

Annual Benefit Report
of
Syndicate for Human Equity, Inc.,
a benefit corporation organized under New York Business Corporation Law
section 1708

Fiscal Year 2019
November 2018 - October 2019

Due: 120 days after the end of the FY

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Letter from the CEO

Dear reader,

It is with great excitement and pride that I welcome you to the Syndicate for Human Equity, Inc.'s first Annual Benefit Statement. Here at SHE™, we believe in the importance of being the change you wish you to see in the world, which is why forming as a Benefit Corporation from the outset was extremely important. It is a reflection of our commitment to operating our business with general public benefit and interest in mind. As the world stands today, it has become ever more clear that the sustainable future of business will rely on a system in which companies prioritize more than the express benefits to its shareholders - taking into consideration stakeholder needs, environmental impact, and workplace culture, amongst others.

In addition to being a Benefit Corporation, SHE is unique in that we are also a social enterprise - which means that the overall mission and purpose of SHE is to have significant positive social impact for a group and/or industry with unmet needs. In SHE's case, we are specifically aiming to make gender equality an everyone issue, one certified business at a time. To attain this, we are recognizing and supporting workplaces that value equal representation of genders at varying levels of the workplace. We hope to shift general expectations of businesses and how they operate in order to bring up more women and gender diverse individuals in the workplace, all the while expanding the global economy through realized gender parity.

In our first year of operation, SHE spent the majority of 2019 setting up the foundation on which we plan to build - including recognizing and accommodating for better business practices, and taking into consideration environmental impact, employee experience, and workplace culture. Although our scores from the B Impact Assessment appear low, we are confident we are on track to see a significant increase in 2020.

As we set to launch to the public in 2020, SHE is very much looking forward to putting our ideas into practice so that we can actualize our values through action and policy and also gauge their impact. In addition to the specific goals set forth in this Benefit Statement, I am very excited to be welcoming Ilana Broad on as my Co-Founder and Co-CEO in early 2020. Ilana is an accomplished career-person and a passionate activist that comes to SHE ready to impact positive change in an effort to better our future, together.

SHE anticipates a lot of growth over the next year as we evolve into a fully operational business and is looking forward to pursuing our mission with passion and vigor.

Sincerely,

Sterling Champion
CEO, Syndicate for Human Equity, Inc.

Introduction

Who are we

The Syndicate for Human Equity, Inc., or SHE™, is a benefit corporation working to make gender equality an everyone issue, one SHE Certified™ business at a time. SHE certifies and celebrates companies that are currently living by the gender equal future we imagine. Through certification, SHE is creating a means for companies to verify and transparently communicate their business practices with consumers, and for consumers to make educated purchasing decisions based on their values, ultimately expanding diversity in our economy. SHE envisions a gender equal future, where inequality and bias are issues we can address and impact as a community, moving the world closer to a more ethical economy that benefits *all* people.

What's in this report

An Annual Benefit Statement, required of all Benefit Corporations registered in New York under Business Corporation Law section 1708, is a collection of information regarding a corporation's general and specific public benefits. Benefit Corporations are different from traditional corporations in that the Benefit Corporation's "best interests" expressly include their positive impacts on workers, the community, the environment, and society overall, in addition to their own profitability. Each year, Benefit Corporations must explain what specific public benefits they are working towards as included in their business mission, and what, if any, general public benefits they accomplish or are working towards in the overall way they do business.

This report will lay out the ways in which SHE™ works to create our specific public benefit, and the ways in which we embody a more general public benefit, in accordance with the requirements of New York State law. First, you will find our mission statement and core values, which represent the guiding lines by which we chart our course.

Thereafter, you will find our specific benefit statement, as registered with the New York State Department of State, Division of Corporations, along with an outline of circumstances that have hindered our accomplishment of this benefit, and an assessment of our performance relative to our specific and general public benefit goals.

Finally, you will find an explanation of the third party standard by which we have chosen to judge our performance, as well as our goals for the next year.

Mission statement

We will only reach parity if we all work together. That is why the Syndicate for Human Equity, Inc., or SHE™, is on a mission to make gender equality an everyone issue. SHE verifies the work being done across industries to prioritize (at least) equal inclusion of all women in the course of business and makes it easier to communicate those efforts using our 3 certification marks - SHERuns™, SHEowns™, SHEmakes™. Our SHE Marks™ aim to serve both businesses and consumers in an effort to further the movement towards true gender parity in the workplace.

