



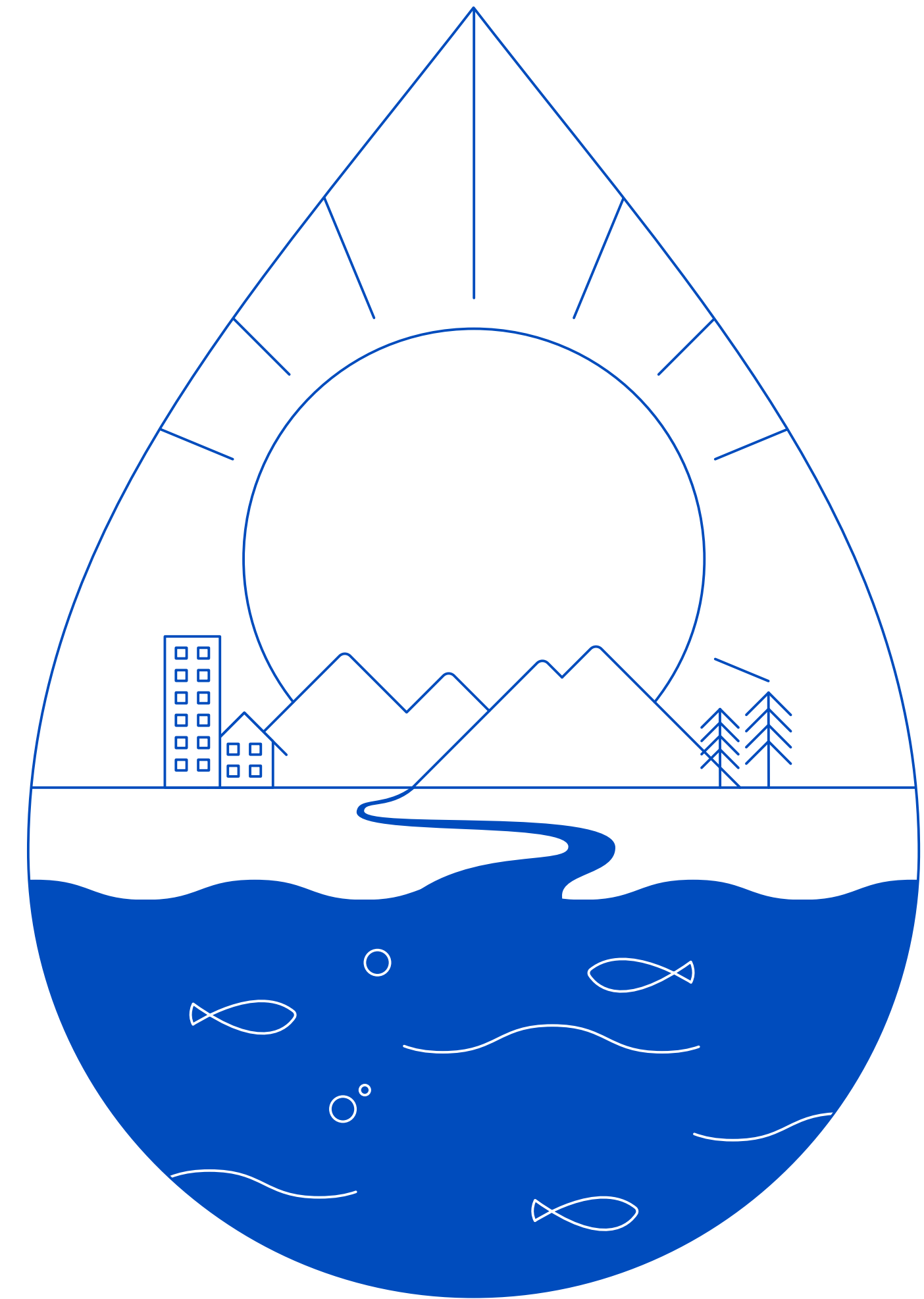
# Impact Report

2021



# Scope of this document

**This is Dropps' first Impact Report. The goal of this document is to give you a glimpse into Dropps' impact-related priorities, including with respect to environmental sustainability, our people, and our communities. It is also a means 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 80-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 our R&D laboratory.

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

It was the first Earth Day: April 22, 1970. There were no red states or blue states. Just the United States. We all celebrated on Belmont Hill, which is part of Fairmont Park in Philadelphia. In this age of Aquarius, all we wanted was to let the "sunshine in," but on that day, we were reminded by the lyrics of "Air" from the musical Hair: "Welcome sulfur dioxide, hello carbon monoxide."

It was also a time when you received two cents for an empty glass bottle of Coke which was reused and refilled. Going backwards is not always a bad idea. A better way to move forward would be a world and an economy that creates products that can be reused or refilled and that are made from sustainable ingredients that are produced and transported in a way that limits the contribution to global warming. Likewise, these ingredients must also respect natural resources and the living world by protecting biodiversity and ecosystems.

Our country continues to celebrate Earth Day, Earth Week, and Earth Month. At Dropps, we celebrate Earth Year. This means that every day we are seeking better and more

sustainable solutions. Liquid laundry detergent is the most expensive bottled water you can buy. Its single-use plastic container is shipped all over the country, only to be put in a machine that dispenses water. At Dropps, we only want to ship you (carbon neutral!) what is necessary to clean your clothes and provide you with other powerful, sustainable cleaning solutions.

At Dropps, we also celebrate diversity. We believe diversity is the chief source of progress. If we share different perspectives, we have more opportunities to create new ideas. It is not about being right, it is about getting it right. At Dropps, the team is all rowing together to try to get it right.

This is a journey to do better. A journey that starts with a drop leads to an ocean of positive change.



Warmest regards,  
**Jonathan Propper**  
Founder and CEO



# Our Core Belief

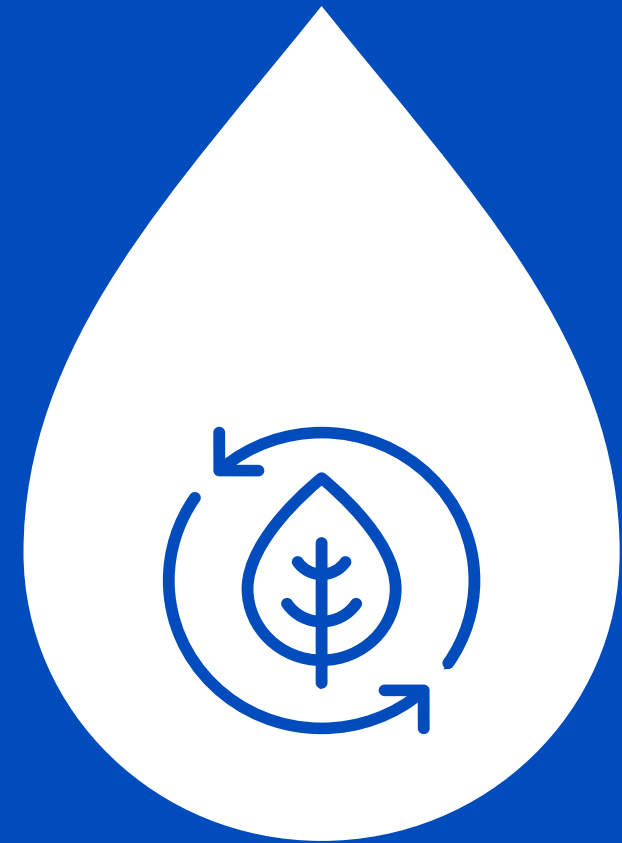


**We have a vision for what home care can — and should — be. We believe that you can have it all: effective, eco-responsible, and convenient products. Not one thing at the expense of another.**

