



RI TRANSPARENCY REPORT

2020

SUSTAINA JAPAN Inc.

About this report

This report is an export of the individual Signatory organisation responses to the PRI Service Provider Reporting Framework during the 2020 reporting period. It shows your responses to mandatory indicators, as well as responses to voluntary indicators that your organisation has agreed to make public. You will be able to access the public RI Transparency report of your organisation and that of other signatories on the [PRI website](#).

The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is an **Index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Index

The Index summarises the response status for the individual indicators and modules. It can be used by stakeholders as an 'at a glance' summary of reported information and to identify particular themes or areas of interest.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator.
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Index

Organisational Overview			
Indicator	Short description	Status	Disclosure
OO 01	Basic information	✓	Public
OO 02	Reporting year	✓	Public
OO 03	Signatory category and services	✓	Public
OO 04	Other offerings/business activities	✓	Public
OO 05	Breakdown of ESG coverage	✓	Asset mix disclosed in OO 06
OO End		✓	-

Strategy and Governance			
Indicator	Short description	Status	Disclosure
SG 01	Responsible investment policy	✓	Public
SG 02	Norms used to develop policies	✓	Public
SG 03	Policy offerings to clients	✓	Public
SG 04	ESG/RI in business offerings	✓	Public
SG 05	Outsourcing of services	✓	Public
SG 06	Providing training/education	✓	Public
SG 07	Applying, advancing and promoting the PRI principles	✓	Public
SG 08	Actions taken to promote responsible investment	✓	Public
SG 09	Long term trends	✓	Public
SG 10	Interaction with asset owners	🔒	n/a
SG 11	Aligning approach with investor goals	✓	Public
SG 12	ESG recommendations not aligned with investor goals	✓	Public
SG 13	Seeking feedback from clients	✓	Public
SG 14	Managing conflicts of interest	✓	Public
SG End		✓	-

Research and Data Provision			
Indicator	Short description	Status	Disclosure
RDP 01	Product type	✓	Public
RDP 02	Sources for research and/or rating	✓	Public
RDP 03	Stakeholder input	✓	n/a
RDP 04	Up-to-date assessment and ratings	✓	Public
RDP 05	Balanced research and assessment	✓	Public
RDP 06	Consistency and comparability	✓	Public
RDP 07	Emerging ESG issues and trends	✓	Public
RDP 08	Client use of outputs	✓	Public
RDP 09		-	n/a
RDP End		✓	-

Confidence building measures

Indicator	Short description	Status	Disclosure
CM1 01	Other product offerings, processes and/or activities	-	n/a
CM1 02	Assurance of responses	✓	Private
CM1 End	Module confirmation page	✓	-

SUSTAINA JAPAN Inc.

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01	Mandatory	Public	Descriptive
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OO 01.1 Select the location of your organisation's headquarters.

Japan

OO 01.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2 - 5
- 6 - 10
- 11 - 50
- >50

OO 01.3 Indicate the regions where you have offices.

- Africa/Middle East
- Asia (excluding Japan & Korea)
- Australasia
- Canada
- Continental Europe
- Japan & Korea
- Nordic
- South America
- UK & Ireland
- US

OO 01.4 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

2

Reporting Year

OO 02	Mandatory	Public	Descriptive
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OO 02.1 Indicate the year end date for your reporting year.

31/12/2019

Signatory category and services

OO 03

Mandatory

Public

Gateway

OO 03.1

Indicate which of the following categories reflect your core offering or main business activity:

- Reporting
- Active Ownership Services
- Investment consultancy
- Research and Data Provision
- Other, specify (1)
Systems development and Marketing consultancy
- Other, specify(2)

OO 03.2

Indicate any other business activities that your organisation offers. Indicate whether you wish to report on these business areas.

- Reporting
- Active Ownership Services
- Investment consultancy
- Other, specify (3)
- Other, specify (4)
- None of the above

OO 04

Mandatory

Public

Descriptive

OO 04.1

Please describe your core offering or main business activity.

