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# sustainable japan

Aventa founder's PDIE Group now official Earthshot Prize nominator

## Christian Schmitz, environmental entrepreneur

**Name: Christian Schmitz**  
**Title: Founder of PDIE Group**  
**URL: <https://pdiegroupp.com>**  
**Hometown: Cologne, Germany**  
**Years in Japan: 22**

### Leaders & Readers

**WARREN MEEHAN**  
 CONTRIBUTING WRITER

For multilingual serial entrepreneur Christian Schmitz, a regular morning run around Tokyo's Meguro Ward is his chance to re-energize and gain focus on his primary mission: new ways to tackle some of the world's most pressing sustainability challenges. Schmitz believes that the way forward to a greener world converges on leveraging the skills, research and innovation from some of the leading thinkers and entrepreneurs in sustainability. For Schmitz, the ultimate focal point should be "people, planet and prosperity."

Recently returned from the 2023 World Economic Forum in Davos, Switzerland, with a list of exciting new startups in the sustainability space to follow up on, Schmitz managed to take time out from his busy schedule to sit down with The Japan Times



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to talk about his sustainability-focused boutique consulting firm, Aventa, how the commodity exchange platform DCX can reduce waste, the Earthshot Prize and his motivation to start the PDIE Group (the Purpose Driven Innovation Ecosystem). Schmitz began by explaining what first brought him to Japan.

### Forging a new path

Schmitz arrived in Japan as a student in the mid-1990s for his university's Asian Regional Studies language program and soon found an internship with Bayer AG. When his internship ended, Bayer quickly offered him a job. "I've never had a job interview in my life," joked Schmitz, "at least not one that I had to worry too much about." After completing his degree and working in the corporate world in Japan in a range of positions, Schmitz concluded he could do more good independently, and in 2009 he set up Aventa, a boutique market-entry consulting firm to help European brands succeed in Japan.

"I thought I could only do so much working in an established company but I could really do a lot more if I was on my own," Schmitz explained. Aventa has successfully ushered a range of European lifestyle brands into the Japanese market, including German wines and Reme water-saving products. Schmitz now expects 2023 will be a big year for Aventa, with business picking up post-pandemic, but he acknowledges that nothing is certain. "People love to say that their company is growing, but the truth is, you only really ever have good years and bad years. I just feel 2023 will be a good year for us."

### The Earthshot Prize

Seeing a need to develop sustainable innovation and wanting to create opportunities for the most advanced thinkers, leaders and innovators to connect and help make a better future, Schmitz launched the PDIE Group in 2019. He said: "PDIE is for anyone who wants to participate in something greater, something that gives purpose to us. We build new communities and a new way of belonging." This community comprises like-minded corporations and startups, researchers, and investors who want to help develop innovations focused on a more sustainable future.

PDIE also hosts Climate Launchpad in Japan, part of the world's largest green business competition, which helps entrepreneurs build businesses that help fight climate change. The competition involves 10 innovative teams that attend a three-day online boot camp where they can get paired with coaches for help with their pitches before entering the national finals.

Along with this, PDIE recently became the Japanese nominator for the Earthshot Prize, launched by the U.K.'s Prince William and the environmentalist Richard Attenborough with the purpose of rewarding individuals or organizations who provide impactful or sustainable solutions for Earth's environmental problems. The prize offers grants of £1 million (\$1.2 million) in five areas of sustainability: the restoration and protection of nature, air cleanliness, ocean revival, waste-free living and climate action.

One of the recent nominees that Schmitz found interesting was a company focused on ocean revival, called Urchinomics. Founded by Japanese Norwegian entrepreneur Brian Tsuyoshi Takeda, Urchinomics uses market-



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based incentives to gather and ranch sea urchins in kelp forests. Due to an increase of carbon in the oceans, sea urchin populations have grown to the point where they are now destroying kelp forests, a vital natural resource in sequestering atmospheric carbon dioxide. Urchinomics turns the sea urchins into luxury gourmet seafood with a market value 10 times the sourcing cost, incentivizing their farming and allowing the restoration of kelp forests.

Schmitz also talked about the opportunities for blockchain technology to create efficiency and reduce waste at exchanges for commodities such as rice and other grains. Schmitz was first introduced to the innovative blockchain commodity innovator Rice Exchange and its chief operating officer, Ste-

phen Edkins, through a chance meeting at a sushi restaurant in Tokyo in 2018. "I thought he was telling me about a crypto exchange," Schmitz recalled about the encounter. "But he pointed to his sushi plate and said, 'No, we are really talking about rice!'" The company, part of the Singapore-based DCX Group, uses blockchains to securely track all rice in its network, ensuring efficiency and reducing costs and waste. DCX vets prospective traders, allows them to negotiate all contract details and ensures that those details are logged on the blockchain. DCX is also working with rice farmers across the region to help them cultivate rice more efficiently and reduce the amount of water used in paddies. As Schmitz explained, decomposition in flooded rice paddies is a major contributor to

### Regional studies, holistic approach

Born and raised in Cologne, Germany, Christian Schmitz studied regional studies with a focus on East Asia and the Japanese language at Duisburg-Essen University, which included a language program in Japan. Upon completing his studies in 1998, Schmitz was offered an internship with Bayer in Japan, and was subsequently offered a position.

