

Impact Report FY21/22

SHONAJOY



An aerial photograph of a rugged coastline. On the left, dark, jagged rock formations are partially covered with green and brown vegetation. A wide, sandy beach curves along the base of the rocks. The ocean extends to the right, with gentle waves and a textured surface. The lighting is warm, suggesting late afternoon or early morning.

Introduction

As a proud Australian fashion company, we have had to face some of the realities that exist within our industry. The effects of a global pandemic, the real and visible threat of climate change, and geopolitical unrest have kept us as motivated as ever. We've harnessed our resilience and made a commitment to taking a solutions-oriented, scientific, and data-based approach to tackling these issues.

Our responsible business journey, Second Nature, is built on the foundations of People, Product, and Planet. Each of these pillars is carefully laced with our core purposes; to empower women, protect our oceans, and conserve nature. These core pillars have been defined carefully, by listening to key stakeholders, both internally (team) and externally (customers) and by working with experts, to not only guide us on this journey, but to ensure that our team are educated and empowered to make transformative change, every day.

Our ambition for the future is to ensure that we are operating in line with industry best-practice and to continue to embed responsibility into our day-to-day decision making by diving deeper and setting formal, externally facing goals. This change is not easy, with a key challenge in ensuring that we have the necessary resources available and structure in-place, to support the cultural transformation of the organisation, in order to drive the impact we want to make. We're not perfect – but we are making improvements every day.

One of our biggest learnings this year is in the power of working collaboratively as a team and collectively as an industry. We're excited to continue combining forces with industry colleagues to ensure that we have a thriving, responsible and resilient fashion industry for years to come.

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The Shona Joy Story

AN INSIGHT INTO OUR WORLD AND ABOUT THIS REPORT

The Shona Joy story began at Sydney's Bondi markets in 2000. Born from passion and inspired by nature. The Shona Joy brand is grounded by a grassroots spirit of relaxed sensibilities and infused with Australian soul.

We create apparel, swim, and accessories, inspired by the Australian landscape and the natural world. Her sunset-hued skies, earthy plains and glittering coastlines are present in our seasonal colour palettes and work as the inspirations of our fabrications.

