

A group of five diverse individuals in athletic attire are posing against a bright yellow wall. On the left, a woman in a purple and pink sports bra and shorts is stretching her leg. In the center, a man is sitting on the ground wearing a white t-shirt with orange stripes and black shorts. To his right, a woman in a black and white tank top and leggings is leaning against the wall. Further right, a man in a blue t-shirt and black shorts is leaning forward. On the far right, a woman in a white t-shirt and black shorts is laughing. The word 'MOVE ME' is overlaid in large white letters across the middle of the image.

MOVE ME™

SUSTAINABILITY REPORT 2019

The Asics logo, featuring the brand's signature 'swoosh' symbol followed by the word 'asics' in a bold, lowercase, sans-serif font.

asics

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ASICS SUSTAINABILITY VISION

We will inspire more people now and in the future,
to move body and mind, to create a stronger world.



ABOUT THIS REPORT

Moving changes you for the better, which changes everyone you play, work, live and love with. Which changes the city you live in, so it changes the whole planet too. But it all starts with me. I MOVE ME™.

I MOVE ME™ is the global movement that reimagines our vision for a new generation.

I MOVE ME™ shows that there are no winners or losers in the world of ASICS – just people who move, and people we want to help start moving.

In this report, you'll find out how we move smarter, contributing to a healthier planet through product and service innovation, as well as by actively switching to renewable energy in our operations. You'll also see how we're engaging people to help them move stronger – in our workplaces, in our supply chain and in our local communities.

External recognition



Dow Jones Sustainability Asia/Pacific Index 2019
ASICS Corporation has been selected for the fifth time as a component company of the Dow Jones Sustainability Asia/Pacific Index.



FTSE4Good

FTSE4Good Index Series
ASICS Corporation was continuously included.



**FTSE Blossom
Japan**

FTSE BLOSSOM JAPAN INDEX
ASICS Corporation was continuously included.

SAM Sustainability Yearbook 2020
ASICS Corporation is included for the fourth time.



CDP
ASICS Corporation rated a B-level on climate change for the fourth year running.



CDP Supplier Engagement Leaderboard
ASICS Corporation is recognized for the first time.

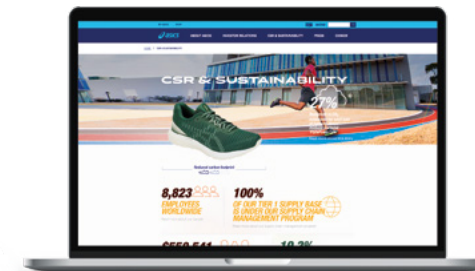


MSCI Japan ESG Select Leaders Index
ASICS Corporation was continuously included.



S&P/JPX Carbon Efficient Index
ASICS Corporation is included in 2019 for the second time.

Further information



Find out more about ASICS and our approach to sustainability, including previous reports and our GRI index

- <https://corp.asics.com/en/csr> (English)
- <https://corp.asics.com/jp/csr> (Japanese)

MESSAGE FROM OUR TOP MANAGEMENT

ASICS was founded in 1949 by Mr. Kihachiro Onitsuka who hoped to contribute to the society by cultivating young people through sports. The phrase that gave ASICS its name – Anima Sana in Corpore Sano (a sound mind in a sound body) reflects our philosophy that people around the world live physically and mentally healthy and happy lives. To realize this through future generations, we need a healthy earth.

The COVID-19 pandemic that started at the end of 2019 has spread to all corners of the world, threatening millions of lives. As an immediate response to slow the virus spread, our company closed retail stores and implemented the Stay at Home guidance that national, state and local governments issued to protect our employees, consumers and vendors. While facing this situation, ASICS is providing training programs through social media to encourage people to stay active and healthy at home. A group of ASICS runners started posting images with the theme “#UntiedYetUnited” as a message of hope and solidarity with their fellow athletes. We know we will overcome this difficult situation and we will physically unite to celebrate moving outside or playing the sports we love in the very near future.

From a longer-term perspective, on the other hand, we are facing a climate emergency, and addressing the challenge requires the private sector to take radical action to reduce greenhouse gas (GHG) emissions. To scale up our ambition in this area, we decided to accelerate our science

based GHG emissions reduction targets in 2019. Our new commitment is in line with global efforts to limit average temperature increases to 1.5 degrees above pre industrial levels, aligned-with a net-zero future by 2050.

Achieving our targets will require action at every level of our business, and we have created a detailed and ambitious roadmap to meet this challenge. From material selection and product design, to renewable energy and adopting a circular approach to our business, we are implementing tangible initiatives that together will contribute to meeting our goals.

Also in 2019, we enhanced the integration of sustainability into our business by setting up a new Sustainability Committee as an advisory board to the Board of Directors chaired by the President & COO. Together with the support of the Task Force on Climate-related Financial Disclosures (TCFD), this structure will help us respond proactively to climate change challenges whilst ensuring our business can grow responsibly.

Postponed to 2021 due to the pandemic of COVID-19, Japan will host Olympic and Paralympic Games Tokyo 2020, and ASICS is honored to be the only Gold Partner of Tokyo 2020 Games in the sporting goods category. Sustainability is one of the key themes and The Tokyo 2020 Organising Committee has introduced a Sustainable Sourcing Code, covering all products and services procured for the Games.

We are producing millions of products including the official sportswear of the Tokyo 2020 Japan Olympic and Paralympic Team, uniforms for Field Casts and City Casts and officials, and Tokyo 2020 official licensed products.

We have robust sourcing policies and initiatives in place to ensure that all these items are manufactured sustainably, minimizing impacts on people and the environment. For example, the ASICS REBORN WEAR PROJECT is creating the official sportswear for Tokyo 2020 Japan Team by recycling used sportswear from across Japan. You can read more about this initiative and other approaches to responsible sourcing on pages 16 and 33. We believe that we can overcome this tough situation and that Tokyo 2020 Games will be held as a symbol of peace.

2020 is the final year of our current five year strategic plan. We have achieved many of our sustainability targets, but our work doesn't stop there. We have already started drawing up our new plan toward 2030, based on the new materiality analysis we completed at the end of 2019. In line with the UN's Sustainable Development Goals (SDGs), we will continue to strive for a sustainable future for our business and the planet.



Yasuhito Hirota
President and COO,
Representative Director

Motoi Oyama
Chairman and CEO,
Representative Director

ASICS AT A GLANCE

ASICS is one of the world's top sports performance and lifestyle brands. We operate 60 businesses in 33 countries. Our reach extends further through our supply chain business partners, sponsored events and connections to other stakeholders worldwide.

Find out more
 → http://corp.asics.com/en/investor_relations

ASICS worldwide (as of December 31, 2019)

9,039
 Employees

60
 Global businesses

33
 Countries where we have
 businesses established

989
 Retail stores

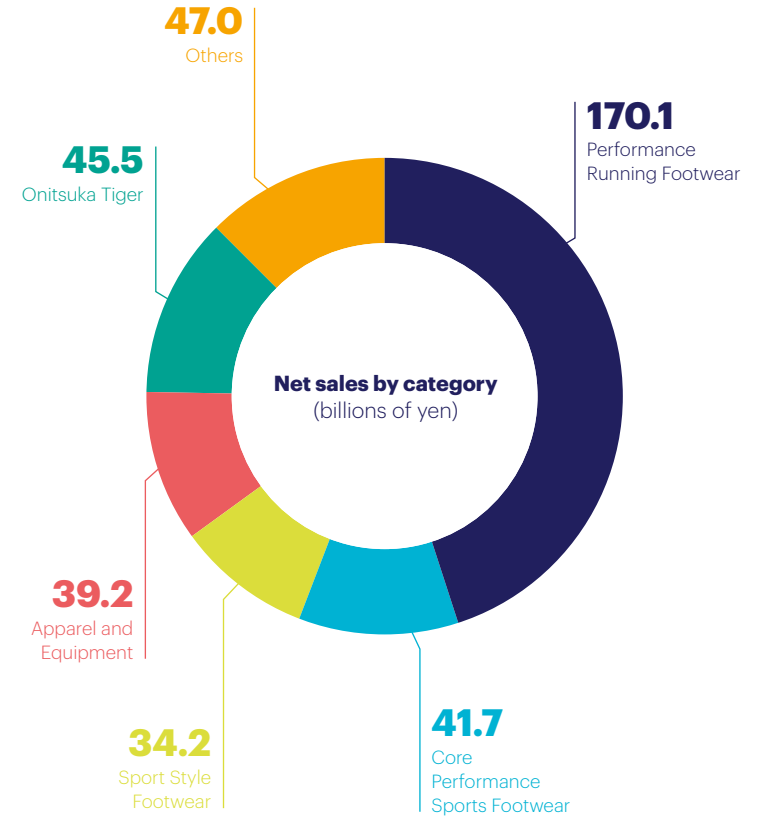
22
 Sourcing countries

FY2019

378.0
 Net sales (Billion Yen)

7.0
 Net income (Billion Yen)

10.6
 Operating income (Billion Yen)



ASICS SUSTAINABILITY FRAMEWORK

Our sustainability framework is based on our founding philosophy “a sound mind in a sound body”. Today, that philosophy is summed up by our new brand expression, I MOVE ME™. The framework has two pillars: I MOVE ME™ SMARTER for Planet and I MOVE ME™ STRONGER for People.

Supporting the UN’s Sustainability Agenda

ASICS supports the UN’s Sustainable Development Goals (SDGs), and our sustainability activities align with them. In particular, our activities support goals 3, 5, 6, 8, 12 and 13.

For an overview of the priority sustainability topics that our activities cover, see our materiality program on pages 08 and 09 of this report.

I MOVE ME™

SMARTER

I respect the ground I play sport on and enable future generations to move too.

Products

We innovate and educate to develop the best products and services using less.

[Read page 16](#) →

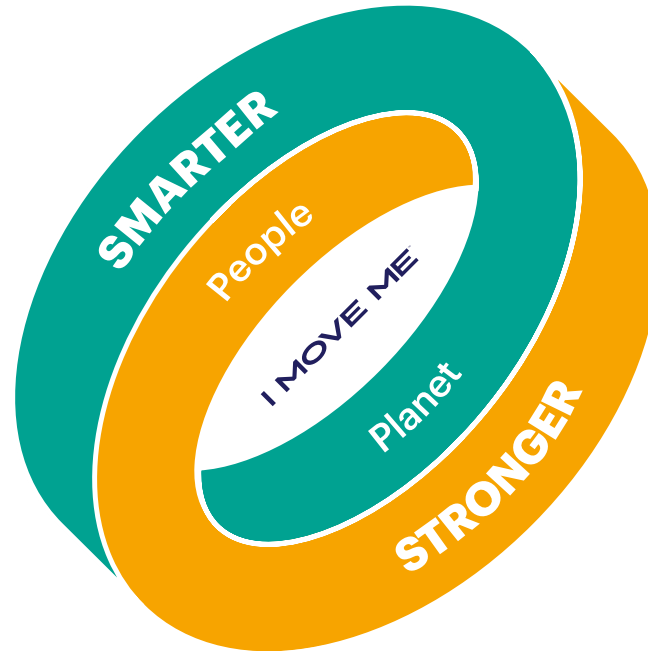
Operations

We are committed to continuously improving the efficiency of our own buildings, resource use, materials and distribution network.

[Read pages 17 and 24](#) →

Planet I MOVE ME™ SMARTER

We’ll empower future generations to move by contributing to the sustainability of the environment.



I MOVE ME™

STRONGER

When I move, I feel stronger, happier and sharper.

Supply chain

We build transparent, fair and ethical partnerships, and empower the people in our value chain.

[Read page 34](#) →

Health and well-being

We help people improve their physical fitness and mental health.

[Read page 40](#) →

Communities

We support our employees and communities so that they can fulfill their potential.

[Read page 41](#) →

People I MOVE ME™ STRONGER

We’ll create a world in which people become physically and mentally stronger through movement.



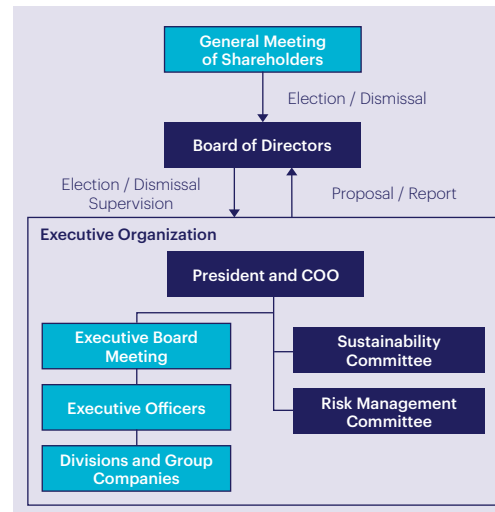
GOVERNANCE

Sustainability is at the core of our business, and a shared responsibility at ASICS. It involves all company divisions and colleagues at every level.

Our Board of Directors oversees ASICS sustainability strategy, and is responsible for integrating and prioritizing sustainability in our corporate objectives. In 2019, we established a Sustainability Committee, chaired by the President and COO, to report directly to the Board of Directors on sustainability risks and opportunities. The Committee's responsibilities include reviewing our group-wide sustainability strategy, roadmap and action plan, as well as reporting on progress against our sustainability targets on a divisional level. The Sustainability Committee works alongside ASICS' existing Risk Management Committee.

ASICS Group has operated a CSR and Sustainability department since 2004. Composed of a global team and designated staff at a regional level, the department is responsible for supporting our sustainability strategy in each division, as well as driving performance, managing progress against targets and engaging with internal and external stakeholders. This team is in frequent contact with the Sustainability Committee and supports with updates on progress and future planning.

Sustainability governance structure



Earning trust, ensuring compliance

To uphold the trust of all our stakeholders we maintain a highly transparent system of corporate governance.

We seek to continually improve the audit functions and internal controls of our corporate management. Our aim is to create a management approach that goes beyond compliance and reflects our company values and the perspectives of our stakeholders.

CSR and sustainability policies

The ASICS Global Code of Conduct sets out the basic standards that we expect our colleagues to meet in everything they do. These apply to all ASICS Group companies.

Our Policy of Engagement lays down the requirements regarding human rights, labor standards, occupational health and safety, and environmental practices for any ASICS business partner.

Our Global Policy on Environment sets out our approach to managing environmental impacts in our own operations as well as in our value chain.

In addition to these formal policies, we have a range of guidelines and manuals that translate our policies into operational practice. They help our colleagues and suppliers make the right decisions in areas such as chemicals management and safety, fire and emergency procedures, materials selection, and procurement and sourcing.

We encourage employees and business partners to report code or policy violations using our confidential, anonymous whistleblowing service. This allows us to detect the first signs of wrongdoing and carry out corrective measures promptly.

