



Public Benefit Corporation Annual Report

Fiscal Year 2023
Reporting Period: Jan. 1 – Dec. 31, 2023

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“Small businesses tend to focus too narrowly on diversity. When we talk about ensuring that we’re becoming diverse, it’s in every demographic area: age, race, gender identity and ability.”

Lisa Hannum,
Beehive Strategic
Communication

DIVING INTO DIVERSITY

FOUNDER INTERTECH
TIPS FOR PROTECTING YOUR



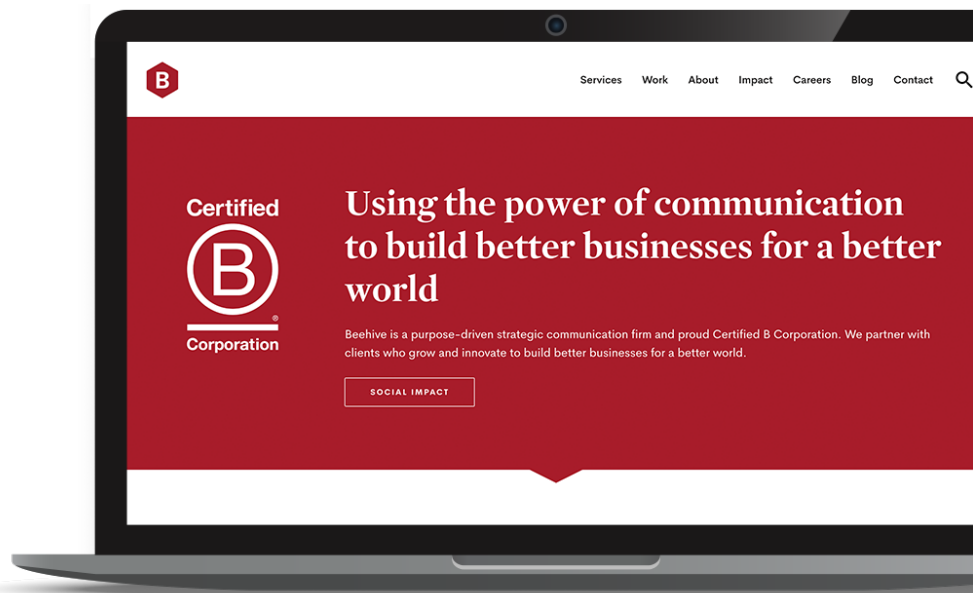
ABOUT BEEHIVE STRATEGIC COMMUNICATION

Beehive Strategic Communication is an independent, strategic communication firm, a Certified B Corporation, Public Benefit Corporation and a WBENC certified women-owned business. We are inspired by the global movement toward purpose-driven businesses and are committed to using the power of communication to build better businesses for a better world.

Beehive partners 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 work for, buy from and support businesses that have clear values and act accordingly.

Beehive works nationally and globally with leading brands in health and life sciences, financial services, professional services, commercial real estate and construction, education, and energy and environmental services. We look outside and listen inside to identify insights and opportunities that meet the rising expectations and future needs of employees, partners, customers and communities. Our services include Impact Strategy and Communication; Crisis Management & Business Continuity; Brand Positioning; Organizational Culture and Communication; Change Management Communication; and Digital Strategy and PR.

As a certified B Corporation, Beehive meets the highest standards of verified social and environmental performance, public transparency and legal accountability to balance profit and purpose. 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. Our social impact efforts 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

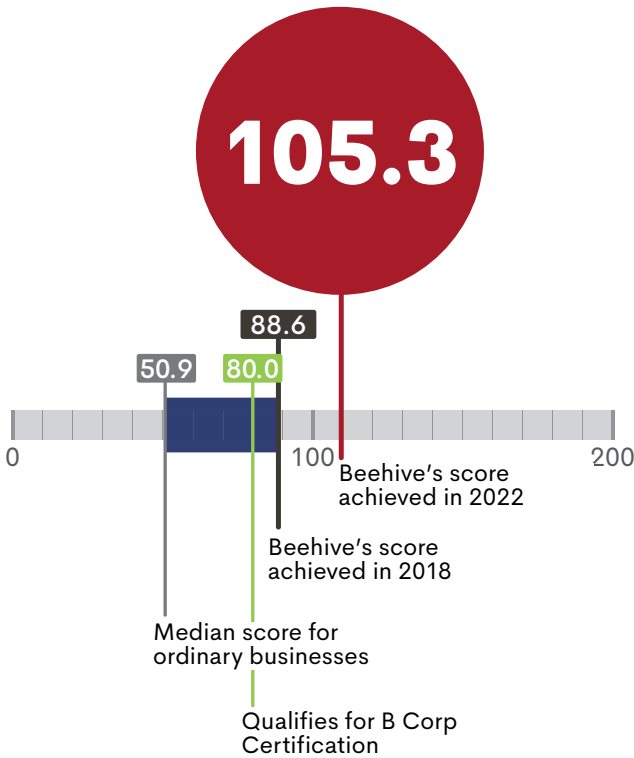
Beehive Strategic Communication's Board of Directors certifies it has chosen the third-party standard of the B Impact Assessment, which is administered by B Lab — a non-profit organization that serves a global movement of people using business as a force for good. The purpose of the B Impact Assessment 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's 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 the prior reports.

