



YS UP GOVERNANCE AND BOARDS PODCAST

Episode 32– ESG, CSR & Modern Slavery Reporting with Nicholas Bernhardt, CEO Informed 365

Transcript

Intro:

Welcome to YS Up Governance and Boards podcast brought to you by 3YS Owls Governance Consultants. Covering hot topics in governance, risk, latest regulatory changes and issues keeping directors and executives awake at night. Here are your hosts Ainslie Cunningham and Deb Anderson.

Nicholas Bernhardt:

Where do you want me to start? Do you want me to start in the Dark Ages when I was still an investment banker?

Ainslie Cunningham:

Sure, sounds good.

Nicholas Bernhardt:

Right. Okay. The typical career. I studied in Zurich. I studied economics and the traditional thing is after you studied economics in Zurich, what do you do? You can't go make clocks after that or watches. You go and work in a bank. That was the standard operating procedure almost. I was in banking for, I think, oh, probably about 15/16 years. Whilst it was very entertaining, I also found it quite frustrating because there was a total disconnect with literally the world because you're basically selling and flogging air. The more hot air I would pedal, it seemed like the more money I would make.

Nicholas Bernhardt:

There was a total disconnect there for me. After a while I thought, "This is probably not a very fulfilling career decision." So, I went cold turkey in 2004 and then I started consulting to companies that were in the ESG or environment, social and governance space, and quickly figured out that that disconnect wasn't only just with banking. It was the corporate world in general was struggling to find a way to link what's happening in the real world to what's happening within their business. I decided, well, we've got issues like climate change. We've got human rights abuses.

Nicholas Bernhardt:

We've got all these issues that are not being tackled in a very scientific, not a very detailed manner. So, I thought we need to have data and IT underpinning any changes that happen in environment and social issues, because we need to know what the issue is before we can start tackling the issue. That's where the journey started. We initially called our company GreenBizCheck, which was the world's first online CSR. That's another word for ESG, corporate social responsibility. The first company that were the first online version of a certification program in that space.

Nicholas Bernhardt:

It basically covered energy, water, waste recycling, and all this sort of other CSR metrics. Company would go through an online checklist, get a report and an action plan. Once they hit a certain threshold, that's where Bureau Veritas came in and certified these clients. About 2011, one of our clients reached out to us ... or not, probably 2012, and asked us whether they could use our tech platform to start managing, monitoring and tracking their suppliers because, funnily enough, almost as a prediction of the future, they were having issues in human rights in their supply chain.

Nicholas Bernhardt:

They wanted to add transparency and visibility in their supply chains. We thought about it for about a nanosecond and said, "Yep. This would work really well. Tech supply chains. You're going to get transparency into the nth degree of your supply chain. Let's build some capabilities and resources in that space." We did that. We literally pounded the pavement for about four or five years, hoping to attract clients to, "Listen, what happens in your supply chain is really critical to you as a business."

Nicholas Bernhardt:

I'll be brutally blunt with myself, the traction we gained was negligible initially. I had to look for a polite word for that. Anyway, in 2017, the Human Rights Modern Slavery Act in Australia got passed and that got passed in November 2018. That's really now elevated this topic to every senior manager and board member in any organisation, basically. We look at the Modern Slavery Act almost as a Trojan horse. Okay. You have to look after modern slavery now, and you have to make sure in your supply chain, there's no modern slavery.

Nicholas Bernhardt:

Why don't we look at some other aspects that are related to the environment and social aspects? That's the journey in about three and a half minutes, I think.

Ainslie Cunningham:

Probably felt a lot longer than that in real life.

Nicholas Bernhardt:

Oh, just a bit. Especially those five years of pounding the pavement.

Ainslie Cunningham:

What were some of the challenges you faced during that time?

Nicholas Bernhardt:

I'll even ... Oh, no. I shouldn't pin it to a demographic, should I? That would be quite discriminatory.

Ainslie Cunningham:

It's completely up to you from your perspective.

Nicholas Bernhardt:

I think one of the biggest obstacles was preconceived ideas, and typically they were held by my demographic, so I can probably denigrate my own demographic, and that's middle-aged white men. They'd been doing business like that for the last 20-30 years and so change was hard to come by. That goes for social aspects as well as environmental aspects. That was probably one of the biggest challenges. What I found, if I compare to our early days, the calibre of people working in the space now has escalated to new levels.

