



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 465146681
2. Corporate Name: (Required) FAIR ANITA SBC
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)

SEE ADDITIONAL FORMS

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.

Signature of Public Benefit Corporation's Chief Executive Officer

03/25/24

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

Ninth Annual Benefit Report of

FAIR ANITA,

A Minnesota Specific Benefit Corporation

March 20, 2024

FAIR ANITA

OUR MISSION

We're on a mission to build a company that's good for the world: both people and the planet. We do this by creating space for individuals, especially women, to feel safe, valued, and respected—no matter their geography.

This mission has led us to work with 8,000+ change-making women around the world, who are on their own missions to improve their lives, children, and communities.

At Fair Anita, we are committed to creating economic self-sufficiency for women. Our work takes root from working with survivors and has long been at the heart of what we do. We believe that economic opportunity benefits not only women but the world.

The United Nations states that for every dollar a woman makes, between 80-90 cents is reinvested into her family and communities, as opposed to 30-40 cents by men. Women, in particular, work diligently to create better lives for their children; making sure they are fed and clothed, sending them to school, and even putting them through college.

Women's economic empowerment and leadership are one of the keys to overall economic growth and prosperity. We are fortunate to partner with so many of these changemakers.

FAIR ANITA AS A SOCIAL ENTERPRISE

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.

We invest in women to create a positive impact globally. The sale of our products provides income to over 8,000 talented women.

Through our partnerships, we are giving women the resources they need to improve their lives while providing the chance for consumers to contribute to conscious supply chains through their purchases.

We envision a shopping experience where customers can go to a store and know where the products come from. To us, all products should be mission-based, which means that no product should exploit people in the process.

Our goal is for our 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. 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 a big impact on women's lives and their communities. This is why Joy started Fair Anita, to address the clear need for a platform for these women to sell their products.

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. She has worked with thousands of women around the world, using her empathetic nature to understand circumstances and develop creative solutions.

Joy is a graduate of the University of Minnesota in Entrepreneurship Studies, Nonprofit Management, and Design. Fair Anita combines her passions and strengths. She has been recognized for her leadership in this space, with awards including Top Ten Outstanding Young Minnesotans 2015, Open Hands Initiative Fellow 2016, Minnesota Business Magazine's 35 Entrepreneurs Under 35, Real Power 50 award, and others.

She is part of the Global Shapers community, representing women's issues at the World Economic Forum (WEF)'s conference on Overcoming Social and Economic Exclusion with His Holiness Pope Francis, and at "Summer Davos" in China leading a session on gender equity at the WEF's Sustainable Development Impact Summit.

At Fair Anita, Joy is responsible for overseeing and implementing growth activities, such as sales/marketing, artisan relationships, and product development; in addition

to setting the company's vision and making goals to create a more inclusive economy for women.

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

Jan-Feb 2023: **Successful trade show season**, with 4 back-to-back trade shows. We managed the fulfillment of orders well, even though many members of our team had COVID.

March 2023: **Fair Trade Federation conference** in Long Beach, CA. This was the first in-person conference since 2019, and we had a large group from our team attend. Kam and Ethan led a workshop on building inclusive retail spaces, Mary Lind added lots of value to a session on partnering with museum stores, and Joy, as President of the Board, facilitated a number of sessions.

April 2023: **Visited artisan partners in India** for the first time since 2019. Joy and Libby were able to design products for 3 seasons in one visit!

May 2023: **Launched our custom product offerings**, with many museums (especially) choosing to add our quote cuffs or recycled brass pins to their gift shops. We have had a lot of fun brainstorming fun + relevant quotes for our customers!

July 2023: **Our team has our third annual Fair Anita Summer Camp**, a fun day filled with team-building activities and goal-setting.

October 2023: **Launched new collections of products**, specifically birthstone crystal jewelry sets, zodiac stargazer necklaces, and quote cuff collections. This is an easy way for retailers to increase their Fair Anita footprint in their store.

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, 2023, to December 31, 2023, 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 sustainable jobs 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 the 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 additional artisans. We work with them on design skills, which helps us be able to sell more products 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.
- **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. 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, and we continue to further these conversations with our customers.

