

SHAPING A BETTER FUTURE FOR FUTURE GENERATIONS

DIALOGUE 02 — SAORI IWANO — PETER DAVID PEDERSEN

Escaping a Restrictive Future by Imagining the Future as a Blank Slate

Saori Iwano is a high school student who shaved her head, parting ways with hair grown down past her shoulders, and wrote an essay on the potential of shaving one's head to help fight climate change. People have diverse ideals. There is no need to limit the ideal of feminine appeal to having long hair. Peter David Pedersen, external director at MARUI GROUP and guide in its quest for true sustainability, spoke with Iwano about the ideals she espouses.

Saori Iwano

A third-year high school student born in Tokyo in 2003, Saori Iwano is a central member of the student environmental activist organization Fridays For Future Japan. This unique Generation Z environmental activist has gained attention for her research on decentralized energy and her essay on the potential of shaving one's head to help fight climate change, which reflected her own experience of shaving her hair, which had been grown down past her shoulders.

Peter David Pedersen

Peter David Pedersen was born in Denmark in 1967. He has been involved in the formulation of business, environment, and CSR strategies for major Japanese companies, and it was Pedersen who introduced Japan to the concept of Lifestyles of Health and Sustainability (LOHAS). Today, he is devoting his efforts to fostering future leaders as the representative director of Next Leaders' Initiative for Sustainability while also acting as a professor at Shizenkan University. Pedersen assumed the position of external director at MARUI GROUP in June 2021.

Start of Environmental Activism Inspired by Inconsistency of Adults

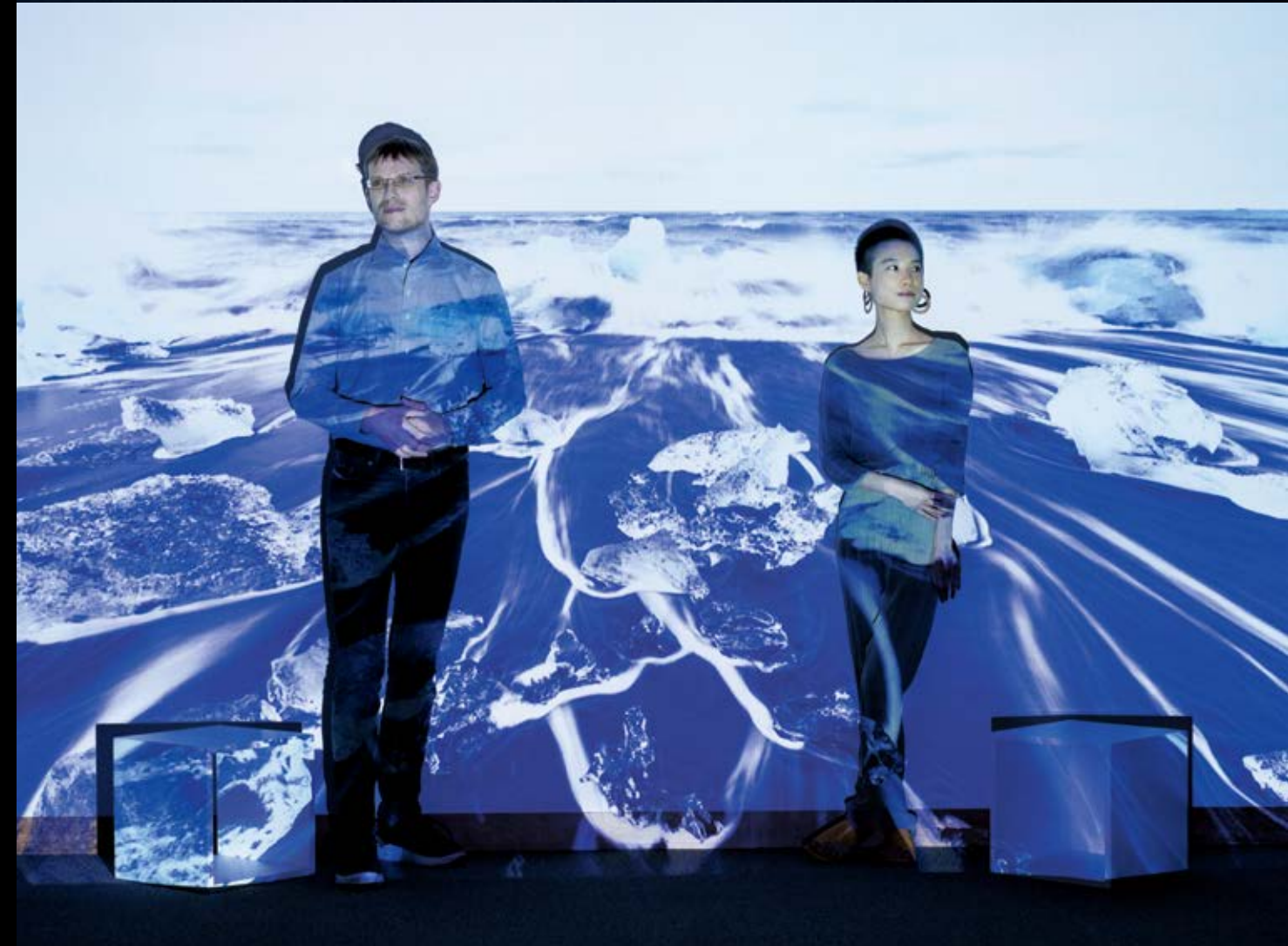
Pedersen: I have been working with major Japanese companies over the past 25 years. I refer to innovation that is not mindful of sustainability as "trash innovation." Innovation can create new value, but innovation that only seeks economic value at the cost of the environment has no place in society. How do you, Ms. Iwano, view Japanese companies from your perspective?

