



# Sustainability Report 2021

 **asics**  
*sound mind, sound body*

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# Message from the CEO

The pandemic has had a negative impact both on people's physical health and on their mental health.

At ASICS, we recognize the importance of mental health. Our founding philosophy is Anima Sana In Corpore Sano – A Sound Mind in a Sound Body – and it lives on in the company today. This year more than ever we strived to achieve our ambition that people around the world live mentally and physically healthy and happy lives.

To do this in an increasingly digital world, we took many of our activities online. We encouraged people around the world to move their bodies through ASICS World Ekiden (virtual marathon relay). We helped our employees improve their mental and physical fitness with online training and seminars, and we helped our suppliers navigate the challenges of COVID-19 with online training.

We also connected with people and encouraged their motivation to do sport by sponsoring the Olympic and Paralympic Games Tokyo 2020, which were held in 2021. We were proud to see the Olympic and Paralympic Team of Japan and other countries, the refugee Team and volunteers wearing the sustainably designed clothing and shoes we provided.

In 2021, we continued our work on the connection between mind and body, with a large research study that showed how physical exercise can uplift our minds. Thousands of people around the world shared their results, giving us a picture of how the world is feeling. Our Mind Upliftment program culminated in a unique project, in which we rejuvenated Retford - the town with the lowest level of exercise in the UK according to our research - to Upliftford, lifting the minds of people through sports.

## **The company ASICS aspires to be**

We recognize more than ever that to enable a sound mind in a sound body, we need a sound earth. We had the honor of representing our industry in the COP26 Business Leaders group and called on our peers to do more to reduce their environmental impacts so we can meet global climate change targets together.

Upholding fair business practices, improving labor conditions and working to prevent human rights violations throughout our organization and supply chain are responsibilities we take very seriously. The ASICS Group strongly condemns the use of forced or involuntary labor, and we take a zero-tolerance approach to this issue. Our rigorous supply chain management program ensures compliance throughout our supply chains, and we have strengthened our policy and processes to check traceability in our materials procurement.

As a major sporting goods company with a large workforce and global manufacturing, we recognize and take responsibility for our impacts. Sustainability is a core element of ASICS'

VISION2030, which presents the long-term targets for the company we aspire to be. The Sustainable outlines the company's strategy, including social and environmental topics. VISION2030 starts with mid-term plan and targets for 2023, and this report includes the results of our first steps towards them.

We invite you to read this report, explore our progress in 2021, and share your feedback with us as we continue on our road to net-zero by 2050.



**Yasuhito Hirota**  
President, CEO and COO,  
Representative Director



# 2021 at a glance

ASICS is one of the world's top sports performance and lifestyle brands. The company is listed on the Tokyo Stock Exchange and operates 66 businesses around the world. We connect with stakeholders globally through our supply chain business partners, sponsored events, and of course with consumers through retail and projects, with the aim of helping people live mentally and physically healthy and happy lives.



**8,861**  
employees



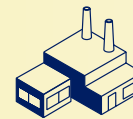
**US\$409,897**  
for the community in contributions and donations



**33.7%**  
women in management positions



**Net sales 404 billion yen**  
Net income: 9.4 billion yen



**100%**  
Tier 1 supplier factories meet ASICS C-Level or above



**>150**  
Tier 1 suppliers in 20 countries manufacture our products

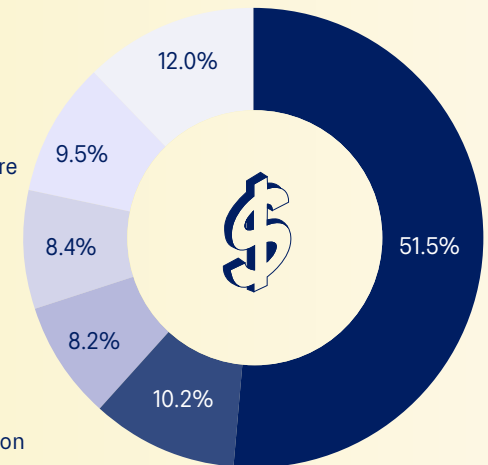


**>30%**  
recycled polyester used in total polyester consumption



**28.0%**  
CO<sub>2</sub> emissions reduced from our direct operations

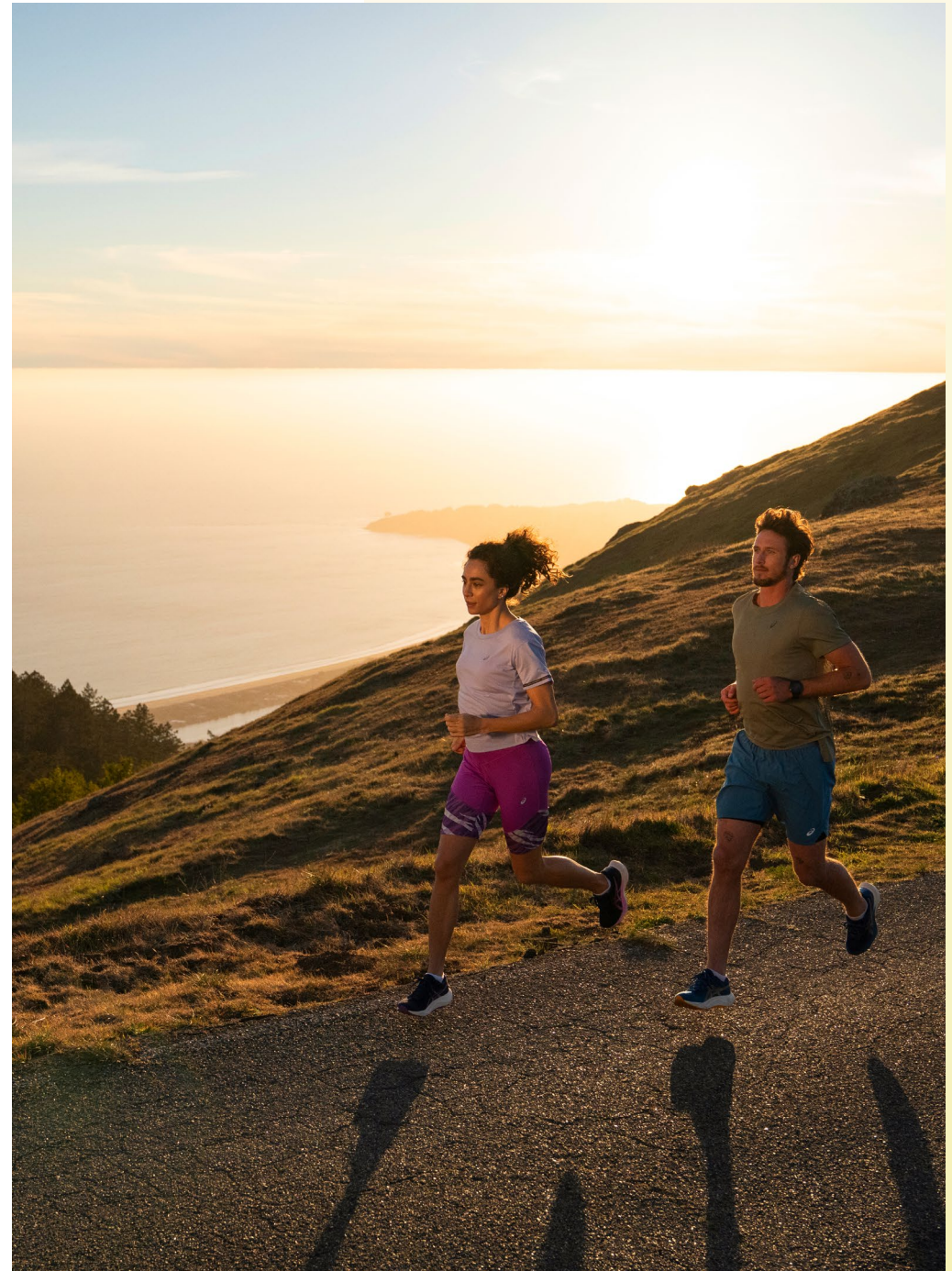
## Net sales Per category



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

# How we approach sustainability

**A year into our VISION2030, our philosophy – Sound Mind, Sound Body – remains at the core of everything we do. Our targets for ASICS' environmental and social impacts are set out under one of the strategic pillars of our VISION2030. To meet them, we offer products and services, and an environment that contributes to improving people's mental and physical health.**



# Our sustainability framework

The framework outlines our sustainability targets, the actions we are taking to meet them, and the partnerships we have established under two pillars: People and Planet. 'People' focuses on mental and physical well-being and human rights in the supply chain. 'Planet' focuses on climate action and circularity. We also align our focus topics with the [UN Sustainable Development Goals \(SDGs\)](#) to support them through our sustainability activities.

The Framework is based on our materiality analysis, in which we identified key topics including mental and physical well-being, innovation, products' and services quality, climate action, human rights in the supply chain, circularity, employee engagement, water management, and corporate governance and disclosure. Read more about our materiality analysis on page 43.

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

[Explore the ASICS Sustainability Framework →](#)

## 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.



# Our sustainable value chain

Our sustainability actions extend throughout our value chain, from our acquisition of raw materials to the recycling of products.

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

## Our sustainability actions throughout the value chain

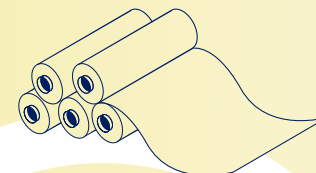
### Raw Materials

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



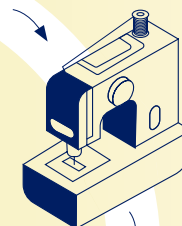
### Manufacturing Materials

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.

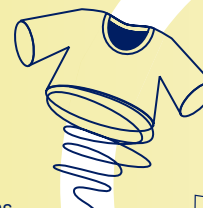


### Logistics / Distribution

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

### Product End of Use

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



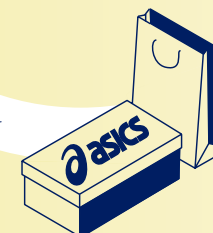
recycled materials

### Product Use

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

### Sales / Retail

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



# Our sustainability policies and guidelines

We seek to work only with business partners who share our commitment to sustainability and fair labor practices. Our sustainability policies and guidelines are designed to support this, from raw materials suppliers to consumers. Our formal policies establish the standards we expect our colleagues and business partners to meet. Additional guidelines and manuals translate those policies into operational practice.

We encourage our colleagues and business partners to report violations using our confidential, anonymous whistleblowing service. This enables us to carry out corrective measures promptly.

## Our sustainability governance

Sustainability is an integral part of ASICS' business strategy and therefore integrated into our corporate governance.

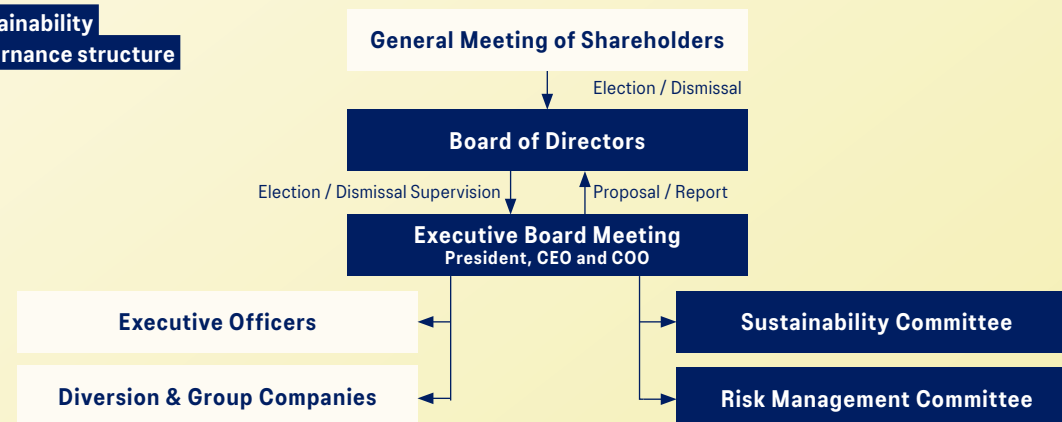
- **Board of Directors** oversees the ASICS sustainability strategy and ensures sustainability is integrated and prioritized in our corporate objectives.
- **Sustainability Committee** chaired by ASICS President, CEO and COO, reports to the Board of Directors. Responsible for reviewing strategy and action 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 determining priority risks and mitigation plans.

