



The Bee Corp

Annual Benefit Report

2016



Table of Contents

Message from our Team	3
Benefit Director Statement	4
Introduction	5
Our Mission & Core Values	5
Our Benefit	6
2016 Initiatives	8
2016 Challenges	9
2017 Goals	10
Third-Party Standard	11
B Impact Assessment	12
Governance	13
Workers	14
Community	15
Environment	16
References	17

Dear Reader,

The Bee Corp team is proud to share this report to allow stakeholders to evaluate how well our company's operations reflect our values. We encourage your feedback, because we hold ourselves accountable to you. We aim to create benefits that all of society can enjoy.

The Bee Corp team first came together to form the Beekeeping Club at IU. We started as a group of environmentally-conscious students at Indiana University focused on bringing pollinator-friendly practices to the Bloomington campus. When we launched The Bee Corp at the beginning of last year, we wanted to make sure the respect each of us shared for the environment individually would be reflected in our values and actions as a company.

In order to meet this aspiration, we decided to register our company as a benefit corporation. This relatively new business structure allows companies to pursue meaningful goals, instead of simply seeking profit. For us, that means we're able to take steps toward protecting the practice of beekeeping that may not be feasible for a regular corporation.

During our first year building The Bee Corp, we made some exciting progress toward our ultimate goal of working to defend future generations of beekeepers from the mounting threats currently facing honeybees. As we look to introduce technology that will take the art of beekeeping into the 21st century, this is only our first step toward taking beekeeping into the 22nd century, and beyond.

We invite you to follow The Bee Corp and hold our team accountable as we look to grow our company while striving to improve our efforts toward offsetting our negative environmental impact.

Signed,



Ellie Symes, CEO



Simon Kuntz, CPO



Wyatt Wells, CMO



Benefit Director Statement

To Whom it may concern,

I, Wes Hadley, acting Benefit Director of The Bee Corp, do hereby affirm that the benefit corporation acted in accordance with its general, and any named specific, public benefit purpose. The directors of The Bee Corp complied with their duty to consider the impact of decisions on stakeholders.

Signed,



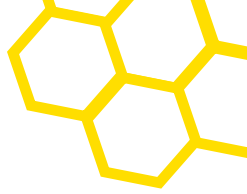
Wes Hadley, Benefit Director

Benefit Director:
Wes Hadley
516 N Grant St., Apt. 2
Bloomington, IN 47408

Benefit Officer:
Wyatt Wells
408 N Grant St. Apt. 3
Bloomington, IN 47408



Introduction



The Bee Corp was first established as a benefit corporation in Indiana on February 25, 2016. A Benefit Corporation is a legal entity that allows business leaders to pursue socially and environmentally beneficial causes without violating fiduciary responsibilities. As part of the binding legal commitment these companies take to pursue higher levels of purpose, accountability and transparency, Benefit Corporations must publish an annual report to highlight the company's achievements and challenges in creating a public social benefit. The report must identify the company's efforts toward generating a general benefit against a third-party standard, as well as a specific public benefit, which is often closely related to the company mission.

"The only thing better than doing well, is doing well and doing good."

–Milt Stewart, Advisory Board

Our Vision

To support beekeepers in maintaining healthy honeybees that pollinate a diverse ecosystem and bountiful food supply.

Our Mission

To drive innovation on traditional beekeeping practices through scientific research and technology in order to foster sustainable honeybee populations.

Our Core Values



Innovation

We encourage diversity of opinion and outside-the-box thinking.



Adaptability

We must always be on our toes to anticipate change in an increasingly uncertain industry.



Sustainability

We're dedicated to supporting practices that create a minimal impact on Mother Earth, and protecting even her smallest creatures.



Transparency

We're proud of the work we do, so we strive to be honest about our operations.



Our Benefit

Our benefit has two core components:

Supporting Beekeepers

Our company benefits beekeepers by applying technology to improve beekeeping methods and reduce hive loss in order to ensure the practice can be passed down to future generations.