Find out more about our corporate governance
 → https://corp.asics.com/en/investor_relations/management_policy/corporate_governance

Find out more about our system of sustainability governance and policies
 → <https://corp.asics.com/en/csr/our-approach/governance-and-policies>

MATERIAL ISSUES

The ASICS Group operates a continuous materiality program that identifies and evaluates the sustainability issues that are most relevant to our stakeholders and to our business.

This program has two main elements: our materiality matrix, which helps us prioritize sustainability issues, and our value chain analysis, which shows us where material issues occur in our value chain. Together, these elements help us focus on the issues and areas that matter most to our stakeholders and our business.

Materiality matrix

Our materiality matrix maps out the sustainability issues identified by internal and external stakeholders according to their level of priority. The matrix is based on analysis of our consultations with stakeholders, international frameworks, our business priorities and our sustainability performance.

We update the matrix regularly to reflect changes in the priorities of our stakeholders and the strategic priorities of our company.

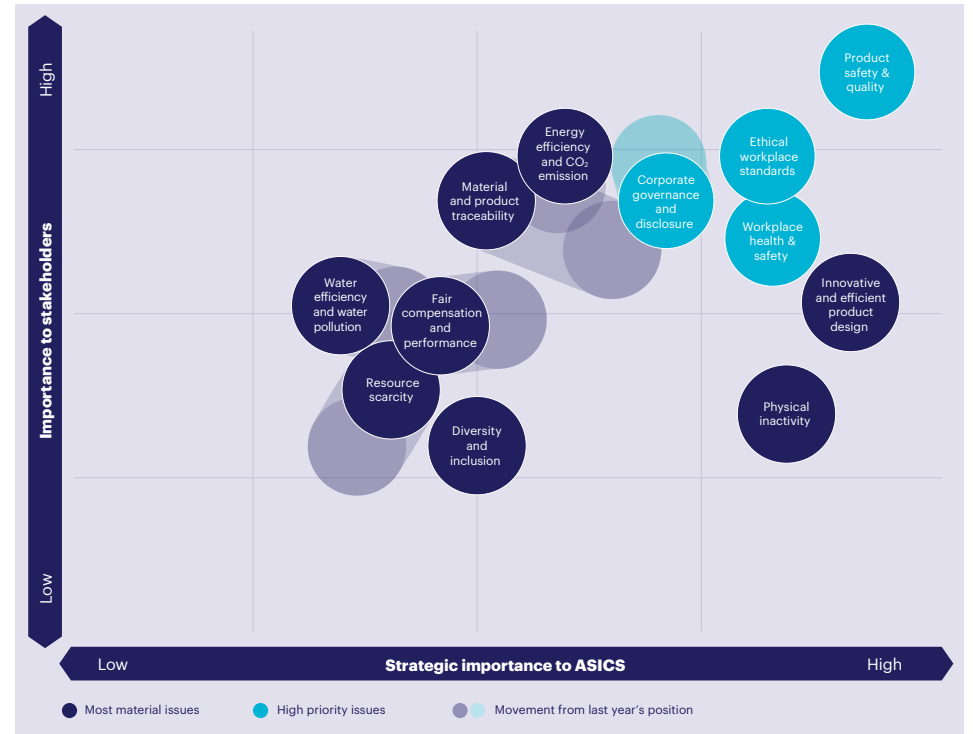
The materiality matrix shown here displays the 12 sustainability issues identified as most material to our business in 2019.

Looking ahead: a new approach to materiality

2020 is the final year of our current five-year strategic plan. To prepare us for the next phase of our business strategy and sustainability strategy, our global sustainability team substantially updated our materiality matrix during the last quarter of 2019. The update involved qualitative interviews and quantitative surveys with both internal stakeholders such as employees and management, as well as external stakeholders including investors, NGOs, consumers, customers, suppliers and industry associations.

The updated materiality will be more focused and help us to create a new strategy as our business expands and explores new areas.

Materiality matrix



VALUE CHAIN ANALYSIS

Value chain analysis is the second component of our materiality program. Material issues may occur at different stages of our product life cycles. Some may be directly influenced by ASICS' operations while others occur elsewhere in the value chain of our products.

The table opposite shows where material issues occur in our value chain. The light blue bars show the issues that are considered to be of high priority to ASICS and our stakeholders, in line with the materiality matrix on page 08.

Raw materials (Tier 3 and beyond)	Materials suppliers (Tier 2)	Product manufacturing factories (Tier 1)	ASICS	Retailers	Consumer	End of life (disposal/reuse/recycle)
Raw, unprocessed materials or feedstock that are used to produce finished products or materials.	Companies supplying finished materials (such as yarn, fabric or trims) that are the main components of our products.	A supplying partner to the ASICS Group involved in the manufacturing of our footwear, accessories or apparel products.	All entities within the ASICS Group. These include our sales offices, sourcing/production management offices, distribution centers, Institute of Sport Science and affiliate companies.	Business customers of ASICS that sell our products to consumers, such as specialist sports shops, department stores and online retailers.	People who buy and use ASICS products and services, including our footwear, sports apparel, accessories, and training plans.	The final stage of our products' existence where they no longer meet the quality expectations or other needs of our customers.
	Product safety and quality					
	Innovative and efficient product design					
	Energy efficiency and CO ₂ emissions					
Resource scarcity						
	Water efficiency and water pollution					
Material and product traceability						
		Fair compensation and performance				
	Workplace health and safety					
	Ethical workplace standards					
		Diversity and inclusion				
		Physical inactivity				
		Corporate governance and disclosure				

STAKEHOLDER ENGAGEMENT

The priorities and concerns of our stakeholders play a critical role in our sustainability plans.

Stakeholders	Engagement principles	Activities and interaction
Consumers	We aim to provide products and services that add value for our consumers and contribute to a healthy society. We engage consumers to share and solve social and environmental issues together.	We engage consumers in social and environmental programs such as charity donations and product take-back programs. Sustainability-related questions from consumers are logged in order to ensure a timely and satisfactory response, and to track trends in subjects and interests. Increasing interest received on water and waste.
Shareholders and investors	We believe in transparency in business operations throughout the ASICS Group. We will provide and disclose relevant information in a timely, appropriate, accurate and clear manner to shareholders and investors.	Shareholder meetings, Annual Report, ESG (environmental, social, governance) investment fund surveys and inquiries. Increasing interest received on climate change and water. Supporting the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).
Employees	We believe in treating one another with respect and dignity. We strive toward a corporate culture of discipline, creativity and ambition where personal development and corporate growth go hand in hand.	We executed the employee engagement survey in 2019 for the second time after 2017. Also, we have many other internal initiatives for employees, see page 41.
Business partners	We are partnering with our customers, suppliers and other business partners in our value chain. Sustainability improvements depend on collaboration and commitment from all. We engage our business partners to share and solve social and environmental issues together.	Periodic supplier business alignment meetings, supplier audit and training sessions. Exploring new areas of sustainability collaboration around manufacturing, recycling and innovation. Increasing interest received on material and product sustainability and traceability from customers.
NGOs	We maintain an open dialogue with international and local non-governmental organizations (NGOs) and non-profit organizations (NPOs), remain aware of CSR-related topics and engage in collaborative efforts to solve sustainability challenges within our industry.	Collaboration in local disputes between factory workers and their management, collaboration with surveys and other review/research of NGOs regarding subjects of their interest. Increasing interest received on transparency.
Regulators	All our corporate operations comply with relevant laws and regulations. We adopt processes, systems and structures to support appropriate and efficient operations and decision-making.	Direct interaction or via industry collaborations regarding upcoming legislation.

STAKEHOLDER ENGAGEMENT CONTINUED

We engage in regular, ongoing consultation with all of our stakeholders in order to understand their concerns, and how they change over time. We use these insights as the basis of our materiality matrix, which in turn guides our short- and long-term sustainability strategy.

Stakeholders	Engagement principles	Activities and interaction
Academic partners	Our involvement with universities and other knowledge centers increases awareness and promotes the development of improved and more sustainable products and services.	Collaboration around Life Cycle Analysis of our products, our supply chains and exploring other, new areas of sustainability research and innovation.
Industry associations	We maintain memberships with several industry associations, globally and locally. Collaboration and discussion with other companies and stakeholders will result in better solutions to common challenges in our industry and value chain.	<p>Founding member of the Sustainable Apparel Coalition (SAC).</p> <p>Member of World Federation of Sporting Goods Industry (WFSGI) – active CR Committee member.</p> <p>Partner with ILO Better Work.</p> <p>Member of Apparel & Footwear International RSL Management Group (AFIRM).</p> <p>Signatory to the Fashion Industry Charter for Climate Action. Joining the UNFCCC's Fashion for Global Climate Action initiative.</p> <p>bluesign® system partner.</p> <p>Member of American Apparel & Footwear Association (AAFA).</p>
Communities	While we encourage sports participation, promote health and contribute to a healthy society, we aim to fulfill our social responsibility and help improve conditions for communities around the world.	<p>Employee volunteering, support of communities via financial donations or in kind, collaborations with existing and potential new partner organizations.</p> <p>Continued the partnership with Right To Play for Project Lebanon and other projects in 2019.</p>

2020 TARGETS AND PROGRESS

The 2019 fiscal year was the fourth year of our 2016-2020 Strategic ASICS Growth Plan.

The plan sets out a series of sustainability targets, prioritizing six key areas:

1. Sustainability of products and services
2. Management of product chemical safety and traceability
3. Operational eco-efficiency and management systems
4. Safe and ethical workplace standards and sustainable practices at Tier 1 and Tier 2 suppliers
5. Sound governance and disclosure, organizational efficiency and developing an engaged workforce
6. Contributing to healthier communities through movement and sport

The following tables show our progress against our 2020 targets. They also include two new longer-term targets for 2030, set in 2018.

Category	Target 2020	Progress 2019	Plan 2020
Planet I MOVE ME™ SMARTER			
Products	Continue to assess footwear and apparel products with sustainability indicators and criteria aligning with the science-based targets and other product and material targets. ¹ Progress: On track	<ul style="list-style-type: none"> › Assessed products with indicators aligning with science-based targets and other material targets. › Developed a recycled polyester roadmap for each product category. 	<ul style="list-style-type: none"> › Keep involved in the process of SAC Higg Product Module ahead of its expected launch in 2020 (see page 18). › Switch to recycled polyester and more sustainable cotton based on our roadmap.
	10% reduction of CO ₂ emissions per item related to footwear manufacturing (Scope 3, 2015 baseline). Progress: Achieved	<ul style="list-style-type: none"> › CO₂ emissions decreased by 27.9% for every pair of shoes manufactured (compared to 2015 baseline levels). 	<ul style="list-style-type: none"> › Continue to engage with Tier 1 strategic partner suppliers to take action on reducing CO₂ emissions. › Continue to accelerate the use of recycled polyester in the developing items to increase recycled polyester in our products in total from 2020.
	55% reduction of CO ₂ emissions per product manufactured from our supply chain ² by 2030 (Scope 3, 2015 baseline). Progress: On track	<ul style="list-style-type: none"> › Developed a recycled polyester roadmap for each product category and accelerated the use of recycled polyester in the newly developed items which we expect the increase of recycled polyester in our products in total from 2020. › Engaged with Tier 1 strategic partner suppliers and have asked them to set a CO₂ emissions reduction target. Explored how we can work together on this topic. › CO₂ emissions decreased by 8% for every item manufactured (compared to 2015 baseline levels). 	
	Source 80% of the leather by volume we use for ASICS, ASICSTIGER and Onitsuka Tiger branded footwear from Leather Working Group (LWG) medal-rated suppliers. Progress: Achieved	<ul style="list-style-type: none"> › 83% sourced from LWG medal-rated suppliers. 	<ul style="list-style-type: none"> › Continue to source more from LWG medal-rated suppliers.
	Source 100% more sustainable cotton for apparel and accessories by 2025. Progress: On track	<ul style="list-style-type: none"> › 30% sourced from more sustainable cotton. 	<ul style="list-style-type: none"> › Continue to enhance sourcing more sustainable cotton toward 2025.

¹ Aligned indicators with the SAC Higg Product Tools.

² Target scope is 'purchased goods and services' and 'end-of-life treatment of sold products'.

2020 TARGETS AND PROGRESS CONTINUED

Category	Target 2020	Progress 2019	Plan 2020
Planet I MOVE ME™ SMARTER			
Operations	5% absolute CO ₂ emissions reduction from direct operations (Scope 1 & 2, 2015 baseline). Progress: Achieved	<ul style="list-style-type: none"> CO₂ emissions decreased 15.7% (compared to 2015 baseline year). 16.4% of electricity from renewable sources. 	<ul style="list-style-type: none"> Actively switch to renewable energy where possible.
	38% absolute CO ₂ emissions reduction from direct operations by 2030 ³ (Scope 1 & 2, 2015 baseline). Progress: On track		
	98% waste recovered or recycled at our direct operations. ⁴ Progress: On track	<ul style="list-style-type: none"> Diverted 93.1% of its waste from landfill. Reduced the total amount of waste and increased the proportion of waste recovered or recycled compared to 2018. 	<ul style="list-style-type: none"> Will continue to work with the key locations to reduce the waste going to landfill and improve recycling rates further. Will continue our efforts to expand the number of sites reporting waste data.
	Establish global ASICS Environmental Management System (including ISO 14001 at all key locations). Progress: On track	<ul style="list-style-type: none"> Management system updated to work under new sustainability governance structure. European system modified to align with Japanese system (see page 24). 	<ul style="list-style-type: none"> Continue to apply the system to other offices and operations.
	90% Tier 1 strategic partner factories improve their SAC Higg Facility Environmental Module (Higg FEM) Score compared to baseline. Progress: Partial progress	<ul style="list-style-type: none"> 58% of Tier 1 strategic partner factories from which we've received Higg FEM modules improved their Higg FEM 2018 score compared to baseline. (baseline: Higg FEM 2017) 	<ul style="list-style-type: none"> Enhance communication with partner factories and 90% of them improve their Higg FEM 2019 score compared to baseline. (baseline: Higg FEM 2017)
	90% of all nominated Tier 2 suppliers improve their SAC Higg FEM Score compared to baseline. Progress: Partial progress	<ul style="list-style-type: none"> 50% of Tier 2 suppliers from which we've received Higg FEM modules improved their Higg FEM 2018 score compared to baseline. (baseline: Higg FEM 2017) 	<ul style="list-style-type: none"> Enhance communication with the suppliers and 90% of them improve their Higg FEM score compared to baseline. (baseline: Higg FEM 2017)
	10% reduction of water and waste impact per item produced by Tier 1 footwear factories. Progress: Partial progress	<ul style="list-style-type: none"> Rolled out the new environmental guidelines to support suppliers to further reduce environmental impacts. Water consumption decreased by 8.7% and waste emissions increased by 55% for every pair of shoes manufactured. Having been reported more waste emission data is the reason of the increase. 	<ul style="list-style-type: none"> Continue to engage with Tier 1 footwear factories to achieve targets using Higg FEM analysis.