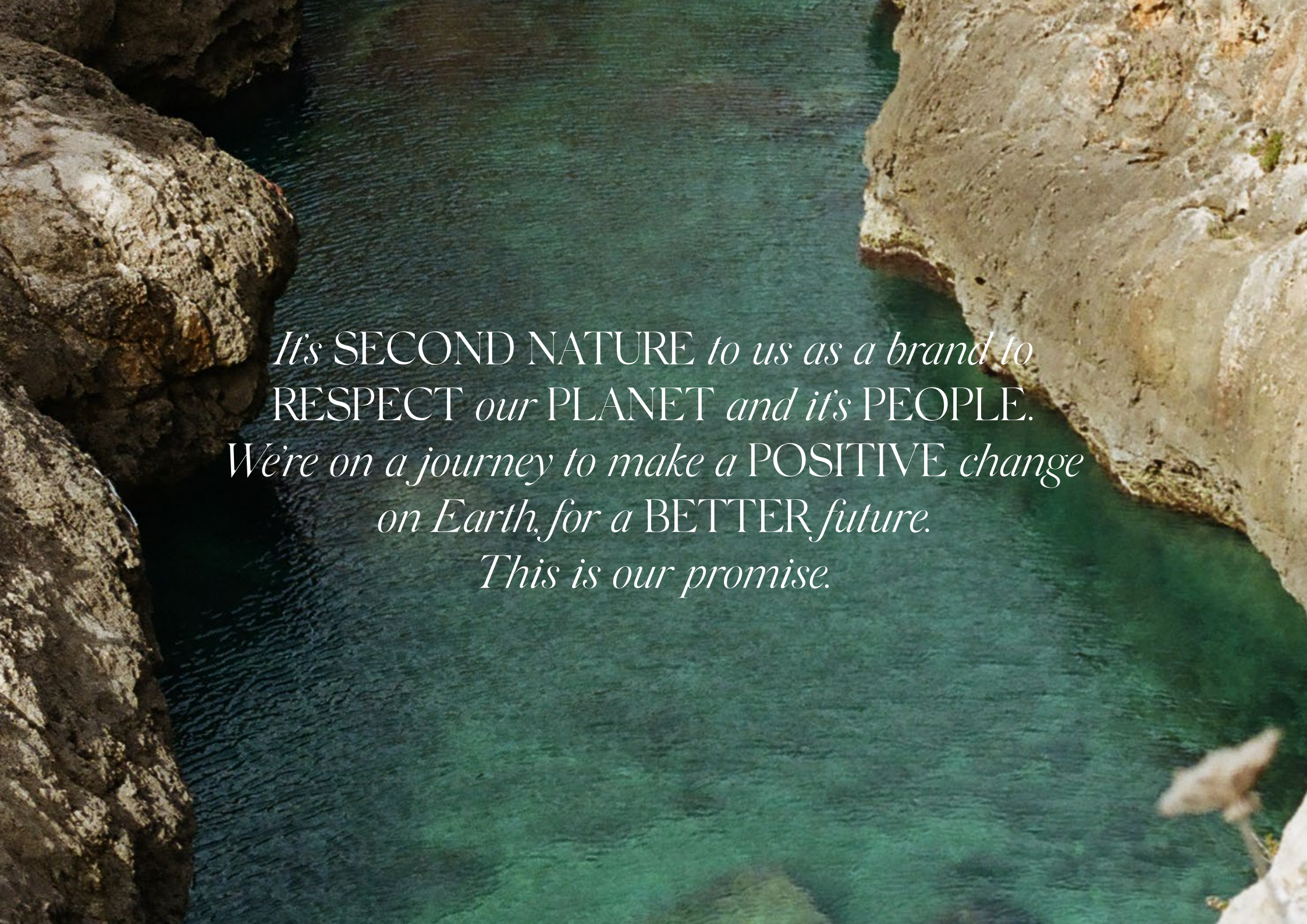
The Shona Joy brand is powered by a diverse team of 65 passionate individuals, with a broad range of specialities, all working from the brand's headquarters and distribution centres in Sydney, Australia. We stand for authenticity and integrity in everything we do; our quiet confidence and considered approach is innate and something we live by.

Shona Joy product is currently carried by 189 wholesale accounts across 21 countries, as well as our online flagship store, shipping world-wide from our Sydney headquarters.

The Shona Joy team is close-knit, grounded by a mutual passion for the Shona Joy creative vision, and the joy of bringing this to life. We're motivated to continue building a business we can all be proud of.

This impact report shares the work that we have undertaken to embed our responsible brand journey — Second Nature, during the period of fiscal year 2021 / 2022 (July 1st, 2021 – June 30th, 2022).

For any further information about this report, or our responsible business journey, please contact us at secondnature@shonajoy.com.au



*It's SECOND NATURE to us as a brand to
RESPECT our PLANET and it's PEOPLE.
We're on a journey to make a POSITIVE change
on Earth, for a BETTER future.
This is our promise.*

Second Nature

A SOLUTIONS — ORIENTATED APPROACH






As a brand and as a business, our commitment has always been to develop well-crafted and timeless pieces that will be treasured for years to come, with a focus on employing responsible business practices across everything that we do. In 2021, we made our mission official, commencing a substantial journey to transform our entire operations with the objective of embedding social and environmental governance into every business function. Our management team commenced by undertaking a range of formal activities that helped us to shape and define our responsible business journey - Second Nature.

Second Nature is built on the foundations of People, Product, and Planet. Each of these pillars is carefully laced with our core purposes; to empower women, protect our oceans, and conserve nature. The implementation of Second Nature sits with every team member and is governed by our management team. This approach has been taken to ensure that our strategy is embedded into the cultural foundations of the way that Shona Joy operates at every level.

We have strategically aligned our strategy with the United Nations Sustainable Development Goals, which guide us as an organisation, and ensure our participation in a collective action framework.