[Read more about governance at ASICS →](#)

### Discover our policies

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

### Sustainability governance structure





# Supporting people for a Sound Mind in a Sound Body

Our products and services are designed to support consumers in their quest for a sound mind in a sound body, and we give back to the communities in which we operate. Within ASICS, we offer our people training and other opportunities, and our health and well-being programs aim to support employees. We form strong partnerships with our suppliers throughout the value chain, with sustainability codes, policies and guidelines to help us make a positive impact together.





# Key achievements in 2021



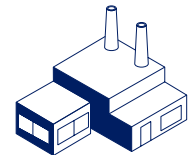
**Women  
in leadership**  
**33.7%**  
women in management  
positions at ASICS



**Supporting  
communities  
around the world**  
**US\$409,897**  
in contributions and donations  
**1,460 hours**  
volunteered at the Olympic and  
Paralympic Games Tokyo 2020



**Motivating people  
to move**  
More than  
**40,000**  
people signed up for  
the ASICS World Ekiden



**Sustainable  
value chain**  
**100%**  
of Tier 1 supplier factories meet  
ASICS C-Level or above. All Tier  
1 strategic partner factories met  
ASICS B-Level or above.

# Introduction to People

## Promoting Sound Mind Sound Body

At ASICS, we aim to motivate people in their quest for a sound mind in a sound body. This aim applies not only to our consumers, but also to the people in local communities, the people in our value chain, and our colleagues around the world.

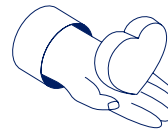
The ongoing COVID-19 pandemic continued to challenge people's physical and mental well-being, so we took many activities online to support them.



## Get motivated on page 12 →

### Motivating our customers

Our products and services are designed to support people in staying physically and mentally healthy, but we engage with consumers beyond this. In 2021, we focused on uplifting people's minds, and we motivated them to keep moving physically: including through our online running events. And ASICS supported the refugee Paralympic team at the Tokyo 2020 Paralympic Games to inspire a love of sports.

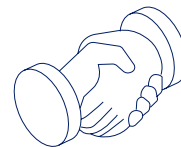


## Discover our work with non-profits on page 13 →

### Supporting communities

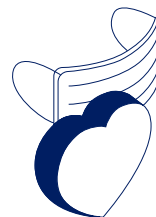
We aim to empower children and young people for positive mental and physical transformation through sports. In 2021, children in Uganda, Burundi, Mozambique and Tanzania participated in programs to empower themselves both physically and mentally through our partnership with a non-profit organization, Right To Play, and young people in disaster-stricken areas were able to play sports.

## Explore the people in our partnerships on page 17 →



### Partnering in the value chain

The people in our supply chain are fundamental to reducing our sustainability impacts, and we build transparent, fair and ethical partnerships with them, guided by our codes and policies. In 2021, we undertook activities to help suppliers comply with the procurement code of the Olympic and Paralympic Games Tokyo 2020. We also developed incentive programs to encourage footwear factories to incorporate sustainability factors.



## Empowering ASICS colleagues on page 21 →

### Empowering ASICS Colleagues

Our people are vital to achieving our goals, and we are committed to supporting their physical and mental health. We offered online seminars and digital tools to minimize the negative impacts of the COVID-19 pandemic. We also held mental health seminars, carried out employee surveys, and provided an online fitness program.

# Consumers & Communities

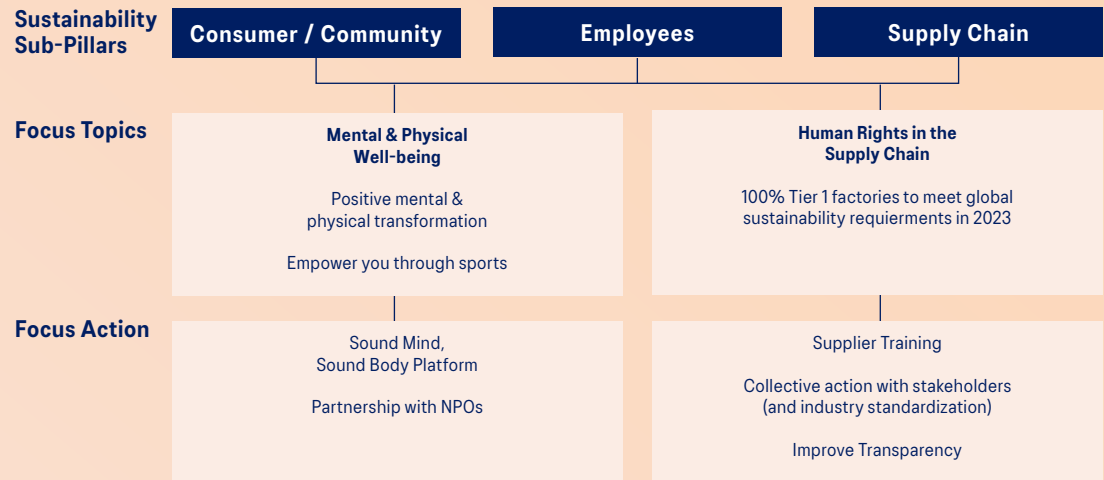
## Supporting the next generation through sports

Young people have always been at the heart of our mission. ASICS was founded in 1949 based on the ideals of nurturing the mental and physical health of young people through sports. Those ideals still run through all our activities today.

Living up to our founding philosophy, we aim to contribute to the world's sustainable growth by creating a quality lifestyle for people all over the world. We believe young people play an important part as we build a better future, and we empower them through sports.

Through our activities in 2021, we further accumulated knowledge about mental well-being. And importantly, by taking a digital approach and engaging stakeholders, we were able to focus the organization and employees on uplifting minds. We work towards targets for each initiative to continue our positive impacts on mental and physical well-being.

## ASICS people framework



**Right To Play: Enabling children to move their bodies and empower their minds**

In 2021, more than 100,000 children and adolescents participated in the Right To Play programs ASICS supported. We widened our support from Lebanon to Uganda, Burundi, Mozambique and Tanzania. Right To Play is a global organization that protects, educates and empowers children to rise above adversity using the power of play. The organization reaches 2.3 million children each year in some of the most difficult and dangerous places on earth, helping them to stay in school and graduate, resist exploitation, overcome prejudice, prevent disease and heal from the trauma of war.

“Sports helps to keep our body parts strong. It makes you active mentally and physically. Sports helps to manage / eradicate stress.”

**Lucia**  
a form 4 student at  
Mugumu secondary school in Tanzania

**2021 RESULTS**



→ In 2021, more than 100,000 children and adolescents participated in Right To Play programs supported by ASICS.

**2022 PLAN**



→ Plan to engage consumers to support Right To Play. Trial new approaches to make a more direct impact for children who enjoy Right To Play's programs.

**2023 TARGET**



→ Continue collaboration with Right To Play and other NPOs in each region.



Children participating in Right To Play's activities in Africa.

### **Tohoku Food Marathon: Rebuilding 10 years after disaster**

The Tohoku Food Marathon is an annual event that was originally established to rebuild Tohoku following the devastating Great East Japan Earthquake and tsunami in 2011. ASICS has supported the event as a main sponsor since the first edition.

In addition to the fun runs, the Tohoku Food Marathon & Festival features local food and sake, and tours for visitors. The event aims to bring people to the region, attract them with beautiful scenery, local fresh food and sake, and revitalize not only tourism but also farming and other industries in Tohoku.

In 2021, the festival's tenth year, the event was held fully online, so people from around the world could participate. Many ASICS colleagues joined the event and ran to support the cause. There was a live broadcast, featuring the races along with music performances and messages from local supporters and companies.

The Tohoku Food Marathon & Festival is one of four programs that form ASICS' Tomorrow project. Through the event, we can support the reconstruction of the area affected by the disaster, while encouraging people to cultivate a sound mind and sound body through sports.

[Read more about the Tomorrow project \(in Japanese\) →](#)

### **Eco Boccia: Growing an inspiring sport**

According to a report by the Japanese Ministry of Education, Culture, Sports, Science and Technology, children's physical strength is now much lower than it was in the past. ONE FUTURE was created from the desire to provide a place for children to continue exercising, "playing and naturally becoming fond of sports." The project aims to solve children's declining exercise, which may be due to changes in lifestyle, including restrictions due to COVID-19.

As part of ONE FUTURE, in 2021, we developed Eco Boccia – a free kit for children to learn about recycling and the joy of manufacturing, get inspired by the Paralympics, and a fun ball game.

Boccia is a competitive sport in the Paralympic Games. It is practiced by people with cerebral palsy or related neurological

*“I was in Tokyo when the earthquake struck on March 11, 2011, but needed to go back to New York. I still remembered the uneasy feeling that I had when leaving Japan, and promised myself that I would be back to support the reconstruction efforts, which eventually led me to establish the Tohoku Food Marathon. Now, 10 years after the disaster and with the ongoing cooperation of ASICS, I am proud for having kept supporting the area and being able to do so with an online marathon this year.”*

**Mr. Takashi Takekawa**

Founder Tohoku Food Marathon



conditions. Eco Boccia is inspired by this sport, with a sustainable twist: children make the equipment from 100% recycled clothing material, including shoelaces collected both from sample shoes that cannot be sold and from ASICS employees.

[Learn about Eco Boccia \(in Japanese\) →](#)

## 2021 RESULTS



- Encouraged more regions and countries to be active in our community.
- Activities: In total, in 2021, we donated US\$409,897 in-kind and in community contributions.
- 43 people volunteered in the Olympic and Paralympic Games Tokyo 2020, for a total of 1,460 hours.

## 2022 PLAN



- Contributing to 'Sound Mind, Sound Body' philosophy of people globally focusing on mental health.
- Involve more subsidiaries with our community activities, based on our founding philosophy.
- Communicate our community activities more to engage consumers.

## 2023 TARGET



- Engage consumers through stronger integration of our community activities with our business.

### Olympic and Paralympic Games Tokyo 2020:

#### Inspiring teams to motivate the world

Following delays due to the COVID-19 pandemic, the Olympic Games Tokyo 2020 were held from 23 July to 8 August 2021, bringing together 11,417 athletes and 206 teams to compete in 339 events. The Tokyo 2020 Paralympic Games were held from 24 August to 5 September 2021. A record number of participants competed in 539 events across 22 Paralympic competitions – 4,403 athletes in 163 groups (162 NPCs and refugee teams) took part.

ASICS was a Gold Partner of Tokyo 2020. ASICS is the official supplier of the International Paralympic Committee and the official sport apparel kit provider outfitting the Refugee Paralympic Team (RPT).

We supplied the uniforms for Japan Olympic and Paralympic team and for the volunteers at Tokyo 2020. The designs were based on the concept 'JAPONISM™', and they were developed with three themes in mind: 'Conditioning', 'Diversity' and 'Sustainability'.

