

ArchiMedia Advantage Inc.

Benefit Corporation - Annual Impact Report

As of December 31, 2022

Introduction

ArchiMedia Advantage Inc. (“ArchiMedia”) is a network of specialty education companies working together for the development and advancement of Actuaries and the actuarial profession. This alliance, which includes ACTEX Learning, ASM Study Manuals and the Actuarial Bookstore, enables customers to expand their knowledge, skills, and ultimately heighten the overall value of an Actuary through their academic and professional journey.

The ArchiMedia “advantage” stems from the depth of knowledge and the quality of the educational material we offer. As a company focused on promoting the study of Actuarial Science, we believe it is important to offer a variety of educational content with varying perspectives. We work closely with students, professors, universities, corporations, and other publishers to design and develop educational content and teaching solutions.

ACTEX Learning’s educational history stretches back over 50 years. Its parent company, ArchiMedia, became a registered benefit corporation in 2022. In doing so, ArchiMedia adopted benefit purpose commitments for six distinct stakeholder groups within our community. These commitments (which you’ll find listed and described below) govern our operations at the most fundamental level. This report shares the work we’ve done during our fiscal year 2022 (January 1, 2022 – December 31, 2022) to advance public benefit and implement our specific benefit purposes.

Why is ArchiMedia a Benefit Corporation?

We believe in the power of community. Over the decades, we’ve assembled a diverse collective of professors and professional subject matter experts and empowered them to create best-in-class educational materials under the ACTEX and ASM brands. These materials offer unrivaled access to affordable and comprehensive learning solutions that students can tailor to their unique learning styles and professors can use to enhance their classroom instruction.

Our community members actively contribute and collaborate in support of our shared vision. Some members contribute individually, some in work in small teams, but each works collectively for the whole. The members of our educational community include YOU!

- **Students & Professionals** – giving back through communication of ideas with our authors and instructors and the broader community

- **Professors & Instructors** – pedagogy thought-leaders, supporters of expanded access
- **Authors & Professional Subject-Matter Experts** – recognized leaders in their field, aspirants for ever-better authorship and instruction
- **Our Team** – employees dedicated to our company vision and mission
- **Professional Societies (SOA, CAS, IFoA, etc.)** – visionaries for professional education
- **Planet Earth** - Our stewardship of the environment

Students & Professionals

Our company mission is focused on the creation of, and broad access to, a comprehensive and expanding array of innovative and customizable educational resources that help students and professionals learn. We've been doing this since ACTEX was founded in 1972 by Professor Dick London, an academic who created the very first study manual for students preparing for actuarial exams. Today, ACTEX employees, authors and instructors continue to expand on its founder's noble tradition through innovation and the development of best-in-class textbooks, study manuals, video instruction, question databases and other learning tools.

As a Benefit Corporation, our biggest challenge (and reward), is simultaneously expanding our offerings and pricing our products in a manner that assures broad and expanding access. We are also firmly committed to pricing transparency. In 2022, we achieved the following:

- **Affordability to further expand access** – We are committed to offering our most popular study programs at the lowest possible prices. Our efforts in this area are more needed than ever with consumer inflation soaring in 2022 (annual CPI estimated at 8.6%) and university tuition inflation far outstripping the growth in personal incomes for decades. Our two largest initiatives in 2022 included:
 - Study Manual Programs – across all titles, separated our printed and electronic pricing (previously priced the same) to create lower priced electronic options for students, professors and corporate customers. And as mentioned directly above, our products are already the lowest priced, complete study manual programs in the industry.
 - Academic GOAL course bundles at newly available pricing ranging from 36.1% to 67.0% below individual purchase levels (which are already the lowest in the industry).
- **Inaugural financial donation to Actuarial Foundation**, an organization offering free math education and financial literacy programs, resources, and scholarships to meet the needs of teachers, students and parents.
- **Expanded free content to students, developed and/or launched:**
 - Book titles such as *Achieving Your Pinnacle* and *Actuarial Learning: A Guidebook to Exam Success and Workplace Advancement*
 - Supplemental study manual resources for all of the preliminary SOA and CAS exams

- Pricing transparency – to broaden access to all customer segments equally, we offer everyday affordability for all.

We strive to do even better in 2023! We are actively pursuing ways to further improve affordability and access, including a more expansive outreach effort to underserved communities.

Professors & Instructors

It is enshrined in our corporate by-laws that the company shall have a specific public benefit purpose,

“To promote innovation in education and improved access to exceptional content and expert instruction through our community of students, educators and professionals with the goal of offering customizable educational resources to improve both the effectiveness and efficiency in which students and professionals learn, and professors and instructors teach.”

Professors and instructors are central members of our community. It’s a source of pride for our company that our collaboration with professors is both mutually beneficial, self-reinforcing and directly adds value to classroom instruction and the student learning experience.

One of our most successful accomplishments during the year was expanding our university classroom offerings while simultaneously expanding our university discount pricing to assure broad and expanded access. In 2022, we achieved the following:

- As mentioned above, Academic GOAL course bundles at newly available pricing ranging from 36.1% to 69.0% below individual pricing levels (which are already the lowest in the industry).
- Titles in this program expanded from 0 to 19, including complete study bundle programs available for professors, covering the preliminary exam syllabi.
- Ghana Program, 4 universities – In collaboration with the Ghana Actuarial Society, we designed a discounted program tailored to meet the testing and educational need of four participating universities.