*We're committed to developing
WELL-CRAFTED and
TIMELESS pieces that
EMPOWER WOMEN,
PROTECT our oceans and
CONSERVE nature. They
are designed to CELEBRATE
life in, and to be TREASURED
for years to come*

Our Core Global Goals

<p>GOAL 5: GENDER EQUALITY</p>	<p>GOAL 10: REDUCED INEQUALITIES</p>	<p>GOAL 12: RESPONSIBLE PRODUCTION AND CONSUMPTION</p>	<p>GOAL 14: LIFE BELOW WATER</p>	<p>GOAL 15: LIFE ON LAND</p>
				
<p>Achieve gender equality and empower all women and girls.¹</p>	<p>Reduce inequality within and among countries.²</p>	<p>Ensure sustainable consumption and production patterns.³</p>	<p>Conserve and sustainably use the oceans, sea and marine resources for sustainable development.⁴</p>	<p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat deforestation, and halt and reverse land degradation and halt biodiversity loss.⁵</p>

¹ <https://sdgs.un.org/goals/goal5>
² <https://sdgs.un.org/goals/goal10>
³ <https://sdgs.un.org/goals/goal12>
⁴ <https://sdgs.un.org/goals/goal14>
⁵ <https://sdgs.un.org/goals/goal15>



Report Highlights

- Develop responsible brand identity – Second Nature
- Created and defined our impact pillars – People, Product, Planet
- Key management team trained in Sustainable Development Goals and aligned with four core Goals: SDG5, SDG 10, SG12, SDG15, SDG14
- Integrated stakeholder input into developing our strategic direction
- Launched Health and Wellbeing program
- Transitioned key / highest volume collections to more responsible fibre options
- Developed our Packaging Position in line with Australian Packaging Covenant
- Started to transition to low impact operations
- Transitioned to 100% renewable energy across Scope 1 & 2
- Began mapping our Tier 1 supply-chain partners
- Introduced a Code of Conduct
- Grew our internal volunteering program
- Supported key charity partners, donating over \$160,000



DIVING IN

Key impacts across our pillars:
People, Product, Planet

People





5.1. PEOPLE

Our People impact pillar guides the efforts that we are taking as a business, to prioritise the wellbeing of our team, both internal and external, as well as to ensure that women's empowerment and inclusion remain areas of priority.

5.1.1. OUR TEAM AND CULTURE

The Shona Joy business was born from Shona's love for the creative process of designing from start to finish, which is the same passion that remains at our core today. While the company has grown significantly, we're proud to remain 100% independent and female Australian owned.

Our grassroots spirit is embedded in our company culture. We move as one, taking pride in everything that we do and how we do it, focusing on enjoying the journey as much as the destination.

Today, Shona Joy directly employs 65 people, of which 87% are female, and 13% are male. Our senior leadership team is 77% female.

Diversity and inclusion have always been top of mind, however not formally designed into the fabric of Governance during this reporting period. We are so proud of the diversity in our team, which is currently made up of people from 10 of countries. Between us, we speak 10 languages, including; Serbian, Turkish, French, Portuguese, Cantonese, Mandarin, Korean, Indonesian, and Japanese.

Each of our team members brings a unique outlook, with cultures from all over the world coming together within our offices, from Turkey, South Korea, China, Indonesia, Australia, the United Kingdom, Brazil and New Zealand. We're proud to celebrate the incredible diversity within our team, providing a valuable opportunity for each of us to gain new perspectives and share our cultures.

The physical and mental health and wellbeing of our team is highly important to us. Engaging with third-party experts, we implemented a companywide program that provides access to a variety of fortnightly classes such as meditation, yoga, Pilates, dance and breathwork. Nutrition is key to a healthy mind and body, so our kitchen is stocked with fresh fruit and nutritious snacks for everyone to enjoy daily.

A photograph of a coastal building at sunset. The building is on the left, with a prominent arched doorway. The sky is a warm, golden-orange color, and the ocean is visible on the right. The text is overlaid in the center, with some words in italics and some in all caps.

*We are a proud AUSTRALIAN owned and
FEMALE founded business and consider
the PROSPERITY of our people an
important benchmark for a RESILIENT and
HEALTHY PLANET*

5.1.2. OUR SOURCING

We recognise that there are many risks associated with sourcing, and the fashion supply-chain including Modern Slavery.