Nicholas Bernhardt:

You've got some of the smartest people working in the environmental and social space these days, which is excellent. Because before that, if I was lucky, 10-15 years ago, I'd have a table of hippies around me. Now, I'm being slightly facetious here, but now you've got quality people that see, "Okay. We've got some issues and we need to challenge them." It's driven by some advanced

corporations where they let those people really drive the business on an environmental and social level.

Deb Anderson:

How easy was it to transition from your supply chain management system to modern slavery?

Nicholas Bernhardt:

Oh, very easy because we built that as a core component. Our system is very agile so a lot of our clients track a whole range of metrics. Most of them obviously now track modern slavery because that's been legislated, but others might track things like conflict minerals or anything to do with timber-related products or health and safety, indigenous spend, local procurement. There's a whole range. What we did was we aligned our platform with ISO 20400, which some people might be aware of.

Nicholas Bernhardt:

ISO 20400 is not a certification standard, but it gives you a framework as to what you could be tracking in your supply chain. It covers things like governance, human rights, labour, environment, fair operating practices, community. Then there's one more, and I always forget that one. Consumer issues. There we go. Those are the seven bubbles that you can start looking at. Most companies do a mix of those seven or highlight certain aspects of those seven.

Ainslie Cunningham:

What do you see as the poster child in this space for organisations that have really got on board and they've taken it to the next level in their organisation?

Nicholas Bernhardt:

Well, there's quite a few internationally. I would say Patagonia would be a poster child, and this is their strategy. I mean, they've been living and breathing sustainability ever since they started their organisation. It's part of their core being. A local company that I'm quite happy to give a plug to, Outland Denim. Outland Denim is ... I think they're just up in Helensvale if I'm not mistaken. Local company in Queensland.

Nicholas Bernhardt:

Basically, their philosophy ... I hope I'm not getting this wrong, but they guarantee that they're paying above minimum wages and they set up their own factories and ensure that their staff are getting above and beyond minimum wages. Working really well. Their sales are increasing constantly so obviously there is a need for ethical products. Probably maybe worthwhile mentioning at an Australian level, I would like to also suggest that the Property Council of Australia has taken leadership in this space as well.

Nicholas Bernhardt:

You might know that last year, October 2019, the Property Council launched an Australian-first shared platform for their members to combat modern slavery. It was not the usual Stockland, Mirvac, Lendlease tackle modern slavery in their little silos. They do that collaboratively. Modern slavery is a non-compete space. Let's face it. We all want to eradicate it. Well, not all. The perpetrators don't want to eradicate it, but normal, healthy, sane people want to eradicate modern slavery.

Nicholas Bernhardt:

It was good to see an industry organisation take the lead and say, "Look, we're just going to do this because it will be much more efficient, and the impact will be a lot greater."

Ainslie Cunningham:

Have you found any others in that space where they could be doing it in silos? Other industries that have banded together to tackle this problem on a united front?

Nicholas Bernhardt:

Absolutely. It's been almost like a very good example of best practice to collaborate in this space. We've since launched two more shared solutions. One is in the health funds insurance business with NIB, HCF, the teachers' fund and one more, I've just forgotten which one that is. Also, in the utility sector we're about to launch one with an organisation called EPSA. That includes a variety of members, such as South Australia Power, Western Power. We don't quite know the set-up yet, so those are two that I think are definitely going to be part of that. Again, that collaborative approach.

Deb Anderson:

If we're a reporting business that has to do modern slavery reporting, which is imminent, what are the steps involved?

Nicholas Bernhardt:

I mean, the initial steps are you look at your policies, your procedures, your framework. Do you have that even embedded in your procurement? The second stage is starting to look at your risk within your supply chain to start identifying where are the risks in your supply chain? Then the third phase is where typically a company such as ours would come in to start engaging, monitoring and tracking those suppliers and pushing that data into dashboards, which in turn then underpin your statement writing. There are seven key components to a statement and it's quite well documented in the Commonwealth guidance documents.