Under the theme 'Diversity', we consulted with people from the LGBTQIA+ community and people with disabilities to ensure everyone – volunteers and athletes – could be comfortable. We developed a unisex silhouette to suit people of all ages, genders, nationalities and sizes. For the theme 'Sustainability', the products were developed through the ASICS REBORN WEAR PROJECT (see page 29). 'Conditioning' ensured they were made with high breathability, movability, and slip-on features.

ASICS colleagues also participated directly: 43 people volunteered in the Olympic and Paralympic Games Tokyo 2020, for a total of 1,460 hours.

Takashi Oomura, an employee at ASICS headquarters, volunteered at the event, providing operational support for the Olympic Village, issuing and distributing uniforms and IDs, and responsible for check-in at reception.

*I felt the enthusiasm of the players involved in the game and the feelings of the staff who could not lose. The best sport!*

**Takashi Oomura**  
ASICS employee



### **EKIDEN: Running together to uplift the world**

ASICS World Ekiden is the ultimate virtual relay founded on teamwork. In 2021, more than 40,000 people applied to take part in teams. Learning from the previous year, we improved the user experience and added elements for participants to celebrate completing each leg of the race.

More than 4,000 colleagues participated in the race, including our CEO. Many shared that they felt more connected with friends and colleagues after the event and enjoyed the virtual race experience.

[Read more about ASICS World Ekiden →](#)



### **Uplifting a million minds**

ASICS inspires people to move. For the first time, in 2021 we also inspired them to uplift their mind, their city, and their entire nation.

Our philosophy is built on the belief that mind and body are connected. We collaborated on a preliminary six-month study with bioinformatics company EMOTIV and leading exercise and mental health researcher Dr. Brendon Stubbs. The research showed people were 14.4% more content, 9.7% more energetic and 13.3% more relaxed immediately after exercise.

With the aim of uplifting a million minds around the world, [we launched the Mind Uplifter](#) on Global Running Day, 2 June 2021. It is the world's first live study into the impact of movement on the mind. We invited people to visit [minduplifter.asics.com](http://minduplifter.asics.com) to capture their Mind Uplift. To do this, they could scan their face and answer questions to gauge brain function, then exercise and repeat the process. Many employees took part.

[Uplift your mind →](#)

*With exercise playing such a valuable role in the maintaining of our mental health and well-being, it is more important than ever that people can see and understand the positive link between the two. Our ambition is to inspire as many people as possible to move their mind and reap those all-important cognitive and emotional benefits for themselves.*

**Dr. Brendon Stubbs**  
King's College London

### **Welcome to Upliftford**

The [ASICS State-of-Mind Index](#), developed with the support of mental health charity Mind, aimed to reveal the UK's state-of-mind. We asked more than 6,000 people in 40 counties in the UK to rate their mental state across 10 cognitive and emotional traits. The State-of-Mind Index identified Nottinghamshire as the county with the lowest State-of-Mind score. Further research identified Retford as one of the towns most motivated to improve its mental well-being.

Working with Mind, we transformed Retford into Upliftford. In a unique experiment, we demonstrated the power of movement in uplifting the mood of a whole town. The residents of Retford recorded a mental uplift of 27%.

[Watch the film →](#)





## Collaborating within the supply chain

Close collaborations throughout our value chain help us ensure respect for people and the environment.

In June 2021, we issued the ASICS Group [Modern Slavery and Transparency Statement](#) in accordance with the modern slavery acts of the UK, Australia and the USA.

[Read about our work with people in the supply chain →](#)

### Supporting COVID-19 resilience

The COVID-19 pandemic continued throughout 2021, and we extended many of the activities we started in 2020 to keep supporting our suppliers. Due to global restrictions, we were unable to carry out our usual supplier audits. Instead, we prioritized mitigating higher risks and ensuring factories establish corrective action plans. Although the number of audits completed decreased due to COVID-19, we used our resources effectively in other ways, including flexibly incorporating remote audits.

We created a COVID-19 health and safety guideline in 2021 – a health and safety self-check for suppliers. We sent the guideline to every factory, and they conduct a quarterly self-assessment of their compliance status. The self-checks covered employment, wages and health and safety in each factory.

ASICS is a signatory of the International Labour Organization's initiative [COVID-19: Action in the Global Garment Industry](#). The initiative aims to catalyze action from across the global garment industry to support manufacturers to survive the economic disruption caused by the COVID-19 pandemic and to protect garment workers' income, health and employment.

### Promoting sustainability through the supply chain

We are committed to ensuring safe and ethical working conditions throughout the supply chain. This means we have standards suppliers must meet related to forced and child labor, responsible recruitment, and fair wages.

## Supporting supplier standards

We worked closely with our suppliers for the Olympic and Paralympic Games Tokyo 2020. Suppliers were required to meet stringent international standards, including the Tokyo 2020 Organizing Committee procurement code, various laws, international labor standards and ASICS standards. To help them do this, we promoted sustainability management in our supply chain. By the start of the Tokyo 2020 Games, 100% of the Tier 1 factories had reached "C" or above, or joined the Better Work Programme.

## The Better Work Programme

ASICS has been a partner of Better Work (BW) and Better Factories Cambodia (BFC) since 2014, collaborating on monitoring and raising standards in our supplier factories in Cambodia, Vietnam and Indonesia.

In 2021, 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 Vietnam in collaboration with Better Work Vietnam.

## Our grievance mechanism

We introduced a grievance mechanism in 2019. It is important for us to understand and act on people's concerns about workplace-related issues, such as compensation, working hours, health and safety, forced labor, and harassment. We respond to each grievance made and conduct on-site audits and in dialogue with the supplier's management.

The grievance mechanism is one of the ways we gather information – we also do this through interviews at audits, and through correspondence with unions and NGOs. In 2021, there was one harassment report from a factory employee; the issue was resolved with the factory.

In the process of improving efficiency and integrating our whole supply chain management system, we are now refining our grievance system. We are considering the factories to include, based on factors such as the business relationship, continuity of business, share of ASICS, and country risk.

We investigated two situations related to employment in the supply chain in 2021:

- ASICS has a zero tolerance policy for forced labor and child labor in the supply chain. Concerns were raised about potential forced labor. We traced our products through the supply chain and confirmed there was no risk of forced labor.
- We work on the principle of direct employment. There was a question about whether workers, including foreign technical intern trainees in Japan, had paid the costs of their employment. We checked the situation through audits, specifically examining certificates and documents.

We interviewed workers and carried out surveys to confirm that there were no unreasonable payments and deductions.

- We connected with various parties to exchange information and address the social issue of human rights for migrant workers. We also set up grievance mechanisms in the factories that employed the trainee workers.

In 2021, we were also contacted by a partner factory's union about freedom of association. The factory in question aimed to treat all unions fairly; each union had its own opinions about the factory, so one union contacted ASICS. We communicated with the factory's management to encourage them to promote internal dialogue with unions, and the matter was resolved.

## Building capacity for sustainability

Due to the spread of COVID-19, factory operations were restricted, and many of our suppliers faced challenges to the health and safety of their employees and the continuation of production activities. To support sustainable business management, we co-hosted a virtual seminar with Better Work Vietnam in November 2021, for our suppliers in Vietnam, which is our main sourcing country.

About 100 people from 34 factories attended, including people in charge of sustainability, compliance, human resources and



## External assessment on human rights

In the global benchmark assessment of the apparel and footwear sector conducted by KnowTheChain, ASICS was rated in the second tier out of five (Intermediate steps). It scored 49 points, exceeding the industry average (41 points) and improving its ranking from 22nd in 2018 to 16th in 2021. This external indicator is an evaluation of our efforts, including:

- Responsible Recruitment: In order to address the risk of forced labor for migrant workers, we have the principle of "Responsible Recruitment" in our Code of Conduct for suppliers.
- Transparency: We disclosed the ratio of female workers and migrant workers, in each factory, including Tier 2 factories.
- Grievance mechanism: We introduced a grievance mechanism in 2019.
- Pandemic protection: We continued fair business relationships and close communication with suppliers to ensure that workers are protected during the COVID pandemic.

general affairs. They participated actively and asked questions about the seminar’s main topics: business continuity planning for apparel and footwear factories during COVID-19, and the practical application of the Vietnam Labor Law (2019).

### Keeping sustainability on track and transparent

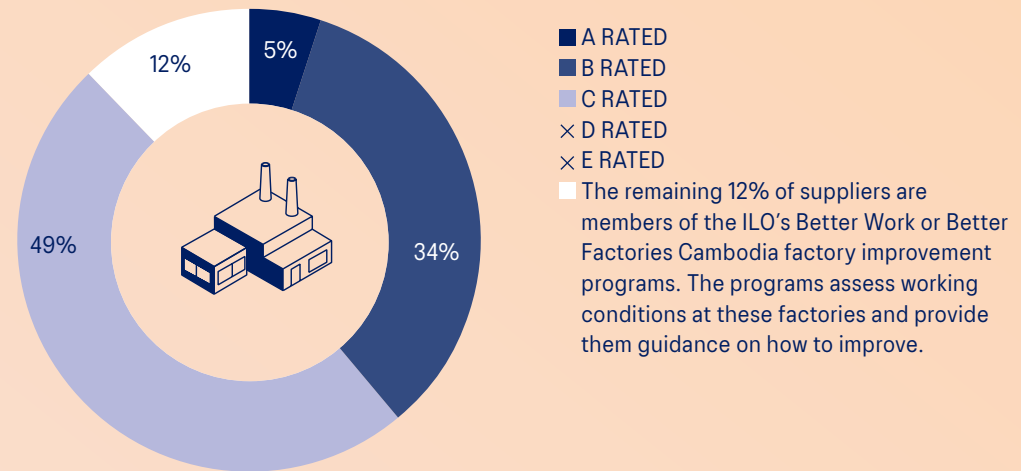
Throughout the year, we took action to create a culture of good sustainability management in our supply chain. We did this through audits, explanatory meetings, capacity building and awareness raising. We communicate biannually with each factory about their sustainability status with individual meetings, though these were conducted irregularly in 2021 due to COVID-19. As an incentive measure, we have included sustainability in the evaluation of footwear factories since 2020. Factories’ results are used as a reference when determining procurement volume.

Overall, our supplier ratings improved in 2021 . We will establish more elaborate processes to further partner with our supply chain on the human rights due diligence legislative developments and responsible procurement practices.

To increase the accuracy of our sustainability management system and reflect today’s real sourcing situation, we updated our internal guideline for sourcing. We introduced the new guideline internally to the relevant parties, including subsidiaries. And we are enhancing the relationships among subsidiaries to increase the accuracy of coverage of the regional factories.

We disclose our factory list from 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 20 countries and our main footwear Tier 2 suppliers. You can [download](#) the data in Excel format from our website.

**Tier 1  
supplier ratings 2021**



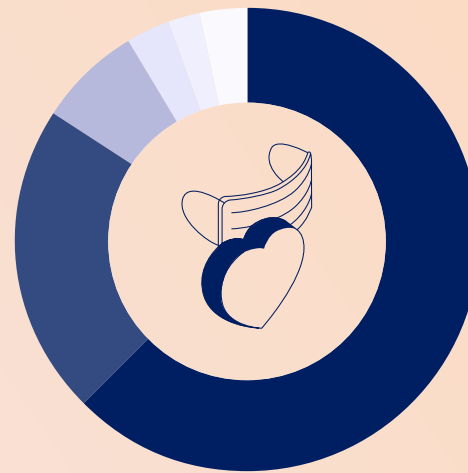
Year	Internal Asics Audit	Commissioned Audits	Partner Audits	Total
2021	1	21	12	<b>34</b>
2020	16	19	17	<b>52</b>
2019	31	57	29	<b>116</b>
2018	23	46	24	<b>93</b>
2017	66	31	16	<b>113</b>

### How we address non-compliance

If we identify non-compliance issues through our assessments, we first categorize them as major or minor, based on their severity and level of risk to workers. We then take appropriate action. This might include reviewing future orders, undertaking third-party investigations, issuing formal warnings or. If the violation is serious or persistent, we may terminate the business relationship.

