



## **MII Compensation Philosophy and Policy**

Material Innovation Initiative (“MII”) proposes that its compensation structure be as transparent as possible, that work is compensated for its worth, and provides for our team members’ to find a healthy work-life balance. We cannot pay corporate salaries but we aim to provide for our employees so that they can still lead a fulfilling life including, if they so wish, buying homes, expanding families, saving for retirement, and maintaining (or building and maintaining) healthy habits and lifestyles.

### **The Why**

MII believes in creating a better world for all beings. We recognize our staff are humans first and foremost. Every MII employee should be able to afford a comfortable living. We also want to compensate individuals at fair, liveable rates for the work they do -- MII believes in paying for what the work is worth.

MII wishes to create a culture where every single team member feels welcome, encouraged, and supported. We envision a culture of transparency, equity, and belonging for everyone at MII. Part of that must be to be as open and honest with our employees as possible and to ensure that no employment topic is taboo within our workspace, including salaries and benefits. No individual should have to worry if they “left money on the table” when they accept a job or wonder if their peer is out-earning them.

MII also recognizes that for far too long, BIPGM<sup>1</sup> and women, particularly women of color, have experienced a wage gap. MII does not wish to continue a system where such a wage gap is possible. As such, we have removed subjective compensation considerations and created a structure of compensation bands depending on the individual’s role at MII.

Finally, MII recognizes that historically, employment is seen as a power-struggle between employer and employee, with the former being seen as holding most of the power in the relationship. At MII, it is our hope that no employee feels there is a power struggle and feels, instead, that they are a valued member of a team working towards a shared North Star.

### **The MII Compensation Philosophy**

MII operates entirely remotely, with staff spread across the world. In light of this, a standard compensation philosophy and structure will not suit the organization. Conversations on best ways to compensate fully-remote staff are new but varied in post-pandemic Human Resources. This philosophy and any resulting compensation structures will be reviewed and updated

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<sup>1</sup> Black, Indigenous, and People of the Global Majority. With many thanks to [Encompass](#) for the terminology.



regularly, at least annually, and will consider these external conversations as well as internal conversations with MII leadership and team members.

The compensation structure outlined is for US-based employees. For those employees outside the US, MII will look at cost of living comparison calculators<sup>2</sup> and determine a fair equivalent. MII acknowledges that setting our global salaries is more an art than a science. We understand this is not a fail-proof system, but we also want to be able to provide roughly the same quality of life for all of our employees. For instance, an employee earning \$50,000 in Mexico will likely be able to afford a better quality of living than an employee earning \$50,000 in San Francisco. We promise to fully research cost of living, comparable salaries, the historical and projected exchange rates, and other similar data before setting a global salary. MII strives to create fair and transparent compensation regardless of which countries our staff are based in.

Salaries are commensurate with job responsibilities. These have been broken down into four tiers, Tiers 1-5. These are explained in the following ways:

- **Tier 1** roles' tasks will be those that assist the department in meeting their strategy and goals. They are more likely to have discrete tasks or projects and either work at the direction of their supervisor and/or the department head. Tier 1 roles are mostly aligned with the titles of Coordinators or Assistants.
- **Tier 2** roles have broader and/or more independent tasks than Tier 1 roles have. These roles are aware of the strategy of their department and often have the autonomy to structure their own work to assist in meeting the department's goals/strategy. Tier 2 roles are considered Associates or Managers.
- **Tier 3** roles assist the relevant Tier 4 roles in their department and help in creating their department's strategy. These roles will be responsible for their own projects and have expertise in specific subject areas. They may also act as supervisors.
- **Tier 4** roles are the heads of departments who are responsible for the strategy and development of their departments, as well as how their department interacts with the organization as a whole. They are considered experts in their departments. Tier 4 roles are considered C-Level Suite or Director-level.
- **Tier 5** is the Chief Executive Officer of the organization. In recognition of the CEO's heightened responsibilities, management duties, and need to work cross-departmentally at all times, Tier 5 attracts its own salary.

The proposed base structure for full-time employees then would be as listed below, with the salary of each individual determined by their level of experience within their field:

- Tier 1: \$50,000 - \$60,000
- Tier 2: \$60,000 - \$70,000
- Tier 3: \$70,000 - \$85,000

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<sup>2</sup> At least three (3) different comparisons will be sought and recorded when setting salary for any MII employees outside of the US.