Ainslie Cunningham:

How have you found organisations going through that process? Has it been similar across the board or have you found some have taken to it a lot easier than others? Or have you found it presented quite a few challenges for some organisations?

Nicholas Bernhardt:

Absolutely. You see the whole rainbow. As with most things, you have leaders, you have followers, and then you've got the laggards that just kick and scream and say, "Look, we don't want to do this." They then sometimes turn into just tick-the-box exercises, which is not the idea of the act obviously. I think the important thing is that the discussion starts at some point, and it's not me that came up with this analogy, but it's a very good one. If you look at health and safety, health and safety used to be managed in the 90s.

Nicholas Bernhardt:

I mean, I was around in the 90s. I'll even go further back even in the 80s, Hi-Vis vests were optional, work boots were almost optional. Go to a construction site now, and health and safety is everywhere. It's literally in your face and that's how you do business now. I'm hoping that modern slavery or ethical sourcing, ethical procurement goes down a similar path.

Ainslie Cunningham:

Organisations that have gone through the process, I think even when we see when the legislation first passed, etc, I think it's been quite overwhelming for businesses because even to determining revenue, there was no clear definition. It's all a bit of a grey area. Once organisations actually do realise, "Okay. Well, now I'm a reporting entity, where do I start?" Is it right down to where I'm getting my paper from for my photocopier or my stationery supplies or who's coming in to clean the building? I think it's actually quite a challenge for organisations to even understand where to start in terms of who my suppliers are.

Nicholas Bernhardt:

Absolutely. Then throw COVID into the mix and then you've got the perfect cocktail of a governance nightmare, literally.

Ainslie Cunningham:

How do you guide organisations through that and what are the practical steps that organisations can take?

Nicholas Bernhardt:

Yeah. Well, typically, what has to happen with an organisation is the key stakeholders have to be involved in it. Otherwise, it does become a tick-the-box exercise. It's the risk managers. It's the governance managers. Procurement obviously plays a big part, or we've got governance risk managers, procurement. Sustainability occasionally enters the fray as well. To really include key stakeholders in the process is absolutely critical. Then go through the steps. The steps are pretty straightforward actually.

Nicholas Bernhardt:

Do our policies include any statements on modern slavery? If they don't, well, that's a good starting point. Do I have an idea of what my consistency or what my supplier's set up is, what the database looks like? Do I even have a database of suppliers? If you don't, that's another good starting point. Most organisations have a database, but experience would show we've seen some very good databases and some very bad ones. The very bad ones, well, that's a starting point. You've got to start tidying up your database.

Nicholas Bernhardt:

You need to know where you're getting your goods and services from. I guess in answer to your question, this is a very long-winded answer now.

Ainslie Cunningham:

No. It's fine.

Nicholas Bernhardt:

Tier one is your direct suppliers. That's typically the starting point you're going to look at. Tier one is suppliers that you give money for goods and services to. That's your tier one suppliers. Those suppliers in turn have other suppliers. That would be your tier two, tier three, tier four. Typically, most organisations are trying to get transparency in year one for their tier one suppliers. Down the track, it will be tier two, tier three, tier four, to get that transparency like at Patagonia.

Ainslie Cunningham:

Reporting outcomes. How have you found those? Have organisations been surprised at some of the results?

Nicholas Bernhardt:

Look, I think so. As it's new territory for most organisations, it is, "Oh, okay. Well, we didn't know we had that much risk. Or, we don't have any risk." That has to be wrong too, because we all have a risk. If you look close enough, you're going to find slavery in your supply chain. That's already a given. Again, we see the whole spectrum. On that note there's ... I'm not sure if this is worthwhile mentioning, but early next month in December, there's a good CIPSA webinar, which will be with the home affairs business engagement unit as well.

Nicholas Bernhardt:

They're going to talk about literally the good, bad and ugly of statements that they've seen so far and what maybe the highlights should be or where their expectations are for year two, year three, etc.

Ainslie Cunningham:

If listeners actually want to get involved in that, where would they find the information for that webinar?

Nicholas Bernhardt:

They could go to the CIPSA website. That's C-I-P-S-A and then just look up their webinars. I think from memory it's on the 5th or the 6th of December. Alternatively, happy to just reach out to us as well. If they want to send us an email to info@informed365.com, they'll be more than welcome to do that as well, and we'd point them in the right direction.