We start with a remediation period of three months for minor issues. We expect the supplier to take corrective measures during this time, and ASICS provides support where needed, including through training and resources. In 2021, 63% of non-compliance was related to health and safety.

### Non-compliance areas



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

### 2021 RESULTS



- 100% Tier 1 supplier factories to meet global sustainability standards and ASICS sustainability standards.
- Tier 1 strategic partner factories to meet ASICS B-Level or above.
- Adopted a self-governance method that utilizes SAC's Higg vFSLM.
- 100% nominated Tier 2 suppliers to meet ASICS C-level or above.

### 2022 PLAN



- Refine Human Rights Due Diligence (HRDD) system to raise efficiency of sustainability management of the supply chain and maintain current level.
- Maintain level of existing strategic partner and review the scope.
- Expand the scope of vFSLM.
- Maintain level of existing nominated Tier 2 suppliers and review the scope.
- Responsible procurement practice: analyze the current status, decide the direction and execute plans.

### 2023 TARGET



- 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.

# Pride in Our People

ASICS employs 8,861 colleagues around the world. Our people are the driving force behind everything we do. We are committed to supporting not only their professional development but also their health and well-being. To do this, we provide a diverse and welcoming environment with opportunities to learn and grow. In 2021, we made progress in the areas of diversity and inclusion, employee engagement and employee well-being. In 2022 we will continue to focus on these three topics.

## One Team, Stronger Together

We believe only a diverse and inclusive workforce that brings together different perspectives, talents and knowledge will truly improve people's lives. We are committed to inclusion across race, ethnicity, gender, age, religion, disability, sexual orientation, and gender identity.

Our approach is led by a Global Diversity and Inclusion Steering Committee, which consists of senior managers from head-quarters and the regions. The Committee is responsible for the overall management of the D&I strategy across all regions.



ASICS Japan was awarded Gold – the highest ranking – in the PRIDE Index 2021 for the third consecutive year. In 2021, we created a global diversity and inclusion (D&I) network that would support a consistent approach to achieving our



D&I Vision, One Team, Stronger Together. Each region created a local D&I committee with a regional D&I representative who would work closely with corporate headquarters. We also take a regional approach to gender equality: in order to achieve our global target, each region has its own target. Each region has created its own action plan detailing the activities they will implement to improve gender equality.

With the D&I network in place, in 2021 we were able to share a series of messages from our athletes on International Day of

People with Disabilities encouraging people to create a more inclusive environment for sports.

We could also celebrate events like the Pride Run globally. Held in June 2021, the Pride Run gave ASICS colleagues and their families a way to celebrate diversity, including our LGBTQ+ community. People from every region took part – 145 colleagues from 12 countries. They had a range of abilities and shared the same purpose: achieving a Sound Mind, Sound Body.

## 2021 RESULTS



→ In 2021, the percentage of female managers increased by 1.17% globally to 33.7%.

*The ratio of females in manager and senior positions at ASICS Corporation increased from 10.9% in 2020 to 11.9% in 2021.*

*Global data as of January 1, 2022. ASICS Corporation data of December 31, 2021. The 2021 ratio of females in manager and senior positions at ASICS Corporation is verified by Deloitte Tohmatsu Sustainability Co., Ltd.*

## 2022 PLAN



→ Each region will continue to implement its action plan that aims to create more gender equal ratio of managers. The progress is reported to the Global D&I Steering Committee each quarter.

## 2023 TARGET



→ Achieve ratio of female representation in management and senior positions at least 35% globally by 2023.

## Engaging Our People to Support Growth

With a large global workforce, it is vital we continue to engage with colleagues to understand their needs and support their professional development.

As well as working on employee engagement at the company level, we also focused on team engagement in 2021. In January, we introduced a solution that enables us to analyze engagement scores by department and team. This talent management support program helps managers work more effectively with their teams and develop action plans to enhance engagement. During 2021, 167 managers (from ASICS HQ and ASICS Japan) used the program.

Another focus this year was on development training for executives. In August, we implemented a program to strengthen our global executive talent pipeline. The program supports the development of leadership skills and knowledge of business management through active learning. So far 35 candidates have taken part.

## 2021 RESULTS



→ We globalized the recruitment and learning and development (L&D) process.

## 2022 PLAN



→ Establish supporting system for all managers to carry out action plans to enhance engagement scores.  
→ Globalize performance management, compensation of each region to complete talent management globally.

## 2023 TARGET



→ Strengthen talent management globally, expand the utilization field of the Human Resource Information System (HRIS) in each region, progressively.

## Well-being starts within

Our employees' health and well-being are fundamental to achieving our mission to promote a healthy lifestyle through sports. We want to give our colleagues the support they need, so we conducted an employee survey in 2021 to find out more about their comfort at work, communication, breaks, exercise, eating habits, cleanliness and health literacy.

The results of the survey enabled us to take action to better support well-being at ASICS. In 2022, we will extend the activities to include employees' health literacy.

### → Mental health

- Online training for self-care and line-care
- Expand the Employee Assistant Program (EAP) to reach more people with counseling
- Online seminar sharing basic knowledge for improving sleep quality

### → Smoking rate

- Changed the indicator from percentage of smokers to the level of motivation to go smoke-free

### → Health issues related to Visual Display Terminals (VDT)

- Basic knowledge about health issues related to VDT for improving productivity

### → Exercise

- An online exercise program to improve exercise rate

[Explore the ASICS Well-Being report 2021 \(in Japanese\) →](#)

In 2021, ASICS was recognized for the fourth time as one of the "White 500" under the 2021 Certified Health & Productivity Management Organizations Recognition Program. Through this program, METI and Nippon Kenko Kaigi honor corporations that practice good health management.



### Sound Mind

In 2021, we invited our group employees in Japan to an online seminar on mental health for diverse work styles, such as working from home. They gained mental health knowledge and learned new coping methods.

### Sound Body

With the restrictions during the COVID-19 pandemic, many people moved less – they worked from home, so they didn't need to walk during their journey to work, sports facilities were often closed, and team sports were on hold.

To help our employees to keep moving, we continued our online fitness program. Since 2020, the staff at [ASICS Sports Complex TOKYO BAY – an urban hypoxia \(low-oxygen\) environment training facility](#) operated by ASICS – have been holding online seminars for employees.

We also provided colleagues with information on healthy eating habits and how to increase the calories burned, for example, through posture and breathing exercises.

### Smoke Free

We know smoking is detrimental to health. There has been a big drop in smoking rates in Japan over the last decade, and at ASICS we encourage colleagues to stop smoking to improve their well-being. The smoking rate among colleagues at ASICS headquarters has dropped from 11.9% in 2019 to 8.3% in 2020 and 7.7% in 2021 (against an original target of 7%). Following the employee survey, we have changed our approach and will now measure this aspect of well-being by self-reported motivation to go smoke-free.



# A Sound Mind in a Sound Body needs a Sound Earth



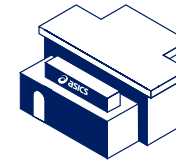
**We take our responsibility for our impacts on the planet seriously. At ASICS, we believe a Sound Mind in a Sound Body needs a Sound Earth – one in which we can live, breathe, and run freely. Taking responsibility means tracking and limiting our impact on climate change, moving towards a circular business model, and ensuring we operate as sustainably as possible throughout the supply chain. We aim to make a positive change together.**



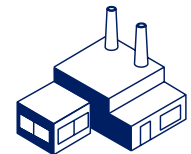




# Key achievements in 2021



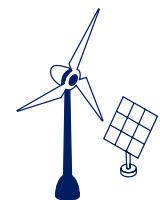
**28.0% reduction  
of CO<sub>2</sub> emissions**  
from our direct operations  
(vs 2015)



**19.7% reduction  
of CO<sub>2</sub> emissions**  
from our supply chain (vs 2015)



**>90%**  
of new running shoes  
in 2021 and 2022 contain  
recycled material



**23.0%**  
**renewable electricity**  
used in our business facilities

## Introduction to Planet

To achieve a sound mind in a sound body, we need a sound earth. Climate change is a critical issue for well-being, because it threatens the ability of future generations to live healthy both mentally and physically.

Climate change is already affecting people’s ability to play sports. Schools in Japan restrict children’s outside play at the height of summer. At the Olympic Games Tokyo 2020, changes had to be made to accommodate the severe heat, including moving the marathon and race-walking venues from Tokyo to northern Japan.

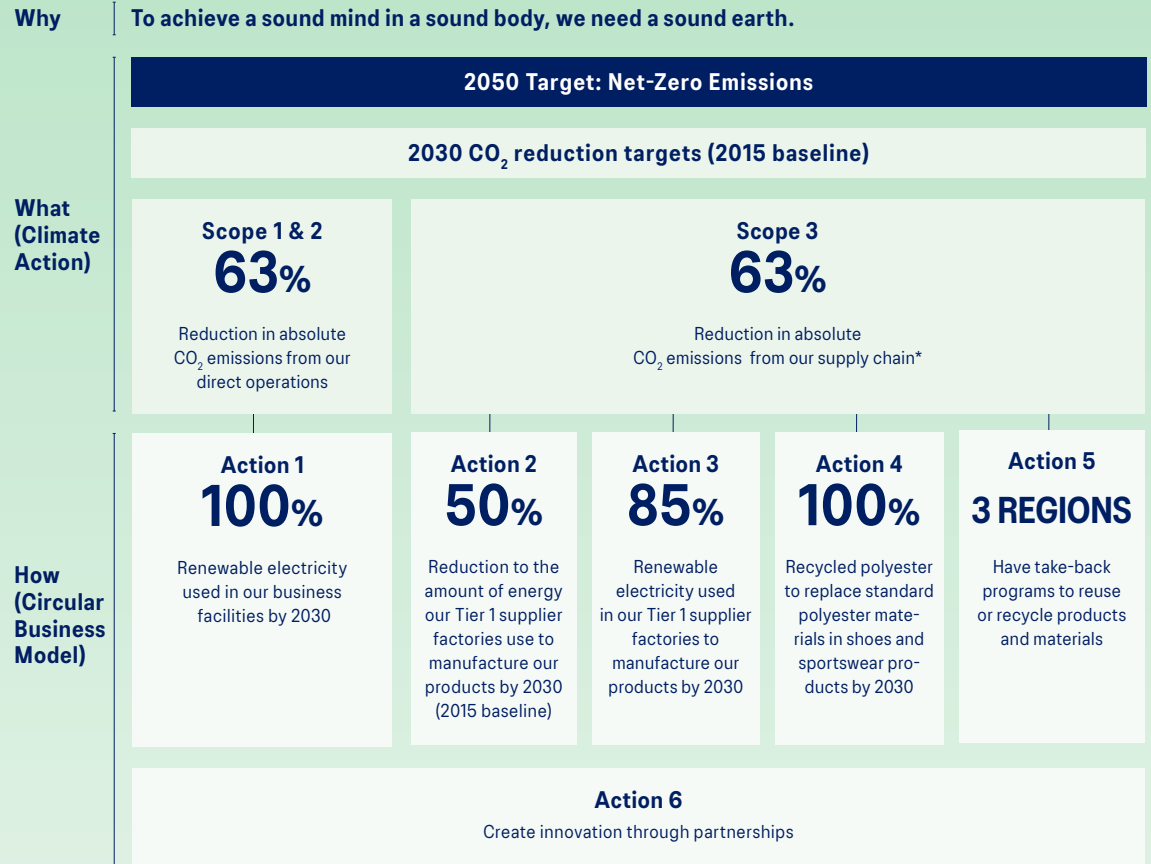
Because this is so important, we have set ambitious targets: we aim to contribute to limiting global temperature rise to 1.5°C, as recommended by the IPCC and set out in the Paris Agreement. We will do this by achieving net-zero emissions by 2050, and through targets that move us towards a circular business model.

