



Head in the Trees

Climate action is a matter of urgency that affects society at large and is now at the forefront of Director duties. But what kinds of issues are boards tackling and how will their decisions affect the rest of us? **Head in the Trees** looks at the importance of climate governance across a range of industries beyond the primary sector to the practical measures being taken to limit global warming and prevent a catastrophic climate disaster.

Sonia Yee:

This podcast was made with the help of ASB Bank, supporting businesses to get one step ahead.

Thomas Elliot:

The main thing about cities is that the environmental impacts happen outside the city at the supply chains of the resources that we consume in the cities.

Kanika Jhunjhnuwala:

Sometimes you kind of want to implement something and then the suppliers saying, "No, that won't work for us." So in cases like that, we've gone and found other suppliers who are willing to do it.

Dr Rod Carr:

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Emily Miller-Sharma:

The various different media explosions only adds to the fear of talking publicly about what I think is like some really great work.

Kirsten Patterson:

I'm **Kirsten Patterson**.

Sonia Yee:

And I'm producer and co-host **Sonia Yee**. You're listening to Across the Board made by the Institute of Directors in association with the New Zealand Herald.

Kirsten Patterson:

Throughout the series, we look at how decisions made at the top trickle down and the impacts they have on society, including how they affect a range of sectors and industries.

Sonia Yee:

We're over halfway through the series and we've already explored diversity, bullying on boards and what it takes to get a seat at the table. This time we take a look at ESG, which stands for Environmental, Social and Governance, which might be new to some of you, but it's likely you'll know the importance of it. So KP, what is ESG?

Kirsten Patterson:

Well, it's a way of addressing issues beyond the financial and looking at risks and opportunities. One impending risk that every business or organization is currently facing is a biggie, the climate emergency. It's here.

Dr Rod Carr:

Only in September 2019 I could not have had any of the conversations about climate that I have today.

Sonia Yee:

Dr. Rod Carr has a background that spans technology, finance, education, and now climate. He's a chair of the Climate Commission.

Dr Rod Carr:

So I did my PhD in insurance and risk management between 1993 and 1996 at the University of Pennsylvania in the Wharton School, supervised by professor David Cummins, who specialized in catastrophe insurance. No time while I was doing my PhD did we talk about climate change. We talked about catastrophe bonds, about the underwriting losses that the global reinsurers were facing and the fact that they had thought they had diversified portfolios of natural hazard risk, wildfires, storms, sea surges, tsunamis, cyclones. They thought these were uncorrelated risks. So if you spread your risk across the world and across these different types of events, surely that was good risk management. And then they began to experience a series of losses all over the world that appeared to be mounting and the general sense in insurance is you just can't see the common cause. When you see losses that you don't think should be correlated, but they keep occurring, you've got to get down and dig deep. And of course climate change became the driving cause of these losses and their portfolios were not diversified against the impact of a warmer world.

The reinsurance guys are great mates with the global fund managers. So it wasn't long before the fund managers began to think about at risk assets and the impacts of climate change on their expected rates of return. And so in a way, global capital was the first part of the business sector to get the story and get in front of history. While the scientists had been there for decades and global politics got there in the early 1990s in terms of identifying a problem that could only be solved by global collective action, the business community was slower to get on board because some of the stakeholders in the petroleum industry have just huge vested interests in pushing this story on for as long as they can get away with.

You've now got medium sized businesses beginning to experience the consequences of the real world of global capital. And one of those consequences is that these businesses are going to be expected to know their emissions profiles because that is the way in which these risks will be expressed in their business. And then when you come to the banks, the equivalent for them is knowing what emissions they're financing because financed emissions rather than the actual emissions of the bank are where the banks leverage your and my future. So the banks will want to know

what emissions they're financing and in that process will force businesses to first measure and then manage their emissions.

Sonia Yee:

So now that we're on the topic of global and collective climate action, how do you even start to measure success when it comes to climate change? Well, for Rod, first it's about acknowledging the urgency around the issue.

Dr Rod Carr:

The fact is the climate waits for no one. It does not matter whether we make rules or break rules. What we are doing to the climate is having and will have dramatic consequences for our lifestyles and how we learn a living. And that's a fact whatever we do now. I think we'll look back and see the period from 1990 to 2020 as incredibly benign, incredibly calm, that yes, we had a 2008 global financial crisis. Christchurch fell down in an earthquake, but at the end of the day, that period from the fall of the Berlin Wall through to the pandemic will look tranquil compared to the decades to come.