Deb Anderson:

With the data you're collecting on tier one, are companies collaborating and sharing their data? They say to you, "Look, X, Y, Z, has already done this." With their approval are you sharing that information across the board?

Nicholas Bernhardt:

In an ideal world that would be the answer. Yes, we'll share everything, but the data we collect for some of our clients where we build standalone solutions, that data is proprietary to that entity and their suppliers. There's no way of sharing that data. In consortia like the Property Council's consortium or the healthcare funds consortium, that's where the members of that consortium share the data under certain principles. I'll give you a very good example. The Property Council, when a supplier completes a self-assessment questionnaire, there's a question, who else would you like to share the data with?

Nicholas Bernhardt:

They tick the boxes of who they'd like to share their data with. Now, if I'm say Stockland and I'm part of that consortium, and I see a supplier is on that database and I would like to see their data, but I haven't got access to it, I can just request access to that data. We obviously have to comply with privacy laws and concerns on that front. We have to make sure that the data is not shared in a manner that wouldn't be conducive to that.

Ainslie Cunningham:

Are you doing any benchmarking reporting across that information?

Nicholas Bernhardt:

Brilliant question. That's something that I think in 2021, that's going to be a huge exercise for us to see, okay, where are the gaps? Where do we need to put more emphasis? Because year one ... And this is probably a critical aspect of it. We're not trying to blacklist or point at suppliers and say "You're really bad." It's more a fact-finding mission actually. Where do suppliers sit on this topic? Where are they? How in the evolution are they?

Nicholas Bernhardt:

Depending on that, we'll have to provide more resources within our tool to allow these companies to catch up, or at least become more knowledgeable in that space. It's not a point the finger, let's exclude you from our supply chain exercise. That's totally not what the act wants to achieve.

Ainslie Cunningham:

Yeah. It's probably just raising the bar for everybody.

Nicholas Bernhardt:

Exactly. Health and safety analogy again. Bringing everyone up to speed and turning it into business as usual. That's what we need to do.

Deb Anderson:

Climate change reporting.

Nicholas Bernhardt:

Right. Well, climate change. The other big elephant in the room. Not if you listen to certain Federal Governments and they shall remain nameless, obviously. Look, climate change is happening whether we like it or not. I mean, we're sitting here on the Gold Coast. It's a beautiful day out there and life is great. It's very warm in here actually, but we won't tell anyone that. Look, climate change is an issue and again, I think we need to drive the message via data, what is happening, and engage people.

Nicholas Bernhardt:

What we're finding at board level and at senior executive level, they've all got a whole collection of risks that boards and executive managers are faced with. What we're finding now is a lot of them are interconnected. Climate change, health and safety, environment, labour, modern slavery, everything is connected in a certain way. To be a senior manager these days is a minefield because you have to keep an eye on all these risks.

Nicholas Bernhardt:

The only way you can do that, if you start connecting these dots and having an overall picture of the risks of your business, but the risks of your business doing business as well. Everything's becoming more and more interconnected in this space.

Ainslie Cunningham:

How are you finding the board level within organisations? Are they really open to change in this space? Are they becoming more progressive? Do you find that there's more of a top-down approach in organisations?

Nicholas Bernhardt:

I think the younger generation gets it. Let's not beat about the bush. They get it. I think corporate Australia gets it as well now. I think by and large, they all get it and they understand there's an issue and we need to challenge it and tackle it. Unfortunately, we're not getting any political guidance. That's been a bit of a hindrance. Hopefully, in the U.S. we'll get more leadership on that front as well, come January. I think we're all quite excited to see that change come about. Well, I am anyway.

Ainslie Cunningham:

I think too, when you look at attracting other investment opportunities, when there are these micro round-ups and the Raiz and all those sorts of things and the emergence of 20-30-year-old investors. Not your traditional Mum and Dad investors anymore. They are trying to source more ethical investment opportunities. ESG goes to the forefront of the investment mandates and looking at different ways to engage with investors going forward.

