



# 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 and online filings, \$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) FAIR ANITA SBC

2. The public benefit corporation's board of directors has reviewed and approved this report.

3. Enter the information of your public benefit corporation's specific or general benefit, with regard to the period covered by this report as required by 304A. 201 subd. 2 or 3 in the field below (see instructions for further information): Note: Use additional sheets if needed. (Required)

SEE ATTACHED DOCUMENT

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 of Public Benefit Corporation's Chief Executive Officer

2/15/16  
 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:

INFO @ FAIRANITA.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:**

<span style="border: 1px solid black; padding: 2px;">JOY MCBRIEN</span>	<span style="border: 1px solid black; padding: 2px;">651 338 3842</span>
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

First Annual Benefit Report of  
**FAIR ANITA,**  
A Minnesota Specific Benefit Corporation

February 15, 2016

## **FAIR ANITA**

Empowering women to improve their economic circumstance can positively transform the world. Globally, 70% of people living in extreme poverty are female. Without a steady income, they struggle with seemingly simple tasks: feeding their children; sending them to school; providing a safe place to live. Women's economic empowerment and leadership is key to overall economic growth and prosperity, yet we still fail to see women in positions of economic power or as successful entrepreneurs.

We are working to change that, empowering women through economic opportunity. Fair Anita is a social enterprise that empowers women in developing countries through dignified jobs and fair trade relationships. We're all about creating economic opportunities for women through entrepreneurship and leadership. We sell trendy, global products handcrafted by female artisans in 16+ developing countries, giving women the tools they need to improve their lives, while providing the chance for consumers to contribute to this positive life-changing process through their purchases. The sale of our products provide income to over 8,000 talented yet impoverished women. Our message is women investing in other women, creating positive impact globally.

*Fair Anita exists to serve women.*

We envision a shopping experience where customers can go to the store and know where their product is actually coming from. All products should be mission-based products—no product should exploit people in the making of it. We want customers to have the opportunity to make fashion-forward purchases that empower people rather than exploit them. Fair Anita is opening up the supply chain so that products that consumers love can also transform women and their communities around the world.

The idea is simple, yet powerful: the buying and selling of products, bringing the artisans back into the supply chain, adding dignity and a fair trade livelihood. A job can be the best form of philanthropy, and our sustainable Public Benefit Corporation business model will allow these women to thrive into the future.

### **History of Fair Anita**

Fair Anita was incorporated as a Minnesota Public Benefit Corporation on January 2, 2015. After years of traveling and meeting with women from around the world, Joy McBrien founded Fair Anita as a way to provide economic opportunity to the women who need it most. After falling victim to rape and sexual violence, Joy became very passionate about women's rights. Feeling compelled to take action on the issue, she moved to Chimbote, Peru, and built the city's first battered women's shelter, working to heal herself while helping others tackle the same issue.

Developing a true devotion to understanding women's experiences, she continued this journey by traveling to 18 different countries to better understand how women experience both violence and leadership. Across all of these borders, a clear theme arose: the need for economic opportunity. These women recognized that if they had a steady income, they could potentially leave an abusive partner or they're seen as having more worth in their own home so abuse levels go down.

This is why Joy started Fair Anita, because of this clear need for a platform for these women to sell their products. Now, she's thrilled to see this opportunity take off, creating a sustainable business model while working with like-minded women. We're so grateful for the support of our communities in these efforts, and we look forward to the traction Fair Anita will gain in the coming years.