Currently while conducting the business commissioned by our clients in the field of systems development and marketing, we invest resources in research and development of ESG services in order to expand our business.

Concretely speaking, we have been developing and operating the "SUSTAINA.org" which is the first web platform in Japan to evaluate ESG factors of Japanese companies by using AI technology.

<https://www.sustaina.org/>

Through this product, we aim at increasing the number of companies which deal with ESG issue. We believe it would lead to diffusion and establishment of ESG investment.

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Policy on ESG beliefs

SG 01

Mandatory

Public

Gateway

SG 01.1

Describe how your organisation's philosophy incorporates environmental, social and governance factors, and the link to your business offerings.

We have been running the business to encourage ESG and sustainability of corporates on the basis of a philosophy, "Pass the better society onto the next generation." We aim to realize diffusion and establishment of ESG investment by developing and operating the first platform website "SUSTAINA.org" in Japan for sustainability evaluation.

SG 01.2

Indicate whether you have policies that formalise the incorporation of your ESG beliefs in your business offerings.

Yes

SG 01.3

Indicate the components/types of your internal policy and provide the URL and/or an attachment of the document/s if they are publicly available.

Policy components/types

Policy setting out your overall ESG/RI approach

Public availability

URL

URL

<https://www.sustaina.org/info/pri/>

Attachment

Not publicly available

Formalised guidelines on environmental factors

Public availability

URL

Attachment

Not publicly available

Formalised guidelines on social factors

Public availability

- URL
 - Attachment
 - Not publicly available
- Formalised guidelines on corporate governance factors

Public availability

- URL
 - Attachment
 - Not publicly available
- Formalised guidelines on engagement approach
- Formalised guidelines on (proxy) voting approach
- Other, specify (1)
- Other, specify (2)
- None of the above

SG 01.4 Indicate how these are put into practice internally across the organisation.

- Regular employee training on RI/ESG
- Regular RI/ESG policy awareness building for employees
- Establishment of policy review committee/team
- Remuneration linked to achieving ESG objectives
- Annual performance incentives
- Other, specify (1)

Based our internal ESG guideline, we define evaluation items for companies.

- Other, specify (2)
- Other, specify (3)

No

SG 02	Mandatory	Public	Descriptive
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SG 02.1

Indicate what frameworks and guidelines you have used to develop your organisation's policies. Tick all that apply.

- UN Principles for Responsible Investment
- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- UN Sustainable Development Goals
- International Bill of Human Rights
- International Labour Organisation Conventions
- IFC Performance Standards
- United Nations Convention Against Corruption
- OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises
- GRI standards
- Other, specify (1)
ISO26000
- Other, specify (2)
- Other, specify (3)
- None of the above

SG 03**Mandatory****Public****Descriptive****SG 03.1**

Indicate whether you offer standard, off the shelf, policies to clients as part of your product offerings, and/or whether you create tailored versions for individual clients.

	Off the shelf	Tailored
Asset class-specific RI guidelines	<input type="checkbox"/>	<input type="checkbox"/>
Sector-specific RI guidelines	<input type="checkbox"/>	<input type="checkbox"/>
Screening/exclusions policy	<input type="checkbox"/>	<input type="checkbox"/>
Engagement policy	<input type="checkbox"/>	<input type="checkbox"/>
(Proxy) voting policy	<input type="checkbox"/>	<input type="checkbox"/>
RI guidelines set out within the Investment Policy Statement (IPS)	<input type="checkbox"/>	<input type="checkbox"/>
RI guidelines set out in a freestanding RI policy	<input type="checkbox"/>	<input type="checkbox"/>
Multi-year RI implementation project plan	<input type="checkbox"/>	<input type="checkbox"/>
Conflict of interest management policy	<input type="checkbox"/>	<input type="checkbox"/>
Stockbroker allocation policy	<input type="checkbox"/>	<input type="checkbox"/>
Securities lending policy	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

SG 04	Mandatory	Public	Descriptive
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SG 04.1	Briefly describe how you include ESG/RI factors as part of your business offerings.
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Business area

Research and Data Provision

How you include ESG/RI factors

We are providing the ESG ratings of more than 4,400 companies including all listed companies in Japan at our web-based platform, "SUSTAINA.org". These ratings are researched and evaluated by AI technology we developed.

