



# ABOUT THIS REPORT

# This document summarizes the ASICS Group's sustainability performance in 2014, following GRI G4 reporting guidelines.

This year sees a number of changes in the way we report our sustainability performance.

From January 1st 2015, the ASICS Group shifted from Japanese fiscal reporting to calendar book years for both its financial and its sustainability reporting cycles. As a result, we will not publish a full sustainability report for the calendar book year 2014, as this would overlap with part of the reporting cycle of our previous report (which covers April 1st 2013 to March 31st 2014).

To update stakeholders on our performance last year, we have published this document, which covers data from January 1st to December 31st 2014. It should be read alongside our 2013/14 sustainability report and 2014 factsheet.

# **NEW GRI GUIDELINES**

Last year, in addition to our full report, we published a performance data and GRI index document based on GRI reporting guidelines 3.1. This year, we are following the GRI's revised G4 guidelines, launched in May 2014. Under the G4 guidelines, organizations report performance data based on what is material to them and their stakeholders.

As this document is an update, we may not be able to report in full 'core' accordance for 2014. On many standard and specific disclosures, we are reporting in accordance with 'comprehensive' reports.

The table on page 17 lists the GRI guideline indicators, along with where to find the associated data either in this document, our 2013/14 sustainability report, or elsewhere on our website.

# FIND OUT MORE









You can find out more about ASICS and our approach to sustainability, as well as reading previous reports and downloading our GRI index, on our corporate website.

# VISIT CORP.ASICS.COM/EN

We welcome your feedback on this report and our program.

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# **WE'RE PART OF A BIG WORLD**

It's a world that includes many partners and collaborators, from the factories in our supply chain all the way to our colleagues and customers. For us, being a sustainable company means working closely with each and every one of these partners, so we can inspire each other, build momentum and keep moving forward.

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# A MESSAGE FROM OUR CEO



Sustainability has always been fundamental to the way we work at ASICS. When our founder Kihachiro Onitsuka established his business in 1949, he wanted his company to be a force for positive change: a way of giving young people in post-war Japan a renewed sense of direction in life through sport and fitness. Over time, this idea developed into a broader social purpose, enshrined in the words of our corporate philosophy: 'Fulfill our social responsibility and help improve conditions for communities around the world'.

Deeply embedded within this philosophy is the recognition that a corporation is a public entity with a responsibility to others. Our business depends on, and is supported by, a variety of interconnected stakeholders. Each of these stakeholder groups has different priorities, concerns and expectations. At ASICS, we believe that these stakeholder priorities should play a vital role in shaping our approach to sustainability.

To realize this ambition, our Global CSR and Sustainability team has implemented a materiality assessment program in 2014. Starting point of this program was to thoroughly examine our stakeholders' expectations and requirements regarding sustainability issues, so that we could understand the opportunities and risks they presented for our operations and products, now and in the future.

As a result of this materiality program we have identified 12 key sustainability issues of concern to our stakeholders, prioritized according to their materiality. The 12 issues are shown on page 4.

From this year, this materiality overview will shape the direction of our sustainability strategy, annual targets and roadmap for 2016-2020. It also provides the basis for this document and future ASICS sustainability reporting, in line with the GRI's internationally recognized G4 reporting guidelines. Our materiality program is ongoing. We will continue to update it when engaging with our internal and external stakeholders.

For more information about our approach to sustainability and recent progress in this area, please read our 2013/14 sustainability report and 2014 factsheet.

Thank you for your interest in sustainability at ASICS.

# **Motoi Oyama**

President and CEO





# **MATERIALITY ISSUES AND BOUNDARIES**

# SUSTAINABILITY ISSUES MAPPED BY IMPORTANCE

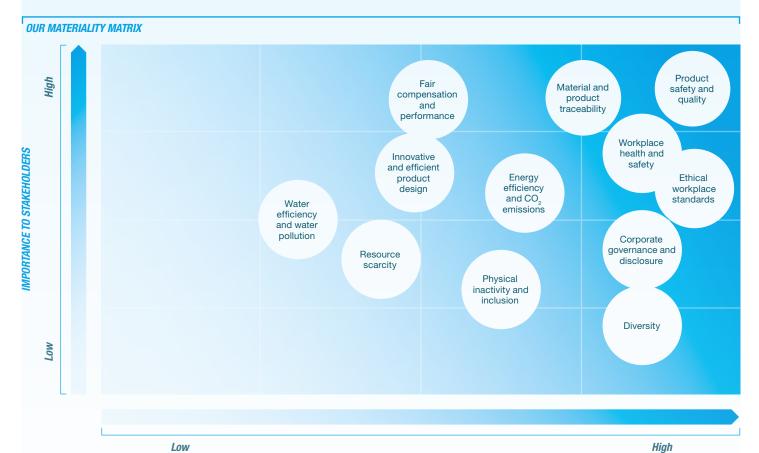
The matrix below shows the 12 sustainability issues identified by our materiality program, mapped according to their importance to our stakeholders and their strategic importance to ASICS.

In addition to this, a second important part of our materiality approach is our value chain analysis.

Our identified materiality issues may occur in different stages of our product life cycles. Some may be directly influenced by our ASICS' operations while others occur elsewhere in the value chain of our products.

The diagram on the next page shows where the ASICS Group considers the materiality of our identified issues to largest and/or where the ASICS Group aims to influence the impact of these issues, whether positive or negative.

The outcomes from our materiality program are helping us to determine the focus of our sustainability strategy as we develop our 2016–2020 roadmap following the forthcoming conclusion of our 2010–2015 approach and targets.



STRATEGIC IMPORTANCE TO ASICS



# **MATERIALITY ISSUES AND BOUNDARIES**

# MATERIALITY ISSUES ACROSS OUR VALUE CHAIN

The following diagram shows the scope of each of our materiality issues across our value chain.

Raw materials	Material supplier	Sub- manufacturing	Product manufacturing factory	ASICS	Retailer	Consumer	End of life (disposal/reuse/ recycle
Raw, unprocessed materials or feedstock that as basic materials are used to produce finished products or materials that are processed into products as part of a manufacturing process.	Companies processing (raw) materials and/or supplying materials or trims that form the main components of our products (such as yarn suppliers, fabric mills, trim suppliers).	Companies that carry out part of the larger set of manufacturing processes of our ASICS products, either as a partner specialized in specific technologies or contracted with our permission by one of our product manufacturing partners.	A supplying partner to the ASICS Group involved in the manufacturing of our footwear, accessories or apparel products.	All entities within the ASICS Group; our sales offices, sourcing/ production management offices, distribution centers, Institute of Sport Science and affiliate companies.	Businesses and customers of ASICS that sell our products to consumers, e.g. via sport specialist shops, department stores, online etc.	The people who use our ASICS products and services; our footwear, sports apparel, accessories, our training plans and other services.	The final stage of our products existence where they no longer meet the quality expectations or other needs of our customers.
	Product safety	and quality					
	Innovative and	efficient produ	ct design				
	Energy efficier	ncy and CO <sub>2</sub> em	issions				
Resource scar	city						
			H . C				
	vvater etticiend	cy and water po	llution				
Material and p	roduct traceabi	lity					
		Fair compensa	ation and perfo	rmance			
	Health and saf	fety					
	Ethical workpla	ace standards					
	,						
				Diversity			
				Physical inacti	vity and inclusion	on	
			Corporate gov	vernance and di	sclosure		

# **MATERIALITY ISSUES AND BOUNDARIES**

# ASICS CSR AND SUSTAINABILITY ACCORDING TO GRI

The table below links our CSR and Sustainability activities to the GRI G4 aspects. Aspects not included in the table are not considered material for this specific sustainability performance period.

ACICS Sustainability Dusquan	CDI conset
ASICS Sustainability Program	GRI aspect
Guiding Principles/Our ASICS Approach to Sustainability	Economic Performance
	Market Presence
	Indirect Economic Impacts
	Procurement Practices
	Anti-Corruption
	Public Policy
	Anti-Competitive Behavior
	Compliance
	Marketing Communications
	Customer Privacy
Creating Products and Services	GRI aspect
Product Safety and Quality	Customer Health and Safety
	Product and Service Labeling
Innovative and Efficient Product Design	Products and Services
Energy efficiency and CO <sub>2</sub> Emission	Energy
2	Emissions
	Transport
Resource Scarcity	Effluents and Waste
Water Efficiency and Water Pollution	Water
	Effluents and Waste
Material and Product Traceability	Materials
Partnering with Suppliers and Workers	GRI aspect
Fair Compensation and Performance	Supplier Assessment for Labor Practices
	Supplier Environmental Assessment
	Labor Practices Grievance Mechanisms Freedom of Association and Collective Bargaining
Workplace Health and Safety	Occupational Health and Safety
, , , , , , , , , , , ,	Training and Eduction
	Supplier Assessment for Labor Practices
Ethical Workplace Standards	Non-Discrimination Supplier Human Rights Assessment
	Child Labor
	Forced or Compulsory Labor
	Security Practices Assessment
Investing in People and Communities	GRI aspect
Diversity	Employment Labor/Management Relations
	Training and Education
	Diversity and Equal Opportunities
	Equal Remuneration for Women and Men
Physical Activity and Inclusion	Local Communities



# CREATING **PRODUCTS AND SERVICES**

# *OUR APPROACH*

Through constant research and innovation, we create products and services that help people enjoy the physical and mental benefits of sport.

At our Institute of Sport Science, researchers and scientists combine new discoveries about the human body with the latest technological advances to continually refine our products. We seek to integrate sustainability and a life cycle perspective as basic considerations in the design of our processes and products. We believe that this is the most effective and direct way of improving the sustainability of our products.

As well as integrating sustainability considerations in the design of our products, we are also committed to reducing environmental impacts from raw material sourcing through to consumers. This includes operations at our own business locations and operations, our supplier operations, manufacturing processes, the distribution and packaging of our products, and our retail stores.

# PRODUCT SAFETY AND OUALITY

At ASICS, we take our responsibility for the quality and safety of our products very seriously. Our product safety and quality assurance policies and guidelines help us ensure that every ASICS product is safe for our customers, consumers and the environment.

We monitor the safety and quality of our products and materials all the way from planning to shipping to market. Catalogs, labels and advertisements must all comply with safety and quality-related laws and regulations, industry and voluntary standards. We also verify these items through the required testing of products and materials.

We have clear procedures and protocols in place to ensure we respond appropriately and promptly whenever a quality issue is reported. We carry out staff training to make sure safety guidelines are implemented correctly.

Total number of product recalls because of non-compliance with regulations, voluntary codes concerning product and service quality, information or labeling.

	2011	2012	2013	2014*
Number	5	6	5	1

\* Data from 2011, 2012 and 2013 tracked as per Japanese fiscal year (April 1st till March 31st the next year). Data on 2014 tracked from April 1st till December 31st 2014. From this year onwards reporting will change to calendar years.

SAFETY AND QUALITY TRAINING

STAFF RECEIVED TRAINING





# CREATING **PRODUCTS AND SERVICES**

# INNOVATIVE AND EFFICIENT PRODUCT DESIGN

Life Cycle Assessment (LCA) is our tool for identifying the environmental impacts of our products at every stage of their lives, from their design and construction all the way to eventual end-of-life disposal.

In 2014, we continued to focus on increased use of sustainable materials such as recycled polyester and bio-based plastics in our footwear and apparel products in order to reduce their environmental footprint.

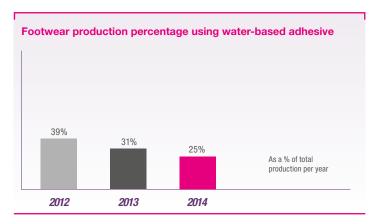
Within our footwear business we continued to focus on reducing the number of components in our footwear products while improving their performance.

The recently launched GEL-Nimbus 17 has 22% fewer parts than its previous model while also having improved fit with a seamless one-piece upper. In addition we continue to strive towards increasing the use of water-based adhesives.

