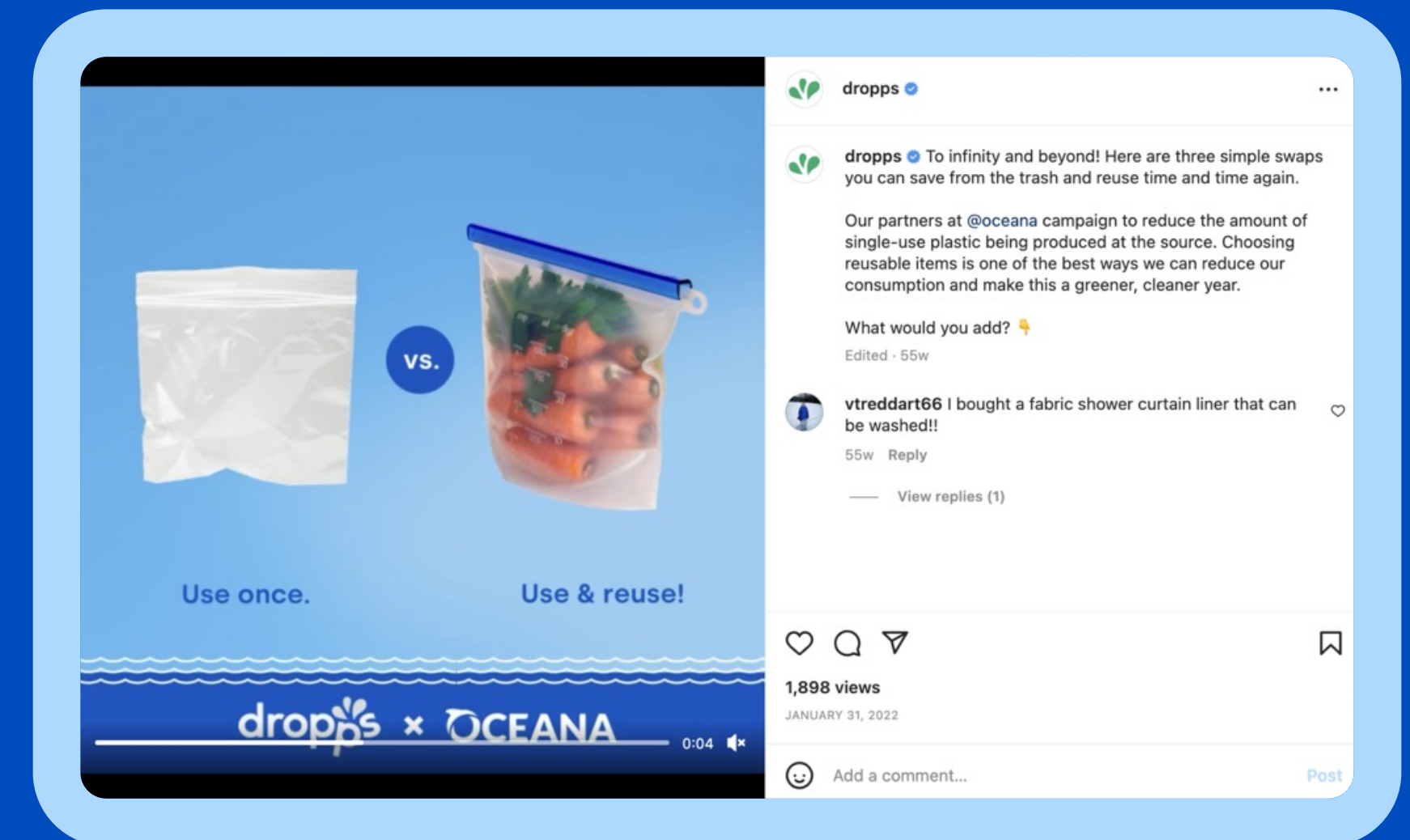
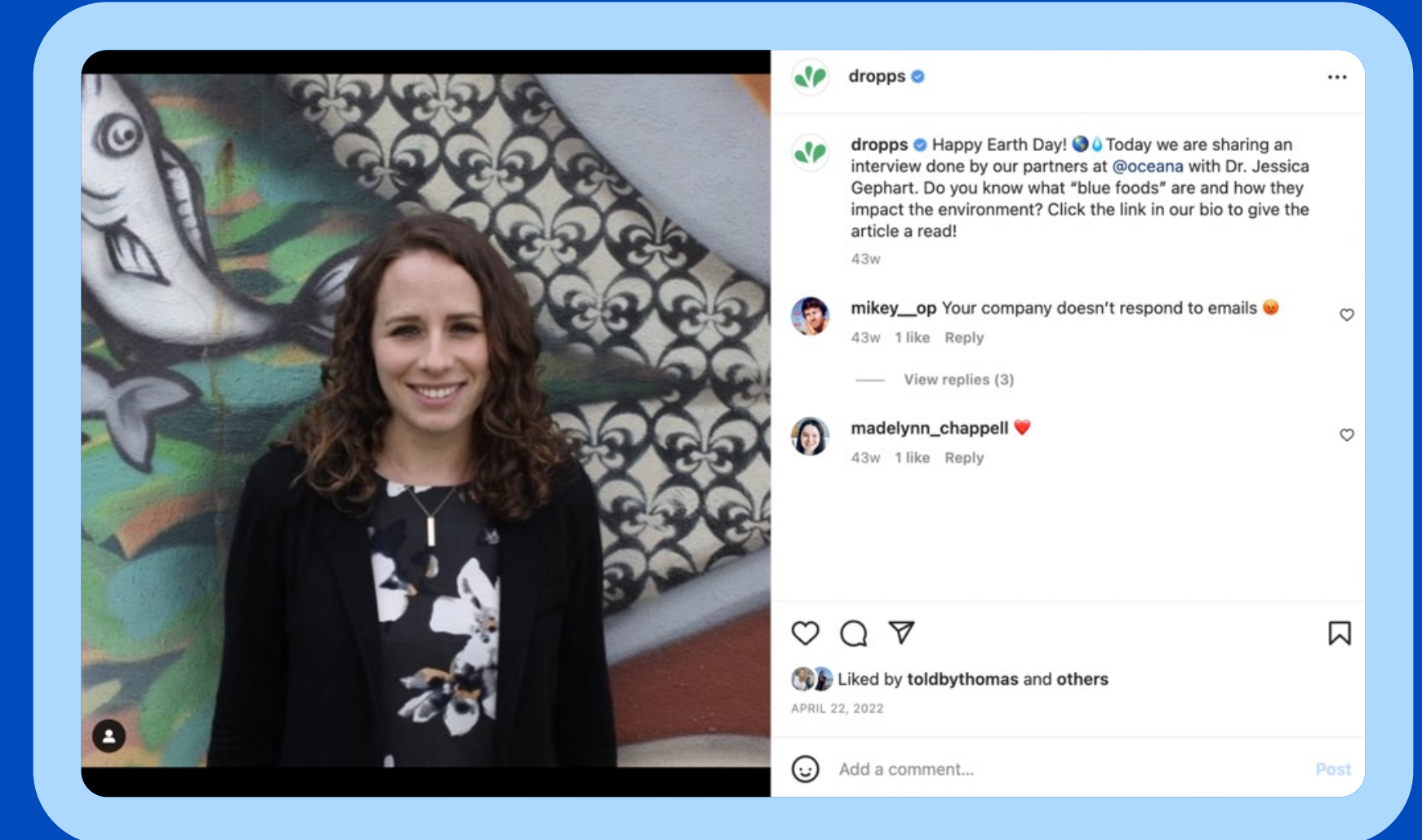
# Advocacy



## Environmental sustainability advocacy programming partnerships

We conducted an IG live chat with **Dr. Jessica Gephart**, science advisor to **Oceana** and an environmental scientist focused on the role of global seafood trade in sustainable and resilient food systems, to discuss what “blue foods” are and how they impact the environment.

We promoted the reduction of single-use plastic, helping to bring support behind their plastic pollution reduction policies.





# Advocacy



## Environmental sustainability advocacy programming partnerships

In partnership with **Energy Upgrade California** (EUC), Dropps helped teach Californians about the “duck curve” (the timing imbalance between peak energy demand and renewable energy production), and why it’s so important to consider when we use energy-intensive appliances like dishwashers and laundry machines. As part of EUC’s efforts to reduce dirty energy use, the March 2022 campaign encouraged Californians to hold off on doing chores like laundry or running the dishwasher between the hours of 4-9pm when demand is the highest. In addition to a statewide campaign, EUC and Dropps amplified education and detergent distribution through two key organizations: The California African American Action Fund (CAAAP) and the California Hispanic Chamber of Commerce.

