Products

A Positive Impact Through Our Products

ASICS' apparel and footwear products are designed to help people achieve a sound mind in a sound body. In this way, they have a positive impact on the lives of our consumers. They also have a potential impact on the planet, through the materials used, the production processes we employ, and the features of the products themselves.

We are responsible for taking action to mitigate the negative environmental impact of our products. We have set 2020 and 2030 targets for the sustainable use of polyester, leather, and cotton. The manufacturing processes used in factories throughout our supply chain also have an impact, and we address this in the next section.



2020 **PLAN**

Continue to accelerate the use of recycled polyester in the developing items to increase recycled polyester in our products in total from 2020.

2020 PROGRESS

19.5% standard polyester materials replaced to recycled polyester.

More than 95% of new running shoes from 2021 contain recycled material.

2030 **TARGET**

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

ACTION PLAN FORWARD

Increase the ratio of recycled materials based on each product category roadmap. Increase the use of recycled materials made from textile waste.

Using Recycled Materials

Our target is to switch 100% of the polyester used in our shoes and sportwear products to recycled polyester. This will help us achieve our science-based target and contribute to making our products more sustainable. It is also part of our move toward a more circular approach, which involves expanding our use of recycled materials in our products.

From the 2021 spring & summer season, we use recycled polyester for more than 95% of new performance running shoe products. One of the iconic items is GEL-NIMBUS™ LITE 2 running shoe, whose upper is made with recycled material. Looking at our entire production, 19.5% of polyester was switched to recycled polyester in 2020.

Supporting the ASICS Ocean Waste Plastic Project was a key highlight of our sustainability efforts in 2019/2020. We admire the progressive leadership of the ASICS product development teams for driving this *initiative and are proud to have* been a part of this impactful program. We look forward to growing our partnership with ASICS and continuing to drive meaningful change that supports both the environment and our local communities"

Siddarth Hirdaramani (Executive Director - Hirdaramani Group)

We have also been working to find more sustainable ways to use materials. For example, we are exploring the use of recycled leather made from leftover leather scraps that would otherwise be thrown away as landfill waste. This sustainable material was used in the Earth Day Pack, and in the Onitsuka Tiger brand's Recycled Leather Series, which we launched January 9th, 2021.

We have also used other recycled materials in our products. In Europe, we sold products with fabric made of Ocean Waste Plastic.

The plastic was sourced from PET bottles recovered from beaches in Sri Lanka, and our local supply chain partner Hirdaramani processed the bottles into new polyester. We used this material in an in-line collection of shirts and all marathon event shirts. Unfortunately, the 2020 marathons were cancelled due to COVID-19, so we are now exploring ways to use them in 2021.



Sustainable materials and processes for a sound earth

In 2020, we started using bio-based material in our apparel collection. Bio-based materials are renewable, and their use can contribute to a reduction in greenhouse gas emissions.

In 2020, ASICS invested in Seevix, which produces patented man-made spidersilk, SVX ™. SVX spidersilk is durable, sustainable and biodegradable. We also won the Japan Open Innovation Award for Cellulose Nano Fiber (CNF). CNF is a nano-sized ultra-fine fiber that is one-fifth the weight of steel but five times stronger. It can be made from almost any kind of plant biomass, making it an extremely abundant resource. To date, ASICS has applied CNF to more than 8.7 million pairs of shoes.

Solution dyeing is a sustainable dyeing process that uses less water and reduces carbon emissions compared with conventional methods. We have expanded our use of solution dyeing, applying the process to more than half of all new shoes across all our brands from 2020. The initiative is expected to reduce carbon emissions from the dyeing process by around 45%, saving the amount of carbon absorbed by more than 25,000 trees in one year. Water use will be cut by around 33%, equivalent to the water needed for one million people a day.

In 2020, we compared our newest sustainability concept shoe with a past model in terms of emissions. We conducted a life-cycle assessment (LCA) on our new GEL-NIMBUS LITE 2 running shoes and compared the results with the LCA conducted on the GEL-KAYANO $^{\rm IM}$ 25 running shoe in 2018. The analysis showed that we have reduced CO $_2$ emissions per pair by around 40%. A major factor in this reduction was the improvement of energy efficiency at the supplier manufacturing location. We also reduced the number of materials needed for the product, without compromising on the shoe's high functionality. This is a good step in our effort towards our 2030 emission reduction target.

Towards a Circular Business Model

According to the Ellen MacArthur Foundation report, over 70% of materials used to make clothing around the world are landfilled or burned at the end of their life. As a major sportswear manufacturer, we take this issue very seriously. We support a circular economic model in which resources are reused and recycled rather than being sent to landfill

or incinerated, thereby reducing greenhouse gas emissions. We are taking action to prevent our products being landfilled or incinerated at the end of their life.

