

Sustainability Report 2022



sound mind, sound body

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Message from the CEO



I am pleased to share with you ASICS' progress and achievements in 2022, as we continued to strive towards making a positive impact on people and the planet.

As the world emerged from pandemic restrictions in 2022, we at ASICS recognized our unique position as a major sporting company to help people get moving with products and services that support their happiness. We also conducted ongoing research to better understand the science behind our founding philosophy – Anima Sana In Corpore Sano; Sound Mind, Sound Body – the link between mental well-being and physical movement. We incorporated the results into our consumer and community activities to promote overall well-being.

At ASICS, we are committed to sustainability, and we recognize the impact we have on people and the environment. In 2022 we launched the world's lowest emissions shoe*, the GEL-LYTE III CM 1.95, as part of our efforts to provide high-quality products while minimizing our environmental impact.

We also launched the ASICS Human Rights Policy, which sets out our expectations and provides guidance for our suppliers, to ensure that we take responsibility for our impacts throughout our value chain.

As we work towards achieving our targets set out in ASICS VISION2030, sustainability is a key theme. In the second year of our three-year mid-term plan, we are making good progress on meeting our targets, and our Integrated Report provides more detailed information on our strategy, targets, and progress.

Sustainability is something we will achieve together. We warmly invite you to explore this report and we value your feedback and questions. Let's work together to create positive impact towards a more sustainable future.

Yasuhito Hirota
President, CEO and COO
Representative Director

**Based on available industry data for life cycle CO₂e emissions as of September 2022*

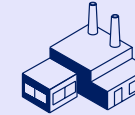


2022 at a glance

As one of the world's top sports performance and lifestyle brands, ASICS aims to help people live happily and healthily. We do this by connecting with a variety of stakeholders: consumers through retail and projects, the wider public through event sponsorship, and our supply chain business partners through our activities around the world. ASICS is listed on the Tokyo Stock Exchange and operates 52 businesses globally.



8,886
employees



99%
Tier 1 supplier factories meet ASICS C-Level or above and including BetterWork Program



38.3%
women in management positions



22.0%
CO₂ emissions reduced from our direct operations



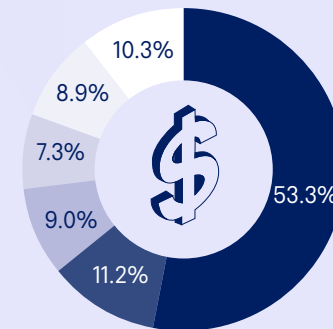
>30%
recycled polyester used in total polyester consumption



US\$820,444
for the community in contributions and donations



Net sales 484.6 billion yen
Net income: 19.8 billion yen



Net sales Per category

- Performance running
- Core performance sports
- Sportstyle
- Apparel and Equipment
- Onitsuka Tiger
- Others

Sustainability at ASICS

'Sustainable' is a strategic pillar in our VISION2030, and it feeds into everything we do at ASICS. Under this pillar, we set out targets for our environmental and social impacts, covering the products and services we offer our customers, the relationships we build in our supply chain, and the environment we offer employees. The activities we undertake to meet these targets follow ASICS' philosophy – Sound Mind, Sound Body – with the ultimate aim of improving people's well-being.



Our Sustainability Framework

We drive our sustainability efforts through a framework that sets out our targets, actions, and partnerships. The framework is structured under two pillars: 'People' includes our work on mental and physical well-being and human rights in the supply chain, and 'Planet' focuses on climate action and circularity.

The ASICS Sustainability Framework is based on our materiality analysis, which you can explore on page 10. We align our key material topics, which range from climate action to corporate governance, with the UN Sustainable Development Goals (SDGs) to ensure we are contributing to global sustainable development.

[Explore the ASICS Sustainability Framework →](#)

We manage our sustainability performance using Environmental Management Systems. Key ASICS locations are accredited to the ISO14001 international standard.

ASICS sustainability framework

Since 1949, our purpose has been to help people achieve a sound mind in a sound body. To do this, we need a sound earth to run on. Today, we're committed to make a positive impact on people and our earth for the next generation.



Sustainability Throughout the Value Chain

We recognize that our impacts reach throughout the value chain, and our efforts reflect this. Our sustainability actions apply to all our products and services, from design to use, and we work closely with our supply chain partners to maximize sustainability.

[Read more about our sustainable products and operations →](#)

Our sustainability actions throughout the value chain

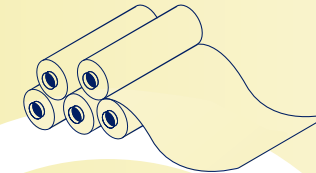
Raw Materials

Using more sustainable materials, with a focus on key materials and large volume: recycled or bio-based polyester and foams.



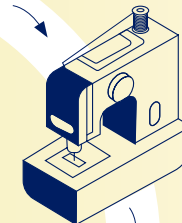
Manufacturing Materials

Meeting our quality and safety standards; reducing resource consumption and greenhouse gas emissions in the dyeing process; building transparent, fair and ethical partnerships; empowering people.



Manufacturing Product

Engaging with our suppliers to reduce environmental impacts; encouraging suppliers to actively seek renewable energy alternatives; building transparent, fair and ethical partnerships; empowering people.



Product

End of Use

Supporting a circular economy through partnerships and take-back programs.



recycled materials

Product Use

Supporting consumers to improve their mental and physical health; providing durable products; helping consumers reduce their environmental impact through care label advice; offering repair services for some products in Japan.



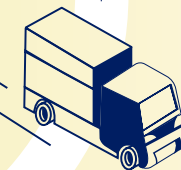
Sales and Retail

Using energy efficiently in our stores and maximizing the reuse of store fittings; switching to more sustainable packaging.



Logistics and Distribution

Working with our logistics providers to make transport efficient, including reducing the environmental impact of our packaging.



Driving Sustainability with Policies and Guidelines

We are committed to sustainability and fair labor practices, and we choose partners – from raw materials suppliers to customers – who share that commitment. Our sustainability policies establish the standards we expect from our colleagues and partners, and the guidelines and manuals put them into practice.

Discover our policies		
ASICS	Our Suppliers & Other Business Partners	Our Materials & Products
<u>CSR policy</u>	<u>Policy of Engagement</u> This Supplier Code of Conduct sets out requirements for human rights, labor standards, occupational health and safety, and environmental practices.	<u>ASICS Materials Guidelines</u>
<u>Global Code of Conduct</u> Sets out basic standards we expect our colleagues to meet in everything they do.		<u>Restricted substance policy</u>
<u>Global Policy on Anti-Bribery and Anti-Corruption</u> Establishes our zero-tolerance approach to bribery and corruption.	<u>Guideline for Factory CSR & Compliance Management</u>	<u>Policy on animal-derived materials</u>
		<u>Conflict mineral policy</u>
<u>Policy on Anti-Trust and Competition</u> Shares our opinions about and approach to competition and anti-trust laws.	<u>Product Sourcing and Assessment Cycle Guideline</u>	<u>Recycled material policy</u>
		<u>Cotton policy</u>
<u>Policy on Environment</u> Our approach to managing environmental impacts in our own operations and our value chain.	<u>Guideline for Management of Production Downsizing and Facility Phase-out</u>	<u>Sustainable Packaging Policy</u>
<u>Global Policy on Protected Disclosure</u> Our whistleblowing policy outlines the systems and protections in place.		
<u>Human Rights Policy</u>		

Steering Sustainability: Our Governance

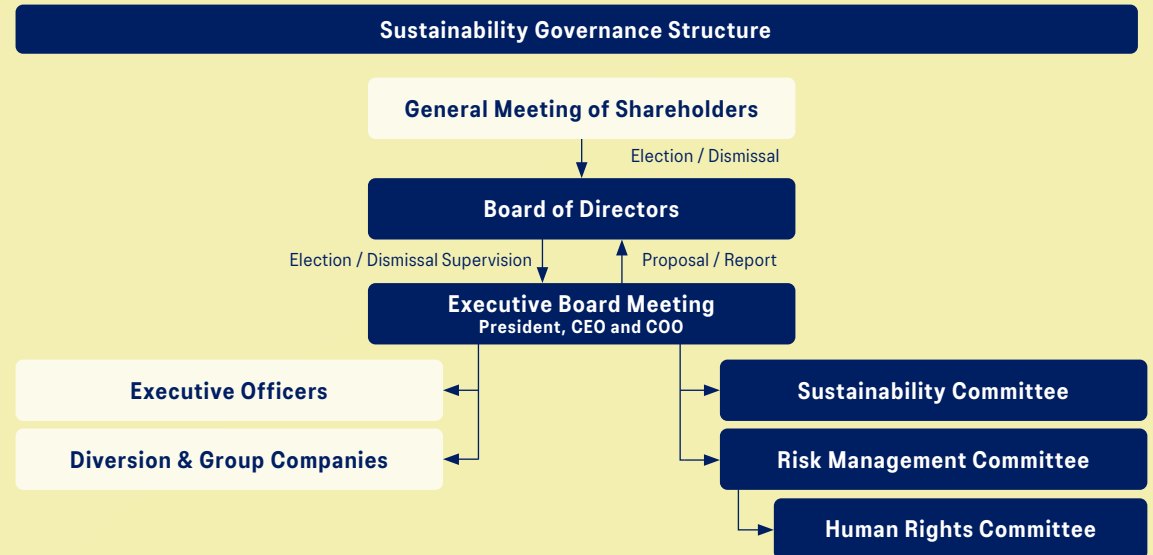
At ASICS, sustainability is an integral part of the business strategy, and this is reflected in our corporate governance.

- **Board of Directors** oversees the ASICS sustainability strategy and ensures sustainability is integrated and prioritized in our corporate objectives.
- **Sustainability Committee** chaired by ASICS President, CEO and COO; reports to the Board of Directors. Responsible for reviewing strategy and action plan and reporting on progress against targets.
- **Risk Management Committee** chaired by ASICS President, CEO and COO; reports to the Board of Directors. Responsible for reviewing priority risks and action plan and reporting on progress against it.
- **Human Rights Committee** formed in November 2022; operates under the Risk Management Committee.

Our governance bodies are responsible for dealing with violations of ASICS policies and reports of critical concerns. We encourage our colleagues and business partners to report violations using our confidential, anonymous whistleblowing service, so we can carry out corrective measures promptly.

The process, which is outlined in our Global Whistleblowing System under the Global Policy on Protected Disclosure, maps out the procedure by which we will work to remedy any human rights impacts we cause. This includes establishing a process for remediation and providing anonymous reporting to employees, subsidiaries, suppliers, and partners. Ultimately, the system leads to critical concerns being reported to the Audit & Supervisory Committee.

[Read the ASICS Human Rights Policy](#) →
[Global Policy on Protected Disclosure \(Whistleblowing\)](#) →
[Read more about governance at ASICS](#) →



Materiality and stakeholder engagement

At ASICS, we identify and assess our material topics – topics that are most relevant to our stakeholders and our business – through a corporate-wide ASICS Group materiality program. In 2022, we undertook a materiality assessment, taking three approaches to determine ASICS’ material topics.

Our updated materiality matrix shows the results of our materiality assessment.

Most of the topics remained unchanged compared to the results of the materiality refresh we conducted in 2021 and the assessment we completed in 2020. However, one topic became much more important: Supply Chain Transparency. As a result, we now have six higher priority topics:

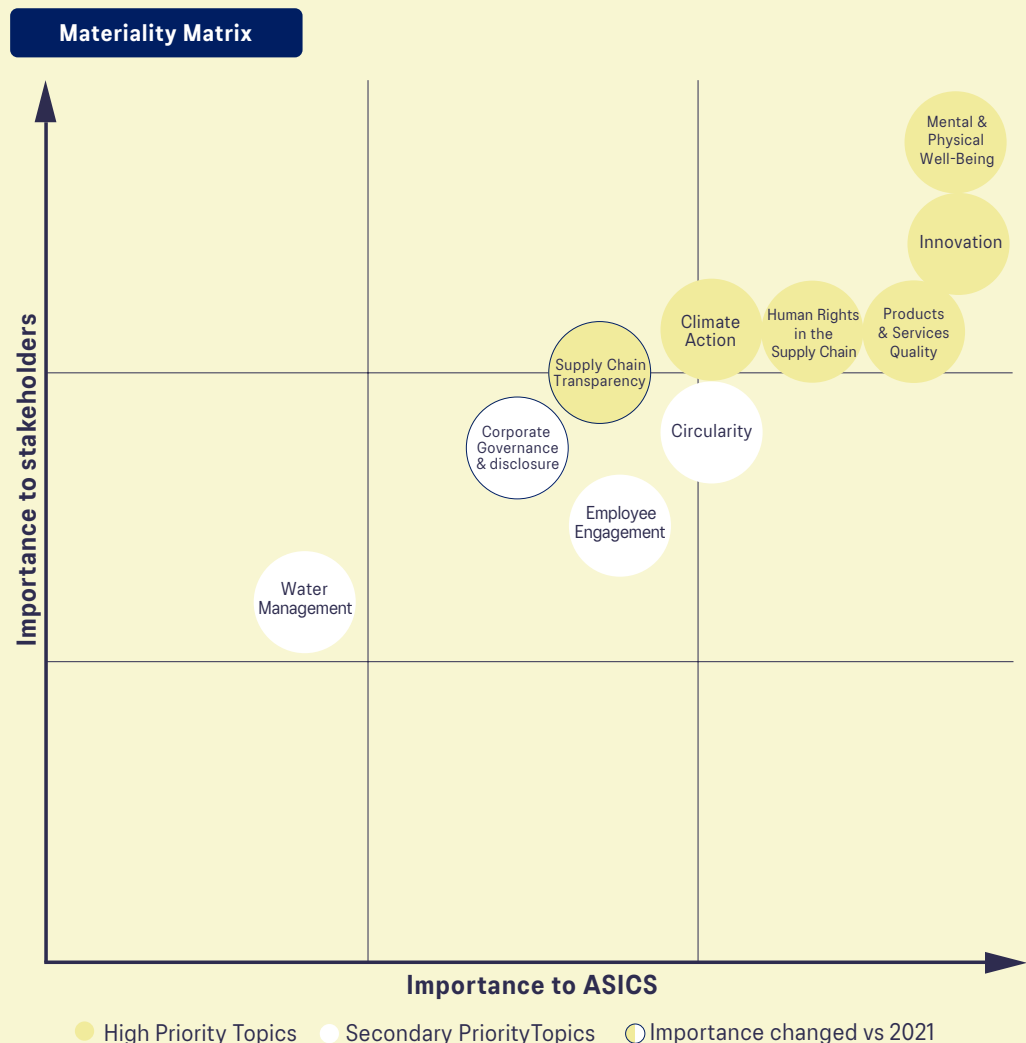
- Mental and physical well-being
- Innovation
- Products and services quality
- Human rights in the supply chain
- Climate action
- Supply chain transparency

Once we have our material topics, we want to ensure we have a process for preventing, mitigating, and accounting for our negative impacts, as well as adding value to people’s mental and physical well-being through our business.