This year saw us take a deeper dive into our sourcing, with a major focus on transparency, traceability and compliance, in the aim of understanding more about the part that we can play, collaboratively with our supply-chain to provide pathways to social and environmental progress.

In 2021 we began mapping our Tier 1 supply-chain partners. We introduced our Code of Conduct which has been developed in line with the ETI Base Code which is founded on the conventions of the International Labour Organisation. It is now a formal requirement that our partners sign this annually and provide credible and up to date audit reports to demonstrate compliance, whilst working with us to address any non-compliances.

During this reporting period, we placed orders with 13 Tier 1 parent sourcing companies, based in China. All parent sourcing companies, apart from two, have signed our Code of Conduct. 11 of these parent companies provided audit reports from the factories in which they worked to fulfill our orders. 1 parent company provided information to substantiate that the order was placed with the factory that provided them with an audit report. All of these suppliers are based in China.

We categorise Tier 1 as the agents, factories and suppliers that are responsible for the assembly and manufacturing of our commercial products.

We recognise that we have a long way to go when it comes to mapping our supply-chain, and now have systems and processes in place to progress year on year.

TIER 0

Office, Retail: Our business operations that are not involved in the production of commercial goods.

TIER 1

Finished Product Assembly. The factories and suppliers that are involved in the assembly and manufacturing of our commercial goods.

TIER 2

Material Production. The finishing and production of materials such as fabrics and trims, that go directly into the finished products. This includes dye-houses.

TIER 3

Raw Material Processing. Any processing of raw materials to turn into yarns, and products.

TIER 4

Raw Material Extraction. The cultivation and extraction of raw materials utilised for the development of commercial products.



5.1.3. OUR COMMUNITIES

Our ambition is to ensure that we are always an active corporate citizen and contribute to both social and environmental organisations that are on the ground, doing the work to benefit communities. We are so fortunate to be in a position to raise awareness and provide support to causes that are in line with our core purpose.

5.1.3.1. VOLUNTEERING

Our internal volunteering program provides regular opportunities for team members to spend a working day donating their time to our community partners including: Thread Together, Landcare and Seabin.

During this reporting period, our volunteering program had a 33% participation rate. Unfortunately, several of our regular sessions were impacted by the COVID-19 lockdowns, however we're excited to continue expanding this program for FY22/23. During FY21/22, our team members spent a total of 96 hours off-site supporting our community partners.

5.1.3.2. LOCAL COMMUNITY SUPPORT-NSW FLOODS

Throughout this reporting period, many were affected by the devastating floods in Australia's Northeast. Shona Joy made cash donations totalling \$10,000 to Pip's Plate, a charitable initiative of local chefs and businesses working to prepare and deliver cooked meals for those affected in NSW's Northern Rivers.

Clothing is a basic human right. Sadly, in Australia, more than 3.5 million people do not have access to essential clothing. This equates to one in eight adults and one in six children. Thread Together is a long-term partner, giving dignity back to those in-need.

To help support the communities affected during this time, Shona Joy donated \$40,000 worth of essential clothing, along with a financial donation of \$5,730 to support Thread Together in reaching those most in-need.

"We have heard so many incredible stories over the last few weeks and wanted to share one with you so that you can see the power that new clothing and bedding can have on someone.

When Emma moved to Evans Head with her husband to begin a new life as a farmer, she never envisioned that she would lose everything just 18 months later. Like so many people, Emma and her husband faced devastating flooding that destroyed their home, their car and their livelihood in a matter of hours.

Their home was completely inundated by flood water – they ended up sitting on their surfboards, desperately clinging onto their dogs as the floodwaters continued to rise around them, waiting to be rescued by the emergency services. They left with only the clothes on their backs and their phones. We were so grateful to have the opportunity to help Emma and her husband when they came into our Emergency Clothing Hub in Lismore. They had been relying on donated clothes and were so happy to be able to choose brand new clothing and underwear just for them.

The couple were so humble and dignified. They had been through a horrific experience and had lost 'a lifetime of clothing' but were standing tall. Their love for their community and each other was obvious to see and it was a real privilege for the team to meet them and hear their story. We were honoured to be able to bring smiles to their faces and to offer them some comfort and relief through the new clothing and bedding we provided."