## **Key Management and Advisors**

Joy McBrien is the Founder and CEO of Fair Anita. She is a global learner who is passionate about creating opportunities for women and girls, having built a battered women's shelter in Peru and working at a girl-focused middle school in St. Paul. She has worked with thousands of women around the world, using her empathetic nature to understand circumstances and develop creative solutions. Formerly the Assistant Manager at Ten Thousand Villages St Paul, Joy built strong knowledge of fair trade operations and consumer trends. As a graduate of the University of Minnesota in Entrepreneurship Studies, Nonprofit Management, and Design, Fair Anita combines all of her passions and strengths. Joy has been recognized for her leadership in this space, awards including: Top Ten Outstanding Young Minnesotans 2015, Open Hands Initiative Fellow 2016, and Minnesota Business Magazine's 35 Entrepreneurs Under 35. She is the Outgoing Curator with the Minneapolis Hub of Global Shapers, and she was chosen to represent women's issues at the World Economic Forum's conference on Overcoming Social and Economic Exclusion with His Holiness Pope Francis. At Fair Anita, Joy is responsible for overseeing and implementing day to day activities, such as marketing, product development, and sales, in addition to setting the company's vision and making goals to create a more inclusive economy for women.

Advisors to Fair Anita include:

- Jason Phillips, Partner at Ernst & Young
- Kimberly Lowe, Partner at Fredrikson & Byron
- Kristin Day, Director of Sales at Zak Designs
- Samantha Decker, Marketing Manager at Aimia
- David Gee, PR & Communications Director at The Goodman Group
- Brian Jones, Minister at Colonial Church of Edina
- Karen Schaffhausen, Business & Marketing Strategies at BusinessIntervals
- Ana Caldas, Fair Anita namesake

Although they are advising Fair Anita in an informal capacity, their contributions to our success in the first year are invaluable, and we are so grateful that they have chosen to lend their brilliance to our mission.

## Highlights of the Year

January 2, 2015: **Incorporated as a Public Benefit Corporation** in the state of Minnesota, with help from Fredrikson & Byron and The Improve Group.

February 1, 2015: **First wholesale partnership established** with Ten Thousand Villages St Paul. This was the first of many wholesale partnerships to happen later on, including Regla de Oro, Paisley & Sparrow, William's Company Store, and more.

February 5, 2015: **Featured on the Greater MSP Business Show** in an interview with Cyndy Brucato. This was our initial spark to online sales.

April 20, 2015: **Featured in the Star Tribune**, in an article entitled "Designed to Empower" by journalist Neal St. Anthony. We consider this our "coming out" moment, as we gained a big following after this article.

April 24, 2015: **Selected as a winner in the Innove Competition**, hosted by the Colonial Church of Edina. This unlocked a loan to Fair Anita, as well as mentorship opportunities and a great community of supporters.

June 9, 2015: **Started summer internship program**, working with 3 amazing young women in the Twin Cities to improve our design and marketing strategies.

June 16, 2015: **Began working with new artisan groups**, including one in Ethiopia, Cambodia, and another in India, allowing us to further our impact.

July 30, 2015: **Chosen as a Fellow** in the Open Hands Initiative Fellowship for Young Women Entrepreneurs, which took place in Amman, Jordan in October.

August 1, 2015: **Highlighted as Minnesota's Top 35 Entrepreneurs Under 35** by the Minnesota Business Magazine.

December 31, 2015: **Exceeded holiday sales goals** by nearly 200%, thanks to our generous community of supporters. We participated in over 25 off-site sales during the holiday season.

## *Our SBC Mission:*

*Empowering under-resourced women throughout  
our supply chain and business operations.*

### **Pursuit of Mission**

With regard to the period covered by this report, January 2, 2015 to December 31, 2015, Fair Anita pursued the specific benefit purpose stated in its articles in the following ways.

