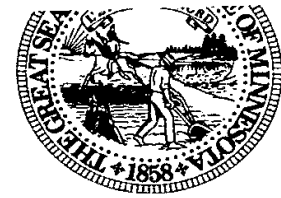


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**Office of the Minnesota Secretary of State**  
**Minnesota Public Benefit Corporation / Annual Benefit Report**  
*Minnesota Statutes, Chapter 304A*



Read the instructions before completing this form  
Must be filed by March 31  
Filing Fee: \$55 for expedited service in-person, \$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. see attached
- 3. In the field below, enter the information required by section 304A.301 subd. 2 or 3 for the period covered by this report, (see instructions for further information): Note: Use additional sheets if needed. (Required)

see attached.

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.

Joy Mcbrien  
Signature of Public Benefit Corporation's Chief Executive Officer

March 22, 2017  
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:

joy.mcbrien@gmail.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:**

Joy McBrien 651.338.3842  
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

**Second Annual Benefit Report of**

# **FAIR ANITA,**

**A Minnesota Specific Benefit Corporation**

**February 15, 2017**

## **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 by 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 provides 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 be seen as having more worth in their own home, causing abuse levels to decrease.

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.

## **Management**

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.

Fair Anita team members include:

- Anna Bottila: Operations Manager. Anna is a full-time team member at Fair Anita. She's responsible for all off-site sales, order fulfillments, and customer service, and she plays a critical role in developing our sales channels and our brand presence in the Twin Cities.
- PJ Valenciano: Digital Marketing Manager. PJ is a part-time team member based in the Philippines. She manages our SEO and online branding, including blog posts, Pinterest, Twitter, and Facebook.
- Cara Lahti: Marketing Strategy Associate. Cara started 2016 as an intern, and joined our team as a part-time staff member in the fall. She's responsible for our marketing campaigns and our Mission Ambassador program.
- Jaci Bottila: Sales Associate. Jaci (Jack) started with us as a volunteer, and she now manages customer service at offsite sales. Her creative writing skills have also been utilized with Fair Anita's marketing.
- Lorena Winkleman: Sales Associate. Lorena is a part-time staff member who we met when she offered to model in a photoshoot! Lorena provides stellar customer service at our offsite sales, and she's helping with our organizational development as well.

Key advisors include:

- Debbie Walker-Kool, lawyer at Fredrikson & Byron
- Barbara Norrgard, marketing expertise
- Kristin Day, retail expertise
- Brian Jones, manager of Innove Program (formerly at Colonial Church of Edina)
- Anita Caldas, namesake of Fair Anita

## Highlights of the Year

February 1, 2015: **Hired Anna Bottila and PJ Valenciano**, Fair Anita's first hires. This was the best move made all year, as they played critical roles in our organization's growth.

February 5, 2016: **Featured on the Social Entrepreneur Podcast** in an interview with Tony Loyd, which became one of the top 8 podcasts of the year for the program.

February 12, 2016: **Featured on Fox News** in an interview with Maury Glover about our recycled bullet casing products made by women in Ethiopia.

April 1, 2016: **Featured in St Paul Pioneer Press** in an article by journalist Bob Shaw in an article titled, "Bullets to Beauty: St Paul Woman Recycles Stuff of War."

April 20, 2016: **New artisan partners in Santiago, Chile**. After a month of searching and working with artisans across Chile, we officially invited 3 artisan groups in Chile to join us.

May 1, 2016: **Founder Joy McBrien named as (Real) Power 50** by Minnesota Business Magazine, an honor given to 50 Minnesotans creating real change.

June 20, 2016: **New artisan partners in Peru and Vietnam**. We partnered with 16 female artisans with physical disabilities in Chimbote, Peru, the birthplace of Fair Anita, as well as began working with textile artisans in Vietnam.

August 4, 2016: **First professional photoshoot**, taking place in Peru. This took our marketing collateral to the next level, including images that were used in our first-ever lookbook, as well as videos "About Us" and "Meet Anita."

August 15, 2016: **Our first office!** The ever-generous Colonial Church of Edina set up an office for us to use, meaning inventory is no longer stored in a bedroom. It was a big step!

September 1, 2016: **Hired Cara Lahti, Jaci Bottila, and Lorena Winkleman** in response to our organizational growth and their stellar track records. These hires prepared us for our best holiday season to date.

September 15, 2016: **New retail partners across the US**. We entered the holiday season with 30 retail partners (compared to last year's 6), including stores in Colorado, Oregon, Massachusetts, etc.

October 1, 2016: **Launched our Mission Ambassadors Program**, as a way to engage customers and supporters in growing our brand.

November 1, 2016: **Founder Joy McBrien featured on cover of Woodbury Magazine** with accompanying article entitled "Fair Anita Gives Fair Chance" by Maggie Kelly.