Initiatives:

1. Develop model to begin to prevent hive losses
2. Partner with companies that share our mission
3. Perform R&D on pollinator-friendly sites

Where we fell short in 2016:

1. Begin to prevent hive loss

How we plan to improve in 2017:

1. Expand R&D to 200 hives
2. Prevent 25 hive deaths
3. Improve response time by 80%

Safeguarding Food Security

Our company benefits society and the environment by protecting food security through restoring sustainable honeybee populations to fortify our agriculture production system.

Initiatives:

1. Sustainable supply chain
2. Reduce carbon footprint

Where we fell short in 2016:

1. Office wide conservation policies

How we plan to improve in 2017:

1. Purchase 75% green office supplies
2. Minimize fuel consumption by 20%
3. Reduce, Reuse, Recycle

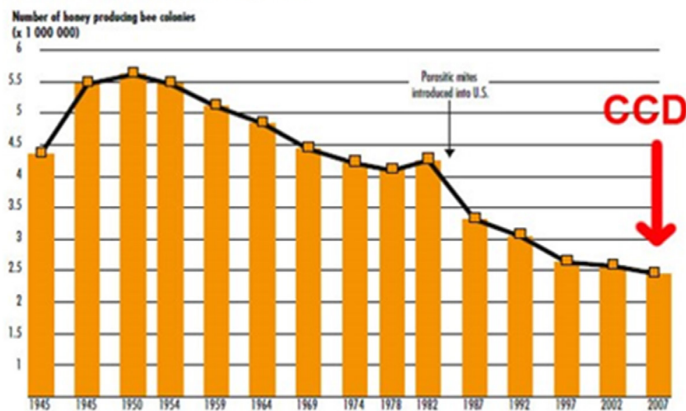
Our Benefit

We're passionate about the practice of beekeeping, and we're driven to share our passion with others. Since the 1950s, when the number of managed beehives in the U.S. peaked at nearly 5.5 million nation-wide, beekeepers have faced significant adversity (Figure 1). From the introduction of invasive parasitic mites, to the escalation of pesticide application, to the transition towards monoculture agriculture; honeybees are exposed to greater health threats now more than ever before.

The term "Colony Collapse Disorder" was coined in 2007. Since the onset of CCD, beekeepers have lost an average of 30% of their hives each year. One decade later, the durability of beekeeping has approached a critical juncture. We're dedicated to continually pursuing new ways to leverage technology to guarantee the survival of beekeeping so the practice can be enjoyed by future generations.

Figure 1: Managed beehives in the U.S., 1945-2007

Figure 1: US honey-producing colonies



Data source: U.S. Department of Agriculture's (USDA) National Agricultural Statistics Service (NASS) NB: Data collected for producers with 5 or more colonies. Honey producing colonies are the maximum number of colonies from which honey was taken during the year. It is possible to take honey from colonies which did not survive the entire year.

According to the Food and Agriculture Organization, annual production must increase by 50% from 2007 production in order to produce enough food to accommodate an estimated 9.1 billion world population by 2050.* Pollinators—more specifically, honeybees—serve an essential role in an efficient agriculture production system. One third of the global food supply relies on insect pollination, 90% of which is provided by honeybees (Figure 2).**

The threat to global food security posed by unsustainable honeybee population loss rates will have disastrous, far-reaching implications. Our team founded The Bee Corp to address hive loss because we share a passion for extinguishing this threat. The following pages will show how we're beginning to approach these challenges.



Figure 2: The image on the top represents a typical grocery basket. The image on the bottom illustrates the surviving food items in the grocery basket if the honeybee pollination is eliminated.

2016 Initiatives

Supporting Beekeepers

Develop model to begin preventing hive losses in 2017.

As we worked to build our company in 2016, we explored numerous approaches to start reversing colony collapse as soon as possible. We're excited to report that our team came up with a model that we'll roll out in 2017. We're confident that our model will have an immediate impact on supporting beekeepers' effort to prevent hive losses.

