Introduction to Planet

We accelerated our action on climate change by setting 1.5˚C science-based emissions reduction targets aligned with a net-zero future by 2050. Our new commitment is aligned with what the Intergovernmental Panel on Climate Change (IPCC) report indicates is necessary to limit the worst impacts of climate change.

To achieve a sound mind in a sound body, we need a sound earth. Climate change is one of the most critical issues: it threatens the ability of future generations to achieve a sound mind in a sound body, as well as being a risk to our sustainable business. We aim to preserve the planet for future generations to play sports .

The linear economy in which we currently operate takes, makes and wastes resources. Evidence suggests this economy accounts for 45% of global greenhouse gas emissions. In response, there is a global move toward the circular economy. Yet in the apparel industry, less than 1% of material used to produce clothing is recycled into new clothing globally.

In order to tackle climate change, we support the global target to keep the temperature rise under 1.5˚C. That is why we have set targets which have been approved by the Science Based Targets initiative. Our activities toward our 2050 goal of net-zero carbon emissions are planned on this basis. Furthermore, we became the first Japanese company to join The Fashion Pact, a global coalition of companies in the fashion and textile industries that have committed to a common core of key environmental goals in three areas: mitigating climate change, restoring biodiversity and protecting the oceans.

Our 2050 and 2030 ambition and commitments

Creating a circular business model throughout our value chain is our key approach to support the global 1.5°C target. Our activities under this model include using less and cleaner materials, making more durable products, and recycling materials and products.

Products
We limit our products' impact on the planet, by focusing on the materials used, the production processes we employ, and the features of the products themselves. Read more on page 29.

Operations
We aim to make a positive contribution to global climate goals by adjusting the way in which we operate, including our manufacturing processes. Read more on page 36.

ASICS Planet Framework

2050 TARGET: NET-ZERO CARBON EMISSIONS

2030 CO_2 reduction targets (2015 baseline)

Scope 1 & 2
63%
Reduction in absolute CO_2 emissions from our direct operations

Scope 3
63%
Reduction in absolute CO_2 emissions from our supply chain*

Action 1
100%
Renewable electricity used in our business facilities by 2030

Action 2
50%
Reduction to the amount of energy our Tier 1 supplier factories use to manufacture our products by 2030 (2015 baseline)

Action 3
85%
Renewable electricity used in our Tier 1 supplier factories to manufacture our products by 2030

Action 4
100%
Recycled polyester to replace standard polyester materials in shoes and sportswear products by 2030

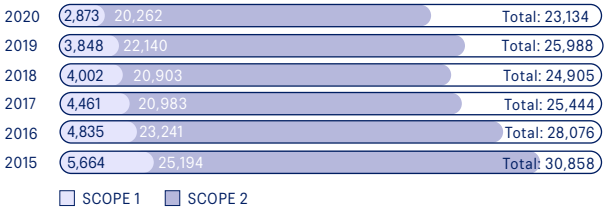
Action 5
3 REGIONS
Have take-back programs to reuse or recycle products and materials

Action 6: Create innovation through partnerships

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

In 2020, our CO_2 emissions decreased 25.0% from the baseline year and also compared to 2019 due to offices and retail stores closing because of COVID-19. Comparing our total emissions to our business revenue shows an increase in our efficiency from the baseline year. The CO_2 emissions intensity per unit revenue has decreased by 2.3% from the baseline year. In 2021, we will continue our sustainable energy projects to both increase efficiency and ratio of renewable electricity which will reduce the absolute energy consumption and emissions every year.

CO_2 emissions from our locations (tons)



The data applies to ASICS Group locations, including offices, retail locations, distribution centers, and wholly owned factories around the world. Company/lease car impacts are also included.

Figures for Scope 1 are calculated according to factors based on the 2006 IPCC Guidelines (Commercial Institutional). Company/ lease car impacts in Brazil are calculated with factors using 2015 DEFRA data. Figures for Scope 2 are calculated according to factors based on IEA's CO_2 Emissions from Fuel Combustion 2016.

