

Beehive Strategic Communication

Public Benefit Corporation

Annual Report

Fiscal Year 2019

Reporting Period: Jan. 1 – Dec. 31, 2019

Beehive Strategic Communication

1021 Bandana Blvd. East, Suite 226

Saint Paul, MN 55108

W: beehivepr.biz

P: 651.789.2232





We are all increasingly aware of the negative impact our consumption has on the planet and society. Our expectations are also rising for businesses to stand for more than profits. We expect the companies we work for and buy from to do good — for employees, customers and communities. These shifts are changing what we buy, where we work and how we invest. We expect businesses and brands to be more transparent about purpose, operations, actions and investments.

The fundamental role of business is changing. We are experiencing an historic global culture shift to harness the power of business to help address society's greatest challenges. Businesses have a responsibility to behave responsibly, intentionally create a positive impact and use their power as a force for good. Organizations are more successful by every measure when they know why they exist, what they stand for and how to focus on strategies to achieve their goals

Beehive is one of 19 Minnesota companies and 1,235 U.S. companies that are Certified B Corporations and meet the highest, independently verified measures of balancing profit and purpose. That means we are reviewed and scored in social and environmental performance, public transparency and legal accountability to earn and maintain B Corp status. We maintain our status through everyday decisions and actions, and a commitment to share our progress with transparency.

We are a small company, but our impact ripples to millions. We are dedicated to making that impact positive for our people, clients, partners and communities.

A handwritten signature in black ink, appearing to read "Lisa Hannum", with a long, sweeping horizontal line extending to the right.

Lisa Hannum
CEO, Beehive Strategic Communication



ABOUT BEEHIVE STRATEGIC COMMUNICATION

Beehive Strategic Communication is an independent, strategic communication firm and a Certified B Corporation. We are business strategy and communication experts in workplace culture, change management, crisis management, purpose/mission/values alignment, brand positioning, and integrated digital and public relations.

Beehive works nationally and globally with leading brands in health care, financial services, commercial real estate and higher education, as well as with purpose-driven organizations and companies that are working to pivot to purpose.

We're a proud woman-founded, owned and led business, committed to elevating women – professionally and personally – and to advancing diversity, equity and inclusion in the workplace. Beehive has an award-winning workplace culture and is a vocal champion for positive work environments. We've designed a better business that is a model for other organizations.

ELECTION OF PUBLIC BENEFIT CORPORATION ARTICLES OF INCORPORATION

The Beehive Strategic Communication Board of Directors and shareholders adopted and approved the following amendments to the Articles of Incorporation of the Corporation effective July 11, 2019:

- Name: Name changed to Beehive Strategic Communication, GBC
- Purposes and Powers: The company elects to pursue a general public benefit, which includes seeking to create a net material positive impact on society, the environment and the well-being of present and future generations from the business and operations of the Corporation. Without limiting the generality, we specifically aim to use the power of communication to build better businesses for a better world.



THE B LAB B CORP ASSESSMENT IS BEEHIVE'S THIRD-PARTY STANDARD

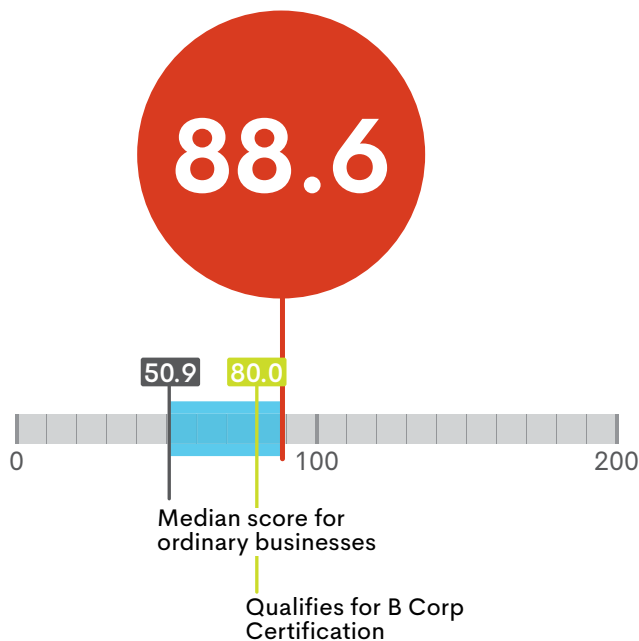
Beehive Strategic Communication's Board of Directors certifies it has chosen the third-party standard of the B Impact Assessment, which is administered by B Labs — a non-profit organization that serves a global movement of people using business as a force for good. Beehive's Board of Directors certifies the standard is independent and approves the following report.

