

# The Bee Corp

## **2021** **ANNUAL BENEFIT REPORT**



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# A LETTER FROM OUR CEO

Welcome to our sixth annual Benefit Report! Another anniversary is in the books for The Bee Corp — an incredible achievement for our employees, customers and supporters. As more onlookers validate our product and commend our company, I am eternally grateful. I constantly look back on when we first started; how tirelessly we worked on projects and processes that now take us 5 minutes. Watching the seed we planted in 2016 grow more every year is such a pleasure to take in.

Our sixth year in business brought new challenges and hope. Though still dealing with COVID-19 ambivalence, we were able to meet with each other face to face again. We dusted off our marketing handouts to gather with friends, old and new, at in-person tradeshows and conferences after a lengthy interlude of virtual booths. Like in 2020, we continued to grow personnel in 2021 with exuberant and driven workers — even adding an insightful beekeeper to our board.

We made fantastic progress on our goals by optimizing our distribution plan and enhancing customer experience. Processing and analyzing images, once a lengthy manual process, was completely overhauled thanks to our software team. They built an internal image audit tool to streamline report generation. Hive strength reports were delivered to customers early enough to replace weak hives, if needed, and our employees were able to work normal 8-hour days. We did not have to open a single hive this season, a massive achievement in our goal to deliver accurate results without needing secondary validation.

Furthermore, the team completed several pilots to measure colonies in new crop markets that rely on pollination. Expanding our expertise helped us provide growers with more specialized education in understanding factors that affect pollination. For example, the R&D team created pollination scores for each customer to evaluate pollination performance by pairing Verifli data with real-time weather conditions. We also adapted our model to maintain accuracy in conditions it was not initially built for, like in temperatures above 80°F.

As we enter another year, I see nothing but exciting opportunities to conquer. It's been gratifying to discover new ways we can use Verifli to deliver value to customers. As we grow quickly, we are also creating new jobs to expedite business development and execute new and existing partnerships. We aim to maintain our momentum from the almond season as we scale into new markets, and I'm eager to see how we can continue to add value to Verifli.

**SIGNED,**



**ELLIE SYMES, CEO**



# BENEFIT DIRECTOR STATEMENT

In my second year as The Bee Corp's Benefit Director, I am happy to witness the company's strong progress towards achieving the company mission — continuing to demonstrate a commitment to beneficial practices that positively impact its community. I'm pleased to report the company has met or exceeded each of the targets set in last year's Benefit Report.

The Bee Corp has, once again, set ambitious goals for growth in the year ahead. Achieving these targets would put the company on track to broaden the impact on food security and expand the reach to more beekeepers. As The Bee Corp remains focused on scaling the product and growing the team, I am excited by the potential societal benefits and social impact the company can have.

I look forward to seeing The Bee Corp maintain its commitment to beneficial practices in 2022 as the team aims to capitalize on the momentum Verifli generated in new markets following last year's pilot tests.

**SIGNED,**

*Geng Wang*

**GENG WANG**



# OUR BENEFIT



**SAFEGUARDING FOOD SECURITY:** We protect food security by helping growers understand how to manage a critical input: pollination. We strive to improve yields by collecting and analyzing pollination data to educate growers about optimizing pollination.

Safeguarding food security is a lofty goal that implies a broad, industry-wide impact. This year, we aim to broaden our reach by introducing Verifli into new crops that rely on bee pollination. We also seek to develop new tools to improve how growers plan for pollination and understand the factors that affect pollination outcomes.

## REVIEW OF 2021 INITIATIVES:

- **Adapt Verifli to meet the needs of new crop growers.** Before we could introduce Verifli into new crop markets, we had to adapt our hive strength model to maintain accuracy in a wider range of environmental conditions — especially in warm weather. Our data science team successfully adjusted the model, and we can now proceed with market expansion into new crops.
- **Create metrics using real-time weather to add nuance to evaluating pollination.** We designed a first-of-its-kind metric to help users interpret hive strength results. Users can visit their Verifli dashboard to access their unique Pollination Score, which uses actual hive strength results and localized weather data to project the pollination quality each user can expect.

## 2022 INITIATIVES:

- **Continue adapting Verifli to meet the needs of new crop growers.** Though we achieved last year's goal to maintain accuracy in warm weather, our new partners have introduced new variables that require additional testing. Along with additional weather conditions in which to test, we also need to test the model on specialized hive equipment used by beekeepers outside the U.S. No matter where they live, we want to help growers and beekeepers understand the value they are putting into pollination.
- **Provide 24/7 image analysis and customer support.** As we expand into new crops and geographies, we will need to be prepared to support our customers no matter where they are in the world or what time they reach out. In addition to automating more steps in our image analysis pipeline, we plan to optimize our approach to 24/7 customer support, re-structure our image analysis procedures and train all employees on generating hive strength reports to ensure we never miss a deadline.





**SUPPORTING BEEKEEPERS:** We develop technology to help beekeepers reduce labor time per hive while maximizing pollination revenue. Though they're adept at building strong hives to pollinate the nation's food supply, today's beekeepers spend more labor time per hive to maintain their inventory due to mounting threats to bee health.

Verifli was designed to benefit growers in the short term, but our long-term goal has always been to improve margins and reduce labor for beekeepers. We aim to make Verifli more accurate and easier for beekeepers to use so they can devote the necessary time to building excellent bees.

