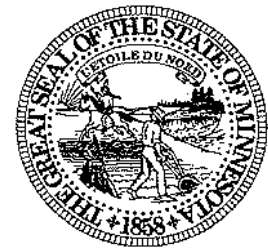




**Office of the Minnesota Secretary of State**  
**Minnesota Public Benefit Corporation / Annual Benefit Report**  
*Minnesota Statutes, Chapter 304A*



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.

[Signature]  
 Signature of Public Benefit Corporation's Chief Executive Officer  
2/15/22

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

Seventh Annual Benefit Report of

# FAIR ANITA,

A Minnesota Specific Benefit Corporation

February 15, 2022

## **FAIR ANITA**

We're on a mission to build a company that's good for the world and the people who inhabit it. Creating space for women to feel safe, valued, and respected—no matter their geography. This mission has led us to working with 8,000+ changemaking women around the world: women who are on their own missions to improve the lives of their children and communities.

At Fair Anita, we are committed to creating economic self-sufficiency for women. Working with survivors has long been at the heart of what we do. But economic opportunity isn't just good for women; it's good for the world. For every dollar a woman makes, between 80-90 cents is reinvested back into her family and communities, as opposed to 30-40 cents by men. Women work diligently to create better lives for their children; making sure they are fed and clothed, sending them to school, even putting them through college. Women's economic empowerment and leadership is key to overall economic growth and prosperity, and we are lucky to partner with so many of these changemakers.

Fair Anita is a social enterprise that supports women in marginalized communities through dignified jobs and fair trade relationships. We sell cute + ethically-made + affordable products handcrafted by female artisans in 9 countries, giving women resources they need to improve their lives, while providing the chance for consumers to contribute to conscious supply chains through their purchases. The sale of our products provides income to over 8,000 talented 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 a fair trade supply chain so that products that consumers love can also do good in the world. Dignified relationships all around.

### **History of Fair Anita**

Fair Anita was incorporated as a Minnesota Public Benefit Corporation on January 2, 2015. 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 worked alongside local leaders to build the city's first battered women's shelter, working to heal herself while helping others tackle the same issue. 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, the women who continually ask for it. Financial insecurity is the #1 reason women stay in abusive partnerships, and economic abuse affects 99% of women experiencing domestic violence. Sustainable jobs have the potential to create big impact in women's lives and their communities. This is why Joy started Fair Anita, because of this clear need for a platform for these women to sell their products. We're so grateful for the support of our communities in these efforts and have been so excited to see the growth Fair Anita has experienced over the last seven years.

## Management

Joy McBrien is the Founder and CEO of Fair Anita. Joy is a global learner who is passionate about creating opportunities for women and girls. She has worked with thousands of women around the world, using her empathetic nature to understand circumstances and develop creative solutions. As a graduate of the University of Minnesota in Entrepreneurship Studies, Nonprofit Management, and Design, Fair Anita combines 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 and Real Power 50 award. 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 participate in "Summer Davos" in China and 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 growth activities, such as marketing, artisan relationships, product development, and sales, in addition to setting the company's vision and making goals to create a more inclusive economy for women.

2021 Fair Anita team members included:

- Anna Bottila: Sales Manager (FT). Anna is responsible for off-site sales, part-time sales staff 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.
- Zibby Trow: Operations Manager (FT). Zibby led our transition to our own warehouse and taking fulfillment back in house. She is responsible for our team's internal processes.
- Taylor Hall: Marketing and Analytics Manager (FT). Taylor's passion for ethical supply chain brought her to our team, where she manages our marketing efforts (emails, social media, website, ads, etc) and is working to improve our SEO and online analytics.
- Libby Ames: Inventory Manager (FT). Libby manages our warehouse, inventory levels and purchasing, fulfillment part-time staff, and leads our fulfillment team.
- Kelley Hidding: Inventory Associate (PT). Kelley is a critical part of our fulfillment team, making sure orders get out the door in a timely manner, with no inventory or shipping errors!
- Sophie Sissi + Stefanie Palmer: Photographer (PT). These two talented women managed all of our photography in 2021. Sophie worked for the first half the year and then trained in her replacement, Stefanie.
- PJ Valenciano: Digital Marketing Manager (PT). PJ is a part-time team member based in the Philippines. She manages our SEO and online branding, including blog posts, Pinterest, and Twitter.
- Grace Nelson: Social Media Manager (PT). Grace managed our Facebook page and ambassador program, based in Nebraska.
- Kam Short: Marketing Associate (PT). Besides being our most popular model, Kam manages all of our social media pages, staffs the showroom, and helps with pop-up markets.
- Nikki Luczak: Sales Associate (PT). Nikki started with us at the end of 2018, our first sales associate based outside of Minnesota. She manages pop-up sales in WI and IL.
- Joanna Quealy: Sales Associate (PT): Joanna manages visual merchandising and off-site pop-up sales in Illinois.