Nicholas Bernhardt:

Absolutely. Looks, some dinosaurs are going to fall by the wayside. If you don't embrace it now, I reckon in 10/15 years' time, those companies won't be around anymore. ESG investing is becoming a huge topic, as you said, and that covers everything. That is environment and social. We've got portfolios. You've got portfolios in Australia that are solely investing in ethical aspects and they're outperforming the market. Going forward in the future, I don't expect that to change. I think that will actually escalate, that disparity between ethical investments and non-ethical investment.

Ainslie Cunningham:

Yeah. You've only got to look at the Geoff Wilson WAM type philanthropic future funds and things like that.

Nicholas Bernhardt:

Totally.

Ainslie Cunningham:

They're going gang busters. Yeah.

Nicholas Bernhardt:

Absolutely.

Ainslie Cunningham:

What about data management and your business intelligence applications?

Nicholas Bernhardt:

Oh, well, that's another arm of it. Again, it's trying to drive efficiency. Efficiency means less wastage, better use of resources. That's what we're keen on. We build a lot of very tailored platforms. I'll give you a couple of examples. We work with Treasury Wine Estate, TWE. I think they're the largest winery in Australia. Basically, we're tracking, I think it's about 52 metrics across their global sites, which I think from memory is around 140 sites globally. We're tracking all these different metrics.

Nicholas Bernhardt:

Then we can start analysing and benchmarking the data and seeing, "Okay. We've got peaks and troughs. Why are those peaks and troughs happening?" Underpin that with information. Okay. We used more water last month, but it was a very atypical hot month so that's why we used more water. What we're finding, we're seeing patterns now evolve, and we're also seeing different sites managing different metrics differently and having different outcomes.

Nicholas Bernhardt:

So, what we've built on top of that, just tracking the data site, is a best practice site where we start sharing that best practice knowledge across the entire group. That's having huge efficiency gains. We had another winery just commission us to build a very similar system. Funnily enough, we report for the 40 top law firms in Australia as well on a whole range of things like gender equality, greenhouse gases, pro bono, psychological wellbeing, the whole gamut under four pillars. Economic ... No, not economical. Governance, environment, community. There's one more. It's gone.

Ainslie Cunningham:

Probably people or something like that.

Nicholas Bernhardt:

You've got it. People. There you go. We shouldn't forget people, should we?

Ainslie Cunningham:

No. They're the backbone of every business.

Deb Anderson:

Nicholas, with start-ups, what are some the key challenges?

Nicholas Bernhardt:

Learnings? Challenges? Yeah. Key challenges for start-ups. I mean, a lot of it's going to sound very cliché. Don't give up and keep plugging away. If you've got a bad idea that people don't want, then you cannot give up until the cows come home and it's still not going to develop a business that is going to be commercially viable. It takes a reasonably good idea and then persistence and dare I say, you need some liquidity as well. You need some funds. Otherwise, the start-up phase is very lean on revenue. You've got to have a bit of funds behind you as well.

Ainslie Cunningham:

What are the sorts of things that start-ups could be doing to tackle some of these issues earlier on in their life cycle, around procurement, system set-up, all of that stuff that's tailored to the size and needs of that business at their infancy?

Nicholas Bernhardt:

Well, I think that's where 3YS Owls comes into the play quite frankly. You're the kind of people that can guide businesses across these areas. I mean, setting up a business is quite daunting. I mean, you've got the regulatory frameworks, you've got all these other risks, least of all, can I make a living out of this business? I think if you've got an advisor that helps you along the steps in your evolution such as yourselves, that probably will help every business as well.

Deb Anderson:

What solutions does Informed 365 have for start-ups?

Nicholas Bernhardt:

What solutions? Typically, at this stage, we are more geared towards the larger end of town because I mean, you have to have a hundred million dollars turnover to report for the Modern Slavery Act. A start-up, I mean, if a start-up has a hundred million dollars turnover, good on them. Look, we're geared for the bigger end of town at this point in time, but it's affordable. I mean, we're software as a service, we're monthly charges. We're trying to basically build applications that are very easy to be adapted to the requirements and be agile.

Nicholas Bernhardt:

That's probably our biggest strong suit. We're very agile. We can track and monitor any kind of metric so the pricing level is coming down as well. Economies of scale are kicking in.

