

4N-698

Office of the Minnesota Secretary of State
Minnesota Public Benefit Corporation / Annual Benefit Report
Minnesota Statutes, Chapter 304A



Read the instructions before completing this form

Must be filed by March 31

Filing Fee: \$55 for expedited service in-person, \$35 if submitted by mail

The Annual Benefit Report covers the 12 month period ending on December 31 of the previous year.

Notice: Failure to file this form by March 31 of this year will result in the revocation of the corporation's public benefit status without further notice from the Secretary of State, pursuant to Minnesota Statutes, Section 304A.301

1. Corporate Name: (Required) Russell Herder GBC

2. The public benefit corporation's board of directors has reviewed and approved this report.

3. In the field below, enter the information required by section 304A.301 subd. 2 or 3 for the period covered by this report, (see instructions for further information): Note: Use additional sheets if needed. (Required)

4. 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 no 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.

Signature of Public Benefit Corporation's Chief Executive Officer

March 31, 2020

Date (Must be dated within 30 days before the report is delivered to the Secretary of State for Filing)

Email Address for Official Notices

Enter an email address to which the Secretary of State can forward official notices required by law and other notices:

carol@russellherder.com

Check here to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.

List a name and daytime phone number of a person who can be contacted about this form:

Carol Russell

612-455-2375

Contact Name

Phone Number

Entities that own, lease, or have any financial interest in agricultural land or land capable of being farmed must register with the MN Dept. of Agriculture's Corporate Farm Program.

Does this entity own, lease, or have any financial interest in agricultural land or land capable of being farmed?

Yes No

4N-698



Russell/Herder

STATE OF MINNESOTA PUBLIC BENEFIT CORPORATION FILING: Russell Herder, GBC

March 26, 2020

CORPORATE NAME
Russell Herder, GBC

BOARD OF DIRECTORS HAS READ AND APPROVED
Officers of Russell Herder have reviewed and approved this filing, including the annual report.

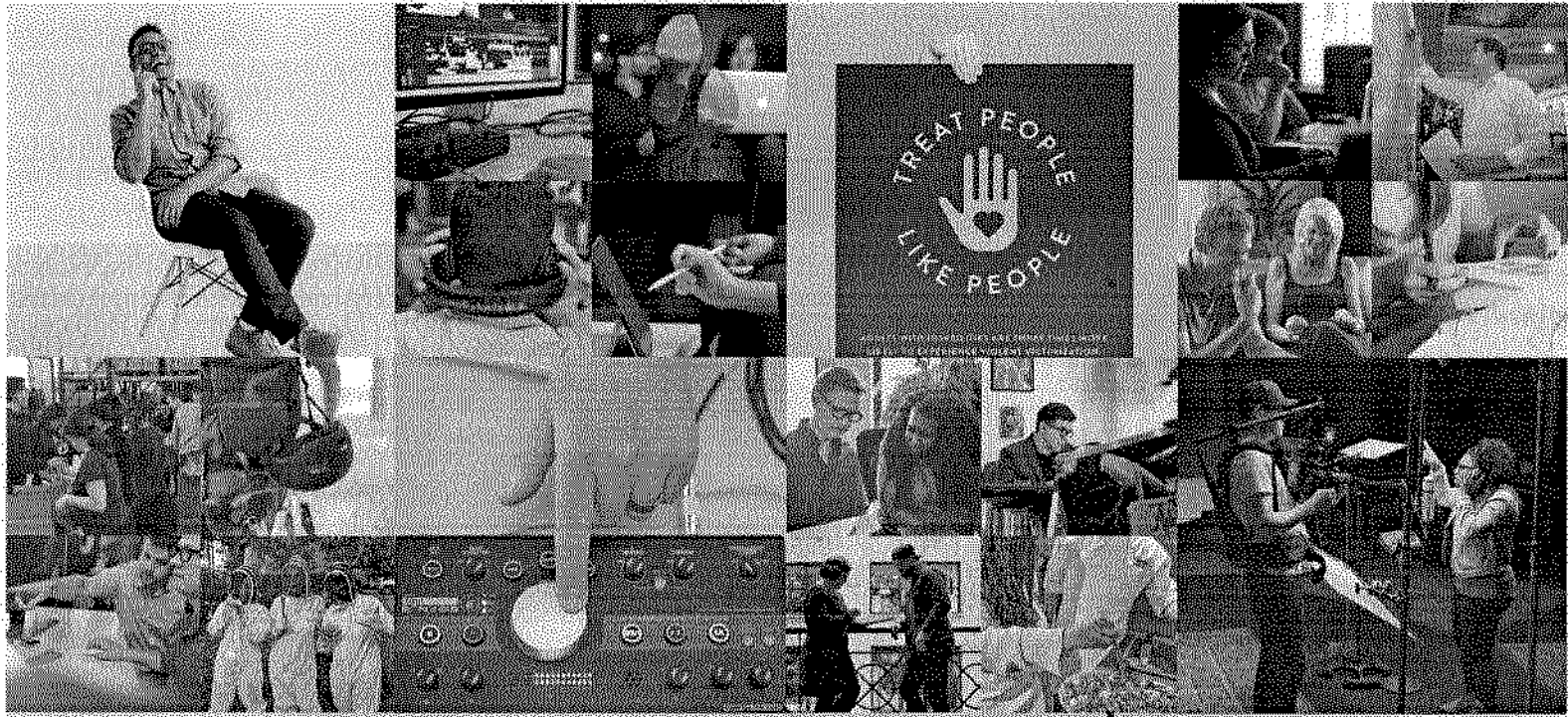
REQUIRED 2019 INFORMATION
Please refer to the submitted 2019 Russell Herder annual report.