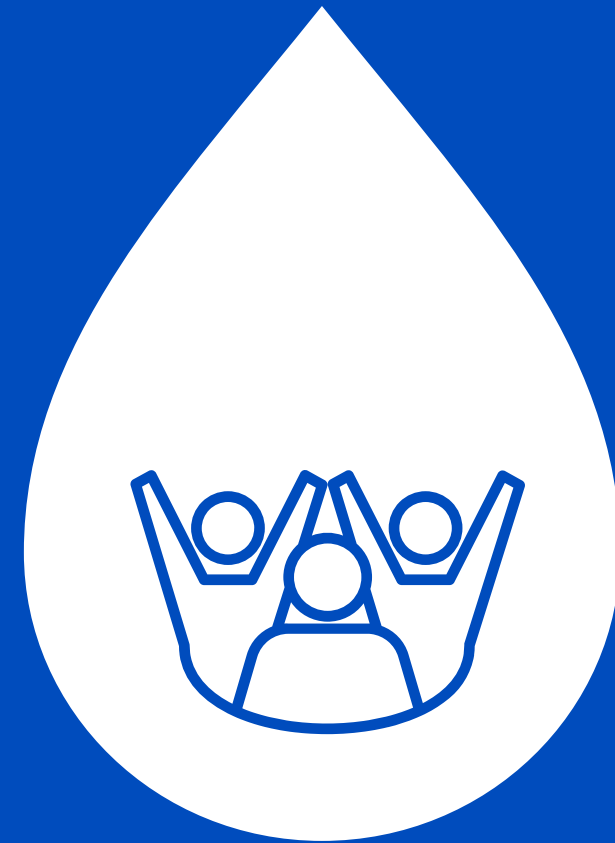
**Better for you, better for the planet.**



# Community Values



**Commit to  
Sustainability**



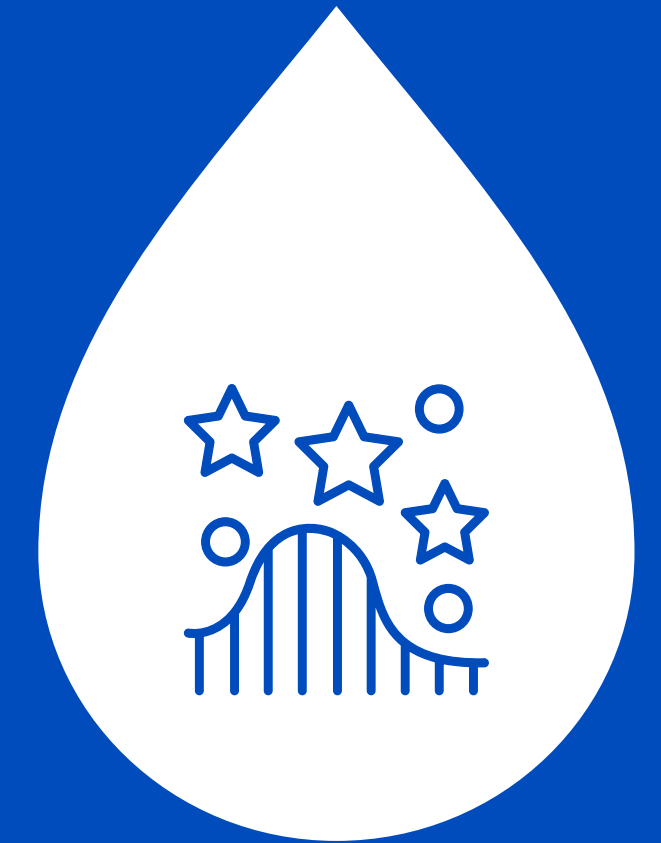
**Celebrate  
Diversity**



**Practice  
Inclusion**



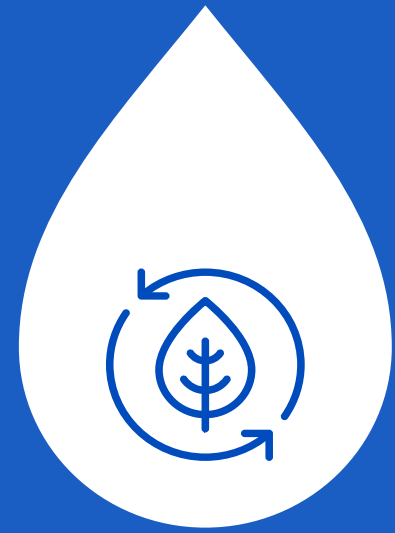
**Lead with  
Simplicity and  
Transparency**



**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.

Droppps 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 success contributes 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



# 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 wellbeing.

## 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.



Environmental Impact

# Safety and Circularity

From our founding as Cot'n Wash, Inc. to our evolution into a direct-to-consumer subscription business in 2017, our products have been formulated keeping in mind families, friends, and extended community.

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.



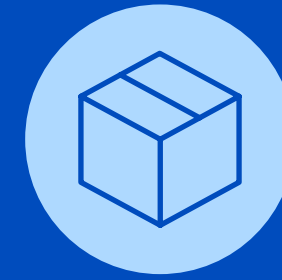
# Priorities

Our Safety and Circularity priorities and goals include:



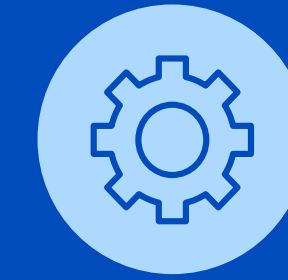
## Formulations

- Concentrated and minimal use of water
- Safe for human, animal, and environmental health
- Use of bio-based and plant-based ingredients
- Use of biodegradable ingredients
- Vegan and not tested on animals
- Palm-oil free