SHE recognizes the collaborative effort needed at all levels to realize gender equality in the economy and around the world — that's why our standards apply to companies with at least 50% representation in their ranks. SHE knows that we can only grow the pie when all of us are united, making space for all women in the economy to work alongside our male champions.

Through certification, our SHE Certified™ businesses can finally be recognized and commended for their work instituting gender equality in the workplace, and can join a growing community of SHE Certified businesses who share similar values. Using the standards our SHE Marks convey, SHE will educate and empower consumers to leverage their wallet as an extension of their values, harnessing their purchasing power to impact the global economy.

Our SHE Marks indicate that we are committed to a gender equal future, and we see the importance and impact of being the change we wish to see in the world. SHE envisions a more inclusive future where a SHE Mark is the norm, and where people of all genders and backgrounds value gender equality and collaborate to sustain gender equality in the workplace. We welcome you to our community of champions.

Our Benefit Statement

As a Benefit Corporation registered with the State of New York, our Articles of Incorporations specify our specific public benefit as, “promoting economic opportunity for individuals or communities beyond the creation of jobs in the normal course of business.” We chose to phrase our specific public benefit in this way so as to keep our goals as open ended as the State of New York would allow as we solidify our public offerings and gain a better understanding of our potential impact.

As such, SHE™ is working to highlight and honor businesses that meet our objective gender equality standards by verifying their claims of gender equality, and providing an easy avenue for consumers to support brands in accordance with their values. In time, we believe that consumers’ increased recognition of and spending with SHE Certified™ businesses will drive growth for these companies, granting them greater market share, increased revenues and overall impact and influence on business practice norms, pushing them towards prioritizing egalitarianism.

As this is our first year in existence, and since we have yet to offer certification to any customers, SHE makes no claim as to the accomplishment of our specific public benefit in this last year. We can say, however, that we are excited to begin offering applications for certification, so that companies can begin communicating and celebrating their values at point of sale. To put it succinctly: the greatest barrier to accomplishing our specific public benefit in this past year was the fact that SHE has yet to launch publicly.

SHE is also working to pursue more general public benefits as we grow in a myriad of ways. SHE believes strongly that we must be the change we wish to see in the world - we have built that ethos into our operations plans. However with regards to these more general public benefits, similar limitations are present as we see regarding accomplishment of our specific public benefit: SHE foresees our specific

methods of creating more general impact on the economy, environment, and our community becoming more clear once we publicly launch our marks and begin several of our relevant internal operations.

In this Benefit Statement, we will go further in depth into the extent to which we currently accomplish these benefits, and the ways in which we plan to accomplish more of these goals as we launch and grow.

Third Party Standard

B Impact Assessment, by B Lab

The B Impact Assessment is a “tool a company can use to measure its impact on its workers, community, and environment, and customers.” In taking the B Impact Assessment, a company can determine its public impact across five categories: governance, workers, community, environment, and customers.

The B Impact Assessment is scored out of 200 possible “points,” which are awarded in different values based upon positive answers to a series of many questions. As B Lab explains, “[t]he Assessment comprehensively covers the impact of a business on all of its stakeholders, including its workers, suppliers, community, and the environment. The Assessment also captures best practices regarding mission, measurement, and governance.” More information about B Lab’s B Impact Assessment can be found [here](#).

We chose the B Impact Assessment as our third party standard because we found it to be the most thorough third party determination of a company’s general public benefit. Additionally, we reviewed the processes by which B Lab amends existing B Impact Assessment standards and scoring, and we found it to be the most robust option available, including stakeholder engagement, multi-level review and approval, transparency and public comment periods, and even formal processes to ensure that internal review and revision is completed by a team made up of people of diverse backgrounds and life experiences.

To summarize, we chose B Lab as our third party standard because we feel that their review comprehensively covers corporate action in line with values with which we agree, and also because we have found that B Lab embodies those values, as well.

