

ESG promotional content  
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# sustainable japan

Patient and persistent, Laurence Bates navigates complex laws and policies

## Building a global Panasonic compliance network

**Name: Laurence Bates**  
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### Leaders & Readers

**JOE MUNTAL**  
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For nearly three decades, Laurence Bates has provided legal counsel to some of the largest business entities in Japan. Following positions at General Electric and Lixil Group Corp., he now serves as managing executive officer, general counsel, chief risk management officer and chief compliance officer for Panasonic Corp., where he is drawing from his vast experience to build a globally interconnected compliance framework.



Laurence Bates joined Panasonic in 2018 but has provided legal counsel to major firms for nearly three decades. HIROMICHI MATONO

Bates is fluent in Mandarin Chinese and Japanese, and his specialized skill set has enabled him to become a leading expert in compliance in Asia. As an undergraduate at Yale University, he majored in both Chinese studies and economics, and later received his JD from Harvard Law School. By the time he entered Harvard, he had set himself on a career path toward the legal profession, but it was his fascination with China that initially propelled him.

Bates first became interested in China in junior high school, when he witnessed President Richard Nixon visit the People's Republic of China in 1972. It was the first visit by a U.S. president to the PRC, and the historic moment left an indelible mark on Bates. "It was just so incredibly eye-opening for me to watch at that age," Bates told The Japan Times from Panasonic's offices in Tokyo Midtown Hibiya. "I somehow determined that I was going to go to a university where I could major in Chinese studies and which would enable me to see the world. In those days, it was a little unusual to pursue that kind of a major, so I balanced it with a more traditional degree in economics."

Bates was also exposed to Japan from an early age through his father, a career Coast Guard officer who spent time in Hokkaido around the time when Bates was born. Bates grew up hearing stories about Japan from his father, and his family invited Japanese exchange students to stay with them when he was in high school. Bates formally started studying Japanese during his first year in law school, but, knowing how difficult it is to achieve language proficiency, based on his experi-

ences studying Chinese, decided to take a year off to come to Japan and study at the Inter-University Center for Japanese Language Studies in Kanagawa Prefecture.

After finishing law school and being admitted to the New York Bar in 1987, Bates worked at law firms in the U.S., China and Japan over the course of around five years. At the time, he had not considered career alternatives to being a lawyer at a law firm, but that changed when a highly publicized scandal involving a GE subsidiary in Japan found its way to Bates through a phone call from a recruiter.

The GE subsidiary in question was Yokogawa Medical, employees of which had been accused of bribing university professors to win orders of medical testing equipment. The scandal had prompted GE to search for someone who would look after the medical systems business throughout Asia, and this search led them to Bates. "I had no idea that this would somehow be connected to me," Bates said, "but the opportunity brought together my Chinese and Japanese experience for the first time in my career. It just sounded incredibly exciting to be close to business and able to actually build a legal and compliance culture."

Bates explained that a major difference between an in-house lawyer and a lawyer at a law firm is their proximity to business decisions. Whereas lawyers at law firms are generally remote from actual decision-making and are subject to limitations related to costs and scope, in-house lawyers are part of a business organization, which enables them to build "from



HIROMICHI MATONO

the inside out."

This notion of "building" is something Bates has focused on throughout his career. For example, while working for GE's medical systems business, he assembled a team of around 20 lawyers based in several countries throughout Asia.

"To build that kind of team with a global mindset that can create the type of culture that's necessary to achieve compliance goals is my objective," he said, "and that is what I'm fundamentally working

on at Panasonic."

Compliance encompasses a wide spectrum of risk areas, such as competition law, trade controls, data privacy regimes and environmental regulation. Panasonic has a dedicated group for environmental affairs, and as general counsel, Bates maintains visibility with his team to all potential legal and compliance risks. "It's never perfect; it's an ongoing, evolving aspiration," he said, "and environmental regulation is an example of one regulation area

### Photos, old ceramics and travel

Laurence Bates is managing executive officer, general counsel and member of the Board of Directors for Panasonic Corp., positions he assumed in 2018 when he joined the multinational electronics company. Having formerly worked at General Electric Japan and Lixil Group Corp., Bates has provided legal counsel to major business entities in Japan for nearly three decades.

In 2013 he served as president of the American Chamber of Commerce in Japan. He has also engaged with the Japan-based Lawyers for LGBT & Allies Network to promote marriage equality in Japan, the only country in the G7 that does not fully recognize same-sex partnerships.

In his free time, Bates enjoys photography and perusing antique markets for Japanese ceramics. An avid traveler, he has used the COVID-19 international travel bans as an opportunity to explore new areas of Japan, including Shiretoko Peninsula in the easternmost portion of Hokkaido, with his husband and two children.

that needs to be complied with."

Bates pointed to two concepts that have been significant throughout his career: patience and persistence. He noted that they are especially important in Japan.

"Patience" and "persistence" are two words I've had to keep in mind when conducting business in Japan," he said. "It takes more time than first meets the eye to build consensus, especially on the complex issues I engage in all the time. You have to recognize that it takes a vision that needs to be persistently pursued, and a certain amount of patience and time horizon to achieve that vision. Sometimes, although we want to move a lot faster — and everybody agrees with that — we need to make sure we move fast in an intelligent way."