With our main target in sight, we upgraded our overall climate strategy by further integrating it into our corporate-wide strategy in 2021. We better clarified the relationship between our climate strategy and value creation, by better quantifying its financial impacts. We also updated the roadmap of the reduction initiatives we are working on, based on their feasibility and impacts.

## Aligning with global goals

To contribute to sustainable development most effectively, we align our efforts with different international initiatives, including the Financial Stability Board’s Task Force on Climate-related Financial Disclosures, TCFD (see the TCFD Index on page 46), the Science Based Targets initiative (SBTi), Race To Zero, and the UN Sustainable Development Goals (SDGs).

## ASICS planet framework



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

### Circular business for climate protection

Climate change and resource scarcity are connected challenges we face globally. In our current linear economy, limited resources are used to manufacture products. The world's total manufacturing processes exacerbate resource scarcity and also accounts for 45% of global greenhouse gas emissions.

We believe creating a circular business model is key to achieving net-zero emissions and supporting the global 1.5°C target. We are making progress here, and with support of the Science Based Targets initiative, we have set ourselves concrete goals to stay within the 1.5°C target.

### Joining forces in the industry

ASICS is part of an industry that still has a long way to go. In the global apparel industry, less than 1% of the material used to produce clothing is recycled into new products. To show our commitment to mitigating climate change and ensuring the fashion sector is on the path to a sustainable future, ASICS is a member of three global initiatives :

- [Sustainable Apparel Coalition](#)
- [Fashion Industry Charter for Climate Change](#)
- [The Fashion Pact](#)

### Taking a leading role in climate action

The 26th UN Climate Change Conference of the Parties (COP26) took place in Glasgow on 1-12 November 2021. The event aimed to accelerate action towards achieving the goals of the Paris Agreement and the UN Framework Convention on Climate Change.

ASICS was honored to represent our industry in the COP26 Business Leaders Group, as the only sporting goods company.

One of the key objectives of this Business Leaders Group was to help accelerate private sector commitment to the Race To Zero (net-zero emissions). For us, this meant spreading the word and making a call for action to the wider sporting goods industry. Our contribution included providing feedback to the World

Federation of the Sporting Goods Industry future sustainability strategy on the topic of climate action and requesting their involvement to engage its members.

ASICS also signed a letter to G20 leaders to encourage climate progress at the G20 Summit toward COP26. ASICS and over 600 businesses called on G20 leaders to limit global temperature rise to 1.5°C.

[Read the signed letter to G20 leaders →](#)



# Our products and services

## Moving to a circular approach

To achieve our mission to help people achieve a sound mind in a sound body, we offer consumers products that inspire and motivate them to play sports. We want to ensure we limit the environmental impacts this leads to, so we are moving towards a circular business model.

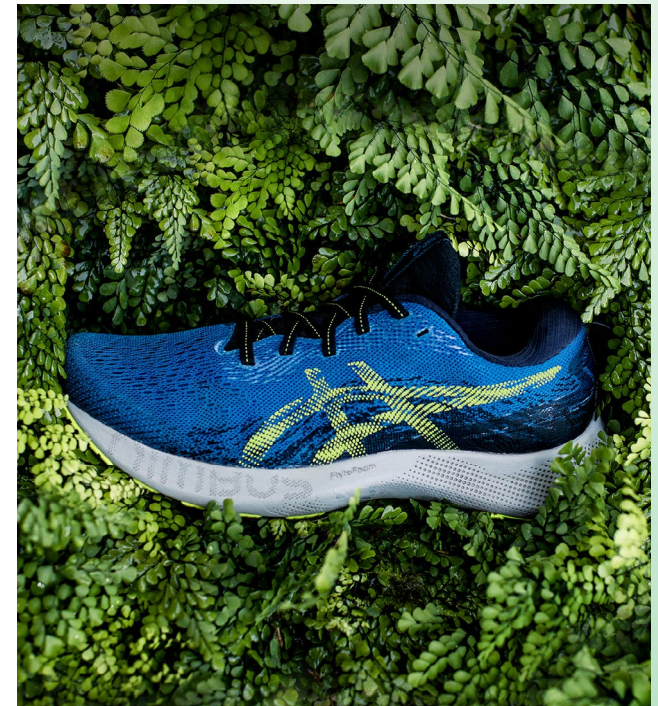
In a circular model, waste becomes a raw material. Our move towards circularity drives us to use more recycled materials in our products. Our 2030 target is to switch 100% of the polyester we use from conventional to recycled polyester.

We are making progress towards this goal. In 2021, we increased the use of the recycled polyester in all product categories consistently and broadly. Overall, 90% of new running shoes included recycled material.

We also incorporated textile waste into our products, including the GEL-NIMBUS LITE 3. Sportstyle shoes incorporated upcycled leftover material waste in unique 'Patchwork' designs, and we launched football shoes that feature sustainable materials.

Our Earth Day Pack, launched in April 2021, used around 5 tons of recycled textile waste across the whole collection.

[Read more about the Earth Day Pack →](#)



## 2021 RESULTS



- More than 30% conventional polyester materials replaced with recycled polyester.
- More than 90% of new running shoes in 2021 and 2022 contain recycled material.

## 2022 PLAN



- Continue to increase the percentage of items covered and material composition replaced with recycled polyester, based on each product category roadmap.

## 2030 TARGET



- 100% recycled polyester to replace conventional polyester materials in shoes and sportswear products.

**ASICS REBORN WEAR PROJECT**



©JOC/JPC/ASICS

Our efforts towards a circular economy were seen on the world stage at Tokyo 2020. Through the ASICS REBORN WEAR PROJECT, the official sportswear we produced for the Olympic Games Tokyo 2020 Japan Olympic Team was made from recycled clothes donated from people across the country.

[Read more on page 16 of our 2019 report →](#)

**Taking our products and services full circle**

We want to continue this progress. In 2021, we put together a circular design guide, which we shared with the product divisions to inspire more sustainable design. In 2022, we plan to further clarify our mid- to long-term approach to circularity and make sure it is integrated into our broader strategies for products, services and the whole business.

Our circular business strategy is already progressing with several initiatives across our products and services. From offering our consumers products that feature recycled materials to providing services that let people recycle their own used products, we are aiming to close the circle.



**2021 RESULTS**



→ The take-back program has started at retail stores in Japan. The take-back program run through E-commerce has expanded to Canada.

**2022 PLAN**



→ Consider expanding the region to implement a product reuse program.

**2030 TARGET**



→ Three regions have take-back programs to reuse or recycle products and materials.

### Our collaborations with circular partners

We believe in quality products that should only be discarded when they are no longer functional. In Europe, our dedicated staff review all ASICS product returns with care. Most returns can go directly back onto the shelves, and many only need a few adjustments – a new hangtag or shoebox, for example. Less than 10% of the items our customers return are defective and cannot be resold. These are recycled by one of our partners.

We send the defective footwear returned in Europe to our partner [FastFeetGrinded](#) (FFG). Instead of sending them to landfill or incineration, FFG grinds the defective shoes up into their constituent materials, so they can be made into new shoes.

In 2021, FFG recycled almost 6,000 kg of materials from ASICS shoes, saving 24,551 kg of CO<sub>2</sub>.

We are working alongside other leading apparel brands to move the industry forward. We partner with several companies that use pioneering polymer recycling technology to turn polyester and cotton textiles back into virgin equivalent – raw recycled materials.

In 2021, ASICS Europe became a Pioneer Member of [Worn Again Technologies](#). As a Pioneer member, ASICS Europe has access to a share of the material produced, helping us create even more circular designs.

### Bags of sustainable design

In 2021, several of our sustainable product initiatives involved bags.

With the Banner to Bag project, we recycled banners used in ASICS store windows across Europe into bags.

[Watch the video →](#)

We also continued producing the GREEN BAG – an eco bag made in part from used apparel through a chemical recycling process, mixed with other recycled materials. The GREEN BAG won the Good Design Award 2021 in Japan. In addition to being sustainably produced, the GREEN BAG also helps us support the next generation. Part of the profits go to support a community program called ONE FUTURE.

We collected the used 2021 LA Marathon banners and repurposed them into shopping bags using our local factory. Each bag is one-of-a-kind, with a unique swatch of graphic designs that celebrates Los Angeles and its rich running heritage and culture.



Shopping bags made of repurposed banners at the 2022 LA Marathon

### More sustainable raw materials

When it comes to the raw materials we use, we want to make sure they 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.*

We also reduce our impact by adjusting our approach to things beyond the products themselves, such as samples and packaging. In 2021, we adopted digital sampling widely and this contributed to the reduction of the physical samples and related materials we use.

### Ensuring quality and safety

As well as improving sustainability, we also focus on the quality and safety of our products. We use a quality assurance and management system in all our operations to ensure our products comply with the applicable global standards. We continuously improve this system to ensure our products and services continue to meet our consumers' requirements.

Communication is central to our approach to safety, and training is an integral part of our quality assurance and management system. In 2021, we held an in-house online exhibition of product quality and safety in Japan. Since 2013, ASICS has been a member of the Apparel and Footwear International RSL Management (AFIRM) Group. AFIRM 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. We are working to improve the risk management and compliance of chemical substances in the supply chain. We supervised the Japanese edition of the Apparel and Footwear International RSL Management (AFIRM) Restricted Substances List in cooperation with Mizuno.

With the use of digital tools including AI (artificial intelligence), we have been able to improve the efficiency of our product safety and chemical management. This has also reduced the risk of product and service claims. In 2022, we will maintain this approach to continually improve our product safety system.

### 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. Traditionally, adhesives based on solvents containing VOCs have been used in the manufacture of athletic shoes. However, these solvents can have harmful impacts on people and the environment.

In 2021, our VOCs usage were estimated to be 3,843 tons in our strategic factories. This is based on the calculation of the total adhesive consumed, including disposed volume at the factories. In the future, we plan to calculate the amount of adhesive used per item, based on information received from our suppliers.

[Read about our approach to chemical safety →](#)

### Voluntary product recalls

2021		1
2020		3
2019		0
2018		2
2017		2

### 2021 RESULTS



→ More than 50% sourced from more sustainable cotton.

### 2022 PLAN



→ Increase our sourcing of more sustainable cotton toward 2025.

### 2025 TARGET



→ Source 100% more sustainable cotton for our products.

# Our operations

However sustainable our product design is, even when using recycled materials, our facilities, stores and own operations use energy and water and produce greenhouse gas emissions. As a sporting goods company, we can also contribute to halting climate change by reducing our own carbon emissions.

We have set the ambitious target of net-zero emissions by 2050. To reach this main target, we have set other targets and actions related to using less energy in our operations and switching to renewable energy.

## Reducing our emissions

We are reducing our emissions within both the direct scope of our own operations and the wider indirect scope, including operations associated with transportation .

Our strategy to reduce energy use and CO<sub>2</sub> emissions involves :

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

## Reducing our footprint with renewable energy

Renewable energy drives ASICS' progression to Net-Zero. In 2021, we significantly expanded our contract scope of renewable electricity in Japan. As of 2022, all ASICS-owned offices in Japan – including ASICS headquarters, Institute of Sport Science and ASICS Japan Corporation headquarters – are now powered by 100% renewable electricity. We also progressed our renewable electricity sourcing in Europe.



## 2021 RESULTS



- CO<sub>2</sub> emissions decreased 28.0% (2015 baseline).
- CO<sub>2</sub> emission intensity per revenue decreased by 23.7% (2015 baseline).

