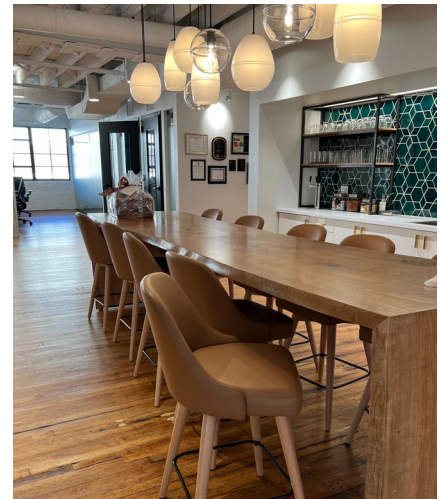




# Public Benefit Corporation Annual Report

Fiscal Year 2022

Reporting Period: Jan. 1 – Dec. 31, 2022





2022 marked a year of recovery from the most challenging days of the pandemic.

Beehive opened a new office space, started working together in person for the first time in two-and-a-half years and modeled what a workplace of the future could look like. We experienced double-digit revenue growth, added three new team members, marked our third consecutive year of 100% voluntary employee retention and earned world-class NPS and eNPS scores.

We were excited to earn our official B Corp recertification with a score of 105.3 – more than 16 points higher than our original certification of 88.6. We were proud to launch a social impact communication service offering and to deliver smart, meaningful work for our clients. We continued activating our social impact commitment through education, advocacy and action, partnering with a justice, equity, diversity and inclusion consultant for guidance.

There was a lot of momentum and a lot to celebrate. At the same time, we know it takes sustained action to live our values and purpose, ensuring that, every day, Beehive takes action to advance our business as a force for good in the world. We seek to make continuous improvements in the B Corp areas of Governance, Workers, Community, Environment and Customers – and we know success and engagement will follow.

A handwritten signature in black ink, appearing to read 'Lisa Hannum'.

Lisa Hannum  
CEO, Beehive Strategic Communication



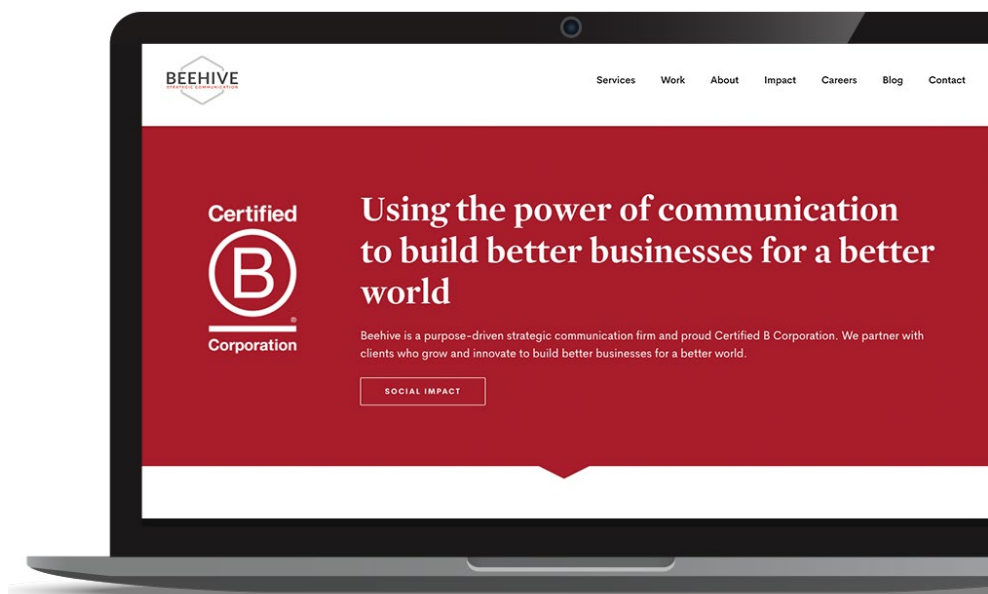
## ABOUT BEEHIVE STRATEGIC COMMUNICATION

Beehive is an independent, purpose-driven strategic communication firm and proud Certified B Corporation. We partner with client organizations to grow, innovate and support them to build better businesses. Our clients understand their employees, partners, customers and communities are inspired to support businesses that have clear values and act accordingly. People today expect businesses to do better. And when businesses do better, we all do better.