*Energy Upgrade California® is a statewide initiative committed to uniting Californians to strive toward reaching the state's energy goals to double energy efficiency and reduce greenhouse gas emissions by 40% below 1990 levels, before 2030.*

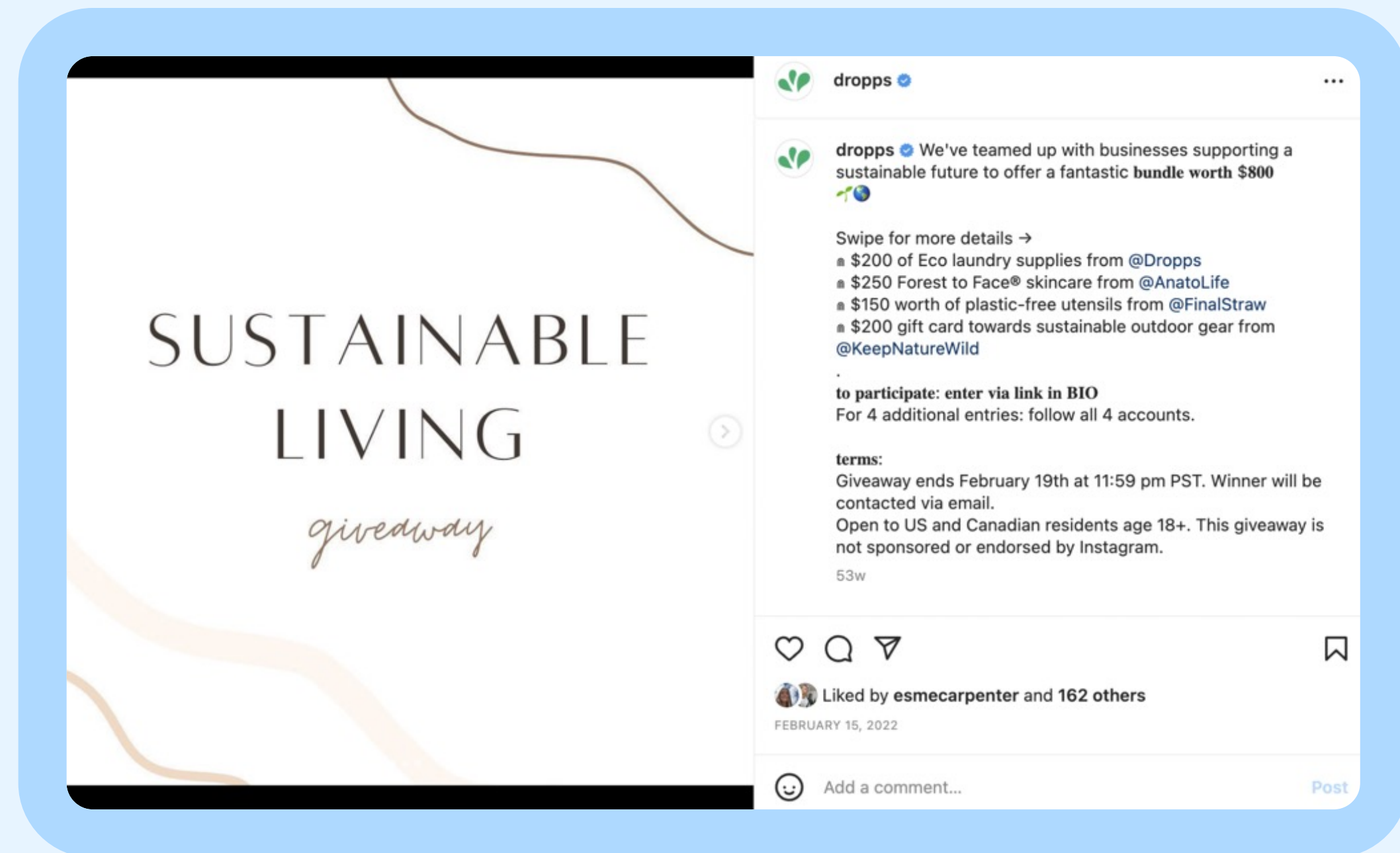
*In addition, Dropps teamed up with a number of sustainably-focused brands to help to promote easy ways for people to live more sustainably. This included partnerships with brands like Anato Life (responsibly-sourced skin care), Final Straw (reusable straws), Keep Nature Wild (earth-friendly apparel), Noleo (organic diaper care), and Living Outlines (eco-friendly shower curtains).*



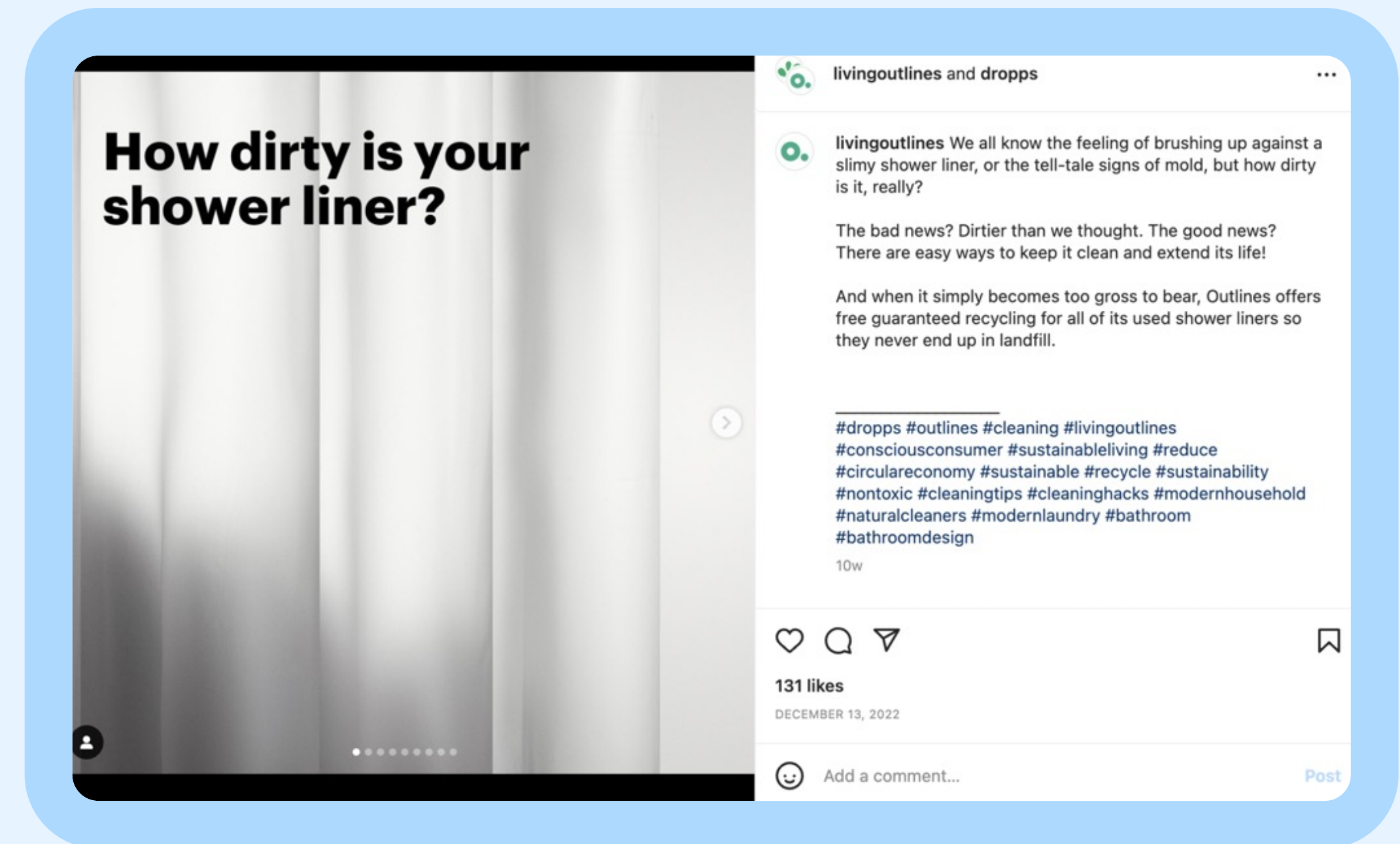
# Advocacy



## Environmental sustainability advocacy programming partnerships



We've teamed up with businesses supporting a sustainable future to offer a fantastic bundle worth \$800



Together with Living Outlines to educate our followers on how to spruce up the dirtiest surface in your bathroom, shower liners.

