

Appendix 2: Materiality

Looking Ahead: A New Approach to 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.

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

The updated materiality matrix is more focused, and it has helped us create a new strategy that fits well with VISION2030.

Materiality Matrix

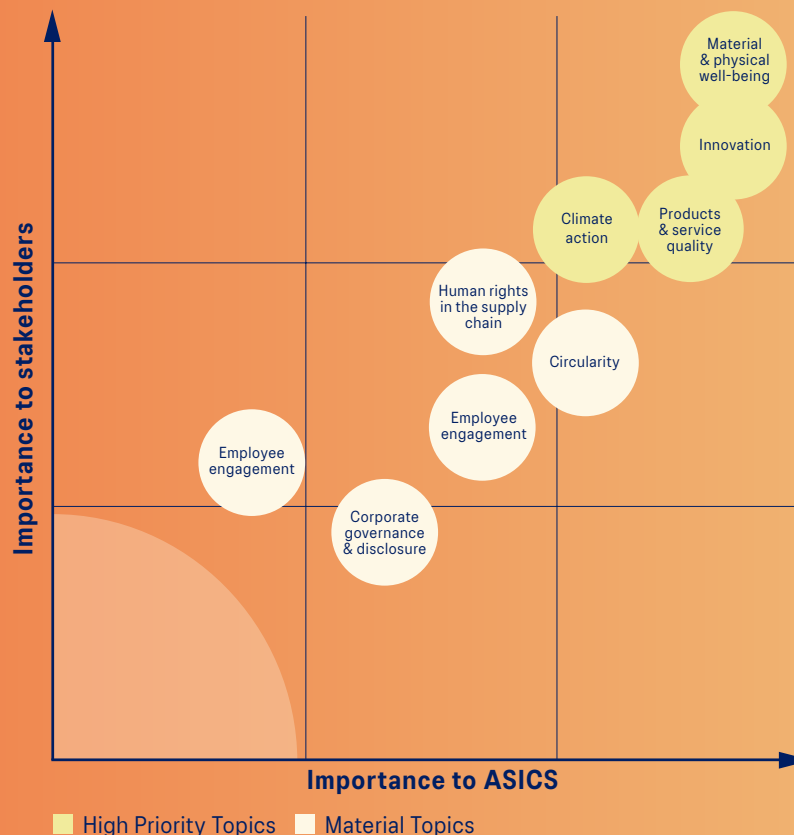
Our materiality matrix maps out the corporate-wide material topics identified by internal and external stakeholders according to their level of priority. The matrix is based on analysis of our consultations with stakeholders, international frameworks, our business priorities, and our sustainability performance.

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

Stakeholder engagement and topics

STAKEHOLDER	METHOD OF CONTACT	MAIN TOPICS/CONCERNS
Consumers	Survey	Mental and physical well-being, innovation, products and services quality, climate action
Shareholders & investors	Regular dialogue, survey	Innovation, products and services quality, climate action, human rights in the supply chain, corporate governance and disclosure.
Employees	Survey	Mental and physical well-being, employee engagement
Business Partners	Interview, survey	Innovation, products and services quality, human rights in the supply chain, circularity, water management
Communities	Projects and volunteering	Mental and physical well-being