## 2022 PLAN



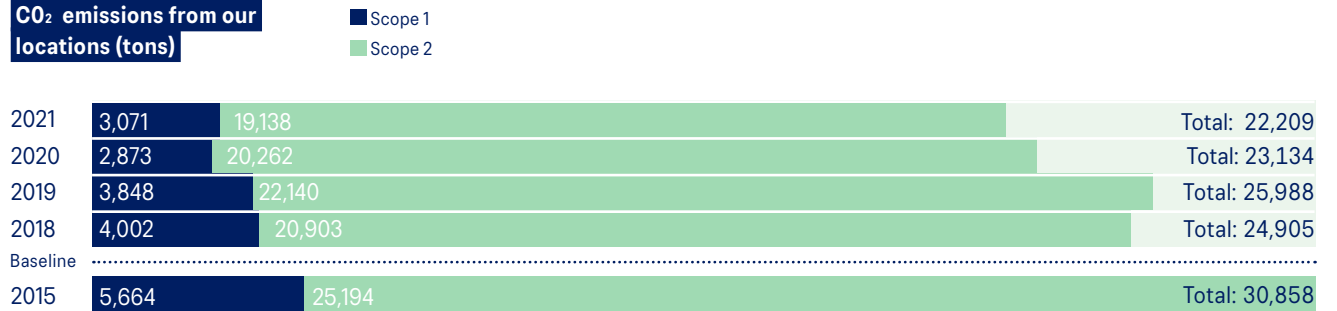
- Actively switch to renewable energy where possible.

## 2030 TARGET



- Scope 1 & 2 – 63% reduction in absolute CO<sub>2</sub> emissions from our direct operations (2015 baseline).

## CO<sub>2</sub> 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 CO<sub>2</sub> Emissions from Fuel Combustion 2016.

The following formula is used when the amount of energy consumption for CO<sub>2</sub> emissions is not available for any sites: (energy consumption per square meter estimated for each type of site) x (area of site) x (CO<sub>2</sub> emission factor).

The Certificate of Green Power 1.6 GWh was deducted from the total Scope 2 in 2018 data.

The 2021 emissions data are under verification process by Deloitte Tohmatsu Sustainability Co., Ltd.



The result is a continued reduction in our non-renewable energy volume, on track to meet our 2030 target.

In 2022 and beyond, we will continue to increase the proportion of renewable energy we use. Working with an external company, we carried out an analysis of the Energy Attribute Certificate (EAC) in 2021. Our aims were to understand what kind of EAC is available in the countries in which we operate and to determine how we can build EAC into our roadmap to achieving our 2030 emissions targets and RE100 target. We plan to reflect the results in our Scope 1 and 2 strategy in 2022.

### Energy volume by type (GWh)

- Electricity from non renewable sources
- Electricity (including steam purchased) from renewable sources
- Fossil Fuels

Year	Electricity from non renewable sources	Electricity (including steam purchased) from renewable sources	Fossil Fuels	Total
2021	37.4	13.3	13.9	64.6
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
2017	41.7	7.3	19.1	68.1

*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 total energy volume is verified by Deloitte Tohmatsu Sustainability Co., Ltd.*

### 2021 RESULTS



→ 23.0% of electricity from renewable sources.

### 2022 PLAN



→ Actively switch to renewable energy where possible.

### 2030 TARGET



→ 100% renewable electricity used in our business facilities by 2030.

### Partnering for renewable energy

We can make faster progress towards net zero through partnerships. In 2021, we partnered with UPDATER, Inc. and joined a traceable renewable electricity program called Minna-Denryoku to supply six locations in Japan. The partnership helps us achieve our 2030 goal of 100% renewable electricity globally, by significantly increasing our use of renewable electricity in Japan. All our owned offices in Japan run on 100% renewable energy, and we are working with UPDATER, Inc. to explore renewable energy sourcing for our stores and factories in Japan.

To help motivate others to switch to renewable electricity as well, we established the ASICS ONE FUTURE Denki electricity program with UPDATER, Inc. It is a renewable electricity plan for homes that lets people support sports for young people. When paying their monthly bill for renewable electricity, 100 yen is donated per month to the ASICS ONE FUTURE project.

[Read about ONE FUTURE Denki \(in Japanese\) →](#)



### Managing our water impacts

As water is a precious and often limited resource, we aim to reduce our water use every year. We assess the water impacts in our own operations. The water we use is mostly from municipal sources.

In 2021, we used 15% less water than the previous year. The COVID-19 pandemic contributed to this reduction, as a large proportion of our employees worked from home and factories and stores were closed for much of the year.

Using water also means discarding it, and we monitor and mitigate our impacts here, too. 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 continuously encouraging our employees to save water.

### Cutting our waste

With circularity becoming more and more important in the way we operate, we are also focusing on reducing our waste more broadly. The majority of our waste-related impacts are through products and materials, both downstream (after their use) and upstream (material loss) in the value chain.

The waste ASICS generates in our own activities is managed by a third party. We regularly check the third party's certificates and legally required documents. We collect data of our own facilities through a cloud-based database.

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.

To reduce our impacts, we have established partnerships on the reuse and recycling of product returns and inventory. (read the details of our partnership with FastFeetGrinded on page 30).

### 2021 RESULTS



→ Diverted 87.9% of the waste at our direct operations from landfill.

### 2022 PLAN



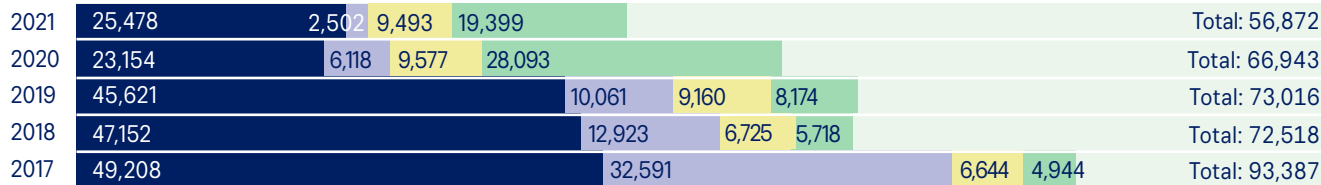
→ Will continue to work with the key locations to reduce the waste going to landfill and improve recycling rates further.

### 2023 TARGET



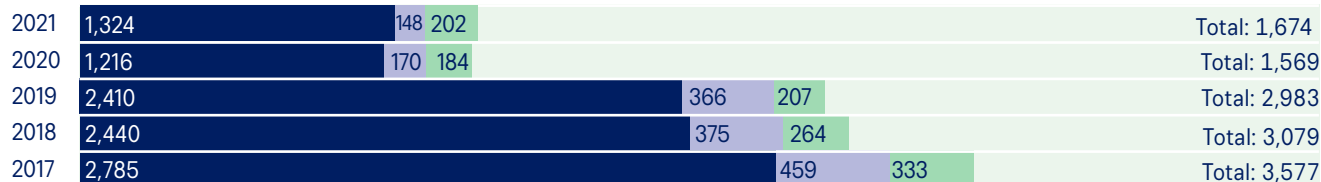
→ 98% waste recovered or recycled at our direct operations.  
\*Includes the 70% of sites that can measure and report their waste.

### Water volume used in our operations (m³)



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)  
 2017: 31 companies, 85 locations, covering 80% of operations (FTE basis)

### Waste volume (metric tons)



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)  
 2017: 20 companies, 40 locations, covering 69% of operations (FTE basis)

# Engaging our supply chain

With a supply chain of more than 150 Tier 1 suppliers, we can have a significant positive effect on global sustainability through engagement.

In 2021, 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.

## 2021 RESULTS



→ 80% of Tier 1 strategic footwear partner factories from which we received Higg FEM modules improved their Higg FEM 2020 score compared to baseline. (Baseline: Higg FEM 2019).

## 2022 PLAN



→ Increase the rate of suppliers that implement verification.  
→ Increase the rate of suppliers that implement Higg FEM.

## 2023 TARGET



→ 90% Tier 1 strategic partner factories improve their SAC Higg Facility Environmental Module (Higg FEM) Score compared to baseline.

## Scope 3 CO<sub>2</sub> emissions 2021

Scope 3 category	CO <sub>2</sub> tons	%	Scope
1. Purchased goods and services	564,546	82.5	Global Footwear Manufacturing CO <sub>2</sub> Data (Tier 1), and ASICS Group companies' purchases of footwear material, apparel, equipment, marketing and sales (Calculation methods <sup>1</sup> )
2. Capital goods	8,801	1.5	ASICS Group companies
3. Fuel-and-energy-related activities	786	0.1	ASICS Group companies
4. Upstream transportation and distribution	49,487	7.2	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	50	0.01	ASICS Group companies
6. Business travel	599	0.1	ASICS Group companies
7. Employee commuting	299	0.04	ASICS Group companies in Japan
8. Upstream leased assets	-	-	Not assessed
9. Downstream transportation and distribution	6,920	1.0	ASICS Group companies
10. Processing of sold products	-	-	Not assessed
11. Use of sold products	22,434	3.3	ASICS Group companies
12. End-of-life-treatment of sold products	30,382	4.4	ASICS Group companies
13. Downstream leased assets	-	-	Not assessed
14. Franchises	10	0.001	ASICS Group companies in Japan
15. Investments	-	-	Not assessed
<b>Total</b>	<b>684,313</b>	<b>100</b>	

The Category 1 (Purchased goods and services) CO<sub>2</sub> emissions data of Scope 3 is verified by Deloitte Tohmatsu Sustainability Co., Ltd.

<sup>1</sup>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 services<sup>2</sup>)

<sup>2</sup>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.

## Decarbonizing our supply chain

More than 70% of the emissions related to our products are indirect – they come from manufacturing, material procurement, and end-of-life management. Our 2030 target is to reduce these Scope 3 emissions by 63% globally. In 2021, we achieved a reduction of 21.3% due to the impact of the COVID-19 pandemic on production countries and through switching to lower-emission materials such as recycled polyester.

## Integrating sustainability into our sourcing strategy

We collected environmental data from our suppliers to grasp their environmental impact. We have used some of the data (through Higg FEM) for factory assessment and rating to further integrate sustainability into the sourcing strategy and decision process.

In 2021, we focused on upgrading our supply chain decarbonization strategy, with a clearer procurement policy and supplier engagement approach. This was part of a project supported by the Japanese Ministry of the Environment: “The Fiscal Year 2021 Model Project for Supporting Achievement of the Decarbonization Targets of the Entire Supply Chains.”

[Read the guidebook by The Ministry of the Environment, Japan \(in Japanese\)](#) →

Based on the analysis in this project, we confirmed that initiatives with our Tier 1 footwear suppliers are the most effective. We had meetings with all strategic footwear suppliers to share our updated sustainability strategy and targets, as well as sharing relevant information on both on-site and off-site Power Purchase Agreement (PPA) projects with our strategic suppliers in Vietnam. We also proposed our strategic suppliers in Vietnam to join the Apparel Impact Institute’s Clean By Design Program. Through dialogue with these suppliers, we understood each factory’s situation and challenges, and could align on next steps, such as sourcing renewable energy.

We also put together our new Green Procurement Policy. This means we will prioritize procuring footwear products from sustainable suppliers who meet the standard we set for their environmental performance. Our requirements include setting an ambitious climate target, continuously working on energy efficiency, and planning to source renewable energy. We are planning to

gradually introduce the policy to our strategic footwear suppliers as well as accelerating our supplier engagement towards their further emissions reduction.

It has been challenging and complex to progress on CO<sub>2</sub> reduction in our supply chain, as we outsource most of our production to partner factories abroad and we cannot directly undertake actions to reduce emissions there. However, supplier engagement was a successful approach for creating a roadmap to achieve our Scope 3 targets.

