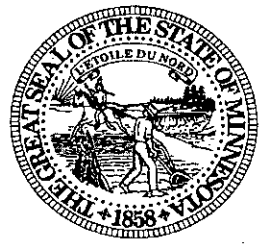




4N-698

# 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)

Please see attached

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

3/30/18

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

2017 Annual Report



**Uncommon good,  
done uncommonly well.**

*Russell Hender*  
Strategy wins.



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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

Thirty-five years ago, Russell Herder was founded with the belief that our work should matter. Our organization is therefore committed to the bigger picture, measuring our success by the well-being of our team members and the positive impact we make on our clients and the many communities we serve. In short, we want to make a difference in the world.


As we move into 2018, Russell Herder will increase our reach by assessing and improving our supplier impacts and our own employee wellbeing. We will also continue to contribute our award-winning work to select nonprofit organizations dedicated to economic sustainability, the arts, and health and wellness – causes we believe in.

Together, with other leaders around the globe, we are working to redefine success in business. We cannot do it alone. Thank you to the clients and partners who have supported us on this journey. Our transition to a Benefit Corporation was made possible through your guidance, encouragement and collaboration. We look forward to tackling opportunities in the year ahead.


Russell Herder formalized this philosophy by changing our legal business status to become a Benefit Corporation and by earning international certification as a Certified B Corp™. Being certified provides benchmarks to measure our performance - not just in terms of profit, but also to make a meaningful impact.

In 2017, we provided support to numerous organizations within health and wellness, the arts, and economic sustainability, among other sectors. As well, our employees individually contributed to more than a dozen nonprofit organizations through volunteer paid time off. Russell Herder also gained high scores on our first B Corp Impact Assessment, and we provided pro bono support to organizations improving the health and welfare of communities near and far.