Beehive works with focused purpose every day: to use the power of communication to build better businesses for a better world. We know strategic business communication has the power to move people in powerful ways and drive business results. We are business strategy and communication experts in crisis management and business continuity; change management communication; impact strategy and communication; organizational culture and communication; brand positioning and digital strategy and PR.

We work nationally and globally with leading brands in health, life sciences, energy and environmental services, education, professional services, financial services and commercial real estate and construction.

Beehive is a proud women-founded, -owned and -led business, committed to business as a force for good. We believe businesses must be a force for good and have the power to drive meaningful social change. Our purpose and values guide the issues we advocate for and the communities we stand in solidarity with. We focus on education, advocacy and action to advance justice, equity, diversity and inclusion; voting rights and safe elections; and equal civil rights and equal pay.







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

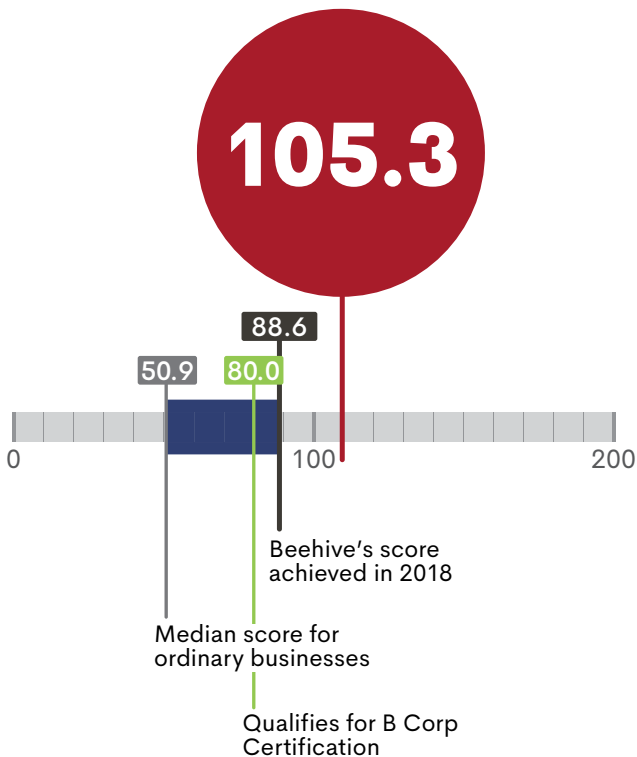
Beehive Strategic Communication's Board of Directors certifies it has chosen the third-party standard of the B Impact Assessment, which is administered by B Lab — a non-profit organization that serves a global movement of people using business as a force for good. The purpose of the B Impact Assessment is to allow businesses to measure and manage social and environmental performance of the whole business by providing an easy, insightful and standardized framework for measuring the business impact on its stakeholders. The B Impact Assessment is the exclusive assessment tool used to verify that a company meets the performance requirement to become a Certified B Corporation. It also meets the necessary statutory qualifications for benefit corporations to meet reporting and transparency requirements.

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's Board of Directors certifies the standard is independent and approves the report. Further, this B Corporation third-party standard is being applied in a manner consistent with the third-party standard's application in prior Beehive reports.

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. Used by more than 150,000 businesses, the B Impact Assessment is a digital tool that can help measure, manage and improve positive impact performance for the environment, communities, customers, suppliers, employees and shareholders.

Beehive first completed the B Impact Assessment in November 2018, earning a qualifying score and becoming a Certified B Corporation. To maintain our B Corp certification, Beehive must re-apply, complete a new B Impact Assessment and earn a score of more than 80 points every three years. We submitted our B Impact Assessment for recertification in the summer of 2021 and were officially recertified in March 2022 with a score of 105.3 out of a possible 200 points – more than 16 points higher than our original certification of 88.6 in 2018.