Schmitz moved on in 2003 and took up various corporate and marketing roles with Schwarzkopf, BASF, Henkel Japan and Hulsta Japan, eventually becoming president at Emmi Ultrasonic Japan in 2014. In 2009, Schmitz founded his own boutique consultancy, Aventa, and then the PDIE Group in 2019. Schmitz became the chief marketing officer and head of Asia at DCX in March 2021. PDIE became an official Earthshot nominator in 2020. Schmitz began acting as a senior adviser to the Future Food Institute in March 2022, using his experience to contribute to its holistic approach to planetary health.

methane gas emissions, and farmers are the lowest earners in the value chain — issues DCX hopes to address.

### Keeping the puzzle together

"Of course I have hobbies," joked Schmitz, who among other things enjoys playing classical piano as well as always making time for his morning run, an activity he considers essential. "I'm not really sure if it's a hobby, but I'm also a practitioner of meditation. My morning run is like a meditation, and during my run I make sure I stop at some shrines around Meguro for some reflection." Schmitz was first introduced to the importance of meditation after meeting the Dalai Lama's personal physician, Yeshi Dhonden, who told him we all need to find a "home" within ourselves where we can put the pieces of our own puzzle together. "I can fit it all in," insisted Schmitz, "just as long as I make a plan."

## For Nippon Life, ESG investment is natural part of taking long view

### ESG/SDGs

**HIROKO NAKATA**  
 CONTRIBUTING WRITER

Environmental, social and governance (ESG) investing is increasingly gaining attention as investors weigh the long-term impacts of corporate activities on people's lives. But the concept is nothing new to Nippon Life Insurance Co., Japan's largest insurer.

"To us, ESG is not something that has emerged in recent years, since it has been rooted in our investment stance for many years," Akiko Osawa, Nippon Life's director and managing executive officer, said in a recent interview. Last year, Nippon Life won the Excellence Award in the ESG category of the Sustainable Japan Award sponsored by The Japan Times.

Osawa said the basic approach of one of the country's biggest private institutional investors is long-term investment, as the money comes from insurance premiums that policyholders pay for decades. "What new graduates learn first on the job is that we should invest the money safely while considering the profitability and the public nature at the same time," she said. Therefore, it is natural for them to invest in financial tools that can benefit the greater good. "I think our stance has been deeply linked to what is now called ESG investing



Akiko Osawa, Nippon Life's director and managing executive officer COSUFI

and financing."

She said she still remembers her first task on the job at the insurer. She had to call a village office to tell it the due date and bank account number for a monthly interest payment on a municipal bond. The small village in a remote district had issued its first bond to build a swimming pool for its elementary school. After checking who Osawa was, the person on the other end of the line thanked her and told her that the kids who once had swum in a nearby river now enjoyed swimming in the pool.

This was in 1988, during Japan's boom era. Backed by surging stocks, high land prices and interest rates and a strong yen, Japanese insurance companies had a huge influence on international financial markets — overseas investors called them "the seihō," the Japanese abbreviation for "insurance companies." Given the company's huge volume of trading in the markets, surely few people knew that it also financed, even if moderately, such a tiny rural municipality.

"We are not a stock company. We are a mutual company, and that means we belong to policyholders," Osawa said. "So I don't think ESG investing is new to us. Our investment has the public nature and the same roots as what we have been doing for so many years."

The big difference between investing today and in the 1980s is the process of building a portfolio. Nippon Life integrates ESG into every stage of its investments, and in all of them aims for impacts that make society more sustainable.

The driving force of its ESG-related investments is a special ESG engagement team of 12 specialists and 13 analysts who hold dialogues every year with the 700-odd firms they invest in.

These dialogues focus in particular on one of Nippon Life's top priorities: addressing climate change. While the Japanese government pledged in 2020 to achieve carbon neutrality by 2050, Osawa pointed out that Japan's emissions of carbon dioxide mostly come from a limited number of industries, such as electricity, chemicals and automakers — sectors that have strongly undergirded the country's economy. In Nippon Life's case, out of the more than 1,400 firms in its portfolio, about 70



COSUFI

emit 80% of the overall carbon, Osawa said.

In its engagement activities, the insurer helps investee firms be aware of the business risks and opportunities in reducing carbon emissions. It already requires that they set reduction targets and road maps toward 2050, she said.

