

**Daycos, Inc.**  
**Annual Benefit Corporation Report 2020**



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Dear Stakeholders,

As a “benefit corporation,” Daycos is committed to creating public benefit and sustainable value, in addition to generating profits. Our annual report reflects on the previous year and demonstrates how we did this.

A reflection on the efforts of our company to do good and be good in 2020 would not be complete, or even make much sense, without acknowledging COVID-19 and the effects of the global pandemic on our efforts to be a force for good.

2020 marked the fourth year of our Daycos4Good efforts, and it challenged us in many ways. These challenges helped us realize that while doing good is easier when things are going well, there is value in understanding how your purpose and intention hold up when things are hard. 2020 was a true test of our company’s ability to operate with purpose and stakeholder balance, no matter what the circumstances.

What we have learned is that Daycos was able to navigate the pandemic more successfully BECAUSE of our focus on doing good. Rooted in the belief that business is about more than making money, Daycos did right by its stakeholders - our company, customers, employees, and community. As we navigated the pandemic, we did things to take care of each stakeholder:

- Securing our COMPANY:
  - Applied and received PPP loan.
  - Curtailed expenses and built cash reserves so the business could continue to support all employees staying employed.
- Helping our CUSTOMERS:
  - Found new ways for our customers get paid during a government stop-movement.
  - Lowered prices to ease customers’ loss of industry revenue.
- Protecting our EMPLOYEES:



- Transitioned to work from home quickly and for the duration.
  - Ensured that everyone kept their job.
  - Provided flexibility for family obligations, illness, and hardship.
  - Shifted employee and family events to virtual or outdoor venues.
- Serving our COMMUNITY:
    - Organized a food and supply drive for nonprofits.
    - Made and distributed yard signs to spread appreciation and cheer.
    - Shifted funding and support to focus on COVID related projects and needs.

Our traditional monetary investments and service opportunity numbers are lower for 2020 because of the COVID-19 disruption and our decision to protect all stakeholders. But the numbers don't tell the whole story. As you read through the stakeholder investments this year, you can see that even though things were tough, our decision to be a purpose-driven company meant that we were still able to do a whole lot of good.



Brandon Day  
Owner & CEO



Tammy Day  
Owner and Benefit Officer

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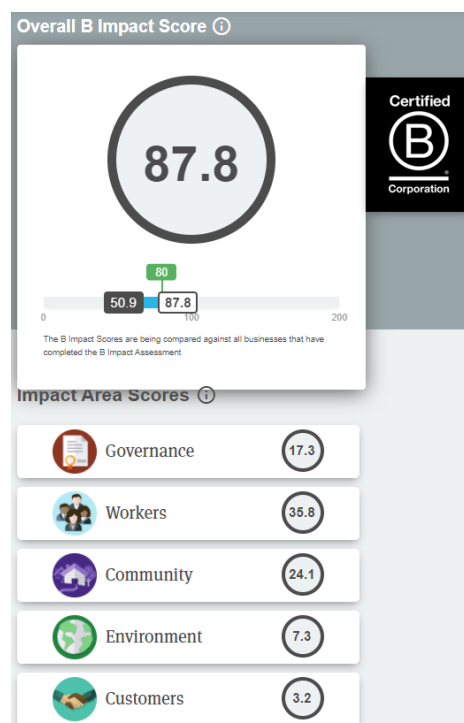
## WE ARE A CERTIFIED B CORPORATION



Daycos became a certified B Corp in 2016. A “B Corp” is a for-profit company that is certified by the nonprofit B Lab to meet rigorous standards of social and environmental performance, accountability, and transparency. It is a designation that says our company is about more than making money; it is about being a force for good in the world.

To become a B Corp, companies complete an assessment that measures them in categories of governance, workers, community, and environment and provides an overall score indicating the company has practices and procedures in place to support the B Corp standards.

Daycos completed the B Corp reassessment process during the fall of 2019 and received recertification in spring 2020.



## We Focus On Stakeholders, Not Shareholders

The work of Daycos benefits its stakeholders, not just its shareholders. At Daycos, our stakeholders are the customers who hire us to provide an excellent service, the employees who spend their days doing the work to serve our customers, the community our business is in, and the company as a whole that makes this all possible. Our stakeholders not only help us become a force for good but are the reason we do it in the first place.

These stakeholders are interdependent and share equal importance in the system – the better we do at creating and sustaining great services and relationships with our customers, the more revenue that is generated to be invested in our employees and our community. Better business equals more investments in people. More investments in people and the community result in better business.

Therefore, our Annual Report continues to focus on how our benefit corporation status propels us to invest in our stakeholders and create a public benefit through those efforts.