So what's going to stir up the decades to come that is beyond our control and therefore you have to prepare to live with. One is the move that we are seeing from a rules-based order to a power-based order, and we're seeing that manifest itself in geopolitics. We're also seeing a move that is putting ahead of efficiency the need for resilience. Energy and food is becoming more important to know it's there than to know it's cheap. And we're also seeing quite a significant move from the idea of economic striving things to security. So if you take all together, those are big defining shifts in how governments will prioritize their worldview and businesses and households will need to interact with the world we live in. So I wouldn't be hanging up your chain shoes anytime soon.

Sonia Yee:

But that doesn't mean the world or business comes to a complete halt. So what opportunities are there for businesses and boards?

Dr Rod Carr:

It is really saying what are the skills and capabilities that your organization needs to survive in a turbulent future? So what are the kinds of skills and capabilities we want in our workforce? What are the kinds of customers we want in this turbulent world and what relationship do we want with our

suppliers in this ever-changing and turbulent world? What risks do our suppliers impose on us and what vulnerabilities are we exposed to as a result of the customers we've chosen? So all of that goes to how do you build an organization that is flexible and responsive in an unknowable future world?

Thomas Elliot:

I'm a postdoctoral research fellow at university in Montreal, and my role is to research ways that humans have impacts on climate change and ways that we can develop policies that mitigate those impacts.

Sonia Yee:

This is Dr. Thomas Elliott whose research addresses a range of environmental topics including the impact of consumer behavior in cities and how that influences climate change and biodiversity loss. His work is part of an international research program with Professor Annie Levasseur, one of the climate change advisors to the Canadian government.

Thomas Elliot:

So it's all to do with climate change and relationships between human activities and climate change and what we can do about them.

Sonia Yee:

And that takes us from the serenity of rural green pastures and fresh water to the fast-paced urban landscape.

Thomas Elliot:

I specifically focus on the urban scale, so more emphasis on what people are doing inside cities to cause climate change and to reduce the impacts of climate change.

Sonia Yee:

But what does that look like?

Thomas Elliot:

The main thing about cities is that the environmental impacts happen outside the city up the supply chains of the resources that we consume in the cities. So we don't see a lot of the environmental impacts or the activities that generate those environmental impacts when we live inside

cities. They're happening elsewhere, and this is something that's not considered in urban planning and trying to develop sustainability plans for cities because those things happen in a different sort of scale.

Sonia Yee:

Thomas's research also talks about urban metabolism, which immediately makes me think about the heart of the city and the energy pumping through its veins.

Thomas Elliot:

So urban metabolism is just that metaphor of resources that the city metabolizes that come in to feed the city's life. So I'm focusing on more sort of global objective like the Paris Agreement if we were hoping to be on track for the 1.5 degrees Celsius global warming.

Sonia Yee:

The Paris Agreement is a legally binding international treaty on climate change adopted in 2015 by almost 200 parties at COP 21 in Paris. It came into force in November 2016. The goal to limit global warming to less than 2 degrees celsius and ideally to 1.5.

Thomas Elliot:

We are so far away from that globally. We need to bring down our per capita greenhouse gases. I think it's about a third of what they are now, and that's just to be on track, so I think we're somewhere around six tons of CO2 equivalent per capita. We need to come down to around about two I think.

Sonia Yee:

But unfortunately, relying on electric cars and putting out your recycling isn't going to solve the problem.

Thomas Elliot:

The biggest finding is that the magnitude of the difference is huge and that there's very little that we can achieve relatively speaking if we just focus on what's happening inside the cities. We have to focus on what we are consuming in cities and then looking at how to change those supply chains so that the impacts that are happening outside cities are reduced.

Sonia Yee:

So does that mean that it's not about what we are eating in the subsequent rubbish going into landfill and waterways? According to Thomas, that's a yes and a no.

Thomas Elliot:

So we have to think about what are the really resource intensive economic activities and farming is one of them.

Sonia Yee:

Thomas says we need to think about choosing plants over animals, which as a large meat and dairy producing and eating nation might not be an easy ask.