Iwano: It depends on the company, but there are a lot of companies that only think about doing business through existing frameworks, and these companies formulate visions of their future based on their current state. Japanese companies love the word "innovation." However, it is also common for these companies to primarily pursue innovation

aimed at sustaining their current systems and businesses.

Pedersen: I completely agree. Those working in existing systems tend to become prisoners of these systems, and therefore have their actions limited by the systems. Based on this perspective, I would like to talk about your activities. Exactly what type of activities have you been engaged in?

Iwano: I have been involved in the activities of the student environmental activist organization Fridays For Future Japan since 2019. These activities are part of a movement calling for action to combat climate change. Due to the COVID-19 pandemic, we are currently focusing on efforts online and through other venues that do not involve close contact with others. One example of these efforts is a call for action on climate change via social media. We are also working together with the government and the



corporate sector, sometimes offering advice on government policies and coordinating with companies at the forefront of climate action. In addition, we form connections with Asian environmental activists, contribute to the efforts of the United Nations Climate Change Conference, and take other flexible actions related to these efforts.

Pedersen: I was born in Denmark. When I was 10, I remember taking part in a demonstration protesting the construction of a nuclear power plant. This demonstration resulted in Denmark making the switch to wind power. This experience opened my eyes to the importance of action. What was your call to action?

Iwano: When I was in my third year of junior high school, I listened to Severn Cullis-Suzuki's legendary speech at the Earth Summit in Rio de Janeiro about the day our world will change, which she delivered when she was only 12. In this memorable speech, Suzuki illustrates the inconsistency between the righteous action adults expect of us and their own actions. When I was still chewing on this idea, I learned that Greta Thunberg had begun her climate change activism in Sweden. Thunberg had put forth a message casting light on the same issue by questioning why adults think they can tell us what not to do while they violate their own creeds and present an inconsistent stance through the Paris Agreement. Her message matched the one of Suzuki. When I learned of Thunberg's activities, I was around the same age as her, 15. This experience, and the recognition of the inconsistency of adults, was my call to action.

Importance of Younger Generations Commenting on Company Impact

Pedersen: I understand that you wrote a very intriguing essay.

Iwano: You're talking about my paper on how cutting one's hair can help combat climate change, right? I shaved my head for that paper. My hair used to be down past my shoulders.

Pedersen: That is a really clever idea. What were the results of this experiment?

Iwano: My thesis was that shaving my head would affect how much water I used to bathe and the amount of gas consumed to heat the water as well as my usage of a hair dryer. I measured these metrics using myself as the sample to determine the impact of shaving my head, and compared the results to

other options. I found that shaving one's head has mid-range benefits for fighting climate change.