Planet: We identify, review, and assess our actual and potential impacts on the environment using the ISO14001 environmental management system. Based on the quantified environmental impacts, the Sustainability Committee and Risk Management Committee put together our strategy, targets, and action plan.

People: The Human Rights Committee identifies, reviews, and assesses our actual and potential impacts on people, and considers how we prevent, mitigate, and account for them. For three areas – employees, supply chain, and customers – we examined how to identify the human rights issues that each risk owner should address, and for which they should develop and evaluate the effectiveness of risk mitigation measures.

Stakeholder changes (external)	Context changes (external)	Strategy changes (internal)
We looked at changes in how our stakeholders and industry consider material topics. We also examined the changing expectations, as learned through our engagement with stakeholders, including investors, NGOs, customers, and industry organizations.	We explored how the external environment had changed, including by looking at international trends, conferences such as COP, regulations, and external evaluations.	We clarified which material topics are important for ASICS as our strategy moves into the future. We identified which material topics to focus on, subject to changes in the external environment.



Value Chain Analysis

As part of our materiality program, we undertake a value chain analysis, to identify where in the value chain our material issues make an impact. Some of these impacts are the direct result of ASICS' operations, while others occur at other points in the supply chain. These indirect impacts are increasingly important to our stakeholders, as shown by the addition of supply chain transparency as a high-priority material topic.

The visual on the next page shows where material issues occur in our value chain. The darker yellow bars show the high-priority material topics we identified through the materiality analysis.

Material Topics

These are ASICS' material topics and the relevant GRI indicators and other KPIs we use to track our progress against targets.

High priority

Mental and physical well-being: ASICS' purpose is to help people achieve a sound mind in a sound body. This remains the most relevant topic to our stakeholders and our business.

→ Local communities

Innovation: To enable a healthy and fulfilled mind and body, we need to pursue innovation for products, services and business models in line with our strategic pillars – personal, digital, and sustainable.

→ Materials

Products and Services quality: In order to meet our stakeholders' expectations, we need to keep enhancing the performance of our products and services while ensuring their safety.

→ Consumer health and safety

→ Marketing and labelling

Climate action: Climate change is one of the most critical issues for our sustainable business and for future generations to keep achieving a sound mind in a sound body.

→ Energy

→ Emissions

Supply chain transparency: As we strive to reduce our impacts on the planet and people, it is vital to increase the transparency of the supply chain, including by promoting supplier traceability.

→ Materials

→ Human rights assessment

→ Supplier social assessment

→ Supplier environmental assessment

Human rights in the supply chain: Upholding fair business practices and improving labor conditions across our supply chain are responsibilities we take seriously.

→ Child labor

→ Forced or compulsory labor

→ Human rights assessment

→ Supplier social assessment

→ Freedom of association and collective bargaining

Secondary priority

Circularity: Circular manufacturing and a circular business model; using less and cleaner materials, making more durable products, and recycling materials and products.

→ Materials

→ Waste

→ Supplier environmental assessment

Employee engagement: We need a diverse team to drive innovations, and realize high performance by strong and fully engaged employees.

→ Employment

→ Diversity and equal opportunity

→ Labor/management relation

→ Training and education

→ Nondiscrimination

Water management: Our industry uses a significant amount of fresh water globally in its supply chain, and it is important to understand water risks and improve water sustainability.

→ Water and effluents

Corporate governance and disclosure:

Enhancing our corporate value, gaining the trust of all stakeholders, and achieving highly transparent management and disclosure.

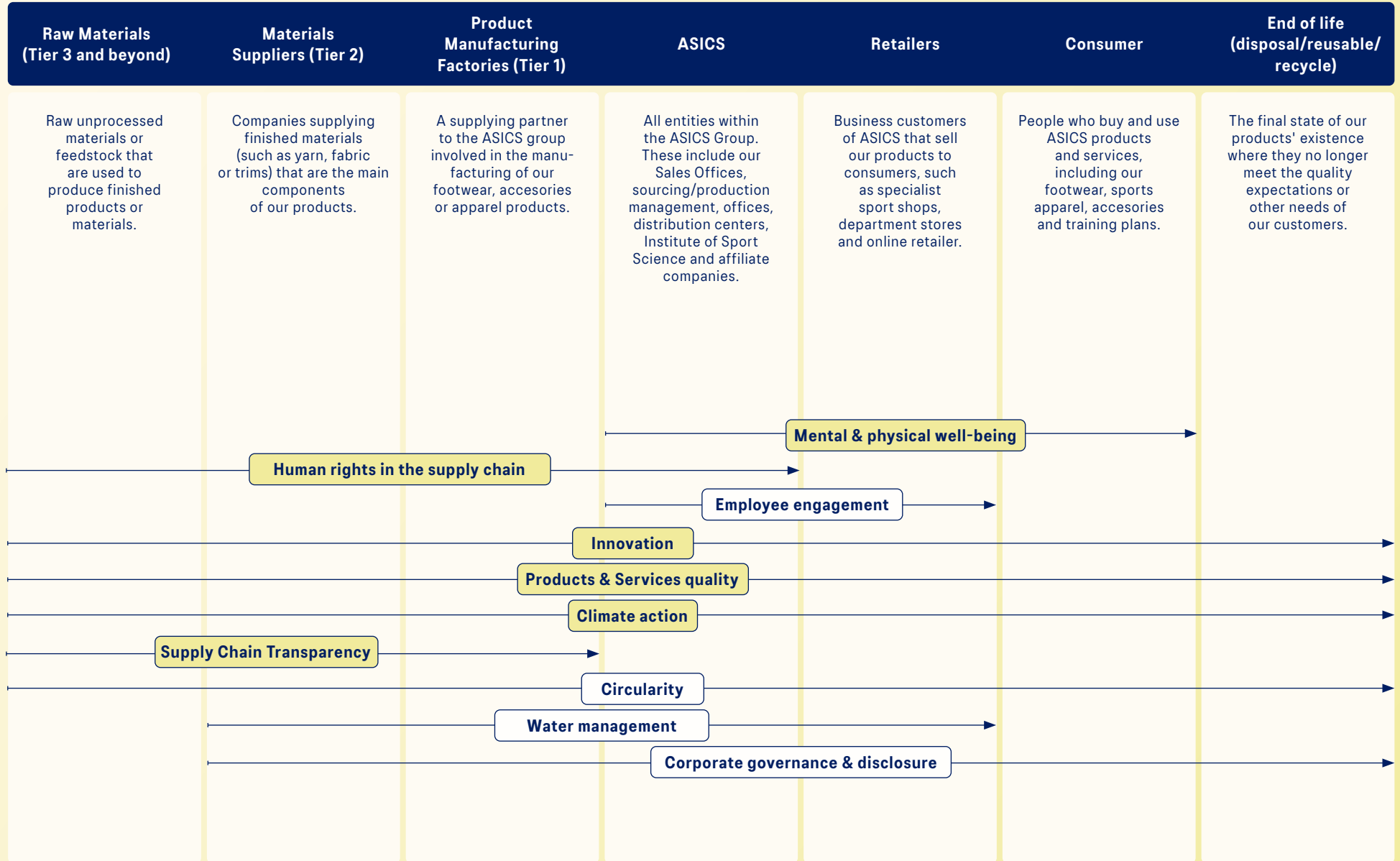
→ Environmental compliance

→ Socioeconomic compliance

→ Consumer privacy

→ Economic performance

Material topics in our value chain



- High Priority Topics
- Secondary Priority Topics

Supporting the Task Force on Climate-Related Financial Disclosures

In June 2019, ASICS became the world's first sporting goods manufacturer to support the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD). ASICS discloses information on business risks and opportunities related to climate change based on the TCFD recommendations.

Governance

The Board of Directors oversees both climate-related risks and opportunities in our sustainability governance model. The Risk Management Committee manages climate-related risks, including assessment and monitoring of the climate-related risks, and the Sustainability Committee manages climate-related opportunities, including assessment and monitoring of the progress of our science-based emissions reduction targets. The President, CEO and COO is a member of the Board of Directors and the chair of both committees, and both committees report to the Board of Directors. The members of both committees are the Executive Officers and the Senior General Managers. The Sustainability Committee is responsible for reviewing our corporate-wide sustainability strategy, targets, roadmap, action plans and progress, as well as reviewing materiality assessments and integrating sustainability into our business strategy. The Sustainability Division is responsible for setting and managing the medium- to long-term sustainability strategy based on our materiality assessment, which includes "climate action" as one of the high priority topics. Other Committee members are responsible for participating in the discussions, providing information and opinions, and reporting the progress towards science-based targets and the roadmap and action plans. The Deputy Director in charge of Sustainability Division and Senior General Manager of the Sustainability Division also report directly to the President, CEO and COO.

The annual performance against the targets linked to "climate action" in each division is a component of determining the compensation of the relevant Executive Officers and the Senior General Managers. You can read more about governance on page 9.

Strategy

In 2022, we undertook a materiality analysis (see details on page 10), which we applied across the business. We identified transition risks, such as price fluctuation of raw materials and product labeling regulations, and physical risks, such as decreased sports opportunity due to rising mean temperature, and suspension of factory operation due to severe natural disasters. Opportunities we identified include the development of new products and services through R&D and innovation, and the increase in consumer preference. When analyzing the risks and opportunities, we used 2050 and 2030 as the time horizon, to align with our net-zero commitment timeframe.

Considering the time horizon of 2030 and 2050 and the impact of climate change at that time, we decided to start referring to the IEA scientific scenarios, which are more related to transition risk. This includes the expectation that similar temperature changes would occur in the 1.5°C, 2°C and 4°C scenarios as of 2030, with a larger impact due to physical risk in the years toward 2050. We referred to the IEA WEO 2021 Scenario for a 1.5°C, 2°C and 4°C increase to investigate the resilience of our corporate strategy. We implemented the scenario analysis with relevant departments, such as the Corporate Strategy, Finance, Sourcing, and Sustainability Departments, and concluded that the biggest risk would be a price fluctuation of raw materials risk if we were unable to work closely with our suppliers to adapt to it while aiming together toward the net-zero future.

The results of the scenario analysis were shared with management, including the President, CEO and COO, and the Executive Officers, and subsequently integrated into our business strategy. We will continue to proactively commit to bold and ambitious goals, and to accurately and regularly communicate our environmental actions related to climate-related risks and opportunities, to meet the expectations of our stakeholders. You can read more about our targets on page 36.

Risk Management

The Risk Management Committee has the authority to operate ASICS group's risk management by identifying the risks and allocating the management resources to mitigate the risks. The Risk Management Committee reports to the Board of Directors. The Division Risk Owners are appointed, in

principle, from the Senior General Managers in each division and/or General Managers, and they lead the mitigation of the risks and report the progress of the mitigating actions. The Risk Management Team carries out activities to maintain our Risk Management operations and monitor their effectiveness and relevance. The Risk Management Team co-work with the Internal Audit Department.

ASICS group's risk management system implements the identification, analysis, evaluation, mitigation, monitoring and reporting of the risks, and climate-related risks are integrated into this regular risk management process. Aligning with our business strategy, our Risk Management Team gathers risk information from each division regularly so that we can take existing and emerging regulatory requirements into account. The Risk Management Committee decides the priority risks based on the business impact and assigns Division Risk Owners for each risk. The mitigation plan for each risk is led by the Division Risk Owners. The Risk Management Team advises them and monitors its progress. With regard to climate-related risks, we identified supply chain BCP risk.

Metrics and Targets

We committed to reducing our absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 63% across ASICS' direct operations by 2030, aligned with a 1.5°C pathway. We also committed to reducing absolute Scope 3 GHG emissions from purchased goods and services and end-of-life treatment of sold products by 63% by 2030 (2015 baseline). Our overarching aim is to achieve net-zero emissions by 2050. Our targets have been officially approved by the Science Based Targets initiative (SBTi). We have GHG emissions data for each scope in this report to disclose our progress. You can read more about our emissions reduction on page 44.

Based on the TCFD recommendations, we will continue to evaluate the climate-related risks and opportunities for our businesses and disclose relevant information from the four perspectives of Governance, Strategy, Risk Management, and Metrics and Targets.