Thomas Elliot:

And a lot of the time it's the on-farm activities through the food supply. So food has a huge impact on the environment and we consume lots of food inside cities and we don't produce food inside cities. That's one of the main remote impacts I call them. So things that are happening remotely, not in centre in the city.

Sonia Yee:

But it doesn't end there.

Thomas Elliot:

Also, things like the electrification of activities and processes outside cities.

Sonia Yee:

And we use electricity for everything, if only we could solar or power our phones.

Thomas Elliot:

Electricity of course doesn't generate greenhouse gas emissions at the point of use, but does when they're generated. So that then shifts the environmental burden outside the cities to the point of energy generation. That's the wicked problem of environmental science that we do need these things, but we don't need to eat meat, we don't need to drive cars. And those are two of the things that cost the most environmentally speaking. So

looking at ways that we can not just changing the supply chain but actually changing what it is that we're supplying.

Sonia Yee:

Today, we're also addicted to our devices.

Speaker 5:

Mobile phone, tablets, iPad.

Sonia Yee:

Which also has an environmental cost.

Thomas Elliot:

Yeah, the tech industry is quite a complicated one because electricity is not benign. In New Zealand it's a little bit less bad than in other parts of the world, but it still has an environmental impact. Watching Netflix has an environmental impact because of the data service that use energy for cooling. And if it's happening somewhere else in the world where that electricity might be generated from coal, this is what I mean about the remote environmental impacts or impacts happening somewhere else. And we don't see them when we are watching Netflix or generating Bitcoin or something like this. They have very sizable environmental impacts. So we have to be really careful with this sort of electrification and the sort of information technology age.

Sonia Yee:

And Thomas has a word of caution there too.

Thomas Elliot:

What we don't want to do is feel the sense of security, sort of put everything in these solutions. We have to also look at reducing the resources that we're using. We can't just say let's have electric cars and then feel comfortable driving more because we know that there's a lower environmental impact associated with electric cars. That's sort of, oh, feeling good, I'm doing something useful by making this change. Electric cars are not environmentally benign, so it's still damaging to the environment. We still should think about using them less.

And the same goes for this transition towards everything being online. We should be really careful that we don't use that to justify doing more, but use

it to secure some wins because they're more environmentally efficient. But that doesn't mean that they're totally good. I think it's really important that with our language, we don't say something is good for the environment. It's good to have an electric car. No, it's less bad. It's still doing bad. It's still doing something to the environment. So is having your power bill delivered by email, okay, it's negligible, instead of having it delivered by somebody on a pushbike. Those sorts of exchanges, we should be really careful about saying, oh, well, now we're going to do a whole load more of that thing, but isn't actually good. It's just less bad.

Sonia Yee:

At a time where boards are encouraged to look at ways of implementing new technology, what are the costs of doing more and increasing our digital capabilities and how can we as individuals and businesses find a way to disconnect when we live, work, and breathe the entirety of our lives online?

Thomas Elliot:

There's this concept called Jevons paradox, when something is more efficient, that we do it more and we end up having this increase of environmental impacts because it's less bad for the environment and we think we can do it more. And I think we have to be really, really careful about not falling into that trap. Like we're addicted to these things and we've had a nice run being able to use these resources, but we can't hope to keep using those resources.

Sonia Yee:

So taking all of this into account, what can boards do to minimize environmental harm beyond the recycling processes already happening in the workplace? Is it about taking baby steps or charging full steam ahead to meet the end goal?

Thomas Elliot:

I don't know too much about what the life of a director looks like, but I think that companies really need to be emphasizing the importance of products that they buy. Something really simple could be having plant milk in the cafeteria fridge rather than cow milk or making sure that there's a lot of space for people to park their bikes when they arrive at work and perhaps actually not providing space for people who drive cars to work, but then perhaps for those people offering them a pass for the public transport if

there's public transport available in that area, so that staff can not have a personal cost shifted onto them for making the right decisions, but that the company is really looking out for the staff to make those environmental decisions.

Sonia Yee:

But wouldn't businesses run the risk of making people feel alienated? Take parents, for example, who might be doing the school run.