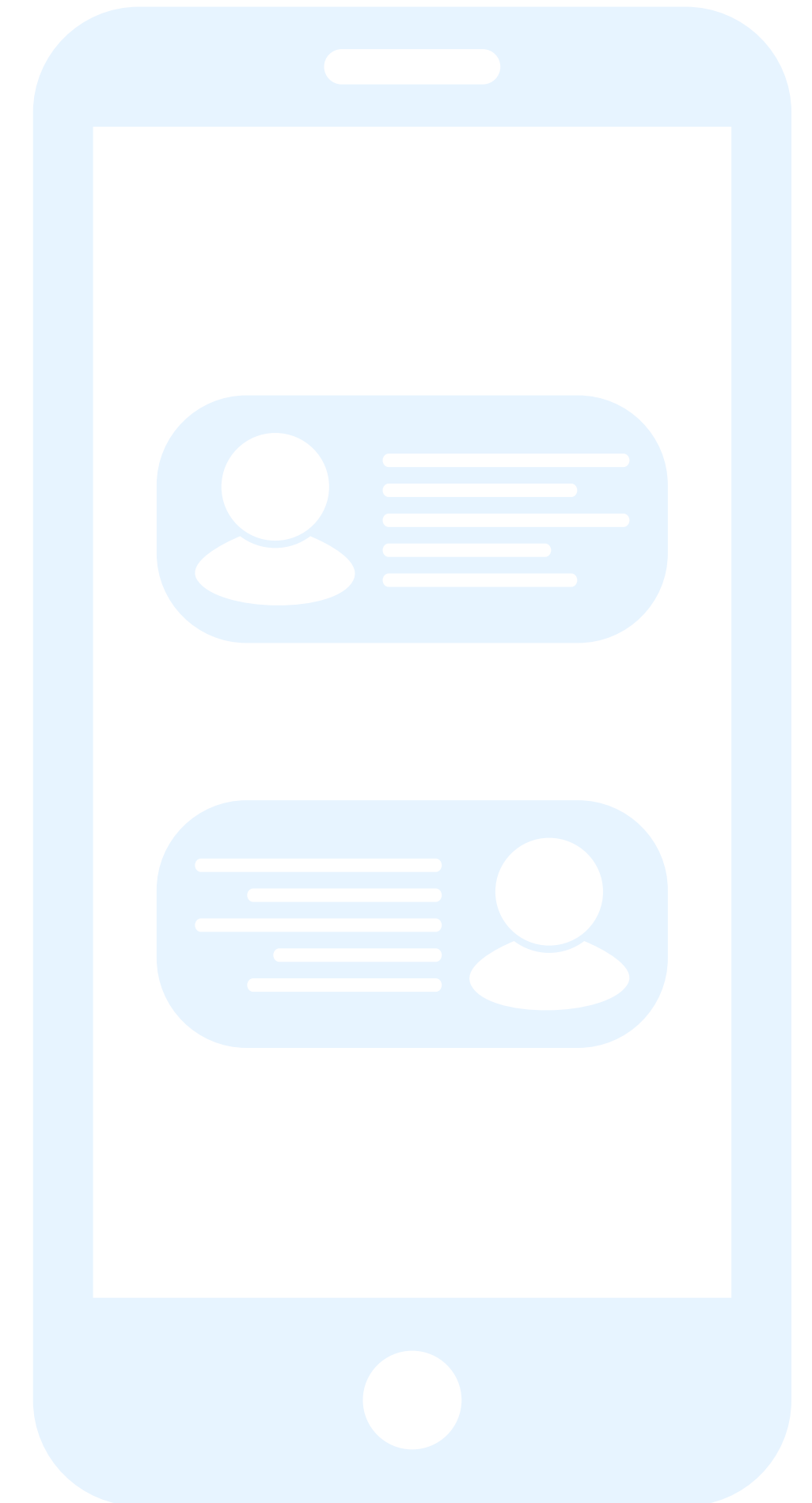


# Advocacy



## Environmental sustainability advocacy programming partnerships

Droppis recognizes the power of social media in helping to educate people and build momentum around important issues. By teaming up with influencers, we look to help accelerate sustainability messaging and practices among the masses. Influencers we've worked with include author and activist Leah Thomas, and sustainability social influencers Queer Brown Vegan and Pattie Gonia.



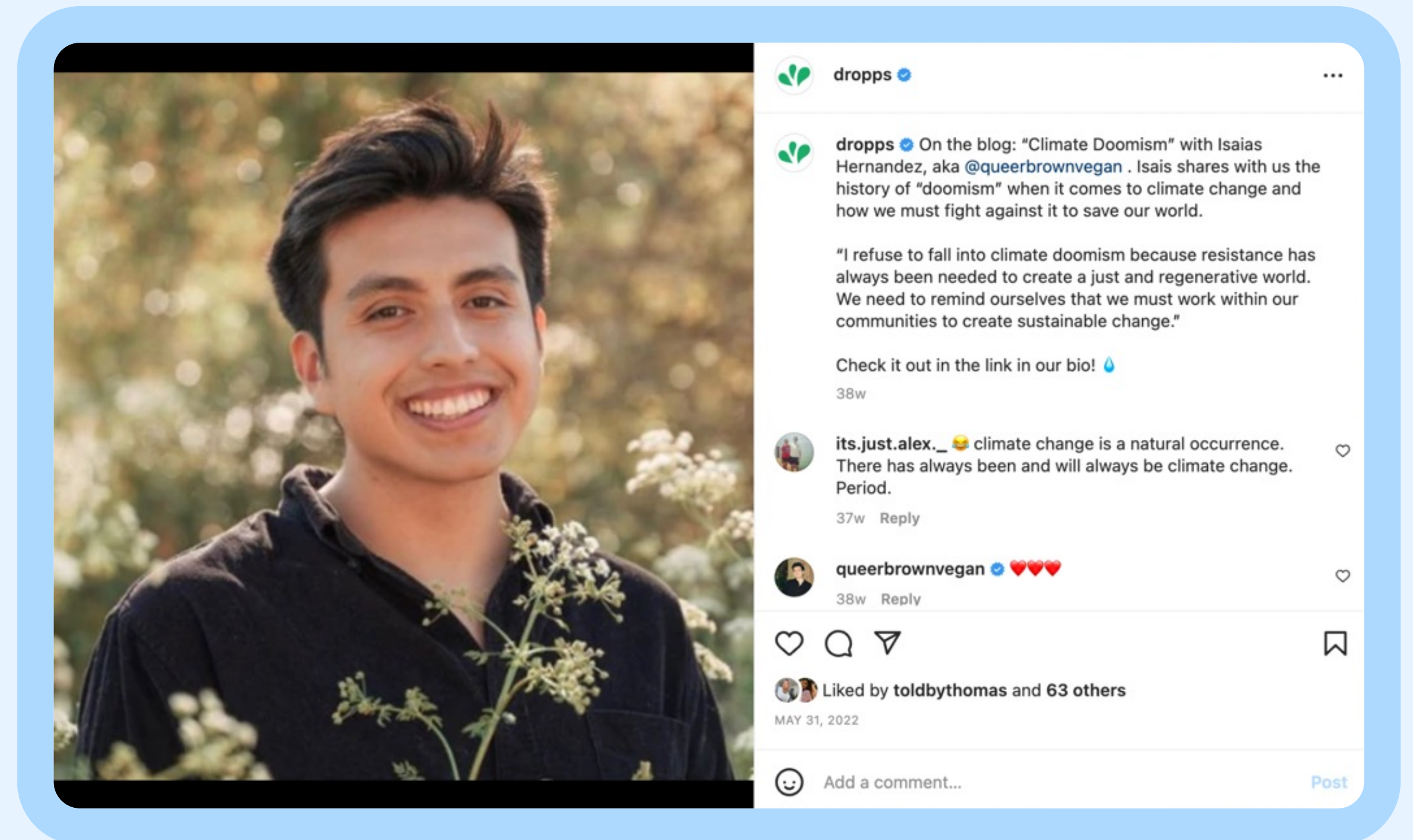
# Advocacy



## Environmental sustainability advocacy programming partnerships

### Queer Brown Vegan

Isaias Hernandez (aka "Queer Brown Vegan") is an Environmental Educator and creator of QueerBrownVegan, where he creates introductory forms of environmentalism through colorful graphics, illustrations, and videos. He seeks to provide a safe space for like-minded environmentalists to advance the discourse around the climate crisis. Isaias' work is centered on environmental justice with a lens of localization. Dropps collaborated with Isaias throughout 2022 to cover topics such as World Bee Day, Climate Doomism, and sustainable decorating.