- **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 Women Venture.*

Impact

Fair Anita is creating an 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 opportunities for women.** We are proud to have maintained steady income for our partners, continuing upfront payments to artisans whenever possible. In 2023, Fair Anita generated income for women employed by our primary artisan partners in the following countries:
 - India: \$220,746.55 (7.37% increase from 2022)
 - Cambodia: \$31,304.91 (41.94% increase from 2022)
 - Ethiopia: \$30,744.99 (106.7% increase from 2022)
 - Peru: \$17,903.90 (50% decrease due to ordering cycles)
 - Mexico: \$12,368.36 (47% decrease from 2022)
 - Vietnam: \$8000.00 (29% decrease from 2022)
 - Chile: \$2967.00 (74% decrease due to payment cycles)
 - South Africa: \$2861.00 (14.6% decrease from 2022)
 - Egypt: \$0 (full decrease due to payment cycles)
 - **Total sent to artisan partners: \$326,896.71 (0.5% decrease from 2022)**
 - All-time total: \$2,049,155.15 (1/2/2015-12/31/2023)
- **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 fair relationships. These characteristics allow our artisan partners to be forward-thinking in a number of ways, including employing additional artisans.
 - 20% of artisans reported that working with Fair Anita has allowed them to employ additional artisans. This number is lower than in previous years as a result of the current economic landscape, as well as continuing effects of the COVID-19 pandemic.

- o **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.
- o **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.
- o **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 them 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 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 lockdown. This means so much to us during difficult

times. We are so grateful for the strong partnership and commitment of the Fair Anita team. On behalf of our artisans and workers, I would like to thank you so much for your support and collaboration, this means so much for us that our cooperative can fulfill the need of to marginalize and disabled 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 more than 8 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, Australia, and across parts of Europe in 2023. In early 2023, we conducted a mixed-methods survey to measure our progress in pursuit of our mission. The survey results show that we successfully engaged with our target demographic in 2023 and communicated our mission to customers. We also used our online analytic data to provide these results.
 - o **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 60-75). 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 2023.
 - The largest age group of survey respondents was women 35-44 (46%), the second largest was women 25-34 (23%), & 45-54 (15%).
 - o **Selling fair trade goods at an affordable price point.** 100% 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 \$22 retail.
 - o **Competing with free market firms.** 85% 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.
 - 15% 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.
 - o **Reaching new customers.** About 30% of our customers in 2023 were new to Fair Anita.
 - We grew our social media following online from January 2023 to December 2022. Instagram followers grew to 7842
 - We partnered with new retailers to get Fair Anita products to a wider audience.

- Wholesale partners increased from 1300 to 1600
- 100% of surveyed customers say they are likely or very likely to recommend Fair Anita to a friend
- o **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." 92% of our online survey respondents understood this term.
 - 70% of survey respondents are much more likely to purchase a product if they know it is fair trade and sustainable.
- o **Customer testimonials**
 - "I LOVE this company!!! It's my go-to for jewelry!"
 - "I love the variety of people you have as models!"
 - "Keep it up! I seriously have no idea where else I would shop if you all didn't exist!"
 - "I gifted my Fair Anita earrings to my bridesmaids and it was so special and meaningful."
 - "Unbeatable customer service"
 - "Love your products...Love your mission and Joy's story."
 - "Thanks for making it easy to look cute and support others!"
 - "I've been a long-time customer and things just keep getting better and better. Thank you for doing this work and making jobs available for women. I will always support this organization and wear the jewelry proudly!"
 - "As someone who works in a high school, my paycheck cannot often support the fair trade purchases I'd like to. I LOVE that Fair Anita is a mission-driven place I can support on my educator salary!"
 - "Love so many of your pieces and the prices are perfect for gift-giving to make more people aware of your mission."
 - "Nothing more than simply feeling great about the company and loving what they support, represent, and the products that they offer."

By increasing capacity.

- **Impact of capacity building by 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 60-75. 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 languages we've used above (including our stated mission) are 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 oftentimes, the impact on 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 2024

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


- **Consolidate systems, processes, and tech stack.** We changed our website platform to Shopify in late 2023, and as a result, we are able to streamline a lot more of our processes. We are still learning all that it can do, but we're looking to eliminate unnecessary subscriptions and excess cost.
- **Revamp product packaging, focusing on messaging and branding that is fully rooted in our feminism.** The Fair Trade Federation has also rebranded, so it's time to update our product packaging and make sure it's loudly communicating our values to customers!
- **Increase average wholesale order.** Over the couple years, we've piloted some custom products that can be personalized to meet the needs of our retail partners. We're looking to expand this program with more retailers. We also seek to increase our average wholesale order size, as our average of about \$250 for a wholesale order is the biggest area for sales growth.

CERTIFICATION BY THE BOARD OF DIRECTORS

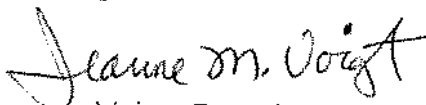
The undersigned, being all of the directors of Fair Anita, hereby acknowledge and certify that we have reviewed and approved the enclosed Ninth Annual Report.



Joy McBrien, CEO & Founder



May Swenson, Board Member



Jeanne Voigt, Board Member



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OFFICE OF THE SECRETARY OF STATE
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Steve Simon

Steve Simon
Secretary of State