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sustainable japan

SDG Impact Japan seeks profit plus social solutions

ESG Talk

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A company that handles investment and consulting focused exclusively on sustainable finance — a rarity in Asia — has been born in Japan.

Mari Kogiso serves as co-CEO of the company, SDG Impact Japan Inc. Kogiso, who has over a decade of experience in this area, in 2017 founded Japan's first investment fund aimed at correcting gender gaps.

"It has become clear in many respects that businesses that pay attention to SDGs [the U.N. sustainable development goals] and ESG [environmental, social and governance] factors stand the chance of becoming profitable," Kogiso said. "There is still plenty of room for Japanese companies to grow" in terms of both funding and business opportunities, she added.

Kogiso has been involved in sustainable finance, especially in the area of impact investing, in her roles at the World Bank and foundations.

Impact investing aims to provide funding to businesses that work to resolve social issues, including environmental protection, decarbonization of the economy and provision of food to poor countries.

"It used to be that the ultimate goal for ESG investing was to generate profit, but the idea of seeking both profit and impact was born in the past two to three years mainly

in Europe, and it has become possible to do it," she said. "The situation has changed from what it was a decade ago."

A new business model

Explaining why SDG Impact Japan is focused on sustainable finance, she said: "Profit is not the only goal. We also wanted to develop a new business model."

SDG Impact Japan partnered with leading sustainable funds, firms and entrepreneurs to support the achievement of the SDGs and drive commercial returns alongside measurable social and environmental impact. And it has worked with a New Zealand venture fund since January 2021. It is now preparing to set up an ESG impact fund with its partners.

What sets the company apart from conventional funds is that "impact itself is its goal," Kogiso said. Article 9 of the Sustainable Finance Disclosure Regulation, which in March 2021 began to require asset-management companies in Europe to disclose non-financial information about their investees, defines investment aimed at sustainability. The new fund will align to this definition.

The fund will set specific goals, including a reduction of carbon dioxide emissions associated with business activity and the elimination of child labor and forced labor, and disclose the progress of its investees toward these goals at regular intervals.

"The fund itself is required to make efforts to help investees achieve the goals," Kogiso said.



Mari Kogiso is an expert on sustainable finance in areas including impact investing and social entrepreneur support. JUN MIYASHITA

Goals in short and long terms

Impact investing has gained prominence especially amid increasingly urgent efforts to create international rules to address climate change and as "businesses began in earnest efforts in response to changes in awareness and behavior of consumers, especially those of the millennial and later generations," according to Kogiso.

"Things are increasingly commoditized, and recognition, interpersonal relationships and well-being are increasing in presence in people's values, which has increased the need to resolve social issues," Kogiso said.

She thinks investments that seek to both generate profit and have sustainability

impacts will "become more common."

SDG Impact Japan's short-term goal is "to create products and impact funds with a goal of having sustainability impacts, whose supply still remains short in Japan," she said.

For the long term, the company aims to "increase [fund] options so that each individual can be made aware of impacts they can have and invest in impacts they think are important, just like the way people express their wishes through their vote in elections," she said.

SDG Impact Japan also seeks to play a "role like a catalyst," mediating for investors between Japanese and overseas startups by working with overseas partners.

Through the venture capital funds it sets up, the company aims to introduce overseas impact funds to Japanese investors and "introduce Japanese impact startups addressing social issues to overseas investors so that funds can be attracted from overseas," she said.

SDG Impact Japan also aims to support Japanese startups' efforts to expand their business overseas because it believes Japanese businesses can bring knowledge that is useful for resolving issues facing the world.

Domestic issues go global

In addition to issues for which a sense of crisis is common across the globe, such as the environment, Japan has many domestic issues that are expected to become common elsewhere around the world, including the movement of people from rural to urban areas, an aging society and a falling population.

"There will be wide-ranging collaborative efforts on the global level going forward, in areas such as health care and social systems," Kogiso said.