³ Updated the target in 2019.

⁴ Sites that are able to measure and report their waste.

2020 TARGETS AND PROGRESS CONTINUED

Category	Target 2020	Progress 2019	Plan 2020
People I MOVE ME™ STRONGER			
Supply chain	All Tier 1 supplier factories to meet ASICS C-Level or above. Progress: On track	› 95% of our Tier 1 supplier factories meet C-Level or above.	› Strengthen communication with suppliers and subsidiaries to promote prompt improvement.
	All Tier 1 strategic partner factories to meet ASICS B-Level or above, and self-report via Higg Facility Social Labor Module (Higg FSLM). Progress: Partial progress	› 90% of Tier 1 strategic partner factories meet B-Level or above.	› Set the baseline analyzing the Higg Facility Social Labor Module (Higg FSLM) and identify positive and negative aspects based on the results.
	All Tier 1 ASICS A- and B-level factories to be trained in self-governance on CSR in combination with ASICS and/or third-party verification. Progress: On track	› 100% of Tier 1 A- and B-level factories received training.	› Establish criteria for promoting self-governance using external standard.
	All nominated Tier 2 suppliers to meet ASICS C-level or above. Progress: On track	› 100% of nominated Tier 2 suppliers meet ASICS C-level or above.	› 100% of nominated Tier 2 suppliers meet ASICS C-level or above.
Communities	Establish global ASICS HR systems and work environment. Progress: On track	› Expanded the Talent Management Cycle globally. Our Human Resources Information system (HRIS) was enhanced to manage the cycle, including career development plan and future talent data.	› Maximize HRIS functionality and increase the collection of data and communication with business departments. Communication with regional HRs to improve collaboration globally.
	Female managers to be appointed in all business divisions of ASICS Headquarters. Ratio of females in manager and senior positions >15%. The target was revised to exclude Japanese regional office in order to put focus on talents of the headquarters. Progress: On track	› Female representation at management level increased to 10.6%.	› Continue to strengthen training and programs to empower female employees including enhancement of their career development plans. › Founded ASICS Women's Studio where female workers make good use of their knowledge and insight to develop products for women.
	Determine Global Community Engagement Guideline and execute activities along it. Progress: Achieved	› More integration of our community activities with our business to engage consumers.	› Involve more subsidiaries with our community activities, based on our founding philosophy.

I MOVE ME™ SMARTER

At ASICS, we care for the resources that enable current and future generations to MOVE – in the design of our products, our materials and manufacturing processes, and in the way we manage our offices, distribution centers and retail locations. We make smarter decisions for the planet. And we engage our supply chain and consumers to help them do the same.

Key targets for 2030

55%

we'll reduce our CO₂ emissions by 55% per product manufactured, in line with science-based targets

38%

we'll reduce CO₂ emissions from our direct operations by 38% in line with science-based targets

100%

we'll replace polyester materials in shoe uppers and sportswear products with 100% recycled polyester



© JOC/JPC/ASICS

“ This project has not only raised my awareness of the importance of physical resources, but has also given me an emotional connection with Tokyo 2020 Japan Team. I’m so proud that my old sportswear, and the precious memories that are linked with them, are now part of the story of Tokyo 2020 Japan Team. Taking part in this project has given all of us at Tokyo Gas Co., Ltd. the chance to support our hard-working athletes and contribute to Tokyo 2020 Games.”

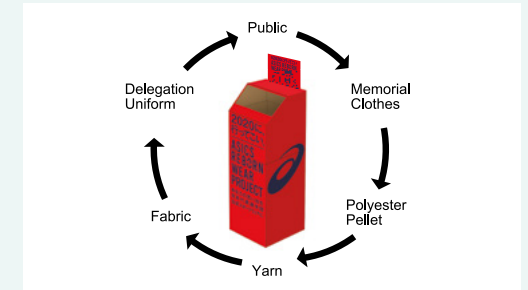
Yuka Kawasaki (Participant Comment)
Tokyo Gas Co., Ltd., a Tokyo 2020 Official Partner (Gas & Gas Utility Services)

BREATHING NEW LIFE INTO USED SPORTSWEAR FOR TOKYO 2020

ASICS, the only Olympic and Paralympic Games Tokyo 2020 Gold Partner in the sporting goods category, is to produce official sportswear made of recycled clothes donated from people across the country to the Tokyo 2020 Japan Olympic and Paralympic Team. Sustainability will be a major focus for Tokyo 2020 – and in 2019, ASICS launched a new project to help make the Games the most sustainable ever.

The ASICS REBORN WEAR PROJECT (ARWPJ) gives people across the country an exciting new way to support the Japan Olympic and Paralympic Team, while shining a spotlight on sustainability. Through the project, people could donate used sportswear at around 250 locations throughout the country, such as ASICS stores, sports retailers, Tokyo 2020 Games partner offices, universities, and athletic training centers. The donated clothing will then be reborn as Podium Jacket, Podium Pants and footwear for Tokyo 2020 Japan Olympic and Paralympic Team, using advanced recycling technology. Altogether, the project gathered over four metric tons of clothing between January and May 2019. Used sports gear is often linked to treasured memories and stories – so the project gives donors a unique way to honor those memories, and feel emotionally connected to Tokyo 2020 Japan Team.

Through ARWPJ, ASICS is using the global stage of the Games to showcase how sporting goods companies can contribute to tackling climate change and building a sustainable society. The project highlights how a circular production model and new manufacturing techniques can reduce environmental impacts. ASICS plans to sell shoes made of recycled textile as a legacy of this project.



▲ Circular production process for the official sportswear.

ARWPJ is just one example of how ASICS is helping to bring sustainability to the Games. The official uniforms we produced for Field Cast and City Cast are made with recycled polyester and bio-based material, while the shoes have been colored using a special dyeing process with reduced water use.

For more about ARWPJ

→ <https://www.asics.com/jp/ja-jp/tokyo2020/rebornwear> (Japanese Only)





TAKING ACTION ON CLIMATE CHANGE

The escalating climate crisis is the planet's most urgent environmental challenge. Climate change is also a direct threat to our business, restricting our ability to move and take part in sport, as well as impacting production sites and logistical routes in our supply chain.

We recognize that our industry contributes to the global greenhouse gases (GHG) emissions that are causing climate change – for example, through the GHG produced by our manufacturing and distribution processes, and by the energy we use to power our stores and office buildings around the world. The materials we use to make our products can also contribute to our overall emissions. For example, polyester and polyurethane require energy for extraction, manufacturing and transportation. These materials are derived from fossil fuels, and release GHG when they are incinerated at the end of their life.

At ASICS, we're determined to be part of global efforts to address climate change by driving down emissions both from our own operations and from our supply chain. To support this, ASICS has committed to setting science-based GHG emissions reduction targets, in line with the goal of the Paris Agreement.

In 2018, ASICS was the first sporting goods company to have its science-based targets approved by the Science Based Targets initiative

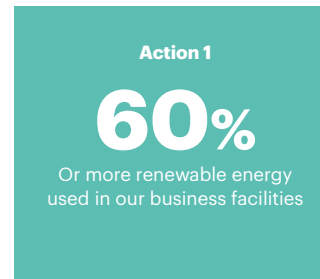
“Sustainability and our ambitious targets to help mitigate the impact of climate change are at the core of our business strategy.”

Yasuhito Hirota
President and COO of ASICS Corporation

(SBTi). In 2019, we accelerated our action on climate change by supporting the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and by committing to set 1.5°C science-based emissions reduction targets aligned with a net-zero future by 2050. Our new commitment is aligned with what the Intergovernmental Panel on Climate Change (IPCC) report indicates is necessary to limit the worst impacts of climate change.

We have also joined the UNFCCC's Fashion for Global Climate Action initiative as a signatory to the Fashion Industry Charter for Climate Action. By signing the Charter, we demonstrate our commitment to ensuring the fashion sector is on the path to a low-carbon future.

We will continue to actively engage our supply chain partners, consumers and other stakeholders on these issues and work toward achieving our targets together. For more about our climate targets and what we're doing to achieve them, see pages 19, 24, and 30.



* Target scope is 'purchased goods and services' and 'end-of-life treatment of sold products'.

Find out more about Science Based Targets initiative
→ <https://www.sciencebasedtargets.org>

Find out more about TCFD
→ <https://www.fsb-tcfid.org/>

Find out more about Fashion Industry Charter for Climate Action
→ <https://unfccc.int/climate-action/sectoral-engagement/fashion-for-global-climate-action>

OUR PRODUCTS AND SERVICES

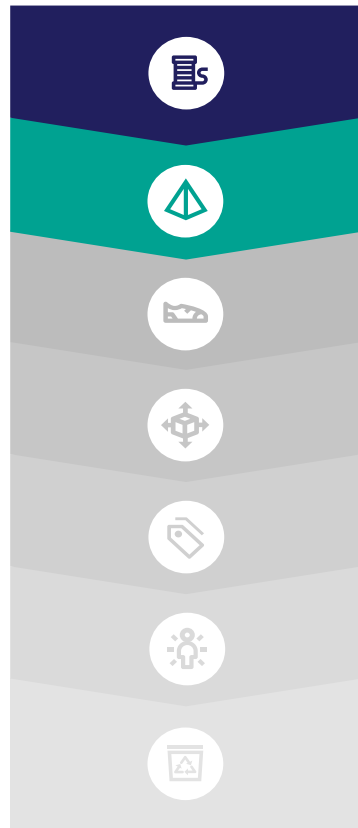


Products

Life Cycle Assessments

We periodically conduct Life Cycle Assessments (LCAs) to investigate the environmental and social impacts of our products at each stage of their life cycle, from the sourcing of materials all the way to recycling or disposal. We then use the findings of these assessments to improve our approach to design and development.

Value chain



Raw materials

We are committed to switching to more sustainable materials, such as recycled or bio-based polyester and more sustainable cotton.

See pages 19, 21 and 22 →

Material processing (Tier 2)

We are committed to meeting our quality and safety standards, and reducing resource consumption and greenhouse gas emissions in the dyeing process.

See pages 19, 22 and 23 →

Product manufacturing (Tier 1)

We engage with our suppliers to reduce environmental impacts during the manufacturing process and encourage them to actively seek renewable energy alternatives.

See pages 30 and 31 →

Distribution to market

We work with our logistics providers to transport our products to our various markets in the most efficient way, including shifting to packaging with lower environmental impacts.

See page 28 →

Retail

Our own retail stores are designed to use energy efficiently and to maximize the reuse of store fittings. We are switching to more sustainable packaging for our products.

See page 28 →

Product use phase

We help consumers reduce their environmental impact through care label advice. We offer repair services for some products in Japan.

End of life and recycling

We investigate partnerships and engage consumers in programs to support a circular economy.

See page 20 →

Developing and implementing the Higg Index

Developed by the Sustainable Apparel Coalition (SAC), the Higg Index is a suite of tools that allows brands, retailers and manufacturing facilities to measure the sustainability performance of their products and facilities accurately. As a founding member of SAC, we have been actively involved in developing the Higg Product Tools, and using them to assess the sustainability of our materials and products. As these tools are developed and launched, we integrate them into our product development process.

In 2019, we contributed to the development of the Higg Product Module (Higg PM) by providing input related to the footwear manufacturing processes and related environmental data. We also contributed to discussions at the Product Advisory Council. In 2020 we will continue to support the development of the Higg PM ahead of its expected launch this year, for example by taking part in pilots and providing feedback.

OUR PRODUCTS AND SERVICES CONTINUED

A scientific approach to sustainable product development

For ASICS, scientific research is the starting point for sustainable product development. We continuously research new sustainable materials and manufacturing processes through the ASICS Institute of Sport Science, and in collaboration with external partners. When we develop more durable or lightweight materials, we actively apply them in our footwear products to improve both their functionality and sustainability.

METARIDE™ with cellulose nanofiber

In 2019, we launched METARIDE™, our new high-performance, long-distance running shoe. Developed over two years by a team of scientists and designers at the ASICS Institute of Sport Science, METARIDE™ features a range of groundbreaking technologies, including a FLYTEFOAM™ midsole constructed using cellulose nanofiber (CNF). CNF is a nano-sized ultra-fine fiber that is one-fifth the weight of steel but five times stronger. It can be made from almost any kind of plant biomass, making it an extremely abundant resource.

To date, ASICS has sold more than seven million pairs of shoes using CNF. We will continue to increase our use of CNF as part of our drive to increase the sustainability and performance of our products.



▲ METARIDE™ with cellulose nanofiber.

Selecting more sustainable materials and processes

As almost half of our value chain carbon emissions come from the materials we use, shifting to sustainable materials is at the heart of our sustainability strategy to reduce environmental impacts. We're working with a range of industry partners (see pages 21 to 22 for examples) to help us switch to more sustainable materials and processes during manufacturing.

Examples of sustainable materials currently used in ASICS products include recycled materials, sustainable cotton, solution dyed fabric and bio-based materials.

Recycled materials

We are aiming to switch 100% of the polyester used in our products to recycled polyester by 2030. This is one of our key strategies to reduce greenhouse gases emissions in our value chain and achieve our science-based target and help us toward a more circular approach.

In 2019, we developed a roadmap to 100% recycled polyester by 2030 for each product category. Based on this roadmap, more items are manufactured using recycled polyester from 2020.

We also use recycled materials for natural materials such as recycled leather.

ASICS launched the "Edo Era Tribute Pack," on April 24, 2020. This collection of shoes was designed and developed in 2019 inspired by and making tribute to the Edo period of Japan. Tokyo was called Edo until 1868, and was one of the first cities in the world to recycle and follow sustainable practices. The "Edo Era Tribute Pack," featuring high-tech sustainable shoes, made from recycled PET bottles, is inspired by Tokyo's heritage. Recycled polyester is used in shoe upper material and approximately 300,000 PET bottles are recycled to manufacture the whole collection.



▲ Edo Era Tribute Pack, shoe collection from ASICS.

Solution dyeing

Solution dyeing is a sustainable dyeing process that uses less water and reduces carbon emissions compared with conventional methods. To help us meet our science-based carbon reduction targets (see page 17), we have expanded our use of solution dyeing, applying the process to more than half of all new shoes across all our brands from 2020. This will be the first time that solution dyeing has been adopted on such a large scale in the sports shoe industry!

The initiative is expected to reduce carbon emissions from the dyeing process by around 45%, saving the amount of carbon absorbed by more than 25,000 trees in one year. Water use will be cut by around 33%, equivalent to the water needed for one million people a day.

¹ The solution dyeing method is used for the surface fabric of sock liners in the relevant footwear.