## Primary and secondary packaging

- Recycled, recyclable, compostable, and/or biodegradable



## Operations

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



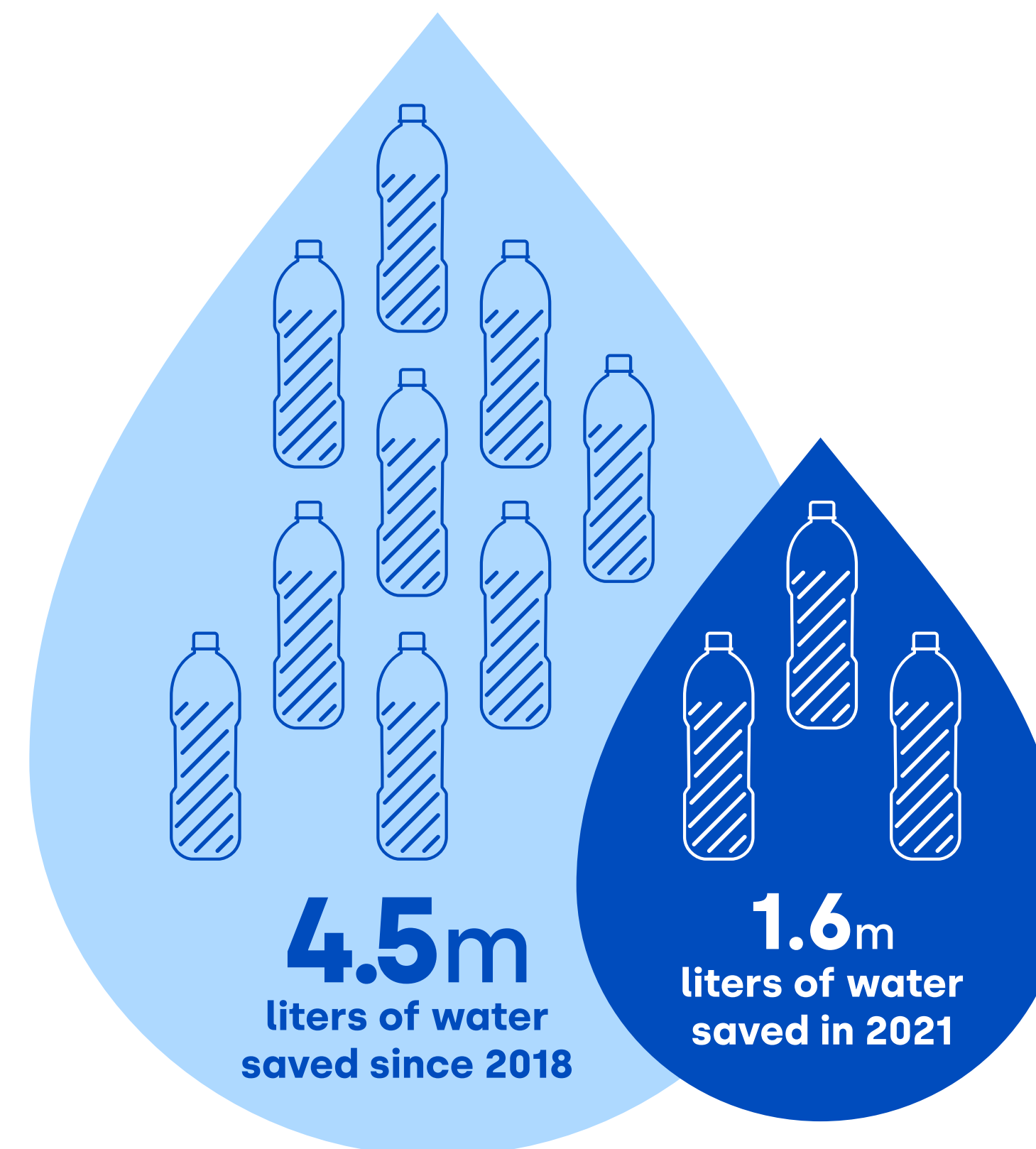
# Formulations



## Concentrated and minimal use of water

Dropps believes that concentrated formulations can be delivered to our customers safely. Focusing on concentrated formulations allows us to develop our products using minimal water, a resource that is becoming increasingly scarce. It also allows us to ship products without water content, which improves our shipping emissions and carbon footprint. Why ship water if it already exists in washing machines?

**As a result of this laser focus on concentrated pod products, Dropps has saved an estimated 4.5+ million liters of water since 2018, with 1.6+ million liters of water in 2021 alone.<sup>[1]</sup>**



		Liters
2018	14%	647,996
2019	19%	861,742
2020	31%	1,386,580
2021	36%	1,634,121
<b>TOTAL</b>		<b>4,530,438</b>

In 2021, we also introduced (what we endearingly call internally) **The Puffy Pod**. The Puffy Pod further allows us to save water in manufacturing. We describe The Puffy Pod in greater detail below.





# Formulations



## Safe 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®, a third-party reference database for safer ingredients, in developing and refining our formulations. Over the course of the last 12 months, we also engaged MBDC, a sustainability consulting company that is an accredited assessor of the Cradle to Cradle Certified® Products Program.

MBDC is working with us to assess more than 20 existing and new formulations and fragrances for the Cradle to Cradle Products Innovation Institute's safety profile. These formulations and fragrances were assessed

keeping in mind the concentrations of each ingredient, end use of the product, and exposure and risk of exposure.

We also assessed 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 reformulated our products and fragrances for a stronger sustainability profile.

One of our goals for 2022 is to secure the National Eczema Association certification for our unscented products.



# Formulations

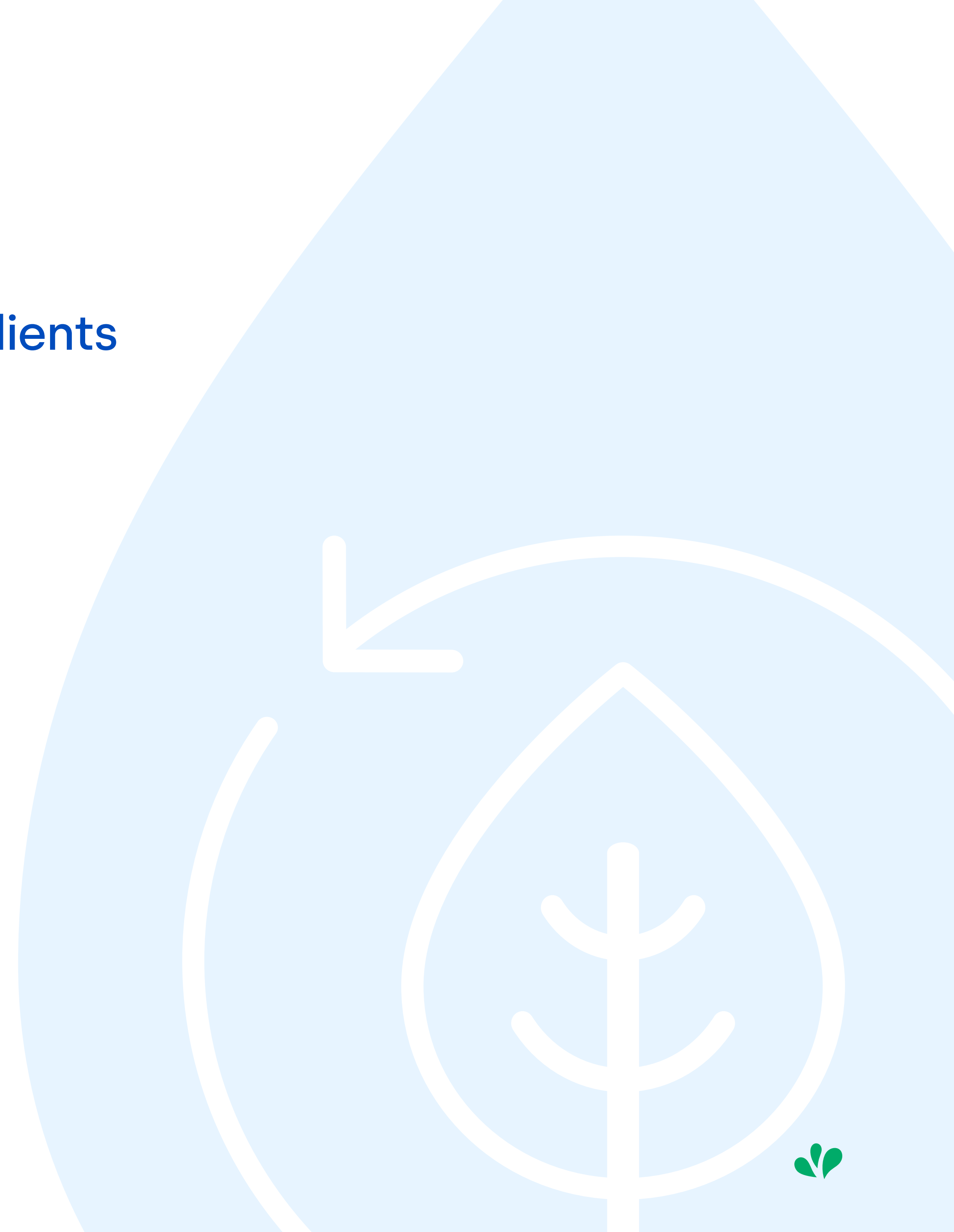


## Use of bio-based and plant-based ingredients

Where possible, we prioritize using bio-based and plant-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.

Our internal estimates show that at least a majority of our liquid and powder pod components, as well as our dish products, are bio-based. All of our fabric softener products contain mineral-based ingredients.<sup>[3]</sup>

A goal for 2022-2023 is to seek certification from the US Department of Agriculture’s BioPreferred® Program where applicable.