The approach has helped us implement concrete action plans with each strategic factory. Through the process, we discovered that each factory’s progress is completely different. Therefore, we will follow the clear policy but engage individually depend on each factory’s situation.

## 2021 RESULTS



→ 19.7% reduction in absolute CO<sub>2</sub> emissions from our supply chain (2015 baseline).

## 2022 PLAN



- We will approach our strategic Tier 1 suppliers in Vietnam, where most of our factories are based, and cooperate with them for their energy saving and renewable energy sourcing.
- We provide information to help them implement renewable energy collaborations with external initiatives such as the Clean Energy Investment Accelerator (CEIA)
- Several suppliers are planning to join in the Apparel Impact Institute’s Clean By Design Program.

## 2030 TARGET



- 63% reduction in absolute Scope 3 CO<sub>2</sub> 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.



### Protecting a precious resource

We assess the water impacts in our Tier 1 and Tier 2 raw materials suppliers with Higg FEM to determine the volume of suppliers' water use. As Higg FEM uses the WRI Aqueduct Tool and the WWF Water Risk Filter, we can also use this to determine whether the suppliers are located in water risk areas.

Most of our water impacts occur in the product supply chain, specifically during the material dyeing process. We work with stakeholders to explore reducing these water impacts, for example by increasing the volume of materials sourced that are dyed with lower water impact methods (for example, using so-lution dyes). We are also working with suppliers on the research and development of such technologies at our Institute of Sport Science.

[Read more about our water impact in ASICS' CDP response →](#)

We are planning to apply the Science Based Targets for Water (SBTW) concept in the coming years. We also plan to update the supply chain water risk analysis in 2022.



We also monitor our suppliers' water discharge through Higg FEM data and info collected directly from the suppliers. Our minimum standard for the quality of effluent discharge is to be in compliance with local regulations, and we apply Higg FEM to check our suppliers' compliance. We provide our suppliers with our factory environmental guideline, which indicates recommended management processes. When developing the guideline, we referred to industry standards.

As well as managing our suppliers' water impact, we are jointly focusing on reducing our waste to accelerate circularity. We share our circular design guide with designers and developers, for example, to encourage less material use and material loss, and to encourage the use of durable products. We have reduced the use of paper packaging and digitalized product samples. Our product take-back (recycle) and resale programs, and a (limited) repair program, also contribute to lowering our waste impacts.

### 2021 RESULTS



→ Water consumption decreased by 29.5% and waste emissions decreased by 60% for every pair of shoes manufactured (2015 baseline).

### 2022 PLAN



→ Continue to engage with Tier 1 footwear factories to achieve targets using Higg FEM analysis.

### 2023 TARGET



→ 20% reduction of water and waste impact per item produced by Tier 1 footwear factories by 2023 (2015 baseline).

### Environmental performance of footwear Tier 1 suppliers

Category	Unit	2015 Baseline	2018	2019	2020	2021
CO <sub>2</sub> emissions	kg/pair	2.45	2.08	1.77	1.42	1.63
Water	m <sup>3</sup> /pair	0.034	0.028	0.031	0.027	0.024
Waste	kg/pair	0.021	0.03	0.03	0.019	0.008
Recycled or recovered waste	tons	12,606	4,980	5,352	4,962	6,922

*The data in this table is based on 16 factories in China, Vietnam, Indonesia and Cambodia, which together produce over 95% of all our footwear.*

*The 2020 data for recycled or recovered waste is restated due to updated data and improved estimates.*

# Meeting targets to make a bigger impact

To extend our positive impact further, we set up sustainability-linked derivatives and bonds. These derivatives and bonds hold us accountable to our targets, as they are linked to our progress towards sustainability performance targets.

*“We should clearly demonstrate our purpose and commitment to sustainability through our financial strategy as well. We will continue to work together with the financial sector to develop and launch leading sustainable finance initiatives.”*

**Koji Hayashi**

Executive Officer, Senior General Manager, Accounting and Finance Division (in charge of Corporate Strategy)

## Sustainability derivatives and bonds

	Sustainability-Linked Derivative	Sustainability-Linked Bonds
<b>Details</b>	A forward exchange contract linked to the progress of sustainability performance targets (SPT). We made the contract on 21 July 2021. If we fail to achieve the SPT, donations are made to organizations working to create a positive impact on the environment.	Through the bond, we are committing to future improvements in sustainability outcome(s) within a predefined timeline. We issued the bond for a total of 10 billion yen on 2 December 2021 with a term of 5 years. If we fail to achieve the SPT, we will purchase credits that contribute to reducing carbon emissions, which is equivalent to 0.1% of the bond issuance amount.
<b>Goals</b>	The sustainability performance target (SPT) is to be awarded a position on the CDP Supplier Engagement Leaderboard in 2023.	The sustainability performance target (SPT) is to maintain an “A-” or higher score for the CDP Climate Change score in 2025.
<b>Second-Party Opinion</b>	We received a Second-Party Opinion on its alignment with the Sustainability Linked Loan Principles (2021) and the Ministry of the Environment’s Green Loan and Sustainability Linked Loan Guidelines (2020) from Rating and Investment Information, Inc.	We received a Second-Party Opinion on its alignment with the Sustainability-Linked Bond Principles (2020) from Rating and Investment Information, Inc.

# External recognition

In order to achieve our mission to help people achieve a sound mind in a sound body in a way that preserves a sound earth, we look forward: we set ambitious goals and develop plans to achieve them. It is also important to look back at our successes – including those awarded with external recognition.

**Sustainability Yearbook**  
Member 2021

**S&P Global**

**S&P Global Sustainability  
Yearbook Member 2021**



**CDP Supplier Engagement  
Leaderboard 2021**

ASICS Corporation has been recognized for the third consecutive year, and it showcases that ASICS is among the top 8% of organizations assessed by CDP, one of almost 500 companies on the Leaderboard this year.

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

**DJSI**

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



**CDP**

ASICS Corporation rated B level on climate change and rated B level on water security.



**MSCI Japan ESG Select  
Leaders Index**

ASICS Corporation has been continuously included with AA ratings since 2017.

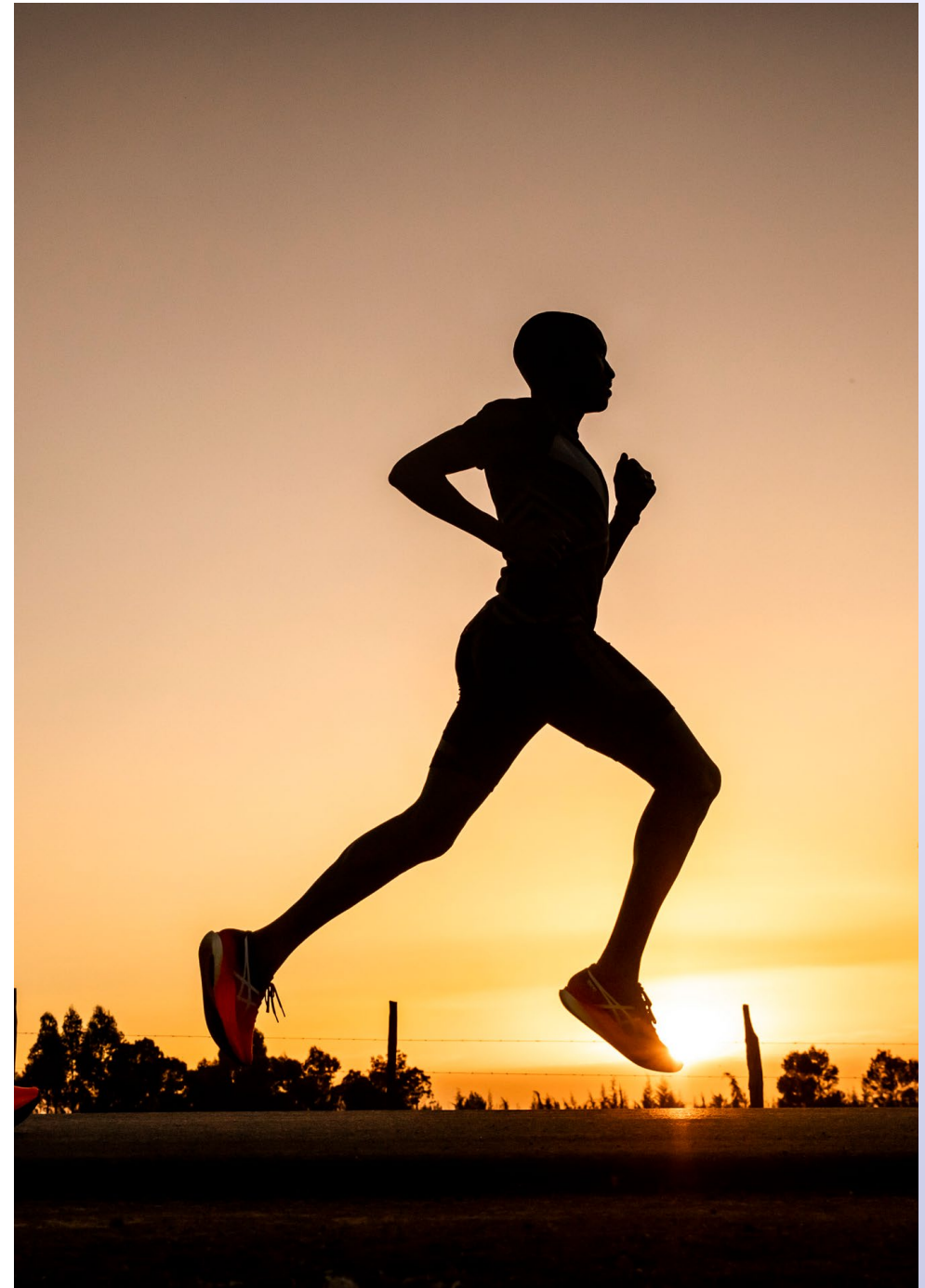


**FTSE4Good**

**FTSE4Good Index Series and FTSE BLOS-SOM JAPAN INDEX**

# Sustainability in ASICS VISION2030

**Sustainability runs through everything we do. Our VISION2030, which spans three business domains – Product, Facility and Community, and Analysis and Diagnosis – is underpinned by three themes: Sustainable, Digital, and Personal. These themes are interconnected, ensuring we continue to develop and offer personalized products and services with environmentally conscious, sustainable methods and materials.**





In 2021, we further integrated sustainability into ASICS' business strategy. As part of this effort, we defined the business implications (objectives) of our climate strategy and initiatives and estimated the financial implications. You can read more about this in our [Integrated Report](#).

In the coming years, as we work towards our VISION2030 and the next Mid-Term plan, we plan to further integrate sustainability into our business strategy. We will do this by:

- Defining how our sustainability strategy and initiatives lead to value creation – creating positive impact and reducing negative impact
- Clarifying the financial implications of our sustainability strategy and initiatives reflecting the future scenarios

We continue to explore how climate action and circularity can be integrated into the different business domains and portfolios towards our VISION2030.

We are excited about the future and committed to taking responsibility for our role in supporting the well-being of our planet and people around the world, by helping them maintain a sound mind in a sound body.

**Value creation process**

## Sound Mind, Sound Body



## About this report

The ASICS Sustainability Report 2021 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 first 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 [2020 sustainability report](#) was released on June 11th, 2021. This 2021 report covers the calendar year January 1st, 2021 to December 31st, 2021.

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: Core option.

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.