Other, specify (1)

Systems development and Marketing consultancy

How you include ESG/RI factors

We provide systems development services to the clients except for the target companies of ESG ratings. Additionally we provide marketing consulting services to the clients who deals social issues.

SG 04.2

Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for ESG/RI within the organisation.

Roles present in your organisation	Oversight/accountability for ESG/RI	Implementation of ESG/RI
Board	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Directors	<input type="checkbox"/>	<input type="checkbox"/>
Chief Executive Officer (CEO), Chief Financial Officer (CFO)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Chief Operating Officer (COO), Chief Information Officer (CIO)	<input type="checkbox"/>	<input type="checkbox"/>
Other chief-level staff	<input type="checkbox"/>	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; display: inline-block;">Please specify</div> CTO (Chief Technical Officer)
Other heads of department	<input type="checkbox"/>	<input type="checkbox"/>
Dedicated ESG/RI staff	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other role, specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

SG 04.3

Indicate how you ensure ESG/RI expertise for the roles where there are RI oversight/accountability or implementation responsibilities.

- Staff training on ESG/RI incorporation
- Including ESG/RI knowledge factors in personal development goals
- Having development plans that aim to enhance ESG/RI knowledge of certain departments/teams/individuals
- Including ESG in selection requirements when hiring new employees
- Other, specify (1)

We also give explanation and training regarding ESG to outsourcing contractors so as to deepen their understanding about ESG.

- Other, specify (2)
- Other, specify (3)
- Other, specify (4)

SG 04.4 Indicate whether your organisation has any ESG/RI linked incentives for its employees.

Yes

SG 04.5 Describe the ESG/RI linked incentives.

We annually conduct a test to check the understanding about ESG/RI of our employees. The result would affect the assessment for salary.

- No
- Not applicable, we ensure that employees incorporate ESG/RI into services through other mechanisms.

SG 05

Mandatory to Report Voluntary to Disclose

Public

Descriptive

SG 05.1 Indicate whether you outsource some of your services. Report percentage of services outsourced as percentage for that specific business area.

Business area

- Research and Data Provision
- Other, specify (1)

Systems development

Percentage of service outsourced

- <10%
- 10-50%
- >50%
- None of the above

SG 05.2 For each business area, describe what components you outsource to other organisations.

In the field of systems development, there are times when we collaborate with the external partners or do outsourcing.

SG 05.3 For each business area, describe how you ensure the organisation implementing your outsourced services adheres to your beliefs and policies on ESG/RI.

When we select an organisation for our cooperative partners or outsourcing partners, we dialogue with the representative of the organisation to establish engagement. In the dialogue, we communicate our beliefs and policies to the potential partner and we confirm if the organisation has adequate consciousness and efforts toward ESG issues.

SG 06	Mandatory	Public	Descriptive
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SG 06.1 Indicate whether you provide training/educational services on ESG/RI. Tick all that apply.

- Board/trustee training
- Investment manager training
- Regulatory bodies/authorities or public policy makers
- Corporate executive training
- ESG analyst training
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- Other, specify (4)
- None of the above

SG 07	Mandatory	Public	Descriptive
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SG 07.1 Describe how your organisation applies, advances and promotes the PRI Principles.

We have been developing and operating the only web-based platform in Japan "SUSTAINA.org" for providing information concerning the sustainability evaluation of companies.

This product evaluates the sustainability of approximately 4,400 representative companies of Japan and publishes the result of evaluations.

We effort to provide many useful information for spreading the awareness of ESG among institutional and private investors or the diffusion and the establishment of ESG investment on the stock market.

