

INTRODUCTION B CORPORATION® STATUS

MAGICLINKS BECAME THE FIRST CERTIFIED B CORPORATION® **IN SOCIAL COMMERCE IN DECEMBER 2020**

This great distinction leaves us with a lot to recap on how it started and how it's going in the new year. From kicking off 2020 with our Zero Impact announcement to launching our Diversity, Equity, and Inclusion Taskforce in the resurgence of the Black Lives Matter movement, we solidified our commitment to live into our "good human" policy more than ever before.

On social, we launched #MLTeaTime, our first-ever IG Live series to connect with Black leaders in our industry. We also launched our first-ever podcast, Responsible Impact, that dove into pressing topics related to environmental stewardship. Systemically, we implemented a 30% minimum racial diversity requirement for casted campaigns with 100% adherence from partners. In our product suite, we launched Sustainability Ratings to drive more transparency around our retail partners' commitments to environmentalism, and will follow with a Google Chrome Extension for the Ratings in 2021.

Our money was just as loud as our mouth was. We donated over \$21k to nonprofits throughout 2020 and will quadruple this in 2021 as part of our partnership with 1% for the Planet. Less measurable but equally as significant are the resources dedicated to our "good human" policy that doesn't directly impact our bottom line.

That's the skinny, but you get the picture. We commit rather than comment. We reflect as we look forward. We look in to influence out.

Welcome to MagicLinks.

Brian Nickerson

Co-Founder and CEO

MagicLinks



MAGICLINKS BECOMES THE FIRST CERTIFIED B CORPORATION® COMMERCE COMPANY

This is a really big deal for us. Certified B Corps® are for-profit companies that use the power of business to build a more inclusive and sustainable economy. They meet the highest verified standards of social and environmental performance, transparency, and accountability.

To be honest, it's not easy to become a B Corp (more on this later). Today, there are 3,500 certified B Corporations globally, including mission-based brands such as Patagonia, Cotopaxi, AllBirds, Beautycounter, Athleta, and Eileen Fisher. To put this in perspective, there are 1.7 million C Corps just in the US. MagicLinks is the first and only influencer technology company to join the B Corp ranks.

But we didn't do it for the clout. Looking ahead, what's most important is not the certification itself, but the way we live into the spirit of B Corp moving forward, and how we will play an active role in encouraging others to join. We believe that B Corp companies are the future, an evolution that Harvard Business Review described as a tectonic shift.

That said, the process of becoming B Corp certified is an intense one and we'd be lying if we didn't say we're proud we made it through. We're talking 300+ man hours of documenting and creating formalized processes for many practices that were already embedded in our operations, including: DEI, Sustainability, Community Service, and Philanthropy through MagicLinks For Good. It was a lot, but hey, work doesn't feel like work when you're passionate about what you do.





Corporation

This company meets the highest standards of social and environmental impact

OUR PROCESS

MÄGICLINKS

As an organization, MagicLinks operates by a "good human" policy in our everyday work. Our definition of global stewardship continues to evolve as we explore the different avenues that we can make a long-lasting impact within our organization and in our realm of influence. Our holistic "good human" policies encapsulates the most critical environmental, humanitarian, and social issues of our generation. For us, this takes form in our commitment to Diversity, Equity, and Inclusion, Environmental Sustainability, and paying it forward. It impacts how we create our technology, how we discern partnerships, how we nurture professional development, and unifies our team from diverse backgrounds towards a common goal: we will leave this planet better than how we found it.

Over the course of the last 24 months, MagicLinks has catapulted into a massive growth stage. As a result, our team has expanded by over 3x and our revenue is at an all time high. Celebrating our wins is always accompanied by the "now what" question. We are not exempt from the challenges that an early stage startup faces. The balancing act of mission-focused work, revenue goals, desire for growth and investment, and people development has not been easy, especially in a rapidly changing industry and challenging times. Our convictions point us toward our North Star and guides us to lay a foundation that seeks to inspire our team, our community, and our partners at every level.

This report is separated into two distinct sections: How it Started and How it's Going. We are equally motivated to reflect back on 2020 as we are to look forward to 2021.