November 10, 2016: **New "About Us" video reaches 10k views**. The video, highlighting our mission and why we do it, was shared over 100 times.

December 31, 2016: **Exceeded holiday sales goals** by nearly 200%, thanks to our generous community of supporters. We participated in over 60 off-site sales and grew our yearly revenues by 3x.

# *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 1, 2016 to December 31, 2016, 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 Peru, Chile, and Uruguay, 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 on topics of women's empowerment. This helped to grow our local community, as well as reinvest in our supporters by helping them connect with the resources and skills they need to succeed. Over 200 women participated in the varying workshops.
- **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 2016, Fair Anita generated income for women employed by our primary artisan partners in the following countries:
  - India: \$25,048.50
  - Peru: \$17,865.80

- Ethiopia: \$16,361.14
- Chile: \$12,282.25
- Egypt: \$5,396.52
- Ecuador: \$3,202.00
- Cambodia: \$2,358.00
- Vietnam: \$2,678.00
- Guatemala: \$1,279.02
- South Africa: \$1,145.50
- Additional partners: \$1,230.50
- **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.
  - **Providing sustainable jobs.** We are committed to longevity, continuity and reliability in our fair trade relationships. These characteristics allow our artisan partners to be forward thinking in a number of ways, including employing additional artisans.
    - 40% of artisans reported that working with Fair Anita has allowed them to employ additional artisans.
    - “More and more continuous orders means more and stable income for our artisans.” –Peru
  - **Increasing organizational capacity.** Our artisan partners strive to produce more than fair trade goods, they seek to create stable and inspiring opportunities for women in society. By paying artisans fair wages and committing to long-term partnerships, we enable artisan groups to invest in production and organizational development simultaneously.
    - Artisans report growing capacity, creating more jobs and educating clients as their goals for the future. We are committed to helping our partners realize those goals.
  - **Improving women’s status in the community.** We believe that investments in women are investments in the community. The results of employing groups of women with fair wages and long-term opportunities spread beyond the artisan cooperatives themselves.
    - 100% of artisan groups strongly agree that fair and sustainable jobs improve women’s status in their community.
    - 85% of artisan groups agree that economic opportunity is essential for women experiencing domestic abuse.
  - **Maintaining responsive and accountable partnerships.** Meeting and exceeding artisan partner’s needs is our primary motivation. We strive to provide open communication and responsive behavior in all of our partnerships, and our artisan partners know this about us.
    - On average, artisan groups indicated being “strongly satisfied” with the current state of our fair trade relationships.
    - “Fair Anita is a company that is clear of what they want and are very easygoing to work with.” –Peru
  - **Artisan testimonials**
    - “Thank you Fair Anita for the love and the trust that you have in us. It is beautiful to know that we are cared for and appreciated by people in other countries, and that other people find value in my work. My sincere congratulations for the work you’re doing for women who suffer from violence. You give them value and raise their esteem so they can move forward.” - Peru

- “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
  - “I love this work and it has definitely made a big impact on my life. I am able to make jewelry in my own home, and I am able to care for my disability without others making it harder for me. People love the pieces I make, and that brings me so much joy and motivation.” - Chile
  - “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
  - “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 38 U.S. states in 2016. In early 2017, we conducted a mixed-methods survey to measure our progress in pursuit of mission. The survey results show that we successfully engaged with our target demographic in 2016 and communicated our mission to customers.
  - **Reaching a younger demographic.** The majority of our customers are under the age of 34, indicating our client base is significantly younger than the average fair trade demographic (women 40-65). We continue to sell our products to people of all ages, but our sales records show that our goal of engaging a younger market in fair trade has been successful in 2016.
    - The largest age group of survey respondents was women 25-34 (53%), the second largest women 45-54 (14%) and the third largest women 35-44 (12%)
  - **Selling fair trade goods at an affordable price point.** 95.5% of survey respondents say that our price point is “just right.” Other options included “too high” and “too low.” Our average product price is currently \$18 retail.
  - **Competing with free market firms.** 59% of participants purchased Fair Anita products as substitute goods that they would otherwise purchase in the free market, meaning they chose our mission-based product over other options.
    - 31% of survey respondents purchased Fair Anita products as an act of philanthropic giving, meaning they potentially purchased the product solely because of the associated mission
  - **Reaching new customers.** About 90% of our customers in 2016 were new to Fair Anita.