- **Selling fair trade products.** As a business, our main activity is the creation and selling of fair trade products, made by over 8000 women in 16 developing countries. The sale of these products provide fair incomes, good working conditions, and a sustainable job to women around the world. Part of our mission is to fill a gap in consumer markets by sourcing fair-trade goods that are designed to appeal to a younger demographic and at lower prices than are average for fair trade consumers. This brings a new demographic to ethical, fair trade purchasing, which ultimately increases opportunity for our artisan partners to create and sell their products. Resources devoted to this include: staff time, marketing, website development and maintenance, order fulfillment, shipping products, off-site sales, building wholesale partnerships, creating relationships with customers, and managing an authentic brand.
- **Increasing capacity** in design and business of artisan groups. Fair Anita not only buys and sells products from fair trade artisan groups, but we work with the women to increase their competencies, allowing their businesses to grow and enabling them to hire more women. We work with them on design skills, which helps us be able to sell more product. We regularly work on business acumen as well, making sure all costs are accounted for in their pricing strategies and figuring out the best ways to improve the supply chains. This year, we worked in-person with artisan groups in Guatemala, Jordan, and Egypt, in addition to working with groups in 13 other countries over the internet.
- **Hosting workshops** for women in the US. We organized and led 3 workshops for female entrepreneurs, putting to action our mission of “women investing in other women” to help connect them with the resources and skills they need to succeed. We also helped to organize a women’s mentorship event, which gathered 180+ women from around Minnesota to grow in their community, confidence, and collaboration.
- **Donating to causes** that further Fair Anita’s mission. We made donations, both in-kind and otherwise, to nonprofit organizations that support women around the world. These include (but aren’t limited to): UN Women, Girl Scouts, and Laura Jeffrey Academy.

### **Impact**

Fair Anita is creating impact in Minnesota and across the world. Here’s how we succeed in meeting the goals of our specific benefit purpose:

*By selling fair trade products.*

- **Impact of selling products on earning opportunity for women.** In 2015, Fair Anita generated income for women with our primary artisan partners in the following countries:
  - Ethiopia: \$9,208.78

- India: \$6,243.45
- Peru: \$4,281.00
- Cambodia: \$2,615.00
- Guatemala: \$1,279.02
- Additional partners: \$1,999.88
- **Impact of selling products on improving the lives of artisan partners.** These jobs provide a path to economic independence for at-risk or marginalized women.
  - "I came to this community 12 years ago, right after my husband and daughter passed away. It took me years to accept that I have HIV/AIDS in my blood. It has been 6 years since I started with this artisan group, and I'm very thankful for it because through this job I have started living again." - Ethiopia
  - "It has been 10 years since I discovered I was HIV positive. At first, I wanted to take my life, but joining this artisan group has enabled me to have friends who understand me and a job to build self-esteem. I have also started dreaming for my future." – Ethiopia
  - "Mekdes found out that she had the virus [HIV] after her husband died. She left her three children to live with relatives because she was unable to raise them alone, but since she started making jewelry, which became her source of income, Mekdes and her children got a chance of living a happy life together again." – Ethiopia
  - "The place where my life is today, I'm very grateful for that." – India
  - "The journey from someone living in poverty, despised by the community, to being known as a fair trade artist, working with dignity—it is just incredible" – India
  - "We work to live meaningfully and to become the people we know we can be."- Cambodia
  - "Without the fair trade work, my children would have died of starvation." - Guatemala
  - "Our lives have value; we know that now." - Peru
- **Impact of selling products for our customers.** Fair Anita successfully marketed and sold products to customers in 22 U.S. states in 2015.
  - We received exceptionally positive feedback from our customer surveys, which are sent to all online shopping customers.
    - 5 out of 5 would recommend Fair Anita to a friend
    - 4.8 out of 5 will shop with Fair Anita again
    - 4.9 out of 5 is our customers' rating for how satisfied they are with their products
    - 4.9 out of 5 is how our customers rate their experience with Fair Anita
    - Customer testimonials:
      - "My experience with Fair Anita has been great. The packaging is nice, the service is fast and personal. The products are good quality. It's all good!"
      - "I purchased the Aruna Silk Scarf, and it is \*so\* beautiful -- the quality of the silk and the crispness of the printing is way above what I expected for the price. Although I'm a poor grad student, I would have paid much more for such a gorgeous piece, especially since it supports a great cause!"
      - "I love buying from Fair Anita for myself and others because the products not only look great, I get to support a woman owned business and feel connected to incredible women around the

world that make them! I am looking forward to seeing Fair Anita grow and what new artisans will be part of the journey.”