  
**CAROL RUSSELL**  
CEO



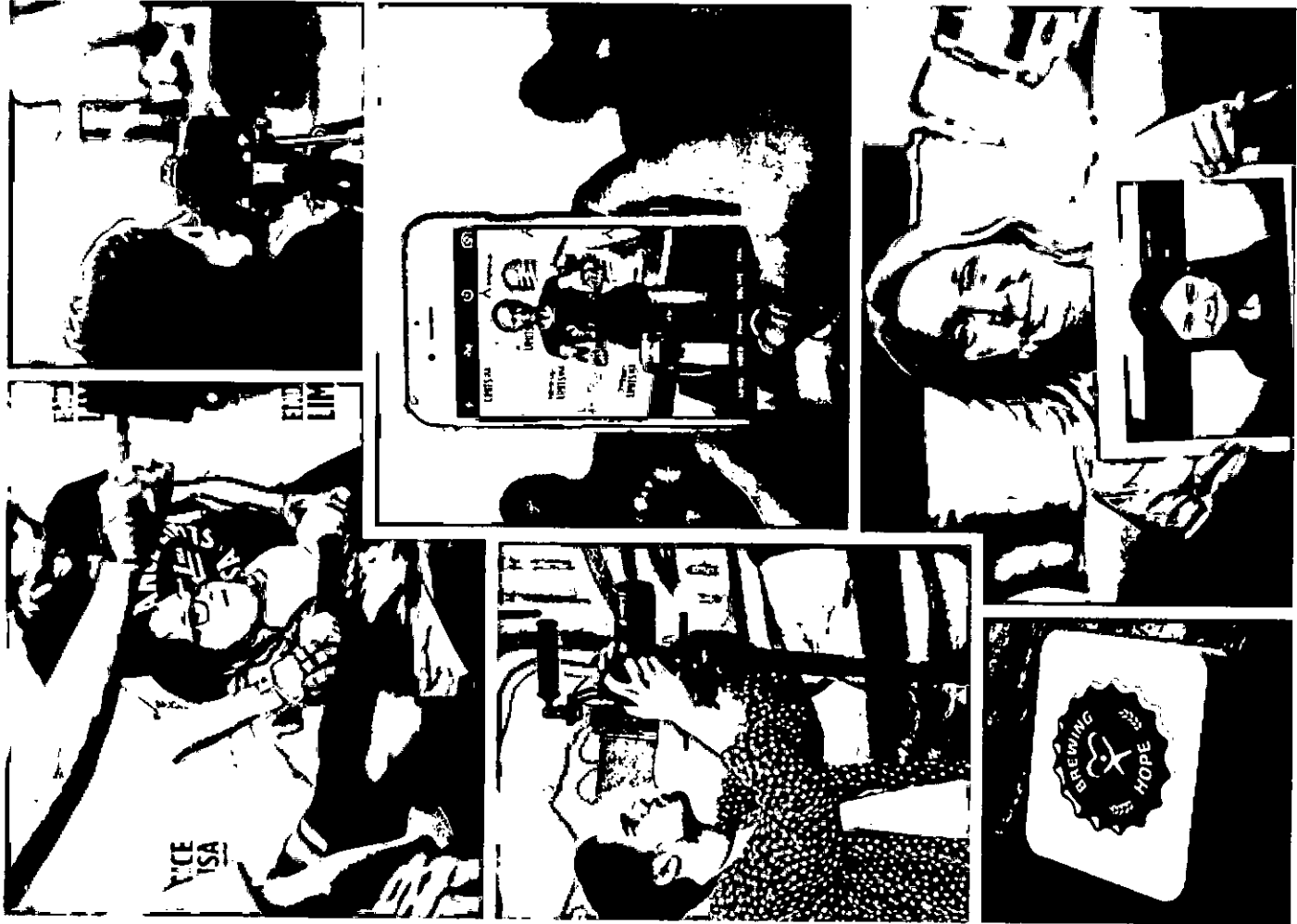
  
**BRIAN HERDER**  
Co-Owner, Executive Creative Director

# Russell Herder Makes “Commitment to Good” a Reality

## About Russell Herder

Founded in 1984, Russell Herder is a full-service, 4As-accredited agency with headquarters in Minneapolis. We provide marketing communications services for clients in a variety of industries nationwide, ranging from healthcare and finance, to associations and the built environment. Our expertise includes award-winning creative development, digital marketing, market research, public relations and social media.

We have a long-standing commitment to both doing well and doing good. Our success is defined not only through financial success but also by achieving legally defined goals that include making a positive impact on society, our internal team and our clients.



## Our Benefit Corporation Journey

A Benefit Corporation is a legal designation administered within certain states (an option like being an S-Corp or C-Corp). In late 2016, we changed the legal status of our business to become a Benefit Corporation also known as a GBC (general benefit corporation) by tax law. Our GBC status recognizes the value we place upon achieving social and economic impact goals, in addition to financial profit.

Following a rigorous, independent assessment of our organization's professional and social impact by the international organization, B Lab, Russell Herder officially took the next (huge!) step and became a Certified B Corp™ in March 2017. B Corps are entities that have been nationally certified through a comprehensive, third-party assessment process that documents performance against rigorous standards within accountability, transparency and social impact. We succeeded! And became the tenth B Corp in Minnesota - one of more than 2,450 worldwide across 50+ countries and 130 industries.

### Business

Pure Profit

### Corporate Social Responsibility

Extra profit put to good use

### RH: B Corp

Make profit and do good

### Nonprofit

Charity, no profit, no financial dividend

# What is a Benefit Corporation?



# The B Corp™ Difference

Earning B Corp designation is similar to a coffee company earning Fair Trade or a produce company gaining USDA Organic certification. It's something that is heavily monitored and something you can trust. B Corps are catalysts of social change that create value internally and externally. In fact, Inc. Magazine called Certified B Corps "the highest standard for socially responsible businesses."



**For Profit**

**Social Purpose**

**B Corp**

## Why RH Became a B Corp

Just like fellow B Corps Ben & Jerry's, Seventh Generation, Method and Patagonia, Russell Herder believes profit represents only one aspect of an organization. We are also committed to doing work that matters and employing people who care. We are defined by our commitment to collaborating and forming deep working partnerships with the diverse and unique communities we serve. Our proven approach is centered within an evidence-based process that relies on deep field research and innovative, strategic creative. The result is meaningful, culturally appropriate campaigns that make a *difference*.

