

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 CBC

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)

We are attaching documentation that we meet requirements as a CBC. We utilize B-Lab as our third party standard.

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]
Signature of Public Benefit Corporation's Chief Executive Officer

3/29/19
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 218 222 6124 55 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?

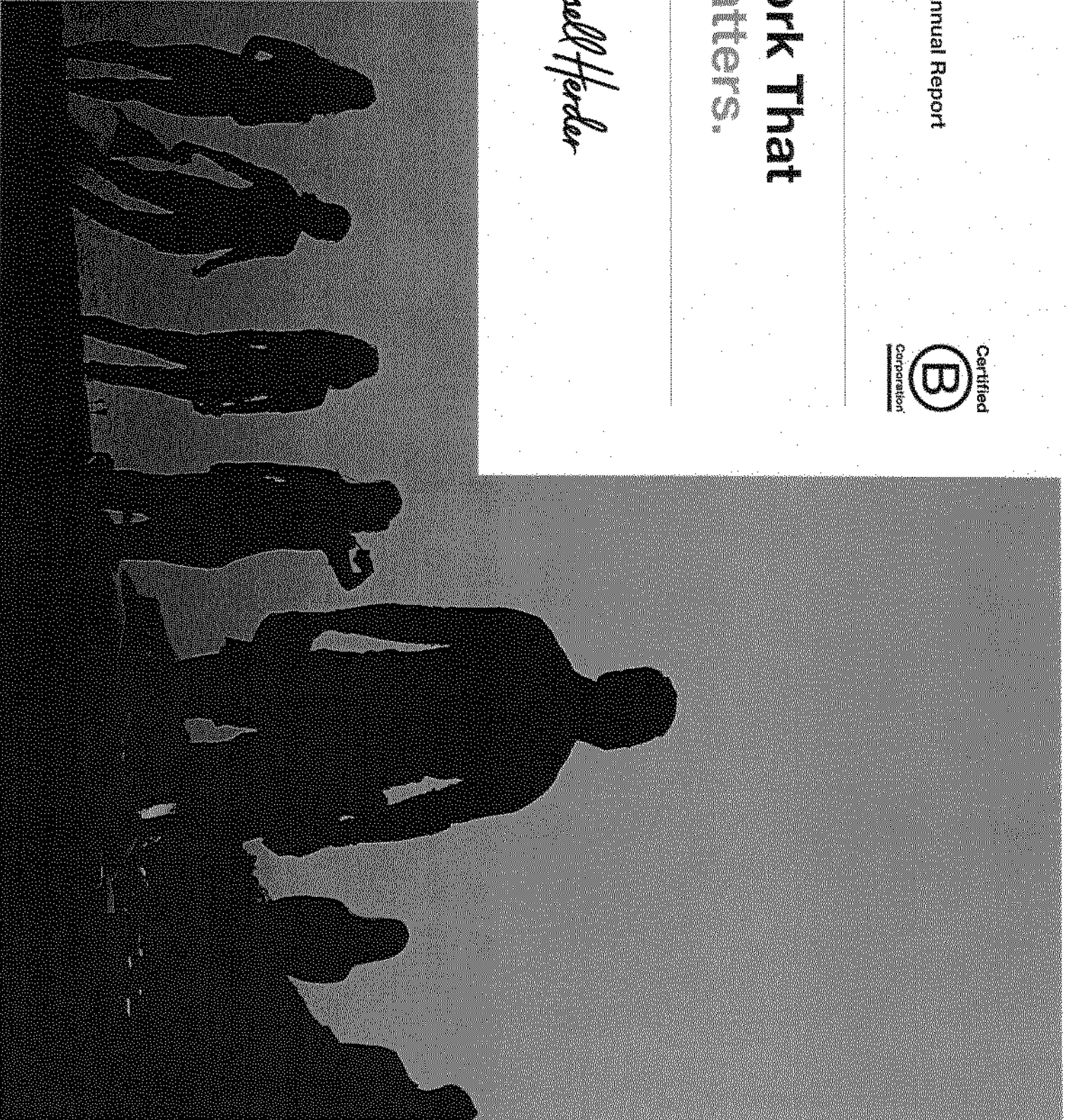
Yes No

2018 Annual Report



Work That Matters.

RussellHendler



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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

Russell Herder celebrates 35 years in business, producing work that matters. As a team, we share the collective belief that businesses can, and should, be successful yet have a positive impact on the world. We measure our purpose by the well-being of our team and the positive impact we make on our clients and the many we serve.