- We grew our social media following online from January 2016 to December 2016.
  - Facebook: 501 to 988
  - Instagram: 537 to 1598
- We partnered with new retailers to get Fair Anita products to a wider audience.
  - Wholesale partners increased from 8 to 32
- 9 out of 10 customers say they are very likely to recommend Fair Anita to a friend
- 65% of our sales were done in pop-up shops, 20% online, and 15% through wholesale partners.
- **Communicating our mission as a social enterprise.** While our customers purchase our products for a variety of reasons (price, design, mission, convenience, etc), it is clear that they are aware of our mission.
  - 97% of our customers believe that women's economic empowerment is positively correlated with breaking the cycle of domestic violence.
  - About 70% of our entire customer demographic understand the term "fair trade." 89% of our online survey respondents understood this term, likely proving that we do a better job of educating customers online vs in person.
  - 52% of survey respondents are more likely to purchase a product if they know it is fair trade.
- **Customer testimonials**
  - "I always get compliments on your beautiful designs, and the story gets a big (positive) reaction when I tell it too!"
  - "I appreciate that the products have transitioned from a [traditional] aesthetic to designs that are more minimalist and align with Western fashion trends. I think it will engage a wider audience of customers that care about fair trade, sustainability, and economic welfare but do not necessarily prioritize it or seek it [out] above other, more convenient options."
  - "I really loved your jewelry I saw on display at the pop up show I found you at and your price point was more than fair and keeps it affordable for those of us who splurge on a budget! I get so many compliments on the necklace I bought...I just wore it again last night! I really want the matching earrings now!"
  - "Just wanted to say THANK YOU and let you know that I already received the bracelets I ordered from Fair Anita (so fast!). I am wearing one right now and keep getting compliments on it! I will be ordering more items."
  - "I recently purchased gifts for my bridal party from Fair Anita. They went ABOVE AND BEYOND to get the items to me in time for my wedding. I cannot say enough good things about this company, their mission, and their customer service!"

*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, Chile, 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 Chile.** Fair Anita is the first to export products from two of our artisan partner groups in Chile. In the fair trade world, most of the items being exported from Chile are made from fused glass, though some companies also export cactus-made rain sticks and other smaller wood items. When Joy arrived in Chile, she was immediately attracted to their beautiful metal work, especially from copper and brass. As in most countries, metal work (even with jewelry making) is reserved for men; they're said to have the "stronger hands" needed for this tough work. We sought out some incredible female artisans in Chile, who are leaders in their fields as well as exceptional designers. Often times, these women were creating in small batches and selling exclusively on the streets to passersby. Now these women are paid at least 3x minimum wage, and they're producing in larger quantities, allowing them to employ additional women. We were able to connect these artisans to a larger Fair Trade Certified group with knowledge of exporting from Chile, so now they are able to export not only with us at Fair Anita, but also to fair trade organizations in Europe, giving them exponential opportunities for growth. We worked closely with them on design, quality control, business skills, and especially finance to feel confident that these women are making fair wages and are ready to grow a sustainable business. One artisan, Ana, talks about how this impacts her as a woman living with a physical disability, as she is now able to work without the stigma from her own home, and she's able to earn a livable wage doing what she loves.

*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. For the first time this year, we implemented an extensive survey with both our artisan groups and our customers, so our data collection will continue to improve in the coming years.

### **Strategic Directions for 2017**

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

- **Expand domestic sales to new markets through new retail partnerships.** At the beginning of 2016, we had just 6 retail partners, and we ended the year at 32. Because we've found such success working through our wholesale channel, we've decided this is an area we'd like to expand in. The more people that see our products, the more fair trade jobs we're able to provide to women around the world! We will pursue this by

participating in multiple trade shows in 2017, hoping to work with 75 retail partners by the end of the year.

- **Leverage social media to deepen customer awareness of our mission and its parameters.** As our online community continues to grow, we have increased opportunities to educate our followers. It's clear that our customers know we're a mission-driven business, but it seems there is a lack of understanding of where the parameters are on what we do and don't do. We've made all of these decisions very intentionally, so this is an opportunity for us to share with our customers. In 2017, we will put increased attention on our marketing efforts, allowing us to further educate, grow our customer base, and increase our impact.
- **Increase transparency regarding international supply chain, social enterprise spending and product cost breakdown.** One of the ten pillars of fair trade is transparency and accountability. While we maintain excellent transparency and accountability with our artisan partners, we'd like to translate this focus to our relationships with our customers. In 2017, we will release infographics and blog posts that further detail the inner workings of our supply chains, including flow of money.
- **Assess artisan partnerships and customer experience and identify areas of improvement.** For the first time, we have sufficient staff capacity to focus more closely on evaluation. We are continually seeking to improve, especially how we deliver upon our mission to our artisan partners and customers, so we will spend more time evaluating how we're doing and seeing where we can become more efficient and innovative.

#### 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 Second Annual Report.



Joy McBrien



**Work Item 942665900031**  
**Original File Number 803434900058**

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
FILED  
**03/27/2017 11:59 PM**

*Steve Simon*

Steve Simon  
Secretary of State