We can't do this work alone. When clients – new and some that have been with us for as long as 20 years – hire us, they amplify their own social purpose and are, in reality, helping positively change the lives of many, many more.



**As a B Corp, Russell Herder is doubling down on our commitment to exceed higher standards of purpose, accountability and transparency.**



# Performance By the Numbers

Certified B Corporations® must achieve minimum verified scores on the B Impact Assessment, with recertification required every two years. Our 2017 B Impact Report reflects our commitment and our success thus far, and shows us where we still need to strive harder. For instance, the fact that we lease space within a larger building creates challenges against required measurables such as energy consumption. We are working to find ways we can implement change, however, and are committed to making even greater progress this year.

## Our Focus Areas

Russell Herder matches a significant percent of annual profits in time and services donated to select nonprofit organizations within three primary areas:

- Health and wellness
- Economic sustainability
- Arts

## What makes us a better company?

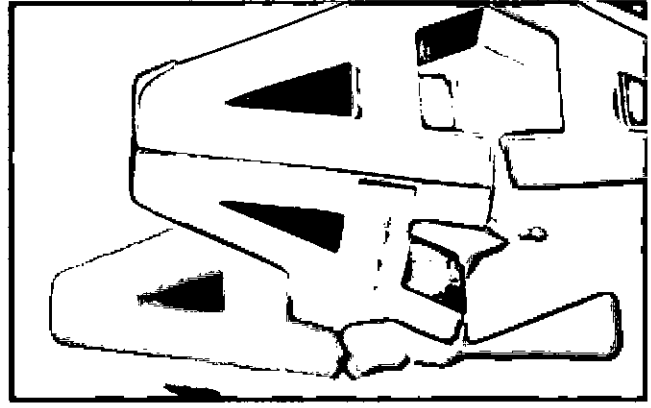
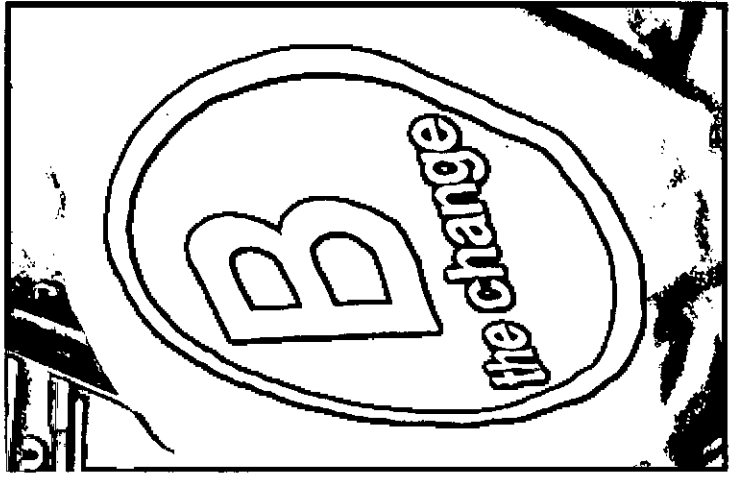
### B Impact Report

Certified since: March 2017

Summary:	Company Score	Median Score
Workers	20	18
Customers	12	N/A
Community	27	17
Governance	20	6
Environment	4	7
<b>Overall B Score</b>	<b>83</b>	<b>55</b>

Russell Herder team members are given paid time off to serve as volunteers assisting nonprofit organizations of their choice. Additionally, we support numerous other causes as a larger team. In 2017, more than \$100,000 in time and services were provided, benefiting the following among others:

- Silver Sobriety Recovery Services
- Bemidji State University
- Lakes Area Music Festival
- Minneapolis City of Lakes Rotary
- Land of Lakes Boys Choir
- YouthLink
- Twin Cities 4As
- MinneWebCon
- Gordon Parks High School
- College of Saint Benedict and Saint John's University
- Women Winning
- Technovation: Girls Code
- Minnesota Park and Recreation
- Foundation for Cancer Care in Tanzania
- Achieve Services
- Global Health Ministries
- Minneapolis Crisis Nursery
- East Africa Medical Foundation



# Highlighted Projects

Russell Herder had the opportunity to partner with multiple organizations in 2017. Here's a look at just three of them.