SG 08	Mandatory	Public	
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SG 08.1 Indicate which of the following actions your organisation has taken to promote responsible investments during the reporting year, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoken publicly at events and conferences to promote responsible investment
- Written and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Written and published articles on responsible investment in the media
- Policy engagements and other interactions
- Other, specify
- None of the above

SG 09	Mandatory	Public	Descriptive
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SG 09.1	Indicate which of the following long-term trends are addressed in your product outputs.
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- Changing demographics
- Climate change

SG 09.2	Explain how this long-term trend affects your product outputs.
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We incorporate the approaches of target companies towards the climate changes as our evaluation items.

- Resource scarcity
- Technology developments

SG 09.2	Explain how this long-term trend affects your product outputs.
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We incorporate the approaches of target companies towards the technology development and the safety as our evaluation items.

- Other, specify (1)
Frequent occurrence of Japanese corporate scandals

SG 09.2	Explain how this long-term trend affects your product outputs.
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In case that the target company causes any scandals, we can immediately reflect it to the rating and bring down the grading at "SUSTAINA.org" we operate.

- Other, specify (2)
- None of the above

SG 11	Mandatory	Public	Descriptive
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SG 11.1	Describe how you typically align your organisation's philosophy and approach to ESG/RI with your investor clients' goals.
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- Describe
The ESG evaluation and the grading, which we provide based on our philosophy may be helpful for investors to discover the continuous growing companies or the companies with risks for sociality, when they select an investment destination. This will lead to maximize the return on the investment as the objective of investors. Additionally we believe it would be useful for acceleration of companies activities for susustainability.
- This is not relevant for my organisation

SG 12	Mandatory	Public	Descriptive
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SG 12.1

Describe what steps you take, if any, when your ESG recommendations are not in line with your investor clients' goals.

Describe

Investors can incorporate ESG factors to investment behaviors through the platform for company evaluation which we develop and operate. That would be helpful to gain profits from a long-term perspective.

This is not relevant for my organisation

SG 13

Mandatory

Public

Descriptive

SG 13.1

Indicate whether you seek feedback from clients on your RI/ESG services and product offerings

Yes

SG 13.2

Describe how you use this feedback in your RI/ESG services and product offerings.

Taking advantage of feedback from our clients, we make functional additions and improve usability on the "SUSTAINA.org" we develop and operate.

No

SG 14

Mandatory

Public

Descriptive

SG 14.1

Indicate whether your organisation has a policy for managing potential conflicts of interest.

Yes

SG 14.2

Describe how you manage potential conflicts of interest.

We believe we should stand at fair and neutral position to gain credibility of society. For this reason, we make it a principle not to give any advice and consultation to the target companies for evaluation and we manage it thoroughly.

SG 14.3

Describe how you ensure that company employees do not derive any personal gain from the use of information collected during your work process.

We clearly defined confidentiality agreement with our employees and outsourcing partners, so that they never personally use the undisclosed information they know on working. We never make hiring or outsourcing agreement with a job applicant or a vendor who disagrees with the contract for confidentiality.

No

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Reported Information

Public version

Research and Data Provision

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Product level

RDP 01

Mandatory

Public

RDP 01.1 Indicate your product type. Tick all that apply.

- Analysis
- Benchmarking reports
- ESG ratings
- Credit ratings
- ESG indices
- Raw data
- Second party opinion on green or social bonds
- Surveys
- Other, specify

Stakeholders' reviews, Search engine for corporate scandal information,

RDP 01.2 Indicate whether you make any of your products publicly available.

- Yes, all products
- Yes, some products
- No, we do not

RDP 01.3 Additional information. [OPTIONAL]

We published the website which provides ESG rating information about more than 4,400 Japanese companies, currently only in Japanese version.

<https://www.sustaina.org/>

Research/process level

RDP 02

Mandatory

Public

RDP 02.1

Indicate the types of sources you use for research and/or ratings of companies/sectors/geographies or similar. Tick all that apply.