## WATER-BASED ADHESIVES

Adhesives used in footwear production can have a major impact on environmental sustainability and workplace safety. To reduce emissions of volatile organic compounds (VOCs) during our manufacturing processes, we are aiming to use water-based adhesives for 60% of our footwear production volume by 2015.

In 2013 and 2014, we expanded our manufacturing capacity to meet the increased demand for our products, adding new factories. Because of the time needed to introduce water-based adhesives to these new factories, we have not been able to make the progress we had hoped for in the past period.

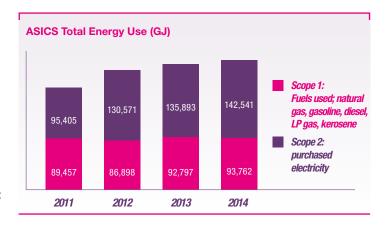


# ENERGY EFFICIENCY AND CO, EMISSIONS ASICS OWN OPERATIONS

ASICS has been measuring energy use and reducing CO<sub>2</sub> emissions from our business locations in Japan since 2007. In 2011, we expanded our program scope to all global business locations.

We work to continuously reduce CO, in several ways, including:

- daily energy saving
- · adopting energy efficient design and equipment
- · sourcing renewable energy for new facilities, equipment and vehicles.

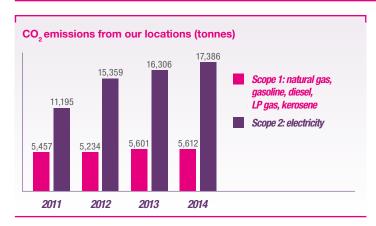


In 2014, ASICS sourced 6% of globally purchased electricity from renewable energy.

We continue to use energy assessments at site level to identify opportunities for not only equipment upgrade but also improved management practices that optimize energy use. Our Byhalia Distribution Center in the USA recently conducted an energy assessment which identified many energy efficiency opportunities. We are now implementing the best opportunities and will share these best practices with our other distribution center operations so that we scale up the impact of this work.

In 2014, ASICS increased its absolute energy use by 0.5%. This was achieved despite the expansion of our business activities, e.g. 74 new retail stores opened in 2014. The result is due to a number of energy efficiency activities focused on our distribution centers and retail stores - particularly use of LED lighting in Japanese retail stores and in our new European Distribution Center. In the same period our CO<sub>2</sub> emissions increased by 5%, due to the growth of retail store numbers outside of Japan.

# Creating **Products and Services**



Data applies to ASICS Group locations including offices, showrooms, distribution centers and wholly owned factories globally and per 2014 also expanded with ASICS Group owned retail locations. Company/lease car impacts are also included.

Figures for Group companies in Japan are calculated according to factors based on the Law Concerning the Promotion of Measures to Cope with Global Warming. The electric power emissions factor is 0.410 kg-CO./kWh. Data for Group companies other than Japan are calculated with an emissions factor provided by the GHG Protocol. The following formula is used when the amount of energy consumption for CO<sub>2</sub> emissio is not available for any sites: (energy consumptions per square meter estimated for each type of site) X (area of site) X (CO, emission factor).

The 2011, 2012 and 2013 data were corrected from the previous report due to updated data The 2014 emissions data are verified by Deloitte Tohmatsu Evaluation Certification Organization CO., LTD.

# ENERGY-EFFICIENT BUILDINGS

In 2014, with the help of external experts, we conducted detailed energy assessments at our distribution center in Mississippi and two of our manufacturing facilities in Japan.

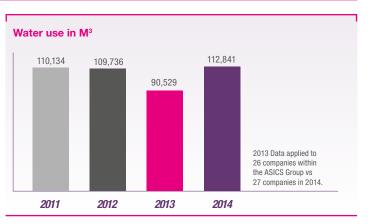
These assessments and subsequent project work identified opportunities to reduce energy use and operate more efficiently.

According to data from 2013, the Mississippi distribution center was responsible for as much as 13% of the energy use of all ASICS buildings globally. Taking measures to improve the building's energy use was therefore vital for our energy performance as a whole. It also marks a major step forward towards our goal of reducing our overall carbon footprint by 10% by the end of the 2015 reporting year.

The remedial measures recommended by the assessment reports are currently being rolled out, and we expect them to be completed by next year. The measures have already had a major impact. In 2014, the Mississippi distribution center was awarded ENERGY STAR® certification, placing it among the top 25% of similar facilities in terms of energy efficiency.

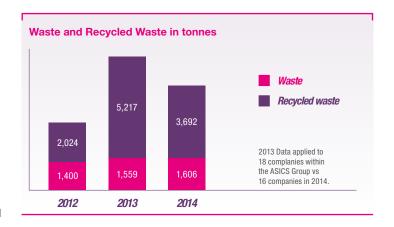
# WATER EFFICIENCY AND WATER POLLUTION

In 2014, we continued our efforts to reduce water consumption at ASICS Group locations through awareness-raising initiatives. We also consider using water-efficient or waterless equipment in offices and distribution centers or when renovating. Water use at our direct operations is not currently a strategic priority and is related to staff numbers. Unfortunately we reported an increase in water use in 2014 after achieving a reduction in water use in 2013. The filling of a water tank at our US Distribution Centre (a fire safety requirement), and a water leak due to a damaged water pipe at at apparel factory in China contributed to this increase.



# WASTE AND RESOURCE SCARCITY

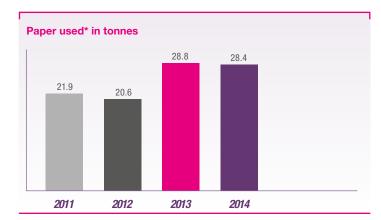
We remain committed to improving the sustainability of the packaging we use for our products and transportation. In addition, at many of our locations, glass, plastic bottles, cans, paper and cardboard are sorted for recycling and reuse. In 2014, we reported a small increase in waste disposal, and a significant decrease in waste recycled. This latter was due to non-typical material recycling at our Italian office in 2013.



# CREATING **PRODUCTS AND SERVICES**

# REDUCING PAPER USE

At ASICS we track the amount of paper that we use in our direct operations in order to try to reduce our usage. In 2014, we continued our efforts to reduce paper use at ASICS Group locations and achieved an absolute reduction of 1.5%. Our focus is on implementation of document flow digitization and 'swipe to print' systems.



\*Data of 2011 and 2012 apply to ASICS Headquarters, ASICS Institute of Sport Science and ASICS Europe Head Office.

Data of 2013 and 2014 apply to ASICS Headquarters, ASICS Institute of Sport Science, ASICS Europe Head Office, ASICS Germany, ASICS Austria and ASICS America Head Office. The 2013 data was corrected by the additional data of ASICS Austria.

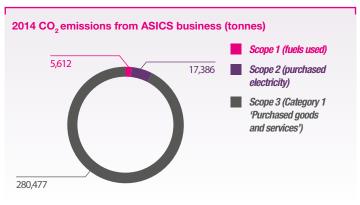
# MANAGING THE IMPACT ACROSS THE VALUE CHAIN

We outsource much of our production but understand that the product manufacturing represents a significant part of the life cycle environmental impact of our products. To address this, we work with our suppliers to improve product design so that it reduces the environmental impacts during production.

Our LCA research projects have shown us that the largest environmental impacts of our footwear business can be attributed to manufacturing processes controlled by our manufacturing business partners, whereas for our apparel business the impacts are spread more across our fabric and garment manufacturing business partners as well as consumers.

# SCOPE 3 CO, EMISSIONS

In 2014, we continued to calculate our Scope 3  $\mathrm{CO}_2$  emissions across global operations. By measuring these indirect emissions we can track our efforts to reduce the CO<sub>2</sub> footprint of our products.



This data is whole ASICS group.

Category 4 includes air and sea freight of footwear business, rail and road freight of 'port to DC' in Europe, US and Japan, and road freight of 'DC to customers' in Japan. This data is ASICS Corporation and group companies in Japan.

Category 6 includes data of ASICS Headquarters and head offices in Europe and America, and ASICS Brazil.

# ENVIRONMENTAL IMPACT AT DIRECT TRADING FOOTWEAR FACTORIES

We are committed to reducing the indirect impacts of our activities and measuring key indicators

Below data include 32 factories in China, Vietnam, Indonesia, Cambodia and Thailand, which produce over 90% of all footwear.

	Unit	2009	2012	2013	2014
CO <sub>2</sub> emission	kg/pair	4.49	3.61	3.09	3.13
Water	m³/pair	0.10	0.11	0.06	0.05
Waste	kg/pair	0.23	0.16	0.16	0.15
Recycled waste	tonnes	1,263	1,425	1,733	2,208

Some 2013 data are corrected compared to data published in previous reported.

# CREATING **PRODUCTS AND SERVICES**

## Scope 3 Category CO, emissions (tonnes)

Scope 3 Category		2013	2014
1. Purchased goods and services	$\uparrow$	192,637	197,417
2. Capital goods	$\downarrow$	16,915	7,695
3. Fuel-and-energy-related activities	$\uparrow$	1,725	1,788
4. Upstream transportation and distribution*	$\downarrow$	50,614	49,852
5. Waste generated in operations	$\uparrow$	310	427
6. Business travel	$\uparrow$	3,598	6,103
7. Employee commuting	$\uparrow$	925	986
8. Upstream leased assets		-	_
Downstream transportation and distribution		-	-
10. Processing of sold products		-	_
11. Use of sold products		-	_
12. End-of-life treatment of sold products	$\uparrow$	7,834	16,182
13. Downstream leased assets		_	_
14. Franchises	$\downarrow$	49	27
15. Investments		_	_

<sup>\*</sup> The breakdown of 4. 'Upstream transportation and distribution' is specified below:

## CO, emissions from transportation (tonnes)

	2013		2014		
	Data	%	Data	%	
Road/Rail freight	6,617	13%	10,094	20%	
Sea freight	33,839	67%	36,038	72%	
Air freight	10,158	20%	3,720	7%	
TOTAL	50,614	100%	49,852	100%	

Road and rail freight include data of 'port to DC' in US, Europe and Japan, and 'DC to customers' in Japan.

Sea freight and air freight are data of footwear business.

Calculation factors of GHG protocol are used to calculate emissions

# **ENVIRONMENTAL ACCOUNTING**

Since 2010, ASICS Corporation has been calculating the costs and amounts invested for environmental preservation. We have introduced Environmental Accounting in order to reflect the amounts invested and the cost-effectiveness of these investments in management decision-making. We intend to improve the accounting system in the future in order to use this tool as an indicator for environmental management.

# 2014 Environmental Conservation Cost (thousands of yen)

			20	14
	Cost Category	Key Activity and Outcome	Investment	Cost
1	Business Area		21,843	58,917
	Pollution prevention	Inspection, testing and analysis	0	20,614
	Global environmental conservation	Introduction of energy-efficient equipment and vehicles	21,843	20,660
	Resource Circulation	Use of recycled materials, introduction of energy-efficient equipment	0	17,643
2	Upstream/Downstream	Green procurement, etc.	0	23,668
3	Administration	Implementation of ISO 14001, etc.	6,929	17,097
4	R&D	Eco-friendly product development, etc.	19,972	71,851
5	Social Activity	Support of local environment, donations, etc.	0	391
6	Environmental remediation	Remediation of pollution from civil engineering projects, etc.	0	0
7	Other		0	0
	Total		48,744	171,924



# OUR APPROACH

Like most businesses in our industry, ASICS depends on a complex global supply chain that includes a wide range of stakeholders with an interest in our business. These range from NGOs and other brands and research partners, to factories, material suppliers, the workers employed by these factories, and trade unions.

More than 200 direct, Tier 1 suppliers in 35 countries provide us with the fabrics, components, expertise and other resources that allow us to bring the best products to our customers. Many of our Tier 1 suppliers themselves have an extensive supply chain, connecting the ASICS Group indirectly with many more operations and businesses worldwide.

It is our aim to engage with all of these stakeholders in open, ongoing dialogue and mutually beneficial partnership. By doing so we can raise standards throughout our supply chain, working together towards a better, more sustainable industry for everyone concerned.