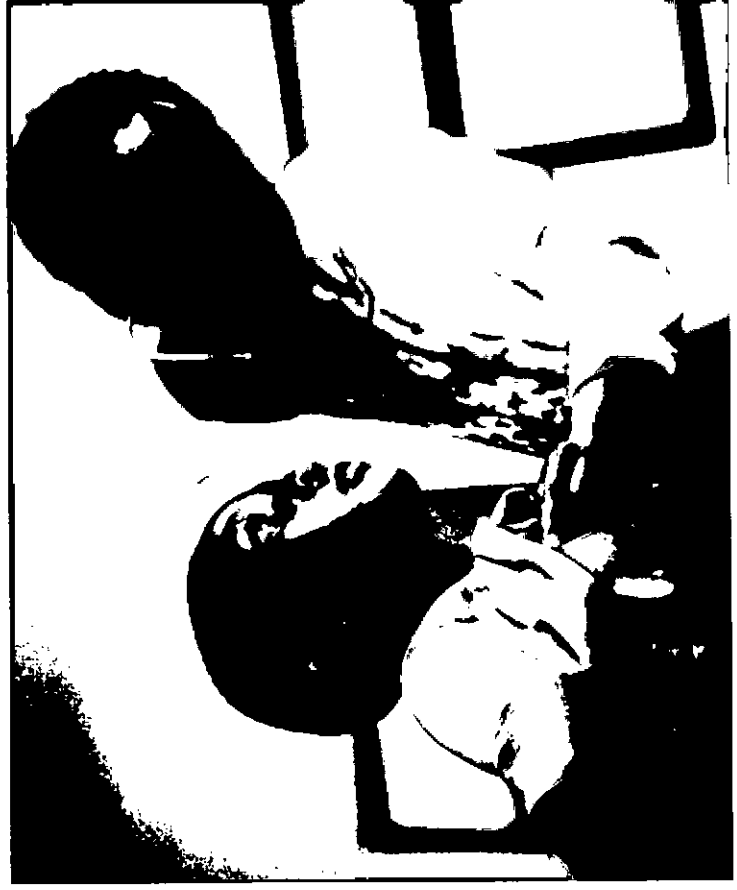
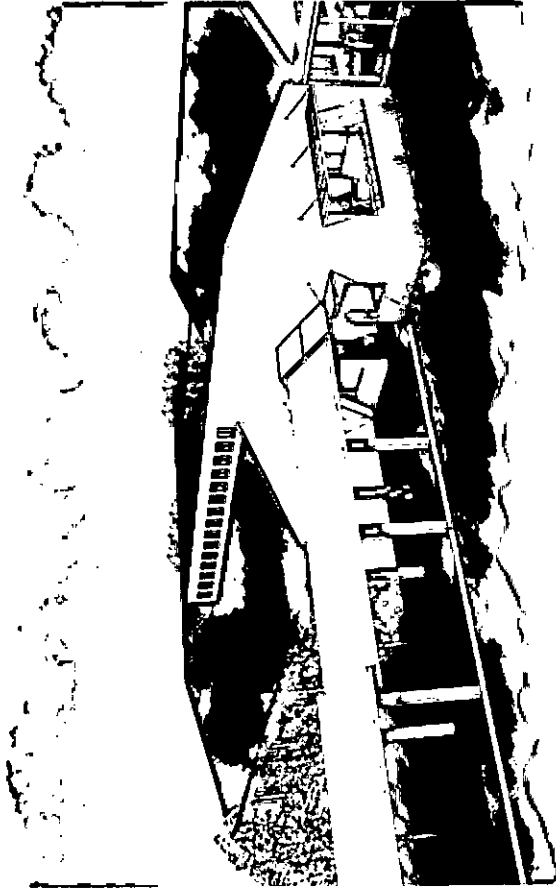
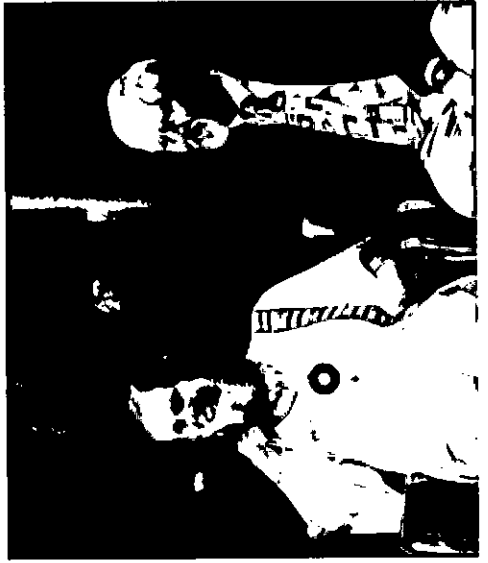