Being a Certified B Corp provides the transparency and accountability necessary to grow along this journey in a meaningful way. In 2018, we evoked both as a business and as Benefit Corporation. Russell Herder maintained high scores on our B Corp Impact Assessment. We are also proud to report that we were named a "Best for the World" honoree by B Lab, scoring in the top 10 percent for governance among all B Corporations across the globe. We were also recognized as a "Leader in Giving" by Twin Cities Business for our philanthropic efforts and mission-driven approach.

Collectively in 2018, our employees contributed to a long list of nonprofit organizations through their volunteer paid time off. Our team mentored high school students, volunteered at Ronald McDonald House Charities and supported the arts. As a firm, we provided thousands of dollars in pro bono support to entities that improve the health, culture and economic sustainability of the world we live in.

As we look forward to 2019, Russell Herder will increase our reach by assessing and improving our supplier relationships and our own team member wellbeing. One way we will accomplish this goal is to partner with other Certified B Corporations to find new ways to combine our efforts and increase our impact. We will also continue to contribute our award-winning talents to nonprofit organizations dedicated to sustainability, the arts, and health and wellness causes.

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 and continued maturity was made possible through your guidance, encouragement and collaboration. We look forward to tackling even greater opportunities together in the year ahead.

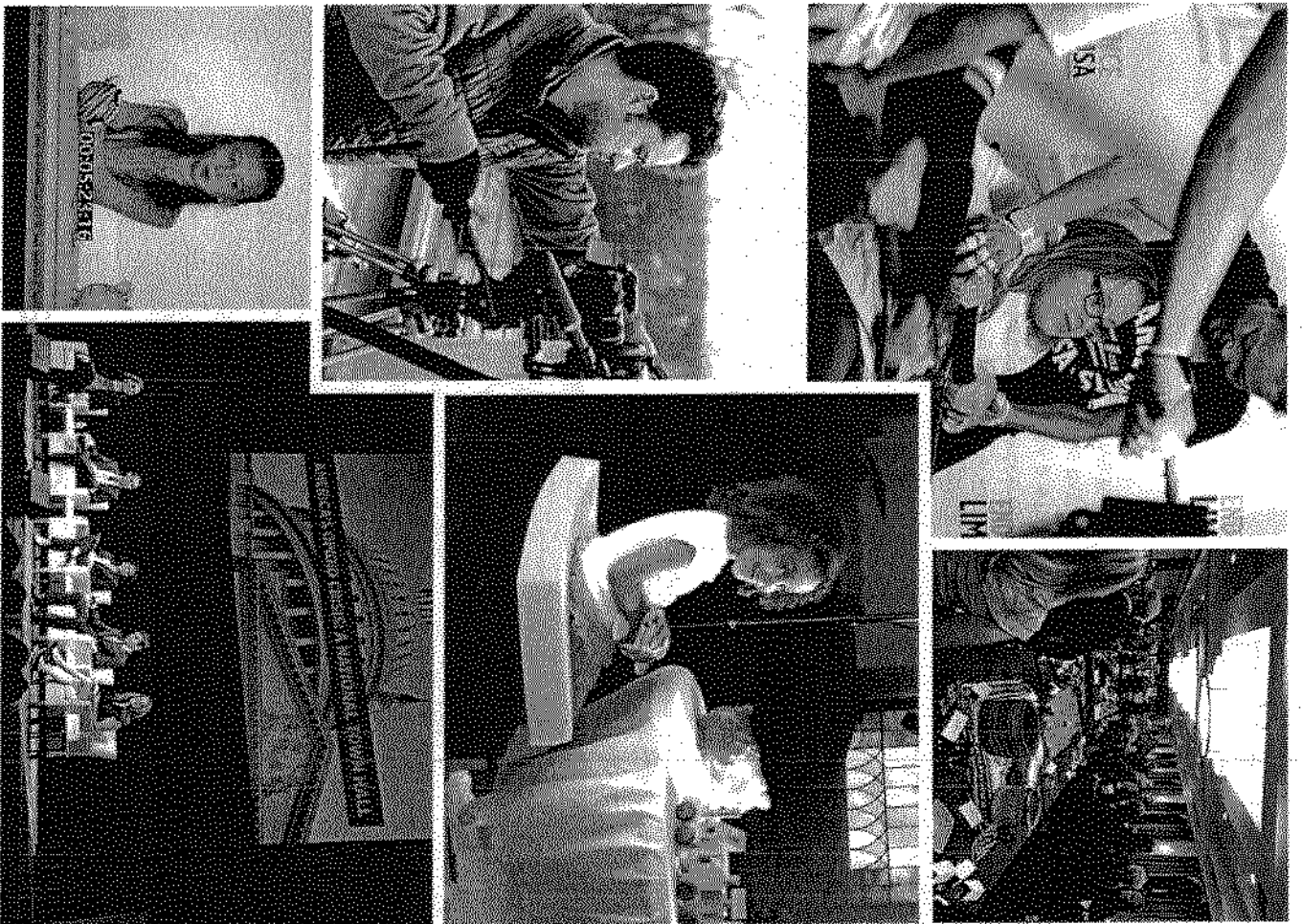


CAROL RUSSELL
CEO



BRIAN HERDER
Co-Owner, Executive Creative Director





02

Russell Herder: Doing Work That Matters

About Russell Herder

Founded in 1984, Russell Herder is a full-service, woman-owned, 4As-accredited ad agency headquartered in Minneapolis. We provide award-winning creative, research, digital, public relations and strategic services for clients across the U.S. in industries ranging from healthcare and finance to government and the built environment.

B-Corp Timeline