# Formulations



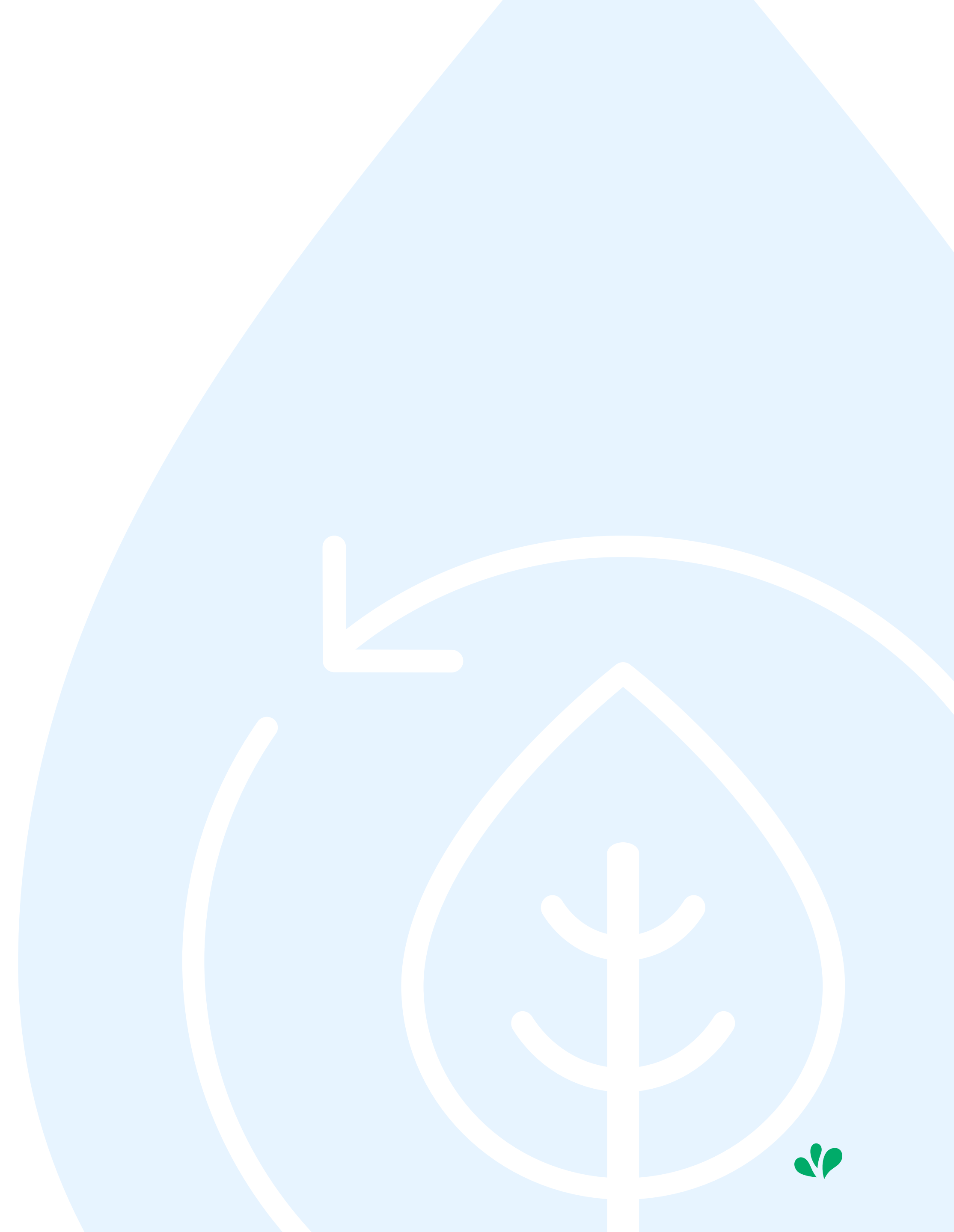
## Use of biodegradable ingredients

We also prioritize biodegradable ingredients in our products. Our goal for 2022-2023 is to get our formulations fully certified for biodegradability, where applicable.



## 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. A goal for 2022 is to get our formulations Leaping Bunny certified.



# 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 additional alternatives by working closely with our suppliers and industry partners to drive our palm oil content even lower.



# Primary and secondary packaging

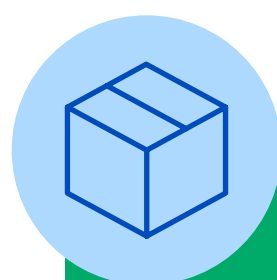


	Recycled	Recyclable	Compostable	Biodegradable
<b>Secondary packaging</b>				
<b>Cardboard</b>	<b>Yes*</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
<b>Shipping labels</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
<b>Label adhesive</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>
<b>Kraft tape</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>
<b>Tape adhesive</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>
<b>Water based inks</b>	<b>No</b>	<b>Yes</b>	<b>50%</b>	<b>50%</b>

\*50% post-consumer recycled cardboard from FSC certified suppliers



# Primary and secondary 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. Our product packaging doubles as our shipping box — which means you will never find a box in a box.... with Dropps!

## A word on PVOH — what is it and why do we use it?

PVOH is Poly Vinyl Alcohol (known as PVA or PVOH) and is a petroleum-based synthetic polymer. 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 — think sturdy fishing nets. 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 your 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.

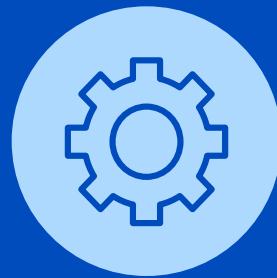
As a result of our choices above, using innovative packaging and PVOH, Dropps has been able to prevent the following number of HDPE plastic jugs (traditional liquid laundry detergent containers)<sup>[4]</sup>:

## Cumulative single-use plastic bottles avoided by..

2019	1,030,141	
2020	2,103,541	
2021	3,533,162	



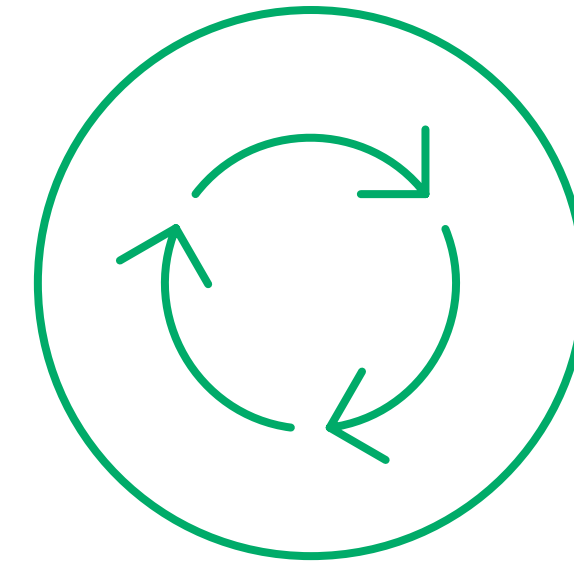
# Operations



## 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.

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

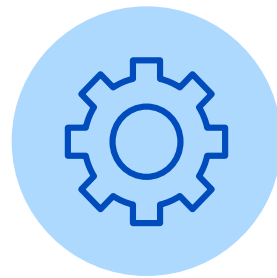


The containers that hold finished pods are called totes. We transport pods from our manufacturers to our distribution facility in these totes. Once we have used up all the pods in a tote for assembly into our finished goods, we make these totes available to our manufacturers again for subsequent production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

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

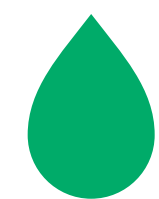


# Operations

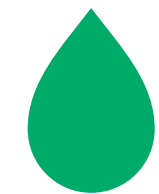


## The Puffy Pod

As mentioned earlier in this report, we introduced The Puffy Pod in 2021. We right-sized our pod mold to fill to specifications of a 9-gram pod. This benefited us in two ways<sup>[5]</sup>:



**We increased the number of pods on the drum by 33%, which resulted in a 25% decrease in energy used for a production run of the same volume**



**We were able to increase the number of pods derived from 1 lb of PVOH film by 33%**



**25%**  
decrease in  
energy use

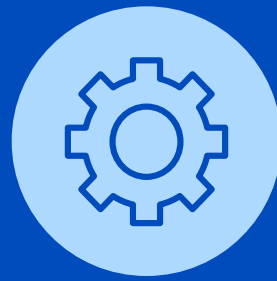


**33%**  
more efficient





# 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:

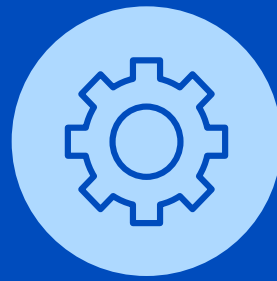
- 🔹 **Documentation about PPE and safety protocols used for material handling across processes**
- 🔹 **Potential problematic post-manufacturing exhausts and effluents, and direct contact by workers, if any (e.g. endocrine disruptors, carcinogens etc)**
- 🔹 **Worker pay and protections**
- 🔹 **Worker 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**

Our goal for 2022 is to formalize 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 chains.