Since companies may need huge amounts of capital — sometimes more than 1 trillion yen (\$7.5 billion) — to make themselves greener, Nippon Life may go beyond its engagement activities and extend loans or buy corporate bonds.

Nippon Life also takes part in a global alliance on going carbon neutral. Last year, Osawa was appointed to the steering group of the U.N.-convened Net-Zero Asset Owner Alliance, which comprises institutional investors who commit themselves to decarbonizing their portfolios.

Osawa said the global trend in the investment world is to pay attention not only to climate change, but also to biodiversity and human rights. One of the most important issues in Japan will be how its companies can maintain competent human resources amid the aging population and continue to grow.

"Global companies have a broad range of issues, including those of their supply chains," Osawa said. "So each of them will have to find out what will be their most precious assets."

The Sustainable Japan Award commends individuals, companies, and organizations who have made advances in sustainable efforts. To learn more, scan the QR code.



## NTT projects in cities and forests use visual data to solve issues

### ESG/SDGs

**MAIKO MURAOKA**  
 CONTRIBUTING WRITER

Data is an important element in sustainable regional development. "The Sustainable Smart City Partner Program (SSPP) is carrying out projects to use data in visualizing regional attractions and solving regional issues in various cities across the country," said Yojiro Onaru, senior manager of NTT Corp.'s Smart City, Strategic Business Development Division, in a recent online interview by The Japan Times. The true value of data emerges only when it is effectively used.

The SSPP is an initiative that the leading telecommunications company started in 2020 that serves as a set of tools to gather various data on any given city and analyze how to maximize its attractions and compensate for its weaknesses. NTT has launched a new platform, Sugatami, as part of the SSPP.

One of the cities that have begun to use the platform is Koshi in Kumamoto Prefecture. Koshi signed a partnership agreement in December 2022 with the Kyushu branch office of NTT Docomo, NTT Communications Corp. and Cross Culture Inc., an information technology firm in Kumamoto, that includes the use of Sugatami in visualizing the city's charms and emphasizing them in community development.

While Sugatami is geared toward a mac-



Logio generates personas from location-based big data to understand interests, tastes and behavior patterns. NTT

rosopic analysis of the current status of a place, a microscopic approach is necessary as well in order to visualize particular areas and facilitate municipal action toward improvement and innovation.

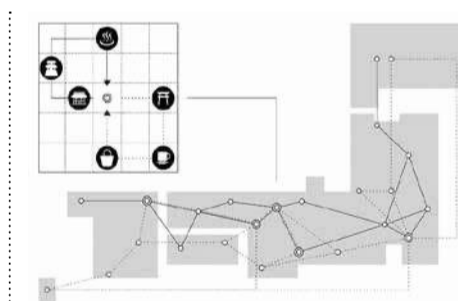
One example of acquiring specific data and using it to better utilize an area's resources is the forest management rehabilitation project launched in January in the Aichi Prefecture city of Okazaki. NTT West and NTT Data take part in the industry-academia-government collaboration, which aims to use digital technologies to improve management of the city's forests, taking into consideration factors such as carbon absorption capacity.

Many steps in forest management, including field research, require costly manpower, and there is a constant shortage of available hands. This project examines the possibility of using AW3D, the world's first and most precise 3D map utilizing satellite image data, to bring more efficiency to forest management and support the issuance of carbon credits based on a forest's size.

This technology can provide detailed data about a forest — the number and density of trees, as well their heights and types — and thus make it possible to get an overall understanding of the forest. It also helps to check how much of a forest lacks adequate maintenance, which is necessary because carbon credits aren't issued for abandoned plantation forests. This way, the carbon absorption capacity can be evaluated faster, easier and with increased transparency, giving a forest new value as a source of carbon credits.

"Appropriately measuring a forest can lead to the issuance of carbon credits and serve as reliable basic data for promoting the proper use of timber. We hope this project will open up new possibilities in maintaining and leveraging an important Japanese asset," Onaru said.

Another example of acquiring and applying data for community development, business or promotional purposes is the web-based Logio, which can per-



A visualization of statistics on activity at a place visited and daily activity NTT

form detailed and highly accurate persona analysis using cellphone location data from NTT Docomo and spot information from NTT TownPage. (Both are the largest in their class in Japan.)

In it, people are categorized based on similarities of likes and tastes as well as behaviors indicated by statistical data, which helps in understanding each group's behavioral patterns. Take, for example, art lovers in their 20s. What is their purpose of going to a particular area? What do they do while there? And where do they go next? Logio can provide such information.

What is unique about Logio is that it does not just reveal the flow and concentration of people, but provides an in-depth look at how those in each category move and behave in a given area, which is expected to become a new method for understanding areas' characteristics and attractions in a more precise and detailed way. "This will allow us to recognize the diversity that an area already has, and use it effectively in community development," Onaru said.

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