

First Annual Benefit Report
of
MY SISTER, SBC
a Minnesota Specific Benefit Corporation

Date March 11, 2016

History of MY SISTER, SBC

- Incorporation date;
 - January 1, 2015
- Founders;
 - Wayne Zink and Mandy Multerer
- How the concept came about;
 - Co-founder and chairperson, Wayne Zink, was the former president of a socially responsible chocolate company, Endangered Species Chocolate, which raises millions to protect endangered species around the world, plus provide fair trade employment in those communities for local farmers. His determination to help children become strong, thriving adults, drove him to use a similar business model for fighting sex trafficking and providing a better future for children and women trapped in that life.
 - Sex trafficking has been a serious issue for too many years. And one that doesn't get enough attention. It impacts over 4 million children and women a year. Trafficking will keep growing exponentially if we don't start taking action against it, prompting our socially responsible business structure. By offering an every day product and leveraging business opportunities and relationships, we can offer a sustainable source of funding and support to non-profits and groups fighting trafficking all over the world. We connect to local communities to educate citizens on what is happening in their area. Informing those around us on the issue and introducing them to the non-profits providing after-care, are important first steps in the fight against trafficking.

Key Management

- Wayne Zink - Chairperson - Former president of Endangered Species Chocolate, a socially responsible chocolate company, and philanthropist in the arts and theater community. Very involved in Project Success, a local non-profit focusing on helping children in the community build self-esteem and a healthy and bright future.
- Mandy Multerer - CEO - Extensive background in design, marketing and photography and a strong desire to make the future for girls and women a better one. Connected with groups of girls and women to develop the MY SISTER brand, and currently runs and guides the day-to-day operations and creative direction and product development.
- Yvette Willaert - Director of External Sales - Yvette has a background in ethical fashion and social entrepreneurship. She started and grew a team and sewing center in Uganda, working to provide safe and sustainable employment for women in the community. She works with MY SISTER because she promised herself she would only work with companies who impact lives of those in need, and MY SISTER does this so beautifully.

- Emily Karis – Social Media and Events Assistant - Emily has a background in volunteering for non-profits and working retail and is inspired by people supporting one another and working together towards one goal for the greater good.
- Virginia Townsend – Community Outreach Manager - As a survivor of the sex industry, Virginia wants to use her experience and voice to help other victims of trafficking.

Highlights of the Year

- January 2nd – Incorporated as a Specific Benefit Corporation in the state of Minnesota.
- May 4th – Launched online store.
- June 4th – Launch party with theater performance of sex trafficking survivors and fashion show. Hosted a fundraiser for non-profit partner, Maiti Nepal, and raised nearly \$8,500 in under 10 minutes.
- **Testimonial from a non-profit partner.**
 - From the Women’s Foundation of Minnesota
 - “The brilliance of MY SISTER’s approach to end sex trafficking is undeniable: be a premier online retailer of trend-forward clothing designed to end sex trafficking and give voice to survivors; connect to and engage new audiences of young adults in the fight to end sex trafficking; and donate a percentage of profits to support key organizations leading the work in Minnesota and Nepal. We are honored to be a charitable beneficiary of MY SISTER through our MN Girls Are Not For Sale campaign, which has helped drive our statewide work to end sex trafficking in Minnesota through grantmaking, research, and policy.”

MY SISTER pursued the specific benefit purpose stated in its articles of incorporation in the following ways:

To help victims of sex trafficking and those threatened by sex trafficking, and to promote freedom and empowerment to the women of the world through the following:

Annually distributing donations totaling a minimum of six percent of MY SISTER's gross sales from the previous fiscal year among non-profit organizations that MY SISTER determines are dedicated to helping the victims of sex trafficking; and

We began by choosing two non-profits that would be a good fit for our funding and initiatives. It's required that they provide and support a well-rounded and holistic program for victims and survivors of sexual exploitation. They must support and provide prevention, awareness, education, street outreach, policymaking, housing, legal services, therapy, career services and more. The two we chose are MN Girls Are Not For Sale (wfmn.org) and Maiti Nepal (maitinepal.org).