DIVERSITY, EQUITY AND INCLUSION

SECTION 1.1 DIVERSITY, EQUITY, AND INCLUSION

HOW IT STARTED

Introduction

Like most of the world in June of 2020, the murders of George Floyd, Breonna Taylor, and countless others forced us to address the gaps in our strategy to confront racism and drive diversity, equity, and inclusion in both our organization and partnerships. Plot twist – it's February 2021 and we're still talking about it. For us, this was never a trending topic and is deeply rooted in our commitment to excellence as global citizens. We have always sought out and celebrated diversity within our internal team and in partnerships with content creators. The resurgence of the Black Lives Matter movement inspired us to formalize and communicate business practices that had previously been taken for granted as understood.

MagicLinks Responds to Black Lives Matter

MagicLinks' CEO Brian Nickerson sent an <u>Open Letter</u> in June 2020 to share our strong support of the Black Lives Matter movement. From there, we disseminated various correspondence in lieu of our standard promotional marketing calendar. The response was mostly positive but not entirely, and the struggles helped us further understand the depths of systemic racism across our society.

As a team, we took collective time to organize, reflect, and give space to our Black team members. We had several challenging – and in many ways uncomfortable – discussions to shed light on inherent and systemic racism.

Introducing the Diversity, Equity, and Inclusion (DEI) Taskforce

It's been a big year for MagicLinks' Diversity, Equity, and Inclusion (DEI) Taskforce working to drive systemic change in our industry. We hit the ground running with a grassroots approach by connecting with several leaders in our community to ensure that policies implemented across our organization drove direct and long-lasting impact.

Since then, we've launched a social media campaign to solidify our position and serve as a training resource for our team, instituted a 30% minimum racial diversity casting requirement amongst all sponsored campaigns, and developed innovative strategies to onboard Black-owned businesses that are too often priced out in the influencer economy. #MLTeaTime host and DEI Taskforce Lead, Bryan Mirabal, spoke on a panel alongside DEI leaders at Google, Groupon, and Publicis Group about diversity in the workplace.



#MLTeaTime On IG Live Connects Black Leaders In Our Industry

What started out as a casual conversation with beauty content creator Mena Adubea, who responded to one of our Black Lives Matter emails, has now evolved into a weekly staple of our content programming.

In our first-ever Instagram Live series, <u>#MLTeaTime</u>, we gave the floor to 15 BIPOC leaders to get into the real issues. Our intention is to learn, grow, and evolve from these conversations with the goal of creating long-lasting impact as leaders in the influencer marketing space and within our own organization. Each session was accompanied by a fundraiser for a nonprofit of our guest's choosing, kicked off with a MagicLinks donation of \$500 at the beginning of each session.



We've learned a lot – from colorism to on-and-off-screen representation to how to view diversity as a spectrum – we celebrate the unique perspective of each of our speakers. We are more educated and closer as a community as a result.

Putting Our Money Where Our Mouth Is

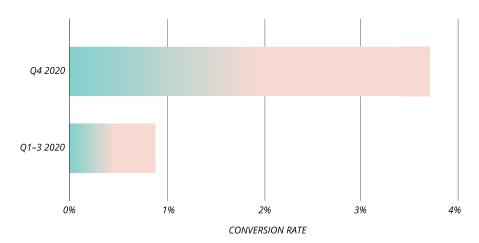
Our 30% minimum requirement for racially diverse influencers in casted campaigns was announced to all brand partners in July 2020. We were pleasantly surprised to learn that our new policy was welcomed with gratitude and a commitment to progress across the board. As a result, powerhouse brands like <u>Sephora are seeing diverse influencers leading the pack in their campaigns</u> and brands like <u>Jululemon are reaching new segments</u> of fans and customers.





MagicLinks also published a <u>DEI report</u> in September 2020 that details the outcome of this policy change. Since then, we are proud to share tremendous growth across various demographic segments of our influencer community. Most notably, our Black influencers saw their conversions increase by 4x and our Hispanic influencers drove the most new customers to retailers than any other racial group for peak 2020 holiday season.

BLACK CASTED INFLUENCERS





We're just getting started. Now, we're exceeding our minimum requirements for brands like Nike who are seeing 50% diversity in their <u>casted campaigns</u>.

Internally, we matched all employee donations and granted paid time off to all staff to organize and protest and take mental health days during the civil unrest.

Supporting minority-owned businesses was another major focus for us. We rolled out special campaign packages for minority-owned businesses with the goal to drive more influencer support for brands that do not have the same marketing budgets to activate influencers.

Reduced fees and pro bono campaigns forged new partnerships with brands like <u>ArtistsUntold</u>, a Black-owned business supporting Black artists, and <u>BREAD</u> <u>Beauty Supply</u>, a female and Black-owned business creating hair products for the curliest of hair textures.