Fair business practices and improvement of labor standards are priority issues for us. For that reason, while all of our stakeholders have an important role to play in the sustainability of our business, ASICS pays particular attention to its partnerships with contracted suppliers and their workers.

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

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# MONITORING AND IMPROVING LABOR STANDARDS

Our Tier 1 factories and their workers are a vital part of our supply chain. As with all our suppliers, we require the management of all factories producing ASICS products to uphold the same sustainability standards we demand of our own operations, as well as complying with all relevant international and local laws and regulations related to workers' rights, safety and welfare.

When selecting any new supplier, we assess their social and environmental performance against our standards before engaging in a business relationship. Once a formal relationship is established, we check continuously that our products are being manufactured in compliance with our social, quality and environmental standards.

When our assessments find areas of non-compliance, we categorize them by different levels of urgency. Depending on the nature of the non-compliance, we impose sanctions of varying severity. These range from terminating the business relationship in the case of serious violations, to reviews of future orders, third-party investigations and formal warnings.

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

We are currently expanding our auditing scope beyond Tier 1, to cover fabric and other material suppliers and dye houses.

Year	Internal ASICS Audits	Commissioned Audits	Partner Audits*	Total
2007	31	27	11	69
2008	34	36	8	78
2009	10	23	10	43
2010	32	22	8	62
2011	41	10	8	59
2012	36	13	7	56
2013	52	37	2	89 (+2)
2014	93	34	5	132

<sup>\*</sup> Partner Audits: Audits not conducted by or commissioned to third-party monitors by the ASICS Group

These audits are conducted with ASICS suppliers as part of our collaboration with multistakeholder initiatives.

In 2013, two assessments of ASICS suppliers were conducted by Better Factories Cambodia (BFC). Although collaborating already with BFC previously, ASICS is official partner with Better Work since January 2014.

INVESTING IN PEOPLE AND COMMUNITIES

GRI G4 INDEX

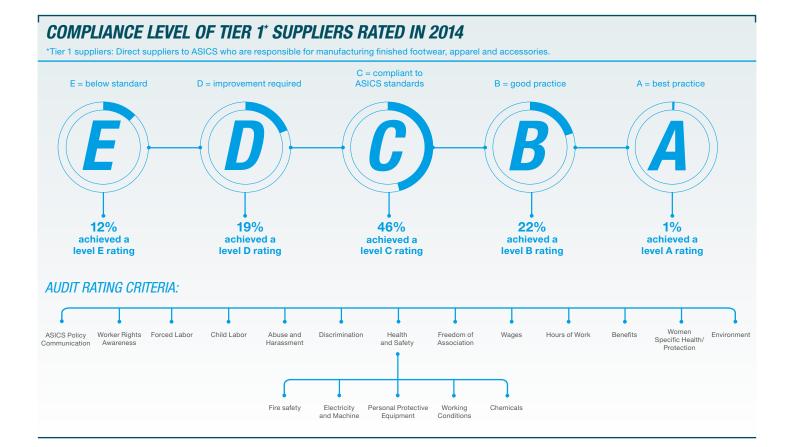
# PARTNERING WITH **SUPPLIERS AND WORKERS**

# **RISK MANAGEMENT**

Our system for evaluating our supply base is benchmarked with the industry's best practices and instruments. We translate the information we receive from supplier assessments and observations into a uniform rating for our supply base.

The indices give us quantitative understanding of risks to workers, compliance subjects and trends at the individual facility level, as well as overall trends. Using this evaluation system, we can quickly decide if a factory needs support to raise its standards, or if there is a larger industry-wide issue that requires collaboration with other brands or local organizations.





*100%* 



IN 2014, ALL OUR PRIORITY TIER 1 SUPPLIERS WERE AUDITED BY ASICS, INDEPENDENT THIRD-PARTY AUDITORS OR LOCAL PARTNER ORGANIZATIONS SUCH AS 'ILO BETTER WORK' UNDER THE TITLE OF 'RISK MANAGEMENT'. 69%

OF OUR TIER 1 SUPPLIERS ARE RATED LEVEL C AND ABOVE AT ASICS LABOR COMPLIANCE STANDARDS ON A SCALE OF 5. AT THE END OF Q1 2014, THE TIME OF PUBLICATION OF OUR 2013/14 SUSTAINABILITY REPORT THIS PERCENTAGE WAS STILL 64%

# TRAINING AND CAPACITY BUILDING

We believe that training and capacity building is key to helping supplier management and workers improve skills and standards. In partnership with international labor organizations like ILO and Better Work, we regularly run training events to raise awareness of labor laws and promote safe and fair working practices.







119 👫

IN 2014, 119 PEOPLE FROM 63 OF OUR KEY SUPPLIER COMPANIES TOOK PART IN A SERIES OF THREE SEMINARS ORGANIZED BY ASICS.

### The key topics of all three training events included:

# Occupational health and safety:

- · Basics of chemical substances.
- Chemical management principles and best practices.
- Fire safety.

### Labor and human resources:

 Relevant country legal requirements.

- · Wages and compensation, including correct calculation on piece wage for workers (when relevant).
- Child labor and juvenile workers - how to prevent child labor/implement improved management processes in recruitment and HR.

# INVESTING IN **PEOPLE AND COMMUNITIES**

# **OUR APPROACH**

Our company's success depends on the dedication of the thousands of people around the world who work for us, and the support of the communities in which we do business.

In keeping with the ideals of our founder, we strive to make a positive contribution to society and on the communities where we live and work. We do this through charitable donations and other philanthropic activities, by providing disaster relief and by supporting education for healthier and more sustainable lifestyles.

Our employees are our most valuable asset. We believe we can inspire them through our corporate culture so that company growth and personal development can go hand in hand.

# GIVING BACK TO COMMUNITIES

In 2014, we continued to contribute to the communities where we do business through a range of activities that encourage participation in sport and promote healthy lifestyles. These include volunteer work, charitable donations, donations in kind, educational programs and disaster relief.

We provided financial support to community projects and charity organizations in the amount of \$524,149. We made an additional \$356,255 worth of donations in kind (sports equipment, apparel but also IT equipment and other).

# **COMMUNITY CONTRIBUTIONS**







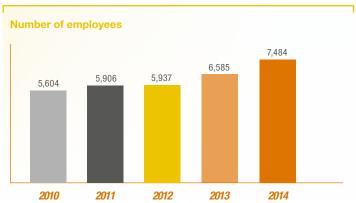
DONATIONS AND GIFTS IN KIND SUPPORTING CHARITIES AROUND THE WORLD

# STRENGTH THROUGH DIVERSITY

ASICS is a team of 7,484 people working all over the world. Because we believe that diversity is essential for innovation, we do everything we can to encourage a diverse workforce and working environment. We want all voices to be heard and everyone to have the opportunity to succeed.

To strengthen our approach to employee development globally, we introduced our HR Competency Framework in 2014. By aligning the way we evaluate our employees worldwide, the framework makes it easier for all our employees to identify career opportunities and move to new positions throughout the entire ASICS Group.





GRI G4 INDEX



# GRI **G4 INDEX**

Last year, we compiled our full 2013/14 report in accordance with the GRI reporting guidelines 3.1. This performance data publication, follows the GRI's revised G4 guidelines.

The table on the following pages lists the GRI guideline indicators, along with where to find the associated data either in this document, our 2013/14 sustainability report, or elsewhere on our website.



# GRI **G4 INDEX**

Indicator

# How we are doing

Relevant page/Comment

Page 14 2013/14 Sustainability Report 'Partnering with suppliers and workers' Page 19-24 2013/14 Sustainability Report

Report\_2013&14\_\_original.pdf?1406267124

http://assets.asics.com/page\_types/2163/files/ASICS\_Sustainability%20

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	mulcator	nelevant page/comment
Strategy	and Analysis	
G4-1 •	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	'A message from our CEO' Page 2 2013/14 Sustainability Report http://assets.asics.com/page_types/2163/files/ASICS_ Sustainability%20Report_2013&14original.pdf?1406267124
G4-2 •	Description of key impacts, risks, and opportunities.	'Our Approach' Page 2-3 of this document Page 5 2013/14 sustainability report http://assets.asics.com/page_types/2163/files/ASICS_ Sustainability%20Report_2013&14original.pdf?1406267124
Organiz	ational Profile	
G4-3	Name of the organization.	ASICS Corporation
G4-4 •	Primary brands, products and services.	'A Message from the President' Page 4 Annual Report 2014 http://assets.asics.com/page_types/2378/files/Annual%20Report%20 201412_original.pdf?1429683993
G4-5	Location of the organization's headquarters.	Kobe, Japan
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations, or that are specifically relevant to the sustainability topics covered in the report.	'Leading the Running Market Worldwide' Page 2-3 Annual Report 2014 http://assets.asics.com/page_types/2378/files/Annual%20Report%20 201412_original.pdf?1429683993 'Corporate Information' Page 44 Annual Report 2014 http://assets.asics.com/page_types/2378/files/Annual%20Report%20 201412_original.pdf?1429683993
G4-7	Nature of ownership and legal form.	'Corporate Information' Page 44 Annual Report 2014 http://assets.asics.com/page_types/2378/files/Annual%20Report%20 201412_original.pdf?1429683993
G4-8	Markets served.	'Financial Highlights'
G4-9	Scale of the organization.	Page 3 Annual Report 2014 http://assets.asics.com/page_types/2378/files/Annual%20Report%20 201412_original.pdf?1429683993
G4-10 ①	Total number of employees by employment contract and gender. By employment type and gender. By employees and supervised workers and by gender. Whether a substantial portion of the organizations work is performed by workers who are legally recognized as self-employed, or by individual is other than employees or supervised workers, including employees and supervised employees of contractors. Significant variation in employment numbers.	'Financial Highlights' Page 2 Annual Report 2014 http://assets.asics.com/page_types/2378/files/Annual%20Report%20 201412_original.pdf?1429683993
G4-11 🔾	Percentage of total employees covered by collective bargaining agreements.	In Japan, Germany, France, Austria, Scandinavia, Belgium and Spain employees are covered by collective bargaining agreements. A percentage of these employees compared to total employees is not available at the time of publication of this document.
G4-12 <b>(</b> )	Description of supply chain.	'Performance Data Partnering with Suppliers and Workers' Materiality Issues Across Our Value Chain Page 5 of this document
G4-13 <b>(</b> )	Significant changes during the reporting period.	'Working towards our AGP 2015 goals, aiming for further growth' Page 5-7 Annual Report 2014 http://assets.asics.com/page_types/2378/files/Annual%20Report%20 201412_original.pdf?1429683993
G4-14 •	Whether and how the precautionary approach or principle is addressed by the organization.	'Enabling compliance' Page 7 2013/14 Sustainability Report 'Managing safety and quality' Page 14 2013/14 Sustainability Report

G4-15 1

G4-16

G4-17

G4-18

G4-19

PARTNERING WITH SUPPLIERS AND WORKERS

Externally developed economic, environmental and social charters,

principles, or other initiatives to which the organization subscribes

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# GRI **G4 INDEX**

Indicator

or which it endorses.

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# ASICS wants to be a responsible partner in society, acting with integrity towards its shareholders, customers, employees, Business Partners, competitors, governments and their agencies and others who can be affected by ASICS' activities.

With due regard to the Universal Declaration of Human Rights, ASICS supports and respects human rights and strives to ensure that its activities do not make it an accessory to infringements on human rights.

ASICS has adopted internal procedures and guidelines with respect to topics covered by the Fundamental Conventions of the ILO. For more than 10 years, the ASICS Group has been implementing environmental management systems. Many Group members are ISO 14001 certified.

More information can be found on page 8, 11, 13, 24 of our 2013/14 Sustainability Report

http://assets.asics.com/page\_types/2378/files/Annual%20Report%20201412\_original.pdf?1429683993

ASICS is an active member of the World Federation of the Sporting Goods Industry (WFSGI), and plays a leading role in its CSR Committee. ASICS is one of the founding members of the Sustainable Apparel Coalition (SAC) and has been actively involved in the development of its sustainability index ('Higg Index'). Furthermore ASICS is a partner of the ILO Better Work Program and member of the Federation of the European Sporting Goods Industry (FESI) Environmental Committee. Also by engaging with (local) other stakeholders, such as NGO's and trade unions, ASICS creates an open debate and works towards better working conditions and sustainability standards in our Industry.