*Russell Herder*

## Featured Partner Profile



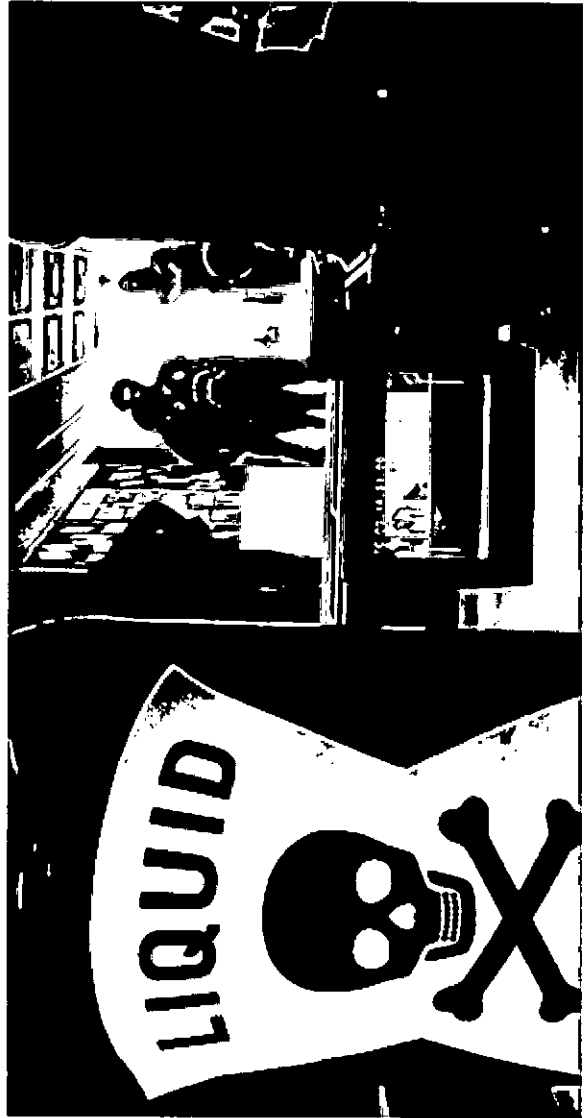
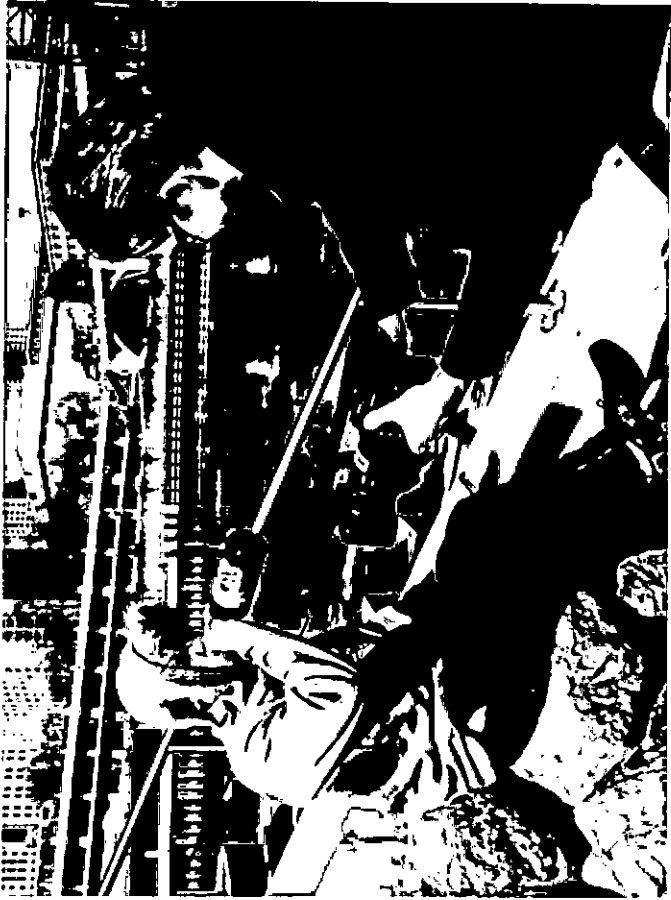
The fact is, a cancer diagnosis in Tanzania is likely to be a death sentence. The country of some 14 million residents currently has the capacity to serve only about 15% of the nationwide cases of cancer each year, and many patients present far too late in their illnesses to receive anything more than palliative care. When a group of dedicated U.S. physicians formed the Foundation for Cancer Care in Tanzania, Russell Herder embraced this pro-bono opportunity. Through the good work we've been fortunate to be a part of, a Cancer Center was built in 2017 and hundreds of patients are being served. We provide creative services to increase visibility for the good work being done and to help raise funds for their efforts.



