

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

Fiscal Year 2020
December 2019 - November 2020

Due: 120 days after the end of the FY

Please mail the receipt for filing to:
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Letter from the CEOs

Dear Reader,

It is with great honor and fortitude that I (and my Co-CEO, Ilana Broad) welcome you to the Syndicate for Human Equity, Inc.'s second annual Benefit Statement. It is no secret that this past year brought many challenges, especially to small businesses like ours. We spent most of 2020 responding and pivoting in response to the impact that COVID had on households, society, businesses, and the greater economy. Thankfully, the circumstances of the pandemic forced the world to re-evaluate the "status quo," leading to a significant increase in discussion and action around gender and racial equality. It was that, along with our commitment to being a Benefit Corporation and social enterprise, that invigorated our optimism and focus on serving our stakeholders, with hopes of our business having an even greater impact now, than before.

In our second year of operation, SHE proudly launched our suite of certification marks - the SHE Marks - and began certifying and serving our stakeholders. We were also able to implement a number of operations, considerations, and practices that serve our greater goal as a Benefit Corporation, publishing several individual reports recognizing our work to consider stakeholders, most notably making a public DEI Commitment to recognize Black women as stakeholders in our company and ensure vendor and contractor diversity.

Our 2020 B Impact Assessment saw an almost 17 point increase from 2019, reflecting our ongoing commitment to reaching Certified B Corp status, even as a nascent entity. With a strong plan of action in place for future operations, we look forward to continuing our efforts to operate by our values of integrity, inclusivity, humanity & sustainability.

This upcoming year, SHE is excited to realize more growth and new partnerships that aim to have an impact on women in business at a level that creates real change, both in the economy, and the workplace. Our passion and commitment to our mission of making gender equality an everyone issue is stronger than ever and we look forward to SHE playing a role in reaching economic gender parity in the U.S. and across the globe.

Sincerely,

Sterling Champion

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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 independent, third-party standard by which we have chosen to judge our performance, as well as our specific 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™, SHEmakes™, SHEowns™. 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 of women and/or gender diverse individuals 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 equity and collaborate to sustain gender equality in the workplace. We welcome you to our movement.

SHE's Core Values

Integrity. SHE is dedicated to building and maintaining trust and validity in our standards for the SHE Marks.

Inclusivity. SHE is determined to support, include, and appreciate *all* women at different levels of the workforce, because every effort matters.

Humanity. SHE is devoted to seeing and honoring the individual human being in everyone, through connection, recognition, and representation.

Sustainability. SHE is driven to have a positive and lasting impact on both the planet and the economy, because our collective future depends on it.

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.

This year, in addition to all the above reasons why the B Impact Assessment worked for SHE, B Lab has added a “goals” function to the assessment process, which allowed us to make time-based internal commitments to progress in specific areas. Those goals are laid out in the section titled “Our Goals Going Forward,” below.

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.

Our Benefit Statement

As a Benefit Corporation registered with the State of New York, our Articles of Incorporation 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.

SHE™ is working to highlight and honor businesses that meet our objective standards by verifying their claims of gender equality, and providing an easy avenue for consumers to support brands in accordance with their feminist 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 we only officially launched in late 2020 due to delays caused by COVID-19, and we’re still getting our first batch of “innovators” certified, 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 be offering applications for certification, so that companies can begin communicating and celebrating their values at point of sale. To put it succinctly: the greatest barriers to accomplishing our specific public benefit in this past year was the fact that SHE is still growing as well as the recent global COVID-19 pandemic and its impact on businesses around the world.

SHE is also working to pursue our more general public benefit of reaching broader global economic gender equality as we grow. 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 this more general public benefit, similar limitations are present as we see regarding accomplishment of our specific public benefit: SHE foresees our operations and offerings having a larger impact on the economy, environment, and our communities as we grow and as the economy recovers from this pandemic.

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 grow.