### **Identified Material Aspects and Boundaries**

All entities included in the organization's consolidated financial statements or equivalent documents, and whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.

Memberships of associations (such as industry associations) and

national or international advocacy organizations.

Process for defining the report content and the Aspect Boundaries. Explanation how the organization has implemented the Reporting Principles for Defining Report Content.

List of all material Aspects identified in the process for defining

report content.

G4-20 Aspect Boundary within the organization for each material Aspect.

G4-21 Aspect Boundary outside the organization for each material Aspect.

G4-22 • Effect of any restatements of information provided in previous reports, and the reasons for such restatements.

G4-23 Significant changes from previous reporting periods in the Scope and Aspect Boundaries.

Description of entities included in the ASICS Groups consolidated financial statements can be found in this years Annual Report and online company profile.

http://corp.asics.com/en/about\_asics/practical\_information More information regarding inclusion of entities or limitations to scope on our CSR & sustainability reporting can be found underneath relevant graphs and tables in this document.

Our materiality assessment program forms the basis of our current approach to reporting. We did this through thorough examination of our internal and external stakeholders' expectations and requirements regarding sustainability issues that could represent opportunities or risks for our operations and products now and in the future. This has resulted in an overview of sustainability issues prioritized according to their identified Materiality. This overview and more information on our application of the GRI G4 reporting principles can be found on

The results of our materiality assessment program has identified the aspects material to the ASICS Group and can be found on page 2-4 of this document. On page 5-6 we explain how these relate to GRI Aspects which feeds our reporting content.

Page 4-6 of this document elaborates on the Aspects material to the ASICS Group or which parts of our organization and/or supply chain.

Page 4-6 of this document elaborates on the Aspects material to the ASICS Group or which parts of our organization and/or supply chain.

No relevant restatements of information applicable at the time of publication of this document.

page 4-6 of this document.

Although the applied GRI reporting standard the ASICS Group uses for its sustainability performance reporting is different from previous years from 2014 onwards, there have been no significant changes from previous reporting periods in the scope and aspect boundaries.

G4-32

GRI Content Index for chosen Report 'in accordance' option.

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# GRI **G4 INDEX**

# How we are doing

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	Indicator	Relevant page/Comment
		national page, comment
Stakehol	der Engagement	
G4-24 •	Stakeholder groups engaged by the organization.	Our business operations depend on, and are supported by, a variety of interconnected stakeholders, all of whom have important roles to play in helping us meet our sustainability goals. A list of stakeholder groups engaged by the ASICS Group can be found under 'Our Approach to Sustainability'.  Page 8 2013/14 Sustainability Report http://assets.asics.com/page_types/2163/files/ASICS_Sustainability%20 Report_2013&14original.pdf?1406267124
G4-25 •	Basis for identification and selection of stakeholders with whom to engage.	We define stakeholders as those who affect, or are affected by the ASICS Group's business operations. In our industry, sustainability depends on the connections between the wide range of stakeholders who each have a vested interest in our business, from NGOs and other brands to research partners, suppliers and trade unions. Led by our corporate philosophy, it's our aim to engage with all of these stakeholders in open, ongoing dialogue, in order to create mutually beneficial partnerships and build a better, more sustainable industry for everyone concerned.  While all of our stakeholders have an important role to play in the sustainability of our business, we give specific priority to our customers and supply chain partners; factories and their workers producing footwear, apparel and accessories for the ASICS Group.
G4-26 <b>①</b>	Organization's approach to stakeholder engagement.	The key principles that govern how we engage with different stakeholders are explained under 'Our Approach to Sustainability' Page 8 2013/14 sustainability report http://assets.asics.com/page_types/2163/files/ASICS_Sustainability%20 Report_2013&14original.pdf?1406267124
G4-27 ①	Key topics and concerns raised through stakeholder engagement, and how the organization has responded.	Through thorough examination of our internal and external stakeholders' expectations and requirements regarding sustainability issues that could represent opportunities or risks for our operations and products now and in the future, we have identified and prioritized sustainability issues material to the ASICS Group. These can be found on page 4-6 of this document. Further information on our approach to delivering CSR & Sustainability performance can be found under 'Our Approach to Sustainability'. Page 5-8 2013/14 Sustainability Report http://assets.asics.com/page_types/2163/files/ASICS_Sustainability%20 Report_2013&14original.pdf?1406267124
Report P	rofile	
G4-28	Reporting period.	The information in this document relates to the period January 1st 2014 till December 31st 2014.
G4-29	Date of most recent previous report (if any).	Our previous sustainability report relating to the Japanese fiscal year 2013/14 was published in July 2014.
G4-30 •	Reporting cycle (such as annual, biennial).	The ASICS Group reports on an annual cycle regarding its CSR & Sustainability performance.
G4-31 •	Provide the contact point for questions regarding the report or its contents.	For feedback, questions and more information: ASICS Corporation

CSR & Sustainability Department

Tel: +81 (0)78-303-1244 Fax: +81 (0)78-303-2211

7-1-1, Minatojima-Nakamachi, Chuo-ku, Kobe 650-8555 Japan

including disclosures required for 'COMPREHENSIVE' reports.

This document contains response to the GRI G4 Sustainability Reporting

Guidelines for the financial book year 2014. We may not be able to report for 2014 in full 'CORE' accordance as we are in transition from GRI 3  $\,$ towards GRI G4 and we are publishing merely an update of our 2014 sustainability performance data and not a full sustainability report for this On many standard and specific disclosures, we are reporting our progress

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# GRI **G4 INDEX**

### How we are doing

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# Indicator Relevant page/Comment

G4-33 Organization's policy and current practice with regard to seeking external assurance for the report, the relationship between the organization and the assurance providers (if any) and whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report

highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.

### Governance

G4-40 ①

G4-42

G4-34 • Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.

G4-35 Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.

G4-36 Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.

G4-37 • Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social

G4-38 Composition of the highest governance body and its committees.

G4-39 • Whether the Chair of the highest governance body is also an executive officer.

Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.

G4-41 Processes for the highest governance body to ensure conflicts of interest are avoided and managed.

Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.

2014 Emissions data used for this report is verified by Deloitte Tohmatsu Evaluation Certification Organization CO., LTD. The contents of this document have not been externally verified. Our annual sustainability reports provide open, transparent information about our sustainability performance. When composing our sustainability reports, we align with what we consider the leading standards for non-financial reporting. We aim to continuously improve the quality of our non-financial disclosures.

The governance structure of our organization can be found on the Corporate Governance part of our corporate website: http://corp.asics.com/en/investor\_relations/management\_policy/corporate\_governance

To drive sustainability initiatives, ASICS Group has operated a CSR & Sustainability department since 2004, currently comprising a global team and designated staff at regional level. This department works on implementing CSR & Sustainability, managing progress against targets and engaging with internal and external stakeholders.

Our Board of Directors has the final responsibility regarding CSR & Sustainability at ASICS and it is integrated and supported by management as a priority in our corporate objectives. Each core department integrates sustainability into its business strategy and processes.

The ASICS Group has operated a CSR & Sustainability department since 2004, currently comprising a global team and designated staff at regional/local country level. This department works on implementing CSR & Sustainability, managing progress against targets and engaging with internal and external stakeholders.

The CSR & Sustainability department forms part of the ASICS Group Global Legal and Compliance Division which reports directly to the highest governance body within our organization.

Through board meetings which consist of five executive board members and four independent, external stakeholders our highest governance body is updated on economic, environmental and social issues.

'Corporate Information'

Page 45 Annual Report 2014

http://assets.asics.com/page\_types/2378/files/Annual%20Report%20 201412\_original.pdf?1429683993

'Corporate Information'

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Elaborate selection procedures and criteria exist for the nomination of members of our board and executive committees. An illustration can be found for example on page 11 of our Notice on the General Meeting of Shareholders of last March 2015 in which selection criteria for Independent Outside directors and Independent Outside Audit & Supervisory Board Members are elaborated.

http://assets.asics.com/page\_types/2348/files/Notice%200f%20the%20 61st%20Ordinary%20General%20Meeting%20of%20Shareholders\_ original.pdf?1425606564

Founded on our ASICS founding philosophy and corporate values, our Code of Conduct sets out the standards we expect everyone within the ASICS Group to comply with, including directors, officers and employees. This policy, also the starting point for our approach and guideline regarding avoidance of conflicts of interest, can be found on our corporate website: http://corp.asics.com/en/p/asics-global-code-of-conduct

Our Board of Directors has the final responsibility regarding CSR & Sustainability at ASICS. This includes the final approval of mission statements, strategy, objectives and formal CSR & Sustainability related policies.

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# GRI **G4 INDEX**

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	Indicator	Relevant page/Comment
G4-43 <b>①</b>	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	The Board is updated on the ASICS Group CSR & Sustainability performance on a annual basis. Additional information, materials, reports and presentations can be organized on a subject-specific basis. The CSR & Sustainability department works on implementing CSR & Sustainability, managing progress against targets and engaging with internal stakeholders, including executive level on a frequent basis.
G4-44 ①	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics.	Performance of our highest governance body, including performance with respect to governance of economic, environmental and social topics is included in periodic performance assessments. As the content of these reports contains confidential information, we do not disclose these publicly.
G4-45 🔾	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities.	See information under G4-47
G4-46 •	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	The ASICS Group operates a risk management policy that defines the basic response to issues or crisis. Through the implementation of the following processes, this policy is intended to minimize risk to our organization:  Our risk management committee follows a predefined communication flow and methodology for notifying the chairman (the president) and Board of Directors should any executive or employee of the Group recognize the sign of an impending crisis.
		- At the time of a crisis or issue, the chairman of the Risk Management Committee establishes an emergency response team and appoints the chief of the team according to the risk level as defined in the risk management policy. The chief shall be responsible for determining response measures and for external negotiations (when needed) in order to implement the necessary measures.
		- The Risk Management Committee shall undertake regular reviews to expose potential risks; plan and execute the necessary detection, prevention, and training measures; and evaluate the risk management and response measures. The office of the Risk Management Committee shall manage risk for the entire group collectively and comprehensively, while the Auditing Department shall perform periodic audits of the risk management system.
G4-47 •	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	The Board is updated on the ASICS Group CSR & Sustainability performance on an annual basis. The CSR & Sustainability department works on implementing CSR & Sustainability, managing progress against targets and engaging with internal stakeholders, including executive level on a frequent basis.
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	The content of our sustainability report is approved by the head of our Legal and Compliance division and ultimately signed off by our President and CEO.
G4-49 🔵	Process for communicating critical concerns to the highest governance body.	See information under G4-46
G4-50 〇	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	
G4-51 〇	Remuneration policies for the highest governance body and senior executives including performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	
G4-52 🔾	Process for determining remuneration.	
G4-53 🔾	How stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	
G4-54 〇	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	

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Inspired by the values of our founder, Kihachiro Onitsuka, clear policies and guidelines help us structure our sustainability efforts and ethical business conduct within the ASICS Group, and guide our relationships with business partners. We conduct our corporate activities on the basis of clear codes of conduct that are based on internationally recognized standards and

Our most important codes can be found under 'Governance and Policies' on the CSR & Sustainability section of our corporate site: http://corp.asics.com/en/csr/our-approach/governance-and-policies

Our ASICS Global Code of Conduct presents a clear guideline as to our business conduct and applies to all entities within the ASICS Corporation, its subsidiaries and affiliates. Subsequent internal policies are an integral part of our Code of Conduct and elaborate on, but are not limited to, anti-bribery and anti-corruption, competition, environment, privacy protection and protected disclosure (whistleblowing). The full content of our Global Code of Conduct can be found under

'Governance and Policies' on the CSR & Sustainability section of our corporate site:

http://corp.asics.com/en/p/asics-global-code-of-conduct

See above under G4-57.