# Operations

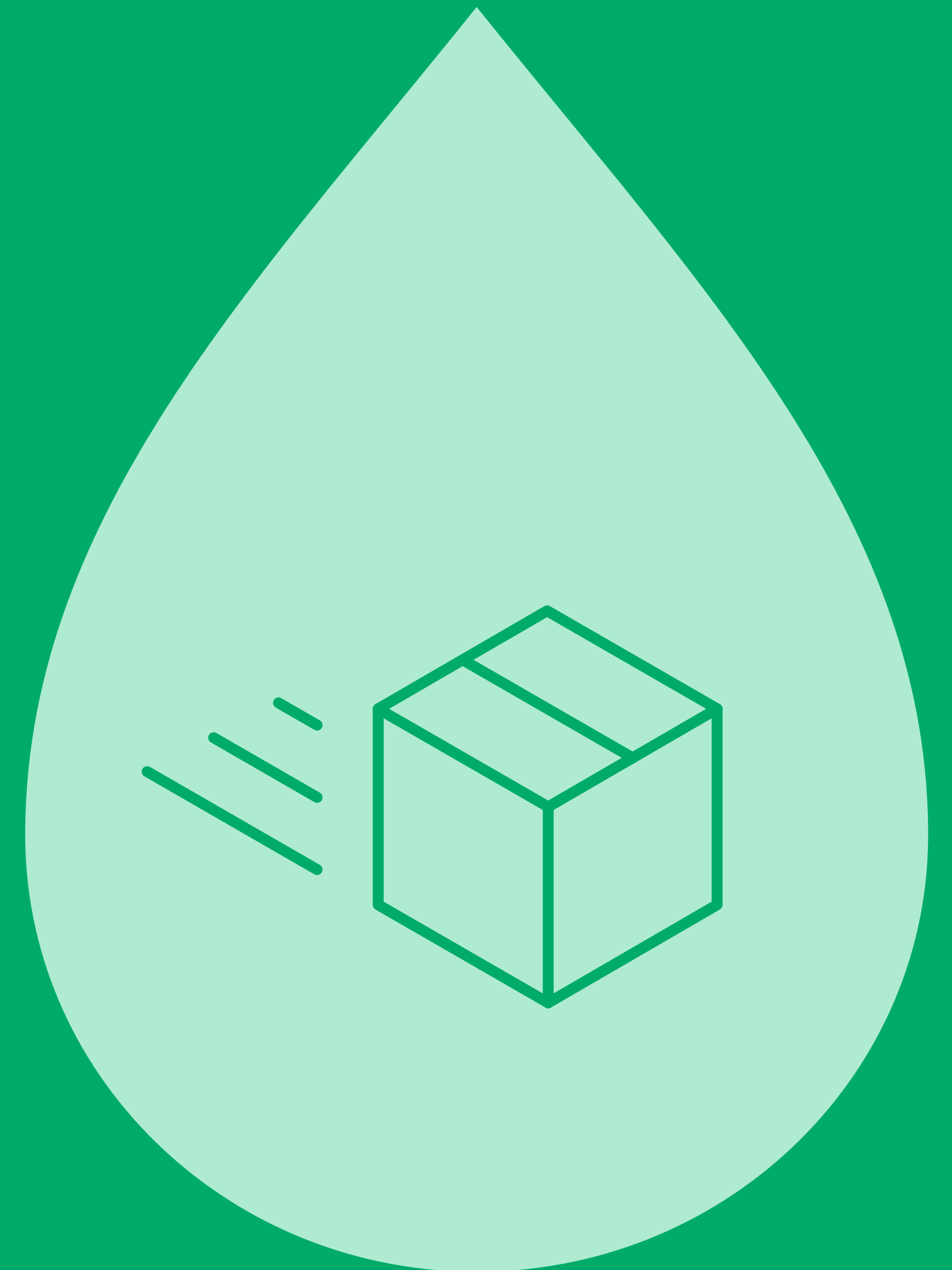


Operational choices that minimize or eliminate emissions

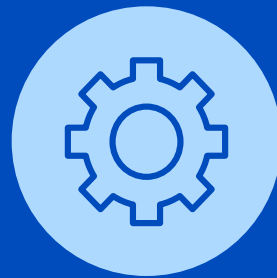
## Air versus ground shipments

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 researchers have found 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.



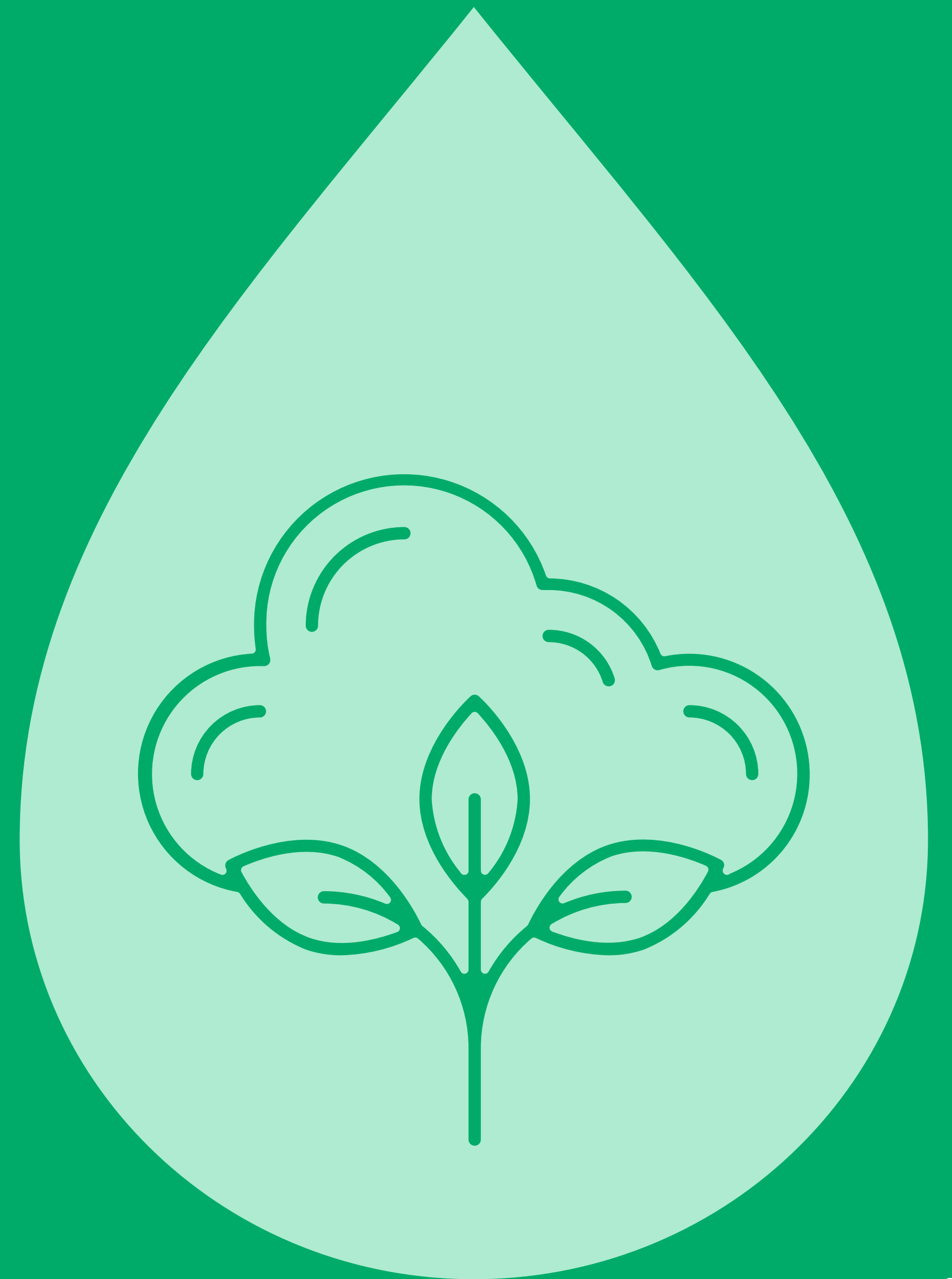
# Operations



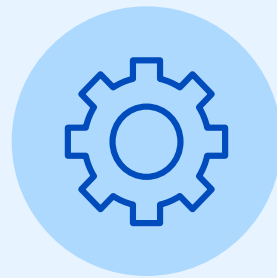
Operational choices that minimize or eliminate emissions

## Carbon emissions offset

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. 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.