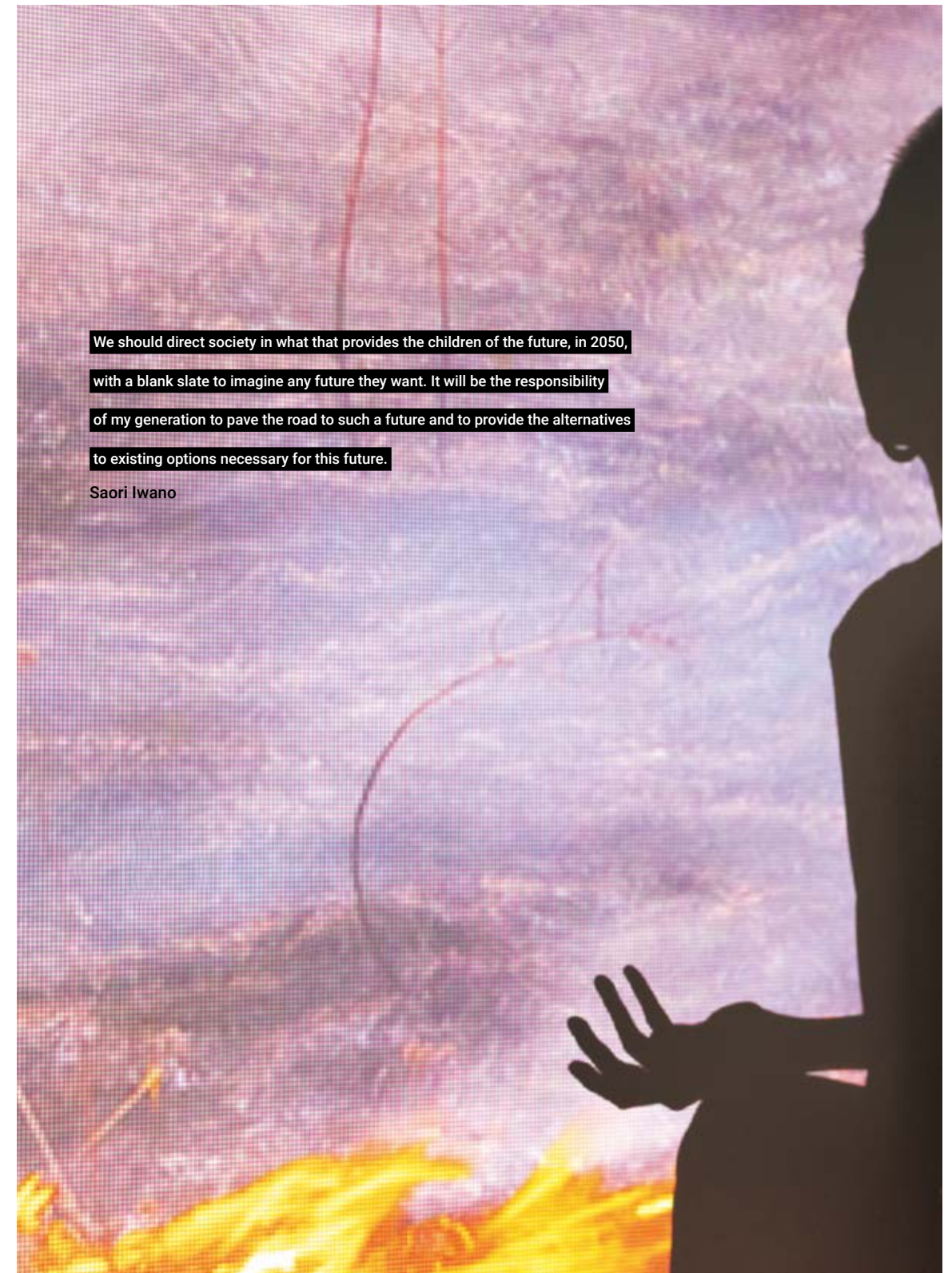
Pedersen: It is generally accepted that girls of your age tend to be interested in things like makeup and fashion. What type of response did you get from the people around you when you shaved your head?

Iwano: I get asked that a lot. On the flip side, as people often come up and ask me about my hairstyle because it is so unusual, this gives me plenty of opportunities to talk to people about our climate crisis. Also, I don't think that we need to limit the ideal of feminine appeal to having long hair. This is supposed to be an era in which people can have diverse ideals after all.

Pedersen: That is true. The idea that having long hair is feminine is an outdated preconception that is incompatible with the values of diversity. Changing gears, it is said that there is a need to enlist the aid of companies to realize positive social impacts. What are your thoughts on this topic?

Iwano: Companies have a very large impact on society. It is therefore crucial that we let companies know what the younger generations are thinking. Companies tend to formulate visions of how to generate profits, while younger generations put forth visions of how to address issues facing society. We should thus combine the visions from these two perspectives to create one overarching vision for all of society and work together as partners in accomplishing this vision. There is a book by the Japanese scholar of the history of economic thought Kohei Saito on the subject of capital theory for a new era. This book is full of insightful critiques of contemporary capitalism as well as proposals of alternative approaches based on the visions of younger generations. I have had several opportunities to speak with Mr. Saito, but in his book he does not explain a clear process toward reaching the stated ideals. I think the nitty-gritty about making and transitioning to the new systems that will be required to realize these ideals will need to be handled by companies and others in positions of power. The role of us younger generations will thus be to share our visions and to engage with this process.