Secure pollinator-friendly hive sites to conduct 2017 R&D.

Our business model is based on collecting a comprehensive dataset to gain a thorough understanding of factors affecting honeybee health. Sites were carefully selected by our team based on a strict array of criteria accounting for local habitat quality, availability and diversity of pollinator food sources and proximity to company headquarters, among many other considerations.

Formulate partnerships with companies dedicated to pollinators.

The beekeeping community is a close-knit family that prides itself on the open exchange of knowledge and expertise on best practices. As part of our effort to incorporate this sense of community into our business, we work closely with Kieser & Associates, a Michigan-based company focused on providing scientific research and environmental consulting services. Our partnership learn more about the effectiveness of pollinator gardens to combat population decline.

Safeguarding Food Security

Build supply chain with companies that encourage sustainable practices.

It's important to us that our business supports suppliers that are committed to using responsibly-sourced raw goods. We pursued a relationship with Bee Thinking, a Portland, Oregon company that builds hives using carefully-selected timber from forests certified by the Forest Stewardship Council®. Additionally, Bee Thinking uses carbon-neutral shipping through UPS to help offset resources consumed during transit.

Minimize carbon footprint generated through business activities.

Our current office is a shared workspace provided by the Johnson Center for Entrepreneurship & Innovation at Indiana University, which hosts a handful of student-founded startup companies. Key benefits of this shared, local workspace include our marginal energy consumption—the energy used to heat, cool and light our workspace would be consumed regardless of our occupancy—and the fact that all employees commute each day either on foot or via public transportation.

2016 Challenges

Supporting Beekeepers

Beginning to prevent hive losses for beekeepers.

2016 was The Bee Corp's first year in operation. We focused our efforts on building the framework for an efficient company and designing a model that we can implement in 2017. Although we did not prevent any hive losses in 2016, we put our company in a strong position to begin preventing hive losses as we move forward.

Safeguarding Food Security

Implement office-wide conservation policies.

Although our workspace offers a number of positive environmental opportunities, it creates a handful of constraints as well. Since we don't own or lease the space, our company has little control over conservation policies in the building.



2017 Goals

Supporting Beekeepers

Expand data collection and analysis from hives across the globe.

We're looking to ramp up our data collection effort by installing sensors into more than 200 additional hives in 2017.

As we begin to broaden and diversify the data we gather, we draw closer to developing a stronger understanding of the core factors contributing to hive loss.

Translate hive data into actionable information to prevent hive loss.

We're rolling out our queen bee-monitoring technology to beekeepers worldwide. Our goal this year for Queen's Guard™ is to prevent 25 hive deaths by alerting beekeepers that a queen needs immediate replacement.

Improve beekeepers' response time for replacing a non-laying queen.

The average beekeeper only inspects a hive twice per month. Our goal is to diminish the average time between detection of a non-laying queen to replacement with a healthy queen by 80% in 2017.

Safeguarding Food Security

Purchase environmentally-friendly office supplies.

Since we're unable to control conservation policies in our workspace, one initiative we can take is to utilize green office products. Our goal this year is to make 75% of all office product purchases environmentally-friendly.

Minimize fuel consumption for hive management.

Our R&D hive sites were strategically chosen with two core goals; we wanted sites with diverse natural features nearby in order to gather distinct datasets, but we also wanted sites close enough to our headquarters to mitigate resource consumption. Our team has created a hive management logistics strategy which will help us to achieve the latter goal and reduce fuel consumption by 20%.

Reduce, Re-use, Recycle.

Our team follows this mantra daily. From reducing the packaging used to ship supplies, to re-using that packaging as fuel for hive smokers, to properly disposing of recyclable materials that can't be re-used. Our goal this year is to reduce as much as possible, re-use 30% of consumed recyclable materials, and to recycle the remaining materials that we couldn't re-use.