Products

OUR PRODUCTS AND SERVICES CONTINUED

Towards a circular business model

According to the Ellen MacArthur Foundation report, over 70% of materials used to make clothing around the world are landfilled or burned at the end of their life. As a major sportswear manufacturer we take this issue very seriously. We support a circular economic model where resources are reused and recycled rather than being sent to landfill, thereby reducing greenhouse gas emissions.

During 2019, we worked in partnership with others on a number of projects to reclaim and reuse clothing and shoes of any brand at the end of their life. Examples include the ASICS REBORN WEAR PROJECT (see page 16).

For more about Ellen MacArthur Foundation, A new textile economy: Redesigning fashion's future (2017)
→ <https://www.ellenmacarthurfoundation.org/publications>

Road Tested program

When shoes are returned after purchase due to size issues, common industry practice is to discard and destroy them. ASICS America Corporation wanted to find a circular solution to this problem – and so we launched the Road Tested program. Through the initiative, minimally worn returned shoes are made available to consumers at retail outlets at a discounted price. Every pair of Road Tested shoes sold supports GreenTrees, a project to reforest one million acres of land in the Mississippi Alluvial Valley, where ASICS has a distribution center.



▲ Road Tested program information.

I:CO

I:CO, short for I:Collect, is a global solutions provider specializing in finding smart ways to collect, reuse and recycle used clothing and shoes. Items collected from I:CO partner locations around the world are carefully sorted and either reused or recycled, giving valuable materials a new life. As part of our drive to adopt a more circular approach to using resources, several regions within the ASICS Group joined forces with I:CO in 2019 to collect and recycle post-consumer gear.

ASICS America Corporation launched its partnership with I:CO on Global Running Day (June 5, 2019). At participating ASICS stores, people can drop gently worn shoes or clothes (as long as they're clean and dry) into an in-store I:CO collection bin. In return, they receive a reward coupon that can be used same-day or toward their next in-store ASICS purchase. Any wearable items find new homes as second-hand goods.

Unwearable items are recycled to create products like cleaning cloths, or fibers for insulation, carpet padding, furniture stuffing and even new clothing.

Also in 2019, ASICS Europe partnered with I:CO on a project to collect and recycle used sports gear and footwear at its major sponsored running events across EMEA. The project launched at the Barcelona Marathon on March 10, 2019. As a thank-you, anyone who donated clothes received a discount voucher that could be used for their next ASICS purchase.

ASICS Europe also ensured that any merchandising and promotional apparel developed for the running events was made from sustainable materials.

For more about I:CO
→ www.ico-spirit.com

Give Back Box

When it comes to building a circular economy around textiles, our growth in ecommerce presents us with challenges but also opportunities. For example, thanks to ASICS America Corporation's partnership with Give Back Box, consumers can use the box in which they received their ASICS purchase to recycle used items in good condition. Consumers simply fill up the box with used shoes and clothes, and then send it to a participating local charity of their choice, using a free shipping label. The program gives new life to items that otherwise would most likely end up in landfills.

For more about Give Back Box
→ <https://www.asics.com/us/en-us/give-back-box/>



◀ I:CO collection bins are placed in selected ASICS retail stores and ASICS sponsored running events.



Products

OUR PRODUCTS AND SERVICES CONTINUED

Guidance on sustainable material choices

Our ASICS Materials Guideline gives guidance covering materials such as animal-based materials, PVC and conflict minerals, and enables ethical, compliant and more sustainable choices in product development and sourcing. In 2019 we continued to update and expand the guideline, adding specific guidance to ban the use of Mohair (Angora goat hair) and Angora Wool (Angora rabbit hair) in ASICS, ASICSTIGER and Onitsuka Tiger branded products developed after January 1, 2020.

Leather Working Group: responsible leather sourcing

Increasingly, consumers want to know more about the origin of branded products and materials, particularly natural materials. Although ASICS products mainly use synthetic materials, leather is the most significant natural material we use in our footwear in terms of volume.

Since 2018, ASICS has been a member of the Leather Working Group (LWG), a multi-stakeholder group promoting sustainable leather manufacturing practices. Our membership helps ensure that our leather products are traceable, and supports our shift to sourcing more sustainable leather. ASICS was the first Japanese brand to join the group.

We have set a target to source 80% of the total leather used for ASICS, ASICSTIGER and Onitsuka Tiger branded footwear from LWG medal-rated suppliers by 2020. In 2019, we sourced 83% from LWG medal-rated suppliers.



Products

ASICS Materials Guideline Focus Subjects

Materials of animal origin

- › No use of endangered or exotic species.
- › Animal welfare to be respected and good animal husbandry shall be applied.
- › No use of fur.
- › All leather and skin shall be by-products of the meat industry.
- › No down and feathers obtained through live plucking or from farms practicing forced feeding.
- › Wool shall originate from suppliers who do not apply mulesing practices.
- › No use of Mohair (Angora goats) and Angora Wool (Angora rabbits).

Conflict minerals

- › No use of conflict minerals (tin, tantalum, tungsten and gold).

Restricted substance

- › AFIRM Restricted Substances.
- › Polyvinyl chloride (PVC).
- › Perfluorinated compounds (PFCs).
- › Restricted by laws and/or regulations in the country or region of distribution.

OUR PRODUCTS AND SERVICES CONTINUED

Better Cotton Initiative: responsible cotton sourcing

Cotton is one of the main natural fibers used for ASICS apparel products. It's also a material associated with environmental and social impacts. Growing cotton requires a large amount of water before harvesting, as well as a large amount of chemical substances (pesticides and fertilizers). The cotton supply chain also has a high risk of human rights issues such as forced and child labor.

In 2018, we made a group-wide commitment to source more sustainable cotton. We publicly announced the commitment in early 2019, as well as formalizing our partnership with the Better Cotton Initiative (BCI). BCI works with a diverse range of stakeholders across the cotton supply chain to promote measurable and continuing improvements for the environment, farming communities and the economies of cotton-producing areas.

100%
more sustainable cotton
by 2025

We consider cotton to be more sustainable if it meets the criteria defined in as one of the following:

- ▶ Better Cotton*
- ▶ Organic cotton, Global Organic Textile Standard (GOTS) certified
- ▶ Fairtrade cotton, Fairtrade certified
- ▶ Recycled cotton, Global Recycle Standard (GRS) certified
- ▶ Cotton made in Africa (CmiA), traded under CmiA license

In 2019, 30% of all cotton sourced by ASICS for apparel products was more sustainable, and most of this was Better Cotton. In coming seasons we plan to increase our sourcing of Better Cotton for apparel and accessories such as T-shirts and socks.



*Better Cotton is sourced via mass balance.



▲ AFIRM Restricted Substances List Japanese version.

AFIRM Group

Since 2013, ASICS has been a member of the Apparel and Footwear International RSL Management (AFIRM) Group – an organization promoting industry-wide collaboration to reduce the use and impact of harmful chemical substances in the apparel and footwear supply chain.

We use the AFIRM Restricted Substances List (AFIRM RSL) to provide safe products that are friendly to humans and the environment, and are working to improve the risk management and compliance of chemical substances in the supply chain.

We have created a Japanese version of “AFIRM RSL” and “AFIRM Chemical Information Sheets” in cooperation with sports equipment manufacturer MIZUNO Corporation. We posted it on the AFIRM official website so that it can be used by more suppliers. Through this initiative, we will be communicating the importance of chemical substance management to the sports equipment industry in Japan, and work together with our suppliers in Japan to improve the management of chemical substances.

bluesign®

bluesign® is a holistic system promoting a common set of standards for sustainability and traceability in textile manufacturing. Partner manufacturers and brands are required to follow strict sustainability criteria across a range of areas. When materials and fabrics are bluesign®-approved, it's an assurance that they have been manufactured responsibly, with care taken to minimize impacts on people and the environment.

ASICS has been a bluesign® system partner since 2017. In 2019 we set a global target to increase the use of bluesign®-approved materials in our products year-on-year, initially focusing on our global apparel collections. While we are already working with many manufacturers that are bluesign® system partners, in future we will aim to buy our materials almost exclusively from bluesign® system partner suppliers.



Products



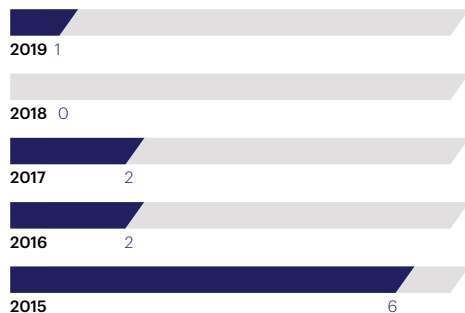
OUR PRODUCTS AND SERVICES CONTINUED

Managing quality and safety

At ASICS, we are committed to ensuring the quality and safety of our products. Throughout our operations, we use a quality assurance and management system to ensure our products comply with all applicable global standards. We continuously improve this system to ensure our products and services continue to meet the requirements of our customers.

Training is an integral part of our quality assurance and management system. Besides training our own employees in our quality principles and objectives, we also train and certify staff employed by our suppliers, including suppliers of finished products and suppliers of materials. We carry out product liability inspections that cover product safety, the application of quality improvement measures, and descriptions on product labels and promotional materials.

Voluntary product recalls



Chemical safety

We are committed to using chemicals safely and appropriately and without harm to people or the environment, in compliance with all international and local laws and regulations.

To ensure compliance, we conduct random inspections at our suppliers' facilities. We also carry out a variety of randomized tests on our products before they are shipped to customers. Tests are conducted both within our own organization and by accredited, independent, third-party laboratories.

The ASICS Guideline for the Control and Use of Chemicals defines the responsibilities of ASICS and its suppliers regarding the control and use of chemicals in our product design and manufacturing processes. The guideline ensures legal compliance and is aligned with industry best practice in chemical management. All suppliers must comply with the requirements of the guideline when manufacturing ASICS' products.

Reducing Volatile Organic Compounds (VOCs) in footwear manufacturing

The manufacture of shoes, especially high performance sports shoes, involves the use of adhesives to bond different parts together. Traditionally, adhesives based on solvents containing VOCs have been used in the manufacture of athletic shoes. However, these solvents can have harmful impacts on people and the environment.

Since 2011, we have applied a broad range of alternatives to these adhesives. These include switching to water-based adhesives and, more recently, adopting new production technologies and design techniques that allow shoes to be made with fewer parts and therefore less adhesive. Together, these methods help us reduce our VOCs emissions while also ensuring that we continue to use energy and water efficiently.

In 2019, our VOCs emissions were estimated to be 4,085 tons in our strategic factories. This is based on the calculation of the total adhesive consumed, including disposed volume at the factories. In the future, we are planning to calculate the amount of adhesives used per items after we receive such information from our suppliers.

OUR OPERATIONS



Operations

We aim to continuously improve the environmental performance, resource and materials used in our buildings and distribution network.

Beyond improving the sustainability of our products, we also aim to continuously improve the efficiency and reduce the environmental impacts of our direct operations. This includes our offices, distribution centers and retail stores.

To manage our environmental and sustainability performance to the highest standards, we use Environmental Management Systems accredited to the ISO14001 international standard in our main office locations. In Japan this also includes our Institute of Sport Science research facility. In Europe, we have included our distribution centers into the scope of our management system. In 2019 we focused on aligning the systems with our new sustainability governance structure (see page 07).

Tracking performance data

We continue to use Schneider Electric's EcoStruxure™ Resource Advisor (RA) platform to track the environmental performance of our offices, stores and distribution centers, as well as our Global Footwear Tier 1 suppliers. Gathering all environmental data in this cloud-based performance management system allows us to analyze our impact and learn where and when we have the highest impacts. The information feeds into our improvement programs, allowing us to focus our attention on improving energy, water and waste efficiency where it's needed most.

We also use SAC's Higg Facility Environmental Module (Higg FEM) to collect performance data from our supply chain. Launched in 2017, this module allows us to collect standardized, comparable and detailed environmental performance data from our suppliers in a highly efficient way. See page 30 for more about this tool.

ASICS has set approved science-based targets for carbon emissions reductions, which include Scope 3 (supply chain) targets as well as Scope 1 and 2 targets for our own operations. SAC's Higg data collection tools such as Higg FEM will be critical for tracking progress against our Scope 3 emissions targets.

As more brands and suppliers set science-based targets, we believe the Higg platform can play a valuable role in tracking progress against them.

The Higg Index



For more information about the SAC's Higg Index suite of tools, visit

→ <https://apparelcoalition.org/the-higg-index/>

Energy efficiency and carbon emissions

At ASICS, we are committed to growing our business while at the same time reducing our carbon emissions, setting targets for reductions in line with climate science and in accordance with the Science Based Targets initiative (SBTi). We work to reduce our emissions both within the direct scope of our own operations, and the wider indirect scope associated with transportation, manufacturing and material sourcing.

Reducing the carbon footprint of our direct operations

Our target for 2020 is to reduce absolute greenhouse gas emissions from our direct operations (Scope 1 and 2), including retail operations, by 5% from a 2015 baseline. In addition to this, in 2019 we committed to reducing absolute Scope 1 and 2 CO₂ emissions by 38% by 2030 from a 2015 baseline – upgraded from our previous target of 33%. The new target is in line with our more ambitious science-based target commitments, approved in 2019 (see page 17). The target is the basis of our mid-term carbon strategy, and helps us maintain momentum for our CO₂ reduction actions.

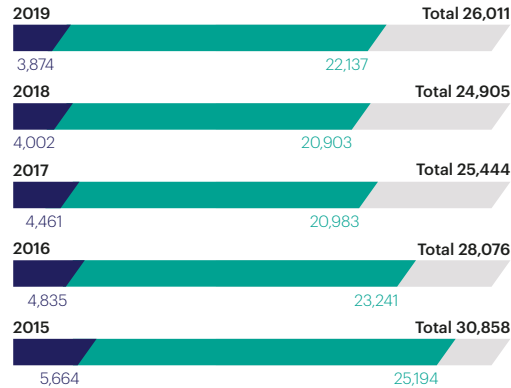
OUR OPERATIONS CONTINUED

In 2019, our CO₂ emissions decreased 15.7% from the baseline year, but increased compared to 2018 due to a 10% increase in the number of our own retail stores. Comparing our total emissions to our business revenue shows an increase in our efficiency from the baseline year. The CO₂ emissions intensity per unit revenue has decreased by 4.5% from the baseline year.

In 2020 we will continue our sustainable energy projects to both increase efficiency and reduce the absolute energy consumption and emissions every year. Our strategy to reduce energy use and CO₂ emissions includes:

- › Increasing the use of on-site and off-site renewable energy
- › Increasing energy efficiency in high energy usage locations
- › Introducing more energy-efficient equipment and vehicles
- › Adopting energy-efficient design to new buildings, distribution centers and retail stores or refurbishment of existing locations.