Started Like a Startup Now We're Here

Our commitment to diversity and inclusion in the workplace is now reflected across all open roles. Organizationally, we are inspired to be led by a group of diverse individuals. Within our leadership suite, Jennifer Pina, Global Director of Brand Partnerships identifies as Latina; Haesil Shin, Director of Marketing identifies as Korean-American; and Sasha Veiga, Associate Director of Talent identifies as African-American. Our Diversity, Equity, and Inclusion Lead, Bryan Mirabal, identifies as Hispanic and gay. We are in the business of empowering storytellers to turn inspiration into action. As we continue to push forward, we are committed to actively building a team environment that represents all walks of life and see that reflected in the services and technology that we create. MAGICLINKS TEAM BREAKDOWN **BLACK** 11.6% **ASIAN** WHITE 20.9% 44.2% LATINX

SECTION 1.2 DIVERSITY, EQUITY, AND INCLUSION

HOW IT'S GOING

MagicLinks Becomes A Founding Member Organization of the American Influencer Council (AIC)

Diversity, equity, and inclusion is an always-on, always top-of-mind subject for us. A considerable part of that is identifying value-aligned partners. The American Influencer Council invited us to become a Founding Member Organization to explore innovative ways to push our industry forward. We love the massive strides that AIC Founder Qianna Smith Bruneteau is making in the influencer marketing space. MagicLinks is pleased to unite with the Council on a shared vision.



In 2021, MagicLinks x AIC will roll out resources to empower BIPOC creators and draw insights from what we have learned from #MLTeaTime. From lunch and learns to educational resources that detail self-advocacy, best practices, and closing the wage gap in the influencer economy, we have our work cut out and are eager to get started.

It Starts From Within

In December 2020, we instituted a "quarterly sit down" (QSD) for all staff. All managers have completed mandatory anti-harassment and discrimination training by the State of California to properly execute on the procedures for employee complain or grievances. Though organizationally we operate with a "feel it reveal it" policy, we understand that every person must absolutely be guaranteed the right to share their experience in a safe environment. We are also partnering with external experts to aid our DEI Taskforce in formalizing our procedures and tools to effectively manage diversity, equity, and inclusion in th. workplace.

In addition to a new perk of PTO for employees to organize and volunteer, we will begin to observe Juneteenth as a paid holiday in 2021.

New Year, New Faces That Don't All Look the Same

We are equally committed to providing resources to our existing team as we are to sourcing talent for open roles that builds equity.

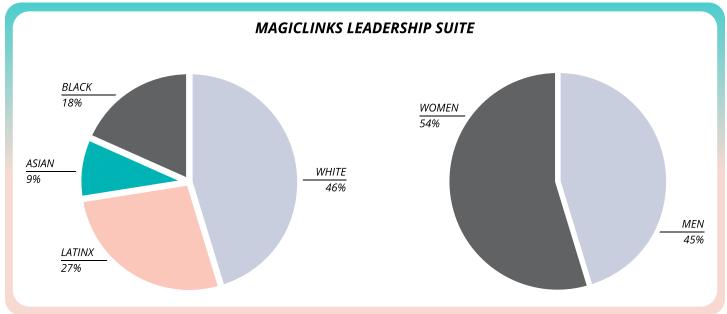


This starts with where we look for talent, how we qualify talent, and benchmarking ourselves for where we need to add more diversity and representation in our organization.

We're an equal opportunity employer and are actively seeking talent from the Indigenous, Black, LGBTQ+, and disabled communities for open roles. Our company is in a massive growth phase and we have a commitment to maintain a minimum of 50% non-white male representation in our leadership suite.

Building equity is not easy. Not every person starts from the same point. This is why we source talent for internship opportunities from local organizations like <u>Safe Place for Youth</u> to cultivate professional development for our most at risk youth in Venice Beach. We plan to expand on these opportunities in 2021 for both full-time and internship roles by participating in community college job fairs, HBCU's, and creating a network of current and former interns to share opportunities beyond our organization.





Closing in on the Influencer Gap

We will maintain our standard of excellence in casting diverse influencers for our paid opportunities. Though we are proud of the tremendous strides we have made in 6 months, we have a long way to go. Indigenous, LGBTQ+, plus-sized, and disabled talent are underrepresented in our community. With the most recent hire of a User Acquisition Manager, we set goals to attract a new, inclusive crop of talent to the MagicLinks network.