## Community Impacts 2020

Our community is the setting for our business and the place where we live, work, and raise our families. As an integral part of this community, we believe we have a responsibility to help to ensure a bright future for this place. In 2020, much of what Daycos did in the community was virtual but we found a way to still make an impact. Here are some of the highlights:



- Daycos third annual Bike Build event looked a little different this year due to the pandemic. Even though the bikes had to be assembled by individual Daycos employees and their families rather than as an in-person group event, Daycos was able to build and donate 21 bicycles to area nonprofits this year.
- Even with the uncertainty, the Daycos4Good Endowment grew to \$142,091.54 through ongoing contributions of a small percentage of revenue each month.
- Charitable sponsorships, memberships, and campaign pledges totaled \$34,258.92 this year.
- The Daycos Community Investment Committee invested \$20,972 in 18 community projects:
  - Youth Philanthropy Contest funding
  - School-Based Mental Health Therapy Program with Oasis Counseling
  - Aftershock Free Take Home Lab Kits
  - Be the Difference! At the Norfolk Junior High School
  - The Meadows Patio Improvements
  - Meals for Heroes with the Norfolk High School JOI club
  - Acrylic Shields for Norfolk Catholic Elementary School
  - Golf Outing Match The Arc of Norfolk
  - Minis for the Minis at Bel Air Elementary School



- Holiday Meals for Military Families
  - Cardinal Kids Learning Center Technology Rescue
  - Portals for The Meadows Residents
  - Leadership Development Event with Lutheran High Northeast
  - Every man needs a toolbox for the Zone After School program
  - Technology for the classroom at Trinity Lutheran
  - Turkey Dinner Partnership with Midwest Bank
  - Becoming a Social Detective at Bel Air Elementary
  - Calming Corner at Woodland Park Elementary
- Daycos also continued our employee charitable matching program, Toys for Tots drive, Norfolk Food Pantry Souper Bowl, hosting bi-monthly blood drives for the local Red Cross, partnering with Jefferson Elementary School, and hosting a coding club at the Norfolk Middle School.
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## Employee Impacts 2020

Investments in the personal and professional lives of our employees, their work environment, and their families have a direct impact on employees' lives and demonstrate that they are valued members of this company and community.



In 2020:

- Daycos continued its company-wide employee personal development initiative, which asked all Daycos employees, "How do you want to invest in yourself?" Cohorts continued virtually but people were still able to take advantage of growth opportunities.
- The Employee Investment Committee spent the year making investments in employees and their families above and beyond standard benefits totaling \$14,056.64.
- The Wellness Committee invested \$15,336.14 in wellness bonuses and \$8,121.58 in other wellness activities.
- Daycos provided charitable matches for \$2208.74 of employee donations to nonprofits.
- Employee investments this year included:
  - Shade cover for the back patio.
  - Dual-credit class reimbursement for Daycos employees' students who are enrolled in dual-credit classes in high school.
  - Launched a Student Loan Debt Reduction Matching program to match payments to employees' student loan debt.
  - Continued promotion and support of previous investment initiatives, such as the emergency loan program, SmartDollar, the 529 College Savings Plans, parental leave, bereavement benefits, and updating or creating estate plans.
- Daycos employees continued to have fun participating in virtual team-building activities and family events such as our family holiday "party-in-a-box" and several parking lot parties where people could gather but still socially distance.
- Daycos continued to offer extensive wellness benefits even though most people were working from home. Some Wellness Committee investments included the Wellness Wednesday Challenge, Wellness Gift Bags, COVID Face Masks, and a Walking Challenge.



## Company Impacts 2020

Our company stakeholder is the umbrella under which all work and investments occur. Keeping the company healthy creates a vehicle for us to be a force for good. In 2020 Daycos:

- Completed the B Corp re-certification process and improved our score.
- Participated in several virtual events, spreading the word about Daycos' employee-driven do-good work.
- Updated our branding to better reflect who we are as a company and our purpose to do good and be good.
- Hosted an all-company reflection on our Daycos4good efforts where we learned that, in addition to all of the community and employee investments we made, the company has seen positive outcomes as a result of our work:
  - Employee satisfaction is up from 71% in 2017 to 93% to-date.
  - We have a hiring list of over 200 people who have said they want to work at Daycos.
  - We have 85-90 applicants for all positions.
  - More employees are volunteering and service on nonprofit boards and stretching into leadership positions at work.



## Customer Impacts 2020

Customers are the reason we exist in the first place. Customers provide the fuel that allows the investments in the other stakeholders. In 2020 Daycos:

- Supported various charitable efforts of our customers and the industry.
- Made and distributed signs thanking truckers for being heroes during the pandemic.
- Shared Daycos stories with our customers of being a force for good through our community and employee investments.