– Anthony Chesler, Thread Together

5.1.3.3. THE ENCORESHIP

Only 32% of mothers feel the confidence to re-enter the workforce. (Get Qualified, 2016)

The Encoreship is a first-of-its-kind initiative providing employment opportunities to women+ who are facing challenges re-entering the workforce after an extended period away.

The Encoreship is an inclusive and collaborative initiative to help women and those who identify as women get back into meaningful employment after taking time away from work – for whatever reason. The initiative brings together a collective of likeminded Australian brands, who each offered 3-month paid placements in their organisations.

In May 2022, we were proud to host our first Encorer at Shona Joy as part of this program. At a grassroots level, The Encoreship looks to help address the larger, and complex societal issue of gender equality by keeping women in the workforce, and enabling those who want to work, to work. We're committed to continuing our involvement with The Encoreship and excited to welcome our next Encorer to the Shona Joy business.

"It has been such a wonderful experience for me with the incredible opportunity to come back into the workforce with such an amazing brand, Shona Joy.

The team here at Shona Joy have been amazing, like a second family to me and I walk away having gained so much from this experience over the last few months. Further to this, all the catch ups over Zoom with Alpha-H and the Encorer's and the opportunity to engage in training sessions with Carlii and to be invited to the Alpha Women Speaker Series events has been an incredible part of this journey, helping me grow and learn each step of the way.

I look forward to watching this program grow and evolve over the years to come and I commend you for all the work and dedication that you have put into making the Encoreship a success and making a difference in so many women's lives, you have given me so much in the last few months and I am truly grateful. I wish you all much success in your personal and professional lives and thank you from the bottom of my heart."

- Noemi Lockett, Shona Joy 2022 Encorer





5.1.3.4. DRESS FOR SUCCESS SYDNEY

Each year, 100,000 women in NSW along struggle to find a job – putting themselves and their family at risk. Dress for Success Sydney is a charity that has brought hope to more than 15,000 of these disadvantaged women – transforming their lives by offering the skills and confidence they need to secure work and gain financial independence.

Shona Joy is a long-term partner of Dress for Success Sydney – as part of our mission to do our part in ensuring every woman has the same opportunity to feel independent and empowered. By providing garments to both the Sydney and Illawarra branches, supporting in fundraising efforts and donations as well as dressing young women attending their school formals or graduation dances, who couldn't have otherwise afforded to attend.

5.1.3.5. INTERNATIONAL INITIATIVES – EMPOWERING WOMEN & GIRLS

About 77% of the fashion and textile industry's workforce is female, making it a key driver of women's economic advancement.⁹

Through FY21/22, we donated a total of \$101,404.00 to three important initiatives that protect and empower women and girls; Protect A Women, End Violence Against Women, and Keep Girls in School, through i=Change.

5.1.3.6. SURFAID


All mothers and their children deserve access to basic healthcare and the chance for their families to get ahead. SurfAid is a not-for-profit organisation committed to improving the health and wellbeing of mothers and children living in isolated regions, by enabling local people to develop and apply their own development ideas rather than simply delivering our own.

The Shona Joy x SurfAid capsule collection was designed to support the lives of women and children in remote areas and isolated villages where the maternal and child mortality rates are some of the highest in the world. \$10 for every product sold from the collection was donated to SurfAid. Throughout FY21/22, Shona Joy donated a total of \$5,154 to SurfAid, with monthly donations continuing through FY22/23.

⁹<https://ausfashioncouncil.com/wp-content/uploads/2021/05/From-high-fashion-to-high-vis-EY-final-report-31-May-2021.pdf>

Product





OUR DESIGN PHILOSOPHY

Less excess,
timeless usage



6. PRODUCT

As a consumer fashion and lifestyle brand, we recognise that the life-cycle of our products has an impact on the environment. In a recent report released by the Australian Fashion Council, Australia's fashion and textile industry contributed more than \$27.2 billion to the national economy. Alongside, it was emphasised the need to harness new sustainable business models.⁷

This financial year, we started to cement some key principles across our Product impact pillar with a core focus on continuing to design with the intention of creating timeless and durable pieces and transitioning three of our key fibres from our main product lines to more responsible options.