INFORMATION CONTINUED WITHIN IS CURRENT
All information contained within the annual report and this filing are current as of 12/31/19 and accurate.

OFFICERS OF THE BOARD
Carol Russell, President
Brian Herder, Vice President

*This form along with the Annual Report
was emailed 3/26/20 to business.services@state.mn.us
due to the recent closure of the secretary of state
customer service center.*

Check enclosed for required annual fee of \$35.00



Russell/Herder

Work that matters.

2019 Annual Report



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We make a difference
for our clients as well
as being a force for
good in the world.

Carol Russell, CEO
Russell Herder



Redefining Success in Business



At Russell Herder, we believe businesses can be both successful and make a positive impact on the world. We measure our purpose by the well-being of our team, the good work we do to further our clients' success, and the positive impact we therefore are able to make together. Being an internationally-certified B Corp provides the transparency and accountability necessary to grow along this journey in a meaningful – not simply idealistic – way.

In 2019, we further evolved both as a business and as a Benefit Corporation. There were many accomplishments that we celebrated as a team and with our clients.

Russell Herder continued to maintain high scores on our B Corp Impact Assessment. We are proud to report that, for the second consecutive year, we were named "Best for the World" by the international certification entity, B Lab, scoring in the top 10 percent for governance among all B Corporations around the world.

As a firm, we provided thousands of dollars in pro bono support to health and wellness, arts and economic sustainability initiatives that improve the world we live in. As well, our team individually

contributed volunteer time to a long list of nonprofit organizations, mentoring high school students, volunteering at Ronald McDonald House Charities and supporting the arts, among other opportunities.

Internally, we began implementing ways to assess and improve our supplier relationships and our team member well-being.

Together, with other leaders around the world, we are working to redefine success in business. We cannot do it alone. Thank you to the clients and partners who have supported us along this journey. Our transition to becoming and living as a B-Corp every day is only possible through your guidance, encouragement and collaboration. We look forward to the year ahead.



CAROL RUSSELL
CEO



BRIAN HERDER
Partner, Executive Creative Director



Our B Corp Journey



At RH, we have a long-standing commitment to both doing well and doing good.