"Overseas, startups with their sights on the global market from their foundation are increasing," she said. "Japanese companies also need to begin thinking about how they should relate to and enter into the global market from an early phase of their development. Perhaps it is important for them to have the ambition to target at least the entire Asian market from the beginning."

Japanese companies also face an increased need to send information to overseas investors.

Japanese companies are often said to be behind on promoting internal diversity and eliminating gender gaps, which are the areas

REGION	2016	2018	2020
Europe*	12,040	14,075	12,017
United States	8,723	11,995	12,081
Canada	1,086	1,599	2,423
Australasia*	596	734	906
Japan	474	2,180	2,874
Total (USD billions)	22,839	30,683	35,301

Snapshot of global sustainable investing assets, 2016-2018-2020 in USD billions SDG IMPACT JAPAN

of Kogiso's focus, and are particularly criticized for workplaces where it difficult for women to play active roles.

They may introduce child care leave or maternity systems, but social norms and "unconscious bias" specific to Japanese society can present hurdles for moves to empower women.

Japanese companies must carefully explain not just gender issues but also factors that are difficult to gauge using criteria specific to Europe or the U.S., Kogiso said, and ensure that Japan-specific factors are understood.

Kogiso said she first became interested in impact investing while she was working to address social issues, including poverty, during her stint at the World Bank. She realized "there were so many projects that failed to bear fruit despite the high levels of technology and enthusiasm possessed by people involved in them, only because funds were not available to them."

Kogiso believes the time is ripe for SDG Impact Japan to convince investors about its endeavor to pursue both profit and impacts.

The ESG Talk series are interviews with business leaders who are active proponents of ESG investing and practices in Japan.



Kogiso served as Tokyo representative of the World Bank group's Multilateral Investment Guarantee Agency, delegate for W20, and an adviser to WE Empower JUN MIYASHITA

Seino Holdings drives toward environmental sustainability

ESG/SDGs

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Seino Holdings Co. Ltd. is one of Japan's top commercial logistics companies, with about 90 years of history. In recent years, the Gifu-based company has been accelerating its efforts to make its services sustainable and environmentally friendly without sacrificing people's quality of life and convenience.

One of its subsidiaries, Seino Transportation Co. Ltd., has twice in the last six years won the highest award from the minister of land, infrastructure, transport and tourism in a competition to recognize companies that make outstanding efforts to promote eco-driving. The competition is organized by the Foundation for Promoting Personal Mobility and Ecological Transportation every year.

The company has been raising awareness among its workers and drivers, introducing eco-friendly cars and training drivers as well as making other efforts to achieve fuel-efficient driving since 2006, which resulted in the two awards. It has also been trying various other means to curb emissions and in addition solve the problem of a shortage of drivers. In Japan's rapidly aging society, the labor force is declining and truck drivers are getting older. Measures to address both climate change and manpower shortages are equally important to making the transportation industry sustainable.

In 2018, Seino Transportation participated in an experiment conducted by the transport ministry on introducing double articulated trucks with a total length of 25 meters, several meters longer than was

allowed on the road in Japan. The research showed that the use of articulated trucks longer than 21 meters could halve the number of drivers and reduce fuel consumption and carbon dioxide emissions by 40% over using standard large trucks.

Another way to transport goods more efficiently in terms of energy consumption and manpower is to promote a shift to rail. Also in 2018, the company started a collaboration with three rail freight companies — Japan Freight Liner Co., Japan Freight Railway Co. and Sennin Ltd. — to make one round trip between Suita in Osaka Prefecture and Sendai in Miyagi Prefecture every day, carrying 60 truckloads of goods. This resulted in a reduction of 13,810 tons of carbon emissions annually.