- Your organisation`s independently collected data from public sources
- Regulatory sources
- Information from NGOs and other stakeholders
- In-person meetings or calls with company or industry representatives
- Primary data (self-reported from companies or other organisations)
- Secondary data (from other research provider databases)
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

RDP 02.2

Indicate how ESG factors are incorporated into your research and/or rating methodology

- Identifying exposure and risk to ESG factors
- Considering responses to self-assessment questions on ESG
- Assessing current and future capacity to manage or mitigate ESG risks
- Assessing past and potential future performance on ESG factors
- Assessing alignment and compliance to different policies and regulations
- Assessing alignment and compliance explicitly to the Sustainable Development Goals (SDGs)
- Assessing current and future positive ESG impacts
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

RDP 02.3

Describe how you define materiality and how this is captured in your research and/or rating methodology as well as final product.

We believe that companies should pay attention for their stakeholders and fulfill their social responsibility in order to be persistently developing. We suppose that a company would disclose any information about their activities if they approach to the activities for sustainability. We collect information which such companies disclose on their website, analyze and evaluate them and provide the results to the stakeholders.

RDP 04**Mandatory****Public****Descriptive**

RDP 04.1

Indicate how you ensure that your ESG assessment of companies/ sectors/ geographies or similar is up-to-date and that new information is incorporated or new assessments are conducted at reasonable intervals.

- Regular update cycles (annual or more frequent)
- Allowing assessments/ ratings to be adjusted at any time by your organisation
- On-going alerts systems in place for new events and information that might have implications on the original assessment/ ratings
- On-going monitoring of possible controversies and compliance to conventions, regulations and similar
- Providing tools for companies/ sectors or others to update the researcher, rating agency or data provider with new information
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

RDP 05**Mandatory****Public****Descriptive****RDP 05.1**

Indicate how you typically ensure a balanced approach to your research methodology and assessing/rating of companies/sectors/geographies or similar. Tick all that apply and explain your approach to each option.

Type of indicators

- Balancing quantitative and qualitative indicators
- Balancing management/process oriented indicators and performance indicators

Explain your approach

Our evaluation puts weight on the management of PDCA cycle in numerous other efforts of target companies for CSR/ESG.

- Balancing reference to past and current performances, such as whether the rating object's performance is improving or deteriorating
- Balancing environmental, social and governance indicators

Explain your approach

A company with well-balanced ESG indices can comprehensively obtain high scores and be given to high grading.

- Balancing self-reported and public data

Explain your approach

Our "SUSTAINA.org" provides a function which companies can regist and disclose their financial and non-financial report by themselves. These information will be incorporated into our ESG rating.

- Other, specify (1)

Evaluating by Stakeholders

Explain your approach

Our "SUSTAINA.org" provides a function which stakeholders can evaluate the sociality of companies which they have a interest. These information will be incorporated into our ESG rating.

- Other, specify (2)
- None of the above

RDP 06	Mandatory	Public	Descriptive
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RDP 06.1	Describe the control processes in place to ensure quality of research.
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We evaluate all companies equally with around 250 evaluation items regardless of their industry sector or size of business. We believe that the data indicated by a common scale would be useful for users to compare multiple companies using the evaluation results.

RDP 07	Voluntary	Public	Descriptive
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RDP 07.1	Indicate whether you identify and prioritise ESG issues and emerging trends.
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- Yes

RDP 07.2	Describe how you incorporate the identified ESG issues and trends in your product offerings and business activities.
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We develop and operate the web-based platform "SUSTAINA.org" and we believe the website would become valuable platform for companies facing the ESG issues and encouraging their activities for CSR/ESG.

Any company can register and publish their activities for ESG, additionally they can communicate with their stakeholders on this platform.

Through this product, we aim at increasing the number of companies dealing with ESG issue and we aspire to realize diffusion and establishment of ESG investment.

- Not applicable for our organisation

RDP 08	Voluntary	Public	Descriptive
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RDP 08.1	Describe how research and data provision outputs are used by clients.
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- Describe

	Describe how research and data provision outputs are used by clients.
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Using information of non-financial and ESG rating we provide, our clients can analyze their competitors, grasp their position in the industry and set up their performance indicators. Additionally any investing institutions can use our information for making a decision of their investment and lending.

- Not applicable for our organisation

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