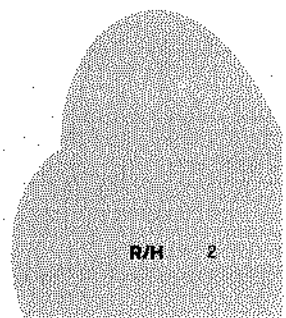
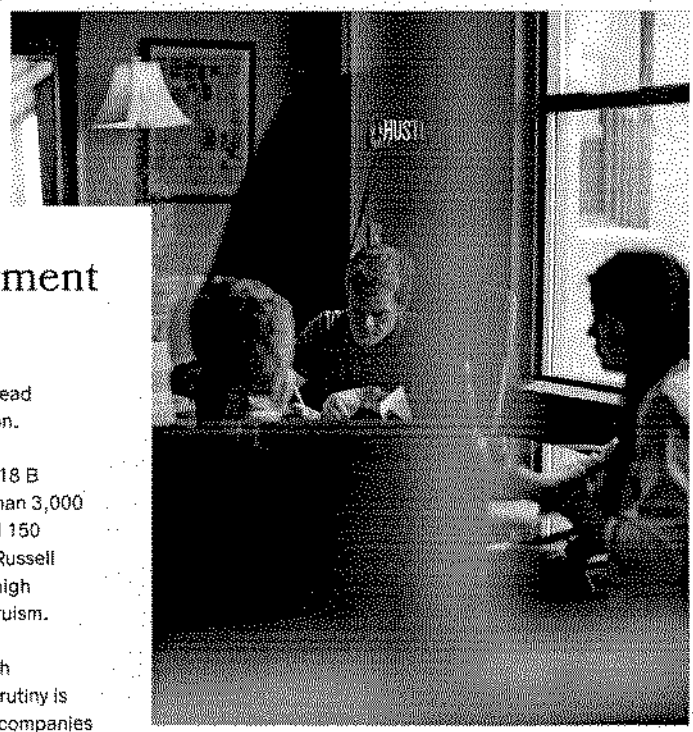
It's been three years since we updated our legal status to become a General Benefit Corporation (also known as a GBC, an option like being an S Corp or C Corp). Our GBC status recognizes the value we place upon achieving social and sustainability goals in addition to maintaining a positive bottom line.

In 2017, we took it a step further and achieved status as an internationally certified B Corporation® (B Corp™). B Corps are monitored closely by B Lab®, an independent and rigorous assessment group that measures the impact of all B Corps on team members, clients, community and the environment. One of the benefits of being a Certified B Corp is that it enables us to attract team members and clients who share our values

and the belief that businesses can lead and influence change through action.

At the end of 2019, RH was one of 18 B Corps in Minnesota, among more than 3,000 worldwide, across 60 countries and 150 industries. B Corp businesses like Russell Herder are committed to reaching high standards of accountability and altruism.

Gaining B Corp certification through completion of the 100+ question scrutiny is just the starting point. From there, companies like ours must live the commitment every day in our performance, accountability and transparency. Taking this pathway isn't something done lightly. It's not always easy, but definitely worth the effort.





2019 Highlights



Over the past 12 months, we've made significant progress. Through a committed team and the shared philosophy of our clients, we are making an impact locally, regionally and nationally. Here's how.

\$185,000

in pro bono professional strategic and creative services time provided to nonprofit organizations dedicated to sustainability, the arts, and health and wellness causes such as these, among others:

- Crescent Cove
- Lead for Minnesota
- Lakes Area Music Festival
- ASID Minnesota
- Minnesota Citizens for the Arts
- Rotary

Significant non-charged time as part of the work we do for clients that fall within our focus areas, including such entities as:

- Agricultural Utilization Research Institute
- IMTA
- Apprenticeship Minnesota
- Minnesota Office of Higher Education
- Office of Ombudsman for Mental Health and Developmental Disabilities
- AEON
- Region 5 Children's Museum
- Minnesota Department of Human Services

Recognition

"Best for the World" score for being in the top 10 percent among all B Corps across the globe for governance

Four Digital Health Awards for excellence in digital health resources from the Health Information Resource Center

Best in Public Relations, Marketing and Communications for Opioids Awareness on behalf of the Minnesota Department of Human Services

Gold, Ask About Aspirin Website, Cardiovascular Advertising Awards

Service Industry Advertising Awards for Minnesota Valley Transit Association (MVTA) video

Finalist for National Agency of the Year in Corporate Responsibility by PR Daily for groundbreaking work

100%

of staff receive three days of paid leave to volunteer with nonprofits of their choice