Last year, Seino Transportation, together with Japan Freight Liner and Japan Freight Railway, launched another collaboration to operate noncontainer "break-bulk" cargo trains between Nagoya in Aichi Prefecture and Fukuoka in Fukuoka Prefecture in March and between Tokyo's Shinagawa and Higashi Fukuyama in Hiroshima Prefecture in October. The cargo is hauled to the stations by Seino Transportation trucks, loaded onto freight trains by Japan Freight Liner and transported by Japan Freight Railway. The operation of these freight trains on the two routes together can cut 13,805 tons of emissions annually.

Emissions reduction is not the only environmental effort that the company is making. Moving is one of the company's existing services, and when people move they generate a huge amount of waste. However, waste is not waste if someone else finds it usable. This is why the company started to collaborate with a provider of recycling and reuse services to offer its

Eco Loop program, which allows customers not only to sell their unwanted items but also to contribute to social activities through donations. Things that can be accepted include books, CDs, game software, digital devices, cameras,



In the fall of last year, Seino introduced a new double-articulated truck on two routes between Hiroshima and Kansai. SEINO HOLDINGS

jewelry, musical instruments, sports equipment and brand-name items. A certain amount per contract is donated to an organization supporting people with disabilities or one supporting developing countries, depending on the choice made by each customer. Customers can also donate part of the proposed sales proceeds if they wish. The best part is that all they have to do is to complete online registration, pack the things they wish to sell in the cardboard boxes delivered to their homes and have the boxes collected. The evaluation result is sent by email.

A service newly launched by Seino Transportation in collaboration with a company that runs a network of second-hand shops accepts larger items such as furniture and electrical appliances that are listed on the company's website. Customers who have more than three electrical appliances manufactured within the last 10 years or pieces of furniture purchased within the last 10 years (with some exceptions) can ask for purchase and pickup.

Using the power of transportation and networks, as well as collaboration with players from both within and outside the industry, Seino Holdings is committed to solving the environmental and social issues of today.

This section highlights the environment and a sustainable society. For more information please visit www.sustainable.japantimes.com



A Seino Holdings freight train with a wrapping container decorated with a Hello Kitty design SEINO HOLDINGS

Times Gallery



Jarman International CEO Ruth Marie Jarman appears on the popular TV show "Sekai Ichi Uketai Jugyo" to highlight Japan's wonders, from the breathtaking Chichibugahama beach to high-tech elevators.

JARMAN INTERNATIONAL



Jamaican Ambassador Shorna-Kay Richards wears a kimono in Jamaican colors to celebrate the fourth Jamaica Blue Mountain Coffee Day and the close cultural ties between Jamaica and Japan. EMBASSY OF JAMAICA



Cuban Ambassador Miguel A. Ramirez meets with Takeuchi Kazuki, president of the Japan International Cooperation System, to thank him for donations that recently arrived in Cuba. EMBASSY OF CUBA



Ambassador Aleksandra Kovac of Serbia meets with maestro Mitsuyoshi Oikawa, who has initiated and supported guest performances of talented young pianists from Serbia in Japan in previous years, on Jan. 17. EMBASSY OF SERBIA



Commemorating the XIII Anniversary of the Foundation of the Plurinational State of Bolivia on Jan. 22 were (from right) embassy staffer Sayuri Costa, Second Secretary Gabriela Duran, Charge d'Affaires Natalia Salazar, SudoWork Co. representatives and musicians. EMBASSY OF BOLIVIA



The ambassador-designate of the Republic of Kosovo to Japan, Sabri Kicmari, hands his credentials to Vice Minister for Foreign Affairs Takeo Mori on Jan. 20. EMBASSY OF KOSOVO



French Ambassador Philippe Setton and Councilor Masahisa Sato, head of the LDP's Foreign Affairs Division, talk about cooperation between France and Japan in the Indo-Pacific region on Jan. 19. EMBASSY OF FRANCE



Ambassador of North Macedonia Goran Cekov meets Takeshi Hamano, mayor of Tokyo's Shinagawa Ward, on Dec. 14 to discuss opportunities for collaboration between the Macedonian and Japanese cultural and business communities. EMBASSY OF NORTH MACEDONIA