At RH, we have a long-standing commitment to both doing well and doing good. In late 2016, we decided to formalize this mission by changing our legal status to become a General Benefit Corporation (an option like being an S-Corp or C-Corp), also known as a GBC. Our GBC status recognizes the value we place upon achieving social and sustainability goals in addition to maintaining a positive bottom line.

Russell Herder officially became a Certified B Corporation® (B Corp™) in March 2017. B Corps are nationally-certified by a third-party assessment organization called B Lab® after meeting rigorous standards. Inc. magazine has, in fact, called Certified B-Corps "the highest standard for socially responsible businesses."

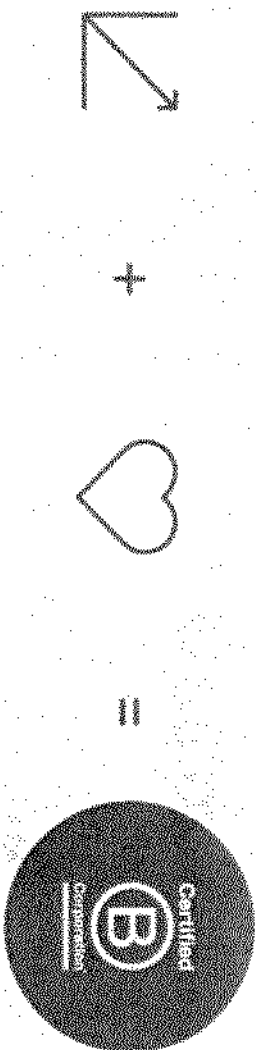
At the end of 2018, RH was one of 16 B-Corps in Minnesota among 2,655 worldwide, across 60 countries and 150 industries. B-Corp businesses like Russell Herder are committed to reaching high standards of accountability and altruism.

Taking this pathway isn't something done lightly, nor is it always easy.

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.

interview
Yvon Chouinard, Patagonia founder

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 their performance, accountability and transparency. A B-Corp's bottom line is considered equal to the impact of its work.



For Profit

Social Purpose

B Corp

Progress & Potential

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

100%

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

"Best for the World"

scoring in the top 10 percent for governance among all B-Corps across the globe

Leader in Giving

by *Twin Cities Business* for philanthropic efforts and mission-driven approach

\$162,000

in pro bono professional strategic and creative services to nonprofit organizations dedicated to sustainability, the arts, and health and wellness causes

Launched

innovative

co-creation

process within multiple cultural community partnerships

Why RH Became a B Corp

Just like fellow B-Corps Ben & Jerry's, Athleta, Burt's Bees 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. As a B-Corp, we are codifying our commitment to exceeding higher standards of purpose.

Russell Herder is also 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 upon deep field research and innovative, strategic creative. The result is meaningful, culturally-resonant campaigns that make a difference. At the end of the day, we measure success not only in award-winning work created on a collaborative basis, but also in the long-term positive impact to the communities being served.