## 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 business operations, 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.

The following information provides details on how Beehive has created general public benefit, along with any circumstances or challenges that hindered our efforts to pursue or create general public benefit.



## Workers

OVERALL SCORE  
**33.3**

QUESTIONS ANSWERED  
**45 of 45**

OPERATIONS SCORE  
**35.3**

IBM SCORE  
**0.0**

N/A SCORE  
**0.0**

Beehive activates our purpose of building better businesses for a better world by promising employees an energized, intentional culture with people at its center, where they are accepted, valued and empowered to grow and do their best work. We are actively working to recruit and retain a team that is more reflective of the U.S. population demographics.

The B Impact Assessment Workers section evaluates a company's contributions to its employees' financial security, health and safety, wellness, career development and engagement and satisfaction. This section recognizes business models designed to benefit workers.

### EXAMPLES OF WORKER IMPACT

#### *Financial Security*

- **Salary and 401K:** Market-competitive compensation packages are benchmarked on an annual basis. Employees are paid at or above 95% of industry-benchmark salaries. Beehive is committed to salary transparency and wage equity, which we implemented in 2022. Our 401K plan includes a 3% employer contribution and socially responsible investing options.
- **Compensation Policies and Practices:** Beehive offers bonus and profit-sharing opportunities. We provide formal guidelines on the structure of our bonus plan (e.g., eligibility, profit/revenue target). In 2022, all employees received a bonus equivalent to 5% of their annual base salary.
- **Living Wage:** Every Beehive employee is paid at least the equivalent of a living wage for an individual and for a family.

#### *Health, Wellness & Safety*

- **Healthcare:** Beehive pays 80%+ of family health care premiums. We offer supplementary benefits, including dental and vision insurance, short- and long-term disability, HSA, FSA, life insurance, domestic partner benefits and an Employee Assistance Program.
- **Well-being:** Beehive's wellness program provides our team with resources, tools and support for mental, physical and emotional health and well-being. The program is 100% company funded. In addition, each employee receives a \$1,000 annual wellness budget to support their health and well-being, in addition to comprehensive medical benefits.

#### *Career Development*

- **Professional Development Policies and Practices:** Beehive has a formal onboarding process for new employees, provides ongoing training and hires internally for advanced positions. 100% of employees receive skills-based training to advance core job responsibilities and training on life skills for personal development. Beehive also pays for employee professional development activities.
- **Employee Reviews:** Beehive has a formal process for providing performance feedback to employees, including bi-monthly supervisor goals check-ins and annual progress reviews. We use a 360-degree feedback process. Employees receive written guidance for career development and work toward clearly identified and achievable goals.
- **Promotions:** In 2022, 10% of our team was promoted.



### Engagement & Satisfaction

- **Employee Handbook:** The following policies are written and accessible in Beehive's employee handbook:
  - Non-discrimination statement
  - Anti-harassment policy with reporting mechanisms, processes and disciplinary procedures
  - Statement on work hours
  - Policies on pay and performance issues
  - Policies on benefits, training and leave
  - Grievance resolution process
  - Disciplinary procedures and possible sanctions
  - Policies to support breastfeeding parents
- **Paid Secondary Caregiver Leave:** Employees receive two weeks paid parental leave. They may also use earned PTO, as well as unpaid leave for baby bonding.
- **Surveying and Benchmarking Engagement:** Beehive monitors and evaluates employee satisfaction and engagement in the following ways: retention and attrition rates, bi-annual engagement surveys, eNPS score, industry benchmark evaluations, annual stay interviews and exit interviews. We regularly exceed industry benchmarks and are frequently named as a best place to work. In 2022, we received the following awards: Best Workplaces (Inc. Magazine) and Best Places to Work (Minneapolis/St. Paul Business Journal). We had no employee departures in 2022, a 95% employee engagement score and +100 eNPS score.
- **PTO and Flexibility:** The annual minimum number of paid days off (including holidays) for full-time employees is 24. Employees have numerous scheduling options for maximum flexibility including: work from anywhere, part-time schedules, time-shift schedules, flex-time work schedules, compressed and shortened work schedules.