Our Board of Directors includes:

- Jeanne Voigt: strategy and impact investor
- May Swenson: operations, inventory, and supply chain expertise
- Joy McBrien: Fair Anita CEO & Founder
- (unofficial) Anita Caldas, namesake of Fair Anita

## Highlights of the Year

January 15, 2021: **Moved into our new warehouse and fulfillment center**, led by our newest staff member Zibby Trow.

February 13, 2021: **Grand opening of our showroom**, on Galentine's Day, which has quickly become a convenient place for both retail and wholesale customers to view and shop products.

March 2021: **Started bulk custom order products**, working with larger retail partners to develop products in their branding to sell to their customers.

April 13, 2021: **Joy is voted in to join the Fair Trade Federation Board of Directors**, working alongside other leaders in the fair trade movement to create more just global trade systems.

April 26, 2021: **Joy gives keynote plenary speech at the Fair Trade Federation annual conference**, focusing on fair trade's approach to equity-centered work and supply chains.

May 2021: **Pop up markets start again!** Extra gratitude to Hayley with Minneapolis Craft Markets for figuring out how to do this safely during a pandemic.

June 2021: **Entire US-based Fair Anita team is vaccinated**, with most of our artisan partners across the world not far behind!

July 2021: **Our team has our first Fair Anita Summer Camp**, a fun day filled with team-building activities and goal-setting.

August 8, 2021: **Return of in-person trade shows with a successful (yet small) show at NY NOW.**

November 13, 2021: **First ever Baby Anita is born**, healthy baby girl Estelle, to our Operations Manager Zibby!

December 24, 2021: **Featured in Minneapolis Star Tribune newspaper** for donating \$117k to vulnerable communities due to mask sales.

## *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, 2021 to December 31, 2021, 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 9 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/or 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, supporting their business growth and hiring of additional artisans. We work with them on design skills, which helps us be able to sell more product and increase their sales. 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, all of our capacity-building work was done virtually.
- **Emergency Relief Funds** provided much-needed resources to communities during the pandemic. While our artisan partners were well taken care of with continued work, we quickly learned that they were really struggling to see their neighbors suffer so much with the economic and health implications of the lockdown. Since the beginning of the pandemic through donations and the sales of cotton face masks, we were able to donate \$117,000 to our artisan partners, which they distributed to their communities. They had complete say and leadership on how these funds were spent, as they know their communities best. We saw many groups putting together baskets with food/living staples and distributing them to the most vulnerable families in their communities. Other groups set up temporary clinics, testing sites, and oxygen relief tanks for infected members. The changemaking accomplished by our artisan partners in 2020-2021 was nothing short of incredible.
- **Providing mentorship** and guidance to entrepreneurs across the U.S. and globally. We worked with hundreds of entrepreneurs, primarily those looking to start mission-driven businesses, to help them prepare, launch, and/or scale. We worked primarily with young entrepreneurs, often meeting with students to help them think critically about their business models.

- **Anti-Racism work** focused both abroad and here in the U.S. 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 9 countries, it is of utmost importance that we are always pushing ourselves further in our understanding of anti-racism work. Joy is a founding member of the Fair Trade Federation's JEDI (justice, equity, diversity, inclusion) Committee to further anti-racism work within the larger fair trade movement, we've worked closely on the Save the Boards to Memorialize the Movement project to preserve protest art, and we continue to further these conversations with our customers. Historically, we've led in-person anti-racism workshops, which we hope to continue after the pandemic subsides, as we are most equipped to do this work well when working in-person with our community.
- **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): Women's March, Dress for Success, Sisterhood Boutique, Ann Bancroft Foundation, Survivor's Memorial, YWCA, and International Justice Mission.