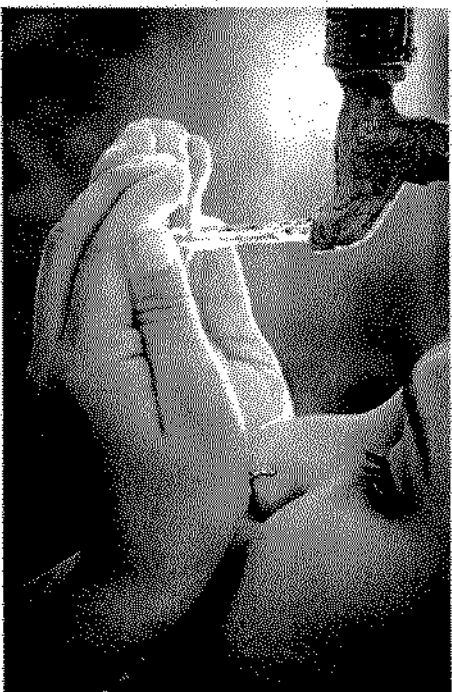
When clients hire Russell Herder, they not only gain our expertise – they also help us to magnify social impact.

NEWS

IN LEADERSHIP

Leaders in Giving: Companies and Foundations

A look at philanthropic efforts by activist-driven businesses.



Russell Herder

MINNEAPOLIS

Since becoming Minnesota's 10th Certified B Corporation in 2017—one of fewer than 2,500 worldwide—Russell Herder, an advertising and branding agency, has been galvanised in its mission to look beyond profits and measure its social impact. Arts, economic stability, and health and wellness are the beneficiaries of its philanthropy, which in 2017 amounted to more than \$100,000 in time and services provided. Among the recipients in 2017 were the Foundation for Cancer Care in Tanzania, the LeMay Arts Music Festival in Grainerd, and alternative learning centre Gordon Park High School in St. Paul.

Our Focus Areas

Russell Herder gives back by matching a significant percent of annual profits in time and services donated to select nonprofit organizations for a total of \$165,000. Our organization's B-Corp contributions are focused on causes spanning the arts, sustainability, and health and wellness.

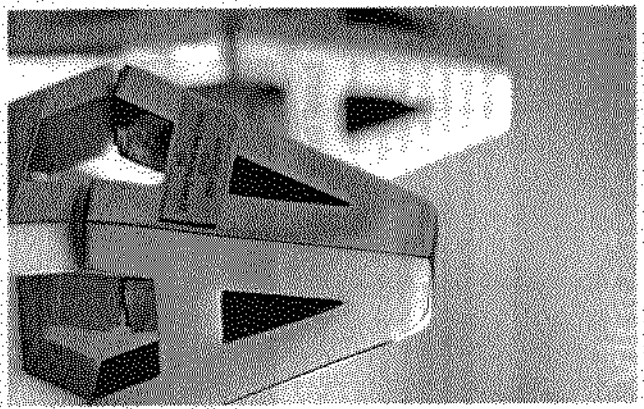
Russell Herder team members are each given three days of paid time off to volunteer (VTO) for nonprofit organizations of their choice. In 2018, they lent their support to numerous nonprofits spanning human services causes to education and the arts.

In addition to individual volunteer time, RH designates causes during the year to support through professional services. We contribute time on a pro bono basis to numerous nonprofits such as these, among others:

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

RH also contributes time as a percentage of the work we do for associations and government entities that fall within our focus areas, including such entities as:

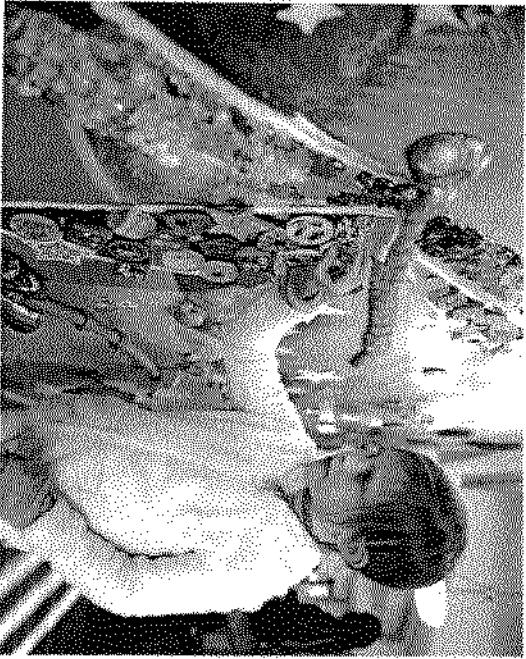
- Agricultural Utilization Research Institute
- MVTA
- MEDA
- Apprenticeship Minnesota
- Minnesota Office of Higher Education



Russell Herder

Highlighted Projects

The following are four examples of the organizations we were honored to partner with in 2018.



