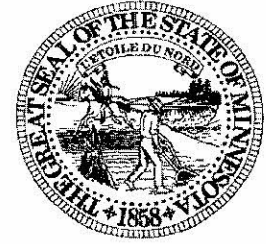




**Office of the Minnesota Secretary of State**  
**Minnesota Public Benefit Corporation / Annual Benefit Report**  
*Minnesota Statutes, Chapter 304A*



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.

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  
2/28/18

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:  
JOYMCBRIEN@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

Third Annual Benefit Report of

# **FAIR ANITA,**

A Minnesota Specific Benefit Corporation

February 27, 2018

## **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 sell cute, affordable, and ethically-made products handcrafted by female artisans in 16 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. Financial insecurity is the #1 reason why women stay with abusive partners,

so fair and sustainable jobs have the potential to create big impact in women's lives. We're so grateful for the support of our communities in these efforts, and we look forward to the growth Fair Anita will see 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. Joy is part of the Global Shapers community, 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, as well as lead a session on gender equity at the World Economic Forum's Sustainable Development Impact Summit. 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, inventory management, and customer service, and she plays a critical role in developing our retail and wholesale sales channels and our brand presence in the Twin Cities and around the country.
- **Cara Lahti: Marketing Strategy Associate.** Cara has been a part-time staff member with us since 2016. She's responsible for our marketing campaigns and our Mission Ambassador program, as well as managing influencer relationships.
- **Taylor Hall: Sales and Fulfillment Associate.** Taylor's passion for ethical supply chain brought her to our team, where she now leads order fulfillment and helps at offsite sales.
- **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.
- **Allie Hopkins: Sales Associate.** Allie is a part-time staff member who is known for her outstanding customer service at our offsite sales. She helps with organizational development and sales fulfillment as well.
- **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.

Key advisors include:

- **Debbie Walker-Kool, lawyer at Fredrikson & Byron**
- **Barbara Norrgard, marketing expertise**
- **Jason Phillips, partner at Ernst & Young**
- **Brian Jones, manager of Innove Program (formerly at Colonial Church of Edina)**
- **Anita Caldas, namesake of Fair Anita**

## Highlights of the Year

January 21, 2017: **Sponsors of the Women's March Minnesota**, part of the largest rally in U.S. history to come together around women's rights.

January 31, 2017: **Displayed at our first big trade show**, the Windy City Gift Show in Chicago. We doubled our number of retail partners at this show!

March 1, 2017: **Interviewed for Our Issues Twin Cities on the CW**, talking about rape culture and the power of economic opportunity to positively influence survivors.

April 10, 2017: **Formed new partnerships with artisans in Mexico**, both in Mexico City and outside of Taxco. We were able to launch a clothing line and new jewelry collection.

May 24, 2017: **Featured in CauseArtist**, "Meet The Female Social Entrepreneur Creating Opportunities for 8,000 Women In 16 Countries.....And Counting" by Grant Trahan.

May 30, 2017: **Formalized artisan partnership with group in Chimbote, Peru**. This is a group that Anita has been advocating for, and we finally figured out how to make the supply chain work!

June 6, 2017: **Partnered with Sunrise Banks** to gain access to a line of credit, allowing us to ease some cash flow issues and pay artisan partners more smoothly.

June 8, 2017: **Accepted as new members of the Fair Trade Federation**. We have been thrilled to be a part of this supportive community of ethical businesses!

August 1, 2017: **Hired Allie Hopkins and Taylor Hall**, joining our team as sales' associates. They were critical to our sales success throughout the busy holiday season!

August 22, 2017: **Exceeded sales goals at our first NY NOW trade show**, entering the holiday season with over 150 retail partners (compared to last year's 30). Plus, we met New York style icon Iris Apfel!

September 3, 2017: **Anna visits Joy and artisans in Mexico**, which included our fall photoshoot for the fall/winter lookbook.

November 2, 2017: **Joy delivered a TEDx talk** entitled "How Women Rise" at TEDxWilmingtonWomen, which included her personal story as well as Fair Anita's impact.