#### EMPLOYEE ENGAGEMENTS STATS

**100% voluntary  
retention**

**+100 eNPS score**

**95% employee  
engagement score**

**98% employee  
well-being score**

### CHALLENGES

Beehive is not structured in a way that grants employees stock, stock options or stock equivalents (including participation in an ESOP or other qualified ownership plans) in the company. We did not employ any part-time workers in 2022, which restricted our ability to positively impact the part-time workforce population.



## Governance

OVERALL SCORE  
**16.9**

QUESTIONS ANSWERED  
**25 of 25**

OPERATIONS SCORE  
**6.9**

IBM SCORE  
**10.0**

N/A SCORE  
**0.0**

**Living our purpose and activating our social impact commitment means incorporating them into our organizational structure, systems and policies.**

The B Impact Assessment Governance section evaluates a company's overall mission, engagement around its social/environmental impact, ethics and transparency. It also evaluates the ability of a company to protect its mission and formally consider stakeholders in decision-making through its corporate structure (e.g., benefit corporation) or corporate governing documents.

### EXAMPLES OF GOVERNANCE IMPACT

#### *Mission & Engagement*

- **Legal Entity:** As an independent business, we have adopted a legal entity – benefit corporation – that requires consideration of all stakeholders in its decision-making. This legally ensures that our social performance is a part of the company's decision-making over time, regardless of company ownership.
- **Decision-Making:** Beehive consistently incorporates our social impact into business decision-making. We consider it important to the success and profitability of our business.
- **Employee Training & Reviews:** We integrate social performance into decision-making through employee training that includes social issues aligned to our company purpose, performance reviews that formally incorporate social issues and job descriptions for executive team members that include social performance.
- **Metrics:** We track impact metrics that we've chosen based on our purpose.

#### *Ethics & Transparency*

- **Operations:** Beehive supports internal management and good governance by using a formal organizational chart outlining the management and reporting structure of the company, written job descriptions for all employees outlining responsibilities and management team meetings to plan strategy and make operational decisions. We also operate our business using the Entrepreneurial Operating System for additional clarity and transparency.
- **Ethical Decision-Making:** Beehive has the following practices in place to promote ethical decision-making and prevent corruption: a written Code of Ethics, written whistleblower policy and internal financial controls.
- **Financial Controls:** We maintain financial controls like segregation of check writing and check signing privileges, segregation of Accounts Receivable and Accounts Payable duties and more.
- **Financial Transparency:** Beehive formally shares financial information through weekly and quarterly financial/business updates to staff so everyone understands agency revenue, growth and productivity metrics and how they can impact them.
- **Public Visibility & Feedback:** We make the following information publicly available and transparent: beneficial ownership of the company, financial performance (employees) and social performance. We provide a feedback form on our website that the public can use to provide feedback, ask questions or share complaints.

### CHALLENGES

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





## Community

OVERALL SCORE  
**30.4**

QUESTIONS ANSWERED  
**41 of 41**

OPERATIONS SCORE  
**30.4**

IBM SCORE  
**0.0**

N/A SCORE  
**0.0**

Beehive impacts positive social change in our community and our industry through volunteering, financial support, mentoring, pro bono services, social justice and community activism. We continually offer and participate in training and education on social justice, diversity, equity and inclusion issues.

The B Impact Assessment Community section evaluates a company's engagement with and impact on the communities in which it operates, hires from and sources from. Topics include diversity, equity and inclusion, economic impact, civic engagement, charitable giving and supply chain management. This section also recognizes business models that are designed to address specific community-oriented problems.