Crescent Cove



**MAKING MOMENTS COUNT
FOR KIDS & FAMILIES**

Crescent Cove offers care and support to children and young adults with a shortened life expectancy, and the families who love them. As one of a very few such residential children's respite and hospice homes in the country, Crescent Cove offers respite and end-of-life care to children with life threatening conditions. The RH team provided creative and public relations services to the organization as part of a rebranding campaign and to promote and execute the annual fundraising gala.

Learn more at crescentcove.org

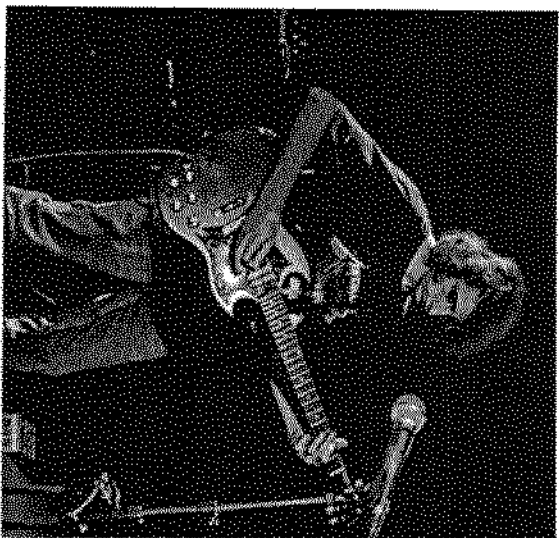


Minnesota Citizens for the Arts



This statewide arts organization advocates for the financial support necessary to ensure opportunity for everyone to have access to, and involvement in, the arts. The PFI team planned and created an awareness campaign to define the work of the organization, its mission and successes.

Learn more at artsmn.org



Foundation for Cancer Care in Tanzania

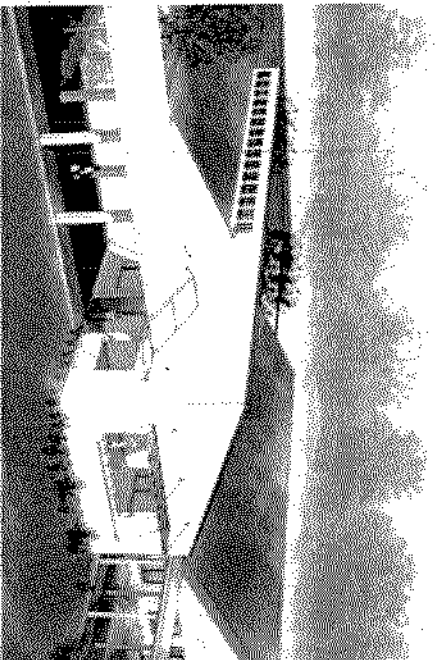


Russell Herder continues to support the Foundation for Cancer Care in Tanzania with creative and social media services. Begun by a group of committed American physicians, this organization is directly addressing Tanzania's profound shortage of cancer care and oncology resources in a country of 14 million citizens.

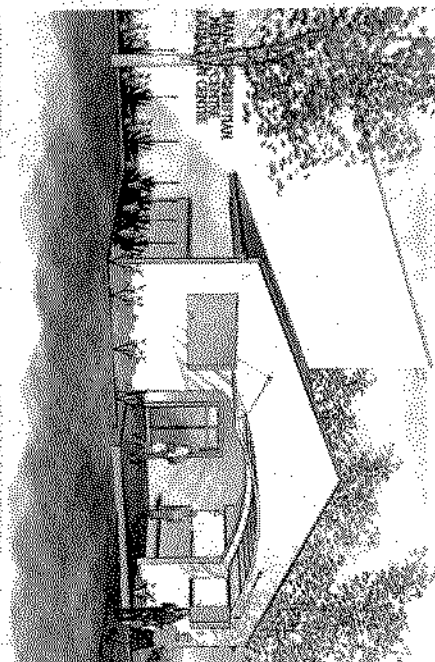
Learn more at tanzaniacancercare.org



2017 - Phase I
Build cancer care and infusion centers



2018-2019 - Phase II
Enhance patient care (infusion ward & family care hostel)



2020 - Phase III
Expand radiation treatment capability



B The Change

Achieving B-Corp status takes commitment, one that Russell Herder believes is well worth the effort. Our work is in demand across the U.S. for the thoroughness of our strategic and creative approach, and the success the team delivers to our clients.