### Indicator

Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.

# **Ethics and Integrity**

G4-55 ()

G4-57

G4-58

G4-56 Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.

Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.

Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.

# GRI G4 INDEX - SPECIFIC STANDARD DISCLOSURES

# CATEGORY: ECONOMIC

# Aspect – Economic Performance

Embedded within our founding philosophy is the recognition that a corporation is a public entity.

Our business operations depend on, and are supported by, a variety of

Our business operations depend on, and are supported by, a variety of interconnected stakeholders, all of whom have important roles to play in helping us meet our corporate goals. Sharing profits and economic value with our shareholders, the communities in which we operate and employees is one of our core corporate values. More information can be found in our Annual Report 2014.

http://assets.asics.com/page\_types/2378/files/Annual%20Report%20 201412\_original.pdf?1429683993

More information on direct economic value generated and distributed by the ASICS Group can be found in our Annual Report 2014. http://assets.asics.com/page\_types/2378/files/Annual%20Report%20 201412\_original.pdf?1429683993

'Environmental Accounting' Page 11 of this document.

G4-EC1 ()

Direct economic value generated and distributed.

G4-EC2

Financial implications and other risks and opportunities for the organization's activities due to climate change.

Coverage of the organization's defined benefit plan obligations.

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G4-EC3 ①

Indicator

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In accordance with local conditions and practices, ASICS Corporation and
its domestic consolidated subsidiaries have defined benefit pension plans,
i.e. welfare pension fund plans (WPFPs) and lump-sum payment plans,
covering substantially all employees who are entitled to lump-sum or
annuity payments, the amounts of which are determined by reference to
each retiree's position and basic salary at termination, as well as length of
service and certain other factors.
Assets invested for retirement benefits are reported in our Annual Report
2014.

Page 14, 15, 21, 27

**Relevant page/Comment** 

http://assets.asics.com/page\_types/2378/files/Annual%20Report%20 201412\_original.pdf?1429683993

The ASICS Group does not disclose at this point the number of employees included in our organization's defined benefit plans, nor the percentage of salary contributed by employer and employee.

The ASICS Group is a publicly traded company and is not part-owned by any government.

# Our employees are our most valuable asset. Employing 7,484 people in over 30 countries, we believe we can inspire them through our corporate culture so that personal development and corporate growth go hand in hand. More information on this subject can be found on page 27-29 of our 2013/14 Sustainability Report.

Page 5-8 2013/14 Sustainability Report

http://assets.asics.com/page\_types/2163/files/ASICS\_Sustainability%20 Report\_2013&14\_\_original.pdf?1406267124

With our human resources systems not being globally connected and set up to provide this data, we are not able to report on this indicator yet.

Our local sales subsidiary organizations are almost 100% local nationals (e.g. Japan, India, Brazil, South Korea, Germany, Poland, South Africa).

# Embedded within our founding philosophy is the recognition that a corporation is a public entity.

Sharing profits and economic value with our shareholders, the communities in which we operate and employees is one of our core corporate values (see also G4-EC1 till G4-EC4). Also indirectly we have an impact on the communities in which we operate. The indirect economic impact most quantified and monitored at the moment within the ASICS Group are our efforts regarding Community Involvement.

More information about our approach to this can be found under 'Community Involvement' on page 30-32 of our 2013/14 Sustainability Report

http://assets.asics.com/page\_types/2163/files/ASICS\_Sustainability%20 Report\_2013&14\_\_original.pdf?1406267124

The indirect economic impact most quantified and monitored at the moment within the ASICS Group are our efforts regarding Community Involvement.

Our 2014 data on this subject can be found on page 15 of this document.

# G4-EC4 Financial assistance received from government. Aspect – Market Presence

G4-DMA Market Presence.

G4-EC5 
Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.

G4-EC6 Proportion of senior management hired from the local community at significant locations of operation.

Development and impact of infrastructure investments and services

Significant indirect economic impacts, including the extent of

### **Aspect – Indirect Economic Impact**

G4-DMA Indirect Economic Impact.

G4-EC7 🔾

G4-EC8 (1)



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# Relevant page/Comment

### **Aspect - Procurement Practices**

Indicator

G4-DMA Procurement Practices

G4-EC9 O Proportion of spending on local suppliers at significant locations of operation.

# **Aspect - Materials**

G4-DMA Materials.

G4-EN1 O Materials used by weight or volume.

G4-EN2 Percentage of materials used that are recycled input materials.

At ASICS we aim to include sustainability considerations in every aspect of our business. This also encompasses our procurement practices. When we select any new footwear, apparel or accessories supplier, we assess their social and environmental sustainability performance against our ASICS standards before engaging in a business relationship. Once a formal business relationship is established with a supplier, we continuously monitor sustainability performance and periodically assess supplier facilities. Our ASICS Policy of Engagement and Environmental Policy form the basis of these assessments. They can be found on the 'Governance and Policies' section of our corporate site:

http://corp.asics.com/en/csr/our-approach/governance-and-policies ASICS Group has been implementing environmental management systems for more than 10 years. Many Group members are ISO 14001 certified. As part of ASICS Europe's ISO 14001 certified environmental management system, Green Purchasing Policy has been implemented in which we set out how we aim to make considered purchasing decisions. As such, social and environmental sustainability criteria are important considerations for our organization in selecting new, and collaborating with existing, business partners.

As specified in our Green Purchasing Policies, we evaluate whether suppliers offer environmentally preferable products, who work to exceed their environmental performance expectations, and who can show documentation of their supply chain impacts. This also considers working with local suppliers. Especially as our local sales offices all work predominantly with local companies and suppliers when it comes to canteen/food supplies, office equipment, printing services etc. At this point it is not possible for the ASICS Group to report a proportion of global spending in value and/or percentage.

Life Cycle Assessment (LCA) is a valuable tool for building knowledge about the environmental and social impacts of specific products, LCA gives us quantified results that help us better understand the various impacts across the value chain and beyond. It also means we can incorporate that knowledge into our priority materials and product development processes. Being a product driven organization, we belief that it is in the very design (including material selection) and development of products and processes that the biggest sustainability improvements can be made. Using LCA thinking in our approach to product development means that we give equal attention to materials with lower environmental impact (such as recycled fabrics) as we do to more durable materials to extend product life. More information about our approach to product development, materials and packaging can be found in the 'Products and Services' section on page 11, 12, 14 and 15 of our 2013/14 Sustainability Report. http://assets.asics.com/page\_types/2163/files/ASICS\_Sustainability%20 Report\_2013&14\_\_original.pdf?1406267124

Two areas of intense R&D interest for the ASICS Institute of Sport Science are environmentally sustainable materials and manufacturing technologies. At ASICS, we actively search for recycled materials that meet our strict performance and quality requirements for use in our products. Our shoeboxes are made from recycled cardboard and have water based inks. In 2014, we incorporated recycled materials in 50 of our footwear, accessories and apparel products.

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# GRI **G4 INDEX**

extinction risk.

# How we are doing

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- O Not disclosed at the time of publication of this document and/or not considered material to the ASICS Group for now

	Indicator	Relevant page/Comment
Aspect - I	Energy	
G4-DMA	Energy.	ASICS has been measuring and reducing energy use in the light of our CO <sub>2</sub> emissions from our business locations in Japan since 2007, and from all global operations since 2011. This includes not only our offices and distribution centers but also our retail stores, the way we transport products and materials, and business travel.  We are committed to continuously reducing our overall CO <sub>2</sub> emissions. We do this in several ways, including:  – continuous daily energy saving
		- adopting energy efficient building design and equipment
		<ul> <li>sourcing renewable energy for facilities, equipment and vehicles where possible</li> </ul>
		- optimizing our distribution network.
		More information about our approach to reducing emissions can be found in the 'Products and Services' section on page 13, 15 and 16 of our 2013/14 Sustainability Report.  http://assets.asics.com/page_types/2163/files/ASICS_Sustainability%20 Report_2013&14original.pdf?1406267124
G4-EN3 •	Energy consumption within the organization.	Our 2014 data on this subject can be found on page 8 of this document.
G4-EN4 ()	Energy consumption outside of the organization.	Our 2014 data on this subject can be found on page 8 of this document.
G4-EN5	Energy intensity.	Our 2014 energy intensity was 0.043 GJ / million yen revenue
G4-EN6 <b></b>	Reduction of energy consumption.	Our 2014 data on this subject can be found on page 8 of this document.
G4-EN7 〇	Reductions in energy requirements of products and services.	The ASICS Group does not monitor KPIs on this subject since at the time of publication of this report this indicator is not applicable or not particularly significant for our business.
Aspect - V	Water	
G4-DMA	Water.	Growing pressure on water resources – from population and economic growth, pollution, and other challenges – has major impacts on our social, economic, and environmental well being. As part of our Global efforts on environmental management, we have identified water to be a material subject for our next five year (2016-2020) strategic plan. As part of our ASICS Group environmental management systems, we continuously aim to improve tracking and reducing water usage within the ASICS Group.
G4-EN8 ()	Total water withdrawal by source.	Our 2014 data on water usage can be found on page 9 of this document.
G4-EN9	Water sources significantly affected by withdrawal of water.	There were no withdrawals of water by ASICS Group owned companies reported during the reporting year 2014 that can be categorized as significantly affecting water sources.
G4-EN10 🔾	Percentage and total volume of water recycled and reused.	With our systems tracking this indicator not being globally connected and set up to provide this data, we are not able to report on this indicator.
Aspect - I	Biodiversity	
G4-DMA 🔾	Biodiversity.	
G4-EN11 〇	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	
G4-EN12 🔾	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	
G4-EN13 🔾	Habitats protected or restored.	
G4-EN14 🔾	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	

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# GRI **G4 INDEX**

**Aspect - Emissions** G4-DMA 

Emissions.

G4-EN15

G4-EN16

G4-EN17

G4-EN18

G4-EN19

Indicator

### How we are doing

- Full disclosure as outlined by the GRI G4
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# ASICS has been measuring and aiming to reduce our (CO<sub>2</sub>) emissions from our business locations in Japan since 2007, and from all global operations since 2011. This includes not only our offices and distribution centers but also our retail stores, the way we transport products and materials, and

We are committed to continuously reducing our overall CO<sub>2</sub> emissions. We do this in several ways, including:

- continuous daily energy saving

business travel.

**Relevant page/Comment** 

- adopting energy efficient building design and equipment
- sourcing renewable energy for facilities, equipment and vehicles where possible
- optimizing our distribution network.

More information about our approach to reducing emissions can be found in the 'Products and Services' section on the pages 13, 15, and 16 of our 2013/14 sustainability report.

http://assets.asics.com/page\_types/2163/files/ASICS\_Sustainability%20 Report\_2013&14\_\_original.pdf?1406267124

'Performance data Energy efficiency and CO2 emissions' Page 9 of this document.

'Performance data Energy efficiency and CO2 emissions' Page 9 of this document.

'Performance data Energy efficiency and CO2 emissions' Page 10 of this document.

Our 2014 GHG emissions intensity was 0.059 tonnes CO2 per million yen

'Performance data Energy efficiency and CO<sub>2</sub> emissions' Page 9 and 10 of this document.

## Reduction of greenhouse gas (GHG) emissions. G4-FN20 () Emissions of ozone-depleting substances (ODS).

G4-EN21 () NOx, SOx, and other significant air emissions.

Direct greenhouse gas (GHG) emissions (Scope 1).

Greenhouse gas (GHG) emissions intensity.

Energy indirect greenhouse gas (GHG) emissions (Scope 2).

Other indirect greenhouse gas (GHG) emissions (Scope 3).

## **Aspect - Effluents and Waste**

As well as actively applying design improvements to reduce environmental impacts of our products and in manufacturing processes we also address the impacts of our own operations. Tracking effluents and waste of environmentally relevant operations are being monitored as part of our environmental management systems and many Group members are ISO 14001 certified. We outsource much of our production and the environmental impacts from our direct trading factories are our key indicators. See also page 9 and 10 of this document.