CO₂ emissions from our locations (tons)



■ **Scope 1:** Natural gas, gasoline, diesel, LP gas, kerosene
 ■ **Scope 2:** Electricity

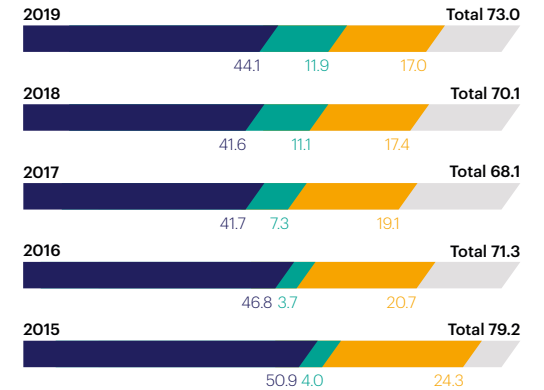
The data applies to ASICS Group locations including offices, retail locations, distribution centers and wholly owned factories globally. Company/lease car impacts are also included. Figures for Scope 1 are calculated according to factors based on the "2006 IPCC Guidelines (Commercial Institutional)". Company/ lease car impacts in Brazil are calculated with factors using 2015 DEFRA data. Figures for Scope 2 are calculated according to factors based on "CO₂ Emissions from Fuel Combustion 2016-Year 2014" of IEA. The following formula is used when the amount of energy consumption for CO₂ emissions is not available for any sites: (energy consumption per square meter estimated for each type of site) X (area of site) X (CO₂ emission factor). The Certificate of Green Power 1.6 GWh was deducted from the total Scope 2 in 2018 data. The 2018 data is restated due to updated data and improved estimates. The 2019 emissions data are verified by Deloitte Tohmatsu Sustainability Co., Ltd.

Renewable energy

In 2019, we continued to increase our use of renewable energy. In EMEA, approximately 7,500 MWh of purchased electricity was from renewable sources. In Japan, we switched to renewable energy in five locations, including our headquarters and Institute of Sport Science, which now uses 100% renewable energy. We will continuously assess options with the electricity supplier to procure and expand the use of renewable energy for our locations.

Energy volume by type (GWh)

In 2019 the percentage of ASICS' electricity from renewable sources increased to 16.4%.



■ Electricity from non-renewable sources
 ■ Electricity from renewable sources
 ■ Fossil fuels

The data applies to ASICS Group locations including offices, retail locations, distribution centers and wholly owned factories globally. Company/lease car impacts are also included. The following formula is used when the amount of energy consumption is not available for any sites: (energy consumption per square meter estimated for each type of site) X (area of site) X (conversion factor from each unit to GWh). The 2018 data is restated due to updated data and improved estimates. The 2019 total energy volume is verified by Deloitte Tohmatsu Sustainability Co., Ltd.



Operations

OUR OPERATIONS CONTINUED

New EMEA headquarters sets benchmark for sustainability

In March 2019, ASICS Europe B.V. moved into its new regional EMEA headquarters. The building in Beukenhorst-Zuid in Hoofddorp, the Netherlands, has over 11,100 square meters of office space and has been fully designed, built and furnished in line with our corporate philosophy 'Sound Mind, Sound Body'. The building is the result of a close collaboration between ASICS, Powerhouse Company, RED Company and CBRE.

All aspects of the building's design meet the highest standards in health and sustainability. The focus is on providing a healthy indoor climate and a comfortable, versatile working environment for employees. As well as offices and showrooms, the building has a restaurant, a Coffee and Health Bar, an ASICS gym and an ASICS retail outlet.

The sustainable building was designed to take its immediate environment into account, minimizing energy and water use while also reducing greenhouse gas emissions. The office received both a LEED certificate at Gold level and a WELL certificate – the world's first architectural benchmark focused exclusively on human health and well-being to improve sustainability.



▲ New EMEA HQ, Beukenhorst-Zuid in Hoofddorp, the Netherlands.

Energy efficiency awards

In 2019, ASICS America Corporation's distribution center in Byhalia, Mississippi received the ENERGY STAR award, marking the sixth year in a row that the building has received the honor. The award recognizes superior energy performance and low greenhouse gas emissions compared to similar buildings across the nation. The building's outstanding energy performance is partly the result of its wholly-owned rooftop solar panel array – the largest private solar panel system in Mississippi. The energy panels generate around 23% of the site's annual energy needs, while reducing carbon emissions by nearly 800 metric tons of CO₂ equivalent units per year.

In 2019, the Byhalia distribution center, BDC, was a registered project under the LEED v4 Building Operations and Maintenance (O+M): Warehouses and Distribution centers. LEED is the acronym for Leadership in Energy and Environmental Design. The LEED program is sponsored by the United States Green Building Council (USGBC). As part of this certification process, BDC has been exploring ways to further reduce its energy footprint by adjusting equipment settings, adding more LED lights, reviewing current energy contracts and working with the local utility to be able to export renewable energy back into the local grid. This large project demonstrates ASICS' commitment to green buildings, resource efficient operations/cost savings, positive environmental impacts and the well-being of the employees who work there.

ASICS America Corporation headquarters in Irvine, CA has also been recognized for its energy efficiency, receiving the ENERGY STAR award two years in a row.



▲ ASICS America Corporation HQ, Irvine, CA.



Operations

OUR OPERATIONS CONTINUED



Operations

Reducing Scope 3 emissions

More than 80% of the overall greenhouse gas impact related to our products occurs during manufacturing, material procurement and end-of-life management. In 2018 we set a target to reduce our indirect (Scope 3) CO₂ emissions from purchased goods and services and end-of-life treatment of sold products by 55% per product manufactured by 2030 (2015 base year). In 2019, we achieved a reduction of 8%.

We expect more progress in the coming years as we roll out our product and production plan. We continue to work with our main footwear factories to ensure our goals are aligned. We will also continue to measure our Scope 3 CO₂ emissions across our global operations to assess the impact of changes in our business operations.

For more details about how we are shifting to materials with lower impacts, see page 19. For more about how we are reducing carbon emissions in our supply chain, see pages 30 and 31.

Scope 3 CO₂ Emissions 2019:

Scope 3 Category	CO ₂ tons	%	Scope
1. Purchased goods and services	630,395	81.9	Global footwear manufacturing CO ₂ data (Tier 1), and ASICS Group companies' purchases of footwear material, apparel, equipment, marketing and sales. (Calculation method ¹).
2. Capital goods	19,020	2.5	ASICS Group companies.
3. Fuel-and-energy-related activities	1,104	0.1	ASICS Group companies.
4. Upstream transportation and distribution	54,923	7.1	Category 4 includes air and sea freight of footwear related logistics, air freight of apparel related logistics for Japan, rail and road freight of 'port to DC' in Europe, US and Japan, and road freight of 'DC to customers' in Japan.
5. Waste generated in operations	82	0.01	ASICS Group companies.
6. Business travel	3,559	0.5	ASICS Group companies.
7. Employee commuting	821	0.1	ASICS Group companies in Japan.
8. Upstream leased assets	-	-	Not assessed.
9. Downstream transportation and distribution	7,196	0.9	ASICS Group companies.
10. Processing of sold products	-	-	Not assessed.
11. Use of sold products	20,490	2.7	ASICS Group companies.
12. End-of-life treatment of sold products	31,902	4.1	ASICS Group companies.
13. Downstream leased assets	-	-	Not assessed.
14. Franchises	12	0.002	ASICS Group companies in Japan.
15. Investments	-	-	Not assessed.
Total	769,504	100	

The Category 1 (Purchased goods and services) CO₂ emissions data of Scope 3 are verified by Deloitte Tohmatsu Sustainability Co., Ltd.

¹ Calculation method of Category 1 Footwear Tier 1: (energy consumptions at suppliers) X (percentage of ASICS production at suppliers) X (emission factor of each energy type) + Footwear material: (production volume) X (emission factor of material from the past LCA study) + Apparel Tier 1: (production volume) X (emission factor of Tier 1 from the past LCA study) + Apparel material: (production volume) X (emission factor of material from the past LCA study) + Equipment, marketing and sales: (price of purchased goods and services) X (emission factor of purchased goods and services²).

² 5. Calculation is made as per inter-industry relations table based emission factors of Emission factors database for greenhouse gas emissions accounting throughout the supply chain (ver.2.2 as of March, 2015) published by Japanese Ministry of the Environment.

OUR OPERATIONS CONTINUED

Reducing greenhouse gas emissions in transportation

Transporting products from factories to market is the second biggest contributor to our overall carbon footprint, accounting for about 7% of our total greenhouse gas emissions.

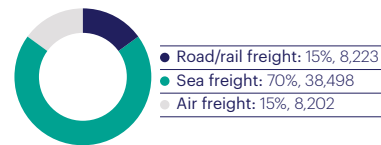
Since 2013, we've been working to reduce the carbon footprint of our distribution network through consolidation and by improving its efficiency. This includes switching to more energy-efficient forms of transport such as ships and trains.

In Japan, we have improved the efficiency of our logistics by developing a system that makes empty imported containers available to other companies for use as export containers at a number of distribution terminals. We also ship from our own factory in Japan directly to overseas subsidiaries, rather than via distribution centers in each region.

Globally, we ask our partner shipping companies to use ships assessed with the World Ports Sustainability Program's Environmental Ship Index (ESI). The ESI evaluates the amount of nitrogen oxide (NOx) and sulfur oxide (SOx) emitted by a ship, and includes a reporting scheme on the greenhouse gas emissions of the ship. We will continue to work with our logistics providers to make our distribution network more efficient globally.

We are also switching to more sustainable packaging, as well as improving how we use containers in our logistics to reduce the total number of trips needed to deliver goods in the value chain.

CO₂ transportation (tons)



Road and rail freight include data of 'port to DC' in the US, Europe and Japan, and 'DC to customers' in Japan. Sea freight is data of the footwear business. Air freight is data of the footwear business globally and the apparel business in Japan. The emissions factors provided by the GHG Protocol are used.

Sustainable retail

We continue to develop our retail locations, adopting new materials and technologies to improve their sustainability while also providing the best experience and service to our consumers.

Since 2016 we have been introducing a new design concept for our ASICS stores. This involves using more sustainable materials such as FSC certified, recycled and recyclable materials, installing energy-efficient lighting such as LED lighting and providing more space for community activities and encouraging people to move, in line with the spirit of our brand. We also continued to switch energy contracts to renewable electricity as part of our commitment to reduce carbon emissions related to our operations.

In 2019, the number of our own retail stores increased from 899 to 989. Energy use in our stores is still a growing part of our total energy consumption. As such, it's important that we continue to focus on energy reduction and finding renewable sources for our stores.

Sustainable packaging

In July, we launched a new sustainable packaging policy to reduce waste generated further down our supply chain, at the retail and consumer level. The main focus of the policy is on eliminating single-use plastic throughout the supply chain, and where plastic is necessary, switching to eco-friendly substitutes. Based on the policy, we decided to change the main material we use for our shopping bags in all directly-managed stores from plastic to paper by the end of 2020.

We are also planning to introduce a new, more sustainable shoebox. The box uses water-based rather than oil-based ink, and reduces the amount of ink used by around 50% compared with our previous boxes. The box itself also contributes to having less environmental negative impact by using around 10% less cardboard, so it is less carbon-intensive to produce, saving around 1,200 tons in CO₂ emissions per year in total.



▲ ASICS paper shopping bags.



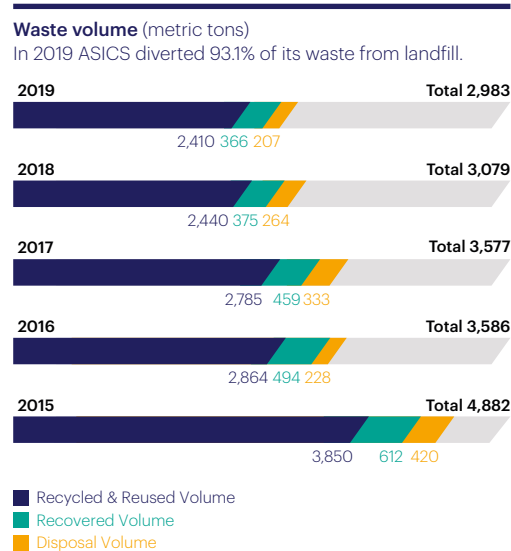
Operations

OUR OPERATIONS CONTINUED

Resource efficiency improvement

The materials and other resources we use to make our products are valuable, and we are committed to using them as efficiently as possible. We have set a target to recover or recycle more than 98% of the waste in our direct operations by 2020 which means to reduce the waste to be disposed into landfill. To achieve this, we are making smart material and design choices to ensure that more of our materials can be reused.

In 2019, we diverted 93.1% of our waste from landfill. Compared to 2018, we decreased the total volume of waste we produced by 3% and increased the percentage of waste that is recovered or recycled by nearly 2%. Also the amount of waste disposed to landfill decreased by around 22%.



2019: 17 companies, 33 locations, covering 65% of operations (FTE basis)
 2018: 20 companies, 33 locations, covering 68% of operations (FTE basis)
 2017: 20 companies, 40 locations, covering 69% of operations (FTE basis)
 2016: 20 companies, 42 locations, covering 75% of operations (FTE basis)
 2015: 17 companies, 43 locations, covering 75% of operations (FTE basis)



▲ ANA employees visiting a local Waste Management recycling facility in Orange, California.

During the year we also looked at what we could do either to prevent waste being generated, or to recover and recycle it in some locations, based on analysis of our waste streams over the previous year. As part of this analysis, a group of employees from ASICS America in California visited the local Waste Management recycling facility to learn waste sorting tips that could be implemented at the offices for the upcoming Zero Waste Initiative.

In 2020, we will continue to focus on the four sites that are responsible for over three-quarters of all the waste that we are currently sending to landfill. These sites include two distribution centers and two factories with improvements being made to waste data management as well as finding new recycling facilities for waste.



Operations

Zero Waste Initiative

Adopting a Zero Waste operation blueprint at our own buildings could save tons of waste from being created or going to landfills. To achieve this goal, ASICS America created a position for a summer intern who would work with our sustainability manager to design a tailored Zero Waste Plan that could be easily and effectively implemented in offices across the organization in 2020.

As part of the college summer internship program at ANA, we selected one applicant from UC Berkeley. During the internship, she analyzed waste streams and purchasing practices to deliver a plan with concrete recommendations to save on operational expenses. The plan included resource conservation practices, recycling programs, and an initiative to eliminate single-use plastic and paper items in our office. She also created employee training materials and waste sorting signage, and a presentation of the final proposal to management.