After completing the B Impact Assessment, undergoing a rigorous evaluation process and earning a qualifying score, B Lab in November 2018 certified Beehive Strategic Communication as a Certified B Corporation. Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency and legal accountability to balance profit and purpose.

Beehive received a certification score of 88.6 out of a possible 200 points on the B Impact Assessment, which reflects our strong commitment to making the world a better place. Organizations must earn a minimum score of 80 points on the B Impact Assessment to be certified as a B Corporation. They must also meet with B Lab staff to review the completed B Impact Assessment and submit confidential documentation to validate responses. To maintain certification, Beehive will update our B Impact Assessment and verify our updated score in 2021. Re-certification is required by B Labs every three years.

B IMPACT ASSESSMENT SCORE

B Impact Score



Impact Area Scores



Using the power of
communication to
build better businesses
for a better world.



PUBLIC BENEFIT STATEMENT

We work and live with purpose, every day. We believe that to be authentically purpose-driven means we must live our purpose inside and outside our company, across all parts of our business, with our employees, partners and clients, and in our communities.

We know clear, consistent communication is a powerful differentiator inside and outside organizations. It builds awareness, understanding and trust. And when trust is high, businesses grow. When businesses grow, communities grow. And we all do better.



Workers

OVERALL SCORE
35.3

QUESTIONS ANSWERED
48 of 48

OPERATIONS SCORE
34.3

IBM SCORE
0.0

N/A SCORE
1.0

Beehive activates our purpose of building better businesses for a better world by respecting, appreciating, supporting and investing in our employees. We have built a positive, conscious and inclusive workplace culture where our values flourish and our team is inspired to grow and do its best work.



Beehive was named a [Best For the World 2019 honoree](#) by B Lab in the Workers category. B Lab annually recognizes the top-performing B Corps creating the greatest impact through their businesses. Honorees in this category are recognized for having the highest worker impact by earning a score in the top 10% globally on the B Impact Assessment, which evaluates practices like job-flexibility, compensation, benefits and more.

EXAMPLES OF BEEHIVE'S WORKER IMPACT

Compensation & Wages

- Employees are paid at or above 95% of industry-benchmark salaries.
- Formal guidelines on the structure of our bonus plan (e.g. eligibility, profit/revenue target tied to the bonus pool, allocation criteria) are distributed and accessible to all employees.

Benefits

- The annual deductible for individual coverage is \$1,000 or less (net of company HSA or equivalent contribution).
- Our contributions to the employee retirement plan exceed 4% of compensation, and the plan includes a socially responsible investing option.
- We offer many supplementary benefits including: dental insurance, short-term disability, long-term disability, HSA, FSA, life insurance, domestic partner, civil union and/or same-sex marriage spousal benefits.

Management & Worker Communication

- We have a formal, consistent process for providing performance feedback to all employees that is: conducted on an annual basis, includes peer and subordinate input, provides written guidance for career development, clearly identifies goals and follows a 360-degree feedback process.
- Our Employee Handbook includes a non-discrimination statement, anti-harassment policy, statement on work hours, pay and performance issues, and policies on benefits, training and leave.
- Employee satisfaction is over 90%. Beehive's eNPS score is a world-class +100.

Job Flexibility & Corporate Culture

- Health and wellness initiatives include these and more: company wellness program, company incentives for health and wellness activities, and access to an Employee Assistance Program.
- We support worker job flexibility options like flex-time work schedules and telecommuting.

CHALLENGES

Beehive, at this time, is not structured in a way that employees can be granted stock, stock options or stock equivalents (including participation in an ESOP or other qualified ownership plans) in the company. We do not currently employ part-time workers, which limits our impact on that population of the workforce.



Governance

OVERALL SCORE
8.1

QUESTIONS ANSWERED
28 of 28

OPERATIONS SCORE
5.6

IBM SCORE
2.5

N/A SCORE
1.0

Beehive integrates our purpose into many aspects of our organizational structure, allowing us to invest in our vision for the long-term and more fully commit to using business as a force for good.

The B Impact Assessment Governance category evaluates overall mission, ethics, accountability and transparency through topics such as impact reporting and transparency, stakeholder engagement and more.

EXAMPLES OF BEEHIVE'S GOVERNANCE IMPACT

Level of Engagement Impact — Beehive consistently incorporates our social impact into decision-making. We consider it important to the success and profitability of our business.

Key Performance Indicators (KPIs) — Beehive measures KPIs annually to determine if we are achieving our social objectives.