With our systems tracking this indicator not being globally connected and set up to provide this data, we are not able to report on this indicator yet.

Performance data Waste and Resource Scarcity' Page 9 of this document.

There were no significant spills or incidents with effluents/waste at ASICS Group owned production facilities reported during the reporting year 2014.

Waste deemed hazardous under the terms of the Basel Convention is not being produced nor transported by ASICS Group companies during this reporting year.

There were no discharges of water and runoff by ASICS Group owned companies reported during the reporting year 2014 that can be categorized as significantly affecting neighboring water sources and related habitats.

# G4-EN22 O Total water discharge by quality and destination.

G4-EN23 () Total weight of waste by type and disposal method.

G4-EN24 Total number and volume of significant spills.

G4-EN25 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention2 Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.

G4-EN26 • Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.

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### How we are doing

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# Relevant page/Comment

# **Aspect - Products and Services**

Indicator

G4-DMA Products and Services.

G4-EN27 Extent of impact mitigation of environmental impacts of products

Percentage of products sold and their packaging materials that are reclaimed by category.

# **Aspect - Compliance**

G4-DMA O Compliance.

G4-EN29 Monetary value of significant fines and total number of nonmonetary sanctions for non-compliance with environmental laws and regulations.

# **Aspect - Transport**

G4-DMA Transport

G4-EN30 • Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.

Through constant research and innovation, we create products and services that help people enjoy the physical and mental benefits of sport. At our Institute of Sport Science, researchers and scientists combine new discoveries about the human body with the latest technological advances to continually refine our products. We seek to integrate sustainability as a basic consideration in the design of our processes and products. We believe that this is the most effective and direct way of improving the sustainability of our products.

As well as integrating sustainability considerations in the design of our products, we are also committed to reducing environmental impacts throughout the other stages of their life cycle. These include operations at our own business locations and operations, our supplier operations, manufacturing processes, the distribution and packaging of our products, and our retail stores. By doing so, we aim to improve sustainability throughout the entire value chain.

Life-Cycle Assessment (LCA) is our tool for identifying the environmental impacts of our products at every stage of their lives, from their design and construction all the way to eventual end-of-life disposal.

Year on year we continue to apply the knowledge we've gained from LCA to our products, making them better for both our customers and the environment.

For more information, see 'Creating Products and Services' on page 10-12 of our 2013/14 Sustainability Report.

http://assets.asics.com/page\_types/2163/files/ASICS\_ Sustainability%20Report\_2013&14\_\_original.pdf?1406267124 2014 reporting year data related to products and services can be found on page 7-11 of this document.

2014 reporting year data related to products and services can be found on page 7-11 of this document.

Our ASICS Global Code of Conduct presents a clear guideline as to our business conduct and applies to all entities within the ASICS Corporation, its subsidiaries and affiliates. A key principle in our code is our policy and conviction to ensure that we do business according to the highest standards and that our practices comply with all applicable laws in any country we operate in through directly related companies or third parties. We train employees about compliance with all standards and policies as in addition to our ASICS Global Code of Conduct, and we operate subject-specific policies and procedure to ensure compliance in all our markets. For more details, see the 'Corporate Governance' section of our corporate site:

http://corp.asics.com/en/investor\_relations/management\_policy/corporate\_governance

The ASICS Group was not required to pay any fines in 2014 book year that can be considered material to the ASICS Group financial statements.

Our approach to environmental management of our Group Operations (in general and/or within the framework of ISO 14001) and managing the impact of our Products & Services, includes the impact of transport and more specifically its carbon footprint.

For more information, see 'Creating Products and Services' on page 15 of our 2013/14 Sustainability Report.

http://assets.asics.com/page\_types/2163/files/ASICS\_ Sustainability%20Report\_2013&14\_\_original.pdf?1406267124 2014 reporting year data can be found on page 11 of this document.

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### How we are doing

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our own operations as well as in our value chain.

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# At ASICS, we recognize our responsibility to look after the natural environment both today and for future generations. Our Global Policy on Environment sets out our approach to managing environmental impacts in

2014 reporting year data related to this subject can be found on page 11 of this document.

At ASICS we aim to include sustainability considerations in every aspect of our business. We seek to work with business partners that share our commitment to sustainability. When we select any new footwear, apparel or accessories supplier, we assess their performance against our ASICS sustainability standards before engaging in a business relationship. Our ASICS Environmental Policy forms the basis of such an evaluation of environmental sustainability performance. As such environmental sustainability criteria are important considerations for our organization in selecting new, and collaborating with existing, business partners.

In our fiscal reporting year 2014, 100% of newly contracted footwear, apparel or accessories suppliers have been screened using environmental criteria

Life Cycle Assessment (LCA) is our tool for identifying the environmental impacts of our products at every stage of their lives, from their design and construction all the way to eventual end-of-life disposal. As well as integrating sustainability considerations in the design of our products, we are also committed to reducing environmental impacts throughout the other stages of their life cycle. These include operations at our own business locations and operations, our supplier operations, manufacturing processes, the distribution and packaging of our products, and our retail stores. By doing so, we aim to improve sustainability throughout the entire

For more information, see page 7-11 of this document and 'Creating Products and Services' on page 10-12 of our 2013/14 Sustainability Report. http://assets.asics.com/page\_types/2163/files/ASICS\_Sustainability%20 Report\_2013&14\_\_original.pdf?1406267124

Environmental grievances are within our certified ASICS Group locations logged and managed within the framework of ISO 14001. At other group locations these are dealt with on a case by case basis and escalated as appropriate.

No grievances or complaints about environmental impacts have been filed, addressed and resolved in our fiscal reporting year 2014.

Our employees are our most valuable asset. We believe we can inspire them through our corporate culture so that personal development and corporate growth go hand in hand.

The ASICS Group abides by local labor laws and regulations relevant, and in our ASICS Global Code of Conduct we further set out our values regarding employment conditions.

http://corp.asics.com/en/p/asics-global-code-of-conduct Regarding suppliers, we require the management of all factories producing ASICS products to uphold the same sustainability standards we demand of our own operations, as well as complying with all relevant international and local laws and regulations related to workers' rights, safety and welfare. Our ASICS Policy of Engagement sets out the minimum requirements regarding human rights, labor standards, occupational health and safety and environmental practices for any ASICS business partner. http://asics-corporate-production-draft.s3.amazonaws.com/page\_types/2235/files/policy\_of\_engagement\_original.pdf?1405496979%0D%0A

With our human resources systems not being globally connected, we are not able to report consolidated data on this indicator yet.

### **Indicator**

### Aspect - Overall

G4-DMA Overall.

G4-EN31 O Total environmental protection expenditures and investments by type.

### **Aspect - Supplier Environmental Assessment**

G4-DMA Supplier Environmental Assessment.

G4-EN32 • Percentage of new suppliers that were screened using environmental criteria.

G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken.

# Aspect - Environmental Grievance Mechanisms

G4-DMA Environmental grievance mechanisms.

G4-EN34 • Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.

### **Aspect - Employment**

G4-LA1 🔾

Total number and rates of new employee hires and employee turnover by age group, gender and region.

G4-LA4 1

PARTNERING WITH SUPPLIERS AND WORKERS

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# GRI **G4 INDEX**

Indicator

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G4-LA2 O	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	With our human resources systems not being globally connected, we are not able to report consolidated data on this indicator yet.
G4-LA3 O	Return to work and retention rates after parental leave, by gender.	With our human resources systems not being globally connected, we are not able to report consolidated data on this indicator yet.
Aspect - Labour Relations		
G4-DMA	Labor Relations.	The ASICS Group abides by local labor laws and regulations relevant, and

in our ASICS Global Code of Conduct we further set out our values regarding employment conditions including our intentions to be transparent, stimulate diversity and offer sound working conditions. http://corp.asics.com/en/p/asics-global-code-of-conduct

Notice periods vary in the different countries where the ASICS Group operates and different contractual or legal obligations apply. In Japan, Germany, France, Austria, Scandinavia, Belgium and Spain employees are covered by collective bargaining agreements. They may specify specific conditions regarding notice periods as well, but at the moment of publication of this report full data is not available for reporting.

The ASICS Group maintains comprehensive standards for occupational health and safety which apply to all our operations. These include risk assessments, compliance audits, training, and emergency evacuation

We are committed to providing a safe and healthy environment. Since safety and security are team efforts, we require every director and employee to comply with applicable laws, regulations and ASICS' policies as they relate to ensuring the health, safety and security of our workforce.

The operation of health and safety committees is an important part of our daily management of health and safety at ASICS, operation sites worldwide. The total amount of colleagues represented in such committees as a percentage of total workforce is not being monitored for this reporting period.

Data on occupational injuries, sickness leave, lost days and absenteeism is being monitored by our local Human Resources systems but the ASICS Group is not reporting consolidated data yet on these indicators.

Risk assessments and incidences of work-related injuries or diseases are being monitored by our local Human Resources systems but the ASICS Group is not reporting consolidated data yet on these indicators.

Responsibilities regarding health and safety and compliance, being a fundamental topic in our ASICS Global Code of Conduct, are part of various internal policies, guidelines and agreements.

Specific health and safety topics may not be separately covered in formal agreements with trade unions.

Training and education is an important part of our personnel and organizational development strategy.

Each regional ASICS office implements training programs aiming to ensure global consistency within our organization while incorporating local needs and differences. Training programs cover a range of subjects including anti-harassment and diversity, new employee induction, management capacity building, professional development, and health and safety.

Although training and education is relevant to all ASICS employees' development, the ASICS Group does not track consolidated figures at a global level regarding this subject.

# Aspect - Occupational Health and Safety G4-DMA Occupational Health and Safety.

G4-I A5 () Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.

Type of injury and rates of injury, occupational diseases, lost days, G4-LA6 O and absenteeism, and total number of work-related fatalities, by region and by gender. G4-LA7 🔾

Workers with high incidence or high risk of diseases related to their occupation.

Minimum notice periods regarding operational changes, including

whether these are specified in collective agreements.

G4-LA8 🔾 Health and safety topics covered in formal agreements with trade

# **Aspect – Training and Education**

G4-DMA Training and Education.

G4-LA9 Average hours of training per year per employee by gender, and by employee category.

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### How we are doing

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Relevant page/Comment

For more information regarding training, education and skills management, see 'Investing in People and Communities' on page 28 and 29 of our 2013/14 Sustainability Report.

http://assets.asics.com/page\_types/2163/files/ASICS\_Sustainability%20 Report\_2013&14\_\_original.pdf?1406267124

To strengthen our approach to employee development globally, we introduced our HR Competency Framework in 2014. By aligning the way we evaluate our employees worldwide, the framework makes it easier for all our people to identify career opportunities and move to new positions throughout the whole business. Roll out of the framework is ongoing at the time of publication of this document.

Diversity is essential for business growth and to generate new ideas and innovations. ASICS has employees from various backgrounds whose diversity encompasses gender, ethnicity, culture, age and career choice. In promoting diversity, it is important to ensure that all employees share a strong connection to our core 'ASICS Spirit' and use common tools.

For more information regarding diversity, see 'Investing in People and Communities' on page 29 of our 2013/14 Sustainability Report. http://assets.asics.com/page\_types/2163/files/ASICS\_Sustainability%20 Report\_2013&14\_\_original.pdf?1406267124

See our ASICS Global Code of Conduct in which we further specify our principles on the topic of equal opportunities. http://corp.asics.com/en/p/asics-global-code-of-conduct

The ASICS Group does not publicly disclose salary data to this level.

We continuously monitor that our products are manufactured under safe and ethical working conditions. We seek to work with business partners that share our commitment to sustainability. When we select a new footwear, apparel or accessories supplier, we assess their performance against our ASICS sustainability standards before engaging in a business relationship. Our ASICS Policy of Engagement forms the basis of such an evaluation of labour practices performance. http://asics-corporate-production-draft.s3.amazonaws.com/page\_

types/2235/files/policy\_of\_engagement\_original.pdf?1405496979%0D%0A

In 2014, 100% of new suppliers producing footwear, apparel or accessories have been screened using all of 17 criteria to suppliers which includes labor practices.