OUR OPERATIONS CONTINUED



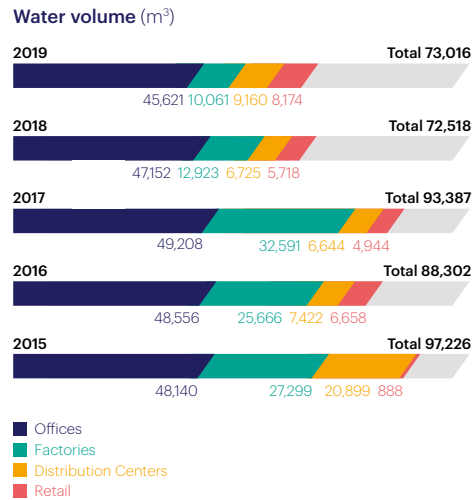
Operations

Reducing our water use

Water is one of life's most precious resources, and essential to our manufacturing processes. To ensure a sustainable supply of water in the communities where we operate, we are committed to using water as efficiently as possible and aim to reduce its consumption every year.

In 2019 we used 0.7% more water than in the previous reporting year. Some of this increase was accounted for by more locations reporting the water use, and by opening stores that have facilities using water, such as showers. In order to help our operations to reduce their water use further, we will share best practices and focus on our most water-intensive operations for efficiency improvements. ASICS America HQ in Irvine uses five waterless urinals, with estimated savings of 40,000 gallons of water per unit per year.

As well as tracking the volume of water used in our own operations, we have also investigated the source of the water to gain a more detailed understanding of the way our water use impacts the local environment. As expected, we were able to confirm that we are using water from municipal water utilities in all our operations. Water provided by municipal utilities is estimated to be well managed and has a lower impact and risk on the environment than water from a nearby river, lake or groundwater. In one of our locations in Germany, we are saving water by using rainwater for sanitary purposes. We are exploring whether this can be applied in other locations to decrease our water use.



2019: 30 companies, 92 locations, covering 79% of operations (FTE basis)
 2018: 32 companies, 85 locations, covering 82% of operations (FTE basis)
 2017: 31 companies, 85 locations, covering 80% of operations (FTE basis)
 2016: 26 companies, 81 locations, covering 80% of operations (FTE basis)
 2015: 30 companies, 60 locations, covering 55% of operations (FTE basis)

Managing manufacturing environmental impacts

Supply chain manufacturing accounts for more than 65% of our overall environmental impacts. Our product Life Cycle Assessment (LCA) research shows us that most of the environmental impacts related to footwear are associated with manufacturing processes. For apparel, the impacts are associated with manufacturing processes, and washing while the products are in use.

We are committed to using our influence within our supply chain to help reduce these impacts. We seek to source from suppliers that share our commitment to operating in an environmentally responsible manner.

To achieve our GHG emissions targets (see page 17), we will actively work with our suppliers to reduce energy use in Tier 1 supplier factories by 30% per product manufactured, and help them to switch to renewable energy where possible.

Higg FEM analysis

More than 15% of our supply chain environmental impact is attributed to Tier 1 factories and even more impact by Tier 2 and upper stream suppliers. In 2019, we asked our strategic Tier 1 factories and certain Tier 2 suppliers to share their environmental performance data using the Sustainable Apparel Coalition's Higg Facility Environmental Module (SAC's Higg FEM).

The Higg FEM assessment also helps us understand how suppliers are managing their environmental performance, as well as their overall sustainability strategy.

This information will allow us to:

- › track our indirect environmental impact
- › understand suppliers' sustainability strategy and engage with them
- › focus on working with factories that have a lower environmental impact
- › communicate the environmental impact of our products in more detail to our consumers

We believe that the SAC's Higg FEM is the most efficient industry tool for this purpose. This is partly because suppliers only have to fill out the module once per year and share it with all the brands they work with, instead of answering separate questionnaires for each brand.

In addition to the SAC's Higg FEM, we also asked suppliers to provide us with performance data using the SAC Higg Facility Social Labor Module (Higg FSLM), a similar tool for tracking and measuring the social performance of factories. We will keep using the Higg FSLM to monitor social performance in our supply chain from 2020 onwards.

OUR OPERATIONS CONTINUED



Operations

Reducing the environmental impact of Tier 1 suppliers

We work closely with our Tier 1 suppliers to help them reduce their impacts by improving our product designs and manufacturing processes. We also encourage our suppliers to implement best practice environmental management systems.

In 2019, CO₂ emissions per pair of shoes manufactured in our footwear Tier 1 suppliers decreased by 27.9%, compared to the 2015 baseline. The significant decrease of coal use in our Tier 1 suppliers impacted on this the most and we phased out using coal. Water consumption per pair of shoes decreased by 8.7% while waste emissions increased by 55%. The reason for waste increase is due to more factories reporting the waste data in 2019 than from base year, as a result of improved supplier communication. The waste emission per supplier has been decreasing.

During the year we also shared a new set of environmental guidelines with our suppliers to help them reduce their environmental impacts. We also updated our auditing process and rating criteria about greenhouse gas emission, energy and water use, machine maintenance and waste management to reflect our new science-based targets and insights from the Higg FEM analysis. In 2020, we are aiming to incorporate Higg FEM even more into our factory rating framework to accelerate collaborative actions in our supply chain to reduce environmental impacts.

YEAR	UNIT	2015	2016	2017	2018	2019
CO ₂ emissions	kg/pair	2.45	2.17	2.27	2.08	1.77
Water	m ³ /pair	0.034	0.030	0.030	0.028	0.031
Waste	kg/pair	0.02	0.03	0.03	0.03	0.03
Recycled or recovered waste	tons	12,606	9,324	3,658	4,980	5,352

The data in this table is based on 20 factories in China, Vietnam, Indonesia and Cambodia, which together produce over 95% of all our footwear. The 2018 data is restated due to updated data.

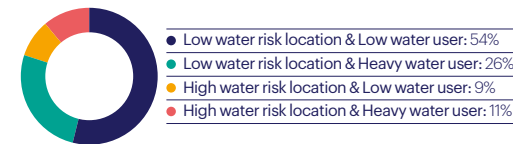
Water risk mapping in the supply chain

Our industry uses a significant amount of fresh water globally in its material sourcing and manufacturing activities. Many of the factories we work with are located in regions affected by water scarcity, with limited water infrastructure and regulations on water use and pollution. It's therefore important that we understand the water risks in these areas, as well as opportunities to improve water sustainability.

Since 2017 we have been carrying out water risk assessments focused on footwear and apparel Tier 1 and 2 suppliers. In 2019, we updated this assessment based on more recent information gathered from the Higg FEM assessment. The analysis found that many of our suppliers

have good water management practices, and many are limited water users. For the facilities identified as heavy water users, we continuously found that most have an effective water management system in place, including targets and strategies for improvement. We could receive more information from the facilities than last year, and will continue to follow up with the facilities from which we have not received sufficient information, as we strengthen our engagement with suppliers.

Water risk at our supplier*



* The analysis is based on the Higg FEM that facilities agreed to share with us. Around 29% of those are verified data, but the remaining 71% is self assessment data. We will plan to increase the number of verified data in the coming years to improve accuracy.

Based on the information provided in the Higg FEM assessment, we have also included several topics related to water management to our factory rating criteria, and performing our internal audit based on this. This will enable us to include water use performance in the total score for the suppliers we work with, and reward those who are performing strongly in terms of water management.

Environmental compliance in our supply chain in China

By collaborating openly with partners, we gain valuable insights and feedback that help bring compliance issues to light and improve compliance across our supply chain.

Since 2016, we have comprehensively screened our suppliers in China using the Blue Map Database, a platform developed by the Institute of Public & Environmental Affairs (IPE). This showed that speed of reaction, clear internal communication and risk prevention processes are key to improving compliance in our supply chain.

In 2019 we were ranked 13th out of 51 companies in the leather & PU industry and 30th out of 84 companies in the textile industry in the Corporate Information Transparency Index (CITI) system. Jointly developed by IPE and the Natural Resources Defense Council (NRDC), the index evaluates brands' supply chain environmental performance based on information that is made public, such as government compliance data, online monitoring data and third-party environmental audits. This index is frequently updated when brands share more information publicly, and the ranking can therefore change regularly.

I MOVE ME™ STRONGER

We engage with people and communities to move stronger by improving their physical and emotional well-being. By building partnerships, we empower people in our supply chain and our colleagues in our own workplaces, giving them the strength to fulfill their potential.

Key achievements

95%

of our Tier 1 supplier factories rated C-Level or above on ASICS' supplier rating scale

103

participants from 67 suppliers receiving training and capacity building

\$502k

cash and in kind contributed to communities

TOKYO 2020 GAMES: SHINING A LIGHT ON SUPPLY CHAIN SUSTAINABILITY



▲ Official Uniform for Field Cast of Tokyo 2020 Games.

Our commitment to upholding ethical standards in our supply chain supports the Tokyo 2020 vision.

Olympic and Paralympic Games Tokyo 2020 will highlight the importance of sustainability in all aspects of sport – and that includes the sporting industry’s supply chain. To support that aim, the Tokyo Organising Committee of Olympic and Paralympic Games has introduced a sourcing code covering all products and services procured for the Games. As the only Olympic and Paralympic Games Tokyo 2020 Gold Partner in the sporting goods category, ASICS is committed to ensuring that every product we supply for the Games has been produced according to the code.

Manufacturing and distributing ASICS products involves a supply chain made up of thousands of people all over the world. At ASICS, we take our responsibility to those people very seriously. Through our Policy of Engagement (PoE), we seek to ensure fair business practices and continuously improve labor conditions across our supply chain. Our PoE is aligned with international standards such as ILO’s Fundamental Conventions and the Code of Conduct of the World Federation of the Sporting Goods Industry (WFSGI).



▲ Workers in our supply chain.

We regularly carry out social assessments of our suppliers to ensure our standards are upheld. These assessments are carried out with the support of independent third-party stakeholders. For example, in 2014 we became the first Japanese company to join ILO’s Better Work (BW)/Better Factories Cambodia program, and we have been working closely with our suppliers in Vietnam, Cambodia, and Indonesia since then.

Tokyo 2020 Games are our biggest opportunity not only for our branding and business, but -also promoting sustainability. Developing our sustainable and responsible supply chain will be a vital part of our Olympic legacy.



OUR APPROACH TO OUR SUPPLY CHAIN

We build transparent, fair and ethical partnerships and empower the people in our value chain.

Upholding fair business practices and improving labor conditions across our supply chain are responsibilities we take seriously. To continuously raise and safeguard standards, we're committed to working in close partnership with our suppliers, their workers and other supply chain stakeholders.

We conduct our corporate activities on the basis of clear codes of conduct based on internationally recognized standards and conventions. We seek to work only with business partners who share our commitment to sustainability and fair labor practices.

We are mitigating the impact of COVID-19 by understanding its impact on our supply chain and encouraging suppliers to take appropriate responses. Especially in Indonesia, Vietnam and Cambodia, we are working closely with ILO Better Work program to understand the situation and to protect the health and safety of workers.

Influence and responsibilities

More than 150 Tier 1 suppliers in 22 countries provide us with the facilities, expertise and other resources that allow us to bring the best products to our customers. Many of our Tier 1 suppliers themselves have an extensive supply chain, connecting the ASICS Group indirectly with many more operations and businesses worldwide.

As a major global sporting goods brand, we have significant influence on the suppliers in our supply chain. We recognize that this role and responsibility extends even to the areas where we have no direct relationship. Through our partnership approach, we aim to help improve standards not just among our direct suppliers, but in all areas where our business has influence.

Supply chain management: compliance and commitment

Our supply chain management program is based on the principle of compliance when needed, commitment where possible.

As a minimum, our suppliers must comply with our own codes and policies as well as all relevant local and international regulations. Where possible, we encourage our suppliers to move beyond compliance and commit to continuously raising standards through training and capacity building, in ongoing partnership with ASICS, labor organizations and other industry stakeholders.

The program has four pillars: Monitoring and Risk Management; Governance and Transparency; Training and Capacity Building; and Stakeholder Engagement.

Compliance

1

Monitoring and Risk Management

- › Country Risk Evaluation
- › Supplier Assessment Tools
- › Audit Follow Up/ Corrective Action Plan (CAP)
- › Supplier Monitoring
- › Issue and Crisis Management

2

Governance and Transparency

- › Supplier Contracts and Agreements
- › Supplier Standards, Guidelines and Manuals
- › Corporate Codes/Policies
- › Internal/External Communication

Commitment

3

Training and Capacity Building

- › Supplier Training
- › Collaboration around Efficiency and Productivity
- › Business Integration

4

Stakeholder Engagement

- › Industry Collaboration (SAC, WFSGI, Better Work)
- › Open and Constructive Stakeholder Dialogue (unions, NGOs, media)
- › Sustainability Report



OUR APPROACH TO OUR SUPPLY CHAIN CONTINUED

Monitoring our supply chain

When we select any new footwear, apparel or accessories supplier, we assess their social and environmental sustainability performance against ASICS' standards before engaging in a business relationship.

Once we establish a formal business relationship with a supplier, we continually monitor the supplier's sustainability performance and periodically assess their facilities. We conduct three types of assessments within the ASICS supply chain: internal, commissioned and partner audits.

Internal audits

ASICS' compliance auditors conduct on-site inspections, verify documentation and interview supplier management and employees. They provide detailed explanations of ASICS' policies, identify issues and plan corrective actions through discussions with management.

Commissioned audits

Commissioned audits are carried out by specialized, accredited third-party monitors who are well versed in local laws, regulations, culture and languages as well as the ASICS Policy of Engagement and Code of Conduct. They can gather information that is otherwise hard to obtain through an internal audit, for example through worker interviews in their local language.

To ensure our auditing process is consistent and comparable, we use a standardized tool created by the Supplier Ethical Data Exchange (Sedex).

SMETA (Sedex Members Ethical Trade Audit) is an open-source audit methodology tool that encompass all aspects of responsible business practice, covering Sedex's four pillars of labor, health and safety, environment and business ethics.

Partner audits

These are audits conducted with ASICS' suppliers as part of our collaboration with multi-stakeholder initiatives. ILO Better Work has conducted our partner audits and improvement plan follow-ups since 2014.

In addition to the audits, suppliers and their subcontractors can demonstrate compliance levels through self-assessments. Information from these feeds into our other assessment forms and risk analysis.

Self-assessments increase supplier awareness of supply chain issues and ASICS' standards. In future, we will link supplier self-assessments to commitment-based self-management using industry collaborative tools such as those of the SAC Higg Index, in combination with external verification and validation of data.

SAC's Higg Facility Social Labor Module (Higg FSLM) is one of the main tools we use to gather social performance data from our suppliers. In 2018, SAC launched an updated version of the Higg FSLM that supports a more harmonized approach to data gathering across the apparel and footwear industry, using a framework developed by the Social and Labor Convergence Program.