The following formula is used when the amount of energy consumption for CO_2 emissions is not available for any sites:

(energy consumption per square meter estimated for each type of site) **x** *(area of site)* **x** *(CO_2 emission factor).*

The Certificate of Green Power 1.6 GWh was deducted from the total Scope 2 in 2018 data. The 2019 data is restated due to updated data and improved estimates. The 2020 emissions data are verified by Deloitte Tohmatsu Sustainability Co., Ltd.

LEED certified locations
Some of our locations are recognized by the U.S. Green Building Council (USGBC) as a LEED (Leadership in Energy and Environmental Design) Certified building. Our regional EMEA headquarters received both a LEED certificate at Gold level and a WELL certificate – the world's first architectural benchmark focused exclusively on human health and well-being to improve sustainability.

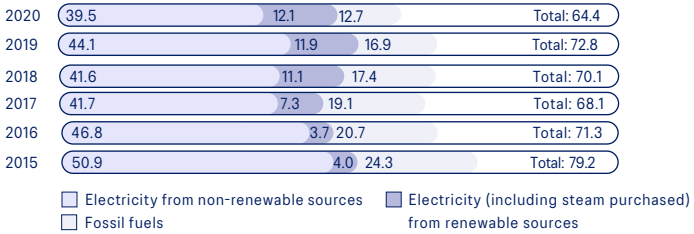
In March 2020, our Byhalia, Mississippi distribution center was recognized as a LEED® Certified building. ASICS' Byhalia facility is ASICS' first distribution center to earn certification in the U.S. The certification is a culmination of a series of incremental actions, including:

- ENERGY STAR Building Certification – earned every year since 2014.
- A 1.0-megawatt rooftop solar system – installed in 2018, it produces enough renewable energy to power 25% of the entire facility annually.
- Eco-Friendly Building Features – including smart sensors, LED lights with motion sensors and water efficient fixtures.
- Zero Waste Program – including an efficient cardboard recycling program that ensures 99% of the incoming boxes are recycled or reused.

Renewable energy
Renewable energy is one of the keys to shift to netzero society. Our target is to switch to 100% renewable electricity in our business facilities by 2030. In 2020, we joined RE100, the global environmental initiative composed of member companies committed to relying solely on renewable energy for their electricity needs in business activities. We continued to increase our use of renewable electricity in key regions.

In 2020, the percentage of ASICS' electricity from renewable sources increased to 23.5%. In EMEA, approximately 7,500 MWh of purchased electricity was from renewable sources. In Japan, five locations are sourcing renewable energy, including our headquarters and Institute of Sport Science, which uses 100% renewable energy.

Energy Volume by Type (GWh)



The data applies to ASICS Group locations, including offices, retail locations, distribution centers and wholly owned factories globally. Company/lease car impacts are also included.

The following formula is used when the amount of energy consumption is not available for any sites:

(energy consumption per square meter estimated for each type of site) **x** *(area of site)* **x** *(conversion factor from each unit to GWh).*

The 2019 data is restated due to updated data and improved estimates. The 2020 total energy volume is verified by Deloitte Tohmatsu Sustainability Co., Ltd.

2020 TARGET

5% absolute CO_2 emissions reduction from direct operations (Scope 1 & 2, 2015 baseline)

2020 RESULT

CO_2 emissions decreased 25.0% (compared to 2015 baseline)

23.5% of electricity from renewable sources

2030 TARGET

63% reduction in absolute CO_2 emissions from our direct operation by 2030 (2015 baseline)

100% renewable electricity used in our business facilities by 2030

ACTION PLAN FORWARD

Actively switch to renewable energy where possible.

Reducing Scope 3 CO_2 emissions

More than 70% of the overall greenhouse gas impact related to our products occurs during manufacturing, material procurement, and end-of-life management. Our target is to reduce our indirect (Scope 3) CO_2 emissions from purchased goods and services and end-of-life treatment of sold products by 63% by 2030 (2015 base year). In 2020, we achieved a reduction of 30.8% due to the impact of COVID-19 and through switching to lower-emission materials such as recycled polyester. We continued to work with our main footwear factories to ensure our goals are aligned.

We will also continue to measure our Scope 3 CO_2 emissions across our global operations to assess the impact of changes in our business operations.

For more details about how we are shifting to materials with lower impacts, see page 30.