If you want to learn more about how we've made this journey and what it can mean to you, contact us.

Russell Herder

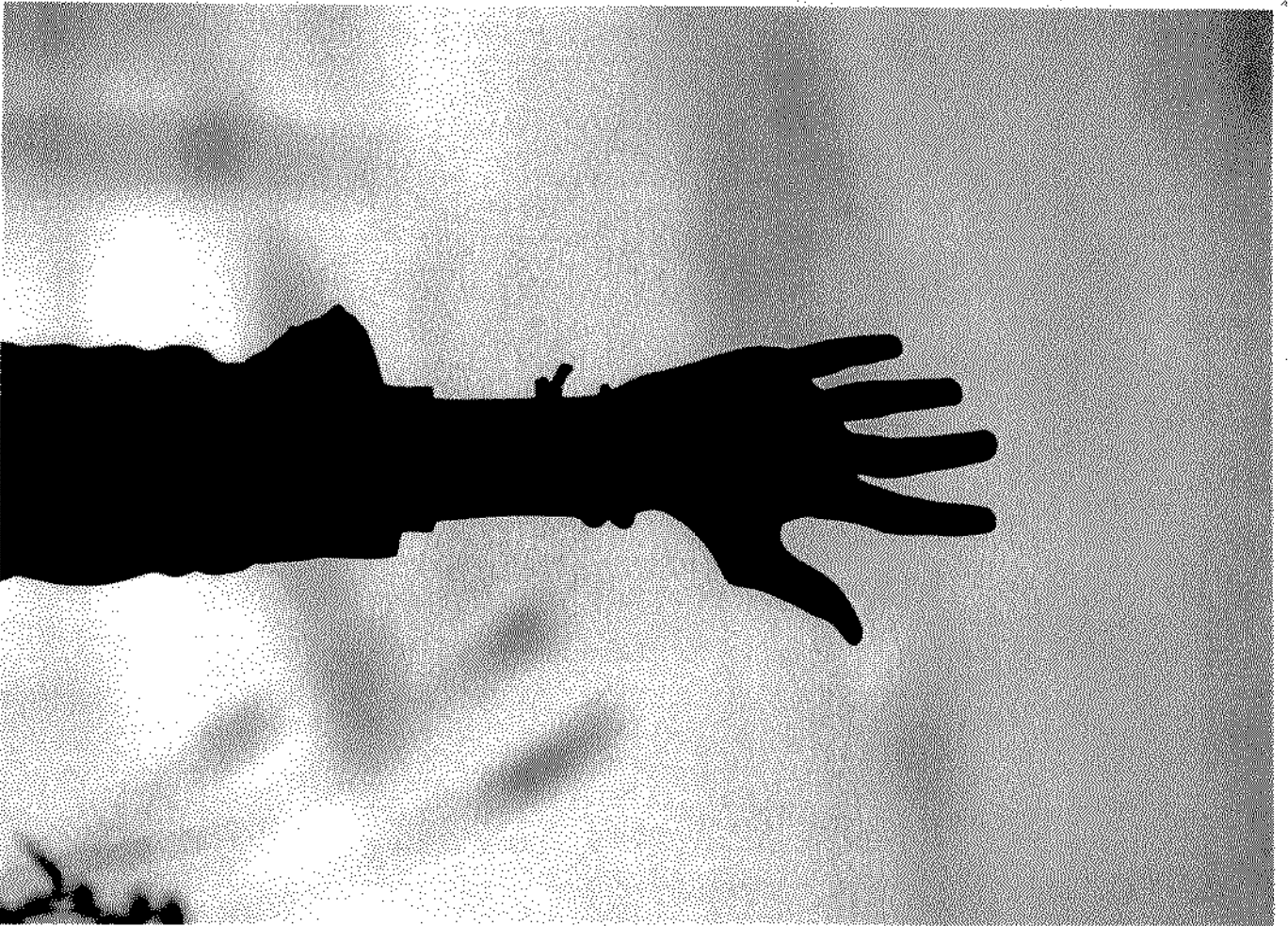
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OFFICE OF THE SECRETARY OF STATE
FILED
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Steve Simon

Steve Simon
Secretary of State