## Featured Partner Profile



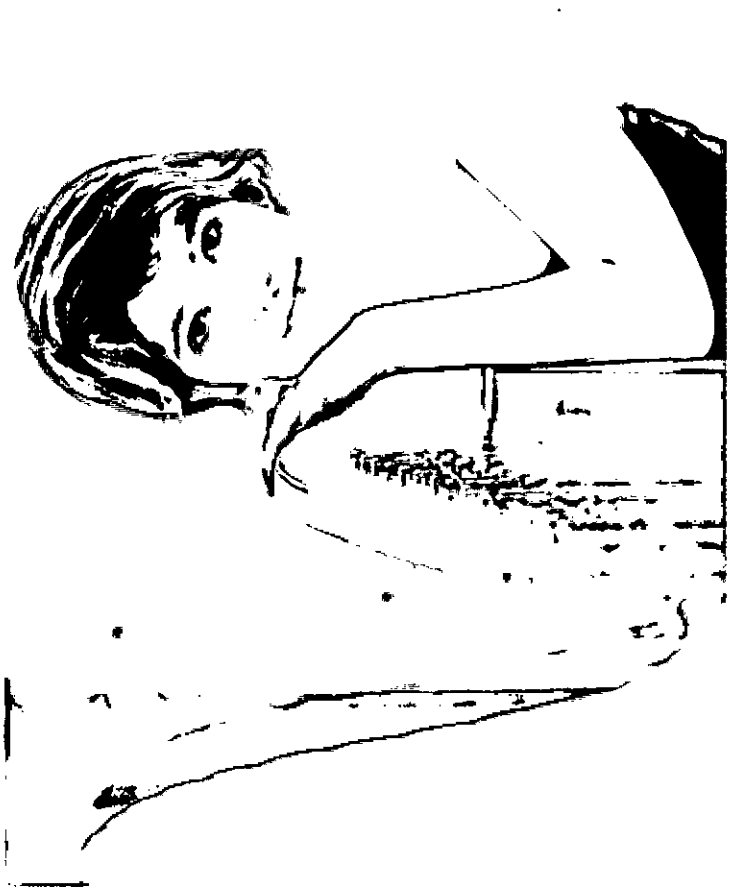
A video produced by students at Gordon Parks High School served as an important part of community conversations about mental health and the criminal justice system that were co-sponsored by St. Paul Sunrise, Minneapolis City of Lakes and Woodbury Rotary Clubs. The short film, entitled "End the Cycle," highlighted the challenges students face as they navigate mental health issues. Russell Herder's creative team assisted the students with creating the powerful video, helping teach them valuable technical skills along the way.