December 3, 2017: **Our biggest sale of all time**, held at Colonial Church in Edina. We sold over \$10,000 worth of product in 1.5 hours of selling time!

December 9, 2017: **Featured in Star Tribune**, "Fair Anita taps talented female artisans in world's poorest places" by Neil St. Anthony.

December 31, 2017: **Exceeded holiday sales goals** by nearly 200%, thanks to our generous community of supporters. We participated in over 160 off-site sales throughout the year 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, 2017 to December 31, 2017, 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 countries. The sale of these products provides 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 and more mainstream 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 and Mexico, in addition to working with groups in 14 other countries over the internet.
- **Hosting workshops** for women in the US. We organized and led 4 workshops on topics of women's empowerment and anti-racism. At Fair Anita, we believe that anti-racism work is absolutely critical to the feminist movement, and as a social enterprise (primarily led by white women) working with artisans in 16 countries, it is of utmost importance that we are always pushing ourselves further in our understanding of anti-racism work. These workshops were hosted locally in the Twin Cities, and they helped to grow our Fair Anita community, as well as reinvest in our supporters by helping them connect with the resources and skills they need to succeed and challenge themselves. Over 200 people 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 and in the Twin Cities. These include (but aren't limited to): UN Women, Dress for Success, Girl Scouts, Laura Jeffrey Academy, Emily Program, YWCA, and Men Stopping Violence.



## 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 2017, Fair Anita generated income for women employed by our primary artisan partners in the following countries:
  - India: \$39,101.54 (56.1% growth over 2016)
  - Mexico: \$31,207.32 (100% growth over 2016)
  - Ethiopia: \$21,024.53 (28.5% growth over 2016)
  - Peru: \$20,960.64 (17.3% growth over 2016)
  - Chile: \$18,257.39 (48.6% growth over 2016)
  - Cambodia: \$8,295.00 (251.7% growth over 2016)
  - South Africa: \$4,834.91 (322% growth over 2016)
  - Egypt: \$2,898.60 (46.2% decline since 2016 due to payment cycles)
  - Additional partners: \$1,614.20
    - *Total sent to artisan partners: \$148,194.13 (66.8% growth over 2016)*
- **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.
    - 45% of artisans reported that working with Fair Anita has allowed them to employ additional artisans.
    - "Fair Anita is easy to work with, and it makes us live easier to know that they keep placing orders with us."—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.

- “I can always get fast responses from Fair Anita. They are clear with what they need, and they also share some fun stories!” – Chile
  - **Artisan testimonials**
    - “We are crying with happiness when we work. With our disabilities, we never thought we would earn money like this.” – Peru
    - “We are happy and more confident today. Fair trade has helped us to become empowered and independent. We are able to support our families.” – India
    - “Now, I can easily take care of my family needs. I couldn’t be happier!” - India
    - “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 am a strong woman. I fight to overcome.” - Chile
    - “We are paid fair so we work with dignity. Now, we have a say and are respected in society.” - India
    - “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
    - “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 48 states in U.S. and Canada in 2017. In early 2018, 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 2017 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 2017.
    - The largest age group of survey respondents was women 25-34 (37%), the second largest women 18-24 (17%), and the third largest women 35-44 (14%).
  - **Selling fair trade goods at an affordable price point.** 90% 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 \$20 retail.