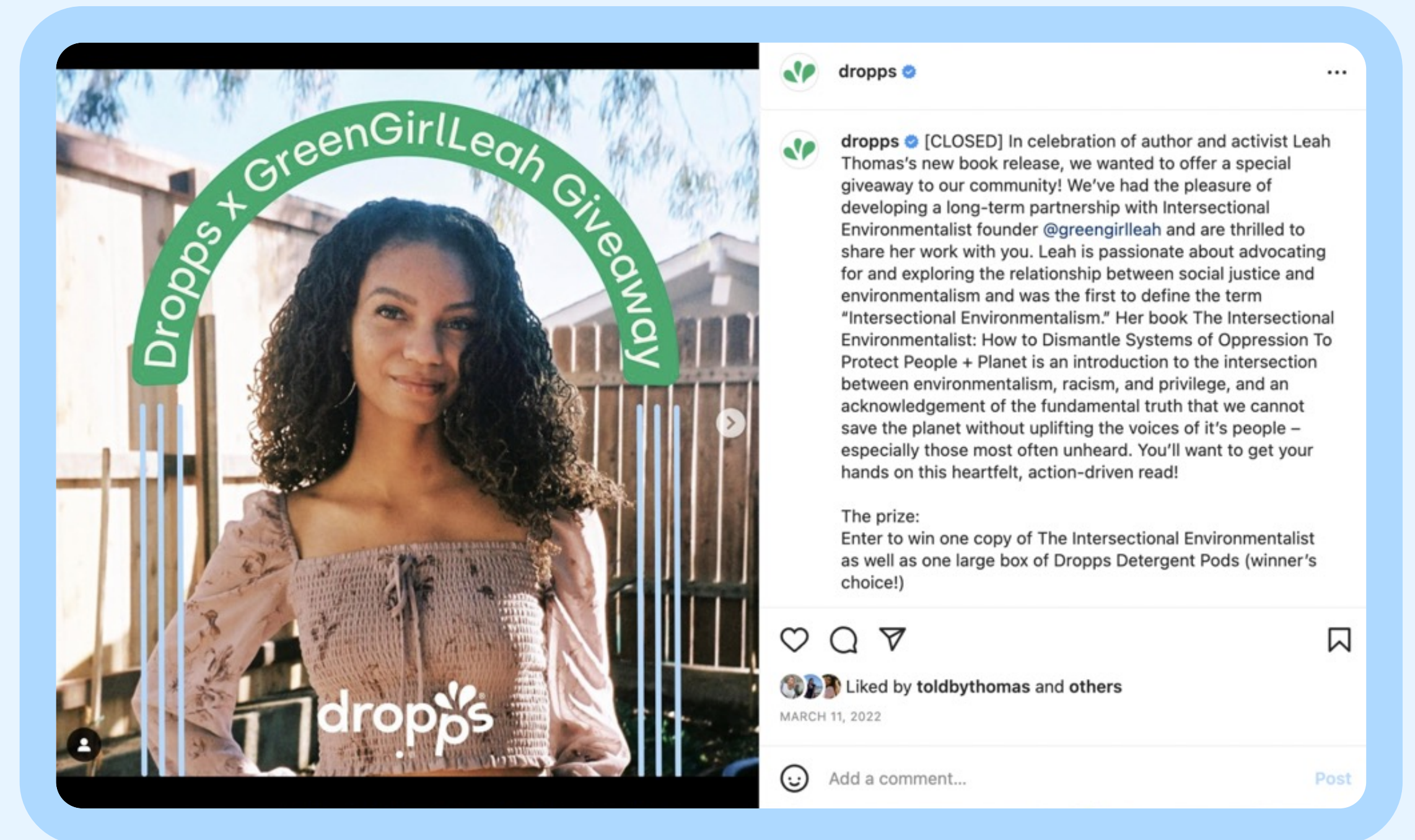
# Advocacy



## Environmental sustainability advocacy programming partnerships

### Leah Thomas

Leah Thomas is an intersectional environmental activist and eco-communicator that is passionate about advocating for and exploring the relationship between social justice and environmentalism. In celebration of her new book release, Dropps offered a special giveaway to our followers.





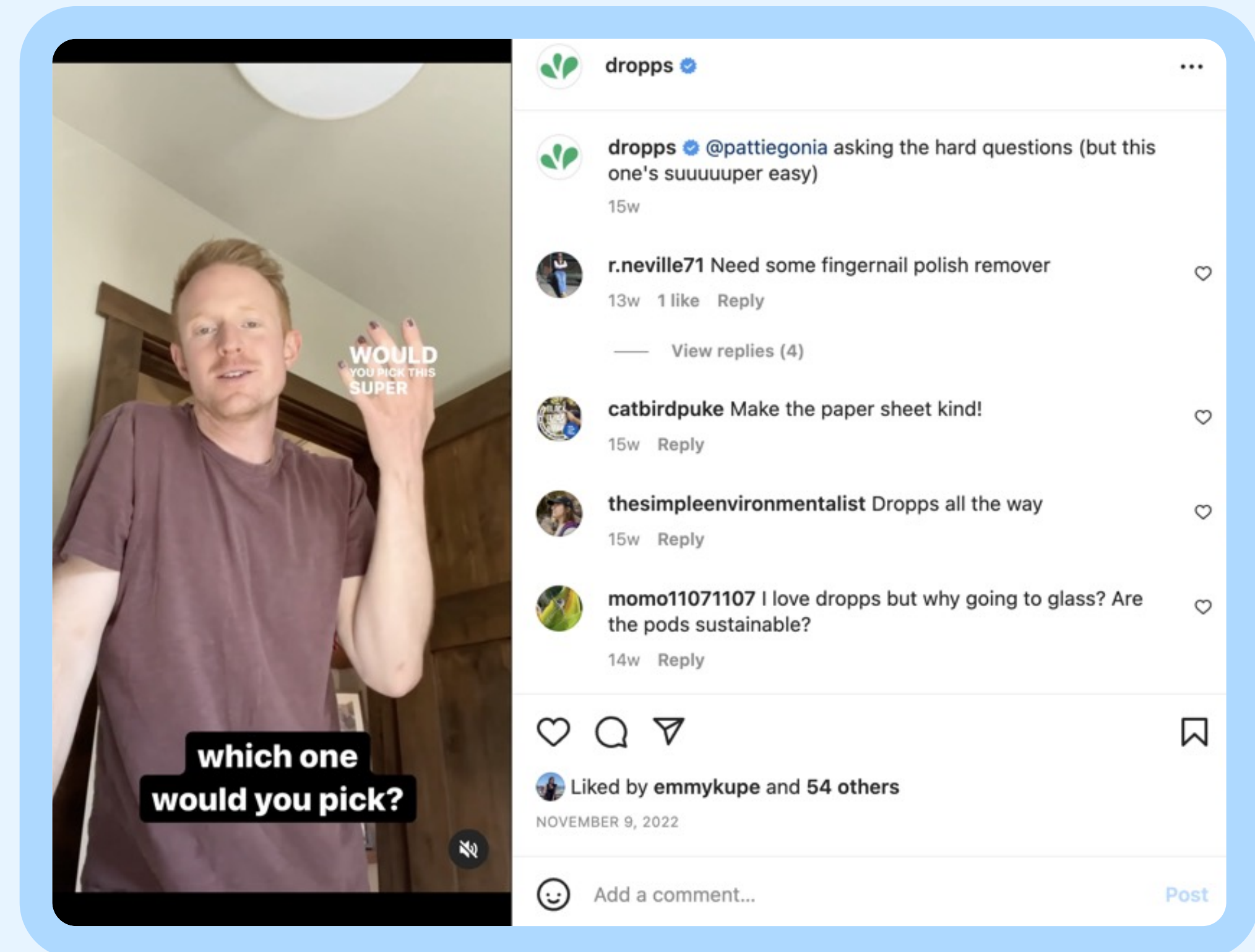
# Advocacy



## Environmental sustainability advocacy programming partnerships

### Pattie Gonia & The Outdoor CEO Pledge

Pattie Gonia, the drag queen alter ego of photographer Wyn Wiley, is on a mission to build a more inclusive climate movement. Our work with Pattie Gonia started after Dropps team members attended the Outdoor Industry CEO Pledge DEI training session run by Pattie Gonia, Teresa Baker (the founder of The Outdoor CEO Diversity Pledge and the African American National Park Event), and Vasu Sojitra (a multi-sport adaptive athlete, a professional skier, a disability and inclusion strategist, and a climate change advocate). Pattie collaborated with us for multiple activations including our new Ultra Concentrated Detergent product launch in October.