For more information about labor practices in our supply chain and how we collaborate with our suppliers towards better workplace standards, see 'Investing in People and Communities' on page 19-24 of our 2013/14 Sustainability Report.

http://assets.asics.com/page\_types/2163/files/ASICS\_Sustainability%20 Report\_2013&14\_\_original.pdf?1406267124

Both ASICS Group Employees as well as workers in at our Tier 1 suppliers have access to confidential grievance mechanisms.

We stimulate our suppliers on how to implement and operate grievance channels and ensure that either thought these channels, via unions or our local partners (such as Better Work) workers can ventilate labor practice grievances.

ASICS operates a whistleblowing policy and confidential formal grievance channels are part of our Human Resources Management Systems.

# Indicator

# G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

G4-LA11 O Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.

# **Aspect - Diversity and Equal Opportunity**

G4-DMA Diversity and Equal Opportunity.

G4-LA12 
Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

### **Aspect – Equal Remuneration for Women and Men**

G4-DMA • Equal Remuneration for Women and Men.

G4-LA13 O Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.

# **Aspect - Supplier Assessment for Labor Practices**

G4-DMA Supplier Assessment for Labor Practices.

G4-LA14 Percentage of new suppliers that were screened using labor practices criteria.

G4-LA15 • Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.

### **Aspect - Labor Practices Grievance Mechanisms.**

G4-DMA Labor Practices Grievance Mechanisms.

Number of grievances about labor practices filed, addressed, and

resolved through formal grievance mechanisms

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# GRI **G4 INDEX**

Aspect - Investment G4-DMA Investment.

G4-LA16 🔾

G4-HR1 1

G4-HR2 O

Indicator

### How we are doing

Relevant page/Comment

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# Where appropriate, we share information regarding breaches of our ASICS

Global Code of Conduct internally with employees or labor practices with relevant internal and external stakeholders. To protect supplier factory worker and ASICS employee confidentiality we however do not share specifics and numbers internally or externally in the public domain.

We aim to collaborate with business partners who share our commitment to an ethical and sustainable sporting goods industry. When we select any new footwear, apparel or accessories suppliers we assess their social and environmental sustainability performance against our ASICS standards before engaging in a business relationship. Once a formal business relationship is established with a supplier, we continuously monitor sustainability performance and periodically assess supplier facilities. Our ASICS Policy of Engagement and Environmental Policy form the basis of these assessments. It can be found on the 'Governance and Policies' section of our corporate site:

http://asics-corporate-production-draft.s3.amazonaws.com/page types/2235/files/policy\_of\_engagement\_original.pdf?1405496979%0D%0A

When we select any new footwear, apparel or accessories suppliers we assess their social and environmental sustainability performance against our ASICS standards before engaging in a business relationship. Compliance to our social and environmental sustainability standards regarding workplace and products are included in all, 100%, of contract agreements with footwear, accessories and apparel suppliers who manufacture products on behalf of the ASICS Group. With our systems not being globally connected and set up to provide this specific data, we are not able to report on consolidated figures on all investments agreements for this indicator yet.

With our human resources systems not being globally connected and set up to provide this data, we are not able to report on this indicator yet.

# human rights screening.

Total number and percentage of significant investment agreements

and contracts that include human rights clauses or that underwent

Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

### **Aspect – Non-Discrimination**

Non-Discrimination G4-DMA

Diversity is valued in ASICS. We expect every director and employee to respect the people and the cultures with which we work, to act responsible and to treat co-workers with dignity. ASICS has employees from various backgrounds whose diversity encompasses gender, ethnicity, culture, age and career choice. See our ASICS Global Code of Conduct in which we further specify our

principles on the topic of discrimination

http://corp.asics.com/en/p/asics-global-code-of-conduct Our ASICS Policy of Engagements sets out the minimum requirements regarding human rights, labor standards, occupational health and safety and environmental practices for any ASICS business partner. These standards include non-discrimination.

This policy be found on the 'Governance and Policies' section of our corporate site:

http://asics-corporate-production-draft.s3.amazonaws.com/page types/2235/files/policy\_of\_engagement\_original.pdf?1405496979%0D%0A

Where appropriate, we share information regarding breaches of our ASICS Global Code of Conduct internally with employees or labor practices. including our standards on non-discrimination, with relevant internal and external stakeholders. To protect supplier factory worker and ASICS employee confidentiality we however do not share specifics and numbers internally or externally in the public domain.

G4-HR3 🔾 Total number of incidents of discrimination and corrective actions

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Indicator

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# Relevant page/Comment

# **Aspect - Freedom of Association and Collective Bargaining**

G4-DMA • Freedom of Association and Collective Bargaining.

G4-HR4 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.

### Aspect - Child Labor

G4-DMA O Child Labor.

G4-HR5

Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.

## **Aspect - Forced or Compulsory Labor**

G4-DMA Forced or Compulsory Labor.

In Japan, Germany, France, Austria, Scandinavia, Belgium and Spain employees are covered by collective bargaining agreements. Our ASICS Policy of Engagements sets out the minimum requirements regarding human rights, labor standards, occupational health and safety and environmental practices for any ASICS business partner. These standards include the employees' right to organize and join associations by their own choice, and to bargain collectively.

Our Policy of Engagement can be found on the 'Governance and Policies' section of our corporate site:

http://asics-corporate-production-draft.s3.amazonaws.com/page\_types/2235/files/policy\_of\_engagement\_original.pdf?1405496979%0D%0A

ASICS has signed the Freedom of Association Protocol in Indonesia. Also through training by our own staff and through our partnership with Better Work, we aim to stimulate open and constructive dialogue between workers, labor unions and supplier factory management.

Our ASICS Policy of Engagements sets out the minimum requirements regarding human rights, labor standards, occupational health and safety and environmental practices for any ASICS business partner. These standards include the prohibition of child labor.

This policy be found on the 'Governance and Policies' section of our corporate site:

http://asics-corporate-production-draft.s3.amazonaws.com/page\_types/2235/files/policy\_of\_engagement\_original.pdf?1405496979%0D%0A

When we select a new footwear, apparel or accessories supplier, we assess their performance against our ASICS sustainability standards. Once a formal business relationship is established suppliers are regularly exposed to compliance assessments which include compliance to our prohibition of child labor requirements.

For more information regarding supplier assessments see the section 'Partnering with Suppliers and Workers' on page 21-24 of our 2013/14 Sustainability Report:

http://assets.asics.com/page\_types/2163/files/ASICS\_Sustainability%20 Report\_2013&14\_\_original.pdf?1406267124

Other 2014 reporting year data related to this subject can be found on page 12-14 of this document.

Our ASICS Policy of Engagements sets out the minimum requirements regarding human rights, labor standards, occupational health and safety and environmental practices for any ASICS business partner. These standards include the prohibition of forced labor.

This policy be found on the 'Governance and Policies' section of our corporate site:

http://asics-corporate-production-draft.s3.amazonaws.com/page\_types/2235/files/policy\_of\_engagement\_original.pdf?1405496979%0D%0A

Operations and suppliers identified as having significant risk for

to the elimination of all forms of forced or compulsory labor.

incidents of forced or compulsory labor, and measures to contribute

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G4-HR6 (1)

### How we are doing

Relevant page/Comment

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# When we select new footwear, apparel or accessories supplier, we assess their performance against our ASICS sustainability standards. Once a formal business relationship is established suppliers are regularly exposed to compliance assessments which include compliance to our prohibition of

forced labor requirements. For more information regarding supplier assessments see the section 'Partnering with Suppliers and Workers' on page 21-24 of our 2013/14 Sustainability Report: http://assets.asics.com/page\_types/2163/files/ASICS\_Sustainability%20Report\_2013&14\_\_original.pdf?1406267124 Other 2014 reporting year data related to this subject can be found on page 12-14 of this document.

# Aspect - Security Practices

Indicator

G4-DMA O Security Practices.

G4-HR7 O Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.

## **Aspect - Indigenous Rights**

G4-DMA O Indigenous Rights.

G4-HR8 O Total number of incidents of violations involving rights of indigenous peoples and actions taken.

# **Aspect - Assessment**

G4-DMA Assessment.

G4-HR9

G4-HR10

Total number and percentage of operations that have been subject to human rights reviews or impact assessments.

Percentage of new suppliers that were screened using human rights

### **Aspect - Supplier Human Rights Assessment**

G4-DMA Supplier Human Rights Assessment.

When we select a new footwear, apparel or accessories supplier, we assess their performance against our ASICS sustainability standards. Once a formal business relationship is established suppliers are regularly exposed to compliance assessments.

Our ASICS Policy of Engagements sets out the minimum requirements regarding human rights, labor standards, occupational health and safety and environmental practices for any ASICS business partner. These standards include the prohibition of forced labor.

This policy be found on the 'Governance and Policies' section of our corporate site:

http://asics-corporate-production-draft.s3.amazonaws.com/page\_types/2235/files/policy\_of\_engagement\_original.pdf?1405496979%0D%0A

2014 reporting year data related to this subject can be found on page 12-13 of this document.

With due regard to the Universal Declaration of Human Rights, ASICS supports and respects human rights and strives to ensure that its activities do not make it an accessory to infringements on human rights. When we select a new footwear, apparel or accessories supplier, we assess their performance against our ASICS sustainability standards. Once a formal business relationship is established suppliers are regularly exposed to compliance assessments.

Our ASICS Policy of Engagements sets out the minimum requirements regarding human rights, labor standards, occupational health and safety and environmental practices for any ASICS business partner. This policy be found on the 'Governance and Policies' section of our corporate site:

http://asics-corporate-production-draft.s3.amazonaws.com/page\_types/2235/files/policy\_of\_engagement\_original.pdf?1405496979%0D%0A

In 2014, 100% of new suppliers producing footwear, apparel or accessories have been screened using all of 17 criteria to suppliers which includes labor practices.

INVESTING IN PEOPLE AND COMMUNITIES

GRI G4 INDEX



# GRI **G4 INDEX**

### How we are doing

- Full disclosure as outlined by the GRI G4
- Partially disclosed conform GRI G4 but one or more required indicator missing at this time
- Not disclosed at the time of publication of this document and/or not considered material to the ASICS Group for now

# For more information about human rights impacts in our supply chain and how we collaborate with our suppliers towards better workplace standards see 'Investing in People and Communities' on page 19-24 of our 2013/14 Sustainability Report.

http://assets.asics.com/page\_types/2163/files/ASICS\_ Sustainability%20Report\_2013&14\_\_original.pdf?1406267124 Other 2014 reporting year data related to this subject can be found on page 12-14 of this document.

# Both ASICS Group Employees as well as workers in at our Tier 1 suppliers

Relevant page/Comment

have access to confidential grievance mechanisms.

We stimulate our suppliers on how to implement and operate grievance

channels and ensure that either thought these channels, via unions or our local partners (such as Better Work) workers can ventilate human rights grievances.

Where appropriate, we share information regarding breaches of our ASICS Global Code of Conduct internally with employees or human rights violations with relevant internal and external stakeholders. To protect supplier factory worker and ASICS employee confidentiality we however do not share specifics and numbers internally or externally in the public domain.

# Living up to our founding philosophy, we aim to make a positive contribution to society through engaging in community activities and contributions, both in financial donations and by volunteering. ASICS operates in many different communities around the world with different needs. Our support activities reflect these differences. By making room for volunteer work, offering disaster relief and donations we aim to contribute to society and give back to communities affected by disasters, enable sports or supporting research and education for healthier, more sustainable lifestyles.

2014 reporting year data related to this subject can be found on page 15 of this document.

No ASICS Operational sites have been identified to have actual or potential negative impact on local communities in 2014 that can be considered as significant.

# Our ASICS Global Code of Conduct presents a clear guideline as to our business conduct and applies to all entities within the ASICS Corporation, its subsidiaries and affiliates.