This work bleeds into everything that we do. Our Creator Success Team is building innovative resources for content creators with equity top-of-mind. Expect new programs like



SECTION 2 SUSTAINABILITY

SECTION 2: SUSTAINABILITY

HOW IT STARTED

Introduction

2020 started out with some lofty goals and rightfully so. When tackling a challenge as colossal as changing the inherently unsustainable structure of e-commerce, it's the process of taking small steps daily that will bring the larger change in the long run. Zero Impact is our end-goal, and 2020 was the year of stepping stones to build our organization in the right direction.

Make it Accountable

Let's take a step back. In January 2020, every member of MagicLinks made a personal commitment to make one change to be more environmentally conscious in our daily habits. For example, our DEI Lead made a commitment to reduce carbon emissions from personal car travel and began biking to work a minimum of 3 days a week. To hold ourselves accountable, we display our personal commitments on the <u>About Us page</u> on our website and evaluate our commitments during quarterly business reviews. We formalized our partnership with <u>Cool Effect</u> to purchase Carbon Offsets, and have since offset almost 25 tonnes of carbon. In the spirit of accountability, we also routinely post about <u>our commitments</u> publicly.

Welcome to the Jungle

We feel super privileged to work in a space that fuels creativity. A space that feels like it has an actual heartbeat when you enter. Welcome to our 5,500-squareft double decker loft transformed from a 1950's Coca-Cola factory in the heart of Venice Beach, California. Our 50-ft high ceilings house a sprawling 20-ft



joshua tree garden, several 500+ lb crystal sculptures from Madagascar, a giant gong atop a floating platform (which we use to celebrate wins), swings from Bali, a (Not-a) Flamethrower (to dispel bad energy and move the F on), and a rotating artist in residence that paints as we work. Because, why not?

Design: We intentionally designed with reclaimed woods and metals during our office expansion and remodel in early 2020.

Energy Efficiency: All LED light bulbs in the space and only 1 tankless water heater for 1 sink, which you better believe was a big debate

and ultimate sacrifice for employees who love their running hot water.





Unashamedly, we're also the Karens of the eco-friendly world. Sorry, not sorry! Signs like above are posted throughout our shared space to keep our in-office commitment top of mind. And anyone caught with a single-use plastic will end up in the corner with a Dunce cap (not really, but you will be forced to do the latest trending TikTok dance in front of the entire staff).

My Head is A Jungle

Welcome back from the dance break. Bear with us as we get a little *cerebral* for a second. The core of MagicLinks is turning moments of inspiration into action. We view our impact through compounding planes of influence, all driven by the

technology that we create. This starts with our minds and hearts that are set with good inten-

tion. From there, we built technology to connect us with content creators who exponentially multiply our realm of influence. After that, we built technology to connect us, our community of content creators, and brands. Now, we are building technology to connect all of these groups with consumers, which presents us with an opportunity for significant global impact. This philosophy guides us in how we will drive course correction in the e-commerce epidemic.



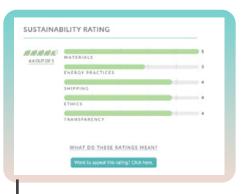
MagicLinks Retailer Ratings

MagicLinks Introduces Retailer Sustainability Ratings

We created MagicLinks Retailer Ratings in the Fall of 2017 to help our creators choose the best e-tail destinations to share the products they love and earn income as their fans shop. It's a 12-factor rating system that was the result of an influx of customer service tickets from our influencers who were very confused on why they weren't earning as expected from the links that they shared.

Our influencers' view into their analytics is intentionally extensive. That's because beyond helping influencers make money from sharing what inspires them, we want to empower them to understand their businesses better. Retailer Ratings are our way of bringing greater transparency to the many not-so-transparent and confusing structure of the commission earnings model in affiliate marketing.

It's also how we raise the bar and set the standard for our brand partnerships.



MagicLinks Sustainability Ratings

In May 2020, we expanded our "report cards" with MagicLinks Sustainability Ratings, which ranks brands on the same one to five score, but now across five categories that relate to their commitment to (or lack of) environmentally sound practices.

Our task force took a 20-ft swan dive into a couple thousand of our highest demand driving brands, assessing each rating based on public information shared or offered privately. We found that less than 1% of our partners ranked above 3.5. This wasn't surprising.