- From May 4th (our launch date) to December 31st, 2015, we distributed 6% of gross sales, equaling \$3,924.48.
 - In addition to the 6%, we granted a \$10,000 fund from MY SISTER to get started for those non-profits, along with a \$1,000 gift to Maiti Nepal.
 - Fueled community fundraising through our products (tattoos and stickers), raising an additional \$3,249.
 - In-kind donations of shirts to The Link for the holidays for their youth, equaling a value of \$2,068.
 - Matched sales with a private foundation donation, equaling \$3,296.07.
 - Hosted a fundraiser at our launch party on June 4th, raising a total of \$8,500.
 - Team donations to The Link, equaling \$1,510.
- a) Offering employment opportunities and teaching business skills to women who have freed themselves from the shackles of sex trafficking; and
- Hired Virginia Townsend as Community Outreach Manager in March 2015.
 - Contracted survivors with a non-profit (Sano Paila) in Nepal to design and handcraft our jewelry line.
- b) Educating the public about sex trafficking and exploitation of women and girls in order to reduce the demand for victims of trafficking; and
- Very active in the community to raise awareness with youth, women and men. Participated in advocacy events, such as the Demand Change

Conference, rally and candlelight vigil with Breaking Free.

- Participate in speaking opportunities when available.
- Get conversations started and educate the general public on statistics of trafficking in Minnesota, the US and abroad. Events include: Rock The Garden, Open Streets, Shop Local at MOA, and Northern Spark.

c) Promoting MY SISTER's core value of love in all business activities and practices, between employees, to all customers, and to the rest of the world; and

- Grant grace with our team and event staff. Also work to inspire and coach them on educating the public and being advocates.
- Ensure that customers are always happy with our product and work as best we can to create a return customer. Every happy customer is an advocate for the cause.

d) Engaging in business activities and practices that will promote freedom and empowerment to the women of the world.

- Offer above minimum wage pay to all employees and contractors to promote sustainable living outside of MY SISTER.
- Ensuring all of our products are sweatshop-free.

The following is a description of how we believe we succeeded in achieving the goals of our specific benefit purpose.

- Accounting for all given and fueled donations, the total has exceeded the 6% and has been equivalent to 40% of gross sales.
- At community events, we've reached over 30,000 people, working to raise awareness and get them involved.
- Established wholesale relationships with 2 boutique retailers in MN.
- Online, we have had the following reach:
 - 24,015 visitors
 - 21,000 Facebook followers
 - 1,825 Instagram followers
- In 2015, our non-profit partner, MN Girls Are Not For Sale, granted a total of \$630,000 throughout Minnesota to support demand reduction, public and police official education and housing.
- In 2014, our NGO partner, Maiti Nepal, reached the following impact, with 2015 projected as being a larger year for them.
 - 2,904 border interceptions
 - 134,718 migrants informed at the border
 - 183 victims rescued
 - 80 women trained at prevention homes
 - 342 missing found
 - 19 trafficking cases initiated
- We've achieved a great level of PR for the fight against sex trafficking and socially responsible businesses. Articles and featured include:
 - WCCO
 - KARE 11
 - Minnesota Monthly
 - City Pages
 - Southwest Journal
 - A number of bloggers and influencers
- We've initiated partnerships with local non-profits to help them raise more money and work with local youth to combat the potential of more trafficking victims. We will be doing a shirt with The Link and Project Success in 2016.

Strategic Direction for 2016

In 2016, we will be focusing on education, street outreach and employment support for survivors.

Education

- More outreach to the general public at community events and pop-up shops.
- Impactful and effective social media outreach.
- Create education packs for schools, groups, and communities.
- Learn more and raise awareness for sexual exploitation of the Native American and transgender communities.

Street Outreach

- Connect with more non-profits who are doing street outreach to homeless youth and sexually exploited people in MN to support those programs directly.

Employment Support

- Develop internship programs for survivors.
- Research more ways to offer products where survivors are employed in our supply chain.

We will also be refining our branding and messaging to speak even more directly to the issue and how our company makes an impact with every purchase.

CERTIFICATION BY THE BOARD OF DIRECTORS

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

DocuSigned by:
Wayne Zink Wayne Zink
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Mandy Multerer Mandy Multerer

SUBMISSION:

I, the undersigned, certify that I am the CEO of this specific 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.



Mandy Multerer



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OFFICE OF THE SECRETARY OF STATE
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Steve Simon

Steve Simon
Secretary of State