## Symposium explores ESG's role toward a zero-emissions 2050

### ESG/SDGs

**JOE MUNTAL**  
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On May 13, The Japan Times hosted a symposium focused on environmental, social and governance criteria for business operations. Collectively referred to as ESG, these criteria serve as standards for investors when evaluating investment opportunities.

Comprising three panel sessions featuring prominent executives, investors and educators, this year's symposium — based on the theme of "reaching zero emissions by 2050" — explored the role of ESG in transforming the business environment and pushing society toward a sustainable future.

The first panel session focused on how to enhance communication about ESG with stakeholders. The session was moderated by Ken Shibusawa, chairman of Commons Asset Management, and featured panelists Jin Montesano, chief people officer at Lixil Corp.; Mariko Kawaguchi, CEO support at Fuji Oil Holdings; and Jerome Bruhat, president and representative director of L'Oréal Japan.

At the start of the session, Shibusawa recalled when panelist Kawaguchi had presciently told him about the rise of ESG 15 years ago. "The time has come for ESG. CSR is over," he recalled her saying during their conversation, using the acronym for corporate social responsibility. At that time, ESG was still relatively unknown in mainstream business circles, but that has completely changed, according to Shibusawa. "ESG is right down the middle now. It's on the main stage, in the minds of corporate executives and in the capital markets."

The session addressed the notion of changing the mindsets of consumers, businesses and investors with regard to environmental and social considerations. Products produced in socially and environmentally conscious ways tend to be more expensive because they are generally more costly to produce. Therefore, businesses need to communicate the value of such considerations to stakeholders.

"If the consumers won't buy (it) because it's 10% more expensive, then the company won't provide it anymore because it's not making any money, and the investors will no longer focus on that issue," observed

Kawaguchi. She explained that this is why communication with stakeholders is key. "If the consumers change their attitude and (positively) evaluate the level of the environmentally friendly products or products concerned about human rights, the companies will be happy to produce those products, and the investors will follow."

The second session focused on ESG from the perspective of investors. Moderated by Michio Morisawa, head of Japan at Principles for Responsible Investment (PRI) and director of CDP (Carbon Disclosure Product), the session featured panelists Hiroshi Ozeki, president and chief executive officer of Nissay Asset Management; Emi Onozuka, vice president COO of Japan Catalyst; and Masafumi Hikima, specially appointed professor at Sophia University.

The panel discussed developments in investment practices following the declaration by Prime Minister Yoshihide Suga to cut greenhouse gas emissions in Japan to net zero by 2050 and U.S. President Joe Biden's pledge to cut U.S. emissions in half by 2030. While attending conferences and meetings with investors overseas, Ozeki observed that European investors consistently considered climate change during investment screenings, but this was not necessarily true for U.S. and Japanese investors.

Hikima emphasized the importance of teaching students about sustainable investment. He noted that, in comparison to the U.S., where some universities have been pressured by students to divest from projects that do not align with sustainability goals, students in Japan are relatively unaware of the relationship between sustainability and investment. On the other hand, Onozuka, whose Japan Catalyst investment firm encourages corporate governance reform through shareholder activism, noted an increasing interest in ESG investment and a desire among investors to participate in projects that contribute to



Speakers and panelists of the ESG Symposium THE JAPAN TIMES

society.

The last session explored the ESG initiatives of Japanese industry leaders. Moderated by Naonori Kimura, managing director of Industrial Growth Platform, the session featured representatives from some of Japan's most prominent companies, including Tomomi Fukumoto, executive officer and division COO of corporate sustainability at Suntory Holdings; Fumiaki Koizumi, president of Mercari and CEO of the Kashima Antlers; and Yumi Otsuka, deputy chief sustainability officer at Toyota.

Fukumoto explained that, as a producer of beverages, Suntory is aware of the importance of cultivating water resources. As part of its sustainability initiatives, the company has developed 21 natural water sanctuaries with forests capable of cultivating water resources.

Toyota's sustainability initiatives are focused on reducing carbon emissions from new vehicles and eliminating emissions from production plants. Otsuka introduced Toyota's Environmental Challenge 2050, which aims to achieve zero emissions at all plants by 2050 by simplifying and streamlining production processes and implementing energy-saving measures, in addition to promoting the wider use of recycled materials.

As a company whose flagship product is a marketplace for secondhand items, Mercari is contributing to the creation of a sustainable society where items are consistently reused, said Koizumi.

Whether it be from the perspective of business owners or investors, the panel session revealed the importance of formulating ESG initiatives that are aligned with clearly defined organizational purposes.



## the japan times

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The restaurant scene in Japan has entered a new era, with diners seeking unique experiences and cuisine that cannot be found elsewhere. At the forefront of this trend are restaurateurs linked closely to the sources of their ingredients, turning the natural blessings of their surroundings into innovative, delectable fare. Each year, the members of our expert panel recommend 10 establishments, with the aim of introducing readers to authentic cuisine prepared with great care and imagination. The Japan Times Destination Restaurant of the Year 2021 is Cuisine régionale L'évo.

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