Pedersen: U.K.-born, U.S.-based futurist Hazel Henderson speaks of building a love economy in contrast to the existing money economy. In the past, earning money was seen as a pursuit completely separate from exercising compassion or contributing to society. In recent years, however, we have seen a rise in companies guided by a social purpose.



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Saori Iwano

Iwano: I think that the idea of intersectionality* will become increasingly prominent in the future. MARUI GROUP values its stakeholders, and I think the idea of intersectionality aligns well with stakeholder value.

Pedersen: From one perspective, the ideas of a money economy and love economy overlap in a way similar to the categories of intersectionality. I think it would be great if companies were to team up with NPOs, with each party leveraging their respective strengths to create a more open environment, and then eventually if companies were to become more like NPOs.

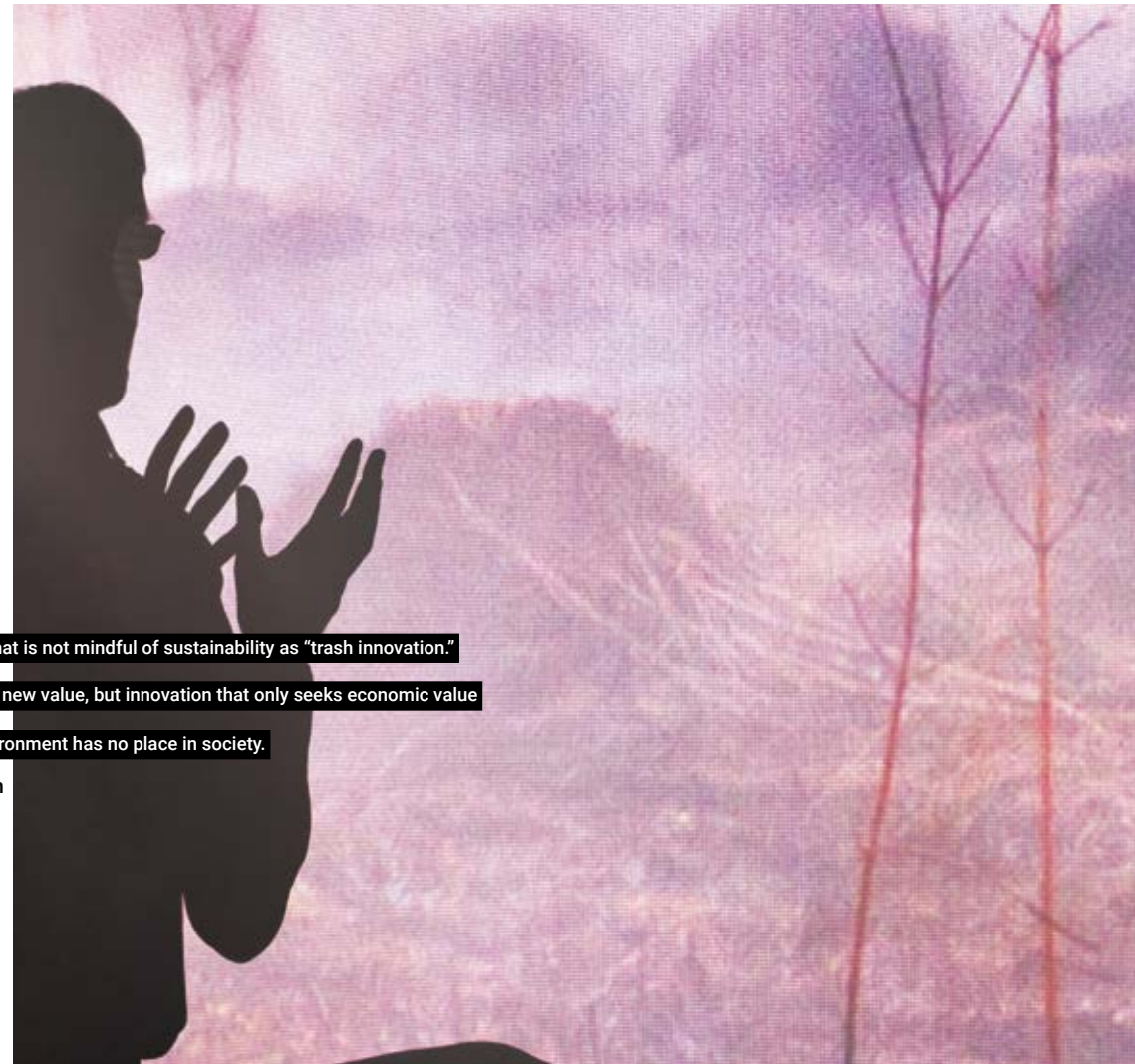
Iwano: A successful business is dependent on the people involved in the business as well as on consumers and community members. An emphasis on the interests of these various stakeholders is also important to decarbonization efforts. I think there is a strong need for MARUI GROUP to exercise

leadership in guiding community decarbonization efforts together with stakeholders by connecting various styles of consumption and returning the benefits of these activities to communities.

