



# 2021 Annual Report

**SERRV**  
INTERNATIONAL

## Letter from the CEO

It was another dynamic year at SERRV as we made the best of both challenges and opportunities.

2021 was 'year two' of COVID-19, and too many of our producers were again hit hard with the pandemic. Few of us will forget the devastating scenes of India in spring as hundreds of thousands died without access to healthcare.

Despite ongoing COVID challenges around the world, our producer partners in over 20 countries worked through both shutdowns and materials shortages to get products made...though our joy on seeing their products reach a port was often met by unprecedented delivery delays as container ships floated between obscure and crowded ports. For much of the year, we lived somewhere between hopefulness and helplessness.

2021 also brought a big decision for SERRV to bid farewell to our Consignment sales channel. After nearly 70 years, we asked our faithful ambassadors to switch to our SERRV & Earn program and a new Trunk Show sale option instead.

Despite these many changes and challenges, SERRV ended the year with strong sales and earnings, and there was much to be grateful for. The valuable relationships we have with our producers goes well beyond a buyer-seller exchange. And of course, nothing is possible without our caring community of customers, donors and lenders.

As a small staff, we rely on your support to do what we do, and it's because of you that we've continued to focus our efforts while growing our sales, skills, customers and funds to re-invest. One thing seems certain here at SERRV...the challenges are steady, but the rewards are deep.

On behalf of all of us, thanks for being part of creating change and opportunity through fair trade.



Loreen Epp  
President/CEO  
SERRV International

Cover: two of our artisan partners at Tintsaba in eSwatini with hand-dyed sisal strands used to weave baskets.

## A YEAR IN THE MAKING

### Refining our goals

With its unique business model, the fair trade community has set many worthy goals over the years. In 2021 SERRV focused on 5 key goals as our priority.



#### 1. Fair Payment

By paying a fair wage to artisans, SERRV helps ensure sufficient food, housing, education, and healthcare for an artisan's family, and equal pay for equal work by women and men. Given the disadvantages faced by our small-scale partners, SERRV also pays in advance for orders.



#### 2. Healthy Working Conditions

SERRV and our producers follow national and local laws on safe workplaces and working hours. We advocate for worker involvement in decision-making, and non-discrimination based on gender, race, caste, religion, disability, and sexual or political orientation.



#### 3. Education of Children

SERRV and our producers adhere to the United Nations' guidelines on the Rights of the Child—including no forced labor. Our goal is also steady employment income that enables parents to send their children to school.



#### 4. Protection of the Environment

SERRV seeks handmade products made from local, natural, and sustainable sources. We partner with producers in minimizing environmental impacts by using renewable energy sources, and in reducing waste and energy consumption.



#### 5. Capacity Building

Through our commitment long-term trading partnerships, SERRV works to strengthen artisans' ability to trade in international markets. By growing skills in product development, quality control and order management, they're positioned to grow.

### Redefining our values

Our goals are rooted in what we feel strongly about, and in 2021, SERRV refined the core values that have inspired and guided our actions and decisions since 1949.

**We believe the world isn't fair, but how we treat each other can be.**

Poverty may always be with us, but by putting people ahead of profits, we're helping create a better world for disadvantaged communities—from the world's most remote regions to its densest cities.

**We believe in the power of hope... when backed by a plan.**

Charity isn't enough to break the cycle of poverty. Our fair trade business model puts hope into action, reducing the effects of poverty for thousands of global artisans and farmers through employment.

**We believe in the power of trade.**

Each of us can create something of value for someone else, and simply by creating access to markets to sell their skillful handcrafts, marginalized artisan communities can earn vital income.

## A Live Chat Line

Our 5-star customer care is known for their friendly and efficient manner. Early in the year, they also introduced a chat function online that proved popular for those that prefer typing to talking!



## Making it Matter in Uganda

During our first annual Making-it-Matter wholesale campaign in spring, 1% of store sales were allocated to the National Association of Women Organizations in Uganda (NAWOU).

A SERRV partner since 1996, NAWOU used our donation to fund vital training sessions for their basket weavers.

Among other programs, self-care experts were brought in to train the women on healthcare, and breast cancer and cervical cancer exams were free. The women were also aided in opening bank accounts.

In a country where women have struggled for human rights, your donations and purchases helped the women of Uganda take another step toward safety and independence.



## A new Trunk Show Option



It was 1951 when SERRV

sent out its first consignment catalog. Church communities were eager to sell handcrafts to support our mission...and for 70 years, SERRV shipped thousands of products each fall to our valued church partners.

2021 marked the difficult decision to close our Consignment option, but a new Trunk Show option now joins our online SERRV & Earn fundraiser as a way for communities to support SERRV while raising funds.

## COVID hit India

As a second wave of COVID-19 hit India in spring, fatalities reached alarming rates, sending the nation into a state of shock, fear and mourning...and tragic images of funeral pyres to our news feeds.

SERRV's COVID donations to 40 producer partners in 2020 was woefully inadequate for such a tragedy, and additional donations were sent to our partners in India and to hard hit partners in Nepal, Bangladesh, Cambodia, Philippines and Indonesia in 2021.