What We’ve Implemented in the Past Year

There are many ways in which we’ve implemented consideration of our impact on stakeholders in our operations in this last year. Here are a few specific examples that we’re proud of:

- SHE continues to operate by tracking and rewarding outcomes achieved instead of hours worked.
- SHE provides and/or reimburses for cross-skills and/or management training. Just this past year, SHE has reimbursed for attendance to webinars regarding DEI and anti-racism, sales, marketing and social media, PR, mindfulness, leading teams, business services and utilities, SEO, and change management, to name a few.
- SHE has added accessibility text to social media sharing, as well as an accessibility app on our website.
- SHE ensures that all materials bought and sold are sent via USPS, using mailers made of recycled materials.

- SHE expanded our internal definition of stakeholders to specifically consider and target Black women, in recognition of the fact that society (and feminist movements) have long prioritized others.
 - Additionally, we formalized inclusion of minorities in our social media strategy to reflect their representation in the economy.
- SHE has worked to intentionally support businesses owned by BIPOC and other underrepresented populations; SHE regularly reviews where our money is spent and whether those entities are in line with these values.

SHE's 2020 B Impact Assessment

Out of a potential 200 points, we scored 52.6 points (an increase of 16.9 points over last year), apportioned across five categories as follows:

Governance	14.2	-2.7
Workers	13.9	+9.9
Community	19.2	+6.4
Environment	3.2	+3.2
Customers	1.9	+0.1

As a new start-up, we don't currently have operations or public offerings sufficient to respond affirmatively to a lot of the B Impact Assessment's questions. Regardless, in this last year of operation, we have prioritized incorporating these considerations into our operations, and we are proud to share those decisions here, broken down by category:

Governance

- SHE has formal, written corporate mission and vision statements that contain commitments to positive social impact:
 - Our vision statement: SHE envisions a more inclusive gender equal future, where our SHE Marks increase the market-share of women-owned and run businesses and encourages other businesses to strive for gender equality.
 - Our mission statement: SHE is on a mission to make gender equality an everyone issue by empowering consumers to build a more inclusive economy.
- SHE regularly updates and publishes publicly accessible information regarding our current social responsibility practices and our plans to implement further policies in consideration of our impact on the world. These include our annual Benefit Statement, an Accessibility Statement, DEI Commitment, and Sustainability Commitment, each of which can be found on our website.
- The Board of Directors, while currently only made up of SHE's co-founders, receives regular updates regarding SHE's social and environmental impact. Specifically, this Benefit Report is shared throughout the company, as well as publicly.
- SHE has developed and implemented policies to identify and engage underrepresented stakeholders. SHE tracks and reports that engagement over time to the executive team via ongoing, regular review, and to the public via regular publication of these Benefit Reports.
- The company's highest level of corporate oversight is by the current owners:
 - Internal management of the company's governance is based on an organizational chart outlining the reporting structure of the company, and SHE holds regular team meetings to plan strategy and make operational decisions.
- SHE publicly shares information on our social and environmental performance annually (despite New York's Department of State requiring only bi-annual reporting):
 - SHE lays out our social and environmental programs.
 - SHE publishes our goals going forward (hereinbelow).
 - SHE presents this information in a formal report, including comparisons over time.
 - SHE relies on a comprehensive third party standard to judge our accomplishments and progress.
- SHE is a registered Benefit Corporation, meaning SHE has adopted a specific governance structure to publish and preserve our mission.

Workers

- SHE offers employees ownership opportunities by compensating them for labor with common stock. Additionally, all employees may elect a representative to the Board of Directors.
- SHE reimburses employees for non-career-specific skills training as well as professional development opportunities.
- SHE has processes in place to allow employees to give operational or strategic feedback, and provide an opportunity for employees to elect a representative to our Board of Directors.
- SHE allows employees to operate with self-management principles, setting work product goals as opposed to deadlines and required office hours.