- Tier 4: \$85,000 - \$100,000
- Tier 5: \$105,000

For roles that are less than full-time (i.e., 40-hour work weeks), the salary will be first set as if the employee is full-time and then prorated accordingly. Each year, an employee's salary will increase by \$1,000 per annum on their work anniversary date<sup>3</sup> as the employee will have gained another year of experience, until said employee has reached the top of their compensation band (before the application of any premiums). This increase will be in addition to any cost of living raise MII offers.<sup>4</sup>

As MII's budget increases, the compensation range for the tiers may shift as well. The Tiers 4 and 5 salary band will not increase without Tiers 1-3 also increasing.

Human Resources will keep records of its reasoning as to why an individual's actual salary has been set at a particular level, including experience considered, premiums applied, and any other such factors. An employee may request at any time to see these records as it pertains to their salary; MII will seek permission from any other employees before releasing such information.<sup>5</sup>

### **Contractors**

MII will pay all U.S. contractors a minimum of \$25 per hour to each contractor. This rate will be reviewed on an individual basis and set in line with fair market rates, the contractor's experience, and the contractor's usual contractual rate.

### **Interns**

Interns will be compensated for their time, as experience-building does not pay for food, rent, or textbooks. Interns will be asked to complete a minimum of 10 hours per week. For each 40-hour work month, interns will be entitled to a minimum compensation of \$100 per month. For full-time interns, this number will be reviewed and set more in line with the individual's time commitment to MII as well as the current MII budget.

We recognize that this is not a liveable wage and that not all interns can devote more than 10 hours per week of their time to MII. Currently, our budget prohibits paying interns an hourly rate. However, this will remain a priority as our budget grows. We further recognize that for the time being, this may exclude some individuals who would like to intern for MII but who cannot

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<sup>3</sup> MII may choose to set an employee's work anniversary date as the date the team member joined MII and not necessarily their date of employment by MII. For instance, when a team member has been a contractor for some time and then becomes an employee, MII may choose to increase their annual pay by \$1,000 as at the date the individual joined as a contractor *or* as at the date the individual joined as an employee.

<sup>4</sup> MII will strive to keep its salaries in line with the cost of living ("COL") and offer a COL raise in years where its budget allows it to do so.

<sup>5</sup> However, it should be noted that as MII will be keeping salaries in line with this policy and will publicize its salaries, it may be possible for others to figure out the reasoning from public sources.



afford to do so at such a low rate. These cases will be reviewed on a case-by-case basis with the understanding that MII's budget may restrict our inability to increase the offer.<sup>6</sup>

## Considerations

MII may weigh a variety of factors when deciding where a specific salary falls within the compensation band but shall ensure all such considerations are objective. Such factors may include, but are not limited to, experience within the field/role, a specialized role in which the larger market necessitates higher pay<sup>7</sup>, or other relevant professional factor(s).

Factors that will not factor into any salary set by MII. These factors include:

- Gender identity
- Ethnicity
- Race
- Religion and/or belief system
- Creed
- Sexual identity
- Age
- Disability
- Internal relationship(s)
- Political party or beliefs

If anyone on the MII team or outside MII has reason to believe one or more of these factors has been taken into consideration, please contact Human Resources ([cortney@materialinnovation.org](mailto:cortney@materialinnovation.org)), anonymously via [this form](#), and/or contact a MII Board member. Please refer to MII's [Whistleblower Policy](#).

## Premiums

MII acknowledges that not all employees' situations are the same. Some of our employees will live in small towns with low cost of living, whilst others will live in expensive cities. Some may have an advanced degree required for their roles and others yet may have children or other caretaking duties to perform on top of their MII work. Premiums will be added to an employee's salary on top of their tiered base salary, as set above.

Premiums available:

1. **Cost of living:** there will be three tiers of premiums available based on the cost of living:

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<sup>6</sup> Where this is the case, MII's COO will assist interns in seeking funding from other sources as well as helping to find a better paid placement for the intern. While we cannot guarantee either of these options, we will be as flexible and helpful as possible.

<sup>7</sup> This can be a slippery slope and to the extent possible, MII shall try to avoid creating new salaries solely to keep competitive rates for certain roles. MII recognizes that all of its staff could likely earn higher salaries in the corporate world and we aim to compensate our staff for their passion, energy, and expertise to the best of our ability.