We fully acknowledge that e-commerce cannot be separated from



impact on the environment. Creating sustainable practices often comes with significant operational and financial challenges in retail. The truth is that some of our closest and top-performing brand partners operate on models that are below what would be considered environmentally responsible, which we consider a 3.5+ out of 5 Sustainability Rating.

We admittedly took a risk by publicizing these ratings that appear less than favorable for many in order to spark honest conversations. Oftentimes, it's the hard questions and honest conversations that stir up transformation.

"Responsible Impact" Podcast Makes a Splash on Podcast Platforms

In the summer of 2020, MagicLinks launched our first-ever podcast Responsible Impact, which explores today's most important issues and

movements intersecting with sustainability and e-commerce.

We engaged with leaders across fashion, art, nature, influencer communities, and more. Responsible Impact host Natalie Monsanto covered a wide range of topics: upcycling, carbon offsets, greenwashing, biodegradable plastics, the future of sustainable footwear, corporate and influencer sustainability, and more. The <u>first 18 episodes</u>



are available now on Spotify, Google Podcasts and Apple Podcasts, amongst others.

SECTION 2: SUSTAINABILITY

HOW IT'S GOING

New Year, New Commitments in Our Product Suite

We're a bunch of Chrome people here at MagicLinks. Our Google Chrome Extension to create MagicLinks is a favorite amongst our influencers so we got to thinking, what else can we do with Chrome Extensions? In 2021, we're bringing our Sustainability Ratings to Chrome to empower conscious consumers in their purchasing decisions.

Rating brands is a colossal task in itself. It takes hours of research to accurately score a brand on their sustainability practices and the information that they publicly share is constantly changing. In 2021, we're auditing all retailers with existing Sustainability Ratings and adding 500 more.



B-Corp™ Certification, Baby

Since receiving certification, we've found ourselves engaged in new and exciting conversations about B Corp with internal and external partners. We're challenging our finance team to create processes to track B Corp metrics, requiring our legal team to think anew about our Articles of Incorporation, explaining our broader fiduciary responsibilities to current and potential investors, helping our creators to identify and promote fellow B Corp companies, and working with our strategic brand partners to build more sustainable business practices and supply chains.

We're already building products and services within our marketplace to provide benefits to B Corp companies and other like minded businesses that think more broadly than shareholders alone. Furtheromre, recruiting talent has become easier since we started sharing our values and principles more openly and publicly. People rightly want to work for and with companies who adhere to values that are broader than simply turning a profit. We love to see it!



Corporation

Certified

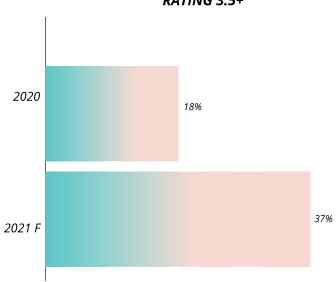
Renewable Commitments

We're in the process of refreshing our team's commitments for 2021 and introducing this piece of our culture to all the new faces. Our commitments look much different in 2021 now that work-from-home is the new normal, transportation is down, and online shopping is up (we're looking at you, Amazon Prime addicts).



Say It With Us: Benchmark, Benchmark, Benchmark





Now that you know about our Sustainability Ratings system, let's talk about our goals. As if our Head of Sales didn't have enough to focus on with steep revenue targets, we're now hyperfocused on benchmarking sales driven from brands with a Sustainability Rating of 3.5 and above. By doing so, we have a clearer picture of where we need to grow our strategic partnerships that align with our Zero Impact commitment.

For one, in Q4 2020, 18% of our sales came from a retailers with a 3.5 rating or above. Retailers like Everlane and Adidas were leading the pack. Bravo! Our 2021 target is to more than doube the amount to 37% by Q4. This accounts for our expansion for revnue goals overall and is intentionally a hard target to achieve.

We acknowledge that real change occurs from within. Our strategy is not to chastise partners that need to step up their environmental responsibility game and more about empowering them to get there. Our goal for 2021 is to increase Sustainability Ratings to 3.5 or above for at least 2 strategic partners. That doesn't sound like a lot, but we're talking about an industry contributing to 30% of the world's pollution. This is a strong goal and we're sticking with it. Period!

We're fortunate to work with an awesome community of influencers that are also committed to changing the global climate crisis. We're now instituting creator feedback forms that detail shipping and packaging waste, which we will begin to share with retail partners in 2021. Our 2021 roadmap includes an incentive program for influencers that opt-in to more sustainable practices.