Community

- SHE is operated and owned by one white woman and one person who identifies as an underrepresented gender and ethnicity.
- SHE has set diversity improvement goals regarding new hires and contractors. Additionally, our team regularly reviews job descriptions and contractor postings to ensure they are inclusive and equitable:
 - SHE measures our diversity and inclusion with regards to socioeconomic status, race, ethnicity, gender, age, and ability.
 - SHE tracks diversity of ownership amongst suppliers and contractors.
 - More than half of our purchases were from companies that are majority-owned by women or individuals from underrepresented populations.
 - SHE screens suppliers for social and environmental impact (including beyond what is required by regulations), good governance, third-party certifications, and demographics of owners and employees.
- Our owners and employees all work remotely, with systems in place to allow them to work from almost any time zone, so our "local impact" focus tends to surround materials we purchase that are shipped to us, and the businesses that sell them.
- Currently, 100% of SHE is owned by individuals who would qualify as non-accredited investors.
- More than 20% of our independent suppliers are local to the company's headquarters or relevant facilities.
- SHE works towards greater civic engagement by creating space for employees to complete pro-bono community service.
- Additionally, SHE offers discounted applications to underserved groups, namely BIPOC-owned companies.

Environment

- All of our employees work from home.
- SHE has policies regarding environmentally-preferred practices to implement in employees' home offices including, but not limited to, recycling appropriately, avoiding unnecessary printing, and managing energy use.

Customers

- Our marks and their use addresses a social and economic problem.
- SHE strictly manages privacy and security of customer data:

- SHE requests that applicants de-identify all information submitted in their application to protect their employees' privacy.
- SHE has a formal and publicly-available privacy policy via our website.
- SHE ensures that users have the opportunity to learn what information is collected, how long it's preserved, how it's used, and whether or not it's shared with other entities.
- SHE's email list and marketing strategies are GDPR and CCPA compliant.
- SHE monitors customer outcomes and incorporates customer feedback into operations.

Our Marks and their Impact on Businesses

Certification marks offer individuals the opportunity to “vote with their wallet,” so to speak. This means that a consumer can use the information shared with them via a certification visible at point of purchase to direct their spending towards entities that share a customer's values. Certifications do much more for the economy than simply inform consumers: they build trust and they incentivize intelligent spending.

The best way to positively impact the economy using certification marks is to ensure that the marks being relied on have publicly available and unchanging standards. At SHE, our three marks' standards are [published publicly](#), and any changes to the SHE Program are recorded, dated, and published as well. This means that consumers can trust that they understand what a SHE Mark indicates, and can verify and review those standards at any time.

Additionally, SHE requires ongoing review *during the term of certification* in certain instances where a company's workforce may change during the certification term. For instance, should an applicant company exhibit a higher turnover rate, SHE may require the submission of updated records in 6-month intervals, and failure to adhere to SHE's standards in an updated submission may result in termination of an applicant's license to use our marks.

Absent these published and stringent standards, certification systems may have private incentives to adjust their qualifications in favor of their own profitability. In line with our value of integrity, SHE will never adjust our certification standards in favor of our own profitability. At SHE, we believe that the efforts detailed in this subsection ensure that consumers and companies alike can trust and rely on our marks when they're seen in the marketplace, effectively allowing consumers to impact the economy to work towards gender equality.

Our Goals Going Forward

- With regards to stakeholder engagement, SHE strives to further identify underrepresented stakeholder demographics, report the results of those audits and other social/environmental performance more specifically, and formalize more processes to gather such information.
- SHE aspires to provide more thorough employee performance reviews, including with more specific feedback regarding social/environmental performance goals.
- SHE is working to implement yearly employee feedback regarding company performance and employee satisfaction.
- SHE is in the process of drafting an employee manual/handbook, which will clarify and lay out our non-discrimination statement, anti-harassment policy, grievance resolution process, support for collective bargaining, recommended environmental sustainability efforts, whistleblower policy, and a clear prohibition on child or compulsory labor internally and within our contractors.

- SHE plans to host an organized community service day and set community service targets.
- SHE aspires to audit and monitor our greenhouse gas emissions and set reduction targets as necessary.
- SHE is working towards being able to reimburse employees for continuing education credentials.
- SHE would like to formalize our charitable contributions, including with/to 1% for the Planet.