## Featured Partner Profile

# LAKES AREA MUSIC FESTIVAL

Each summer, more than 140 professional musicians leave metro areas around the world to participate in the Lakes Area Music Festival. Provided to audiences free of charge, this annual season of classical music enriches surrounding communities, draws visitor economic impact and educates future generations of musicians. Russell Herder provides creative and digital support to the Festival.



# B The Change

Achieving Benefit Corporation status takes commitment. But we believe it's well worth it. Our work is in high demand across the U.S. for the uniqueness of our strategic and creative approach, and the success our team delivers to clients.

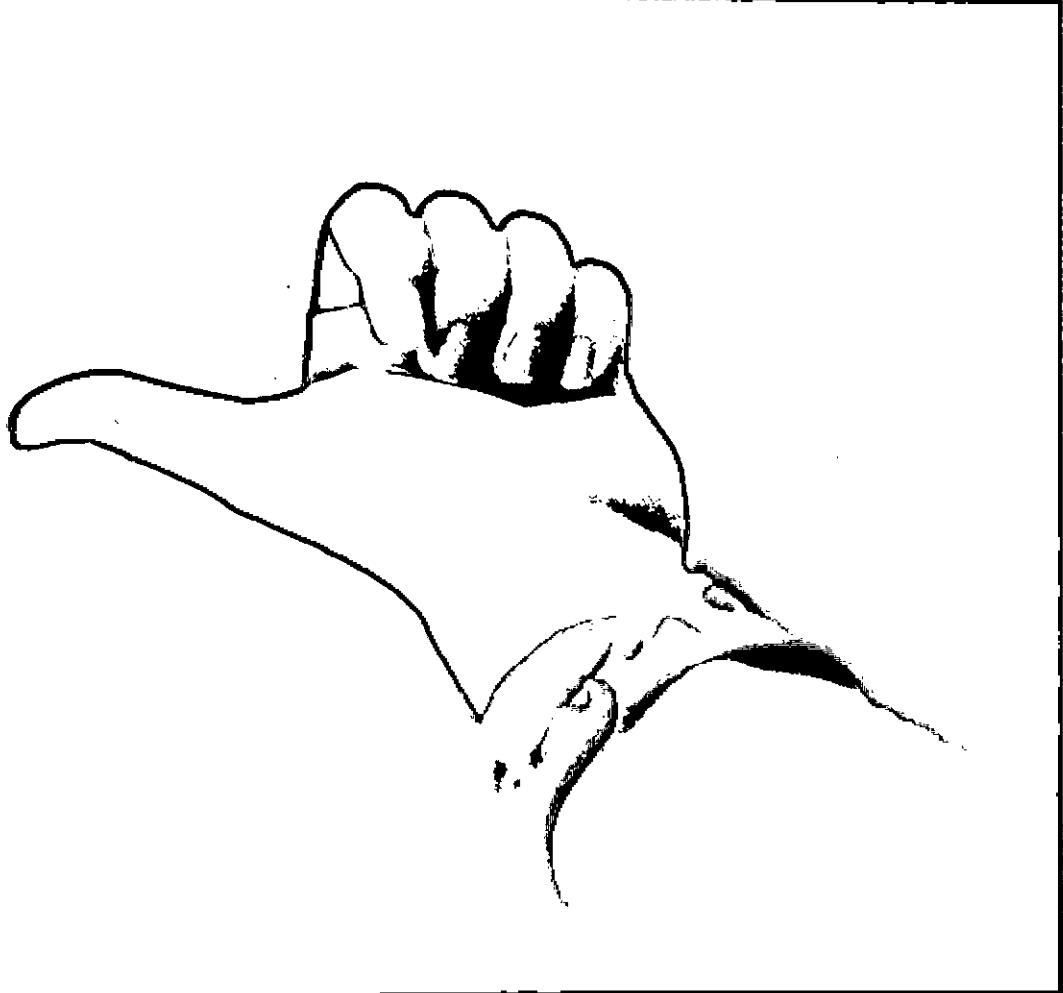
If you want to learn more about how we've made this journey or what it can mean to you as a client, let's talk.

Russell Herder  
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**Original File Number 4N-698**

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
FILED  
**03/30/2018 11:59 PM**

*Steve Simon*

Steve Simon  
Secretary of State