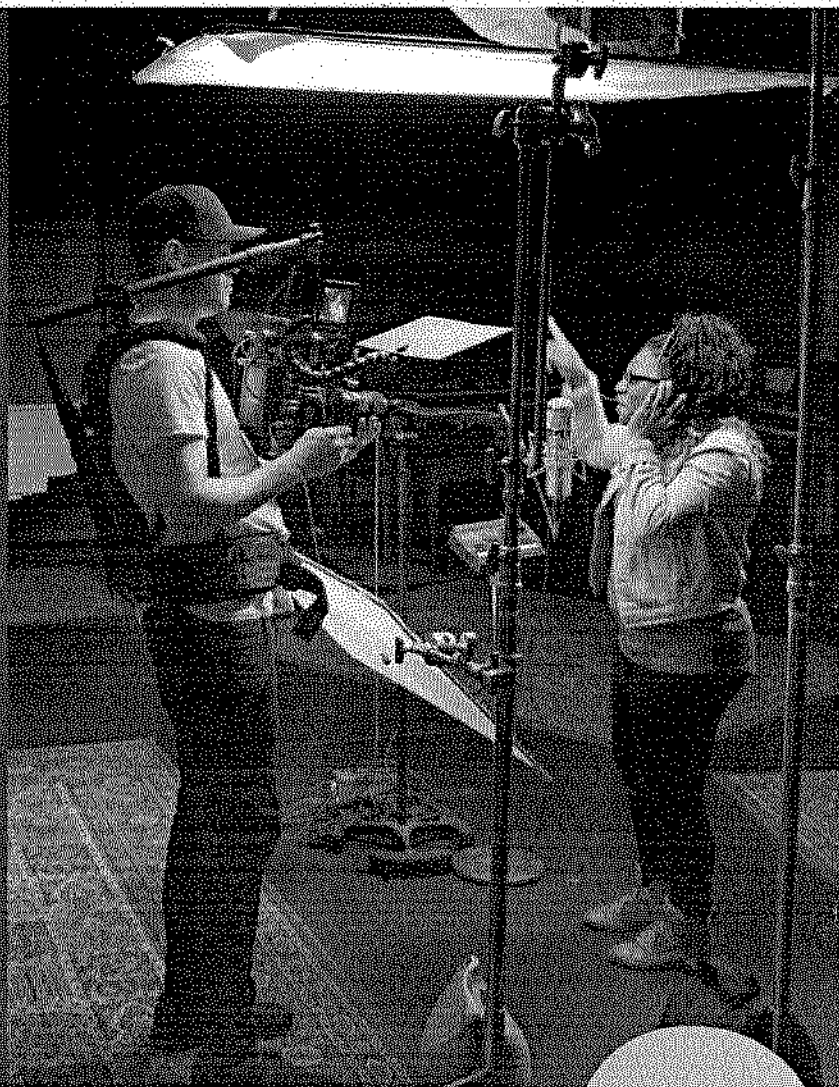


Leading an examined life in business is a pain in the ass. But I'm hoping to influence more companies to do the right thing.

— Yvon Chouinard, Patagonia founder

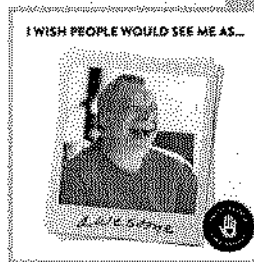
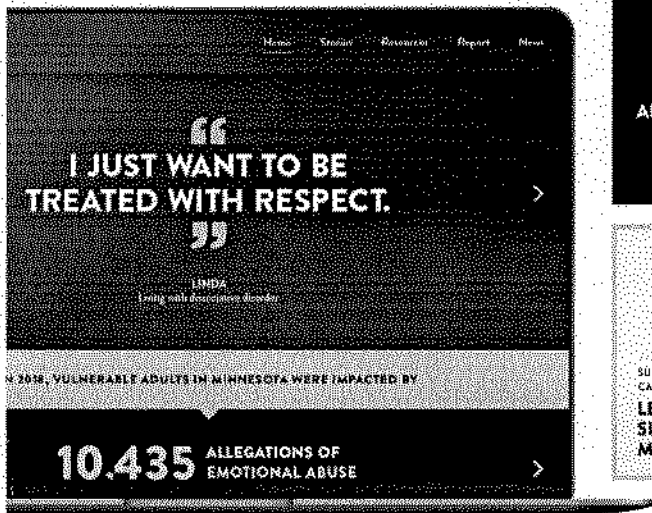
Breakthrough Co-creation