Third Party Standard

We have chosen the B Lab B Impact Assessment as the independent, third-party standard against which we will evaluate our social and environmental impact. Indiana law requires a Benefit Corporation to adopt a third-party standard to measure its general public benefit against companies with similar characteristics. We selected the B Impact Assessment because B Lab is the global leader in the category.

B Lab is a non-profit organization which certifies companies around the world that meet a high degree of socially and environmentally beneficial criteria. B Lab's assessment generated international acclaim due to the organization's influence as the catalyst driving the Benefit Corporation movement.

Benefit Corporations in operation for more than 12 months that score above 80 (out of 200) on the B Impact Assessment are eligible to earn B Corp certification. Not to be confused with the state-governed Benefit Corporation legal status, B Lab's coveted certification is granted to companies that undergo an additional comprehensive layer of scrutiny concerning their social and environmental impact through the B Impact Assessment.

In 2016, our company was unable to meet either criteria to become certified. Our team has mapped out the goals necessary to deliver a stronger social benefit and achieve B Corp certification during 2017, our first year of eligibility.

Affiliation and Ownership

No connection exists between B Lab or its directors, officers or material owners, and The Bee Corp, or its directors, officers or material shareholders.

B Impact Assessment

The B Impact Assessment evaluates performance in four key areas: Governance, Workers, Community and Environment. About 1/3 of our responses earned scores better than, or on par with companies that share similar characteristics (Figure 1). We earned 66.3 points in 2016, and we aim to earn 26.5 more in 2017, our first year of eligibility (Figure 2).

	Above Avg	Average	Below Avg
Governance	7	1	4
Workers	4	0	23
Community	10	0	15
Environment	5	2	11
Totals	26	3	53
Percentage	32%	4%	65%

Figure 1: Our responses compared to the average score, by category.

Figure 2: Our 2016 score, 2017 target points, and 2017 overall score goal, by category.

	2016 Score	2017 Points to Add	2017 Goal
Governance	21.2	2.1	23.3
Mission & Engagement	3	0.7	3.7
Corporate Accountability	3	0	3
Transparency	5.2	1.4	6.6
Workers	11.7	4	15.7
Compensation & Wages	4	0	4
Benefits	0	0	0
Training & Education	0	1.6	1.6
Worker Ownership	2	1.3	3.3
Management & Worker Communication	5.7	1.1	6.8
Community	27.5	11.9	39.4
Job Creation	1.2	1.2	2.4
Diversity & Inclusion	7.2	3.3	10.5
Civic Engagement & Giving	7.6	4.8	12.4
Local Involvement	7	1.6	8.6
Suppliers, Distributors & Product	3.5	1	4.5
Environment	5.9	2	7.9
Land, Office, Plant	3.8	2	5.8
Inputs	0.7	0	0.7
Outputs	1.1	0	1.1
Totals	66.3	20	86.3

Governance

2016 Initiatives

Developing structure to support effective governance was a core focus in 2016. Proportionally, we scored higher than the average benefit corporation in governance than in any other area. We earned points through initiatives such as cementing our social and environmental benefits into our mission, granting our Board of Directors the powers necessary to hold executives accountable, and electing an independent member to our Board.

Governance	Above Avg	Average	Below Avg
# of Responses	7	1	4
Percentage	58%	8%	33%

Figure 3: Our "Governance" responses compared to the average company.

2016 Challenges

Certain strategic decisions limited our governance score in 2016. Some of these actions include electing community and environmental representatives to our Board of Directors, and sharing our customer feedback publically.

2017 Goals

We plan to earn points in this area by implementing a stronger internal transparency policy governing company financial documents, along with designing a company-wide education program around shared financials. Additionally, we will earn points by continuing to monitor our performance regularly throughout the year to help us stay on track towards reaching our annual goal.

Workers

2016 Initiatives

An important aspect of being an employer of choice includes providing benefits to all full-time employees as part of the standard compensation package. In the interest of the company's financial health during 2016, employees elected to forgo such benefits, including the following:

- We designed a comprehensive monthly performance reporting system that asks all employees to evaluate their peers, subordinates and supervisors.
- We created an equity option pool available exclusively to employees.
- 100% of our employees were both *satisfied* and *engaged* in their roles.