Organizations must earn a minimum verified score of 80 points on the B Impact Assessment to be considered for B Corporation certification. 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, earned a qualifying score and became a Certified B Corporation in November 2018. 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. Beehive most recently was recertified as a B Corporation 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



PURPOSE STATEMENT

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.

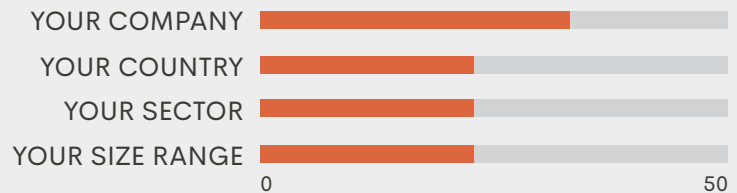
We know clear, consistent communication is a powerful differentiator inside and outside organizations. It builds awareness, understanding and trust. And when trust is high, businesses grow. When businesses grow, communities grow. And we all do better.

The following report 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



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.

NEW ACTIONS TAKEN IN 2023:

Healthcare & Well-being:

- Signed the Working with Cancer Pledge, confirming our partnership in the effort to reduce the fear cancer patients feel in the workplace and to create a culture of support for those who need it most. Pledged to ensure all employees fully understand the support available to them, including medical coverage, well-being support, flexible work arrangements and return-to-work measures.
- Added access to Virtuwel 24/7 online clinic for free, with no need to first meet deductible.

Paid Time Off:

- Added Paid Time Off benefits for part-time employees.

Employee Handbook Policies:

- Updated Handbook policies and practices to align to St. Paul Earned Sick and Safe Time law, Minnesota's Nursing Mothers, Lactating Employees, and Pregnancy Accommodations law, Minnesota captive audience law and Minnesota statement of earnings by employer law.
- Added early voting time period to Employee Handbook as another time period during which employees have the right to be absent from work for the purpose of voting.
- Updated Travel Policy to ensure that employees who have a personal or professional concern related to their safety, health or well-being related to business travel may find an alternative arrangement.
- Updated Family and Medical Leave policy to provide further clarity (with input from employees) on agency's policies and who is eligible.

2023 HONORS AND EMPLOYEE ENGAGEMENT METRICS:

- Named a national "Best Workplace" by Inc. Magazine
- Named a "Best Place to Work" by Minneapolis/St. Paul Business Journal
- 93% voluntary employee retention
- 96% average employee engagement score
- World-class +91 average eNPS score
- 36% of employees promoted in 2023
- 91% of employees received raise in 2023



EXAMPLES OF WORKER IMPACT

Financial Security

- **Salary and 401K:** Market-competitive compensation packages are benchmarked annually. Employees are paid at or above 95% of industry-benchmark salaries. Beehive is committed to salary transparency and wage equity. Our 401K plan includes a 3% employer contribution and the plan includes 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).
- **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. Beehive contributes \$100/month to HSA for all enrolled employees and pays all admin fees.
- **Well-being:** Our 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. 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. All employees receive skills-based training to advance core job responsibilities and training on life skills for personal development. Beehive pays for employee professional development activities.
- **Employee Reviews:** We have 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.

Engagement & Satisfaction

- **Employee Handbook:** Policies supporting non-discrimination, anti-harassment, pay and performance, grievance resolution, work hours, support for breastfeeding parents and many other workplace health and safety policies are clearly documented and accessible in Beehive's employee handbook.
- **Paid Secondary Caregiver Leave:** Employees receive two weeks paid parental leave; they may also use earned PTO, as well as unpaid leave, for up to 12 weeks of parental leave.
- **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 consistently exceed industry benchmarks.
- **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.

CHALLENGES

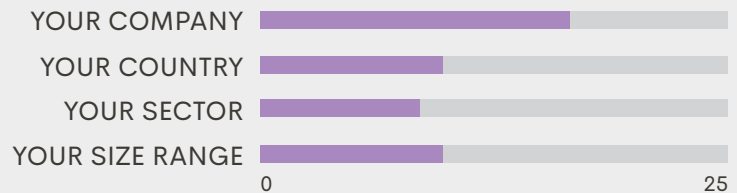
Beehive is not structured in a way that grants employees stock, stock options or stock equivalents (including participation in an ESOP or other qualified ownership plans) in the company. We also had two involuntary employee departures in 2023, which impacted our overall employee attrition rate.



Governance

OVERALL SCORE

16.9



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.

NEW ACTIONS TAKEN IN 2023:

- Consolidated and updated Beehive's core values.

