

**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. File Number \_\_\_\_\_
2. Corporate Name: (Required) \_\_\_\_\_
3. The public benefit corporation's board of directors has reviewed and approved this report.
4. 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)

5. 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.

Adam J. Goldstein   
Signature of Public Benefit Corporation's Chief Executive Officer

\_\_\_\_\_  
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:

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:**

\_\_\_\_\_  
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

## EXHIBIT A

### ANNUAL BENEFIT REPORT FOR SHEMA, GBC

The Board of Directors of Shema, GBC submit this Annual Report (“Report”) covering the period of January 1, 2023, through December 31, 2023, pursuant to Minn. Stat. § 304A.301, Subd. 3. This is the eighth delivered Report for filing by Shema, GBC. The Board of Directors of Shema, GBC has certified the choice of B Lab as its third-party standard for the following reasons: (1) B Lab is an independent globally recognized third-party certifier of B Corporations and, (2) B Lab carries the same values as we do with respect to business and entrepreneurship.

With regard to the structure and governance of Shema, GBC and the third-party standard, we are structuring and governing our company in such a way that social impact (specifically concerning our key demographic of at-risk and rescued women in Southeast Asia) is our primary measure of success—even when not contributing to profitability—as we are able to move forward in the operation of our business according to our stated plans, we will continue to create extensive general public benefit. Moreover, our structure and governance will also help pursue our specific public benefit of creating positive social impact in geographic areas with an impoverished demographic usually targeted for human trafficking.

We are pursuing a general public benefit and specific public benefit as follows: we are currently building the foundations of our business model, developing and working to produce our clothing products from sustainable and renewable resources, and partnering with existing producers in Southeast Asia employing and empowering survivors of human trafficking. We are currently working with two established partner producers in Nepal and Cambodia. They each have considerable and measured impact among our target demographic. The sewing center in Nepal is also assessed by a third-party standard and are world-fair-trade certified.

With regard to the community in suppliers, distributors, and the product we screen for social and environmental impact for both positive practices and negative practices. Our principal textile supplier holds third party certifications (GOTS and ISO and organic certification where applicable) and supplies ethically produced textiles to our partner producers where we developed our final product. We incorporate fiber that comes from organically grown forests that are processed in closed loop, energy efficient way.

SHEMA was accepted to be a member of the Freedom Business Alliance which is a global network creating business solutions to human trafficking.

With regard to environmental outputs and inputs of the third-party standard, our structure is to have the products be produced in minimal-energy consumption countries using low energy consuming equipment that is applicable for the location. The energy consumed per product will be inherently very low, but currently unquantifiable, compared to “factory” produced garments.

Daily operations are 95% via virtual office. Virtual work benefits the environment because with less travel, it lowers the amount of vehicle emissions and decreases fuel usage.

SHEMA is an official partner of One Tree Planted that plants trees to help us offset our carbon footprint. We have reached our goal to be carbon neutral and will continue tracking our output to offset our footprint. To date, we have planted 282 trees.

In our usage, we have reached our goal to have 100% of our packaging, shipping labels, greeting, Christmas, and thank you cards, we incorporated products and paper that was made from discarded fibers recovered from the garment industry, 100% biodegradable, and recyclable material. For our printed content, we also have chosen a supplier that has environmental certifications and best practices.

Currently, the public benefits Shema, GBC has created during the period covered by the report is as follows: regarding the benefit to the community through diversity and inclusion, Shema GBC currently has a 50% women ownership and 33% women on our board of directors. Our partners overseas have 95% local residents in their respected communities in Cambodia and Nepal - at least over 70% female.

Our production during this reporting period with these suppliers provided some but minimal impact - nevertheless, our key demographic of at-risk and survivors of trafficking comprise the employees of our producers and are currently receiving fair living wages; literacy classes, job-skills and life-skills training; health care; and employer matched savings, all in a positive work environment as a result of our production orders.

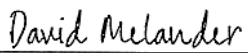
We choose this third-party standard because it fell within the different goals that our company has been structured to achieve. As a company, we want to have transparency in areas of our company such as finances, our supply chain, and how we treat the environment. We want to be held accountable when it comes to different elements of our supply chain and we want to be graded in other areas of doing business. This third-party assessment will help us focus on issues such as our carbon footprint as we scale, how we do business with other cultures, and what kind of benefit we are to people and this world. B-Lab is globally recognized and since we are manufacturing in different countries, this type of assessment takes those kind of requirements into consideration. We were also drawn to this third-party standard because they view women as a benefit and look for ways to empower them. This is not only a goal that we have but is written in our articles of incorporation that—we will empower at-risk women and survivors of human trafficking.

We have a specific public benefit in our articles although we are a general benefit corporation. During our reporting period, we have not been able to incorporate every practice that we have set up in the structure of our company and although we had these limitations, we have done all that we can to accomplish our mission.

Shema, GBC Board of Directors has approved this report.

SHEMA, GBC

  Date: 4/1/2024  
By: Adam Goldstein  
Its: Co-Founder/CEO

DocuSigned by:  
  
2EFC85B6C07F431  
David Melander, Director

DocuSigned by:  
  
D14EB8A7219946F  
Susan Goldstein, Director



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*Steve Simon*

Steve Simon  
Secretary of State