Workers	<i>Above Avg</i>	<i>Average</i>	<i>Below Avg</i>
<i># of Responses</i>	4	0	23
<i>Percentage</i>	15%	0%	85%

Figure 4: Our "Workers" responses compared to the average company.

2016 Challenges

An important factor of being an employer of choice involves providing benefits to all full-time employees as part of the standard compensation package. Largely due to the nature of start-up companies, we came up short in this regard. Employees have elected to forgo this in the interest of financial health.

- We granted no employee benefits like bonus pay, paid caregiver leave, or access to healthcare or retirement plans.
- We offered no reimbursement for tuition fees or other education expenses.
- We provided minimal employee training and only 3 days paid time off.

2017 Goals

Though we don't expect to be in a position to offer benefits to our employees this year, we're eager to become a more desirable employer however possible. We'll make progress in 2017 by creating more employee training programs, compensating employees with equity from our option pool, and providing more paid days off to all employees.

Community

2016 Initiatives

We're proud to call Bloomington our home, and we're committed to maintaining an active presence in helping to mold the community around us. Some of the community-oriented initiatives we conducted in 2016 include:

- Donated three hives to the Beekeeping Club at IU, as part of our effort to continue the legacy of inspiring beekeepers at our alma mater.
- Women and individuals from underrepresented populations make up a significant portion of our Board of Directors and shareholders.
- The majority of shareholders are local to Bloomington.
- Banking services are provided by a local institution.

Community	Above Avg	Average	Below Avg
# of Responses	10	0	15
Percentage	40%	0%	60%

Figure 5: Our "Community" responses compared to the average company.

2016 Challenges

Though our team made a concerted effort in 2016 to create important policies and procedures, the programs we built into our company fell short in certain areas. Some examples of written policies we chose not to implement include a program to offer incentives for employees who perform volunteer service, and a pledge mandating a minimum value of annual charitable donations.

2017 Goals

Until our company becomes more financially sustainable, we don't expect to impart a sizeable benefit upon our community. Some modest steps we plan to set in motion in 2017 include granting non-paid time off to employees who perform volunteer and community service, awarding employees who complete volunteer service, and implementing a mandatory two-way feedback procedure between our company and each independent contractor we hire.

Environment

2016 Initiatives

Reversing our negative environmental impact poses the greatest challenge of the four general benefit categories because our shared workspace limits our ability to improve. It's important to note that the B Lab Assessment provides limited consideration to companies that use a shared workspace. For the most part, we were only able to earn points in 2016 by following responsible recycling and waste disposal practices and using conservation devices like motion-sensor lighting.

2016 Challenges

Although our shared workspace allows our company to maintain a marginal carbon footprint, our ability to implement resource conservation programs and other green policies is limited. When we eventually lease or own our office, some initiatives on our radar include establishing water and energy consumption goals, purchasing energy produced by low-impact renewable sources, and using environmentally preferred products such as non-toxic janitorial products or unbleached/chlorine free paper.

Environment	Above Avg	Average	Below Avg
# of Responses	5	2	11
Percentage	28%	11%	61%

Figure 6: Our "Environment" responses compared to the average company.

2017 Goals

We aim to make incremental progress by installing written policies that expand employee access to resources that make it easier to follow good environmental stewardship practices in virtual offices in order to discourage harmful commuting.

References

Alexandratos, Nikos, and Jelle Bruinsma. "World Agriculture Towards 2030/2050: The 2012 Revision." FAO Agricultural Development Economics Division, June 2012. <http://www.fao.org/docrep/016/ap106e/ap106e.pdf>.

Hayes, Jerry. "U.S. Beekeeping Industry." Monsanto, July 31, 2014.

National Honey Board. "Domestic and Import Assessments Collected," 2017. <https://www.honey.com/honey-industry/honey-industry-statistics/domestic-and-import-assessments-collected>.