As well as avoiding unnecessary duplication of audits, the updated tool enables better data comparison and frees up more resources for improvement programs.

The above tools allow us to align the self-assessments of our suppliers on a larger scale and benchmark their performance internally and with their industry peers in various countries. Together with the Higg Facility Environmental Module (Higg FEM), this will enable us to gather more data from our suppliers in the most efficient way.

For more about Higg FEM and Higg FSLM

→ See page 30

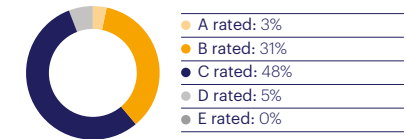
Audit criteria and supplier ratings

Our assessments and audits use 17 criteria to evaluate our Tier 1 suppliers' sustainability performance.

Each criterion is scored on a five-point scale, from 1 (below standard) to 5 (best practice). Audit criteria covering forced labor, child labor, abuse and harassment, wages, discrimination and hours of work are defined as zero tolerance criteria. Non-compliance within these areas is taken very seriously and can result in immediate business termination.

We award each supplier an overall rating from A to E, based on its performance against the 17 criteria. The graph shows how our suppliers rated in 2019.

Tier 1 supplier ratings 2019



The remaining 13% suppliers are members of the ILO's Better Work or Better Factories Cambodia factory improvement programs. The programs assess working conditions at these factories and provide guidance to them on how to improve them.

Year	Internal ASICS audit	Commissioned audits	Partner audits	Total
2016	62	46	14	122
2017	66	31	16	113
2018	23	46	24	93
2019	31	57	28	116

In 2020, we will prioritize mitigating higher-risks and ensuring factories take corrective action plans instead of repeating audits. Therefore, we will strategically reduce the number of audits. In addition, we make sure that we comply with the Sustainable Sourcing Code of The Tokyo Organising Committee of Olympic and Paralympic Games.



OUR APPROACH TO OUR SUPPLY CHAIN CONTINUED

Through the dialogue with suppliers, we are working together to improve their labor practices to comply with international labor standards. At the beginning, we raise questions on issues we may find on the initial audit. We spoke with factory management about global trends as well as our Code of Conduct and our attitude toward sustainability. Through the dialogue, management's consciousness changed, and they come to make decisions in compliance with international labor standards rather than factory benefits.

Addressing non-compliance

When our assessments identify non-compliance issues, we categorize them as major or minor according to the severity of the violation and the level of risk to workers, and take action as appropriate. These range from terminating the business relationship in the case of serious and persistent violations, to reviews of future orders, third-party investigations and formal warnings.

When minor non-compliance issues are identified, we begin a remediation period of three months, during which the relevant supplier is expected to take corrective measures. When necessary, ASICS' staff or partners support this remediation process, for example by providing training and resources.

Tools for transparency

We aim to continuously improve transparency regarding our supply chain impacts. To achieve this, we have introduced new tools and improved internal systems that provide insights into our supply chain management.

The main platform we use to provide supply chain transparency is the SAC's Higg Index suite of tools (see pages 24, 30 and 35). The information we gather from these tools will in the future be linked to product-based performance evaluation in the Higg Product Module as well as to our own performance in the Higg Brand & Retail Module. This will enable full transparency of our activities throughout our entire value chain, from manufacturing to retail and beyond.

As well as using technical tools, we also use our membership of and involvement in industry bodies e.g. SAC and NGO partners and ILO Better Work to gather information about our supply chain performance and best practices.

2020 factory disclosure

Transparency regarding our supply chain impacts is vital, both for ASICS and for our external stakeholders. We feel that sharing basic information on our supply base will enhance transparency for business partners, investors, labor organizations and our customers. We disclosed our list of Tier 1 factory suppliers for the first time in 2017, and we update the list on a regular basis to reflect changes in our supply base.

The current public supplier list contains key Tier 1 suppliers in 22 countries responsible for the manufacturing of ASICS, ASICSTIGER and Onitsuka Tiger products; footwear, apparel, accessories and equipment. Together, they account for more than 90% of our global volume of products manufactured annually.

Download the full list

→ https://assets.asics.com/page_types/3838/files/ASICS_Corporation_Primary_Supplier_List_2020_original.pdf

Expanding our audit scope

Since 2016, our audit scope has covered both Tier 1 and Tier 2 suppliers. As of 2018, we have covered 100% of footwear nominated Tier 2 suppliers.

The potential impact of Tier 2 suppliers is considerable, as this is the part of the supply chain responsible for fabric dyeing and other industrial processes involving potentially harmful chemicals and a relatively large water and energy use. Auditing Tier 2 suppliers also helps us ensure compliance around critical issues such as human rights throughout our supply chain.

In 2019, in addition to overseas factories, we checked the working environment of factories related to the Olympics and factories employing foreign trainees, and the legality of the supervising organization. We are working with the supervising organization to understand the issues surrounding the responsible recruitment of foreign workers and how this can be improved.

Actively managing these facilities is a crucial step toward understanding our overall impacts, and helping our business partners improve standards and performance.

OUR APPROACH TO OUR SUPPLY CHAIN CONTINUED



Supply chain

Supply chain management: responsibilities, procedures and policies

Along with our global CSR and sustainability division, several other departments, procedures and policies play a role in making sure our operations are safe, ethical and sustainable.

Production and sourcing divisions

Our production and sourcing divisions deepen our understanding of the supply chain through regular meetings with the CSR & Sustainability Department. These teams work closely with our suppliers to improve their sustainability performance.

Country risk assessments

We carry out a country risk assessment prior to entering any new sourcing country, in collaboration with our CSR & Sustainability Department and relevant stakeholders. Based on the analysis of human rights risks and particular industry/sector and geographical risks, we identify countries and regions that can be manufactured.

Supplier assessments

Before entering into a partnership agreement with any new supplier, we assess their social and environmental sustainability performance against the ASICS Policy of Engagement. We partner only with those suppliers who meet our minimum standards and are committed to continuous improvement. We continue to audit suppliers over the course of our partnership and confirm that the CSR management level is in line with ASICS' requirements.

Policies and guidelines

Our corporate activities are guided by clear codes of conduct based on internationally recognized standards and conventions.

All of our suppliers and business partners must comply with our Policy of Engagement based on our Code of Conduct. We also have a separate Environmental Policy that covers issues related to environmental management, human health and safety.

Suppliers must understand and acknowledge these standards and are formally obliged to meet them. We seek to work only with business partners who share our commitment to sustainability and fair labor practices.

In 2019, our Policy of Engagement was updated to reflect our continuously evolving ambitions and expectations to suppliers. This included specific updates relating to forced labor and migrant workers. We communicated the changes to our suppliers and related divisions.

We continuously improve the audit functions and internal controls of our corporate management. We also encourage employees and business partners to report code or policy violations using our confidential, anonymous whistleblowing services. This allows us to detect the first signs of wrongdoing quickly and carry out corrective measures without delay.

For more information and to download our policies

→ <https://corp.asics.com/en/p/asics-policy-of-engagement>

In addition, we have developed guidelines for the Management of Production Downsizing and Facility Phase-out in alignment with the WFSGI.

This guideline is established to ensure that downsizing of production or phase out of an ASICS contracted factory is managed legally and ethically and that risk related to impact on factory employees, economic impact and other risks associated with our social responsibility is minimized and managed responsibly.

Grievance mechanism

To address potential migrant workers issues in relation to Olympic and Paralympic Games Tokyo 2020, we introduced a grievance mechanism for migrant workers in factories located in Thailand and Japan which are involved in the manufacture of products for the Games. Produced in partnership with the Global Alliance for Sustainable Supply Chain (ASSC), the mechanism provides workers with a channel to raise concerns around compliance issues.

Modern slavery due diligence and risk assessment

ASICS does not tolerate any form of slavery, and we are committed to eradicating it from our supply chain. This extends to areas of the supply chain where we have no direct relationship. We do this both independently, and in collaboration with other stakeholders within and outside the sporting goods industry.

To ensure due diligence, we have robust policies and procedures in place to assess the risk of human rights abuses and forced labor, both in the selection and management of supply chain partners and in our selection of potential sourcing countries.

Read and download our statement in response to the UK Modern Slavery Act

→ http://www.asics.com/gb/en-gb/modern-slavery-act/trafficking_statement.html

Read and download our statement in response to the California Transparency in Supply Chains Act (SB657)

→ <http://www.asics.com/us/en-us/california-laws>



OUR APPROACH TO OUR SUPPLY CHAIN CONTINUED

Responsible recruitment

At ASICS we have zero tolerance for forced labor or any other human rights abuses, and we continue to closely monitor and work with manufacturing partners to improve labor conditions for all workers. Being an original signatory of the Commitment to Responsible Recruitment is just one of the many proactive steps that we are taking to eliminate forced labor in our global supply chain.

The manufacturing industries in many of the countries in which our supplier factories are based depend on large numbers of migrant workers. The use of migrant workers in factories is associated with a high risk of forced labor and other human rights abuses.

Early in 2019, ASICS reviewed and updated its Policy of Engagement to incorporate the Commitment to Responsible Recruitment, emphasizing the Employment Standards section and more specifically, the section relating to the Prohibition of Forced Labor. As a result of this revised labor standard requirement, ASICS factory audits have become more detailed and are able to identify early risk signs associated with force labor issues.

ASICS requires our business partners to commit to the Employee Pay Principle and Responsible Recruitment practices to eliminate conditions that can lead to forced labor of any kind. ASICS is working with its global supply chain partners to create conditions so that:

- › no workers pay for their job
- › workers retain control of their travel documents and have full freedom of movement
- › all workers are informed of the basic terms of their employment before leaving home

In addition, we started to interview migrant workers to make sure there were no human rights issues such as taking up their passports, and confirmed the recruitment agencies in Japan had received the appropriate licenses.

Read more about the commitment

→ https://www.aafaglobal.org/AAFA/Solutions_Pages/Commitment_to_Responsible_Recruitment

Training and capacity building

We provide training for our Tier 1 and Tier 2 suppliers so that they can learn and share best practices that allow them to improve labor and environmental performance over time.

Through training, we give our suppliers the knowledge and understanding necessary to implement new standards, legal requirements and structured management systems, as well as raising awareness of industry best practice.

Training also helps suppliers to avoid or improve compliance issues, and develops better communication between workers and employers. This capacity building process ultimately improves both the well-being of staff and the suppliers' quality and productivity.

In 2019, we provided capacity-building sessions for suppliers in Shanghai, China. These sessions covered a range of subjects including fire safety, chemical safety, working hours and environmental management. Factories with particularly good ratings were recognized with an ASICS Best Supplier Award. In addition, these factories presented case studies and exchanged opinions actively with participants in the sessions.

Capacity-building sessions for our suppliers are run by the ILO Better Factories Cambodia program and ILO Better Work (Vietnam, Indonesia).

Training in Shanghai, China

103

Participants attended

67

Suppliers



▲ Supplier capacity-building session, Shanghai, China.

“ It was a great honor for us to have the opportunity to introduce our social and environmental initiatives to other suppliers at the ASICS CSR Seminar in Shanghai. Going forward, we will continue to work with stakeholders, including ASICS, on corporate activities for sustainable growth.”

OKAMOTO TEXTILE (THAILAND) CO., LTD
A winner of ASICS Best Supplier Award



▲ Winners of ASICS Best Supplier Award 2019. Okamoto Textile Co., Ltd, Thailand and Yangxin Pou Jia Shoe Manufacturing Co., Ltd.

OUR APPROACH TO OUR SUPPLY CHAIN CONTINUED

Stakeholder engagement and partnerships

As a global brand, we play a highly influential role in our supply chain. We take this role very seriously. In addition to using technical, internal tools, ASICS engages and partners with a wide range of NGOs and other industry stakeholders.

Our collaborations range from partnerships to raise supplier standards through training and capacity building, to projects designed to ensure human rights responsibilities are respected in the planning of large sports events.

Through our industry associations, we partner with other brands to develop industry alignment around common sustainability standards, in consultation with labor unions and NGOs in manufacturing regions.

The Bali Process

The Bali Process is a platform for awareness raising and industry-wide dialogue on issues related to forced labor among migrant workers. Co-chaired by Indonesia and Australia, the initiative has 49 members, including the United Nations High Commissioner for Refugees (UNHCR), the International Organization for Migration (IOM), the United Nations Office of Drugs and Crime (UNODC) and the International Labour Organization (ILO). During this year we shared our knowledge and experience about modern slavery risks in the global supply chain at IOM workshop to promote

responsible practices. During the conference, recommendations from businesses to enhance collaboration on tackling modern slavery were adopted, and the business track was made a permanent instrument of the Bali Process.

For more about the Bali Process

→ <https://www.baliprocess.net/>

ILO Better Work Programme/ Better Factories Cambodia

Founded by the International Labour Organization (ILO) and the International Finance Corporation (IFC), the Better Work Programme improves labor standards and competitiveness in global supply chains. ASICS has been a partner of Better Work (BW) and Better Factories Cambodia (BFC) since 2014, collaborating on monitoring and raising standards in our supplier factories in Cambodia, Vietnam and Indonesia. In 2019, we collaborated with ILO on several factory-level activities. In addition we shared our knowledge and experience to promote decent work.

For more about Better Factories Cambodia

→ <https://www.ilo.org/tokyo/lang-ja/index.htm>

“ ASICS is a committed partner to Better Work. By encouraging its suppliers to participate in the program, ASICS supports long term solutions built on effective worker-management dialogue, efficient management systems and a commitment to ongoing learning and improvement.”

Tara Rangarajan

Head of Buyer Engagement, Communications and Country Programmes, Better Work Programme

Indonesia Protocol

ASICS has been a signatory of the Freedom of Association (FOA) protocol in Indonesia since 2011. In 2018, ASICS took part in a survey to monitor FOA protocol implementation among our suppliers.

Sustainable Apparel Coalition (SAC)

Along with other Japanese SAC members, we organized a seminar about SAC Higg Index tools including Higg FEM to Japanese brands, manufacturers and material suppliers in November 2019. During the seminar we shared our experience of adopting the Higg tools, and explained how they help to promote collaboration and communication within our industry to solve common industry problems.

Unions

ASICS engages with several unions worldwide. In 2018, ASICS communicated with IndustriALL Global Union, which represents 50 million workers in 140 countries, about our supply chain activities. We also joined several meetings held by Japanese industrial union UA ZENSEN to update a key issue resolution.

The World Federation of the Sporting Goods Industry (WFSGI)

ASICS is a gold member of the WFSGI, the global body for the sporting goods industry. As an active participant to its sustainability committee, we take part in its committee meetings as well as the WFSGI World Manufacturers Forum, where sustainability in manufacturing is a key focus area.