Supporting people for a Sound Mind in a Sound Body

A man and a woman are running on a dirt path through a field of tall grass. The man is on the left, wearing an orange ASICS t-shirt and dark shorts. The woman is on the right, wearing an orange ASICS tank top and blue leggings. The background is a bright, hazy landscape with rolling hills under a clear sky. The overall tone is warm and energetic.

THIS YEAR'S MOST ICONIC CASE

Researching mental and physical well-being

Approx. 15 minutes and 9 seconds of physical activity can trigger a mental uplift. Through the ASICS experiment on physical inactivity and the ASICS STATE OF MIND INDEX, we gathered valuable information on what makes us well, in support of our Sound Mind, Sound Body philosophy.

[Read more on page 19 →](#)



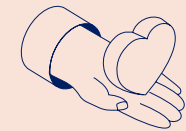


Key achievements in 2022



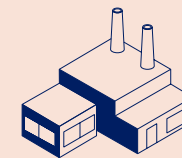
Women in leadership

38.3% of the women in management positions at ASICS.



Supporting communities around the world

US\$820,444 in contributions and donations.



Sustainable value chain

Over 99% of Tier 1 supplier factories rated C-Level or above on ASICS' supplier rating scale.

All Tier 1 strategic partner factories met ASICS B-Level or above.



Motivating people to move

More than 22,000 people participated in the ASICS World Ekiden.

Sound Mind, Sound Body is our philosophy

People are at the heart of our work at ASICS: we support the physical and mental well-being of our consumers, communities, and employees.

In 2022, we continued to work according to our philosophy of Sound Mind, Sound Body, and our approach remains successful. We support our customers on their journey to a healthy mind and body through our products and services. We give back to the communities in which we operate. We prioritize the health and well-being of our employees through training and health and well-being programs. And we value our partnerships with suppliers, which we build on the foundation of our sustainability codes, policies, and guidelines.



[Uplift your mind on page 19 →](#)

Researching mental and physical well-being

Our philosophy – Sound Mind, Sound Body – became even clearer in 2022 with research projects showing the link between mental and physical well-being.



[Meet our partners on page 23 →](#)

Strengthening the value chain

We work closely with our suppliers to create a more transparent, sustainable value chain based on our codes and policies.



[Find out how we move together on page 21 →](#)

Supporting communities through sports

In 2022, we continued our support of Right To Play, helping children in countries in East Africa. We also worked with our customers to raise awareness and boost this support.



[Take pride in our people on page 28 →](#)

Uplifting ASICS colleagues

ASICS is our people. We support our ASICS colleagues and their mental and physical well-being through training, seminars, policies, and surveys.

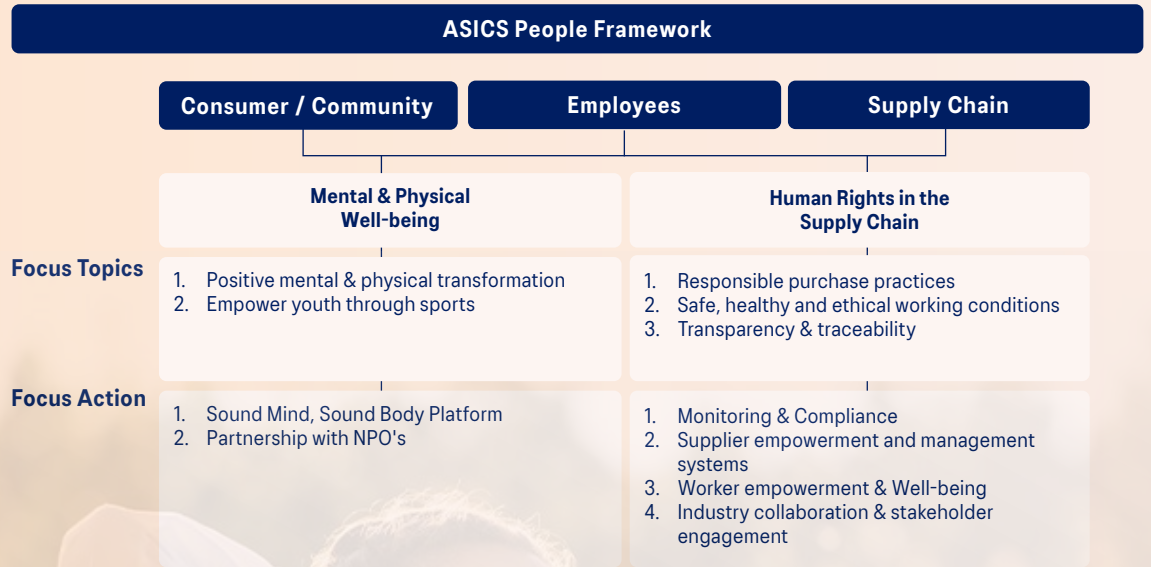


Consumers and communities

Supporting people's well-being through research, sports, and donations

Our activities with consumers and communities are designed to encourage healthier lifestyles and promote the well-being of people around the world.

We continue to set and work towards targets for each of our initiatives that benefit our consumers and communities by making a positive impact on their mental and physical well-being. In 2023, we aim to engage consumers even more by strengthening the integration of our community activities with our business.



Understanding people's State of Mind

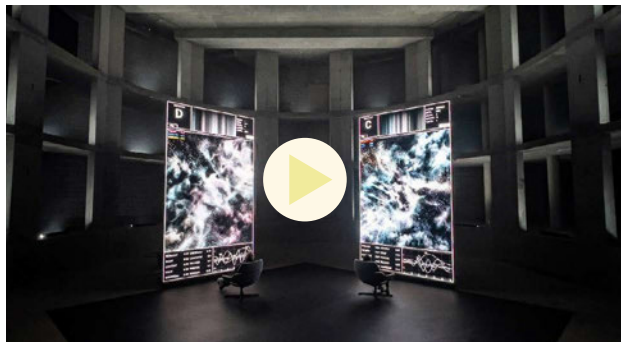
The ASICS State of Mind Index and the Mind Race – research ASICS conducted with Dr. Brendon Stubbs at King's College London – revealed a strong link between mental well-being and physical activity.

The State of Mind Index looked at the relationship between people's state of mind and exercise. Edelman Data & Insights carried out the study with 37,000 people in 16 countries. To find out more about ASICS' State of Mind study and find the full results [here](#).

Mind Race: exploring the impact of inactivity

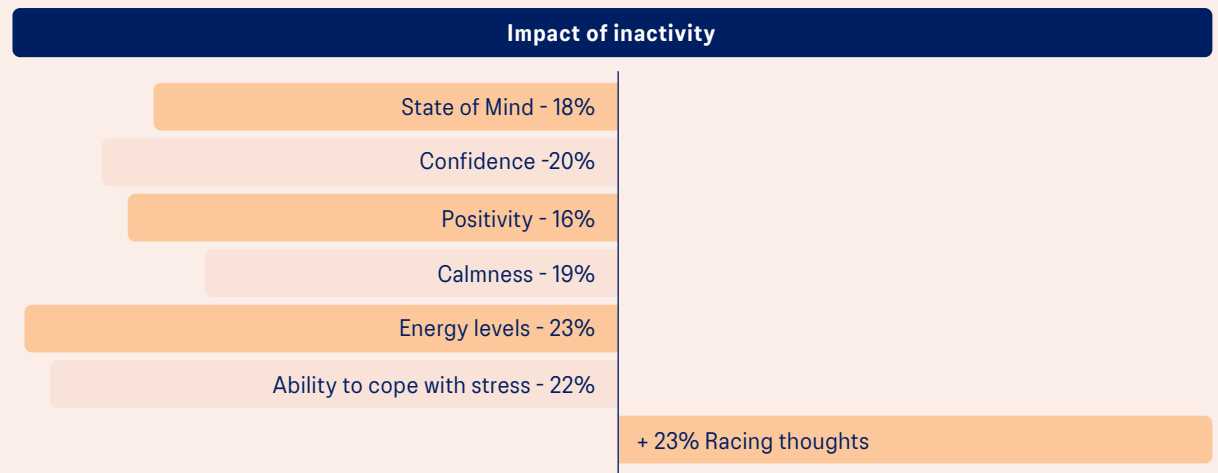
In the ASICS Mind Race Study 2022, when participants paused their regular exercise routines for one week, their State of Mind scores dropped by an average of 18%. However, the results also revealed that just 15 minutes and 9 seconds of exercise can trigger a mental uplift.

[Watch the video ASICS MINDRACE here](#) →



15:09 Uplift Challenge

Inspired by the findings of these studies, we launched the 15:09 Uplift Challenge in the UK to encourage people to experience the uplift that movement can bring first-hand. The Challenge ran from 1-30 June 2022. We invited the public to join the 15:09 Uplift Challenge and post about their activity on social media, and for every post tagged with #ASICS1509, we contributed £5 to the mental health charity Mind. In total, we raised £75,000.



Ekiden: Sharing the joy of movement

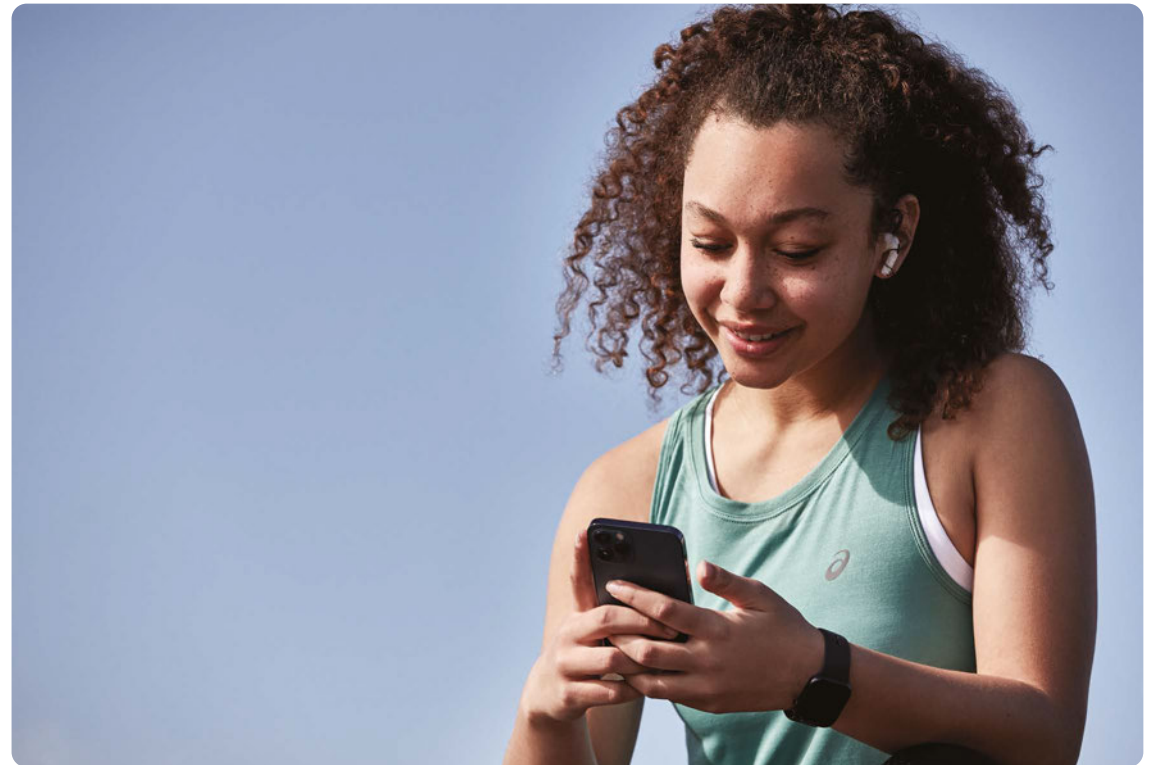
By taking part in our annual virtual ekiden-style relay marathon, anyone from anywhere in the world can share the joy of reaching a common goal together. Now in its third consecutive year, ASICS World Ekiden 2022 was held from 10-22 November 2022. The relay divided the marathon distance (42.195km) into six sections (3x5km, 2x10km, 1x7.195km), and up to six people could register per team.

In 2022, 22,257 people signed up for the ASICS World Ekiden. So far the virtual race attracted 118,844 participants in 32,919 teams, running for more than 70,000 hours to cover a distance of 578,823 km – equivalent to more than 14 laps around the earth.

Making running more inclusive

During ASICS World Ekiden 2022, we teamed up with Google to provide more inclusive running events that everyone can run. With technology from Google's research and development program 'Project Guideline', blind and visually impaired runners completed the event without guide runners. The technology used machine learning to guide the runners along a route marked with a painted line, providing directions via headphones.

[Read more in the press release \(in Japanese\) →](#)



Above: Promotional image of the ASICS World Ekiden 2022

Below: Blind and visually impaired runners completed ASICS World Ekiden 2022 without guide runners

Right To Play: Empowering young people through sports

We support the mental and physical well-being of young people in several countries in East Africa through Right To Play.

The international charity NPO Right To Play is a leader in using the power of sport and play to help the world's most marginalized children to become more emotionally resilient. Since 2021, ASICS contributions helped train more than 1,700 teachers and coaches, reaching over 170,000 people, including young people, their parents, and members of the wider community.

[Watch the RTP Africa video here](#) →

While our approach continued to be successful, we wanted to make a bigger impact by engaging our customers, raising awareness, and encouraging them to donate too. Three initiatives helped us meet our 2023 target to engage consumers through stronger integration of our community activities with our business, while generating more support for Right To Play.