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

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



**A goal for 2022 is to execute a detailed carbon accounting baseline upon which we can implement our programming to achieve Carbon Negative status in the future.**

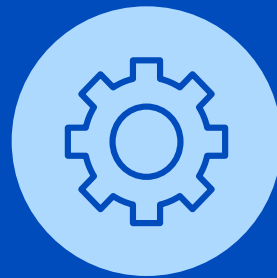
**Since late 2020**, Dropps has utilized Convoy ([www.convoy.com](http://www.convoy.com)) where possible to manage our full truckload freight network. The design of Dropps' supply chain network means that our main routes are typically backhaul lanes for other shippers.



**Convoy finds these backhaul shippers so that overall the empty trucking miles in the industry can be reduced.**



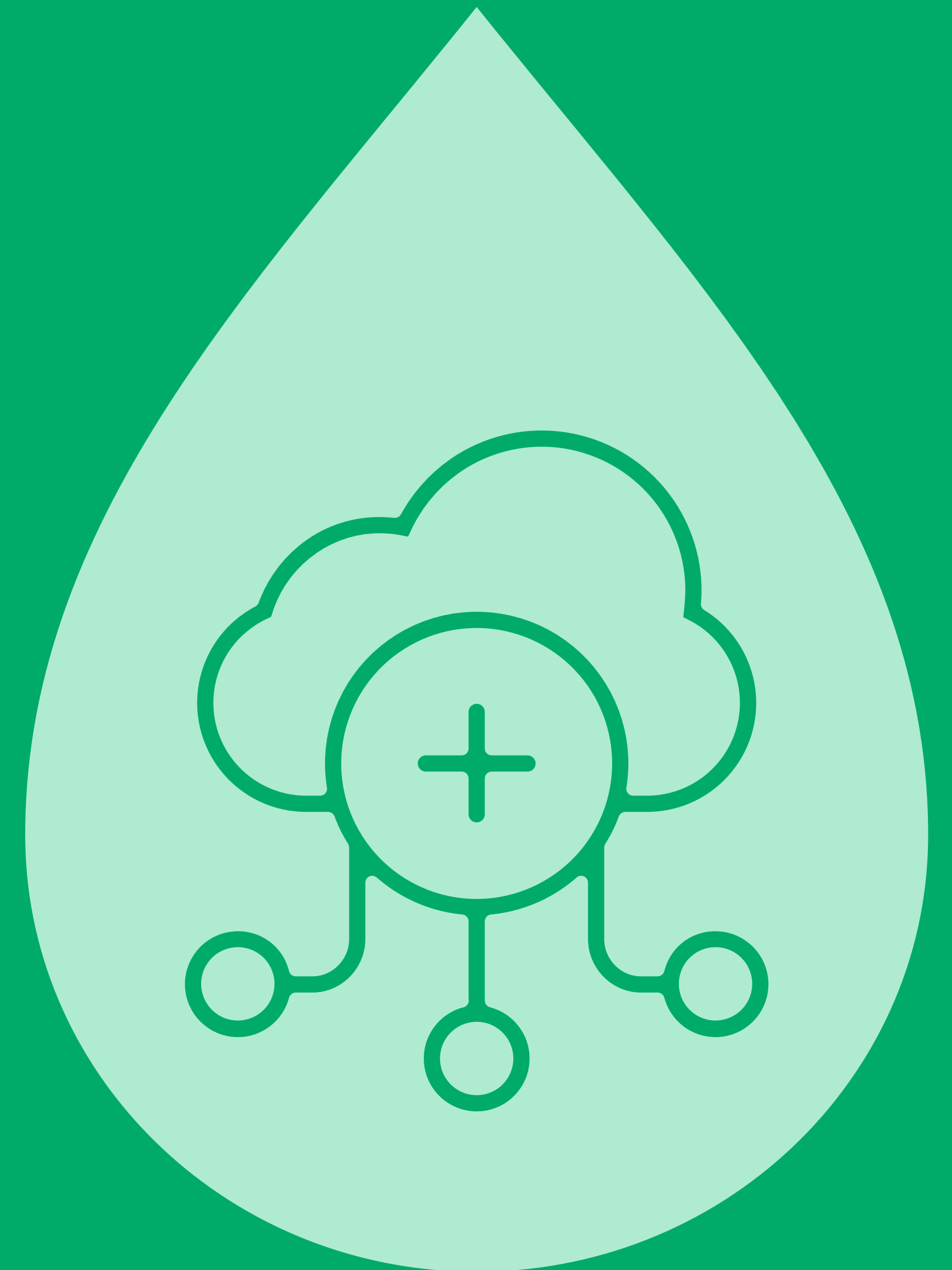
# Operations



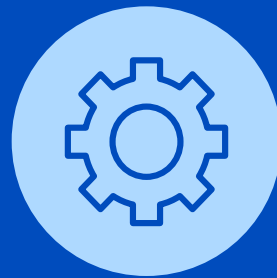
Operational choices that minimize or eliminate emissions

## 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 52 kg of CO<sub>2</sub>e.



# Operations



## Responsible disposal

### For our customers

All our corrugate can either be recycled or composted via municipal and/or recycling/composting systems. Our shipping labels and Kraft tape can be recycled in residential systems. Easy!

### At our warehouse

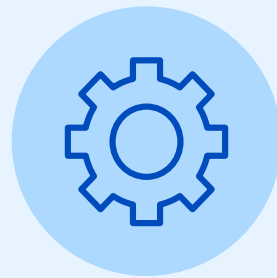
Our corrugated cardboard waste is currently recycled back into the market via our partnership with International Paper

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 wastes were properly disposed of.



# Operations



## Responsible disposal

**For pods that do not meet safe-to-ship guidelines, we hand donate our pods to non-profits serving our local communities in Chicago. To date, we have donated the equivalent of just under 1 million wash loads to more than 10 organizations! Some of these organizations are:**



### **Roses in Roseland**

Their goal is to provide essential resources on the far south side of Chicago to the most vulnerable populations fighting to overcome living, food, and employment insecurities.



### **The Love Fridge**

Their goal is to nourish communities through mutual aid by offering solutions to food scarcity and food waste. Powered by kindness, generosity and, most importantly, love, they firmly believe that feeding oneself is not a privilege, but a right.



### **The Night Ministry**

The Night Ministry is a Chicago-based organization that works to provide housing, health care, and human connection to members of their community struggling with poverty or homelessness.



### **Brave Space Alliance**

Brave Space Alliance is the first Black-led, trans-led LGBTQ+ Center located on the South Side of Chicago, dedicated to creating and providing affirming, culturally competent, for-us by-us resources, programming, and services for LGBTQ+ individuals on the South and West sides of the city. They strive to empower, embolden, and educate each other through mutual aid, knowledge-sharing, and the creation of community-sourced resources as they build toward the liberation of all oppressed peoples.



### **Deborah's Place**

Deborah's Place opens doors of opportunity for women who are homeless in Chicago. Supportive housing and services offer women their key to healing, achieving their goals and moving on from the experience of homelessness.



Environmental Impact

# Inclusivity and Advocacy

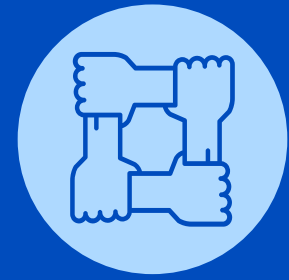
At Dropps, we believe that our sustainability aspirations can have the greatest impact if our products are widely accessible and available, and if we are relentless in our communication efforts to advocate for the sustainable world we desire.





# 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

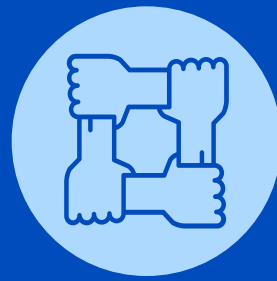


## Advocacy

- 🔹 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 could mean a variety of different things to different people. It could be related to having access to fragrance-free products for those sensitive noses and skin, or products that can be safely used around pets and children. We have 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 pod we sell, and we merchandise them in a variety of different sizes to meet different household size needs.