Thomas Elliot:

That's fair to have that concern, but when people start talking about, oh, this is going to make my life more difficult, let's talk about it in the bigger picture. Like climate change is going to be difficult for everyone. You're not going to be worrying about driving your kid to school or taking the bus. You're going to be worried about relocating your life from somewhere that used to have a nice climate to somewhere that used to not have a nice climate, but has changed. So lots of things are going to be different depending on what the pathway we take is. But we can't be thinking about, oh, we're going to have our cake and eat it too. We can't keep driving our cars and hope to not have climate change.

Sonia Yee:

On that note, it's time to hop on our bikes or on a plane.

Kirsten Patterson:

The tourism industry took a massive hit as a result of border closures due to Covid. But what does that mean for the sector thinking about ESG matters?

Graine Troute:

The tourism is about people having fun, people learning more about the world, learning more about other people. There is that whole welcoming manaakitanga bringing people to New Zealand, showing them what New Zealand is about, being the face of New Zealand to the world.

Kirsten Patterson:

This is Graine Troute, chair of Tourism Industry Association, TIA. She's a professional director who comes with a wealth of experience operating customer focused businesses in tourism, hospitality, and retail.

Graine Troute:

It also needs to be done well, obviously. So from a governance standpoint that also has its appeal as well.

Kirsten Patterson:

Graine lives and breathes tourism. It's a vibrant industry with so much to offer, but it's not the industry it used to be. So has the disruption caused by Covid impacted the sustainability focus for the tourism sector? And maybe the bigger question, how are businesses in the sector sustaining themselves?

Graine Troute:

They've been two years without many of them, two years with negligible numbers of customers. Many of them have gone out of business. Those who have hung in there have very immediate concerns coming out of this in a sustainable way and continuing to work on that. Significantly compounded by the fact that many of them are fighting for their very existence at the moment. I think it is overall a sector that's deeply committed to sustainability, but man, it's a tough time to be focusing on it at the same time.

Kirsten Patterson:

So when it comes to doing tourism sustainably, what does that look like? Graine says the first step is messaging and reinforcing the Tiaki Promise.

Graine Troute:

In this particular case, role modeling and then just talking about the type of behaviors. We're looking forward to welcoming you. We hope that you know will also behave in this way. A lot of it is just about reminding people that they can also have a positive impact.

Kirsten Patterson:

So reinforcing that visitors need to respect and protect our environment is great, but with more planes in the air, more cars and other forms of transport when they travel across New Zealand, this also involves a bigger carbon footprint, right? And what about backpackers? What kind of impact do they have on the environment?

Graine Troute:

Backpackers can have quite a, in some quarters can have a perception of not adding a lot of value to New Zealand, not spending a lot, et cetera. In practice, backpackers tend to stay a lot longer. They'll spend less per day just because of their budgets and the nature of the type of visit that they're making. But they will stay for longer. They will often work, whether it's an orchards, work here to sustain their visit. But they will, over the course of their time in total spend more, albeit less per day, travel by bus. Their overall per day footprint will be a lot lower than the person who flies in for a much shorter period of time and intensely travels around and then goes.

Kirsten Patterson:

When we think about tourism in New Zealand, it's the exploration of the outdoors and that immediate contact with nature that drives our industry and captivates our visitors. So what are the environmental and sustainable considerations for those operating in the sector?

Graine Troute:

If you are a player within the industry, a member of TIA and your businesses is renting vehicles, well then it's about an obvious and critical way for you to reduce the carbon impact of your activities over time is to increase your EV fleet over time. It's not possible to do it immediately, but over time that's going to be probably your biggest area of focus and also other types of efficient vehicles where that isn't the case.

Kirsten Patterson:

Graine says there are tools available, but the biggest challenge is for smaller businesses.

Graine Troute:

We have to understand the impact of our businesses. Yeah, we've got extensive resources, but also we've got great expertise within TIA itself that will actually reach out and work with members. We also work with other organizations so we can point them in the direction if they do want to start benchmarking themselves that there's also a lot of free resources that we can make available to them. The TIA team recently piloted a sustainable tourism program with 12 Wellington businesses where they took them through that whole from measurement to goal setting. A big part of it is sharing knowledge. A big part of it is measuring.

Kirsten Patterson:

And businesses need to make that transparency available for their boards and shareholders.

Graine Troute:

It really is only when you measure that you really understand where the carbon reduction opportunities in your business are that you can start to plan and take meaningful steps. And that starts to become a virtuous cycle in and of itself. The first step does have to be that measurement. That can seem a very scary prospect to every business, but particularly for small businesses who can't bring in that capability themselves.