## Where do we go from here?

Daycos is a transportation revenue solutions company that exists to do good and be good by investing in our employees, community, and customers.

As we begin to see the light at the end of the pandemic tunnel, we are reminded that no matter how challenging things become, staying focused on our do good be good purpose keeps us pointed in the right direction.

In 2021, we will continue our efforts to use our business as a force for good and look forward to a more “normal” year of making a difference.

To close this out, I would like to share some of the SIX WORD STORIES that Daycos employees crafted at the end of our 3-Year All Company Celebration of Daycos4good. I believe they express the sentiment that exists here about what it means to work in a company focused on giving back.

SIX WORD STORIES to describe our Daycos4Good experience:

Doing and being good, not done  
Giving makes us strong, happy examples  
We give. We Reflect. We Celebrate.  
Daycos doing good for all stakeholders  
Doing good has no stopping point  
Create the smiles, pass it on  
Employee-driven makes all the difference  
Little things make a BIG impact!  
Daycos, where I want to be!  
Daycos 4 Good Game of Giving  
Even small gifts make big differences  
Never underestimate the power of giving  
Making things better. Bit by bit.

With gratitude!



Tammy Day  
Owner and Benefit Officer



## **Overview of Daycos4Good**

Daycos exists to do good and be good. Daycos4Good demonstrates the way we live that every day in our company. We believe this dynamic and impactful way of doing business is the right way to use a private asset, in this case, a privately-owned business, to make a difference in the world. Daycos4Good (D4G) is an employee-driven program focused on the idea that Daycos can be a force for good. The "4" in D4G symbolizes our four stakeholders: employees, customers, the community, and the business itself. We make decisions based on the long-term impact on those four stakeholders, instead of our company shareholders.

When considering a new service, community investment, employee benefit, or change in a system or process, we ask ourselves how this will impact the shareholders in this system. We ask ourselves a series of questions each time to ensure we are considering the impact on all because stakeholders drive our decision-making, and they all have equal value.

- Is it good for the company?
- Is it good for our customers?
- Is it good for our employees?
- Is it good for our community?

If the answer to any of these questions is no, then the decisions is either modified so it doesn't harm the stakeholder in question, or it is discarded entirely. We do not make decisions that sacrifice one stakeholder for the sake of the others. All four stakeholders are integral to the overall success of Daycos.

The "Good" in Daycos4Good represents our intention to make Daycos a force for good in the world. We know we can do amazing to do that through our Daycos4Good efforts. Our stakeholders come first and, not only help us to be a force for good but are the reason we are in business in the first place.

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## **Daycos Corporate Philosophy**

We have a choice in how we do business in the world, and we have chosen to be a force for good. We know that business is about more than just providing services and making money; it's about making a difference. It is essential to support the quality of life of our employees and our community, to give back to our community, to be a good

community partner, and to invest in people. We have a responsibility and a desire to contribute to something bigger than ourselves. It keeps us focused on the big picture and things that matter. It is the right thing to do.

Through the work we do at Daycos, we can provide a service to our customers, create an excellent place for people to work, and be a good community partner through charitable giving. We believe it is vital that the work of Daycos benefits its stakeholders - our company, our customers, our employees, and our community - not just its shareholders.

Company: The company is the overall umbrella under which all the work and investments in people occur. Keeping the company healthy creates a vehicle for us to be a force for good.

Customers: Customers are the reason we exist in the first place. Customers provide the fuel that allows the investments in the other stakeholders. As the business grows and becomes more profitable, investments in other stakeholders can increase.

Employees: Investments in the personal and professional lives of our employees, their work environment, and their families have a direct impact on people's lives and demonstrate that they are valued members of this company and community.

Community: Our community is the setting for our business and the place where we live, work, and raise our families. As an integral part of this community, we believe that we have a responsibility to help to ensure a bright future for this place.

These stakeholders are interdependent and share equal importance in the system – the better we do at creating and sustaining great services and relationships with our customers, the more revenue we generate, the more we can invest in our employees and our community. Better business equals more investments in people. More investments in people and the community result in better business.

Decision-making, planning and asset allocation are based on these four questions:

- Is it good for the company?
- Is it good for our customers?
- Is it good for our employees?
- Is it good for the community?

Daycos core values are relevant in decision making surrounding stakeholder investments:

- Be better tomorrow than we are today;
- Fix the problem, be the solution;
- Build relationships for the long-term
- Make this a great place to work;
- Give back; it's what we do