Ainslie Cunningham:

In terms of organisations go through the process, they get the data, they've done it for a little bit of time now, and they can start seeing these patterns that you talk about. Where to from here? How can they then start reducing that or starting to aim towards a best practice type poster child in this space?

Nicholas Bernhardt:

Absolutely, the starting point is to get that engagement with your suppliers, right. You're starting with your tier one suppliers obviously, and you're going to find challenges within your tier one suppliers. You're going to see issues. You're going to see, okay, there are some issues there. You need to track, how are these suppliers complying with your requirements going forward? You need to say, "Okay. Supplier A, you've got a little bit of a gap here. You need to address these issues." That's where you've got to track them implementing it.

Nicholas Bernhardt:

You can't just say, "Look, you go out and implement that." What we do in our application is provide those suppliers with useful resources, so hyperlinks to information that will help them and point them in the direction of the solution to their problem. That's stage one is helping your tier one suppliers become a better corporate citizen and making sure that they don't have modern slavery. It's also around that engaging with them to even start the conversation.

Nicholas Bernhardt:

Because let's be brutally honest, if you asked a hundred people out on the street whether modern slavery was still an issue, I might even have to do that one day just to underpin this with a number, but I would imagine 80% would say, "No, it's not an issue anymore." Maybe for listeners here ... I don't know if people are aware, but the number out there currently is ... The popular number or the most accepted number is 40 million people are living in a slave-like situation at this point in time. I actually put my hand up and I have severe reservations about that number.

Nicholas Bernhardt:

I think it could be considerably significantly higher. I'll give you an example of that. In the UK, about probably 6-7 months ago, I don't know if you read about the Boohoo scandal. Boohoo, reasonably cheap, single-use fashion, I'll call it, had a factory in the UK, in the middle of the UK in Leicester. Based on that factory and the findings there, the UK increased its guesstimate of slaves in the UK from 10,000 to a hundred thousand. I'm just going to repeat that. That's from 10,000 to 100,000. That's not a 5% correction. That's not a 10%-

Ainslie Cunningham:

Yeah. 10 times.

Nicholas Bernhardt:

That's a tenfold correction. If I'm just going to be a bit cynical here and I apply the same benchmark to that 40 million number, suddenly we could be talking somewhere in the region of 400 million people in slave-like conditions. It's a huge number. Maybe to put things even more in perspective, one in four is a child. I have an eight-year-old, just turned eight. You have children too, I'd imagine. One in four is a child, so you've got 10 million child slaves out there. 70% odd are women. Again, your demographic is targeted for that.

Deb Anderson:

Do you think that will increase over the years as you go down tiers?

Nicholas Bernhardt:

I think the more transparency we have, then that number will increase. Yeah. I am pretty certain. I mean, nothing certain in life, apart from certain things, but we won't go down that path. I would imagine the more transparency we have the higher the number will be eventually.

Ainslie Cunningham:

Do you use any of this information or can this be used for surprise audits and things like that? You know how ISO certification for supply chain in large manufacturers and retailers, etc. They do surprise audits in their supply chain in certain countries. Can this information be used for that as well? Or can your software be used to capture that information for third-party auditing?

Nicholas Bernhardt:

Absolutely. Yeah. That's one of the keys. We want to push as much data into our system as possible to really give that full visibility. Audits are key. You mentioned unannounced audits, announced audits. Historically speaking, announced audits don't work. If you know an auditor's coming in tomorrow at six o'clock in the morning, you're not going to line up your child labour in one corner, your slaves in the other corner and your regular work workers in the other two corners. You're not going to do that.

Nicholas Bernhardt:

Modern slavery is a criminal activity. People are not going to say, "Oh yeah, I've got the auditors coming in tomorrow. Come on, kids, come to work tomorrow, make sure you're here." That's not going to happen. The traditional way of dealing with it doesn't work. We've got to find clever ways to beat, unfortunately, clever people as well, because they're making a lot of money out of slave labour. Unannounced audits, working with NGOs on the ground, whistleblower hotlines, anonymous ones.

Nicholas Bernhardt:

Again, that has to be something that a staff member is certain that that information doesn't get into the wrong hands, because what if you blow the whistle on something and that information goes to the CEO of the company that's hired you? I don't rate your chances of keeping that job. There's a lot of challenges that we need to address and we're very much in the infancy. We're looking at all sorts of different ways of plugging the relevant information into the platform.