### REVIEW OF 2021 INITIATIVES:

- **Simplify image capture process.** We dedicated a significant amount of resources to improving Verifli's ease of use in 2021. The software team overhauled our mobile app, resulting in a more reliable connection with the infrared camera, faster image syncing and fewer crashes in the field. Our operations team also designed an official training program and created videos and quick-reference materials to assist with user training.
- **Test accuracy on more types of hive equipment.** We conducted a series of tests to gain an understanding of the thermal dynamics of various materials like plastic and styrofoam hive boxes that are more commonly used by beekeepers outside the U.S. We'd like to run some additional tests in 2022 to confirm our findings, but the initial results are promising.

### 2022 INITIATIVES:

- **Deliver instant hive strength results.** Though growers are happy with our 48-hour report turnaround guarantee, beekeepers have a slightly different use-case for Verifli. Whereas growers need a one-time spot check on hive strength, beekeepers want to use Verifli to sort their inventory before pollination and determine which hives are strong enough to survive the journey. We aim to develop a version of the app that can analyze images and generate instant results in the field.
- **Adapt the model to work in cold storage.** For years, we've dedicated our focus to building an accurate model in the warm, almond pollination weather conditions. But to become a valuable tool for beekeepers, Verifli must deliver accurate results wherever and whenever it is used. With more beekeepers moving hives into climate-controlled storage units during the winter, we aim to adapt our model so beekeepers can determine colony strength while hives are in cold storage.



# THIRD-PARTY CERTIFICATION

We chose B Lab's B Impact Assessment as the third-party standard we use to evaluate our social and environmental impact. Indiana requires Benefit Corporations to adopt a third-party standard to measure beneficial practices against companies with similar characteristics.

B Lab is a non-profit organization focused on certifying companies around the world that meet a high degree of socially and environmentally beneficial criteria. We selected the B Impact Assessment because B Lab is the global leader in the category.

As a software startup, the B Impact Assessment isn't always able to measure our company against others like us. We miss out on points simply due to the nature of our business, including things like working with local customers and suppliers and measuring our carbon footprint. Though the B Impact Assessment can't capture all the things startups and software companies do to be socially beneficial, the assessment is a good starting point for companies like us. It serves as a reminder that there's plenty of progress left to achieve.

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

## B LAB ASSESSMENT

We scored 79.9 points on the B Impact Assessment in 2021, a decrease of 1.4 points from our previous score. In an effort to improve the assessment, B Lab will add new questions, remove outdated questions and change how the points are awarded each year. Sometimes, questions that we earned points for in the previous year's assessment are removed, decreasing our score even though we continue to perform the beneficial practices. We encourage B Lab to continue to update the assessment, so companies like ours can set practical targets and achieve progress without substantial investments that could jeopardize financial well-being.

Though we've just about reached the limit on points we can realistically gain in the Governance, Community, Environment and Customers categories, the Workers category offers opportunities for us to earn points. We're proud of the beneficial employment practices we've put in place over time, and it's something we're always eager to improve.

	2020 SCORE	2021 SCORE
<b>GOVERNANCE</b>	18.8	16.4
<b>WORKERS</b>	27.9	30.0
<b>COMMUNITY</b>	25.4	22.7
<b>ENVIRONMENT</b>	5.5	7.0
<b>CUSTOMERS</b>	3.6	3.6
<b>TOTAL</b>	81.3	79.9



## GOVERNANCE

- We lost 2.4 points in this category despite having the same responses as last year.
- We can make incremental gains in this category by instituting new policies like a Code of Ethics and Whistleblower Protections. Other things that would earn additional points are unrealistic, for example, publishing audited financials or offering compensation for employees' social and environmental performance.

## WORKERS

- We gained 2.1 points in this category. We promoted two internal employees to management roles, improved our employee benefit package and paid all employees a living wage (no less than \$15 per hour), including interns.
- We'll maintain our score in 2022 and build a more desirable place to work by improving employee benefits and creating new training opportunities for employees to develop professional skills.

## COMMUNITY

- We lost 2.7 points this year due to a change in how the assessment is scored. We changed one answer from last year's assessment because we closed our account with our local bank last year, reducing our score in "Impactful Banking Services" by 1 point.
- We'll earn more points in 2022 by tracking employee volunteer work, continuing to work with women-owned suppliers, adding more jobs and maintaining a diverse workforce.

## ENVIRONMENT

- We gained 1.5 points in this category with the same responses as last year. This category is difficult for us to gain points in — especially now that our team is fully remote. Since we don't own any facilities, we can't monitor greenhouse gas emissions, track water and energy usage or purchase energy from renewable sources.
- We won't gain points in this category in 2022, as we will maintain our status as a small company that doesn't operate out of a physical location. Besides continuing to dispose of recyclables and e-waste responsibly, there are no more points gained in this category unless B Lab decides to adjust the scoring rubric for remote companies in next year's assessment.

## CUSTOMERS

- We earned the same score as last year in this category. Our responses, as well as the questions and scoring, were identical to last year's.
- We've earned nearly all the points we can in this category. For just 1 more point, we'd need to do these 3 things: getting third-party certification for our product quality, making our marketing strategies GDPR compliant AND making all users aware of information collected, length of time it is preserved, how it's used, and whether and how it is shared with other entities (to be clear, we don't sell, share or profit from user data). Though we're currently working with 2 universities to achieve third-party certifications for Verifli, the other opportunities for fractional points would require a significant investment of our limited resources.