- **A family Runkeeper challenge** – From 5-31 December 2022, families registered for the challenge and started running together. There were 14,286 applications to participate from people in Japan, Australia and the United States. ASICS made a donation in connection to the initiative.
- **The Dam tot Damloop race** – Participants of the largest business running event in the Netherlands, the Dam tot Damloop, could donate to Right To Play when buying tickets. They could also register their name and bib number, then post a finisher photo on social media; for every photo we donated €10 to Right To Play, raising €10,000. A Right To Play team of 150 runners raised another €25,681.94.
- **Our E-Commerce site** – In 2022, a new E-Commerce function to donate during checkout was introduced for consumers in the United Kingdom, the Netherlands, the USA, and Japan. Donations at checkout at our Dutch and UK E-Commerce sites went to Right To Play, and in the USA donations supported the US National Alliance on Mental Illness (NAMI).



Clockwise: We reached over 170,000 people through sports by partnering with the Right To Play program since 2021.

ASICS and Right To Play ambassador and Olympic running athlete Anouk Vetter gave the starting shot of the Dam tot Damloop and received the cheque. Copyright: Robert Sanders

Over 35,000 children in East Africa are benefiting from our supported programs of Right to Play.



At a glance: Community

2022 RESULTS

→ In 2022, ASICS invested over US\$820K (\$820,444) in community contributions and donations in kind. All consumer donations in 2022 totalled US\$115,754.

2023 PLAN

→ We will continue our collaboration with Right To Play and other NPOs in each region. We will engage consumers through the stronger integration of our community activities with our business.

2023 TARGET

→ Continue our collaboration with Right To Play and other NPOs in each region and increase engagement with consumers to support our programs.

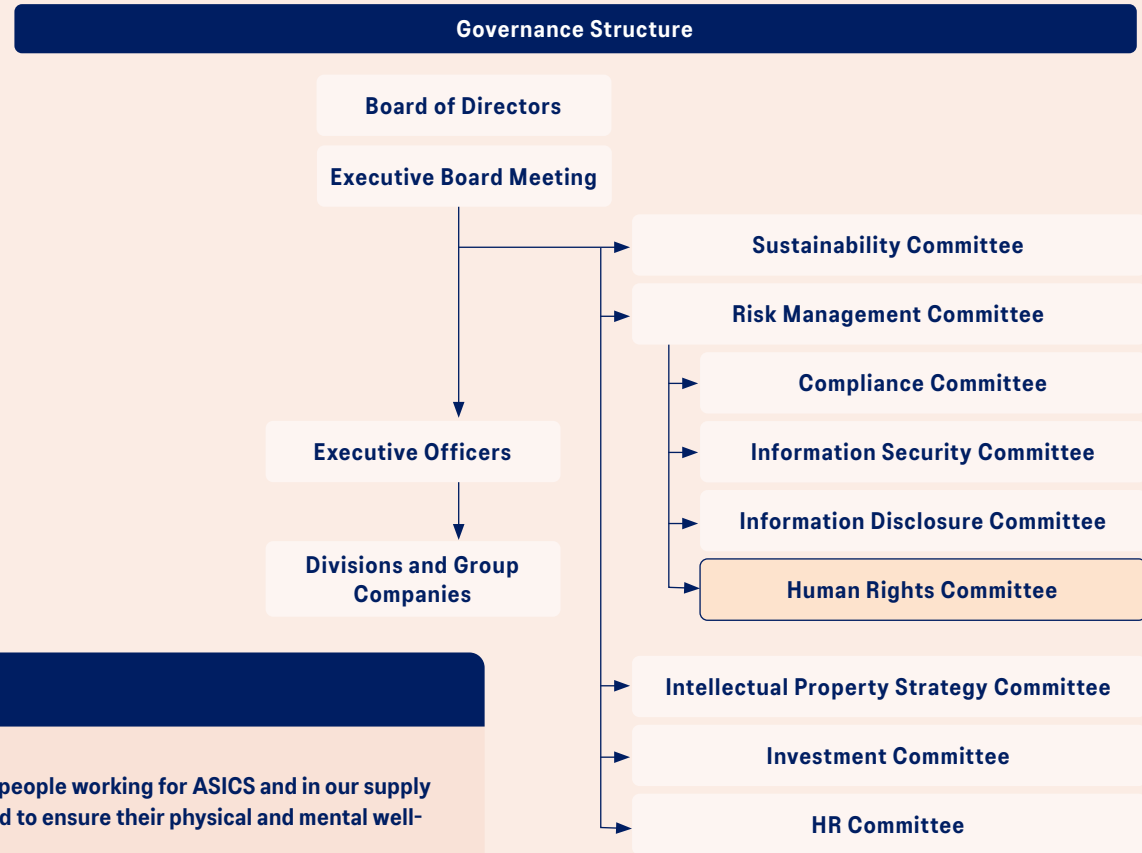


Supporting sustainability in the supply chain

Sustainability issues in the supply chain are important to our business. In 2022, we made progress in two areas in particular: human rights and responsible purchasing practices.

We engage with our supplier network – more than 150 supplier factories in more than 20 countries – regularly. We take a proactive approach to detecting supply chain issues in advance and resolving them quickly, and our commitment is underpinned by our supplier and CSR-related policies, such as the ASICS Supplier Code of Conduct.

With a commitment to ensuring everyone in our supply chain has safe and ethical working conditions, our suppliers must meet standards related to forced and child labor, responsible recruitment, and fair wages.



Respecting human rights in the supply chain

It is our corporate responsibility to respect the fundamental human rights of people working for ASICS and in our supply chain, as well as people in countries and regions affected by our business, and to ensure their physical and mental well-being and safety.

In 2022, ASICS developed a Human Rights Policy and established a Human Rights Committee, to promote responsible sourcing and strengthen our commitment to human rights in our value chain.

The Human Rights Committee is a governance structure for ASICS' efforts to respect human rights based on the Human Rights Policy. The Committee reports to the Risk Management Committee, the Executive Committee, and the Board of Directors.

The Human Rights Committee is responsible for:

- Providing advice and recommendations to ASICS on global human rights issues

- Overseeing the implementation of human rights due diligence
- Evaluating the effectiveness of the implementation of plans related to human rights

The Committee has set three priority areas: healthy workplace and mental and physical health of employees; human rights of workers in the supply chain; and human rights of customers.

In line with our new policy on human rights, we updated our human rights due diligence system to increase its accuracy.

[Read more about our Human Rights Policy →](#)

Ensuring safe and ethical working conditions

In addition to our human rights work, ASICS also has a [Modern Slavery Statement](#), made in accordance with the modern slavery acts of the UK, Australia, and the USA. From 2023, we will also disclose our compliance following the requirements of Norwegian transparency Act.

[Read more about Responsible Purchasing Practice](#) →

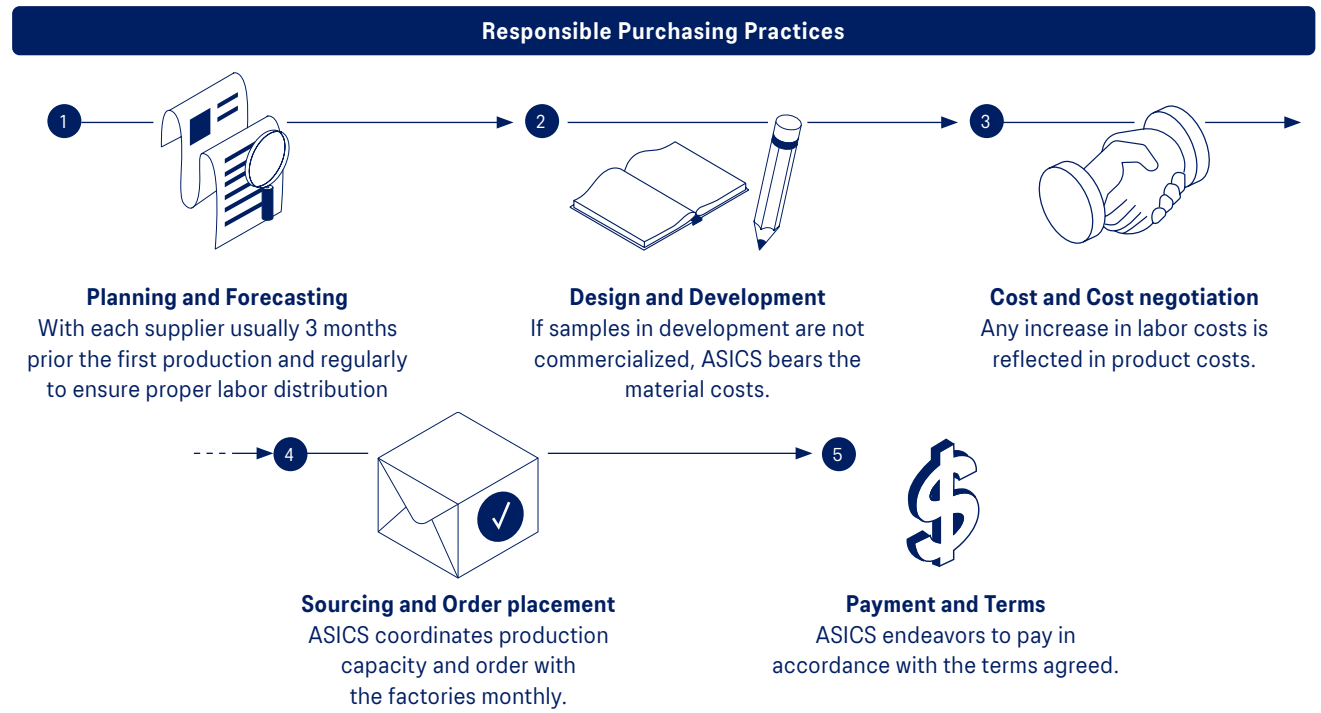
Since 2019, we introduced a grievance mechanism as a way to check for any issues or concerns regarding forced labor, child labor, harassment, wages, working hours, or other concerns in our supply chain. We have introduced the grievance mechanism in target factories in Vietnam, Indonesia, and Japan, mainly in major factories and those with migrant workers.

Responsible Purchasing Practices

As part of human rights due diligence, ASICS recognizes the impact of purchasing practices on workers in the supply chain, and we strive to improve the working environments of our suppliers. The ASICS Product Sourcing Department and Sustainability Department work closely to ensure that responsible purchasing practices are implemented.

ASICS also considers it particularly important to promote responsible purchasing practices in areas like planning and forecasting, design and development, price negotiations, sourcing and ordering, and payment, and we have been working for fair trade with our suppliers. As a result, ASICS has been in stable business partnerships with our major suppliers for an average of at least 15 years.

In 2022, we worked with the ASICS business division to promote our guidance on Responsible Purchasing Practices. The ASICS Sourcing and Sustainability teams are working closely together to ensure we meet the standards we set for the execution of our Responsible Purchasing Practices.



In addition to working with our suppliers, we also engage with external organizations to promote sustainability throughout the supply chain:

→ **Better Work**

ASICS has been a partner of Better Work (BW) and Better Factories Cambodia (BFC) since 2014; we work closely with Better Work in our production countries of Vietnam, Indonesia and Cambodia. In 2022, we continued these activities and had quarterly meetings with the people involved in each country's program. In addition, we held a CSR seminar for our suppliers in Indonesia, in collaboration with Better Work Indonesia. We also communicate and work with Better Work on specific issues, such as our responsible purchasing practices.

→ **United Nations Development Programme (UNDP)**

We endorse a new UNDP project funded by the Government of Japan, which aims to enhance governments' and brands' understanding of human rights violations such as forced labor and discrimination, and meet their responsibilities to prevent them. We are working with the UNDP, and we participated in training UNDP provided for our own capacity building.

→ **JP-MIRAI**

ASICS is a member of JP-MIRAI – a group that helps foreign people work and live in Japan safely and comfortably. To protect the human rights of migrant workers, such as foreign technical trainees in Japan, we learn from and share information with other members, which include factories, brands, and the government of Japan.

Building capacity with suppliers

To build constructive communication and dialogue at our supplier factories in Indonesia and support their sustainable business management, ASICS co-hosted a virtual training with Better Work Indonesia in December 2022.

People in charge of sustainability, compliance, human resources, and general affairs participated, including employers, worker representatives and trade union representatives. In the training, 26 people from 12 factories

learned about the LKS Bipartit and Workplace Cooperation Committee. They also learned the importance of developing a systematic approach to building grievance mechanisms and how to use the grievance mechanism available.

Keeping track of sustainability in the supply chain

To encourage continuous improvement in sustainability management, we regularly conduct audits, host explanatory meetings, offer capacity building programs, and raise awareness of sustainability issues. We also communicate biannually with each of our factories to assess their sustainability status. While these meetings were irregular in 2022 due to the COVID-19 pandemic, we remain committed to staying in close contact with our partners to ensure sustainability remains a top priority.

As an incentive for sustainable practices, we have included sustainability as a key factor in our evaluation of footwear

factories since 2020. We use the results as a reference when determining procurement volume.

We also promote traceability, and we plan to extend cotton-related supplier tracing by expanding the scope of Tier 2 tracing and confirming the origin of our products to Tier 3.

Supplier mapping will support this effort. We have disclosed our factory list since 2017, and we update the list every year to reflect changes in our supply base. The current global factory list contains key Tier 1 suppliers in 23 countries and our main footwear Tier 2 suppliers. We are enhancing the relationships among subsidiaries to increase the accuracy of coverage of the regional factories.