# Advocacy



## Environmental sustainability advocacy programming partnerships

**We've also partnered with Pattie to financially support 11 nonprofit organizations totaling over \$25K in donations:**

- ◆ **Outdoor Outreach** - connects youth from communities historically impacted by social inequities with transformative outdoor experiences and supportive relationships that help them overcome challenges, thrive, and succeed.
- ◆ **Brave Trails** - is a leadership summer camp for LGBTQIA+ youth to find their people and purpose outdoors.
- ◆ **Eastern Sierra Conservation Corps** - is a conservation corps and outdoor leadership training program made of primarily BIPOC + LGBTQIA+ people.
- ◆ **The Children's Home Project** - works to provide housing and enrich the lives of youth in Honduras through leadership training, outdoor access, and educational support.
- ◆ **Queer Outdoor Expedition** - Fully scholarshipped, queer backcountry expeditions for Queer young adults.
- ◆ **Outdoorist Oath** - educates people on how they can advocate for planet, inclusion, and adventure through workshops and community offerings.
- ◆ **Queer Nature** - offers programming primarily for indigenous, black, and people of color to learn primitive and survival skills through extensive outdoor education programs.
- ◆ **Environmental Film Project** - funding for a film about the climate crisis with indigenous voices, queer artists, and Pattie Gonia herself.
- ◆ **Camp Kitaki** - is a summer camp serving youth from across the midwest, especially lower income, Queer, and BIPOC youth.
- ◆ **Kaleidoscope Youth Center** - supports LGBTQIA+ youth in Ohio via their drop-in center, programming, community education, and support of gay-straight alliance clubs in middle schools and high schools.
- ◆ **Vamanos Outside** - connects, engages, and inspires Latinx families & youth into the outdoors for all of Central Oregon.



# People Impact Strategy and Progress





# People Impact Strategy and Progress

Dropp's people strategy is strongly rooted in our Community Values. It starts with centering our business around our people - regardless of seniority, role, background, or location - and incorporating our values around diversity, equity, and inclusion (DEI) in our programming and policies. **These programs and policies are just as important to our team members, and in 2022 we are proud to report on our NPS (Net Promoter Score) of 81, as well as an employee retention rate of 81%.**

Each year, we define our priorities for People and Culture. For 2022, we prioritized community engagement, identity awareness, and efficiency in process. In addition to these, Dropps continuously reviews existing policies and programs offered to our team members, with a focus on inclusion and equity for all team members. Some programs and policies that were updated in 2022 included:

- ◆ Compensation structure
- ◆ Team building activities
- ◆ DEI workshops and reporting
- ◆ Team growth program (performance reviews)
- ◆ Wellness program
- ◆ Recruiting and hiring process
- ◆ Onboarding and orientation program
- ◆ Health insurance and time off benefits
- ◆ Continuing education policies
- ◆ Safety policies

# Compensation structure



Dropps believes that an equitable compensation structure is fundamental to improving DEI outcomes for all groups of people, especially those historically underrepresented. In order to mitigate compensation-related biases, we have structured our compensation framework for salaried team members with the following philosophies in mind:

- Salaries are determined by a triangulation of three data sources — manager recommendations, market rates, and internal company benchmarks — to mitigate pay inequities.
- Performance bonuses are not tied to salaries but rather to grades/bands.
- Our compensation structure for salaried employees includes stock option opportunities in addition to salary and performance bonuses.
- A team member's salary is driven by the contributions they make and the value they deliver to the workplace. We consider contributions and value by reviewing their skills and experience (as opposed to focusing on schools, degrees, companies on their resumes), requirements for practicing independent judgment, whether they would manage people, the environment they work in, and their commitment to our culture and values.
- The pay range set for each grade level is made public on our employee resource website to allow for visibility into our overall compensation structure.



# Compensation structure



Every team member at Dropps is given a grade, which determines the salary and bonus bands that the team member would fall under. The grade is assigned using points, which are calculated from what we call the Grade Grid.

Points >	0	1	2	3	4	5
<b>Skill</b> (experience, certification, education)		Entry level	Mid entry	Has multiple elements of skill (experience, certification or education)	Distinct & not easy to replicate skill (either in field or within the company)	Top of team member's field or highest company knowledge
<b>Independent Judgment</b>		Little independent judgment	Maintains day to day process, inputs improvements and some independent judgment	Owns process and reporting	Owns large dept or company function, contributor to strategy	Owns function and leads strategy
<b>Number of reports</b>	No reports	Indirect Manager	Direct Manager of <=2	Direct Manager of >=3		
<b>Work Environment</b>		Home office	Lab	Warehouse		
<b>Culture and values</b>	No evidence of consistent commitment to culture	General culture and values tenants upheld	Actively displays and upholds culture and values	High display and commitment to culture (e.g., influences and actively participates)		

# Compensation structure



Once the points are calculated, a grade is assigned:

Grade	Point range	Qualitative factor
<b>Executive Officer</b>	17 to 19	Must be in strategic role
<b>Chiefs</b>	16 to 19	Must be in strategic role
<b>Vice President</b>	15 to 19	Must be leader in functional area
<b>Sr. Director</b>	15 to 18	Multiple discrete verticals plus additional scrutiny
<b>Director</b>	13 to 18	At least one discrete vertical plus additional scrutiny
<b>Sr. Manager</b>	10 to 15	Additional scrutiny in judgment or skill
<b>Manager</b>	7 to 13	Manages direct reports
<b>Senior</b>	7 to 13	Individual contributor
<b>Associate</b>	4 to 10	





# Compensation structure



Every grade has a salary range and eligible bonus amounts associated with it. The grade grid is utilized as a starting point to determine compensation for new hires as well as modifications for existing team members. This grade is determined by a combination of manager and compensation committee recommendations.

Sharing compensation data allows everyone to have the same information no matter their experience, background, and/or identity. We recognize that we cannot achieve true equality without inclusion. Team members need to have the space and be empowered to use the information for themselves. In 2023, we are looking to provide more training and practical application of our framework so all individuals are comfortable with reviewing their work in alignment with the framework and have the space to negotiate on their behalf.

Our Compensation Committee is composed of members of our senior management and Board of Directors. The committee has the following goals and objectives:

- 🔹 **Ensure compensation and benefits decisions for all team members align with our people strategy and commitment to DEI**
- 🔹 **Review new role and compensation requests**
- 🔹 **Review role and compensation modification requests**
- 🔹 **Determine potential bonus pool to be approved by company Board**
- 🔹 **Establish ways to improve existing compensation frameworks and processes which are grounded in equity and inclusion**

# Dropps Dignity in Employment program



Dropps utilizes hourly contract staff through a staffing agency for our operational processes at our distribution facilities in Elk Grove Village, IL. Despite the fact that the hourly contract staff are not Dropps employees, we are committed to the same people strategy, rooted in our Community Values, as we are for those individuals employed by Dropps. To that end, in 2020, we partnered with the staffing agency to introduce the Dropps Dignity in Employment Program aimed at extending offerings for growth and development to our hourly contract staff. This program was initiated to provide greater financial security as well as ensure wellness through enhanced health and time-off programs. This program was also created with a focus on the impact that COVID-19 had on many of our hourly contract team members.





# Dropps Dignity in Employment program

Under the Dignity in Employment program,  
Dropps ensures that our hourly contract staff are offered:

## Living wages

Wages for the hourly contract staff start at \$17 per hour and annual wage increases are pegged at a minimum of \$0.25/hour through tenure-based increases and skill development. In 2022, Dropps adjusted the base compensation twice to account for atypical inflation and increase competitiveness.

