

OUR APPROACH TO SUSTAINABILITY

GUIDING PRINCIPLES

Sustainability has always been fundamental to the way we do business at ASICS. Today, Kihachiro Onitsuka's founding principles continue to guide everything we do.

A SOUND MIND IN A SOUND BODY

The name ASICS derives from the Latin phrase *anima sana in corpore sano*, which translates to 'a sound mind in a sound body'. Our founder, Kihachiro Onitsuka, chose this name because he believed that sport and health brings benefits not just for our bodies, but also our mental wellbeing, as well as our culture and society as a whole.

This core belief remains at the heart of our corporate philosophy to this day. It's the inspiration for our Corporate Social Responsibility (CSR) policy, which summarizes our ambitions and commitment to fulfilling our social responsibility.

OUR SUSTAINABILITY FRAMEWORK

At ASICS, we group our CSR and sustainability activities into three pillars, each relating to a key area of our operations. Each pillar has its own sustainability objectives and commitments. Our sustainability report is structured in three sections reflecting these pillars.

1 CREATING PRODUCTS AND SERVICES

Principles

- Provide valuable products and services through sport to all our customers.

Objectives

- We provide highly technological and innovative products and services that meet our customers' needs and contribute to better, healthier lifestyles.
- We ensure that our products and services are safe and of a high quality. We are accountable for all decisions affecting our value chain from material procurement to sales.
- We seek to minimize the environmental impact of our product design, production processes and our other business activities.
- We put in place processes, systems and structures to enable appropriate and efficient decision-making and business activities.

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2 PARTNERING WITH OUR SUPPLY CHAIN

Principles

- Fulfill our social responsibility and help improve conditions for communities around the world.
- Share profits brought by our sound services with our shareholders, communities and employees.
- Maintain a spirit of freedom, fairness and discipline, respectful of all individuals.

Objectives

- We engage in fair competition and just business transactions to create profits.
- We continuously share our profits with our shareholders, communities and employees appropriately.
- We encourage those in our supply chain, such as subcontracted factories, to uphold our CSR values.
- We put in place processes, systems and structures to enable appropriate and efficient decision-making and business activities.

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3 INVESTING IN PEOPLE AND COMMUNITIES

Principles

- Fulfill our social responsibility and help improve conditions for communities around the world.
- Maintain a spirit of freedom, fairness and discipline, respectful of all individuals.

Objectives

- We engage in community activities and aim to make a positive contribution to community development by promoting sports culture and healthy lifestyles, among other activities.
- We continuously share our profits with our shareholders, communities and employees appropriately.
- We encourage diversity and respect for all. We create a working environment where every employee can show individuality and creativity, so that personal development and corporate growth go hand in hand.

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GOVERNANCE

Our system of governance ensures that our sustainability principles and objectives are embedded throughout our business.

Sustainability is a shared responsibility at ASICS. It involves all company divisions and colleagues at every level. As well as initiating sustainability projects and ideas in our daily operations from the bottom up, we also manage and integrate them into our organization from the top down.

Our Board of Directors has overall responsibility for sustainability at ASICS. Management is responsible for integrating and prioritizing sustainability in our corporate objectives. In addition, each core department integrates sustainability into its business strategy and processes.

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



Find out more

To find out more about our system of governance and policies, visit <http://corp.asics.com/en/csr/our-approach/governance-and-policies>

EARNING TRUST, ENSURING COMPLIANCE

The ongoing success of our business depends on growing our corporate value and earning the trust of all our stakeholders. Maintaining a highly transparent system of corporate governance is one key way we do this.

We seek to continually improve the audit functions and internal controls of our corporate management. Our aim is to create a management approach that goes beyond compliance and reflects the perspectives of our stakeholders.

CSR AND SUSTAINABILITY POLICIES

We have a global Code of Conduct that sets out the basic standards we expect our colleagues to uphold in everything they do every day. These apply to all ASICS Group companies.

Our 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.

Our global Environmental Policy sets out our approach to managing environmental impacts in our own operations as well as in our value chain.

In addition to these formal policies, we have a range of guidelines and manuals that translate our policies into operational practice. They guide our colleagues and suppliers in making better decisions in areas such as chemicals management and safety, fire and emergency procedures, materials selection, and procurement and sourcing, among others.

We encourage employees and business partners to report code or policy violations using our confidential, anonymous whistleblowing service. This allows us to detect the first signs of wrongdoing quickly and carry out corrective measures without delay.

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MATERIALITY ISSUES AND BOUNDARIES

We focus our CSR activities on the issues that are most relevant to our business. These material issues play a central role in shaping our approach to sustainability, and how we report our CSR performance.

In alignment with international goals and standards such as the UN's Sustainability Development Goals and ISO 26000, we run a continuous materiality program in consultation with our stakeholders in order to identify material sustainability issues. This program has two main elements: our materiality matrix, which helps us prioritize sustainability issues, and our value chain analysis, which shows us where material issues occur in our value chain.

MATERIALITY MATRIX

Our materiality matrix maps out the sustainability issues identified by internal and external stakeholders according to their level of priority. We regularly update the matrix to reflect our stakeholders' priorities as they change over time.

The materiality matrix below is our latest version, updated from last year. It shows the 12 sustainability issues identified as most material following recent consultations with internal stakeholders across the entire global ASICS organization, as well as with external stakeholders.

As ASICS is a product-driven organization, product safety and quality is our top priority. Since ASICS depends on a global supply chain and works with a wide range of suppliers, ethical workplace standards is another responsibility we take very seriously. Material and product traceability is a topic of increasing interest to our customers, consumers and other external stakeholders.

OUR MATERIALITY MATRIX



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VALUE CHAIN ANALYSIS

Material 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 below shows where material issues currently occur in our value chain.

The matrix allows us to connect different materiality topics directly with relevant stakeholders. As a result, we are able to ensure that our sustainability targets, deliverables and activities cover all topics relevant to us as a business and to society as a whole.

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.
<div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 5px;">Product safety and quality</div> <div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 5px;">Innovative and efficient product design</div> <div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 5px;">Energy efficiency and CO₂ emissions</div> <div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 5px;">Resource scarcity</div> <div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 5px;">Water efficiency and water pollution</div> <div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 5px;">Material and product traceability</div> <div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 5px;">Fair compensation and performance</div> <div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 5px;">Health and safety</div> <div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 5px;">Ethical workplace standards</div> <div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 5px;">Diversity</div> <div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 5px;">Physical inactivity and inclusion</div> <div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 5px;">Corporate governance and disclosure</div>							

OUR APPROACH TO SUSTAINABILITY

SUPPORTING THE UN'S SUSTAINABILITY AGENDA

We're committed to supporting the UN's Sustainable Development Goals for 2030. In September 2015, more than 190 countries signed up to the UN's 17 Sustainable Development Goals (SDGs), which set out a vision for ending poverty, hunger, inequality and protecting the Earth's natural resources by 2030.

Achieving this vision will require concerted effort between the private sector, governments and civil society. We fully support the UN's agenda, and work to make sure our sustainability activities and 2020 strategy are aligned with the SDGs.

Although ASICS' activities are relevant to all 17 of the SDGs to a certain extent, we've identified five goals where we believe we can make the biggest contribution. These are highlighted in the graphic below and can be easily linked to specific topics in our materiality program on page 6 and 7 of this report.