6.1. OUR DESIGN PHILOSOPHY — LESS EXCESS, TIMELESS USAGE

Driven by the essence of 1970's nostalgia and free-spirited adventure, our designs have a distinct look, and are not driven by trends. Each of our garments are designed to last a lifetime and be cherished forever. Nodding to uniquely notable Australian sensibilities, our collections embody a relaxed aesthetic, future fabrications and a neutral palette that forms the foundation of each of our seasonal collections. We don't believe in fast fashion with focus on silhouettes and fabrications that will stand the test of time and remain relevant for years to come.

We have always been incredibly cautious when it comes to inventory management. Our inventory is housed on-premises at our Sydney headquarters. Having our stock visible at all times ensures that our production volumes are always front of mind. We place great emphasis on staying connected with our customers to be able to forecast demand as accurately as possible, to ensure we're not over-producing. We don't believe in aggressive expansion and have always taken an organic approach to growth, ensuring that our production matches the existing demand for our garments.

We complete comprehensive quality control in-house at our Rosebery HQ. Our experienced team of Patternmakers, Machinists, Garment Technicians, Product Developers, and Merchandisers take great pride in ensuring the quality and fit of our garments is upheld to the highest standards.

Our bridal and bridesmaid collections are steeped in modernity and turn away from the industry's smothering excess and formality. Our La Lune and Luxe Collections provide an alternative option, with garments designed to become a core staple within any wardrobe, transcending the wedding day.

⁷ <https://ausfashioncouncil.com/wp-content/uploads/2021/05/From-high-fashion-to-high-vis-EY-final-report-31-May-2021.pdf>

100%

of the main fabric for our Luxe collection has been transitioned to certified recycled polyester

100%

of our Shona Joy Essentials collection has been transitioned to organic cotton

100%

100% of the main fabric for our La Lune collection has been transitioned to LENZING™ ECOVERO™





6.2. OUR FABRICATIONS — A TRANSITION

We acknowledge that the materials utilised in making a garment, are one of the greatest contributors to fashion's overall environmental footprint.

With this in mind, we took a closer look into the choices we were making as a company, for the fabrications in our three main product lines, and started to transition the main fabrics towards certified socially and environmentally responsible options.

This is a starting point for our team. We recognise that we have a long way to go when it comes to minimising the footprint across the entire lifecycle of our products and ensuring that we are making the most informed choices at the design stage is critical.

6.3. LENZING™ ECOVERO™

The Shona Joy La Lune collections fuse together simplicity and elegance. The pieces imbue the wearer with lightness and ease, which is why finding a responsible fibre that is characteristic of liquid silk was front of mind. Traditionally made from conventional Viscose as our mainline fabrication, our design and product team worked together to source suitable replacements, of which we decided upon a renewable Manmade Cellulosic, Viscose – LENZING™ ECOVERO™.

Derived from certified renewable wood sources, the production process of this fibre is certified to internationally recognized environmental standards. Omitting 50% less greenhouse gas emissions, and utilizing less water compared to traditional viscose.⁸

100% of the main fabric for our La Lune collection has been transitioned to LENZING™ ECOVERO™.

6.4. RECYCLED POLYESTER

Our Luxe collections exhibit a luxurious quality. A combination of effortless, simple silhouettes combined with lustful drapes, it was important for us to work with a flexible and durable fibre to maintain design integrity. Traditionally design using conventional (virgin) polyester as the mainline fabric it took our team over a year of research and development to find the right quality, and a more responsible option.

Our new Luxe range is now made using certified recycled polyester fibres. Made from verified recycled plastic material that would have otherwise ended up landfill, recycled polyester is considered a more responsible alternative than virgin, as it does not rely on the extraction of crude oil.⁹

100% of the main fabric for our Luxe collection has been transitioned to certified recycled polyester fibres.

⁸ <https://www.ecovero.com/>

⁹ <https://textileexchange.org/polyester/>





6.5. ORGANIC COTTON

The Shona Joy Essentials collection was designed to balance comfort and style, transitioning our customers between seasons. With modern nostalgia at the core, the capsule features timeless sensibilities evoking an elevated approach to athleisure inspired from the 70s at its centre. This collection was designed to take our customer from work to weekend, lounge to office – a considered assortment of garments designed for the longevity of a lifetime.