Transparency — Beehive supports internal management and good governance through:

- A feedback form on our website that the public can use to provide feedback, ask questions or share complaints.
- Easy access for employees to the Employee Handbook with information identifying all material owners and investors in the company.

Ethics — Beehive has the following practices in place to promote ethical decision-making and prevent corruption:

- A written Code of Ethics.
- A written whistleblower policy.
- Internal financial controls like segregation of duties, information security and standardized financial documentation.

CHALLENGES

Beehive has no external advisory board or equivalent governing body, which limits the external oversight and auditing of the company.



Community

OVERALL SCORE
29.1

QUESTIONS ANSWERED
47 of 47

OPERATIONS SCORE
28.0

IBM SCORE
0.0

N/A SCORE
1.1

Beehive believes that when businesses do better, communities do better. We are committed to supporting the communities where we live and work. Our focus is on elevating women, professionally and personally, and on advancing diversity, equity and inclusion in the workplace.

The B Impact Assessment Community category evaluates practices like charitable giving, investment in diversity, and educational opportunities.

EXAMPLES OF BEEHIVE'S COMMUNITY IMPACT

Diversity & Inclusion

- Women represent the majority of Beehive ownership.
- The average compensation for men and women is equal in comparable managerial and non-managerial roles.
- We provide specific training on inclusion and diversity issues related to underrepresented groups.
- We use gender-neutral pronouns in all written materials.

Civic Engagement & Giving

- Beehive implements the following charitable giving practices: Statement on the intended social impact of our charitable contributions; cash and in-kind donations; volunteer and pro bono services; matching individual workers' charitable donations.
- Employees are granted paid time off for volunteer service.
- We commit at least 2% of profits to charitable causes.

Local Involvement

- Beehive has local purchasing and hiring policies.
- All of our banking services are provided by a local, independently owned bank committed to serving the community.

CHALLENGES

Beehive is a small business of 14 employees, which limits our ability to impact job growth in our community. The public relations industry, locally and nationally, faces a shortage of talent that is racially, ethnically and gender diverse.



Environment

OVERALL SCORE
7.2

QUESTIONS ANSWERED
28 of 28

OPERATIONS SCORE
7.2

IBM SCORE
0.0

N/A SCORE
0.0

Beehive is a better business and builds a better world by seeking to limit our environmental footprint today and into the future.

The B Impact Assessment Environment category evaluates things like a product or service's impact on the environment, prevention of pollution and conservation of resources.

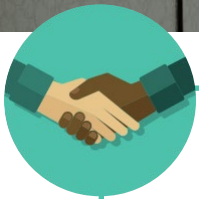
EXAMPLES OF BEEHIVE'S ENVIRONMENTAL IMPACT

Land, Office, Plant

- Beehive recycles paper, cardboard, plastic, glass and metal.
- We use non-toxic janitorial products and recycled/environmentally friendly office supplies.
- Our office uses real — not disposable — utensils, plates, drinking glasses and straws. We are working toward full elimination of single-use containers.
- Our Virtual Office Stewardship policy guides employees in positive environmental practices when working from a home office.
- Employees are encouraged to use virtual meeting technology to minimize non-essential travel.
- We dispose of hazardous waste (e.g., batteries, printer cartridges) in an environmentally responsible manner.

CHALLENGES

Beehive leases its office space, so most building-related environmental factors (e.g., monitoring energy, water usage; implementing energy efficiencies and reductions) are outside our scope of influence.



Customers

OVERALL SCORE
8.8

QUESTIONS ANSWERED
25 of 51

OPERATIONS SCORE
0.0

IBM SCORE
8.8

N/A SCORE
0.0

Beehive helps our clients build better businesses for a better world through internal and external communication services that positively impact their employees, communities and customers, enhance business operations and produce meaningful results.

The B Impact Assessment Customers category measures the impact a company has on its customers through its products or services.

EXAMPLES OF BEEHIVE'S CUSTOMER IMPACT

Beneficial Service Type & Support for Purpose-Driven Enterprises

- Beehive has increased operational success for purpose-driven organizations.
- We have increased the social impact for businesses or other organizations.
- Our services support the operations of purpose-driven enterprises or organizations.

CHALLENGES

Beehive's services do not target under-served populations. Our current client roster does not include non-profits or specifically purpose-driven organizations.

CERTIFICATION BY THE CEO

I, the undersigned, certify that I am the chief executive officer of this public benefit corporation. I further certify that I have signed this document more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

A handwritten signature in black ink, appearing to read "Lisa Hannum", written in a cursive style.

02/27/2020

Lisa Hannum
CEO
Beehive Strategic Communication