- a. High cost of living areas: \$10,000 per annum additional applied
  - i. Such areas include, e.g., New York City and San Francisco
- b. Medium cost of living areas: \$5,000 per annum additional applied
  - i. Such areas include, e.g., Houston, Boston, and Chicago
- c. Other areas: no additional premium applied to salary
  - i. This will include areas that have a lower cost of living in the States

If a team member is assigned a cost-of-living premium with which they disagree, they may submit their request for an added premium (or higher premium) to Human Resources with evidence as to their reasoning for an increase.

2. **Advanced degree required:** if the employee's role at MII requires an advanced degree (defined as any degree above a Bachelor's degree), a premium will be applied to their annual salary. An example may be if a MII scientist requires a Ph.D. in order to complete their work or an Operations employee holds a legal degree in order to draft legal agreements and/or spot legal and compliance issues.

All advanced degrees required for a role will carry a premium of \$5,000 regardless of degree obtained, but only one advanced degree premium will be applied to any one employee's salary despite the number of advanced degrees the employee holds. This premium will be set by MII executive leadership at the time of recruitment and reviewed by MII executive leadership before any salary offer is made to a candidate. If a team member is assigned an advanced degree premium with which they disagree, they may submit their request for an added premium to Human Resources with evidence as to their reasoning for an increase.

MII shall strive to interpret this premium broadly so that it is not just our scientific staff that would have such a premium applied. For instance, an operations staff member with a higher degree that assists with, e.g., business administration, legal compliance, or accounting may be eligible for this premium.

This premium is not designed to reward staff with higher educational credentials and we recognize that staff members may have student debt regardless of whether or not they use that education for their MII role. Instead, this premium is designed to recognize that, at least in America, a higher education requirement is often tied to higher ratios of debt. MII's goal in this case is to recognize that if our organization is assisted by a staff member's education, we should assist in having made that education possible.

At this time, a certification program would not carry this premium. However, this will be reviewed on a case-by-case basis. The certification program itself may be covered by or partially paid for by MII. Please contact Human Resources to discuss details.

3. **Supervision duties:** If a MII employee is required to supervise others as part of their job, they will be entitled to a \$1,000 per annum premium applied to their salary per



employee supervised, up to a total of \$5,000 per annum. For instance, an employee who supervises three (3) employees will have an additional \$3,000 applied to their annual salary; an employee supervising ten (10) employees will earn an additional \$5,000.

MII will not use this premium as an excuse to avoid recruitment. Recruitment needs will be based solely on the work of the department, the department's current capacity, the department's existing skillsets and any that may be lacking, as well as the organization's budget. MII will ensure it does not penalize its departments, its work, or its employees in providing this stipend and will continue to hire employees as needed.

## **Benefits**

### ***Health Insurance***

MII currently offers \$500 per month for medical, vision, and dental expense, including premiums, reimbursement to its employees via TASC.

### ***Phone reimbursement***

Currently, MII offers its employees \$50 per month for phone reimbursement. This is paid monthly as an ACH deposit directly to the employee and carries no tax implications as it is an expense reimbursement.

MII will prioritize providing stipends for internet access as our budget allows.

### ***Caretaking Assistance***

Caretakers required to attend MII events or meetings outside of usual work hours (e.g., Monday to Friday, 9am – 5pm local time) who need to hire caretaking assistance in order to attend such meetings or events, may claim up to \$25 per hour for their attendance specifically to pay for caretaking assistance. While MII offers flexible working hours and allows each employee to set their own hours of work, we acknowledge that due to the global nature of our work, employees may be asked to participate in meetings or events that are not within their usually scheduled work hours. We also understand that this may cause hardship for caretakers who may choose to structure their hours around their caretaking responsibilities and this benefit is designed so that they may hire outside assistance during their attendance of such events. MII will define "caretaking" broadly and will include, inter alia, childcare (children 12 and under and/or with disabilities requiring supervision), elder care, or other similar circumstances. Any employee wishing to take advantage of this benefit should submit their claim via an expense form and send to Human Resources for reimbursement. Any employee needing to hire caretaking assistance during 9am-5pm local time in order to attend MII events or meetings should speak with Human Resources.