### EXAMPLES OF COMMUNITY IMPACT

#### *Diversity, Equity & Inclusion*

- **Ownership and Leadership:** Beehive is women-led and majority women-owned.
- **Inclusive Work Environment:** Beehive has the following diversity, equity, and inclusion practices in place: job postings include a statement with a commitment to diversity, equity and inclusion, job description language and requirements are analyzed to ensure they are inclusive and equitable, trainings for all employees on topics related to diversity, equity, and inclusion, wage equity and salary transparency. In 2022, we assessed and updated job descriptions and our recruiting approach to reduce unconscious bias.
- **Measurement:** Beehive tracks the following diversity attributes internally: age, ethnicity and gender. We plan to add a voluntary self-identification tracking survey in 2023 for employees and prospective employees. In 2022, 9% of our employee population identified as being from a racial or ethnic minority; 91% identified as being women; 27% were under 24 or over 50.
- **Supplier Diversity Policies and Programs:** To promote diversity within our supply chain, we track diversity of ownership among our suppliers, have a policy to give preference to suppliers with ownership from underrepresented populations and have a formal program to purchase and provide support to suppliers with diverse ownership.
- **Visual Identity:** Beehive audited our website in 2022 for accessibility in conjunction with web developers. We updated our brand colors to ensure all users can properly view/see our brand in all mediums. We removed videos from our website that were out of compliance because they didn't have closed captioning and added more alt text on non-text assets.

#### *Economic Impact*

- **Local Purchasing and Hiring Policies:** Beehive has written local purchasing and hiring policies. Company's ownership is located locally to 100% of the company workforce.
- **Spending and Banking:** More than half of company expenses (excluding labor) was spent with independent suppliers local to our headquarters. All of our banking services are provided by Bank Cherokee – a local, independently owned bank committed to serving the community.

## Civic Engagement & Giving

- **Corporate Citizenship:** Beehive takes part in civic engagement through financial investments, community investments, pro bono services, advocacy for social impact policies and partnerships and memberships with charitable organizations. In 2022, Beehive made financial donations to: The Human Rights Campaign, The Trevor Project and Voto Latino Foundation. We sponsored Diversity, Equity and Inclusion for the Women Presidents Organization and contributed to the MN B Local Social Good fund.
- **Community Service and Employee Volunteering:** Beehive monitors and records total volunteer hours each year. In 2022, our employees logged more than 500 hours – nearly a 50% increase over the previous year. 100% of our employees participated in volunteer service last year. Beehive hosted an annual retreat day that included writing Get Out The Vote postcards for WeTheChange and the Center for Common Ground. We provided employees up to 4 hours of paid volunteer time off (VTO) to vote and engage in election-related activities (e.g., writing postcards, text banking, phone banking, being an election judge, driving people to the polls, door knocking and committee participation).
- **Charitable Giving and Community Investment:** Beehive has a formal statement on the intended social impact of our company's philanthropy and a formal donations commitment. We made matching funds available again in 2022 to employees who donate to non-profits during GiveMN's annual Give to the Max Day, contributing nearly \$2,500. We joined the local Black-owned bookstore Black Garnet's book drive for Patrick Henry High School, purchasing The 1619 Project and Born on the Water books for our team and making matching book purchases for the high school.
- **Policy Advocacy and Advancing Social Performance:** Beehive has worked with policymakers to advocate for policy changes explicitly designed to improve social outcomes. We have also provided data on social topics, participated in panel presentations and provided public resources for other businesses or stakeholders on improving social performance. We developed and implemented a Voting Rights plan, published a voting rights article for B Lab's Be The Change blog and distributed company newsletters on the topics of: "Voting Rights Are Human Rights" and "Protecting Human Rights is Good Business."

## Supply Chain Management

- **Significant Suppliers:** Beehive has significant suppliers in the areas of professional service firms, independent contractors and marketing and advertising. These suppliers are screened for social impact and must sign on to the Diversity, Equity & Inclusion and Discrimination & Harassment Policy contract addendum.
- **Independent Contractors:** Beehive has the following policies regarding independent contractors: contractors are verified to either work on a time-bound basis, split their time with work for other clients or have been offered employment and they are paid a living wage (calculated as hourly wage when living wage data is available).

## CHALLENGES

Beehive is a small business with very low turnover and few job openings each year. This limits our ability to have a substantial economic impact on job growth in our community. Beehive is actively working to ensure our employee population continuously becomes more diverse (e.g., age, race, sex, gender, identity, ability).