* An analytical framework that looks at how attributes of a person's identity, including race and gender, contribute to discrimination and privilege

Need for New Values Surpassing the Scope of Businesses Focused Purely on Resolving Issues

Pedersen: In terms of consumption, I think a change in perspective, from the prior focus on trade-offs to an emphasis on raising value, will help to realize sustainability in its truest form. Rather than relying on trade-offs, by prioritizing the economy to the detriment of the environment and supply, we should transform our lifestyles to provide options that position inclusivity and circularity as the norm. With this perspective, I look to propose alternative consumption methods and new lifestyles for Japan.



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Peter David Pedersen

Iwano: Concepts such as sustainability and ethics have become a normal part of education in Japan, leading to a rise in awareness on these subjects among high school students. However, this education is still limited to the idea of resolving social issues. The option of fair trade only exists due to the presence of issues of poverty and exploitation. Similarly, the climate crisis has given rise to the option of decarbonization. In the future, I think it will be important for businesses and products to propose new values and offer a path toward embracing these values, as opposed to simply resolving the current issues we face. By proposing new and better options, people can make new discoveries and have new encounters. These possibilities are something not present in prior issue resolution-oriented businesses.

Pedersen: MARUI GROUP is a company whose business is founded on stimulating consumption. For this reason, it will need to change the products it offers. The question then becomes, how should it undertake such a change? Ms. Iwano, what are your thoughts regarding the future of consumption?

Iwano: I don't shop at stores a lot. Even the clothes I am wearing today were hand-me-downs from my cousin. The approach of stimulating a desire for consumption does not seem suited to the coming era. I think there is more potential in promoting consumption by proposing better options. It would be great if consumers were able to purchase items based on the understanding of what went into their making, the story of each item, so to say. Understanding the feelings of the producer creates a kind of synergistic effect for the user that makes them feel more satisfied with their purchase of the item in question when they use it.

Diversity in Decision-Making Required for Inclusive Thinking

Pedersen: MARUI GROUP has defined impact targets in its new medium-term management plan. What do you think of this undertaking?

Iwano: I think the involvement of people like you, Mr. Pedersen, and representatives of various other sectors in decision-making is necessary for inclusive thinking. This is also important for promoting decarbonization while preventing the emergence of new social issues as a result of these efforts. For example, if we were only to focus on a single aspect of the United Nations Sustainable Development Goals (SDGs), we might be able to effectively

resolve the targeted issues, but it is also highly likely that we would cause a new issue in the process. This lack of inclusive thinking is a common trait of the shallow and performative approach toward the SDGs that many companies are adopting. As the standards of society change, the definition of impact will also change. It is easy to put forth the goal of decarbonization, but it is important not to rigidly define this goal as an unmoving impact target. Such rigidity will likely kill the potential of a company. A more ideal approach would be to incorporate people from diverse backgrounds into the process of developing action plans in order to make these plans more impartial.

Creation of a Blank Slate Society That Lets Children Imagine Their Own Future

Pedersen: What is your goal for the future, Ms. Iwano?

Iwano: I want to be involved in the decentralized energy cycle. I see potential for the application of decentralized blockchain technologies to decision-making processes. Blockchain is a promising tool for realizing transparent and impartial decision-making. As far as the future I hope to create, I think it is important for the future to be like a blank slate. The future we are able to imagine for ourselves in the current society is restrictive. What I mean to say is that we should direct society in what that provides the children of the future, in 2050, with a blank slate to imagine any future they want. Moreover, I hope that society will be such that the future generation of 2050 will be inspired to create a better future for the generation that follows them, and that this generation will do the same, giving birth to a consistent and virtuous cycle. It will be the responsibility of my generation to pave the road to such a future and to provide the alternatives to existing options necessary for this future. For this reason, I want to work toward this vision in various fields together with individuals from an array of sectors.

Pedersen: Collaboration with companies should be framed in terms of "with," as opposed to "for." I have been working together with major Japanese companies for 25 years. I try to deny the obvious standing of these companies as I work with them. This is because I think that creative self-denial is vital to companies. Rather than working "for" the companies, I want to work "with" them to build a better world.