Ouch, Our Pockets Hurt. Good!

We're quadrupling our annual donation from 2020 as part of our 1% for the Planet partnership (more on this later). Plus, we're rolling out discounted services for partners with B-Corp certification. Honestly, it's a flexible policy. Point blank, if a company operates with a similar "Good Human" policy, we are always flexible to make room for them.



SECTION 3

FINAL THOUGHTS

SECTION 2: MAGICLINKS FOR GOOD

HOW IT STARTED

Close to Our Heart

Prior to joining MagicLinks, our Director of Brand Partnerships, Jennifer Piña, dedicated 4 months to living with and teaching English to over 100 orphaned youth at Orfanato Niños de Cristo in La Romana, Dominican Republic. Her work there via <u>Orphaned Starfish Foundation</u> inspired a deeper relationship with the lean running non-profit that provides over 15,000 at-risk and underserved children with 68 technology centers and education, in 29

countries worldwide.



MagicLinks raised our first \$10,000 in 2019 to support

OSF's premiere U.S. based technology center for the Ojibwe Tribe Boys & Girls Club on Leech Lake Reservation in Minnesota. Those were the building blocks for MagicLinks for Good.



Get Loud

We touched on this in our Diversity, Equity, and Inclusion section but now let's get into more details. We donated a total of \$13,162 toward our DEI initiatives.

We donated to organizations including the NAACP, ACCE and the People City Council and our employees donated a total of \$2,500 across a dozen other organizations like Black Lives Matter, Justice for Breonna Taylor and Gianna Floyd Fund, which we matched.

#MLTeaTime, the Instagram Live series dedicated to listening to BIPOC leaders in our community and industry, generated \$5,500 in donations by leveraging the Instagram donation feature to make it easy for followers to donate to an organization of the guest's choice. We were honored to use 100 hours of our time for this cause.

Taking Care of our Neighbors

Homelessness is a global issue and it's felt profoundly here at our home base in Venice, California. In 2020, we solidified our partnership with <u>Safe Place For Youth (S.P.Y.)</u> and committed to creating positive change and uplifting the youth in our community by volunteering 145 hours through internships, meal prepping and holiday gifting and donated a total of \$3,856 which includes a quarterly commitment of \$2,500 from Q4 2020 and throughout 2021.

Corporate Without Cringe

Gifts for Good is the only corporate gifting company that exclusively sells gifts that give back. We've been a supporting client of GFG since 2018 and partners.

collaborated with them in 2020 to curate our holiday gift sets for our brand Valued at \$21,000, 100% of the proceeds go to social and economic causes including the Good Energy Gemstone Pyramid Sculpture, which employs & empowers rural artisans. We gifted custom hand poured boxed candle. where each candle provides 15 minutes of dignified labor for an individual in Los Angeles with developmental disabilities. Additionally, the boxes are made in the US, 100% recyclable and for every tree used to make a gift box, 20 trees will be planted.

SECTION 2: MAGICLINKS FOR GOOD

HOW IT'S GOING

In 2021, we will commit to a minimum of 120 volunteer hours and \$120K toward The Orphaned StarFish Foundation, Safe Place for Youth (S.P.Y), DEI initiatives, and 1% for the Planet.

> We will provide an annual cash donation of \$10,000 for The Orphaned StarFish Foundation and dedicate 20 volunteer hours to participate in the OSF Annual Gala.

> > We'll also make an annual donation of \$10,000 for Safe Place for Youth (S.P.Y) and commit to 40 volunteer hours across initiatives including career development with internships and mentorships and community projects including art installations and gardening.

For our Diversity, Equity and Inclusion initiatives, we will continue to make cash donations by matching employee donations up to \$20,000 and offer employees days off to participate in volunteer opportunities. Additionally, we will continue to evolve our #MLTeaTime series and launch

new internal training programs and tools for BIPOC creators.

To continue to build on our purpose-driven initiatives, we are partnering with 1% for the Planet. We are actively recruiting for a Sustainability Lead that will oversee activities with organizations like the Earthfire Institute, United American Indian Involvement, and Black Women's Blueprint. We'll also volunteer 20 hours to consult the organizations on strategic social media communications and how to navigate the creator economy.

FINAL THOUGHTS



Thanks for reading. We love this journey for us. If you've made it this far in our report, chances are your values align with ours. We're always looking for great new minds to collaborate with so drop us a note and let's make magic.



MagicLinks

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