With SERRV funds, Asha Handicrafts in Mumbai identified 191 artisans most in need, and 826 medical kits (including masks, sanitizers, and vaccinations) were distributed to them and their families.



*"Thank you, SERRV for supporting our artisans during the difficult COVID19 pandemic."*  
Asha Handicrafts, India

## We believe working with your hands is some of the best work you'll do.

Handcrafting is a beautiful expression of our humanity and individuality. In an age of mass production, we work to protect and promote centuries-old handcraft traditions around the world.

## We believe a healthy world matters.

Our planet is a lifeline for the world's poor. Artisans and farmers make the most of nature's local and recycled materials, and even use craft income as "seed" money for community improvements.

## The search for staff

SERRV joined many other distribution centers in fall struggling to compete for a small pool of temporary staff. But despite early worries, the right new staff walked in our door at the right time, and our warehouse team was again second to none, with holiday packages shipped out on time!

## Where are the towels?

Along with skyrocketing shipping costs some containers simply went AWOL. A container from Kolkata with our popular kantha towels toured many exotic ports before finally arriving in Baltimore. Other products were in the same boat—or in the many other boats facing COVID shipping chaos.



## Better World Audit

As co-founders of the World Fair Trade Organization (1989), SERRV helped set the standards of the global fair trade movement—including the kind of transparent trading partnerships that build opportunity and accountability for economic, social, and environmental development.

In 2021, we used our new slogan—A better world in the making®—to formalize our **Better World Partner Audit**. This in-depth audit examines and scores each of our producer's fair trade practices, and verifies their progress (and our own) in adhering to our mission to build **sustainable employment** (including steady and fair payment to artisans and farmers), **sustainable resources** (including the pursuit of ecological health through renewable assets), **sustainable rights** (including increasing worker safety and equality), and a **sustainable vision** for the future (including pursuit of thriving local communities).

Upon meeting or exceeding our shared goals, each partner organization is confirmed as a Better World "Verified Partner" of SERRV International. Our Audit also offers a clear path for needed training or financial assistance.



## INCOME STATEMENT

REVENUE	2021	2020
Sales of handcrafts & food	10,675,357	9,349,688
Shipping / other income	963,254	1,302,249
Contributions	192,741	275,072
<b>Gross Revenue</b>	<b>11,831,352</b>	<b>10,927,009</b>
COGS / producer payments	(3,571,499)	(3,156,432)
Contract services	(1,529,107)	(1,210,560)
Credit card / bank fees / other cost of sales	(840,977)	(703,300)
<b>Net Revenue</b>	<b>5,889,769</b>	<b>5,856,717</b>

EXPENSES	2021	2020
Program expenses	4,212,465	4,341,457
Administrative	1,115,124	675,973
Fundraising costs	21,624	31,926
<b>Total Expenses</b>	<b>5,349,213</b>	<b>5,049,356</b>

<b>CHANGES IN NET ASSETS</b>	<b>540,556</b>	<b>807,361</b>
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## BALANCE SHEET

ASSETS	2021	2020
Cash / cash equivalents	3,889,845	3,918,136
Accounts receivable	336,612	236,575
Inventories	1,123,580	1,173,202
Other assets	565,893	605,183
<b>TOTAL ASSETS</b>	<b>5,915,930</b>	<b>5,933,096</b>

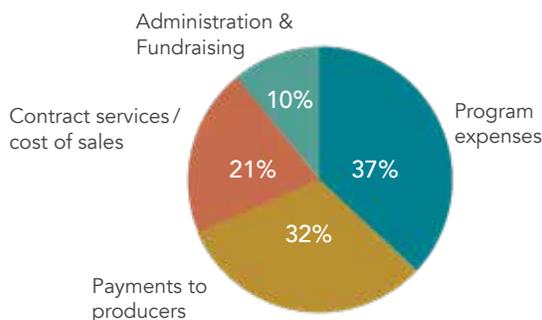
## LIABILITIES

Inventory financing payable	-	1,204,207
Accounts payable	471,259	291,639
Notes payable	1,778,770	1,750,744
Miscellaneous liabilities	660,453	221,614
<b>Total Liabilities</b>	<b>2,910,482</b>	<b>3,468,204</b>

<b>NET ASSETS</b>	<b>3,005,482</b>	<b>2,464,892</b>
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<b>TOTAL LIABILITIES + NET ASSETS</b>	<b>5,915,930</b>	<b>5,933,096</b>
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### TOTAL EXPENSES



### PROGRAM EXPENSES



To our customers, partners, donors, investors, volunteers, staff, and board:  
We rely on your support and your spirit, and couldn't do what we do without you. Thank you!

## 2021 SERRV BOARD OF DIRECTORS

Ron Kruczynski  
CHAIR & TREASURER

Bonnie Dahan  
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Joseph Lewzcak  
SECRETARY

Patti Carpenter

Lora LaDew

Laura Ann Sweitzer

Julio Zegarra-Ballon

Michelle Waite



Donations from our Making it Matter 2021 Campaign funded health screenings along with marketing and financial literacy training for 70 rural basket weavers in Uganda. Read more inside!