- **Competing with free market firms.** 65% 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.
  - 25% 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 80% of our customers in 2017 were new to Fair Anita.
  - We grew our social media following online from January 2017 to December 2017.
    - Facebook: 988 to 1547
    - Instagram: 1598 to 2573
  - We partnered with new retailers to get Fair Anita products to a wider audience.
    - Wholesale partners increased from 32 to 208
  - 98% customers say they are likely or very likely to recommend Fair Anita to a friend
  - 44% of our sales were done in pop-up shops, 21% online, and 35% 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." 83% of our online survey respondents understood this term, likely proving that we do a better job of educating customers online vs in person.
  - 100% of survey respondents are more likely to purchase a product if they know it is fair trade.
- **Customer testimonials**
  - "I just wanted to say how much I've appreciated Fair Anita customer service. Since Amazon prime has become the norm, it's easy to take fast shipments for granted. It wasn't until I placed a few other orders online with small businesses that I was reminded that isn't always the case. I appreciate that small businesses have a lot going on, and not always a ton of resources, so I think it's extra special that you prioritize your customers. The thank you note with each order is also a great touch. Keep it up, you guys are the best!"
  - "Your personal notes and customer service were great! Fair Anita provides customer service with a personal touch, positive, and consistent communication about the mission."
  - "I appreciate the prices and the variety of products. It is easily accessible for young people to buy things that interest them and others."
  - "Positive advertisements. Empowering women seems to be the first priority."
  - "A chance to support my fellow ladies and invest in some gorgeous accessories?!? Yes, please!"

- “By wearing beautifully crafted pieces made by fairly treated workers in an earth-kind way, the world is a sweeter place to be in. I’ve been non-stop wearing my Fair Anita earrings and they give off so much love.”
- “I always get compliments on your beautiful designs, and the story gets a big (positive) reaction when I tell it too!”

*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, Mexico, 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 Peru.** Fair Anita is the first to export products from one of our artisan partner groups in Peru. This group of 10 women all either have physical disabilities or have children with severe physical disabilities, limiting their options for work. In a town with 80% unemployment, most of these women have never held jobs. Maritza, the leader of the group, taught herself to make jewelry, and she started hosting women in her home, teaching them her jewelry-making skills. Anita connected us with this group, seeing their talent, but also noting their difficulty to find a market for their products. While they were selling in their local markets, there isn’t a ton of business in selling jewelry in one of the largest, poorest cities in the world. Now, through a formalized partnership with Fair Anita, we work with these artisans on designs that can be sold in the U.S. and beyond. For the first time, these incredible women are receiving regular income. Their products have become very popular in the U.S., so their business keeps expanding. As they expand, we continue to work with these artisans on business development: understanding pricing structures, pay cycles, material sourcing, etc. This allows them to have a more sustainable business where all the women can thrive. Our hope is to continue to grow this partnership, employing more women in the process.

*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.

## Strategic Directions for 2018

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

- **Utilize online sales trends to grow our margins and our mission.** In 2017, online sales were just 21% of our overall revenues. These sales give us the highest margin on product and are the easiest to manage, so we would like to focus on increasing our online sales. The higher margins will help ease some of our cash flow issues, as we pay artisans upfront for their products. In 2018, we will update product pictures so they more accurately reflect the beauty of the product, integrate additional story-telling information into the site, and focus on digital marketing to drive traffic to the website. We hope to maintain the same great level of customer service and relationships that we build at in-person sales, translating this experience to our website.
- **Expand domestic sales to new markets through new retail partnerships.** At the beginning of 2017, we had just 32 retail partners, and we ended the year at 208. Spreading our mission to a wider audience is achieved through these wholesale partnerships, and we're able to provide more fair trade jobs to women as a result. In 2019, we aim to continue growing our wholesale channel, especially seeking out some larger stores with greater reach.
- **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 2018, we will put increased attention on our marketing efforts, allowing us to further educate, grow our customer base, and increase our impact. In this, we want to create more clear boundaries for which aspects of artisan partners' lives we share with our customers, and when we focus on the incredible products they make instead. These boundaries are set by our artisan partners in terms of what they'd like to share with our customers, but we want to do a better job of explaining that process and telling the story to our customers.
- **Assess artisan partnerships, quality control, and customer experience to identify areas of improvement.** We are continually seeking to improve our operations, especially how we deliver upon our mission to our artisan partners and customers. With multiple artisan trips planned for 2018, we will have more opportunities to focus on quality improvement of our products, as well as evaluating impact amongst our artisan partners.

### 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 Third Annual Report.



2/27/18

Joy McBrien



**Work Item 1004917400030**  
**Original File Number 803434900058**

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
FILED  
**03/08/2018 11:59 PM**

*Steve Simon*

Steve Simon  
Secretary of State