For more about how we are reducing carbon emissions in our supply chain, see pages 43.

Scope 3 CO_2 Emissions 2020

SCOPE 3 CATEGORY	CO_2 TONS	%	SCOPE
1. Purchased goods and services	492,022	83.5	Global Footwear Manufacturing CO_2 Data (Tier 1), and ASICS Group companies' purchases of footwear material, apparel, equipment, marketing and sales (Calculation method[1])
2. Capital goods	12,647	2.1	ASICS Group companies
3. Fuel-and-energy-related activities	871	0.1	ASICS Group companies
4. Upstream transportation and distribution	38,778	6.6	Category 4 includes air and sea freight of footwear related logistics, air freight of apparel related logistics for Japan, rail and road freight of 'Port to DC' in Europe, US and Japan, and road freight of 'DC to customers' in Japan.
5. Waste generated in operations	45	0.01	ASICS Group companies
6. Business travel	1,072	0.2	ASICS Group companies
7. Employee commuting	388	0.1	ASICS Group companies in Japan
8. Upstream leased assets	-	-	Not assessed
9. Downstream transporation and distribution	5,889	1.0	ASICS Group companies
10. Processing of sold products	-	-	Not assessed
11. Use of sold products	12,035	2.0	ASICS Group companies
12. End-of-life-treatment of sold products	25,632	4.3	ASICS Group companies
13. Downstream leased assets	-	-	Not assessed
14. Franchises	10	0.002	ASICS Group companies in Japan
15. Investments	-	-	Not assessed
Total	**589,390**	**100**	

The Category 1 (Purchased goods and services) CO_2 emissions data of Scope 3 are verified by Deloitte Tohmatsu Sustainability Co., Ltd.

[1]Calculation methods:
Category 1 Footwear Tier 1:
*(energy consumptions at suppliers) **X** (percentage of ASICS production at suppliers) **X** (emission factor of each energy type)*
Footwear material:
*(production volume) **X** (emission factor of material from the past LCA study)*
Apparel Tier 1:
*(production volume) **X** (emission factor of Tier 1 from the past LCA study)*
Apparel material:
*(production volume) **X** (emission factor of material from the past LCA study)*
Equipment, marketing and sales:
*(price of purchased goods and services) **X** (emission factor of purchased goods and services[2])*

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

Photo by Martin Damboldt from Pexels

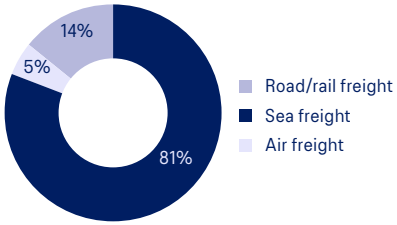
Reducing greenhouse gas emissions in transportation
Transporting products from factories to market is the second biggest contributor to our overall carbon footprint, accounting for about 7% of our total greenhouse gas emissions. Since 2013, we have been working to reduce the carbon footprint of our distribution network through consolidation and by improving its efficiency. This includes switching to more energy-efficient forms of transport, such as ships and trains.

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

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

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

CO_2 transporatation (tons)



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

Sustainable Retail

We continue to develop our retail locations, adopting new materials and technologies to improve their sustainability while providing our consumers with the best experience and service. Since 2016, we have been introducing a new design concept for our ASICS stores. This involves using more sustainable materials, such as FSC certified, recycled and recyclable materials, and installing energy-efficient lighting, such as LED lighting. It also involves providing more space for community activities and encouraging people to move, in line with the spirit of our brand. In addition, we continued to switch energy contracts to renewable electricity as part of our commitment to reduce carbon emissions related to our operations.

We have been switching to more sustainable paper shopping bags in all directly managed stores. In Japan, we encourage consumers to bring their own reusable bags and reward people who decline the use of paper shopping bags with 'Thanks points' through the OneASICS membership platform.

In 2020, we also introduced a new, more sustainable shoebox. The box uses water-based rather than oil-based ink, and requires around 50% less ink than our previous boxes. The box itself also contributes to a lower negative environmental impact by using around 10% less cardboard. All this means the box is less carbon-intensive to produce, saving around 1,200 tons in CO_2 emissions per year in total.