## Performance bonus

Our hourly contract staff are eligible for performance bonuses, which are determined by the following factors:

- Reliable attendance record (40%)
- Productivity targets (40%)
- Contribution to enhancing culture and team spirit (20%)

## Paid time off

Our hourly contract staff also enjoy the same paid company holidays as Dropps' employees. Dropps also partners with our staffing agency to ensure that senior staff are offered paid time off in addition to the paid company holidays.

PTO Policy was adjusted in 2022 from 2021, where 5 days of PTO was prorated based on tenure. Now associates of all tenure receive PTO at the start of the year, see below:

- 0–1 Years: 2 Days
- 1–2 Years: 5 Days
- 3–4 Years: 8 Days
- 5 + Years: 12 Days

## Paid sick leave

All hourly contract staff — regardless of title or tenure — are offered 5 days of paid sick leave per calendar year. In 2021 this was prorated by tenure; this stipulation was removed in 2022.

## Paid childcare leave

Paid childcare leave - Dropps ensures that our hourly contract staff is offered paid child care leave, up to a maximum of 5 days per year, to utilize when they are unable to come to work for childcare reasons.

## Paid bereavement leave

Outside of our staffing agency, Dropps provides paid bereavement leave for staff members.



# Health Insurance and Benefits



Dropps recognizes that an important part of equitable compensation includes benefits. Our benefits are comprehensive and we offer the following:

- 💧 **Unlimited paid time off**
- 💧 **Remote work options (Dropps was remote even prior to the COVID-19 pandemic)**
- 💧 **Expanded medical and vision insurance options (with team member premiums and a Health Reimbursement Account covered by Dropps)**
- 💧 **Life and short-term disability insurances provided at no cost for all full-time team members**
- 💧 **Optional dental and supplemental insurances**
- 💧 **Stipends for home office and internet costs**
- 💧 **Optional 401K with environmental, social, and governance (ESG) funds options with a match up to 4%**

An employee's eligibility for these compensation components varies by position and classification and is determined by our Compensation Committee.

In addition to our equitable benefits, our PTO policy is articulated to support work-life balance and flexibility for team members according to both individual and company needs. Our Paid Time Off (PTO) policy includes the following:

- 💧 **Unlimited paid vacation**
- 💧 **Paid short-term sick leave**
- 💧 **Paid long-term sick leave**
- 💧 **Paid parental leave (up to twelve weeks, which may be taken in any configuration during the following 12 calendar months)**
- 💧 **Paid compassionate/bereavement leave**
- 💧 **Paid time off for additional types of leave required by state or local regulations.**



# Recruiting and hiring process



Dropps' company culture is defined by our team members, and this begins with a fair and equitable hiring process. Our recruiting process was designed in 2021 to maximize pipeline diversity, minimize bias and give care and compassion for candidates. In 2022, we set out to give equity in compensation by being transparent about the budgeted pay range of a role with candidates. We believe this transparency will lead to pay equality because everyone has the same information, no matter their experience, guidance, and/or identity. All job postings now include the salary range and associated benefits for the role. In addition, the details are emphasized during the initial screening call with the candidate.



# Measure of DEI reporting



Every year, Dropps conducts an internal engagement survey to take a pulse on the state of the community and inform our goals for the next year. This engagement survey has an optional section to help understand and quantify the diversity of our company and measure equity and inclusion sentiments.

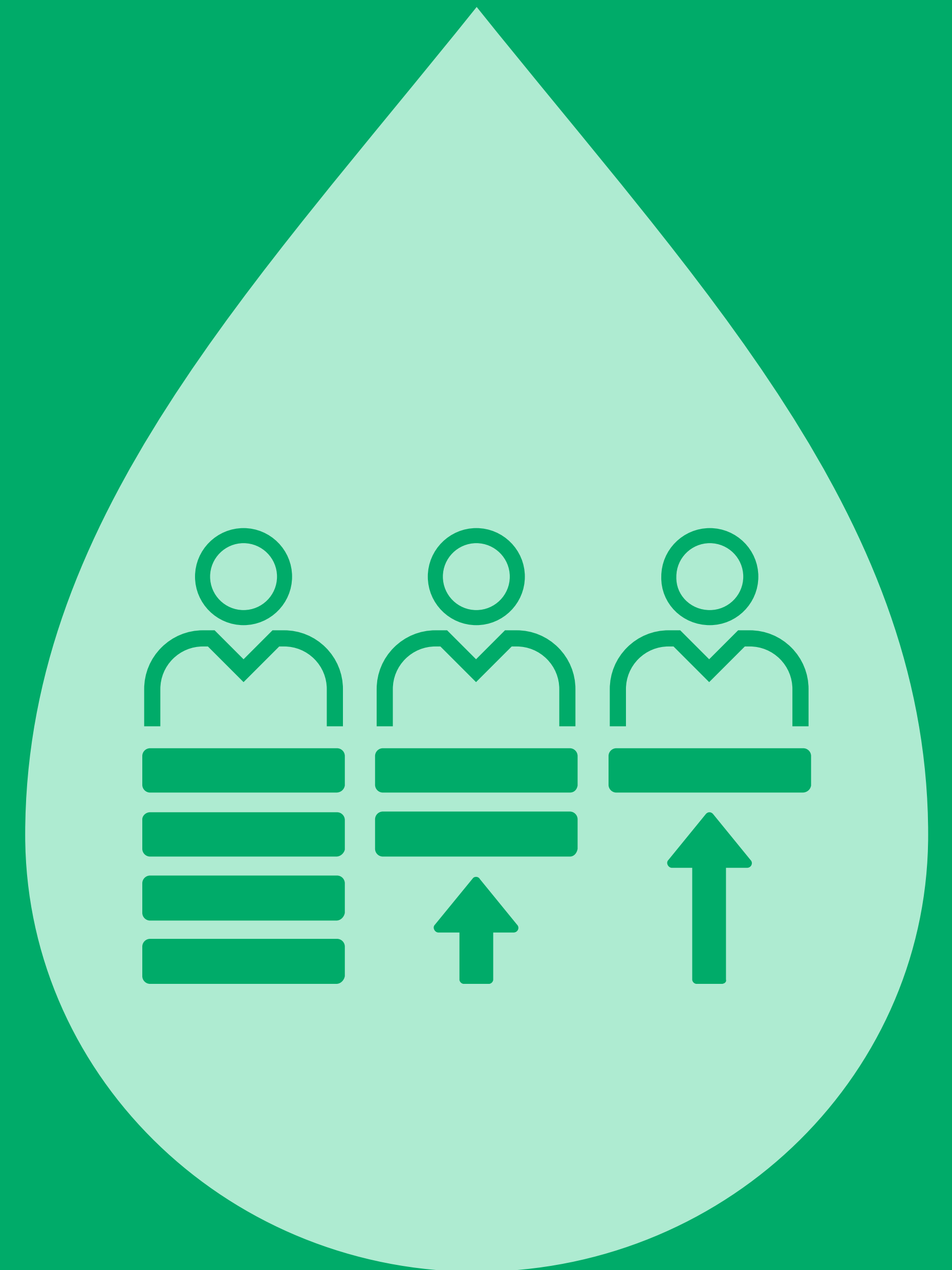
## Diversity

The following categories of diversity were captured in 2021:

- 💧 **Race**
- 💧 **Gender**
- 💧 **Sexual orientation**
- 💧 **Homeland/Predominant culture**

In 2022, we added the following three categories of diversity for the first time:

- 💧 **Primary caregiving responsibilities**
- 💧 **Disability**
- 💧 **Age**

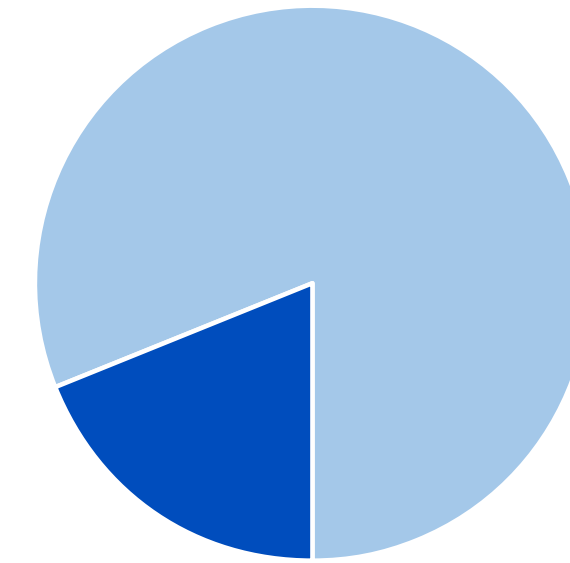




# Measure of DEI reporting

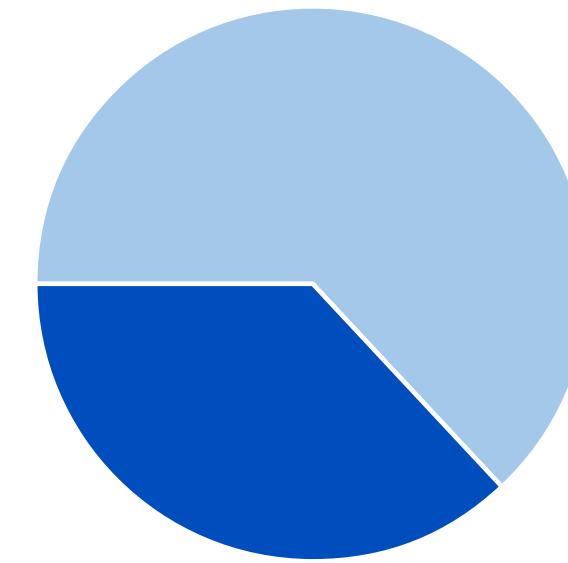


The survey asked team members to report on these categories or choose "prefer not to answer". 75% of our team members chose to report on the categories of diversity. Based on that, we have the following results as of August 2022:



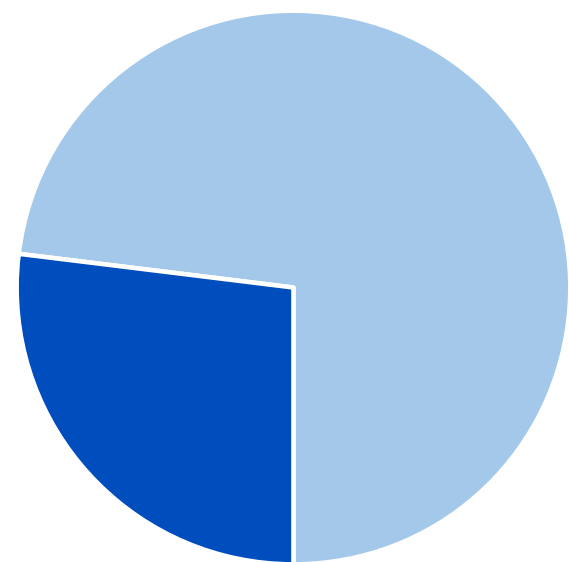
**Sexual orientation:**  
20% of team members identify as a part of the LGBTQ+ community

In 2021, 27% of team members identified as part of the LGBTQ+ community



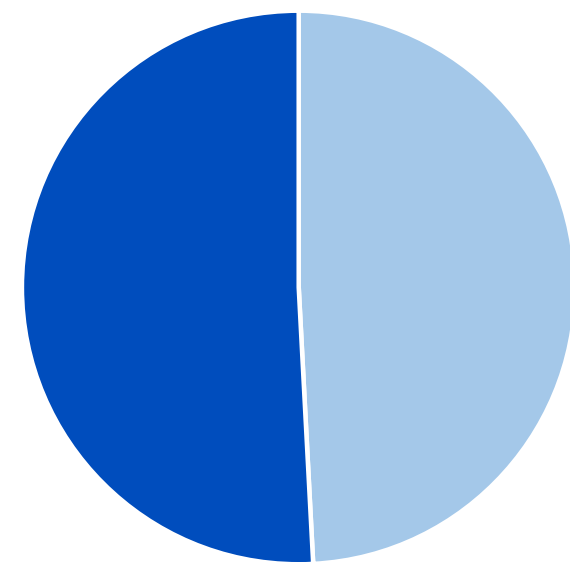
**Predominant culture:**  
37% of the team members represent a non-US homeland and/or cultural background

In 2021, 51% of the team members identified as representing a non-US homeland and/or cultural background



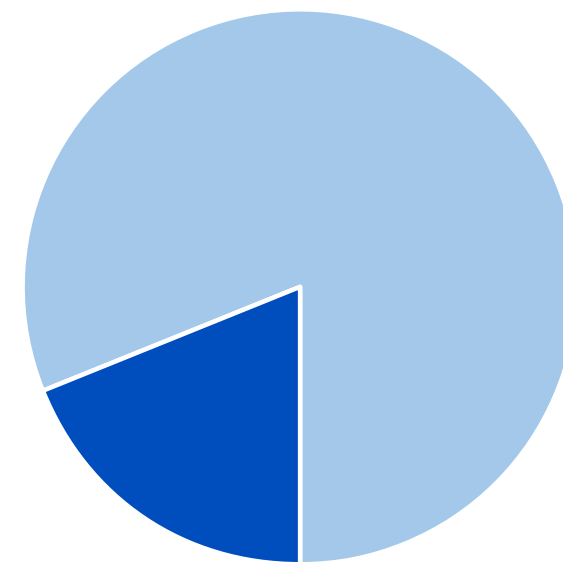
**Race:**  
27% of team members identify as non-White

In 2021, 19% of team members identified as non-White

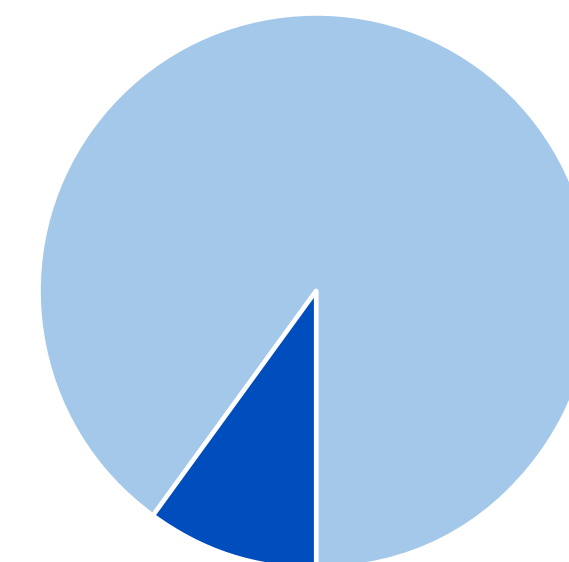


**Gender:**  
51% of team members identify as non-male

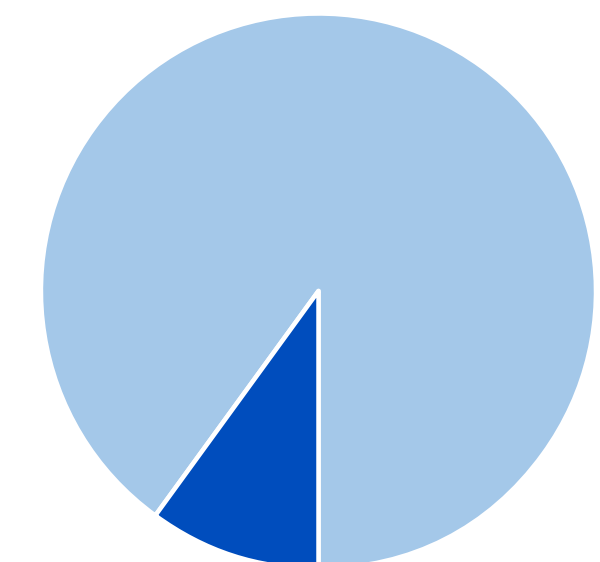
In 2021, 43% of team members identified as non-male



**Caregiving responsibilities:**  
18% of team members are primary caregivers



**Disability:**  
10% of team members are reported to have a disability



**Age:**  
12% of team members are over the age of 40

# Measure of DEI reporting



## Equity and Inclusion

**We utilize Aleria Research's framework for measuring inclusion.<sup>[9]</sup> The 9 categories of inclusion captured during the engagement survey are:**

💧 **Access and Participation**

Being able to speak with anyone in the organization, access to leadership and resources, ability to interact across silos, etc.

💧 **Skills use and assignments**

Being included in projects that leverage individual skills, clear metrics and processes for assignment distribution, tasks being assigned based on skills or capability, participation in strategic initiatives, etc.

💧 **Learning and growth**

Regular and consistent performance reviews, opportunities to participate in stretch projects, support for professional development, support to attend conferences and professional events, etc.

💧 **Compensation and benefits**

Clear and transparent compensation structure, being paid adequately for performance, salary increases with promotions or increased responsibility, having access to higher-paying roles, etc.