Authors & Professional Subject-Matter Experts

In 2022, we significantly expanded our globally diverse collective of professors and professional subject matter experts and empowered them to collectively create best-in-class educational materials. These pedagogy thought-leaders are attracted to our mission of expanded student access and similarly feel compelled to take personal and professional action toward work that is

not necessarily bigger, but definitely better; work that has a positive impact in the world and that inspires others to take positive action too. This past year, we achieved the following:

- Expanded our diverse network of contributing professors by 18.5% over 2021.
- Payment Assurance – 100% of professors (including all vendors) received timely payment, comfortably exceeding our pre-established payment terms.

Our Team

We endeavor to provide a positive and supportive work environment with high-quality benefits and training programs for our employees. In 2022, we achieved the following:

- Our team members are rewarded for their outstanding performance. In this way, we all share in the entire company's success. A new, expanded employee performance recognition program was launched for 2022. Compensation through direct payments and time off to employees under this program increase 60.4% over 2021.
- Our commitment to continuous learning and job enhancement begins with training. In 2022, we increased employee training expenditures by 60.6% over the prior year.
- We sought to increase employee participation in both our 401k and flexible spending account programs. Unfortunately, the figures declined 20.0% and 9.9%, respectively in 2022 vs. 2021. Improved participation remains a goal and we're committed to regular additional employee education in this area to increase participation in 2023.

Professional Societies

Over the past 50 years, ACTEX employees and authors have volunteered thousands of hours to the advancement of education and the actuarial profession through leadership and committee assignments at both the Society of Actuaries (SOA) and Casualty Actuarial Society (CAS). In 2022, we achieved the following projects that put purpose (expanding the actuarial knowledge base) above profitability:

- *Fundamentals of General Insurance Actuarial Analysis*, 2nd Edition, published in collaboration with (SOA/Friedland)
- *Design Your Future with the Competency Framework – The Complete Actuary*, First Edition (Junker & Robbins) – advancing book project toward publication in 2023 with cooperation of the SOA.
- *Insuring Long Term Care*, 1st Ed. (Eaton & Morton) – Specialty textbook created with input from SOA Exam Committee members which has been added to exam syllabi.
- Reprint permission granted to SOA, allowing the SOA to use ACTEX educational materials in their candidate Study Notes for a nominal fee
- Booklist communication with SOA, assisting the SOA to assure that the materials selected by Exam Committees are available for student use.
- Shipment of syllabi listed textbooks to SOA Exam committee members, as requested.

- Advanced a number of book titles related to SOA education for estimated publication in 2023

Planet Earth

Equally important to ArchiMedia is our stewardship of the environment. We encourage our employees and all the above listed members of our community to support ArchiMedia's efforts to reduce our environmental impact. As a specialty eLearning company, our carbon footprint is small. But as a Benefit Corporation, we strive to conduct our operations in a manner that seeks to cause no unnecessary harm by reducing the environmental impact of our operations in water use, water quality, energy use, greenhouse gas emissions, chemical use, toxicity and waste. In 2022, we achieved the following:

- Paper reduction – Our company offers printed material for our own products and that of other publishers as well. We've undertaken a companywide, effort, in partnership with many of these peer companies, to shift to electronic materials and away from printed material to reduce our combined carbon footprint. We are pleased to report that as a result of our efforts, we decreased paper usage by 34.8% in 2022 from the prior year.
- Shipping reduction – Paper reduction reduces shipping and the resultant carbon dioxide emissions. We are pleased that this double benefit has resulted in an estimated decrease of 24.3% in shipping and corresponding emission pollutants.
- Beach cleanup & environmental education – On September 30th, NH staff members, under the direction of the Blue Ocean Society, volunteered for an afternoon of beach cleanup. In the process we learned a great deal about pollution in our oceans and the difficulty and importance of keeping them free from pollutants.

Governance

For Benefit Corporations like ArchiMedia, "governance" means how well our actions deliver on our aspirations. As they say, "It's easier said than done." We are joined on this journey by some of the best educators and professionals in the world, all focused on creating positive educational, social and environmental impact. Through our own actions and those of these like-minded community members, we amplify the benefits of our actions across the globe.

Registering as a Benefit Corporation further focused our company's goals of operating as a socially and environmentally conscious business and provided a platform for public accountability. It also helps ensure our stakeholder's interests are transparently and authentically baked into every aspect of our business; the things we do and don't do, and the way we interact with our student, professors, employees, suppliers and our communities. It means we set concrete goals for the positive impact we want to make, and we track and publish how well we deliver on them. And as we get better, it keeps us striving for more. It keeps us asking ourselves "What can be better?" every day.

Looking Ahead

We are pleased with our accomplishments in inaugural year as Benefit Corporation, but we are not satisfied. There is much more to do! As we look forward to 2023, we are implementing plans to expand on our educational, societal and environmental efforts. We encourage everyone reading this report to join us – helping to expand knowledge, build community and care for our planet in the process!