## 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.** We are proud to have maintained steady income for our partners, despite the economic shutdowns and pandemic lockdowns. We paid upfront payments to all of our artisan partners (even more so than usual), paying them in April for orders they wouldn't start making for a few months, so they had access to capital in the most critical times of this ongoing emergency. In 2021, Fair Anita generated income for women employed by our primary artisan partners in the following countries:
  - India: \$161,247.45
  - Peru: \$30,108.70
  - Cambodia: \$25,698.53
  - Mexico: \$14,427.74
  - Chile: \$8,409.85
  - Egypt: \$7,240.00
  - Ethiopia: \$4,350.00
  - South Africa: \$2,116.15
  - Vietnam: \$1,022.00
  - *Total sent to artisan partners: \$254,670.42 (30% decline from 2020, but subsidized with an additional \$42,000 sent as donations)*
- **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.
    - 35% of artisans reported that working with Fair Anita has allowed them to employ additional artisans. This number is lower than previous years as a result of the pandemic.

- **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 support artisan groups' work 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.
  - 90% of artisan groups agree that economic opportunity is essential for women experiencing domestic abuse.
  - Continued this year, artisans reported a strong desire to focus on their ability as cooperatives to support their neighbors and community through the pandemic (and economic implications). We are committed to supporting artisan partners in making this goal a reality.
- **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.
- **Artisan testimonials**
  - "We are grateful for this work so that artisans with different abilities can have fair payment and feel useful, especially as those who suffer physical and psychological violence are excluded by the society in which we live and especially within their family environment. They can enjoy their fair wages and spend it as they choose, without having to ask anyone. Artisans with disabilities feel emotional when they realize they can work, and for some it helps them be less shy and serves as a physical therapy, especially hand therapy." – Peru
  - "We are successful because women artisans put our hearts into what we do, always thinking about what we can achieve together, and how to help each other. We do our best so that more women can join such a beneficial project. The relationship with Fair Anita is excellent because we feel like a part of the company. As artisans, we are always giving our best because we also feel understood as human beings." - Mexico
  - "We are heartily thankful to Fair Anita, with the fact that during the last difficult years, your orders have immensely contributed and were the lifeline for all of us." – India
  - "With support and purchases from Fair Anita, we manage to continue to employ workers in 3 provinces total of 140 families and workers. It is such a special blessing for our team that we need work to do and they can work from home during the pandemic lock down. This means so much for us during the difficult times. We are so grateful for strong partnership and commitment of Fair Anita team. On behalf of our artisans and workers, I would like to thank you so much for the support and collaboration, this



- means so much for us that our cooperative can fulfill the need to marginalize and disable to continue jobs for their daily life.” - Cambodia
- “We have a long-standing relationship with Fair Anita and are very happy working with them. This company has been sending orders which have increased its quantity over time since it started working with us for more than 6 years now. It is easy to communicate and get a response from them, by ordering from us they helped us to empower more women living with HIV/AIDS. It is truly a great pleasure working with them, their orders not only benefit the organization but also the women who are directly working with us.” – Ethiopia
- **Impact of selling products for our customers.** Fair Anita successfully marketed and sold products to customers in 50 states in U.S., Canada, and across parts of Europe in 2021. In early 2022, 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 2021 and communicated our mission to customers. We also used our online analytic data to provide these results.
    - **Reaching a younger demographic.** The majority of our customers are under the age of 45, indicating our client base is significantly younger than the average fair trade demographic (women 50-75). 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 2021.
      - The largest age group of survey respondents was women 25-34 (35%), the second largest women 35-44 (26%), and the third largest women 45-54 (23%). According to our Google Analytics data, 29% of all website visitors in 2021 were between the ages of 25-34, followed by women ages 35-44 (19%), and 18-24 (18%).
    - **Selling fair trade goods at an affordable price point.** 96% 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.** 54% 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.
      - 35% 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 40% of our customers in 2021 were new to Fair Anita.
      - We grew our social media following online from January 2021 to December 2021.
        - Facebook: 3100 to 3398
        - Instagram: 6648 to 7559
      - We partnered with new retailers to get Fair Anita products to a wider audience.
        - Wholesale partners increased from 675 to 915
      - 94% customers say they are likely or very likely to recommend Fair Anita to a friend
      - This year, 15% (over 6% last year!) of our revenue was generated at pop-up shops, 33% through Purchase Orders and trade show purchases with