💧 **Career opportunities**

Clear, consistent, and fair promotion processes, leadership willingness to discuss career opportunities, support for lateral moves within the organization, access to higher roles, etc.

💧 **Work-life balance**

Availability of flex time and remote work options, assistance with caregiving (child care, elder care, etc.), comprehensive family leave policies, etc.

💧 **Recognition**

Not being interrupted in meetings, having your opinion count, making sure that administrative tasks are assigned equally, getting credit for your ideas, assurance that one's role is as significant as the roles of colleagues etc.

💧 **Respect**

Diverse perspectives are encouraged and respected, being comfortable sharing unique personal traits openly, not being the subject of microaggressions, not being subjected to sexual harassment, etc.

💧 **Workplace integrations**

Appreciation for tasks indirectly related to role, recognition of contributions during performance reviews, acknowledgment of participation and contributions in meetings, etc.



# Measure of DEI reporting



## Equity and Inclusion

**We asked team members to report on these categories based on their experience at Dropps. The following percentages were weighted based on team members' response of strongly agree, agree, disagree, strongly disagree (this does not refer to the number of people but rather a "score").**

**Access and participation:**  
We calculated a score of 59% in 2022 compared to 51% in 2021

**Skills use and assignments:**  
We calculated a score of 56% in 2022 compared to 54% in 2021

**Learning and growth:**  
We calculated a score of 57% in 2022 compared to 43% in 2021

**Compensation and benefits:**  
We calculated a score of 60% in 2022 compared to 54% in 2021

**Career opportunities:**  
We calculated a score of 59% in 2022 compared to 43% in 2021

**Work life balance:**  
We calculated a score of 64% in 2022 compared to 54% in 2021

**Recognition:**  
We calculated a score of 54% in 2022 compared to 50% in 2021

**Respect:**  
We calculated a score of 59% in 2022 compared to 55% in 2021

**Workplace integrations:**  
We calculated a score of 58% in 2022 compared to 53% in 2021

We are pleased to report that our score has increased from 2021 to 2022 in each area of reported inclusion. However, we've identified "skills use and assignments" and "recognition" as two areas that need further development. Our team member's responses have helped us evaluate policy and programming to make the experience of all Dropps team members as joyous as possible.

# 2022 improvements



## B Corp Certification

Dropps has been working hard to complete our B Corp certification and we are proud to have been accepted as a B Corp Certified company in 2022. This certification requires that an organization demonstrates high social and environmental performance, overall accountability, and transparency to employees and consumers regarding employee benefits, supply chain practices, and various other organizational practices. **Dropps received a score of 87.5 and we're excited to work toward improving that score wherever possible.**



## Work-life Balance Program

We believe that supporting a healthy work-life balance for all employees is key to creating a motivating, engaging, and productive work environment. In 2022, we piloted a 4-day work week from June to September. This allowed each individual to be able to schedule their workday according to their various needs and provided the opportunity for a non-traditional working schedule. We are excited to launch a second, longer pilot in 2023 with a Flexible Friday option with the learnings from the 2022 pilot.





# 2022 improvements



## Wellness Programming

Dropps believes that an important part of overall employee wellness is mental health advocacy. In 2022, we partnered with an external mental health consultant, Sylvie Krause, to review our current wellness benefits. In 2023, we plan to take those findings and codify a mental health advocacy program to ensure we not only have strong benefits but our team members know how to use them.



## Development and Workspace Policy

Training and development is something that Dropps values for our team members. In addition to increasing internal capability and boosting innovation, it helps provide growth opportunities within each individual role. In 2022, Dropps implemented a formal process and budget to ensure that each team member has access to these continuing development opportunities. Through this program, Dropps reimburses fees related to classes, certifications, conferences, seminars, etc. for any team member who decides to advance their personal career development outside of their day-to-day job responsibilities. In 2022 more than \$20K were spent towards this program.

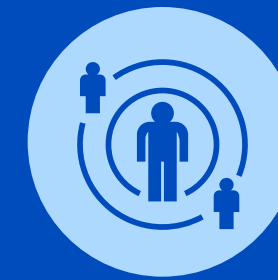


# 2022 improvements



## Safety

Dropps is very proud to have established our very first interdepartmental safety committee in 2022. Committee members and additional team members were trained in CPR, first aid, fire extinguisher use, and other safety-related topics to ensure our warehouse staff is prepared to act in a difficult situation. The Safety Committee includes team members from the People Operations, IT, Research and Development, Quality Assurance, and Operations departments, which includes ASG team members and spans all management levels. Additionally, we formalized a schedule and implemented bilingual monthly safety training opportunities for all warehouse employees, as well as established a plan for continued growth in warehouse safety programming for 2023.



## Employee Relations Programming

Many of our team members work remotely and we want to provide everyone with opportunities to connect, build community, and collaborate. While it requires more intentional work than a traditional office environment might, we emphasize the importance of developing connection and overall empathy for each other. In 2022, Dropps provided all team members with the opportunity to interact with their direct team and other employees within the organization. In April and December, we helped each team to execute one department-level programming that would encourage team members to interact with each other outside of their day-to-day responsibilities. This included virtual activities such as a painting party, escape room, murder mystery party, trivia, etc. For our teams that are all in the same location, we encouraged participation in activities such as a happy hour, bowling, and mini golf. Lastly, our holiday party gave the entire company the opportunity to engage in celebration. We hosted a virtual trivia party followed by a chocolate and tea tasting.



# 2022 improvements



## Ways of Working

Remote work can often require extra care in communication, whether it be via messaging platforms or a video call. We believe that setting communication guidelines for everyone is important in maintaining structure, clarity, and productivity. We developed various “ways of working” guidelines in 2022 to ensure that all remote employees can effectively communicate and collaborate with each other, especially as we prepared to kick off our four-day work week pilot. These guidelines include Slack communication, Google Meet etiquette, Google Calendar, and Email. In 2023, we plan to further build out our “ways of working” recommendations for ClickUp, our project management tool, and various other applications. We will also be working with departments individually to draft “ways of working” as we go into our 2023 Flexible Friday pilot.



## DEI workshops

As Diversity, Equity, and Inclusion (DEI) is a fundamental part of our Community Values, Dropps is dedicated to incorporating DEI into everything we do. In addition to ensuring DEI is considered in all policies and programs, we also offer at least one virtual diversity, equity, and inclusion program each month. We encourage all team members to participate and we accept continual feedback from employees, making adjustments to our program as needed. In 2022, our People Operations team began leading our workshops, selecting the topics according to employee survey responses to ensure that they are meaningful and timely for our team members. The topics covered included: bias in performance evaluations, equitable leadership, accessibility in sustainability, microaggressions, work-life balance & DEI, and saying “no.”

Additionally, Dropps has partnered with Concerning Learning to further develop training for our Community Values and ensure all team members fully understand how to operationalize these values in daily interactions and behaviors. **In 2023, we plan to deliver these interactive trainings each quarter in addition to our regularly scheduled DEI workshops.**

# Footnotes

[1] Water saved: internal estimation comparing water content in leading brands versus Dropps detergent. Water content for leading brands determined using Karl Fisher test

[2] <https://www.biopREFERRED.gov/BioPreferred/faces/pages/AboutBioPreferred.xhtml>

[3] Bio-based content internal estimation determined by taking total mass of specific ingredients qualifying as bio-based as a percentage of overall mass of the formulation

[4] Plastic bottles avoided: internal estimation calculating number of units of liquid detergent, powder detergent, and softener sold by Dropps in cardboard packaging that otherwise are sold in plastic bottles/jugs

[5] The Puffy Pod: internal estimations for savings based on the number of pods per manufacturing run and amount of film used per pod

[6] Dropps and The Clinton Landfill project: <https://www.dropps.com/pages/distribution>

[7] Dropps and Clearloop partnership: <https://clearloop.us/2021/04/19/dropps-clearloop-carbon-offset/>

[8] Greenpeace: <https://www.greenpeace.org/usa/microsoft-google-amazon-energy-oil-ai-climate-hypocrite/>

[9] Aleria's inclusion framework: <https://www.aleria.tech/categories-of-inclusion>

[10] EcoEnclosed - Dropps sustainability report 2022

[11] Toilet flushes based off federal standard of 1.6 gallons per flush <https://www.epa.gov/watersense/residential-toilets>

[12] Olympic-size swimming pool of 660,000 gal [https://en.wikipedia.org/wiki/Olympic-size\\_swimming\\_pool](https://en.wikipedia.org/wiki/Olympic-size_swimming_pool)



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