[You can download the data in Excel format from our website →](#)



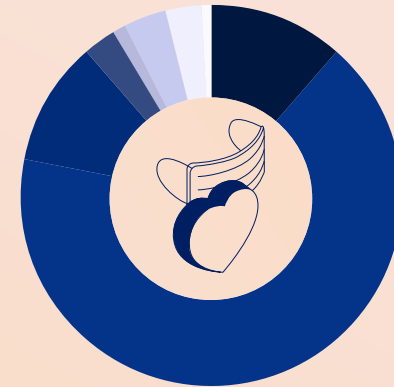
Addressing non-compliance in the supply chain

We conduct regular assessments to identify non-compliance. When non-compliance issues are identified, we categorize them as either major or minor based on their severity and level of risk to workers. We take appropriate action, which may include reviewing future orders, conducting third-party investigations or issuing formal warnings. If the violation is serious or persistent, we may terminate the business relationship.

In the case of minor non-compliance issues, we start with a remediation period of three months, during which we expect suppliers to take corrective measures. We offer support, including training and resources, to help them in this process. As of the end of 2022, 68% of non-compliance was related to health and safety, according to each factory's latest evaluation results.

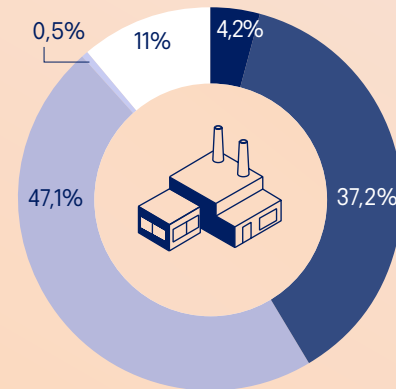
Non-compliance areas

- Benefits
- Health & Safety
- Environment
- Policy
- Forced Labor
- Women's Health & Pregnancy Protection
- Freedom of Association
- Hours of Work
- × Child Labor
- × Wages
- × Discrimination
- × Abuse & Harassment



Tier 1 Supplier ratings 2022

- A RATED
- B RATED
- C RATED
- D RATED
- × E RATED
- The remaining 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 them guidance on how to improve.



Addressing forced labor

In 2022, there was a finding on the labor contracts of temporary workers, related to forced labor. The issue was solved by making the contract right.

Year	Internal ASICS Audit	Commissioned Audits	Partner Audits	Total
2022	7	18	11	36
2021	1	21	12	34
2020	16	19	17	52
2019	31	57	29	116
2018	23	46	24	93
2017	66	31	16	113

At a glance: Sustainability in our supply chain

2022 RESULTS

- Over 99% Tier 1 supplier factories rated C-Level or above on ASICS' supplier rating scale
- All Tier 1 strategic partner factories met ASICS B-Level or above
- We reviewed ASICS' strategic factories; apparel factories are efficiently consolidating.
- All nominated Tier 2 suppliers achieved ASICS C-level rating, meeting the target.

2023 PLAN

- Maintain level of existing strategic partner and review the scope.
- Maintain level of existing nominated Tier 2 suppliers and review the scope.
- Determine which industry audit protocol ASICS should recognize beyond the current list for greater mutual recognition.
- Develop our strategy on traceability and supplier mapping for beyond Tier 1 factories.
- Decide what evaluation methodologies to apply.

2023 TARGETS

- All Tier 1 supplier factories to meet global sustainability standards and ASICS sustainability standards.
- All Tier 1 strategic partner factories to meet ASICS B-Level or above.
- Expand the scope of self-governance.
- All nominated Tier 2 suppliers to meet ASICS C-level or above.



Our people are at the heart of ASICS

With 8,886 people employed around the world, ASICS relies on our colleagues in everything we do. We support their health, well-being and their professional development, resulting in a diverse and welcoming environment with opportunities to learn and grow.

Number of new hires*	Men	Women	Total	Female ratio
New graduate recruitment	13	9	22	40.9%
Career Recruitment	17	9	26	34.6%
Total	30	18	48	37.5%

*data covers headquarters only

Turnover Rate*	Men	Women	Total
Number of people	33	24	57
Rate	4.56%	6.90%	5.32%

*data covers headquarters only

Employment by gender*	Men	Women	Total	Female ratio
Employee	653	314	967	32.5%
Temporary Employee	0	0	0	0%
Total	653	314	967	32.5%

*data covers headquarters only

Promoting employee health literacy worldwide

Well-being begins with an understanding of what it means to be healthy, so we started measuring health literacy among ASICS employees in 2022. This year, 15.6% of employees at ASICS headquarters were highly health literate. We aim to support their health journeys with various programs around the world.

Our focus on well-being is also reflected in the incidence of illness and injury in 2022: at ASICS headquarters, the lost time injury frequency rate was 0% and the employee leave for mental health rate was 0.35%.

Building an inclusive team

At ASICS, we are committed to inclusion across race, ethnicity, gender, age, religion, disability, sexual orientation, and gender identity.

The ASICS Global Diversity and Inclusion Steering Committee, which brings together senior managers from headquarters and regions, is responsible for the overall management of the diversity and inclusion strategy globally. This includes activities like the Pride Run, which honored 52 years of LGBTQ+ Pride celebrations: in June 2022, we invited people to track 52 minutes of activity using the Runkeeper app. In recognition of that work, ASICS was awarded Gold – the highest ranking – in the PRIDE Index 2022 in Japan for the fourth consecutive year.

Global Engagement Survey

To strengthen employee engagement, we conduct an Employee Engagement Survey twice a year. In 2022, the 79% response rate was 4% higher than the global benchmark. While ASICS scored above the global benchmark on 'brand' and 'corporate culture', 'initiating action', 'equal opportunity', and 'career' require improvement. We make sure to support employees through open dialogue to clarify scores and identify areas for improvement.

Global Sustainability Survey

We conduct an annual survey to measure how well ASICS employees are promoting sustainability. We set a global KPI of 55% for employees incorporating sustainability into their work. In 2022, the result was well above the goal, and a significant increase from 2021: 73% of respondents 'always' or 'sometimes' incorporate sustainability into their work.



Seminars by physicians and occupational health nurses to improve employee's health literacy



2022
健康経営優良法人
Health and productivity
ホワイト500

Certification as one of the White 500 in 2022



Race Roster employees who participated in the Pride Run

ASICS is its people: our approach to training

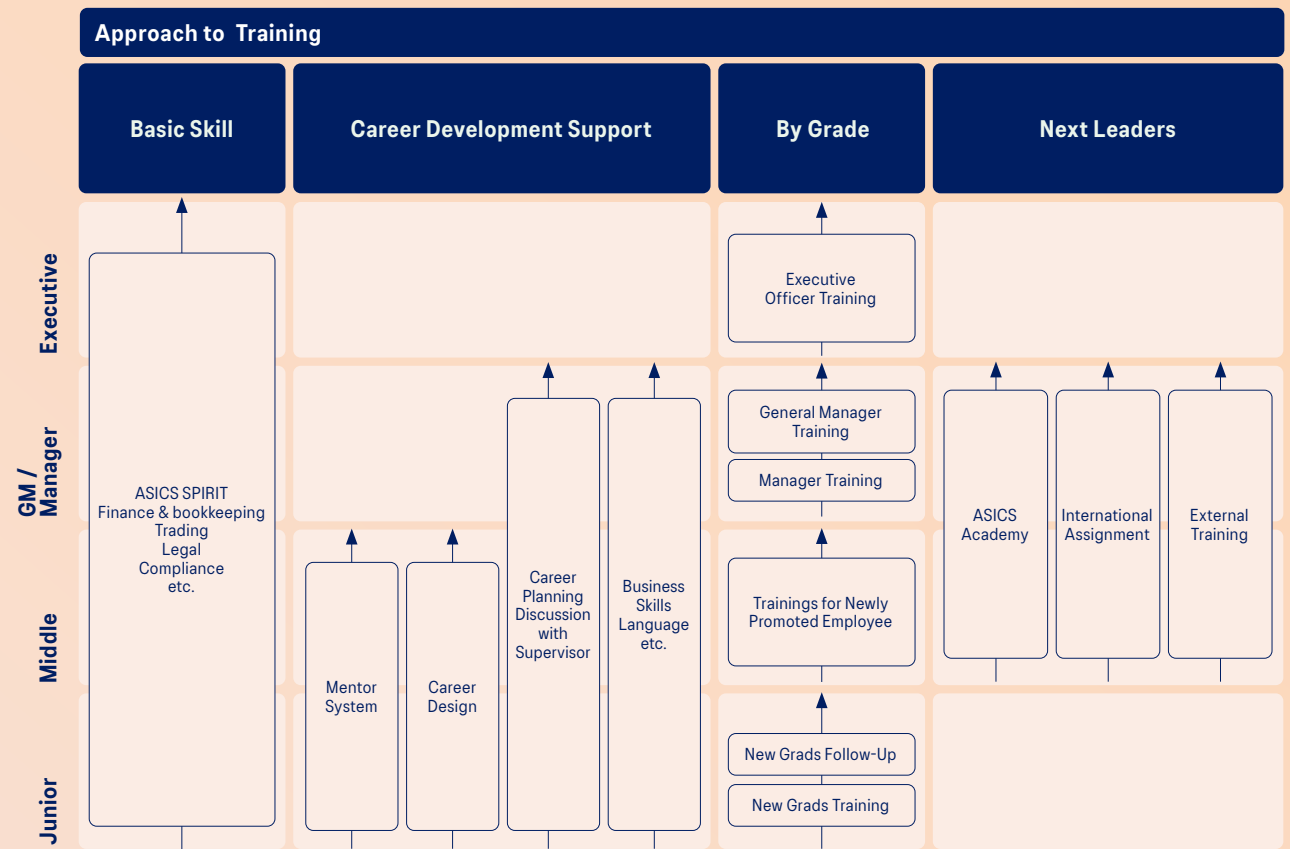
ASICS is currently focusing on human resource development to sustainably create management personnel globally and lead business growth with various programs in 2022:

- **ASICS Academy** – selective training program to promote global talent management
- **Executive training** – training with front-line business experts and onsite training
- **Training for Managers** – training on interview methods for career development meetings to accelerate employee career growth

Giving back: employee volunteering

For the first time in two years, volunteering at ASICS has been reinvigorated, with the number of employees participating in volunteer activities increasing. In 2022, ASICS employees volunteered 14,651 times for a total of 3,769 hours.

- **EMEA Employee Community Effort:** On 27 June and 4 July 2022, a team of ASICS Europe volunteers worked with our partners Right To Play and Ubuntu Sport to organize two uplifting sports days for children. All were welcome, but the main group of participants were children, many of were refugees from Ukraine.
- **Children's Sports Day on Founders Day:** On 30 May 2022, ASICS Italy volunteer employees organized an uplifting sports day for children of refugee families from Ukraine.
- **Oceania Indigenous Marathon Foundation Volunteer Trip:** Five ASICS Oceania employee volunteers traveled with the Indigenous Marathon Foundation (IMF) to remote indigenous communities to host fun runs, give community health checks, and gift running shoes.
- **California beach cleanup:** 25 ASICS North America employees volunteered at a community cleanup event at Newport Beach California to reduce plastic pollution. Within an hour, we picked up 1,100 items, removing 25kg of trash from the beach. Of the items collected, 924 (86%) were plastic-related, including cigarette butts, bottles, fishing lines, caps and lids.



Running for Reforestation

In 2022, ASICS partnered with One Tree Planted (OTP) for the Running for Reforestation 5K virtual run. 792 employees worldwide registered and ASICS planted a tree for each participant. Running for Reforestation resulted in 6,000 trees planted, creating a forest. We also held an ASICS and Earth Day Brandlive Event with OTP, which generated \$4,810 in donations.



Supporting employees with comprehensive childcare system

To overcome some of the challenges women have traditionally faced in leadership positions, our leave system is designed to ensure women have access to maternity leave, and childcare options are available to both men and women.

At a glance: women in leadership

2022 RESULTS

→ The ratio of female managers and senior employees globally was 38.3% in 2022, achieving our target of 35% by 2023.

The ratio of females in manager and senior positions at ASICS Corporation increased from 11.9% in 2021 to 13.2% in 2022. Global data as of January 1, 2023. ASICS Corporation data of December 31, 2022. The 2022 ratio of females in manager and senior positions at ASICS Corporation is verified by Deloitte Tohmatsu Sustainability Co., Ltd.