## Materiality

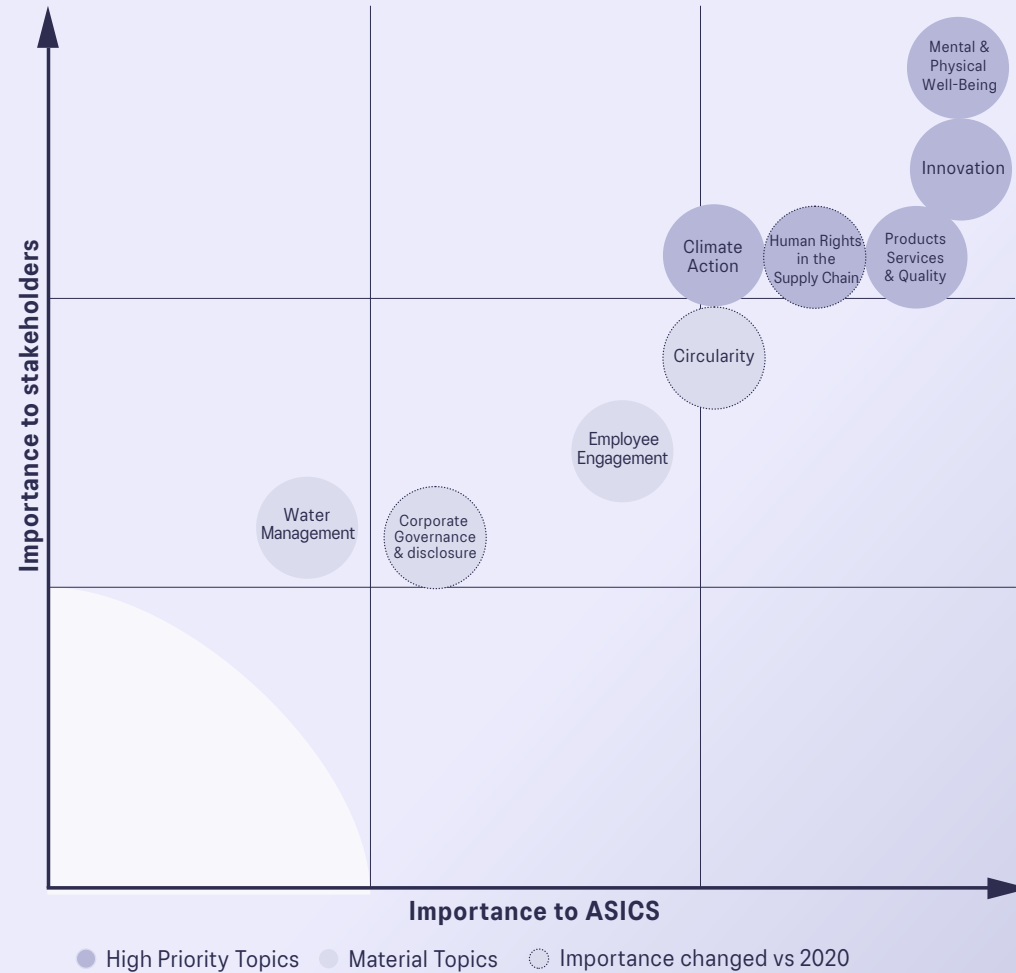
The ASICS Group operates a corporate-wide materiality program that identifies and evaluates the material topics that are most relevant to our stakeholders and to our business. In 2020 – the final year of our previous five-year strategic plan – we substantially updated our materiality matrix (you can read the details on [page 49 of our 2020 Sustainability Report](#)).

In 2021, we carried out a materiality refresh, to reflect the ongoing stakeholder engagement that is described in the Integrated Report. Three topics have become more important in the past year: human rights in the supply chain, circularity, and corporate governance & disclosure.

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

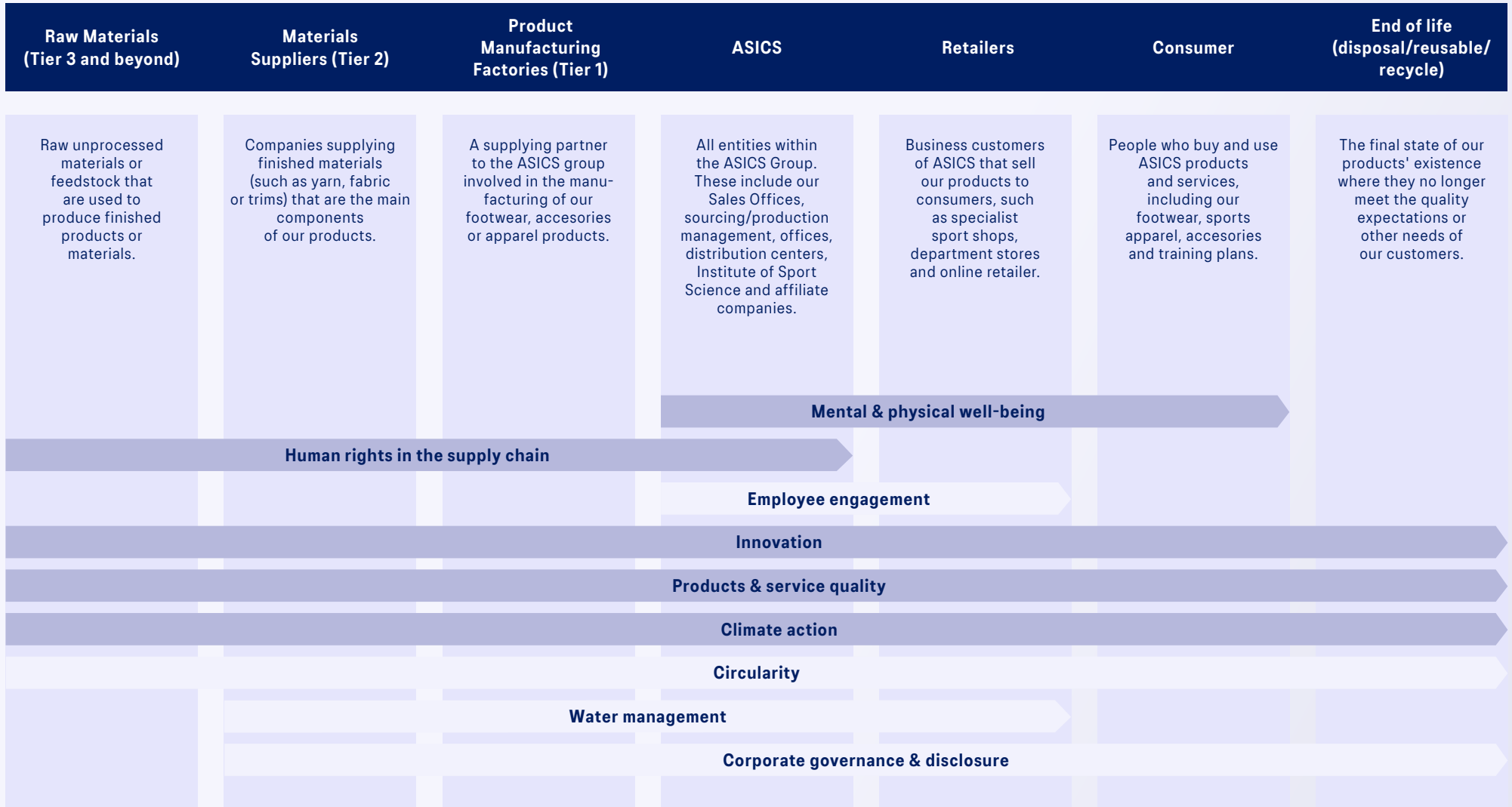
The materiality matrix shown here displays our nine material topics. We have established five of these topics as higher priorities: mental & physical well-being, innovation, product & service quality, climate action, and human rights in the supply chain.

### Materiality matrix



Material topic	GRI indicators and other KPIs
<p><b>Mental &amp; physical well-being:</b> ASICS' purpose has been to help people achieve a sound mind in a sound body since the company was founded in 1949. People are more aware than ever before of the importance of mental and physical health, so this is the most relevant topic to our stakeholders and our business.</p>	<p>Local communities</p>
<p><b>Innovation:</b> To enable a healthy and fulfilled mind and body, we need to pursue innovation for products, services, and business models with personal, digital, and sustainable in mind as our common themes.</p>	<p>Materials</p>
<p><b>Products &amp; services quality:</b> In order to meet the expectations of our stakeholders, we need to keep enhancing the performance of our products and services while ensuring their safety.</p>	<p>Consumer health and safety Marketing and labelling</p>
<p><b>Climate action:</b> 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.</p>	<p>Energy Emissions</p>
<p><b>Human rights in the supply chain:</b> Upholding fair business practices and improving labor conditions across our supply chain are responsibilities we take seriously.</p>	<p>Child labor Forced or compulsory labor Human rights assessment Supplier social assessment Freedom of association and collective bargaining</p>
<p><b>Circularity:</b> To tackle climate change, we should shift to circular manufacturing and business model by using less and cleaner materials, making more durable products, and recycling materials and products.</p>	<p>Materials Effluents and waste Supplier environmental assessment</p>
<p><b>Employee engagement:</b> To help more people achieve a sound mind in a sound body, we need a diverse team to drive innovations, and realize high performance by strong and fully engaged employees.</p>	<p>Employment Diversity and equal opportunity Labor/management relations Training and education Nondiscrimination</p>
<p><b>Water management:</b> Our industry uses a significant amount of fresh water globally in its supply chain and understanding of water risks and improving water sustainability are important.</p>	<p>Water</p>
<p><b>Corporate governance and disclosure:</b> ASICS is dedicated to continuous enhancement of our corporate value, to gaining the trust of all stakeholders, and to achieving highly transparent management and disclosure.</p>	<p>Environmental compliance Socioeconomic compliance Consumer privacy Economic performance</p>

**Material topics in our value chain**



**Value Chain Analysis**

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

The visual above shows where material issues occur in our value chain. The dark blue bars show the issues that are considered to be of higher priority to ASICS and our stakeholders, in line with the materiality matrix.

■ High Priority Topics  
 □ Material 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 will disclose 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 Executive Officer 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 8.

### Strategy

In 2020, we listed a variety of risks and opportunities and evalu-

ated the impact of each one on our company. This analysis was applied across the business. We identified transition risks such as carbon taxes, product labeling regulations, price increases of raw materials (oil prices) and increased stakeholders' requirements, and physical risks such as the disconnection of the distribution network due to natural disasters and decreased sports opportunity due to rising mean temperature. 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 2030 as the time horizon, as it was close enough to ensure strategic relevance. Considering the time horizon of 2030 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 2°C and 4°C scenarios as of 2030, with a larger impact due to physical risk in the years after 2030. We referred to the multiple IEA scientific scenarios, the IEA 450 Scenario for a 2°C increase and IEA New Policy Scenario for a 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, Legal and Sustainability Departments, and concluded that the biggest risk would be a reputation risk if we were unable to meet our consumers' and stakeholders' requirements and expectations. 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. The analysis was not updated during 2021, as the results from the 2020 analysis remain fully relevant. You can read more about our targets on page 26.

### 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 reputation risk and 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, 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). The aim is to achieve net-zero emissions by 2050. Our new 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 the reduction in our emissions on pages 32 and 36.

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.

## Independent Practitioner's Assurance Report

To Mr. Yasuhito 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, 2021 (the "Sustainability Information") included in the "Sustainability Report 2021" (the "Report") prepared by ASICS Corporation (the "Company"):

- the 2021 ratio of females in manager and senior positions at the Company on page 21;
- the 2021 amounts in the graph "CO<sub>2</sub> emissions from our locations (tons)" on page 32;
- the 2021 total in the graph "Energy volume by Type (GWh)" on page 33; and
- the CO<sub>2</sub> tons for "1. Purchased goods and services" in the chart "Scope 3 CO<sub>2</sub> emissions 2021" on page 35.

### 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 21, 32, 33 and 35 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 28, 2022

Member of  
Deloitte Touche Tohmatsu Limited