### ***Unlimited Paid Time Off (PTO)***

MII operates an unlimited PTO policy, with each full-time employee required to take at least fifteen (15) business days' leave each year. Five (5) of those leave days must be used



consecutively. MII does not operate a sick leave policy. Staff are encouraged to take care of themselves (mentally, physically, emotionally) and their loved ones, how they see fit.

MII also offers fifteen (15) paid company holidays, when the organization itself will be closed. The staff may use these 15 days whenever they like except for Juneteenth in which all team members, USA-based or global, are encouraged to take the day as a mental health/free day (BIPOC) or to educate/agitate (advocates and those in solidarity). Staff should mark all days they are out of the office on the team Google Calendar.

### *Benefit review*

Benefits will be reviewed annually by Operations and Human Resources, in conjunction with MII's CEO. It is MII's aim to increase benefit allowances as our budget allows. Team members are encouraged to suggest further benefits to Human Resources, with the acknowledgement that not all such benefits can be offered due to budgetary and legal restraints.

### **Benefit priorities:**

- Vision/dental (added January 2022)
- Wellness plan (on track to add August 2022)
- Increase utility reimbursement for, i.e., internet as budget allows
- Retirement plan
- Retirement matching
- EAP (Employee Assistance Program)

### **Transparency**

MII will publish this Compensation Philosophy on its website. MII will publicize its staff's salaries and will include salary ranges on job descriptions.

### **Review of this Compensation Philosophy**

The MII team as a whole will have the time and ability to review and offer comments, raise any questions, and suggest alterations at any time. They are actively invited to participate in any such discussion before this compensation philosophy is fully agreed upon by MII leadership and the MII Board of Directors. Comments, suggestions, questions, and concerns were taken in September - October 2021 and a team meeting was held to discuss this philosophy before implementation.

*MII remains committed to improving as an employer. Team members are encouraged to submit comments, questions, and concerns at any time, either by contacting their supervisor, the CEO, Human Resources, or submitting an anonymous form found on MII's Drive.*

MII will circulate to the MII team the draft budget for the forthcoming fiscal year in advance of the Board of Directors approving the policy. At some point, MII will become too large an



organization to invite a full team approval process<sup>8</sup>. At such a time, MII will want to consider each department holding a budgetary meeting where the department's team is able to dissect and discuss the budget before the Board's approval. At all times, communication from team members is encouraged and invited. Comments may be discussed on email, phone or in meetings with Human Resources or the CEO. Team members may also submit their concerns or questions via an anonymous form. The link to the anonymous form is provided to staff in multiple places but is not made public to ensure we prioritize issues raised from staff.

We ask that team members only reach out to Board members regarding compensation with a grievance or with a belief that MII is not practicing its Values, Ethics, Norms, or Code of Conduct or is in breach of this philosophy. We would like to be sensitive to our Board members' time and do not wish to inundate them with routine questions or concerns. With that said, team members are encouraged to determine the best course of action when deciding with whom to raise such issues.

### **Notes on this policy**

This philosophy was developed after extensive research and conversation. This research was memorialized [in a memo](#) which was used as the foundational document in crafting this philosophy and includes the resources to help guide the thoughts and decisions contained herein. This memo is available to all staff on the Drive (or contact Human Resources for assistance) and is available in modified version to the public (to protect identities and internal, off-the-record conversations).

MI shall review this philosophy annually. We acknowledge that this may not be the best solution for MII and/or its staff. We acknowledge that we may not always get it right.

MI does promise to listen and learn. We will continue to research the topic of remote compensation, particularly with a global lens. We acknowledge that this compensation philosophy was made with all the best intentions but may fall short in terms of practices. As remote working grows more popular, MII Human Resources will stay abreast of the conversation and reevaluate regularly. MII team members are encouraged to comment, suggest, and question this philosophy at all times.

### **Updates**

This policy was updated on 06 June 2022 to reflect the following changes:

- The addition of a Tier 5 to account for MII's CEO compensation.
- Increasing Tiers 1 and 2 salary bands to close the difference between the highest and lowest paid salaries at MII.
- Tiers 3 and 4 were narrowed by \$5,000 so that the bottom of the salary band was raised by \$5,000.

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<sup>8</sup> Particularly as some individuals may at some point be overwhelmed with too many people in the discussion to raise any concerns or questions.





- A link to the compensation research memo was provided, after a modified version was created.