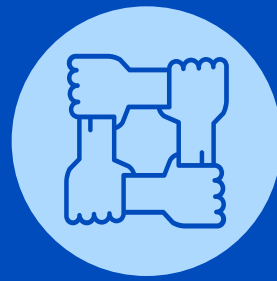
Some of our products have completed HRIPT testing, the standard human clinical test used for personal care and pharmaceutical products, used to help predict the likelihood for induced allergic contact dermatitis (ACD) of topically applied products. The following products completed dermatological testing 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**

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



# Inclusivity

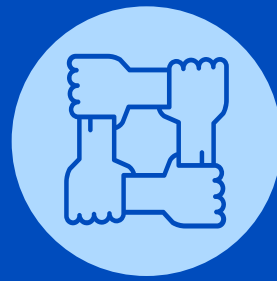


## Accessibility to easy-to-handle products

We took 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 goals for our product and package handling include that they be easy to open (but 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 real people who are using our products on a daily basis. 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 under-represented 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.

## Partnerships



### **Baker Banter**

Dropps has a partnership with Derek Baker (aka "Baker Banter"), who has Down Syndrome. Derek and his family manage their social platform together to show what living in a family like theirs looks like.



### **Bethany C. Meyers**

Bethany C. Meyers is a LGBTQIA+ activist and founder of the be.come project, a holistic, online fitness platform built on the idea of bringing inclusivity, approachability and body-neutrality to the fitness world. Dropps partnered with Bethany to launch Dropps Active Wash and celebrate body movement in all forms.



Additional partners include **Leah Thomas**, **Queer Brown Vegan**, and **Pattie Gonia** (featured on pages 39-40).



# Advocacy



## Environmental sustainability advocacy programming partnerships



“Plastic is everywhere in our ocean – floating on the surface, mixing in the saltwater, and sitting on the ocean bottom, miles and miles deep. And it’s no secret that the household consumer goods category contributes to the problem. Dropps is showing that companies can address this issue now and reduce throwaway plastic by giving people real plastic-free choices. We face a tsunami of plastic in our future, unless more companies also take meaningful action.”

—ANDY SHARPLESS, CEO OF OCEANA

### Oceana

Dropps is Oceana’s exclusive 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 third of the world’s wild fish catch. With more than 200 victories that stop overfishing, habitat destruction, pollution, and killing of threatened species like turtles and sharks,

Oceana’s campaigns are delivering results. We are entering our third year of working together. 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



## Intersectional Environmentalism Initiative

Intersectional environmentalism is an inclusive version of environmentalism that advocates for both the protection of people and the planet. Dropps supports the intersectional environmentalism movement by partnering with Intersectional Environmentalist (IE) activists to amplify their voices. IE is a climate justice community and resource hub centering Black, Indigenous, and People of Color, along with historically under-amplified voices in the environmental space. Dropps is a proud sponsor of Dismantled, a podcast for intersectional environmentalists and voices focused on climate justice.



# Advocacy



## Intersectional environmentalism initiative



### **Green Girl Leah**

Through our work with IE, we developed a long-term partnership with IE founder Leah Thomas (aka "Green Girl Leah"). Leah is passionate about advocating for and exploring the relationship between social justice and environmentalism and claims to be the first to define the term "Intersectional Environmentalism." Her book, *The Intersectional Environmentalist: How to Dismantle Systems of Oppression To Protect People + Planet*, was released on March 8, 2022. We support Leah's work on Dropps' owned channels (e.g. social media & blog), and we share our platform with Leah to educate the next generation of activists on how to create meaningful, inclusive, and sustainable change.



### **Energy Upgrade California**

In partnership with Energy Upgrade California (EUC), Dropps is helping to 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. The goal is to have Californians understand their energy usage, and rethink their energy use between the peak hours of 4PM-9PM. Dropps has provided laundry detergent pods to support the campaign, and EUC and Dropps together will be supporting the education and detergent distribution to two key organizations in an effort to support IE : The California African American Action Fund (CAAFF) and the California Hispanic Chamber of Commerce.



### **Queer Brown Vegan**

Isaias Herndanez (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 collaborates with Isaias to develop and amplify educational environmental content.



# Advocacy



## Intersectional environmentalism initiative



### 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).

Through our partnership with Pattie, we have financially supported 5 non-profit organizations with 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.
- ◆ **Eastern Sierra Conservation Corps:** Provides opportunities for young adults from underrepresented populations to experience and better understand wilderness and the outdoors by providing transformational and immersive experiences through trail and conservation work.
- ◆ **The Children's Home Project (TCHP):** Recognizes the societal roadblocks that make it nearly impossible for someone in extreme poverty to overcome the obstacles necessary to be successful. TCHP provides education, mental health services, and a family atmosphere to facilitate healing and growth.
- ◆ **Brave Trails:** Provides leadership-focused summer camp by LGBTQ+ people for LGBTQ+ youth, ages 12-18, located in California and Maryland.
- ◆ **Queer Outdoor Leadership Expedition Scholarships:** Supports fully funded backcountry expeditions for queer people with a focus on those from marginalized socio-economic backgrounds. This program was initiated by Pattie Gonia, with the support of NOLS.





# Advocacy



## Intersectional environmentalism initiative



### Zero Waste Daniel

“Living ‘zero waste’ means sending as little to landfill as possible and avoiding excess packaging when buying consumer products. Living zero waste is not a contest or a challenge, it is a practice. It is about doing your best everyday and being realistic. Nobody is perfect. I believe what I believe, and do my best to live out my most authentic truth everyday”

—ZERO WASTE DANIEL

We collaborated with artist, designer, and zero waste visionary, Zero Waste Daniel, to create a multi-purpose limited edition laundry bag. All of the fabric used to make these bags, from the heavyweight cotton canvas deadstock to pre-consumer scraps, has been repurposed from the NYC fashion industry and saved from landfills. The collaboration supports reduced textile pollution and fair labor practices.



The background is a light blue surface covered with various natural elements. There are several slices of lemons, some whole lemons, and several green leaves. There are also several small white flowers and some purple flowers. The overall composition is vibrant and fresh.

# People Impact Strategy and Progress

# People Impact Strategy and Progress

Droppps' 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.

Each year, we define our priorities for People and Culture. For 2021, we prioritized review, research, and implementation of the following:

- 💧 **Compensation structure**
- 💧 **Droppps Team Growth Program (performance reviews)**
- 💧 **Recruiting and hiring process**
- 💧 **DEI reporting**

Apart from these, Droppps continuously reviews existing policies and programs offered to our team members, with a focus on inclusion and equity for all team members. Some programs that were reviewed in 2021 were:

- 💧 **Company holiday programming**
- 💧 **DEI workshops and small groups sessions**



# 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:

- 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 (warehousing facilities, lab, or remote), and their commitment to our culture and values.
- 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



# Compensation structure



Our compensation structure for salaried employees includes stock option opportunities in addition to salary and performance bonuses. Our benefits are comprehensive, and include unlimited paid time off, remote work (Dropps was remote even prior to the COVID-19 pandemic), medical and vision insurance, and 401K with environmental, social and governance (ESG) funds options. An employee's eligibility for these compensation components varies by position and classification and is determined by our Compensation Committee.

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 COVID-19 had on many of our hourly contract team members.



# Droppps Dignity in Employment program

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

## Living wages

Wages for the hourly contract staff start at \$15 per hour, and can increase to \$18 an hour through tenure based increases and skill development.

## 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 Droppps' employees (see Company Holidays section). Furthermore, Droppps partners with the staffing agency to ensure that senior staff are offered paid time off in addition to the paid company holidays.

## Paid sick leave

All hourly contract staff — regardless of title or tenure — are offered a maximum of 5 days of paid sick leave per calendar year.

## Paid childcare leave

Droppps 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.



# Team Growth Program (performance reviews)



At Dropps, performance reviews are conducted twice a year — mid year and beginning of year. We designed a multifaceted program that is not a one-way conversation from manager to team member. The program's goals include helping team members gain visibility into their performance, tracking progress against established goals, enabling feedback within and across departments, and assisting in determining role and compensation changes, where applicable. The beginning of year reviews are also used to assess prior year performance to inform the disbursement of performance bonuses.