Sonia Yee:

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Kirsten Patterson:

So when we talk about governance and directors, it's the owners of those businesses too.

Graine Troute:

That's most of tourism in New Zealand. They have both the director responsibility and the operator responsibility. So the biggest trend that we really see is that sharing of information and resources amongst similarly sized businesses and from larger businesses to smaller businesses to help them get up to that level. Once you measure once, then you're on the road. Then it's about comparing year on year on year. It's that first step.

Kirsten Patterson:

And boards and directors know the responsibility is in their hands.

Graine Troute:

I think for a long period of time people were aware of these challenges as being, yeah, they're there. Yeah, we need to focus on them at some point. The some point is right now.

Sonia Yee:

Graine talked about the importance of sharing reporting mechanisms and that's something that the Sudima Hotel Group have been doing to help promote sustainability.

Kanika Jhunjhnuwala:

When we opened Sudima Auckland Airport, that hotel was designed with a lot of environmental considerations taken into accounts.

Sonia Yee:

This is Kanika Jhunjhnuwala, Executive Director for Sustainability and Environment at Hind Management who build, operate, and manage high performing hotel and commercial accommodation businesses, including five properties owned by the Sudima Hotel Group in New Zealand and Australia.

Kanika Jhunjhnuwala:

We've got permeable pavement there. We've got rainwater harvesting. There is like bees on the roof, there's like an herb garden. There's all sorts in that hotel. Not all of that has to do with the carbon footprint obviously, but it's like a very, I think well thought out hotel.

Sonia Yee:

After three years of establishing itself in the industry, the Sudima Hotel Group were the first in New Zealand to be awarded a Toitū carboNZero certification in 2013 and have received a number of awards for their sustainable achievements.

Kanika Jhunjhnuwala:

We measure our emissions and then we mitigate and offset the ones that we couldn't mitigate. So now we have a policy where any Sudima hotels within two years of opening we add it to the portfolio so that basically we can get a really good base year of operations and then work from there to reduce our carbon footprint.

Sonia Yee:

But change always involves challenges.

Kanika Jhunjhnuwala:

Our hotels are all in different places, so it's a bit of a, we're doing this well here, how does the other hotel know to do that too? And so what we've been doing is working a lot in our backend on our reporting and knowledge sharing. And I think part of that has been creating this ESG strategy, which we're kind of rolling out across the whole entire group so that everyone knows the things that we want to focus on more.

Sonia Yee:

For businesses in the process of setting their goals and doing that successfully is about identifying the key focuses for their business.

Kanika Jhunjhnuwala:

We did a whole bunch of interviews with the exec team and different stakeholders and then based on that we created our goals and our metrics around them. It is very business specific and country specific, and it really depends on who you are talking to and who you are you're trying to interact with.

Sonia Yee:

And for the Sudima Hotel Group people come first. Embedding a sustainability ethos has taken time, processes, planning, and close attention to detail. And customers have responded positively.

Kanika Jhunjhnuwala:

Yeah, so when we first changed our amenities in the showers, so we used to have the small plastic bottles, when we switched to the big bottles we had a lot of people commenting on how great that was and they thought that it would be worse, but it's actually better because the quality of the product is better and it's just a more luxurious experience for them. So I think it just depends on what you do and how obvious it is to each person and what their focus is on and what that individual's values are.

Sonia Yee:

Kanika will be the first to tell you that having sustainable goals is one thing, but trying to make them happen is another.

Kanika Jhunjhnuwala:

Sometimes you kind of want to implement something and then the supplier is very stubborn and saying, "No, that won't work for us." So in cases like

that we've gone and found other suppliers who are willing to do it and come back to just to help us get where we want to be with the hotels. So we've looked at different amenity suppliers, we've looked at everything that goes into the room like what is the packaging that the food is coming in.

Sonia Yee:

For instance, the bags of chips or snacks in your room for purchase.

Kanika Jhunjhnuwala:

And so for things like that, we've spoken to different suppliers, we've tried to find the best option, but obviously it's not the most ideal option either.

Sonia Yee:

And working your way to reducing carbon emissions and towards your sustainability goals for the good of the planet isn't about being perfect, but trying to find the right solution depending on the technology and options available.