2023 PLAN

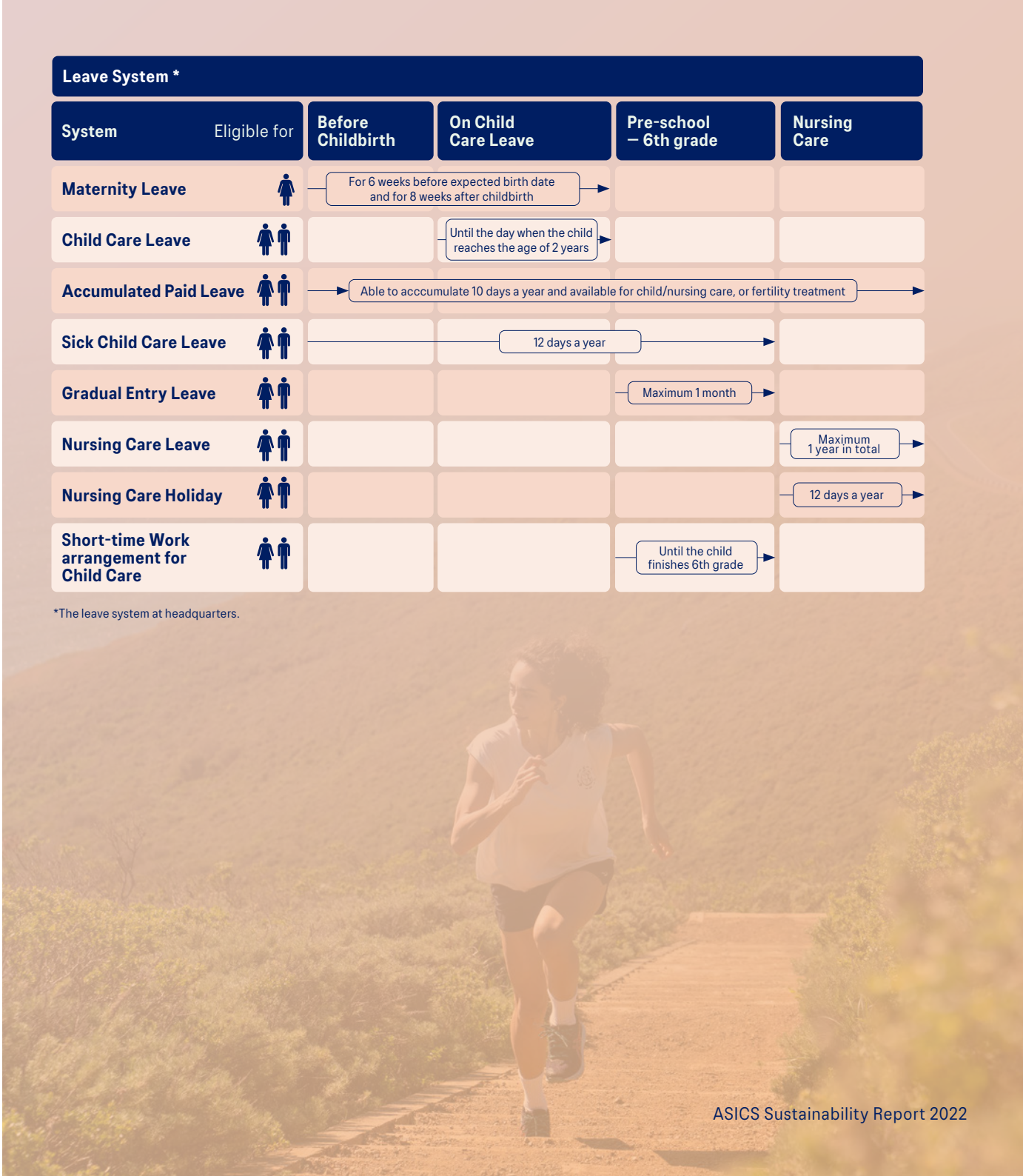
→ The regions that have achieved the 2023 target will focus on maintaining the ratio. Other regions will update their action plan and continue to implement the actions in 2023 to achieve the target.

2023 TARGETS

→ Achieve a ratio of at least 35% female managers and senior employees in all regions globally by 2023.

Leave System *					
System	Eligible for	Before Childbirth	On Child Care Leave	Pre-school – 6th grade	Nursing Care
Maternity Leave	♀	For 6 weeks before expected birth date and for 8 weeks after childbirth			
Child Care Leave	♀♂		Until the day when the child reaches the age of 2 years		
Accumulated Paid Leave	♀♂	Able to accumulate 10 days a year and available for child/nursing care, or fertility treatment			
Sick Child Care Leave	♀♂		12 days a year		
Gradual Entry Leave	♀♂			Maximum 1 month	
Nursing Care Leave	♀♂				Maximum 1 year in total
Nursing Care Holiday	♀♂				12 days a year
Short-time Work arrangement for Child Care	♀♂			Until the child finishes 6th grade	

*The leave system at headquarters.



A Sound Mind in a Sound Body needs a Sound Earth

Leaping to net-zero: the world's lightest CO₂e emissions sneaker*

ASICS announced the GEL-LYTE™ III CM 1.95 sneaker after 10 years of R&D. The GEL-LYTE™ III CM 1.95 includes a new carbon negative foam and other technologies to improve sustainability without compromising on quality.

[Read more on page 38 →](#)



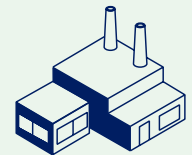
*Based on available industry data for life cycle CO₂e emissions as of Sep. 2022.



Key achievements in 2022



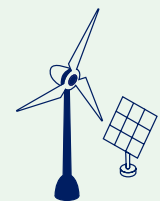
22% reduction of CO₂ emissions
from our direct operations
(vs 2015)



3.1% reduction of CO₂ emissions
from our supply chain (vs 2015)



90%
of new running shoes
in 2022 contain
recycled polyester
in the shoe's main
upper material

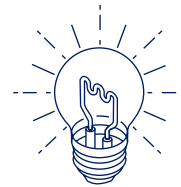


26.7%
renewable electricity
used in our business facilities

Our shared planet, our shared responsibility

Since 1949, our purpose has been to help people achieve a sound mind in a sound body. To do this, we need a sound earth to move on. Today, we're committed to making a positive impact on our planet for the next generation, and we're doing this through our products, services and supply chain.

Taking responsibility for our environmental impacts involves tracking and limiting our contribution to climate change, moving towards a circular business model, and operating as sustainably as possible throughout the supply chain, encouraging our partners to do the same. We aim to make a positive change together.



[Get inspired by innovation on page 38 →](#)

Innovation through sustainability

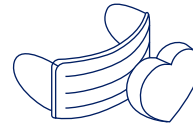
On the road to net-zero, we aim to significantly reduce our emissions through more product innovation.



[Learn more about our sourcing practices on page 42 →](#)

Sourcing sustainable raw materials

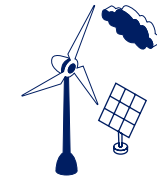
In 2022, we continued to work towards our 2025 target to source 100% more sustainable cotton.



[Keeping everyone happy and safe on page 43 →](#)

Ensuring quality and safety

Our goal is to provide safe products that are friendly to humans and the environment.



[Continue to minimize our environmental impact on page 44 →](#)

Our operations

We constantly look for ways to make our own operations as sustainable as possible.



[Read more about how we engage our suppliers on page 47 →](#)

Building a sustainable value chain

In 2022, we entered a new phase of sustainability in the supply chain by launching the ASICS Green Procurement Policy



Our targets are unchanged and ambitious: we want to support the international push to keep global warming to 1.5°C above pre-industrial levels, and we are committed to achieving net-zero emissions by 2050.

To ensure our sustainability actions are as effective as possible, we align our efforts with the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD; see the TCFD Index on page 13), the Science Based Targets initiative (SBTi), Race To Zero, and the UN Sustainable Development Goals (SDGs).

Circularity and our connected planet

We recognize that the earth is a living planet, and as such, many of the environmental issues we’re addressing are connected. We must therefore approach these topics together, not in isolation.

To tackle climate change, we are considering expanding our use of bio-based materials. But we first need to think about the potential impacts of those materials on biodiversity: our manufacturing impacts biodiversity through the use of water in dyeing, for example. Although the procured amounts are relatively small, some of our materials are pertinent to this topic, namely natural leather, cotton, and bio-based materials.

ASICS Planet Framework



Why

To achieve a sound mind in a sound body, we need a sound earth.

What (Climate Action)

2050 Target: Net-Zero Emissions

2030 CO₂ reduction targets (2015 baseline)

Scope 1 & 2
63%

Reduction in absolute CO₂ emissions from our direct operations

Scope 3
63%

Reduction in absolute CO₂ emissions from our supply chain*

How (Circular Business Model)

Action 1
100%

Renewable electricity used in our business facilities by 2030

Action 2
50%

Reduction to the amount of energy our Tier 1 supplier factories use to manufacture our products by 2030 (2015 baseline)

Action 3
85%

Renewable electricity used in our Tier 1 supplier factories to manufacture our products by 2030

Action 4
100%

Recycled polyester to replace standard polyester materials in shoes and sportswear products by 2030

Action 5
3 REGIONS

Have take-back programs to reuse or recycle products and materials

Action 6

Create innovation through partnerships

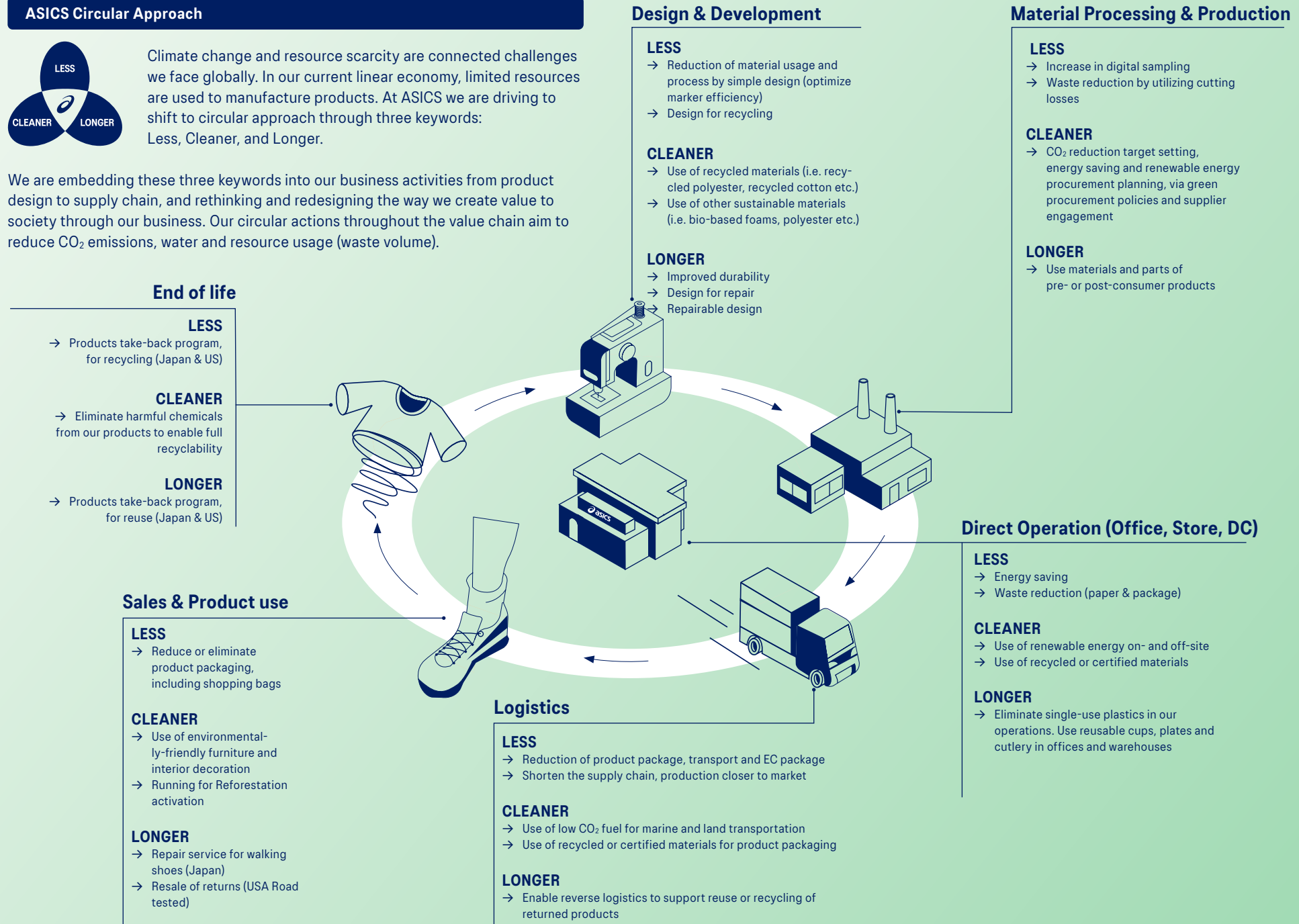
*Target scope is 'purchased goods and services' and 'end-of-life treatment of sold products'.

ASICS Circular Approach



Climate change and resource scarcity are connected challenges we face globally. In our current linear economy, limited resources are used to manufacture products. At ASICS we are driving to shift to circular approach through three keywords: Less, Cleaner, and Longer.

We are embedding these three keywords into our business activities from product design to supply chain, and rethinking and redesigning the way we create value to society through our business. Our circular actions throughout the value chain aim to reduce CO₂ emissions, water and resource usage (waste volume).



Innovation through sustainability

On the road to net-zero, we can significantly reduce our emissions through our products. This approach is already proving successful, and we believe it will help us reach net-zero by 2050.

The world's lowest CO₂e sneaker

In September 2022, ASICS revealed the world's lowest CO₂e sneaker*: the GEL-LYTE™ III CM 1.95 shoe, which emits just 1.95kg CO₂e per pair across its life cycle.

Through a decade of research and development, we reduced emissions in four key stages of the product life cycle (materials and manufacturing, transportation, use, and end-of-life).

- Carbon negative foam in the midsole and sockliner – made from a fusion of bio-based polymers derived partly from sugarcane
- Recycled and solution dyed polyester in the main upper material and the sockliner mesh, reflecting our target of sourcing 100% recycled polyester by 2030
- A new structure utilizing tape that enables less material usage
- Renewable energy sourcing in the manufacturing phase
- Transportation strategy of using bio-fuel plan for the shipment

“Our ambition now is to continue applying the learnings and build on the blueprint of this shoe in a way that can be rolled out on an even bigger scale in the future.”



Minako Yoshikawa
Senior General Manager
ASICS Sustainability Division



*Based on available industry data for life cycle CO₂e emissions as of Sep. 2022.