Materiality matrix

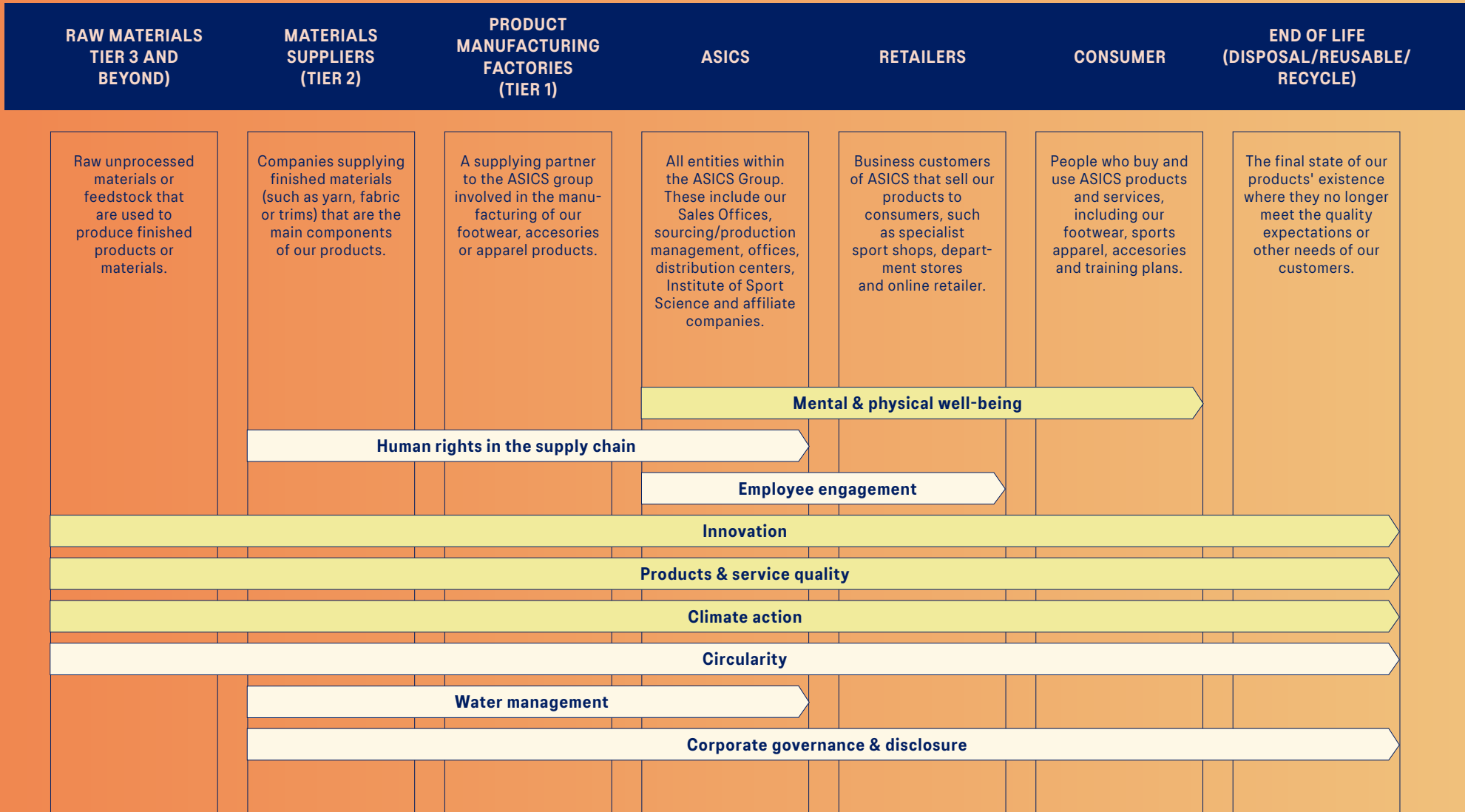


Material topics and indicators

MATERIAL TOPIC	GRI INDICATORS AND OTHER KPIS
<p>Mental & physical well-being: 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>	Local communities
<p>Innovation: 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>	Materials
<p>Products & services quality: 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>	Consumer health and safety Marketing and labelling
<p>Climate action: Climate change is one of the most critical issues for our sustainable business and for future generations to keep achieving a sound mind in a sound body.</p>	Energy Emissions
<p>Human rights in the supply chain: Upholding fair business practices and improving labor conditions across our supply chain are responsibilities we take seriously.</p>	Child labor Forced or compulsory labor Human rights assessment Supplier social assessment Freedom of association and collective bargaining
<p>Circularity: 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>	Materials Effluents and waste Supplier environmental assessment
<p>Employee engagement: 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>	Employment Diversity and equal opportunity Labor/management relations Training and education Nondiscrimination
<p>Water management: 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>	Water
<p>Corporate governance and disclosure: 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>	Environmental compliance Socioeconomic compliance Consumer privacy Economic performance

Material topics in our value chain

INTRO
PEOPLE
PLANET
FUTURE



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