Commitment to collaborating and forming deep working partnerships with the many diverse and unique communities we serve. Our proven approach is centered within an evidence-based process that relies upon deep field research and innovative, strategic creative. The result is meaningful, culturally resonant campaigns that make a difference. Ultimately, we measure success not only in award-winning work created on a collaborative basis, but also in long-term positive impact to the communities being served.



“Treat People Like People”

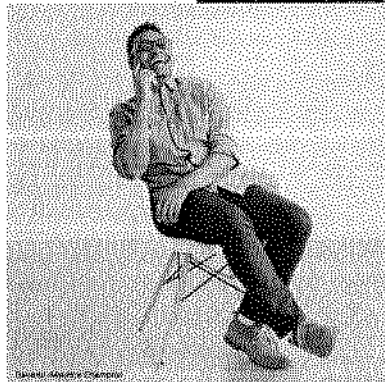
Through a partnership with the Minnesota Office of Ombudsman for Mental Health and Developmental Disabilities, we helped raise awareness of the staggeringly significant abuse and neglect of people living with disabilities. After extensive field research and interviews to identify the core issues, we partnered directly with vulnerable adults and their care givers to ensure their voices would be heard. Co-creation was the pathway to share the message that all human beings are deserving of inclusion and respect.



“Set You Free”

We continue to be deeply grateful for the opportunity to serve the Minnesota Department of Human Services on an opioids awareness and prevention campaign. As just one dimension of this work, our creative team collaborated with hip-hop artist Danami-Maurice Champion to create a music video exploring the power of love and connection in opioid recovery. We incorporated footage from interviews with Tiffany and Carlos, two Minnesotans who selflessly shared their family's recovery story.

The many dimensions of this award-winning and life-changing campaign resulted in more than 325,600 website visits, 303,000+ video views and more than 203,000 online ad responses. And on social media the campaign now has over 7,000 followers and 22.8 million people have been reached.





Great people do great work



At Russell Herder, the commitment to the ideals and responsibilities of being a certified B Corp runs throughout the organization. We are incredibly fortunate to have a team that excels professionally but is equally committed to those they serve. From creatives to digital strategists, brand planners to content developers, everyone is integral to our success and growth.

To that end, we took 2019 to enhance the work/life balance of our team members. Here are just a few of the accomplishments.

A cross-section of RH team members researched and devised an **innovative and flexible time-off program** that was implemented at the end of the year. Shifting from a time accrual model to an “unlimited” time off approach created a benefit that rewards team members with far greater flexibility in scheduling their paid time off. It’s also a tangible demonstration of trust and respect, the foundation of our mutual responsibility.

RH also converted to a **new health insurance plan**, designed to improve benefits and health outcomes.

In addition, we updated our ethics policy, incorporating our **strong commitment to diversity, inclusion, and civic engagement**. The job descriptions of our team members were also enhanced to include social and environmental performance as key performance metrics.

Our immediate environment is crucial to quality of life on the job. The historic design landmark we reside within, **International Market Square**, made numerous improvements and investments to reduce water use and conserve energy this past year. We have new energy efficient appliances, a bike room, and – coming soon – a new fitness facility.

Our **engagement work group** began measuring our internal and external efforts to increase diversity in our hiring and training, and ensure we support local vendors in 2020.

We are excited to have implemented these new ideas, procedures and policies that will help us deepen the impact we are making with our team, clients, community, and environment. Above all, it is most gratifying that these changes originated collaboratively. The hard work, research, and creative thinking from RH employees have absolutely helped us improve as a B Corp.



B The Change



Want to learn more about Russell Herder? Just ask!

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OFFICE OF THE SECRETARY OF STATE
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Steve Simon

Steve Simon
Secretary of State