Shoes made from cactus

A new version of Onitsuka Tiger's signature MEXICO 66™ shoe model uses a material that features more than 20% Mexican cactus in the upper material for the first time.

Onitsuka Tiger and DESSERTO® engineers co-developed a new material that uses Mexican cactus fibers as the raw material. The material follows a production process with a reduced environmental impact, it uses no harmful phthalates or polyvinyl chloride (PVC), it consumes less water and reduces CO₂ emissions by approximately 84.8% compared to genuine leather.

In addition to the main upper portion of the shoe, other parts such as the sockliner and shoelaces are also made of recycled materials.

[Read more about the MEXICO 66™ CACTFUL™ →](#)



From car safety to trail comfort

The GEL-SONOMA™ 15-50 is an ASICS SportStyle shoe inspired by our trail running shoe made using recycled airbag fabric, which Toyoda Gosei Co., Ltd. (Toyoda Gosei), a major Japanese auto parts manufacturer, planned to dispose of.

The reused fabric is strong, flexible and highly durable, and it makes up the main part of the upper (instep). Designed with red stitching and numbering, the tongue is inspired by an inflated airbag.

[Read more about the GEL-SONOMA 15-50 \(in Japanese\) →](#)

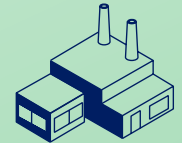


Collaboration with Fast Feet Grinded

In 2022, we once again sent the unsellable, defective footwear returned from consumer in our Direct To Consumer channels in Europe to our partner FastFeetGrinded (FFG), which grinds them up into their constituent materials, to become raw materials for new products. Doing this saves the waste from going to landfill or incineration and reduces our carbon emissions. This year, FFG recycled 8,173kg of materials, saving 46,314kg CO₂.



8,173kg
of recycled material
by Fast Feed Grinded



46,314kg CO₂
saved by recycling
unsellable, defective foot-
wear

Repurposing products in North America

ASICS North America has been successfully running its repurposing program for several seasons. The team focuses on developing sustainable materials and products by repurposing leftover fabrics, using 100% recycled polyester performance fiber from water bottles saved from events, and increase recycled polyester in apparel products. We also continue to reduce the amount of plastic in packaging. In spring and summer 2022, we avoided more than 77,000 kg CO₂ and saved 23,000 cubic meters of water.

The advanced 3D-printed sandal

The ASICS Actibreeze 3D Sandal is an advanced 3D-printed sandal specifically designed to help the body and mind of a recovering athlete in the After Performance phase.

As well as taking ASICS into a new area of footwear, the development of a 3D-printed sandal is our first step toward redesigning our supply chain. In the future, this could help minimize the need for long-distance shipping and storage spaces, thereby making a positive contribution to our emissions reduction targets.

[Read more about the Actibreeze 3D Sandal →](#)

Sustainability you can shoulder

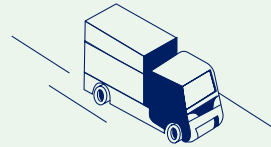
To bring environmental issues closer to home for our consumers, we introduced the Green Planet shoulder bag, which consumers get when they purchase our products at ASICS-sponsored marathons and sporting events in Japan.

The bag is made from Kaneka Corporation's Biodegradable Polymer Green Planet™, which is a 100% plant-derived polymer. It's biodegradable even in seawater – certified 'OK Biodegradable MARINE' by TÜV AUSTRIA.

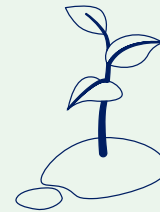
[Read more about the Green Planet shoulder bag →](#)

In 2022, we continued to collect the used LA Marathon banners, which we repurposed into shopping bags. Customers received a 2022 LA Marathon bag as a free gift with a purchase.

ASICS North America saved:



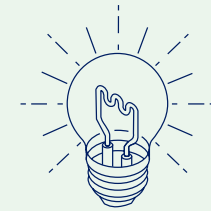
192,000
miles of driving



92
acres of US forest
in a year



9
Olympic swimming
pools of water



15
homes' energy for
a year



World Athletics Championships Oregon 2022

Once again, we put our products and brand on the global stage at the World Athletics Championships Oregon 2022, with the aim of engaging customers on our sustainability activities.

It is crucial that we walk our sustainability journey together with consumers by engaging them on climate change.

→ **Bottle to wear:** In 2022, we launched our first collection in partnership with REPREVE, which turns plastic bottles collected from events like the LA Marathon into 100%

recycled polyester performance fiber. We plan for all our apparel products to include REPREVE yarn.

- **Plant tree together:** 1,000 people signed up for the OneASICS activity at the World Athletics Championships, and we plan to donate 1,000 trees via One Tree Planted.
- **Waste-less Hydration:** We provided dedicated space for Championship attendees to rehydrate via a Touch-less water refill.
- **Inspiring through Innovation:** We displayed 3D sandals at the Championships introducing our approach of developing personalized products by fusing digital technology with environmentally sustainable methodologies.



Shifting to recycled materials

Toward our 2030 target of shifting to 100% recycled polyester to replace standard polyester materials in shoes and sportswear products, in 2022, more than 30% has been shifted to recycled polyester. Data coverage has improved and now covers more than 75% of our managing

materials. We will continue to improve the data coverage. Furthermore, we have continued to increase the use of recycled polyester in all product categories. For instance, more than 90% of our new running shoes now include recycled material.

At a glance: Innovation through sustainability

2022 RESULTS

- Continued take-back programs in Japan, US, Canada and Australia.
- More than 30% conventional polyester materials replaced with recycled polyester
- More than 90% of new running shoes in 2021 and 2022 contain recycled material.
- We revealed the GEL-LYTE III CM1.95 and developed carbon negative foam.

2023 PLAN

- Continue to explore partnership and expanding the region to implement a product take-back and reuse program.
- Keep sourcing recycled polyester in wider product categories.
- We will continue to explore partnerships toward innovation.

2030 TARGETS

- Three regions have take-back programs to reuse or recycle products and materials.
- 100% Recycled polyester to replace standard polyester materials in shoes and sportswear products.
- Create innovation through partnerships.

Sourcing more sustainable raw materials

We want to make sure the raw materials we use are as sustainable as possible. This year, we continued to work towards our 2025 target to source 100% more sustainable cotton. Regardless of geography, products or materials, we strictly prohibit all forms of human rights violation and environmental violation.

We have strengthened our policy for the procurement of raw materials and established a process for checking the traceability and status of the cotton materials purchased, including expecting our suppliers to hold documents of material origin certification. In addition, we continued to work towards our 2025 target to source 100% more sustainable cotton* that is also environmentally considerate.

Our use of cotton is limited, but it is one of the natural fibers used in ASICS apparel products. Since 2019, ASICS has been a member of Better Cotton (BC). BC 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.

*Better Cotton, Organic cotton (GOTS certified), Fairtrade certified, Recycled cotton (GRS certified), Cotton Made in Africa (CmiA) certified, U.S. Cotton Trust Protocol certified



At a glance: Sustainable sourcing

2022 RESULTS

→ 36.5% sourced from more sustainable cotton

2023 PLAN

→ Collaborate with product team to source more sustainable cotton

2025 TARGETS

→ Source 100% more sustainable cotton for our products

Ensuring quality and safety

To ensure our products and services continue to meet our consumers' requirements as well as complying with applicable global standards, we use a quality assurance and management system in all our operations, which we continuously improve.

Communication is central to our approach to quality and safety, and training is an integral part of our quality assurance and management system. Since 2003, we have held in-house exhibitions of product quality and safety annually in Japan.

In 2022, there were two incidents of health and safety non-compliance (product failure), and one product information error in Japan.

Reducing harmful chemicals

Since 2013, ASICS has been a member of the Apparel and Footwear International RSL Management (AFIRM) Group, which promotes 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.

Reducing Volatile Organic Compounds (VOCs) in our main footwear factories

The manufacture of shoes, especially high-performance sports shoes, involves the use of adhesives to bond different parts together. To reduce the use of traditional adhesives, which are based on solvents containing VOCs that can harm people and the environment, we have been changing to water-based adhesive since 2011. In 2022, VOCs usage at our strategic factories was estimated to be 4,292 tons. This is based on the calculation of the total adhesive consumed, including disposed volume at the factories.

[Read more about safe use of chemicals at ASICS →](#)



Our operations

As we move towards net-zero in 2050 and continue to minimize our environmental impacts, we look for ways to make our own operations – including our stores and facilities – as sustainable as possible. Our aims include using less energy overall, switching to renewable energy where possible, and reducing our water use and waste.

Reducing our emissions

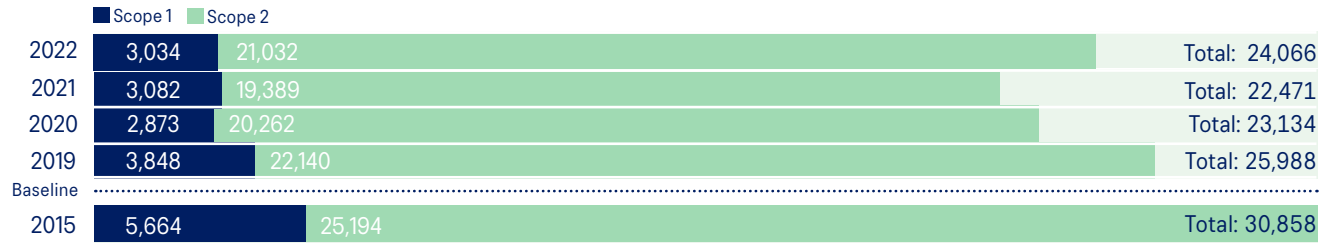
Our direct CO₂ emissions (scope 1 and 2) result from our direct operations, such as the energy used to run our stores, and more indirectly, through the transportation of our goods.

In 2022, we continued to lower our energy use and CO₂ emissions by:

- Increasing our use of renewable energy on- and off-site
- Using more energy-efficient equipment and vehicles
- Designing new buildings, distribution centers and retail stores to be energy efficient, or refurbishing them to save energy

As we reopened facilities such as stores and offices during our recovery from COVID-19, there has been an increase in Scope 2 CO₂ emissions compared to 2021.

CO₂ emissions from our locations (tons)



The data applies to ASICS Group locations, including offices, retail locations, distribution centers, and wholly owned factories around the world. 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 IEA's CO₂ Emissions from Fuel Combustion 2016.

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 2021 data is restated due to updated data and improved estimates. The 2022 emissions data are verified by Deloitte Tohmatsu Sustainability Co., Ltd.



At a glance: Emission reduction

2022 RESULTS

- CO₂ emissions decreased 22.0% (2015 baseline).
- CO₂ emission intensity per revenue decreased by 31.0% (2015 baseline).

2023 PLAN

- Continue to explore the possibility of shifting to on- and off-site renewable electricity focusing on larger emissions facilities

2030 TARGETS

- Scope 1 & 2 – 63% Reduction in absolute CO₂ emissions from our direct operations (2015 baseline)

Switching to renewable energy

Renewable energy is a core element of our move towards net-zero by 2050, and in 2022, we actively switched to renewable energy wherever possible.

After recovering from COVID-19, reopening facilities like stores and offices led to increased energy usage. To tackle this, we have developed a plan to expand the use of renewable energy sources, focusing on larger emitting facilities. We are also considering purchasing renewable energy certificates. Notably, renewable energy usage has grown, especially in our facilities in Japan.

Energy volume by type (GWh)

	Electricity from non renewable sources	Electricity (including steam purchased) from renewable sources	Fossil Fuels	Total
2022	40.0	16.8	13.7	70.5
2021	37.9	13.3	13.9	65.1
2020	39.5	12.1	12.7	64.4
2019	44.1	11.9	16.9	72.8
2018	41.6	11.1	17.4	70.1

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 2021 data is restated due to updated data and improved estimates. The 2022 total energy volume is verified by Deloitte Tohmatsu Sustainability Co., Ltd.

At a glance: Renewable energy

2022 RESULTS

→ 26.7% of electricity from renewable sources.

2023 PLAN

- Continue to explore possibility of shifting to on- and off-site renewable electricity focusing on larger emissions facilities
- Align with the RE100 criteria, and put together future plan to purchase renewable energy certificates based on it.

2030 TARGETS

→ 100% Renewable electricity used in our business facilities



Managing our water impacts

ASICS operates around the world, including in areas where water is scarce. Though we need to use this precious resource in our operations, we strive to continuously reduce the amount of water we use. Most of the water we use in our direct operations comes from municipal sources. We monitor our water use and engage with our stakeholders about the topic through our materiality assessment. We also discard the water we use, and we monitor our effluents accordingly.

We monitor our own facilities' impacts through our data management system. We mitigate these impacts by replacing equipment with water efficient equipment when we build, renovate or relocate, and by encouraging our employees to save water. Despite our efforts, in 2022, water volumes for factories and sports facilities have increased due to the reopening of existing facilities and the addition of new ones during the recovery from COVID-19.

Minimizing our waste

ASICS provides products and therefore uses materials; these are the source of most of our waste-related impacts downstream (after their use) and upstream (material loss) in the value chain. A third party manages the waste we produce in our own operations, and we ensure this party meets our standards by regularly checking their certificates and legally required documents.

We collect data and monitor our waste using a cloud-based database. To reduce our impacts, we work with partners like FastFeetGrinded to ensure our products, including returned inventory, are reused or recycled. Thanks to these efforts, our waste was reduced in 2022 compared to 2021.

Four of our sites – two distribution centers and two factories – are responsible for more than three-quarters of the waste we currently send to landfill or incineration. These sites remain central to our efforts to reduce waste.