- our wholesale partners, and the remaining 52% done online (both retail and wholesale). It was another year of e-commerce, for sure!
- **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.
    - About 80% of our entire customer demographic understand the term "fair trade." 90% of our online survey respondents understood this term, likely proving that we do a better job of educating customers online vs in person. This number is higher than it has been in past years, likely because the large majority of sales happened online.
    - 95% of survey respondents are more likely to purchase a product if they know it is fair trade.
  - **Customer testimonials**
    - "I'm proud to wear Fair Anita and always share about your mission with colleagues after the inevitable zoom compliments!"
    - "All the staff were so helpful and kind and my order was lovingly packed and expeditiously sent."
    - "Thank you for creating a space with affordable, ethical and sustainable substitutes!"
    - "Keep up the good work- your company has been an inspiration to many including myself!"
    - "Proud and impressed with products and company."
    - "I've been hooked on the Fair Anita mission, business model, communication style, ethical leadership, and products for 4+ years--but I am consistently impressed in new ways by the ways you tell your story and build growth/impact with intention. I am just really inspired by and grateful for social changemakers and business leaders like you! Thank you."
    - "Love the changes you've implemented that directly respond to the COVID pandemic & supporting your global partners!"
    - "Love your designs, quality, mission, variety and price point. Seriously, can't beat you on any single point and to have them all, you are a brand I continue to come back to and always will."
    - "I love the products. I love the mission. As a former domestic abuse advocate, I'm in favor of helping women support themselves in ways that are rewarding financially and artistically."
    - "Your designs are so unique and cool and that's what drew me in...the fact that the prices are so reasonable AND it benefits a good cause were great bonuses!!!!"
    - "Unbeatable 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 50-75. 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 8 of our artisan partners, this opened up a totally new demographic, allowing them to increase production and sales.

*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 (and should not) 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. Some of the language we've used above (including our stated mission) is the legal terminology needed for this legally-binding report. 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.

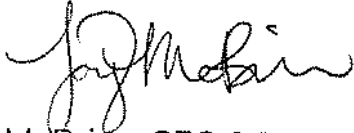
### **Strategic Directions for 2022**

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

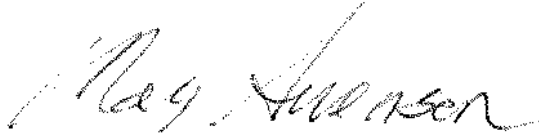
- **Streamlining inventory management and product development.** Over the last year, our in-house team \*dominated\* with improving our inventory systems, leading to almost zero inventory and shipping errors over the year. In line with this momentum, we aim to streamline our inventory management systems and make reordering products easier and smoother with our artisan partners, so there is no lag in our timing or cycles. Along the same lines, we want to improve our communication systems for product development (especially now that almost all of it is being done online, not in person!), leading to fewer mistakes and more top-selling products.
- **Focus on wholesale growth.** Over the last year, we've learned, somewhat counterintuitively, that our wholesale channels are the most profitable for us, and they also provide the most work to our artisan partners. In 2022, we're doubling-down on our wholesale growth strategy, aiming to grow these sales with custom product offerings, increasing average order value, and finding even more retail store partners that are a great fit with our brand.
- **Grow the larger fair trade movement and assist other mission-driven businesses in their launch and growth.** We are planning to invest more time and energy into collaborating with the Fair Trade Federation and helping them to realize their goals, including rebranding, education, and reach. We are starting to develop some online materials for early-stage entrepreneurs to use to help them start new social enterprises. We'd love for all business to be mission-driven business, and we believe it's partially our responsibility to help make this a reality!

CERTIFICATION BY THE BOARD OF DIRECTORS

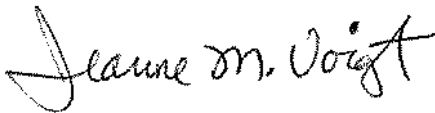
The undersigned, being all of the directors of Fair Anita, hereby acknowledge and certify that we have reviewed and approved the enclosed Seventh Annual Report.



Joy McBrien, CEO & Founder



May Swenson, Board Member



Jeanne Voigt, Board Member



**Work Item 1300063100039**  
**Original File Number 803434900058**

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
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**03/04/2022 11:59 PM**

*Steve Simon*

Steve Simon  
Secretary of State