Ainslie Cunningham:

Now's your chance for the sales pitch, Nicholas. You're UVP, what makes your approach to modern slavery reporting different to others? Why should somebody choose Informed 365 over ... there's ones out there that just do a number and go, "Okay. Well, you've got X amount of dollar spend on suppliers or X number of suppliers in your list. We envisage that you've got a percentage of modern slaves in your supply chain." How's your approach different?

Nicholas Bernhardt:

Well, I guess there's a few aspects to that. I mean, our entire company is built around ESG. We want to track, monitor ESG data, and we want to turn the world into a better place. That's our be-all and end-all. We're not in it to be the next \$60 billion company. If we do become the next \$60 billion

company, I can guarantee you right here online and in this space that most of that money will go straight back into ESG. If we do make that money, that'd be great, but we're in it for the right reasons.

Nicholas Bernhardt:

The company that we've built is very much around tech that has to be agile because things evolve so quickly in this era that we need to be agile. I think that's one of the advantages of Informed 365. We are very agile to really adapt to what the requirements are, but also listen to the client and make sure that we deliver what they actually want and provide them data to make those better, more-informed decisions.

Deb Anderson:

If somebody wants to find you, where do they find you?

Nicholas Bernhardt:

They find us at Informed 365 or informed365.com. That's www.informed365.com.

Ainslie Cunningham:

Fantastic. In terms of, obviously law firms can be quite competitive with each other, and you mentioned before that you've got 40 that have collaborated together. Was that something that has been brought about by your software or is it something that they've got together on their own accord?

Nicholas Bernhardt:

No. This was run by an organisation called the Australian Legal Sector Alliance and run by Richard Jennings out of Melbourne and ... Is it Kevin? No. Is it Kevin? It doesn't matter. Richard is the main man there. He's been running Australian Legal Sector Alliance for quite a few years. They'd been reporting on CSR for quite a few years before we entered the fray, but we automated a lot of that processes. Anyone can view their public report. The 2019 is publicly available.

Nicholas Bernhardt:

You can literally compare law firms against each other on paper consumption, on energy consumption, business travel, which obviously 2020 there'll be a huge dip in that. Maybe just a quick question to you guys. Give me your best guess how many kilos of paper does a law firm on average use, per staff member, per annum. Paper per kilogram.

Ainslie Cunningham:

Per staff member. I would say 200 kilos.

Nicholas Bernhardt:

You've just hit the top offender. 200 kilos is the worst. The average is around 90 kilos at this point in time.

Deb Anderson:

That's a lot of trees.

Nicholas Bernhardt:

It is a lot of trees.

Ainslie Cunningham:

Especially in a digital age where you would imagine a lot of these places are going paperless, and even hopefully COVID has been a catalyst for those that have been the laggards to actually adopt digital change.

Nicholas Bernhardt:

You'd hope so. Again, I think old ideas might perish with ... Yeah, or just-

Ainslie Cunningham:

Evolution?

Nicholas Bernhardt:

Yeah. Evolution. Let's leave it ... I think that's the best way of putting it. Some people still print out emails and I go, "Okay. That's an interesting concept. Sometimes you can't change habits.

Ainslie Cunningham:

All right. Well, before we wrap up today, is there any top things that you want to leave our listeners with?

Nicholas Bernhardt:

Oh, look, I think there's a myriad of things, but I guess one of the biggest things would be when you buy anything, try and buy it with ethical considerations in mind as well. Think about the ramifications of buying a \$1 t-shirt. Someone is being exploited for that \$1 t-shirt. It may fill a need for you now but think about the ramifications. Be a bit more thoughtful around the environment and around your fellow human beings, and also every animal and every other species.

Ainslie Cunningham:

Very nice lasting words. Thank you, Nicholas and yes.

Deb Anderson:

Thanks for joining us today, Nicholas. Appreciate your time.

Nicholas Bernhardt:

No. Thank you for your time.

Ainslie Cunningham:

Thank you very much.

Outro:

That's all for today. Until next time, happy podcasting. And remember if you're enjoying the show, check out our other episodes and all things governance at www.3ysowls.com.au.