# Recruiting and hiring process

Our recruiting process is designed to consider the following:

## Maximize pipeline diversity

Maximize pipeline diversity: we believe diversifying our team starts with diversifying our candidate pipeline

## Minimize resume-bias

Minimize resume-bias: we employ a blind screening process in addition to including case studies in our interview process to keep the focus on a candidate's skills throughout the interview

## Provide pay visibility

Provide pay visibility: salary range for an open job is shared with the candidate in the initial screening call

## Multiple voices in the process

Have multiple voices during the process in addition to that of hiring manager and hiring team: our recruiting process is designed to include people from the rest of the company to have a voice in the hiring decision

## Care and compassion

Care and compassion for candidates: we recognize that looking for a job is hard work and we try to make the experience for the candidates as pleasant as possible (e.g. clear and timely communication, travel compensation for in-person interviews etc.)



# Measure of DEI reporting



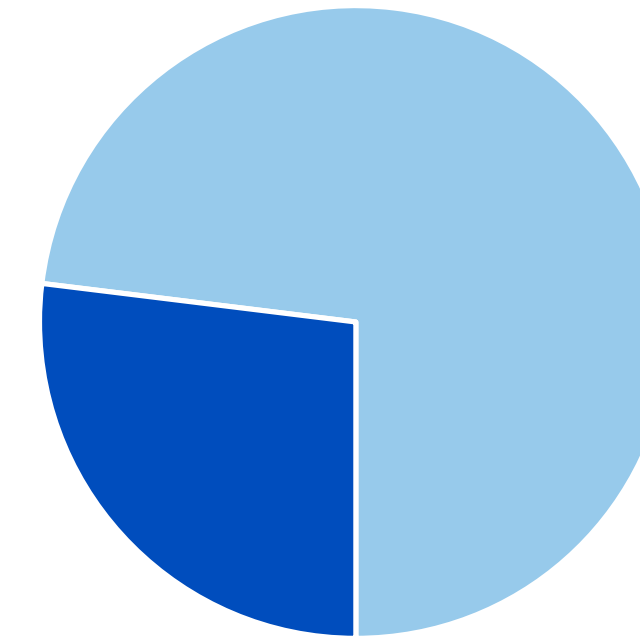
Every year, Dropps conducts an internal engagement survey to take a pulse on the state of the community and inform our goals for the next year. This engagement survey has an optional section to help understand and quantify the diversity of our company and measure equity and inclusion sentiments.

## Diversity

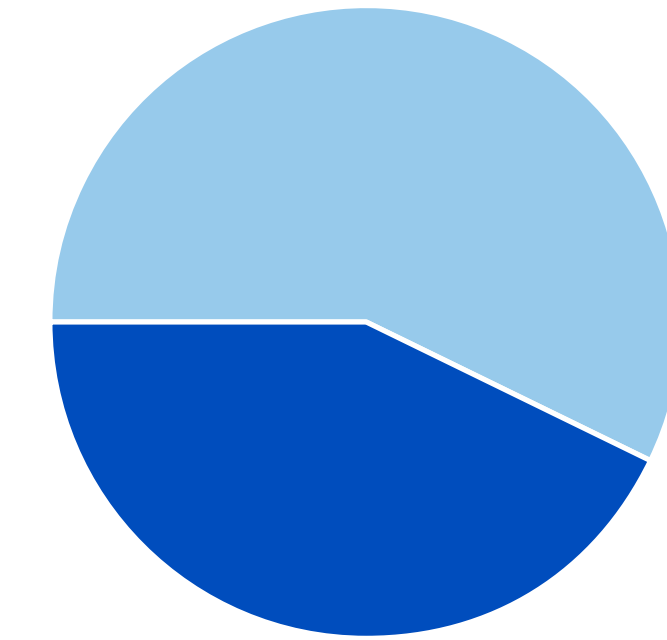
The following categories of diversity were captured in 2021:

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

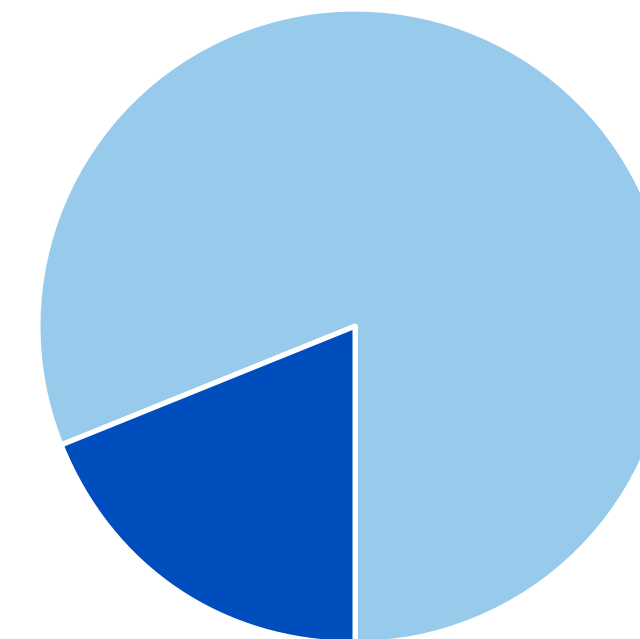
The survey asked team members to report on these categories or choose "prefer not to answer". 75% of our team members chose to report on the categories of diversity. Based on that, we have the following results as of August 2021:



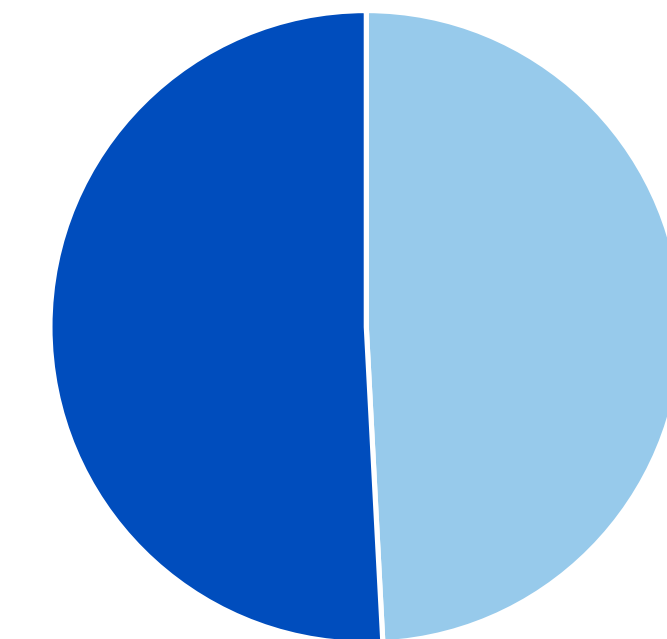
💧 **Race:**  
19% of team members identify as non-White



💧 **Gender:**  
43% of team members identify as non-male



💧 **Sexual orientation:**  
27% of team members identify as a part of the LGBTQ+ community



💧 **Predominant culture:**  
51% of the team members represent a non-US homeland and/or cultural background



# 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 your 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 your 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 your role, recognition of contributions during performance reviews, acknowledgment of participation and contributions in meetings, etc.

We asked team members to report on these categories based on their experience at Dropps. The responses to these questions have helped us evaluate policy and programming to make the experience of all Dropps team members as joyous as possible.



# 2021 improvements



## Company holiday programming

We reviewed our company holiday programming for 2022. Keeping in mind equity and ensuring team members are taking “forced” breaks consistently, we made the following changes:

- ◆ **Introduced a Spring Day on March 20th, 2022 to break up the time between MLK Day and Memorial Day company holidays**
- ◆ **Changed the name of Christmas holiday to Winter Day to secularize the holiday**
- ◆ **Added a floating holiday which team members can request for a culturally relevant holiday**

With these changes, we increased our Company holidays from 8 days to 10 days: New Years' Day, Martin Luther King Day, Spring Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Thanksgiving Day, Winter Day, Floating Day.



# 2021 improvements



## DEI workshops

Dropps partnered with Essteem to conduct monthly DEI sessions. These sessions were case study-based which we utilized to talk about topics that would enhance the cultural competency of the company. The topics covered were: caregiving in the workplace, mental health, LGBTQ+ at work, disability inclusion at work, classism and social status, ageism, weight discrimination, and neurodiversity among others.



# 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>**

Learn more at  
**dropps.com** 