For more details, see the 'Corporate Governance' section of our corporate site:

 $\label{lem:http://corp.asics.com/en/investor_relations/management\_policy/corporate\_governance$ 

### Indicator

# G4-HR11 Significant actual and potential negative human rights impacts in the supply chain and actions taken.

# **Aspect – Human Rights Grievance Mechanism**

G4-DMA Human Rights Grievance Mechanism.

G4-HR12 O Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.

# **Aspect – Local Communities**

G4-DMA Local Communities.

G4-SO1	Percentage of operations with implemented local community	
	engagement, impact assessments, and development programs.	

G4-S02 Operations with significant actual and potential negative impacts on local communities

# **Aspect – Anti-Corruption**

G4-DMA • Anti-Corruption.

G4-S03 O Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.

G4-S04 O Communication and training on anti-corruption policies and

G4-S05 O Confirmed incidents of corruption and actions taken.

INVESTING IN PEOPLE AND COMMUNITIES GRI G4 INDEX ASICS Sustainability Performance Data and GRI G4 Index 2014



# GRI **G4 INDEX**

### How we are doing

- Full disclosure as outlined by the GRI G4
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- Not disclosed at the time of publication of this document and/or not considered material to the ASICS Group for now

**Relevant page/Comment** 

The ASICS Group engages with governments, public interest groups, industry associations and a broad range of other similar bodies around the world. In doing so, our aim is always to comply with all laws governing political activity.

Led by our corporate philosophy, it's our aim to engage with all of these stakeholders in open, ongoing dialogue, in order to create mutually beneficial partnerships and build a better, more sustainable industry for everyone concerned.

To our best knowledge, the ASICS Group did not make any contributions of financial value or in-kind contributions to political parties, politicians, and related institutions in 2014.

Our ASICS Global Code of Conduct presents a clear guideline as to our business conduct and applies to all entities within the ASICS Corporation, its subsidiaries and affiliates.

For more details, see the 'Corporate Governance' section of our corporate site:

 $\verb|http://corp.asics.com/en/investor_relations/management_policy/corporate_governance|$ 

Omitted: his information is considered commercially sensitive to the ASICS Group.

Our ASICS Global Code of Conduct presents a clear guideline as to our business conduct and applies to all entities within the ASICS Corporation, its subsidiaries and affiliates. A key principle in our code is our policy and conviction to ensure that we do business according to the highest standards and that our practices comply with all applicable laws in any country we operate in through directly related companies or third parties. We train employees about compliance with all standards and policies as in addition to our ASICS Global Code of Conduct, and we operate subject-specific policies and procedure to ensure compliance in all our markets. For more details, see the 'Corporate Governance' section of our corporate site:

http://corp.asics.com/en/investor\_relations/management\_policy/corporate\_governance

The ASICS Group was not required to pay any fines in 2014 book year that can be considered material to the ASICS Group financial statements.

We continuously monitor that our products are manufactured under safe and ethical working conditions. We seek to work with business partners that share our commitment to sustainability and ethical business conduct. When we select a new footwear, apparel or accessories supplier, we assess their performance against our ASICS sustainability standards before engaging in a business relationship. Our ASICS Policy of Engagement forms the basis of such an evaluation of labor practices performance.

http://asics-corporate-production-draft.s3.amazonaws.com/page\_types/2235/files/policy\_of\_engagement\_original.pdf?1405496979%0D%0A

In 2014, 100% of new suppliers producing footwear, apparel or accessories have been screened using all of 17 criteria to suppliers.

# Aspect - Public Policy

Indicator

G4-DMA Public Policy.

G4-S06 Total value of political contributions by country and recipient/beneficiary.

# Aspect - Anti-competitive Behavior

G4-DMA Anti-competitive Behavior

G4-S07 O Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.

# **Aspect - Compliance**

G4-DMA O Compliance.

G4-S08 Monetary value of significant fines and total number of nonmonetary sanctions for non-compliance with laws and regulations.

# **Aspect - Supplier Assessment for Impacts on Society**

G4-DMA Supplier Assessment for Impacts on Society.

G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society.

Significant actual and potential negative impacts on society in the

INVESTING IN PEOPLE AND

GRI G4 INDEX

ASICS Sustainability Performance Data and GRI G4 Index 2014



# GRI **G4 INDEX**

G4-SO10 ()

Indicator

supply chain and actions taken.

G4-DMA O Grievance Mechanisms for Impacts on Society.

Aspect - Grievance Mechanisms for Impacts on Society

G4-SO11 O Number of grievances about impacts on society filed, addressed,

and resolved through formal grievance mechanisms.

### How we are doing

Relevant page/Comment

- Full disclosure as outlined by the GRI G4
- Partially disclosed conform GRI G4 but one or more required indicator missing at this time
- Not disclosed at the time of publication of this document and/or not considered material to the ASICS Group for now

### For more information about labor practices in our supply chain and how we collaborate with our suppliers towards better workplace standards see 'Investing in People and Communities' on page 19-24 of our 2013/14 Sustainability Report.

http://assets.asics.com/page\_types/2163/files/ASICS\_Sustainability%20 Report\_2013&14\_\_original.pdf?1406267124

### Both ASICS Group Employees as well as workers in at our Tier 1 suppliers have access to confidential grievance mechanisms.

We stimulate our suppliers on how to implement and operate grievance channels and ensure that either thought these channels, via unions or our local partners (such as Better Work) workers or other relevant stakeholders can ventilate grievances regarding societal impacts.

ASICS operates a whistleblowing policy and confidential formal grievance channels are part of our Human Resources Management Systems.

All reported grievances are taken very seriously and investigated. At the moment the ASICS Group does not publicly disclose this information.

# Aspect - Customer Health and Safety

G4-DMA O Customer Health and Safety.

ASICS is dedicated to its quality assurance and management system that will ensure that its products and services continuously meet the requirements of its customers. Products that are safe and sound, not only for our customers but also for the world around us.

Our quality principles and objectives are communicated and available to staff at all times. Training is an integral part of our quality assurance and management system. This means training for our own employees but also training and certifying staff within our suppliers' facilities.

ASICS employs various Product Liability (PL) inspections that include product safety, application of quality improvement measures, and descriptions on product label and promotional materials. This is done at different points in the processes of product planning, development, design, manufacturing, QA, and shipment.

We carry out preventative inspections at our suppliers to avoid the use of inappropriate materials. Random inspections at suppliers and a variety of tests on our products before they reach their delivery address are a part of our manufacturing process. These include everything from durability tests, to tests of colorfastness and advanced chemical analyses.

We carry out preventative inspections at our suppliers to avoid the use of inappropriate materials. Random inspections at suppliers and a variety of tests on our products before our products reach their delivery address are a part of our manufacturing process. These include everything from durability tests, to tests of colorfastness and advanced chemical analyses. At the time of publication of this documents the ASICS Group does not publish consolidated data in the form of a percentage of all such product quality and safety testing.

For more information, see 'Managing Safety and Quality' under 'Creating Products and Services' on page 14 of our 2013/14 Sustainability Report. http://assets.asics.com/page\_types/2163/files/ASICS Sustainability%20Report\_2013&14\_\_original.pdf?1406267124 2014 reporting year data related to products and services can be found on page 7 of this document.

As a product-driven company, to responsibly design, develop, produce, market and sell our products is of paramount importance to us. We meet all legal and regulatory requirements for labeling in all the markets in which we operate, including material composition of our apparel and footwear products, care instructions where relevant or any other specific labeling requirement for our products and services.

# G4-PR1 O

Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.

### G4-PR2 1

Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.

## **Aspect - Product and Service Labeling**

G4-DMA Product and Service Labeling.

G4-PR3 1

G4-PR4 1

G4-PR5 O

PARTNERING WITH SUPPLIERS AND WORKERS

Type of product and service information required by the

categories subject to such information requirements.

Results of surveys measuring customer satisfaction.

labeling, and percentage of significant product and service

organization's procedures for product and service information and

Total number of incidents of non-compliance with regulations and

voluntary codes concerning product and service information and

INVESTING IN PEOPLE AND COMMUNITIES GRI G4 INDEX



# GRI **G4 INDEX**

Indicator

### How we are doing

Relevant page/Comment

- Full disclosure as outlined by the GRI G4
- Partially disclosed conform GRI G4 but one or more required indicator missing at this time
- Not disclosed at the time of publication of this document and/or not considered material to the ASICS Group for now

# We meet all legal and regulatory requirements for labeling in all the markets in which we operate and which are relevant for our apparel, footwear and accessories. These include, but are not limited to, textile material composition labeling of our apparel, composition labeling conform legal requirements for footwear products, care instructions, instructions for usage where relevant or any other specific labeling requirement for our products and services.

2014 reporting year data related to products and services can be found on page 7 of this document.

The ASICS Group conducts regular surveys regarding brand awareness and perception and customer satisfaction regarding our products and services. We do not publish consolidated data on this indicator as part of our sustainability report at the time of this publication. Information regarding market share can be found on page 1 of the Annual Report 2014. http://assets.asics.com/page\_types/2378/files/Annual%20Report%20 201412\_original.pdf?1429683993

# Our aim is to provide products and services that create value for our customers. As a product-driven company, to responsibly design, develop, produce, market and sell our products is of paramount importance to us. This includes due consideration that marketing communications are compliant with regulations, voluntary codes and company standards. In this context marketing communications include, but are not limited to, advertising, promotion, sponsorship etc.

The ASICS Group does not report this data in the public domain at the time of publication of this document.

The ASICS Group does not report this data in the public domain at the time of publication of this document.

# The ASICS Group understands the need and importance of protecting customer information and a range of other personal information. We have implemented a privacy policy to ensure safe and appropriate control. The Japan Information Processing Development Corporation (JIPDEC) grants permission for use of the Privacy Mark, a registered trademark, to business enterprises that meet their specific requirements regarding the protection of personal information. ASICS has been certified to use this trademark since 2006.

Complaints or breaches of customer privacy are taken very seriously and handled by our designated team. The ASICS Group does not report numbers of complaints publicly at the moment.

# Our ASICS Global Code of Conduct presents a clear guideline as to our business conduct and applies to all entities within the ASICS Corporation, its subsidiaries and affiliates. A key principle in our code is our policy and conviction to ensure that we do business according to the highest standards and that our practices comply with all applicable laws in any country we operate in through directly related companies or third parties. We train employees about compliance with all standards and policies as in addition to our ASICS Global Code of Conduct, we operate subject-specific policies and procedure to ensure compliance in all our markets. For more details, see the 'Corporate Governance' section of our corporate site:

http://corp.asics.com/en/investor\_relations/management\_policy/corporate\_governance

The ASICS Group was not required to pay any fines in 2014 book year that can be considered material to the ASICS Group financial statements.

# Aspect – Marketing Communications

labeling, by type of outcomes.

G4-DMA Marketing Communications

G4-PR6 O Sale of banned or disputed products

G4-PR7 O Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.

# **Aspect - Customer Privacy**

G4-DMA Customer Privacy.

G4-PR8 O Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

# Aspect - Compliance

G4-DMA Compliance.

G4-PR9

Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.





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TRANSLATION)

# Independent Practitioner's Assurance Report

June 25, 2015

Mr. Motoi Oyama, President and CEO ASICS Corporation

> Hiroshi Inanaga Chief Executive Officer Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd. 3-3-1, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the  $CO_2$  information ( $CO_2$  emissions Scope 1 and 2, the " $CO_2$  information") for the year ended December 31, 2014 included in the " $CO_2$  emissions from our locations" in the "SUSTAINABILITY PERFORMANCE DATA AND GRI G4 INDEX 2014" of ASICS Corporation (the "Company") created for the Company's website.

The Company's Responsibility

The Company is responsible for the preparation of the  $CO_2$  information in accordance with the calculation and reporting standard adopted by the Company. The  $CO_2$  information quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emission factors and numerical data.

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 CO<sub>2</sub> 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 International Auditing and Assurance Standards Board ("IAASB"), ISAE3410, Assurance Engagements on Greenhouse Gas Statements, issued by the IAASB.

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

Undertaking site visits 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 Company's CO2 information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.