The Global Alliance for Sustainable Supply Chain (ASSC)

ASSC is a NGO that works with businesses, labor unions and civil society to safeguard human rights and workers' rights in supply chains. ASICS became a member of ASSC in 2019. Working with the NGO, we have launched initiatives to address migrant worker issues in Japan and other high-risk countries, including setting up a grievance mechanism through which workers can raise concerns (see page 37).



Supply chain

HEALTH AND WELL-BEING



Health and well-being



▲ ASICS Sports Complex TOKYO BAY.

Sound Mind, Sound Body™

Contributing to people's physical and mental health through sports is the purpose of our business. We make it happen through various innovations on our products and services.

Supporting people's health and fitness

Across Japan, there is growing awareness of the impact of corporate culture on the health and well-being of employees. To catch the new wave, we launched the ASICS Health Care Check service, which offers personalized exercise programs to employees of corporate clients, along with physical and mental health check-ups and a health promotion plan.

For individual clients, we opened the ASICS Sports Complex TOKYO BAY – a unique facility designed to meet the training needs of elite athletes and fitness gurus, as well as everyday fitness fans. The huge 3000 square meter space offers the chance to train in various levels of oxygen density, ranging from the equivalent of 2000m to 4000m in altitude. Facilities include 25m and 50m swimming pools, a fitness studio and a strength-training space in thin air conditions.

The new launches are part of ASICS' drive to evolve its business model, expanding to providing information and services as well as developing sports products.

TENKAN-TEN: accelerating innovation

TENKAN-TEN, Japanese for tipping point is ASICS' global corporate acceleration program supporting growth stage start-ups whose mission aligns with ASICS' philosophy of promoting movement, health and happiness through sport. Since 2018, the program has been supporting five start-ups, all of which have successfully completed the program while reaching their funding and business goals. Two of the start-ups – Curv Labs Inc and PYRATES smart fabrics – have received additional investment from ASICS Ventures as well as developed and executed collaboration projects with ASICS.

In 2019 we launched the second round of the program, led by our EMEA business and innovation hub in Barcelona. Five new start-ups are being supported to scale their businesses through services, mentoring, networking and financial support.

In Japan, a similar initiative called ASICS Accelerator Program was launched. Start-ups were invited to submit proposals for products, services, and contents that could contribute to business opportunities for ASICS in 2020. Following the final pitch, four start-ups were selected. ASICS will work together with them on test marketing, and will aim to offer the products and services through ASICS owned stores, facilities, and events from 2020.



“ Having the opportunity to work hand-in-hand with an inspiring big corporation like ASICS is a dream come true. The Tenkan-Ten Program is amazing, it really takes you to the next level as a start-up in terms of business strategy and growth as well as developing great team management skills. Go for it!”

Regina Polanco
Founder, PYRATES smart fabrics



OUR PEOPLE

Investing in our people

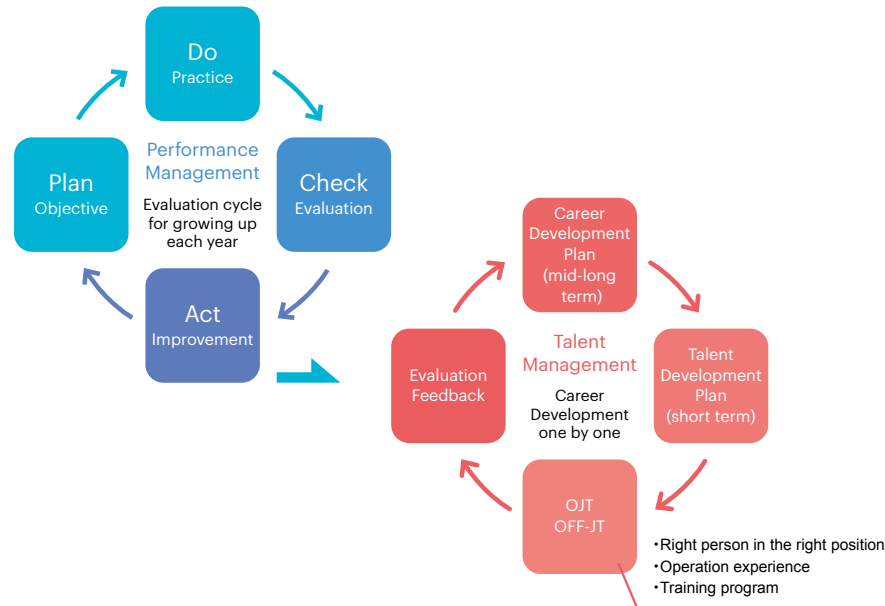
Our people are our most important asset. To support them, we have a range of employee enhancement initiatives in our offices around the world. Just as we help our customers achieve a sound mind in a sound body, we want to do the same for our employees, and our initiatives are designed to support this goal.

Developing the next generation of leaders

At ASICS, we encourage a corporate culture where employees can grow both through the achievement of goals and their contribution to business performance, and through self-development over the medium to long term.

Currently, we are focusing on developing the next generation of our global leaders. Developing leadership at ASICS involves a continuous cycle of identifying talent, career planning and development and reassignment. This is supported by programs such as communication and leadership training, international assignments and selection programs at ASICS Academy.

ASICS Talent Management Process



Measuring employee engagement

In 2019, we conducted our second global engagement survey. Among other factors, the survey measured employee motivation levels, and how attractive ASICS is as a place to work. The results of the survey were grouped by department, giving each department insight into their own engagement levels and how to enhance them. Based on the results of the survey, we are drawing up action plans to develop our organization.

Work Style Reform in Japan

In 2019, the Japanese government passed the Work Style Reform Law, which aims to improve employees' work/life balance. As a responsible employer we are fully committed to promoting flexible working styles tailored to the individual needs of our employees, and we have a range of ongoing initiatives in place to support this. These include planned paid holidays, Premium Fridays (when employees are encouraged to leave work early to spend time out of the office), and Yukatsu, an initiative encouraging employees to make use of summer evening hours.

Through these initiatives, our average annual working hours decreased by 11 hours between 2018 and 2019 to 1,909. According to our 2019 employee engagement survey, employees' work-life balance has improved by 10% compared with 2017. Over the same period, the number of employees who feel that they work independently has increased from 73% to 89%.



OUR PEOPLE CONTINUED

Fostering a diverse working culture

Enhancing diversity in our workplace is a major priority for ASICS. As part of this, we are committed to increasing our proportion of female leaders. This reflects our focus on developing more products and services for women.

We have developed a number of e-learning tools and work style reforms to build awareness of career opportunities and raise aspiration among our female employees. Through these, the ratio of female managers increased from 9.4% in 2018 to 10.6% in 2019.*

In 2019, ASICS received a Japan Women Award from Forbes Japan for our action on improving workplace gender equality. In the category of companies with 300 to 1,000 employees, Forbes ranked ASICS at sixth place as a female-friendly employer.



▲ Workshop as a part of career design program for female employees

Another focus of our action on workplace diversity at ASICS is supporting our SGM (sexual and gender minority) employees. Recent initiatives to promote a more inclusive culture for SGM people included revising the definitions of spouse and marriage in our internal rules and standards, establishing a consultation desk, and rolling out training to raise awareness of SGM issues among employees and managers.

As a result of these efforts, ASICS was awarded a Gold prize at Pride Index 2019 – highlighting ASICS as one of the most acceptable and inclusive employers for SGM employees.



▲ ASICS Women's Collective.

ASICS Women's Collective

Launched in 2017 at ASICS North America, the ASICS Women's Collective (AWC) is a group of individuals dedicated to empowering and developing employees across the organization. The AWC spearheads initiatives for both female and male employees that are focused on three pillars – education, networking and service.

Programming takes place quarterly, and the team strives to host one event per quarter in each of the ANA offices. Events range from group workouts and goal-setting workshops to key speakers and Lean in Circle Lunches. The team also sends out a monthly newsletter to all employees highlighting the various events, shining a spotlight on employees and sharing relevant news articles.

The ASICS Women's Collective also celebrates key days and product launches like International Women's Day and our New Strong Collection launches.

* The 2019 data of ratio of females in manager and senior positions at ASICS Corporation (10.6%) is verified by Deloitte Tohmatsu Sustainability Co., Ltd.



OUR PEOPLE CONTINUED

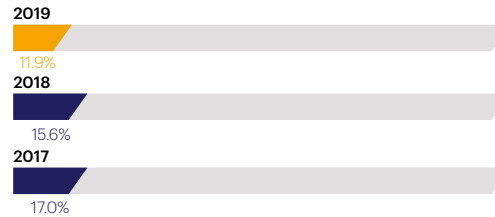
Employee Well-being (Japan)

ASICS is all about promoting healthy lifestyles through sports – and that includes in our own workplace. The ASICS Well-Being program is a series of action plans designed to boost the health and well-being of our employees in Japan. In 2019, the program focused on three areas: mental health, physical health and support to quit smoking.

Events in 2019 included the ASICS Games held in the Kansai region, where 1,000 employees got together to compete in various sports. From January 2019 we also implemented a smoke-free office policy, as a part of our efforts to help employees quit smoking. We've seen a significant drop in smoking rates, from 15.6% in 2018 to 11.9% in 2019.

As a result of these efforts, Japan's Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange included ASICS in the 2020 Health & Productivity Stock Selection. We also received the highest award (the Hyogo-ken Governor's Award) at the second Health Promotion Challenge Company Awards.

Employee smoker proportions



The smoke-free office policy introduced in 2019 together with other support programs resulted in major changes in the smoker rate.



▲ ASICS Games, Kansai region, Japan.

Giving children the benefits of sport through volunteering

Our founding philosophy is based on the belief that sport makes life better – and that's particularly true for children and young people. At ASICS, we bring this philosophy to life through our volunteering programs, which encourage our employees to support community initiatives that give local children the chance to enjoy sports together.

In Japan, our employees visited local child day care facilities and schools across Japan, taking part in sports such as running, soccer, dodgeball, baseball and rugby. Around 300 children and 120 employees took part in total.



▲ Employees playing rugby football together with children.

In the Netherlands, ASICS Europe BV employees volunteered at Olympic Sport Week in Amsterdam for the fifth consecutive year.

Organized by the charity Amsterdam Cares, Olympic Sport Week is a series of fun and educational sports days for more than 1,600 children across the city. Many primary schools in disadvantaged areas of Amsterdam lack the resources to organize sports activities, so the event is a great opportunity for these kids to get involved in sports and exercise at a young age.



▲ 30 ASICS volunteers joined around 500 volunteers from different Dutch companies to support the event.

OUR COMMUNITIES



Communities

Supporting the next generation through sport

ASICS stands for Anima Sana In Corpore Sano, meaning a sound mind in a sound body. The name sums up the values of our founder Kihachiro Onitsuka, who believed that sport could play a vital role in giving new life and hope to young people in post-war Japan. 70 years later, ASICS continues to uphold this philosophy by supporting children and young people from disadvantaged backgrounds through sport.

Customer Fundraising for Right To Play

In 2019, in addition to their own community engagement activities, ASICS EMEA continued to encourage consumers to team up with ASICS for Right To Play. Within ASICS' Full Price Stores, Factory Outlets and E-Commerce sites, consumers were encouraged to make a small donation of €5.00 or equivalent in local currencies. Each donation allows a child to participate in a Right To Play program for 5 weeks. ASICS is grateful for the support of its customers raising €176,093 for Right To Play in 2019.

Right To Play Project Lebanon

2019 was the second year of Project Lebanon, our project supporting Syrian refugee children and their families living in Lebanon. Run in partnership with our international charity partner Right To Play, the project gives refugee kids the chance to have fun and make friends by taking part in sport activities in a safe environment.

In 2019, we expanded Project Lebanon to a third city, Nabatieh, reaching 28 new coaches and 2,230 new children. In September, we held a summer camp where 250 children took part and had a great time with friends with various backgrounds. In 2020, we will further expand the project to bring the benefits of sports to those who need it most.



“ I am so happy today. All my friends are together and I am getting to know a lot of new people as well. We are here with different schools and we are all having lots of fun. Sport is a great way for me to make new friends. We are playing a lot of fun games together.”

Mariam (11 years old),
Project Lebanon participant

€176,093

in donations generated by our consumers

OUR COMMUNITIES CONTINUED

Tag Rugby™ South Africa Adopt-a-School program

Since 2015, ASICS EMEA has been supporting the Tag Rugby Association's Adopt-a-School program to support disadvantaged primary school children in South Africa. Tag Rugby is a non-contact form of rugby where a tackle is made by pulling a ribbon off the belt of the opponent holding the ball. The program is aimed at encouraging children to live an active lifestyle and to keep them away from the dangers of society. ASICS has sponsored South Africa's national Springboks rugby team since 2014. Last year our Adopt-a-School participants were delighted when their heroes became rugby world champions with the South African rugby players occasionally participating in sessions and events.



▲ Children and Springboks players.

Samaranch-ASICS Sunrise Fund

In partnership with the Samaranch Foundation, ASICS China has launched the Samaranch-ASICS Sunrise Fund – a new initiative to develop youth sports programs in China and promote cultural exchange between China and Japan through sports.

Last year the Fund supported the 2019 High School Football Championship. 24 boys and eight girls teams took part in the event. The Fund is planning to support several other youth sports programs in 2020.

“ We are glad to have ASICS to work with us hand in hand, not only on promoting the Samaranch Cup this year and in the future, but also on encouraging more exchange through sports between China and Japan.”

Juan Antonio Samaranch Salisachs,
Vice President of the International Olympic Committee (IOC) and founder of the Samaranch Foundation



▲ High School Football Championship in China funded by Samaranch-ASICS Sunrise Fund.



Independent Practitioner's Assurance Report

To Mr. Yasuhito Hirota, President and COO, Representative Director of ASICS Corporation.

We have undertaken a limited assurance engagement of the following sustainability information for the year ended December 31, 2019 (the "Sustainability Information") included in the "SUSTAINABILITY REPORT 2019" (the "Report") prepared by ASICS Corporation (the "Company"):

- the 2019 amounts in the graph "CO₂ emissions from our locations (tons)" on page 25;
- the 2019 total in the graph "Energy volume by type (GWh)" on page 25;
- the CO₂ tons for "1. Purchased goods and services" in the chart "Scope 3 CO₂ Emissions 2019" on page 27; and
- the 2019 ratio of female managers at the Company stated in the "Fostering a diverse working culture" section on page 42.

The Company's Responsibility

The Company is responsible for the preparation of the Sustainability Information in accordance with the calculation and reporting standard adopted by the Company (as explained in the notes to the Sustainability Information on pages 25, 27 and 42 in the Report). Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Performing interviews of responsible persons and inspecting documentary evidence to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

Deloitte Tohmatsu Sustainability Co., Ltd.

Deloitte Tohmatsu Sustainability Co., Ltd.

Tokyo, Japan

June 26, 2020