Kanika Jhunjhnuwala:

You need to figure out what are the risks to the business, where do you want to get to? What are the values that you want to encompass? And then find metrics that relate to that. And how do you measure those metrics. I think the hardest part about sustainability is finding ways to put the fuzziness, I guess, into real life numbers. How do you make it something that you can report against, show improvement against rather than just a feeling of yeah, we have this idea through the business and that's changed the culture. Obviously the culture matters a lot, but I think for board level you kind of need to see how it is improving.

Kirsten Patterson:

But sometimes even the best of intentions can come tumbling down. A massive red flag was raised for the fashion industry when Rana Plaza, a garment factory in Bangladesh, collapsed in April, 2013. It shone a light on the fast fashion industry known for its cheap labor, poor working conditions and clothing that's essentially throwaway. And it also had an impact on the global garment industry, including those independent brands and designers here in New Zealand.

Speaker 8:

New Zealand fashion brands are caught promoting products as New Zealand made. They maybe be telling lies. Fashion labels, supply chain, may not be wholly produced in New Zealand. Homegrown fashion label [inaudible 00:30:22] from China.

Kirsten Patterson:

Sustainability, climate and employment conditions, all of it was suddenly under the microscope. Transparency for all businesses is essential today and boards need to do their bit to provide it. But those in the business of making us look great, the fashion industry was one that felt highly exposed and stepping over the line has seen many Kiwi fashion brands caught in a whirlwind of media chaos.

Emily Miller-Sharma:

The various different media explosions only adds to the fear of talking publicly about what I think is some really great work.

Kirsten Patterson:

Emily Miller-Sharma is the business manager of New Zealand Woman's Fashion label Ruby and one of the founders of Mindful Fashion, a collective of leading New Zealand designers, including manufacturing and textile suppliers working towards an inclusive, sustainable and successful future. Emily sees one of the biggest hurdles for the fashion industry has always been about its reputation and some long held misconceptions.

Emily Miller-Sharma:

There's a negative view of the fashion industry and it's kind of often perceived as vain and surface. And I think it's really important that as businesses we do what we can to challenge that because a lot of what people think about in terms of the industry is the faces of the brand or the marketing, the kind of PR side. But actually the industry is made up of people who just really like working with fabric and are really good at working with their hands.

Kirsten Patterson:

And challenging those perceptions is about ensuring those in the industry carefully shape their stories to encapsulate more than the latest collection, marketing campaign or the glamour of New Zealand Fashion Week.

Emily Miller-Sharma:

It's important for us to regularly share what we are doing. So it's not just one like, look at my great sustainability initiative. It's an ongoing conversation. It's not just a nice looking report.

Kirsten Patterson:

But there are deep seated fears in the industry. Emily says when starting initial conversations led by Mindful Fashion, industry insiders were skeptical.

Emily Miller-Sharma:

Because they were worried that it would look like we were greenwashing. And there are some real challenges with regards to sustainability in the industry. There's a fear of talking about those challenges because you feel like you are not doing enough or you don't want to claim that you're doing more than you are. Or you may not want to expose something that might be detrimental to the industry.

Kirsten Patterson:

But Mindful Fashion has a very real mission to grow the industry and ensure it has a place in New Zealand's future.

Emily Miller-Sharma:

Other than in terms of making sure that as an organization we're sustainable is that we're actually producing work which is of value. Because if we're not, then there's no reason for members to continue to be part of Mindful Fashion. There's no reason for corporate sponsors or corporate partners to support us. So we have to be producing valuable work.

Kirsten Patterson:

Already Mindful Fashion has made an impact, including helping to steer thinking and change in the industry. The nonprofit organization is governed by board of directors and became an incorporated society in 2019. Sustainable governance is behind the board's leadership.

Emily Miller-Sharma:

It's just being clear about what the expectations of board members actually are and ensuring that the organization doesn't need more than what the

board members have agreed to do. We're obviously there to serve the members, but the view is that by progressing sustainable practices will raise the entire industry sustainability status, if that makes sense.

Kirsten Patterson:

And all of this has had positive flow on effects for Emily in reporting ESG matters for Ruby.