At a glance: Waste management

2022 RESULTS

- Diverted 91.3% of the waste at our direct operations from landfill.
- continued to work with the key locations to reduce the waste going to landfill and improve recycling rates further.

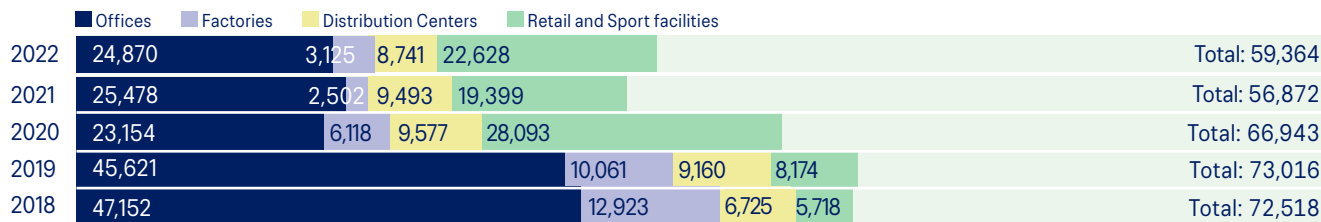
2023 PLAN

- Continue efforts to firstly avoid generating waste, and further explore recycling partners where necessary.

2023 TARGETS

- 98% waste recovered or recycled at our direct operations. *Includes the 70% of sites that can measure and report their waste.

Water volume used in our operations (m3)



2022: 13 companies, 68 locations, covering 67% of operations (FTE basis)

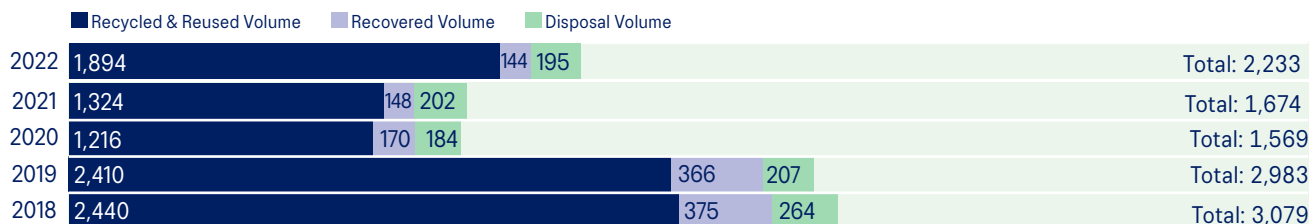
2021: 13 companies, 74 locations, covering 69% of operations (FTE basis)

2020: 28 companies, 82 locations, covering 75% of operations (FTE basis)

2019: 30 companies, 92 locations, covering 79% of operations (FTE basis)

2018: 32 companies, 85 locations, covering 82% of operations (FTE basis)

Waste volume (metric tons)



2022: 10 companies, 20 locations, covering 64% of operations (FTE basis)

2021: 11 companies, 26 locations, covering 70% of operations (FTE basis)

2020: 16 companies, 26 locations, covering 62% of operations (FTE basis)

2019: 17 companies, 33 locations, covering 65% of operations (FTE basis)

2018: 20 companies, 33 locations, covering 68% of operations (FTE basis)

Building a sustainable value chain

We work with over 150 Tier 1 suppliers in more than 20 countries, so our indirect sustainability impacts can have far-reaching consequences. This is a potentially powerful network for positive change, and by engaging with our partners throughout the value chain, we can accelerate the transition to net-zero together.

In 2022, we entered a new phase of sustainability in the supply chain by launching the ASICS Green Procurement Policy. The development process included a dialogue with suppliers in 2021 to understand their situations. Our Footwear strategic Tier 1 suppliers, which cover about 80% of our footwear production volume in 2022, were the first group to receive the policy in 2022, and all of them are now committed to the policy. We maintain open dialogues with the suppliers following the launch, which we see as the start of our action to realize a fully sustainable supply chain.

Calling for decarbonization at COP27

The Japanese Ministry of Environment chose ASICS as a case study of transparency at COP27. We featured in their video at the COP27 Japanese Pavilion, calling on the region to decarbonize the supply chain.

"We will continue to collaborate with our stakeholders and take actions toward net-zero in order to have more resilient supply chain and enable people to enjoy sports on a healthy planet."

Shinji Senda

Managing Executive Officer, ASICS Corporation

Engaging our suppliers

Since more than 70% of the CO₂ emissions in our value chain (scope 3) are from upstream activities, such as material procurement and production, we collaborate with our partner suppliers on emissions reduction. We have set a target of 63% reduction in absolute Scope 3 CO₂ emissions from our supply chain by 2030, which requires all our suppliers to operate more sustainably.

Our Green Procurement Policy forms the basis for our supply chain emissions reduction efforts, so we are engaging with suppliers about this policy to help them meet the requirements. For example, we are supporting suppliers by proposing external energy saving programs and providing relevant information about renewable energy sourcing through external initiatives in each country.

Green Procurement Policy

The ASICS Green Procurement Policy requires that suppliers:

- Set a 1.5°C target
- Use no coal
- Have a concrete renewable energy sourcing plan
- Make continuous efforts to save energy
- Understand and manage own environmental impact with Higg FEM





Scope 3 CO₂ emissions 2022

Scope 3 category	CO ₂ tons	%	Scope
1. Purchased goods and services	677,336	82.7	Global Footwear Manufacturing CO ₂ Data (Tier 1), and ASICS Group companies' purchases of footwear material, apparel, equipment, marketing and sales (Calculation methods ¹)
2. Capital goods	14,936	1.8	ASICS Group companies
3. Fuel-and-energy-related activities	882	0.1	ASICS Group companies
4. Upstream transportation and distribution	61,641	7.5	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	40	0.0	ASICS Group companies
6. Business travel	2,621	0.3	ASICS Group companies
7. Employee commuting	437	0.1	ASICS Group companies in Japan
8. Upstream leased assets	-	-	Not assessed
9. Downstream transportation and distribution	7,981	1.0	ASICS Group companies
10. Processing of sold products	-	-	Not assessed
11. Use of sold products	18,143	2.2	ASICS Group companies
12. End-of-life-treatment of sold products	34,532	4.2	ASICS Group companies
13. Downstream leased assets	-	-	Not assessed
14. Franchises	-	-	Not assessed
15. Investments	-	-	Not assessed
Total	818,549	100	

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

¹ Calculation methods:
 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 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

In line with our plans, three of our strategic suppliers have a concrete renewable energy sourcing plan: one has installed rooftop solar panels and two are planning renewable energy procurement. One of our strategic suppliers in Vietnam has joined the Apparel Impact Institute's [Clean By Design Program](#).

The restarting of partner factories after COVID-19 recovery and the establishment of new factories in Indonesia led to an increase in Scope 3 emissions compared to 2021.

At a glance: Supplier engagement

2022 RESULTS

- Cooperated with strategic Tier 1 suppliers on energy saving and renewable energy sourcing with concrete results from two suppliers
- One factory in Vietnam joined the Apparel Impact Institute's Clean By Design Program
- Provided information to our suppliers on several renewable energy companies referred to us by CEIA
- 3.1% reduction in absolute CO₂ emissions from our supply chain (2015 baseline).

2023 PLAN

- Engage suppliers to source renewable energy strategically
- Provide information on energy efficiency programs to suppliers who have not yet done so

2030 TARGETS

- 63% reduction in absolute Scope 3 CO₂ emissions from our supply chain (2015 baseline)
- 50% reduction in the amount of energy our Tier 1 supplier factories use to manufacture our products (2015 baseline)
- 85% renewable electricity used in our Tier 1 supplier factories to manufacture our products



Environmental impacts in the value chain

In 2022, we continued to incorporate the Sustainable Apparel Coalition’s Higg Facility Environmental Module (SAC’s Higg FEM) score in supplier ratings. We ask our strategic Tier 1 factories and Tier 2 suppliers to share their environmental performance data using the Higg FEM. The assessment helps us understand how our suppliers are managing their environmental performance and sustainability strategy.

The increase in CO₂ emissions since 2020 can be attributed to the addition of new factories that are yet less efficient compared to the existing ones. Introducing new factories not only leads to an increase in energy consumption for production but also raises the baseline energy consumption.

Environmental performance of footwear Tier 1 suppliers

Category	Unit	2015 Baseline	2018	2019	2020	2021	2022
CO ₂ emissions	kg/pair	2.45	2.08	1.77	1.42	1.55	1.67
Water	m ³ /pair	0.034	0.028	0.031	0.027	0.024	0.020
Waste	kg/pair	0.021	0.03	0.03	0.019	0.008	0.022
Recycled or recovered waste	tons	12,606	4,980	5,352	4,962	6,922	9,403

The data in this table is based on 19 factories (including sole factories) in Vietnam, Indonesia and Cambodia, which together produce over 95% of all our footwear. The 2021 data for CO₂ emissions is restated due to updated data and improved estimates

At a glance: Footwear supplier engagement

2022 RESULTS

- More Tier 1 strategic footwear suppliers implemented Higg FEM (self assessment).
- Water consumption decreased by 42.2% and waste emissions increased by 5.6% for every pair of shoes manufactured (2015 baseline).

2023 PLAN

- Through external efficiency programs, reduce water and waste impacts.
- Continue to utilize Higg FEM score in factory ratings.

2023 TARGETS

- 20% reduction of water and waste impact per item produced by Tier 1 footwear factories (2015 baseline).
- Increase Tier1 strategic footwear suppliers to implement Higg FEM verification.

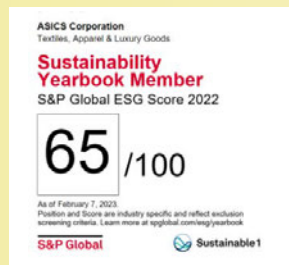


External Recognition

Our sustainability strategy looks towards the future – one with net-zero emissions, a traceable and sustainable value chain, and healthy, happy people around the world. While we work hard to contribute to this future, we also look back at our achievements along the way.



CDP Supplier Engagement Leaderboard 2022 – ASICS Corporation has been recognized for the fourth consecutive year, and it showcases that ASICS is among the top 8% of organizations assessed by CDP, one of over 650 companies on the Leaderboard this year



S&P Global Sustainability Yearbook Member 2022



CDP – ASICS Corporation rated A- level on climate change for the second time and rated B level on water security for the third time



DJSI – ASICS Corporation was selected for the eighth time as a component company of the Dow Jones Sustainability Asia/Pacific Index



FTSE4Good

FTSE4Good Index Series and FTSE BLOSSOM JAPAN INDEX



MSCI Japan ESG Select Leaders Index – ASICS Corporation has been continuously included with AA ratings since 2017

Sustainability in ASICS VISION 2030

Sustainability runs through the core of ASICS. As one of the key themes of our corporate strategy, ASICS VISION2030, it is interconnected and integrated into everything we do as a business. And since 'Sustainable' is a key theme for our three business divisions – Product, Facility and Community, and Analysis and Diagnosis – we are even better equipped to create sustainable products that engage people around the world.

The integration of sustainability throughout our business has been a long-term process, and all divisions work together to develop innovative sustainable approaches. This has led to great successes like the innovative and sustainable GEL-LYTE™ III CM 1.95, which we hope will inspire the wider industry to address the emissions impacts of their products.

The year we have reflected on in this report, 2022, was the penultimate year of our current strategic plan. As such, we will put together our next phase Mid-Term plan in 2023. We expect the next phase to focus on strengthening our digitalized information and data platform in preparation of upcoming regulations, and driving innovation and consumer engagement through digital technology.

You can explore our Value Creation Process and read more about the business implications (objectives) of our climate strategy and initiatives and the estimated financial implications in our [Integrated Report](#).

We look forward to taking the next steps on our journey to a more sustainable world together, as we support people in their quest for a sound mind, sound body.

Appendices



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About this report

About this report

The ASICS Sustainability Report 2022 outlines our company's sustainability vision and strategy, the targets we have set to achieve our goals, and the specific activities we have undertaken throughout the year. This was the second year working towards our targets for 2030 and 2050, which we set in 2020.

This Sustainability Report provides a picture of ASICS' sustainability. It is structured on the basis of the ASICS Sustainability Framework, which has two main pillars: People and Planet. This report is designed to be used alongside the [ASICS Integrated Report](#), which provides the broader picture, showing how sustainability is integrated into our core values and business strategy to increase our value creation.

We publish our sustainability report every year. Our 2021 sustainability report was released on 15 June 2022. This 2022 report covers the calendar year 1 January 2022 to 31 December 2022.

Unless otherwise specified, the information shared pertains to ASICS' global operations. For information on Haglöfs operations and impacts, please refer to Haglöfs' sustainability report. This report has been prepared in accordance with the GRI Standards.

Our sustainability efforts are much more powerful when we work together with our stakeholders. We value your opinion about our work and this report, and we welcome your feedback.



Independent Practitioner's Assurance Report

To Mr. Yasuhiro Hirota, President, CEO 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, 2022 (the "Sustainability Information") included in the "Sustainability Report 2022" (the "Report") prepared by ASICS Corporation (the "Company"):

- the 2022 ratio of females in manager and senior positions at the Company on page 31;
- the 2022 amounts in the graph "CO₂ emissions from our locations (tons)" on page 44;
- the 2022 total in the graph "Energy volume by Type (GWh)" on page 45; and
- the CO₂ tons for "1. Purchased goods and services" in the chart "Scope 3 CO₂ emissions 2022" on page 48.

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 31, 44, 45 and 48 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, 2023

Member of
Deloitte Touche Tohmatsu Limited