- We sold our Fair Anita products to customers who have not previously purchased fair trade products, expanding the fair trade mission to new customer demographics.
- Our social media following grew from June 2015 to December 2015
  - Facebook: 188 to 501
  - Instagram: 178 to 537
- We partnered with new retailers to get Fair Anita products to a wider audience.
  - Wholesale partners increased from 0 to 8

*By increasing capacity.*

- **Impact of capacity building with attracting new markets to increase sales.** Fair Anita provides consultation to artisan partners on product designs, creating products that are more likely to appeal to younger US consumers. Nationally, this is a new and emerging market for fair trade, as fair trade products are traditionally sold to women ages 40-65. Because Fair Anita is able to help artisans create jewelry for a younger demographic, they're able to sell more product; both to their typical fair trade retailers with their traditional designs, and to new fair trade partners (including Fair Anita) with the younger, trendier designs. According to leaders from 6 of our artisan partners, this opened up a totally new demographic, allowing them to increase production and sales. For some of these partners, including groups in Peru and India, the new sales opportunities meant they were able to create new jobs for additional women in their communities.
- **Impact of capacity building with our artisan partners in India.** Fair Anita is the first to export products from one of our artisan partner groups in India. Their artisans, women who were making nothing or under minimum wage, now make 3x the minimum wage of Uttar Pradesh, India. With a minimum wage of 284 Rupees per day, this means they're making at least 852 Rupees daily. This group works with 22 women in Uttar Pradesh, India. Most of these women prefer to work from their homes, and they're provided with tools and machinery they need to create these beautiful scarves. As more and more women want to join this group, they are finding additional ways to employ women. They have local women perform quality checks and package the scarves. They're also running a vocational training program for the women in the community to learn production process like weaving, hand embroidery, loom work, and screen printing, so they're able to find work and earn for themselves. One artisan, Salima, says, "We are paid fair so we work with dignity. Now, we have a say and are respected in society."

*A note on measuring impact.*

- We understand that the women we are working with are capable, competent people, who, like all women, are trying to create better lives for themselves and their families. We cannot attribute all of their successes solely to the opportunities that Fair Anita has created, as they are likely exploring multiple approaches to improve their livelihoods. We used a mixed methods approach, gathering both qualitative and quantitative information, to determine the impact of Fair Anita. Some of our artisan partners work with other distributors for their products, so often times, the impact in artisans' lives can be attributed to more than one organization. That being said, we're proud to contribute to the happiness, safety, income stability, and respect that these women are achieving. Our data collection will improve in the coming years, as we now have a comparison point, so we look forward to reporting heightened impact in the future.



## Strategic Directions for 2016

In order to scale Fair Anita sales and impact, we've determined the following goals for the next year:

- **Increase staffing.** As a start-up organization, we've spent our first year bootstrapping to make things work. To create a higher impact in the future, we will be hiring more Fair Anita staff members. We have plans to do this early on in 2016, and this extra capacity will increase our impact in the coming year.
- **Grow online marketing.** In our first year of business, we relied on a lot of work of mouth to make sales. While this worked much better than anticipated, but we understand that it's not a sustainable plan in order to reach big new markets. We are increasing our marketing efforts, especially online, to find additional customers in the coming years. This includes hiring a Digital Marketing Coordinator, focusing on growing our social media presence, and revamping our website for easier navigation. Of course, more visibility and customers means we are able to provide additional jobs to women around the world.

## CERTIFICATION BY THE BOARD OF DIRECTORS

The undersigned, being all of the directors of Fair Anita, hereby acknowledge and certify that we have reviewed and approved the enclosed First Annual Report.



2/15/16

Joy McBrien