SHE’s 2019 B Impact Assessment score

We recently completed our first B Impact Assessment for the year 2019. Out of a potential 200 points, we scored 35.7 points, apportioned in sections as follows:

Governance	16.9
Workers	4
Community	12.8
Environment	0
Customers	1.8

We don’t currently have operations or public offerings sufficient to respond affirmatively to most of the B Impact Assessment’s questions, but we are proud to say that we scored points for the ways in which

we are working to build our values into our operations. Namely, organizing as a Benefit Corporation under New York State law means we are locked into our mission to affect a public benefit. Additionally, by prioritizing ethics and transparency in our operations, career development opportunities for our employees, and diversity amongst our ranks, we scored above average for companies our size across a number of specific categories.

Overall, however, the main takeaway from this 2019 B Impact Assessment is the ways in which we must continue working to benefit our communities and the world as we build this company. As explained above, we understand that B Impact Assessment scores tend to be relatively low early on in their life, but we see our subjectively low score as motivation to build a company that operates responsibly and ethically. Our goal is to embed our public benefit objectives in our company's DNA, and increase our score as we develop and grow.

Our goals going forward

We are extremely proud to have started this company off in the right direction, by registering as a Benefit Corporation and making efforts to operate in consideration of our public impact from the get-go. In this first fiscal year of operation, we are also aware of the areas in which we could work to be more thoughtful and intentional in our operations, in consideration of the needs of and our impact upon others. In the process of assessing SHE™'s current public impact and benefit, we developed a set of goals for ourselves to work towards:

Governance

- Integrate our values by including public benefit standards in judging and proscribing employees' job performance: post job descriptions that include social and environmental benefit goals, and including those benefit goals in employee training and onboarding;
- Develop and begin operating an advisory board that includes stakeholder representation;
- Add Member(s) to the Board of Directors that are not executives or owners, and who will represent shareholders;
- Develop mechanisms to identify and engage otherwise underrepresented stakeholder groups or demographics, including an implementation plan;
- Formalize procedures to address results from stakeholder engagement: designate an individual responsible for follow-ups, develop a procedure to report this information up the chain, publicly report on any related findings and results;
- Formalize performance indicators that will indicate whether or not we are achieving our social benefit objectives: track the number and types of certified companies, develop standards by which we can determine the impact of certification on different types of companies across industries;
- Develop a formal organization chart, and formalize reporting structure;
- Include decision making authority, responsibilities, job description, and relevant reporting structure in job descriptions; and,
- Draft a formal Code of Ethics to embody our values.

Workers

- Provide formal opportunities for employee ownership, and add a Member to the Board of Directors who will be elected by and represent the employees;

- Provide employee healthcare plan, and other formal benefits;
- Develop and implement formal employee onboarding process, including communication of our values, internal tracking of employee demographics and attendant diversity and inclusion goals, and ongoing initial-stage employment reviews;
- Provide cross-skills and/or management training to employees;
- Develop and implement regularly scheduled performance reviews; formalize the process with written, clearly identifiable and achievable goals;
- Draft and release employee handbook, featuring (at a minimum) a non-discrimination statement, anti-harassment policy, policies on trainings and benefits, statement on work hours, disciplinary procedures, neutrality statement regarding workers' rights to bargain collectively, and a prohibition of child labor and forced labor;
- Develop and circulate employee engagement surveys, and attendant employee engagement goals; and,
- Formalize and implement employee input processes, including regular "town hall" meetings.

Community

- Develop measurable diversity and inclusion goals for our company, and include diversity and inclusion goals in job postings;
- Develop and implement a diversity and inclusion training for employees;
- Formalize our policy regarding selection of vendors and suppliers based on diversity and inclusion metrics, and track the diversity and inclusion metrics of our vendors and suppliers;
- Partner with and donate to charitable organizations in furtherance of community goals, and join community organizations relevant to our goals;
- Invest in our local community: institute a formal community service day for employees, create opportunities for employees to select charitable organizations to receive some of SHE's financial donations; and,
- Register with and commit to [1% For the Planet](#).

Environment

- Formalize and draft SHE's environmental policy, including as regards recycling, energy efficiency, and the disposal of e-waste, and include it in the forthcoming Employee Handbook; and,
- Draft and circulate information and best practices regarding sustainability considerations.

Customers

- Draft and formalize internal policies regarding ethical marketing, advertisements, and/or customer engagement;
- Monitor customer and/or consumer satisfaction; and,
- Formally and directly engage stakeholders in understanding their desires and needs, including through direct customer feedback mechanisms.