Emily Miller-Sharma:

So there are some things that I report on every month. So one is health and safety so that includes mental wellbeing. Genuinely our advisory board are interested and really engaged with those conversations. So if we think about health and wellbeing and if we think about sustainability, and to me they are linked, for either of those things to be addressed in a meaningful way by a business, they need to add value to the business as well. If it doesn't contribute to the business, it's the first thing to go when things get difficult. What has been important to me is to show the advisory board the value of the work that we do with regards to sustainability, with regards to health and wellbeing.

Kirsten Patterson:

And Covid put a spotlight on mental health, but it also spurred a number of challenges for the industry. The big one was the impact on the supply chain and coming together today matters now more than ever.

Emily Miller-Sharma:

So an important part of my profession is that we all share who our makers are, our local makers, and so that we had a list of who the makers were so that we could then work with the makers, bring them on board with Mindful Fashion and make sure that they were agreeing to the Mindful Fashion code of conduct. Initially, that was a very big sticking point for the more established brands. I could kind of sit in the middle. Mum and dad have been in the industry for 35, 40 years. Dad was a wholesaler, so I understand that need to protect your supplier because a lot of that relationship in the past has been what the IP of the company is. And I also understand the new generation, which is like you can kind of find your suppliers on Alibaba. So there's this, but what Kate and Wayne helped me understand-

Kirsten Patterson:

Emily's referring to designer Kate Sylvester and her partner Wayne Conway, who are also on the Mindful Fashion Board.

Emily Miller-Sharma:

As designers it was really difficult to get fabric suppliers. Fabric suppliers didn't really want to deal with these designers because the accounts were too small. The industry was booming. When they managed to develop relationships with suppliers, that really actually was so important to them because that was actually part of their IP. In order to get red net, you were only really able to go to certain suppliers. If they didn't have the red that you wanted, then you didn't get the red that you wanted. Whereas now it's very easy to source infinite different shades of red. It's a completely different world. If a fabric supplier had a cool print, you wanted that and so you wanted to make sure that you had that connection with that supplier. And yeah, we don't live in that type of industry now, but some of those old habits kind of are there. And something really fell into place for me because it was like that really mattered to those businesses then. It hasn't necessarily been something that's needed to change until now. That's the thing about shifting culture, unless you have to, unless there's like a reason, you just don't.

Kirsten Patterson:

And sustaining the industry, caring for the community of people involved and the environment also means looking to the future. There are risks, but also opportunities.

Emily Miller-Sharma:

People who work in industry, so literally the owners of companies went to Whitecliffe to talk to students and also to see what they were working on. There's kind of an ongoing conversation about making sure that people are being trained to do what the industry needs to do for now and the future. Opening up that dialogue and for students to hear from industry, but industry to hear from students and teachers, I think was really valuable. That will flow into the work that we do with the apprenticeship scheme that we're still chipping away at bringing together our CMTs. Literally our cutters, like our youngest cutter is in his fifties.

Kirsten Patterson:

The biggest risk staring the New Zealand fashion industry in the face is losing its talented technicians and craftspeople and time is running out.

Emily Miller-Sharma:

They were all trained in a different world and there is no one coming up to replace them as they retire. So getting these people on tether in a room and seeing who they are and actually seeing the reality of the situation, it just absolutely illustrates how fragile our manufacturing industry is.

Kirsten Patterson:

Through Mindful Fashion, the government is also paying attention to the industry.

Emily Miller-Sharma:

There's a level of authority to what we can say with Mindful Fashion because it's based on valid research work. So if we want to continue to have made in New Zealand product, we need to have support.

Sonia Yee:

That was Emily Miller-Sharma. You also heard Thomas Elliot, Graine Troute, Kanika Jhunjnuwala, and Dr. Rod Carr. And the sound engineer for the series is Mark Chesterman. I'm producer **Sonia Yee**.

Kirsten Patterson:

And I'm **Kirsten Patterson**. That was the fifth episode from our seven part series Across the Board. If you'd like to listen to more including upcoming episodes, you can find us on iHeartRadio, Spotify, Apple, or wherever you get your podcasts. And while you're there, we'd love for you to rate the series too. Next time we dive into territory that continues to keep us on our toes. Technology. We look at the pros and cons of implementing tech into business, what it means for startups, laying the foundations for tech and the crossover with governance, and ask whether it's possible to go too far until then, ka kite.

Sonia Yee:

Catch you next time.