# Environment

OVERALL SCORE  
**7.0**

QUESTIONS ANSWERED  
**12 of 12**

OPERATIONS SCORE  
**3.8**

IBM SCORE  
**0.0**

N/A SCORE  
**3.2**

**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 section evaluates a company's overall environmental management practices, as well as its impact on air, climate, water, land and biodiversity. This includes the direct impact of a company's operations and, when applicable, its supply chain and distribution channels. This section also recognizes companies with environmentally innovative production processes and those that sell products or services that have a positive environmental impact.

## EXAMPLES OF ENVIRONMENTAL IMPACT

### *Air, Climate, Water, Land and Life*

- Beehive's new office space uses numerous measures to reduce waste, including the elimination of plastic water bottles and reduction of aluminum cans by installing tap-served beverages. We have energy-efficient appliances, and our lights are on motion timers to reduce electricity consumption and energy waste. We also encourage digital documents to minimize unnecessary printing and paper usage. Office waste is consciously recycled.
- Beehive uses a women-run, eco-conscious weekly cleaning service that is a Green America certified business, meaning the company meets the highest standards for social and environmental impacts. They use non-toxic cleaning products, no bleach, no ammonia and no petroleum-based irritants. Supplies are refilled from large cleaning drums, cutting down on plastic waste.
- Beehive always ensures hazardous waste is disposed of responsibly (e.g., batteries, paint, electronics).
- Our work from anywhere policy means most of our employees physically commute to the office approximately twice a week, saving on carbon emissions. Client travel has been reduced drastically, with most work done either locally or via video conference.
- Beehive has a written policy encouraging environmentally preferred products and practices in employee virtual offices. We also share resources with employees regarding environmental stewardship in home offices.
- Beehive has a policy in place for the safe disposal of e-waste and other hazardous materials purchased for employee home offices, and employees are provided with a list of environmentally preferred vendors for office supplies.

## CHALLENGES

Beehive rents our office space, so building-related environmental factors (e.g., monitoring energy and water usage, implementing energy efficiencies and reductions) are outside our scope of influence. We do not import or produce any goods or materials.



## Customers

OVERALL SCORE  
**17.5**

QUESTIONS ANSWERED  
**22 of 22**

OPERATIONS SCORE  
**3.4**

IBM SCORE  
**14.1**

N/A SCORE  
**0.0**

Beehive is a purpose- and values-driven business. We help our clients become better businesses through internal and external communication services that positively impact their employees, partners, customers and communities. We focus on optimizing business operations, communication and marketing and producing meaningful business results.

The B Impact Assessment Customers section evaluates a company's stewardship of its customers through the quality of its products and services, ethical marketing, data privacy and security and feedback channels. In addition, this section recognizes products or services that are designed to address a particular social problem for or through its customers.

### EXAMPLES OF CUSTOMER IMPACT

#### *Customer Stewardship*

- **Customer Stewardship Management:** Beehive manages the impact and value created for our clients through: third-party quality certifications or accreditations, formal quality control mechanisms, client feedback mechanisms, managing the privacy and security of client data, monitoring client satisfaction and more.
- **Customer Satisfaction and Monitoring:** We monitor client satisfaction and share client satisfaction internally and publicly. We have specified targets for client satisfaction and achieved those targets in 2022.
- **Data Usage and Privacy:** Beehive has a formal, publicly available data and privacy policy. All clients have options to decide how their data can be used. Our email list building and email marketing strategies are GDPR compliant.

#### *Impact Improvement*

- **Overview:** Beehive's services provide consulting and implementation that improves the operational practices of our clients, and we have evidence of operational improvements made by our clients based on services we provide.
- **Beneficiaries and Outcomes:** Beehive works with non-profit organizations and for-profit businesses, including public benefit corporations and other Certified B Corporations. All services are provided with the objective of positively impacting the client's ability to achieve business goals and purpose-driven outcomes. We have surveyed beneficiaries to understand outcomes.

### CHALLENGES

Beehive's services do not target under-served populations. We do not work solely with non-profits or 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.

February 24, 2023

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

Lisa Hannum  
CEO  
Beehive Strategic Communication