EXAMPLES OF GOVERNANCE IMPACT

Mission & Engagement

- **Legal Entity:** Beehive is legally a benefit corporation, which requires consideration of all stakeholders in its decision-making. This 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 includes 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 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 monthly 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.

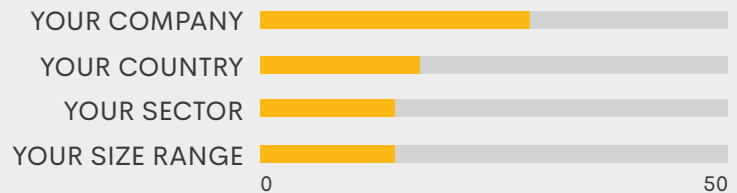
CHALLENGES

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



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.

NEW ACTIONS TAKEN IN 2023:

Diversity, Equity & Inclusion:

- Implemented anonymous resume review process with redacted candidate information to reduce unconscious bias in the candidate evaluation process.
- Updated employee onboarding materials to include optional section on disability accommodations.
- Activated our value of Equity through team and client education on the practice of Calling In/ Calling Out to build more inclusive workplace cultures, improve psychological safety in the workplace and provide teams with language to communicate in difficult situations.

Civic Engagement and Giving:

- Annual retreat day included volunteering with Second Stork – a Minnesota-based non-profit helping new parents in need by providing the essential items for care of a newborn.
- Made financial donations to: Moon Bay and Monterey Park shooting victims, 28 Days of Black History newsletter, The BrandLab (quarterly), Minnesota Indigenous Business Alliance, The Trevor Project and Brennan Center for Justice.
- Renewed annual membership to the Human Rights Campaign.
- Made employee matching funds (up to \$250 per employee) to 13 non-profits during annual Give to the Max Day MN.

Supply Chain Management: Updated and clarified supplier diversity statement on website/made header more prominent visually.

METRICS

- 7% of our employee population belonged to a racial or ethnic minority; 93% were women; 36% were under 24 or over 50.
- More than 50% of company expenses (excluding labor) was spent with independent suppliers local to our headquarters.
- Increased spending with diverse suppliers by 12% over 2022.
- 100% of employees volunteered service hours in our community.
- Team logged nearly 400 volunteer hours.

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.
- **Measurement:** Beehive tracks diversity attributes and submits data annually to industry associations including Diversity Action Alliance and The BrandLab.
- **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.

Economic Impact

- **Local Purchasing and Hiring Policies:** Company ownership is local, all independent contractors are local and more than 50% of suppliers are local.
- **Spending and Banking:** 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.
- **Community Service and Employee Volunteering:** Beehive monitors and records total volunteer hours annually.
- **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.
- **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.

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).

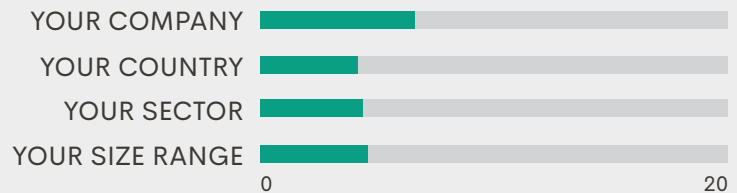
CHALLENGES

Beehive is a small business with very low turnover and few job openings each year. We did not hire for any positions in 2023. 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



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.

NO NEW ACTION TAKEN IN 2023

EXAMPLES OF ENVIRONMENTAL IMPACT

Air, Climate, Water, Land and Life

- Beehive's 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, no petroleum-based irritants. Supplies are refilled from large cleaning drums, cutting down on plastic waste.
- Beehive 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 only about twice a week, saving on carbon emissions.
- 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.

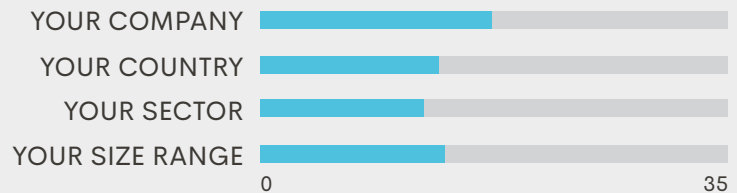
CHALLENGES

Beehive rents our office space, so building-related environmental factors (e.g., monitoring energy, 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



Beehive is a purpose- and values-driven business. We support our clients to 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.

NEW ACTIONS TAKEN IN 2023:

- Updated Technology & Data Security Policy to further protect 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. Beehive has specified targets for client satisfaction and consistently exceeds them.
- **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.

CLIENT SATISFACTION METRICS:

NPS score =

+96

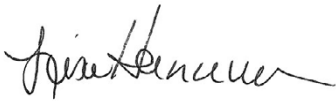
Client satisfaction score =

9.57 / 10

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 form in Section 609.48 as if I had signed this document under oath.

February 20, 2024

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

Lisa Hannum
CEO
Beehive Strategic Communication