Many of our planned activities for 2020 were cancelled due to COVID-19. In EMEA, we have collected used items at our sponsored events in previous years, and we were planning to do this in 2020. All events were cancelled, so instead, we have been working on a new approach for collection at events in 2021. We are also working on a new strategy to collect used items through other channels, such as ecommerce.

Earth Day

Held on April 22nd every year, Earth Day raises awareness of environmental issues. In 2020, we developed an Earth Day initiative to achieve a circular business model: the Earth Day Pack featuring shoes made from materials recycled from textile waste. In the process of making the collection, we recycled approximately 5 metric tons of textile waste – the equivalent of 25,000 T-shirts.



2020 **TARGET**

Continue to assess footwear and apparel products with sustainability indicators a nd criteria aligning with the science-based targets and other product and material targets.

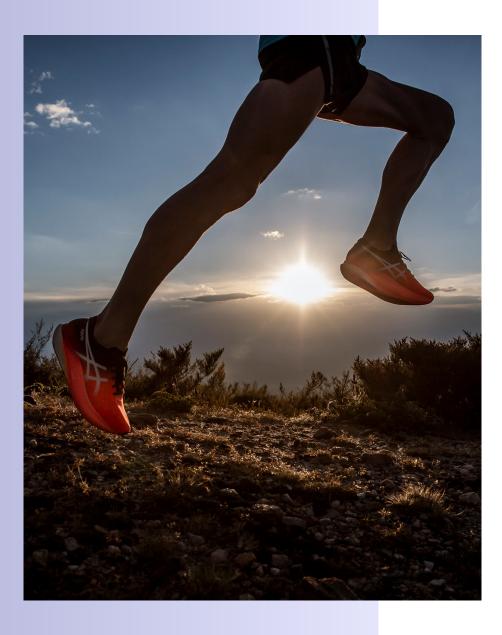
2020 RESULT

Assessed products with indicators and criteria aligning with science-based targets and material targets.

Conducted LCA on running shoes.

ACTION PLAN FORWARD

Continue to assess products with indicators and criteria to drive expanding the use of sustainable materials and manufacturing technologies.



In 2020, we partnered with ReAct Sustains in The Netherlands to make sure defective items are being recycled rather than incinerated. For shoes that are returned to our shops, we set up a new process to make sure that items that cannot be reused or resold are instead recycled. Rather than being landfilled or incinerated, shoes now go to FastFeetGrinded, where they are ground up into their constituent materials, ready to be made into new shoes.

In the US, when it comes to building a circular economy around textiles and footwear, our growth in ecommerce presents us with challenges but also opportunities. For example, thanks to ASICS America Corporation's partnership with the <u>Give Back Box</u>, consumers can use the box in which they received their ASICS product to recycle used items in good condition. They simply fill up the box with used shoes and clothes, and then send it to a participating local charity of their choice, using a free shipping label. The program gives new life to items that would otherwise end up in landfills.

At Fast Feet Grinded, we like to say "don't talk about sustainability, talk about responsibility" and this is what we're doing with ASICS. Together we are taking responsibility to reduce waste from their products by recycling them, and we would love to work towards closing the loop and creating circular shoes together".

Danny Pormes Founder & Owner of FastFeetGrinded

ROAD TESTED Program

When shoes are returned to our retail locations after purchase due to size or fit issues, common industry practice is to destroy and discard them. ASICS America wanted to find a circular solution to this problem, and so we launched the Road Tested Program in 2019. Through the initiative. minimally worn returned shoes are made available to consumers at retail outlets at a discounted price. Due to COVID-19 and the fact that most stores were closed for months, only 1,254 pairs of shoes sold at discounted prices and avoided ending up in landfills.

GREEN BAG PROJECT

In Japan, another ASICS Reborn Wear Project is ready to re-start. The 'Green Bag Project' is the Planet pillar of the 'Reborn Beyond' program, aiming to connect products to people and people to communities. The eco-bag is made with recycled textiles, and part of the profit from bag sales supports NPO After School activities. The collection bin is also made with recycled textiles.



RESULT

We have take-back programs in the US through both retail stores and E-commerce.

We have partnered with various organizations enabling take-back programs and recycling our products.

2030 **TARGET**

Three regions (Europe, US and Japan) to have product take-back programs to reuse of recycle products and materials.

Innovation through partnerships.

ACTION PLAN FORWARD

Take-back program will start at retail stores in Japan in 2021.
Take-back program through
E-commerce and retail will be expanded to Canada.

We will reach out to organizations to further enable our product recycling and carbon emissions reduction.