Our transition to organic cotton for our essentials collection has been based on the numerous benefits it provides over conventional, both environmentally and socially. Organic cotton farming promotes the health and wellbeing of people, protects soil health and water quality in turn promoting healthier ecosystems.¹⁰

100% of our Shona Joy Essentials collection has been transitioned to certified organic cotton fibres.

¹⁰ <https://global-standard.org/>

Planet





*Our connection to NATURE inspires us daily.
Recalibrating our business operationally to ensure that
we are RESPECTING and PROTECTING the planet,
is a COMMITMENT that we made as part of our
SECOND NATURE journey.*



7.1. PACKAGING — ALIGN AND TRANSITION

We have recently developed our packaging policy in order to take the most circular and responsible approach across our portfolio, and we are currently in a transitional phase. Our commitment is to ensure that our packaging is minimal, made using renewable and non-toxic resources, and from certified recycled materials that are re-usable or recyclable. Our commitment is to eliminate virgin plastic from our packaging portfolio and to be 100% reusable and recyclable.

7.2. OPERATIONS — RENEWABLE AND RESOURCED

We have learnt that all small steps add to great change, so we took a dive into the operations of our Sydney Headquarters and Warehouse to make as many swift changes as we could. In line with our overall strategy, our aim is to minimise the use of natural resources as much as possible and apply circular methods where possible. Switching to renewable energy for both sites, was our first step. As an Australian company with an abundance of sun and supply, this was a clear and easy decision. Our team connected with Planet Ark to learn more about what we could do to elevate our resource management at both sites.

7.2.1. REUSABLE COFFEE CUP POLICY

On the 1st of November 2021, we implemented a new policy. Aligned with our mission to respect our planet, we have decided to ban disposable coffee cups at the office. To help everyone move away from the convenience of using takeaway cups, we gifted every staff member with a handmade cup from Pottery For The Planet. All new Shona Joy staff are gifted with a Huskee reusable coffee cup on their first day, with access to a barista coffee machine on-site.

7.2.2. PRINTING / PAPER USAGE

As a business, we completed a comprehensive review of our internal processes with the aim to reduce our volume of printing and digitise our processes where possible. Throughout this process, our management team worked with each department, implementing new measures and systems to eliminate the need for printing across the business. We are now tracking our printing volume to set benchmarks for our internal team moving forward.

In addition to reducing our volume of printing, we also transitioned all printing paper to a recycled alternative, supplied by Planet Ark. Paper is Australian made, delivered unwrapped, and utilises recycled waste – resulting in less water and energy usage throughout the production process, as well as diverting the paper from landfill and extending the lifecycle of existing materials.

We also started working with Close the Loop to recycle our ink cartridges. Close the Loop are able to separate the raw materials from each cartridge, from the plastics and metal components, through to the residual toner powder and inks. Each element is reclaimed and recycled to ensure nothing ends up in landfill.





OVERVIEW AND NEXT STEPS

For us, FY22 was about defining our responsible business journey and recalibrating the foundations of Second Nature into our company culture and core purpose. There have been many learnings along the way, and we are proud to share them with you in this report. The last year has seen us lean into the challenges of embarking on this journey, at the same time, has highlighted the steps that already started taking without any guidance. This was the inspiration behind the name of our program - Second Nature, highlighting that the importance of this work is embedded within our values as a business and as a team, and comes as second nature.

We are excited to continue to build upon the foundations and goals that we have set in our FY23 roadmap and continue to align with science and data-based approach to fulfilling our mission of being a responsible corporate citizen.

APPENDIX

A) Company Details

Shona Joy is a privately owned Proprietary Limited Company (PTY LTD), with its Headquarters in Sydney, 16/809-821 Botany Road, Rosebery NSW 2018.

B) Stakeholder Engagement

For the purposes of prioritising the core focuses of our roadmap for FY21/22, we engaged our internal leadership team and customers to participate in an online survey. This survey outlined key topics across social and environmental areas, requiring respondents to provide their input through both qualitative and quantitative methods.



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