



Operations



Products

# OUR APPROACH TO CLIMATE CHANGE

## Addressing climate change

Climate change is a serious threat to the environment and economies around the world. Rising global temperatures are affecting weather patterns and causing extreme weather conditions, leading to food shortages and water scarcity; they also affect our ability to move and play sports, as well as the places where we do this. Climate change is also a direct threat to our business, impacting production sites and logistical routes in our supply chain.

Climate change is caused by a build-up of greenhouse gases in our atmosphere, released in part by businesses such as ours. We know that we contribute to global CO<sub>2</sub> emissions both through our manufacturing and distribution processes and our direct operations. The materials we use to make our products can also contribute to our overall emissions. For example, polyester and polyurethane are derived from fossil fuels, and release CO<sub>2</sub> when the products containing carbon are incinerated at the end of their life. For these reasons, we see climate change as a crucial issue for our business.

We're committed to reducing our carbon footprint by setting science-based carbon reduction targets in line with the goal of the Paris Agreement to keep global temperature increases below 2°C. Our new targets were set in 2018, and officially approved by the Science Based Targets initiative (SBTi) in the same year.

We will actively engage our supply chain partners, consumers and other stakeholders on these issues and work toward achieving our targets together.

### For more about what we're doing to achieve our targets

→ see pages 19, 20, 25, 26 and 30.

**SCIENCE BASED TARGETS**  
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

**Science Based Targets initiative (SBTi)**  
The SBTi was established in 2015 and is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The initiative champions science-based target setting as a way to boost companies' competitive advantage in the transition to the low-carbon economy. Targets adopted by companies to reduce carbon emissions are considered "science-based" if they are in line with the level of decarbonization required to keep global temperature increase below 2°C compared to pre-industrial temperatures.

**Find out more about Science Based Targets initiative**  
→ <https://www.sciencebasedtargets.org>

**CO<sub>2</sub> emissions reduction targets for 2030**

<p>Scope 1 and 2:</p> <p><b>33%</b></p> <p>Reduction in absolute CO<sub>2</sub> emissions from our direct operations (2015 baseline)</p>	<p>Scope 3:</p> <p><b>55%</b></p> <p>Reduction in CO<sub>2</sub> emissions from our supply chain per product manufactured (2015 baseline)*</p>
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**Action 1**

**60%**

Or above boost to the ratio of renewable energy in our business facilities

**Action 2**

**30%**

Reduction to the amount of energy our Tier 1 supplier factories use to manufacture each of our products

**Action 3**

**100%**

Recycled polyester to replace standard polyester materials in shoe uppers and sportswear products

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

## OUR APPROACH TO CREATING PRODUCTS AND SERVICES CONTINUED

### Selecting more sustainable materials and processes

Shifting to sustainable materials is at the heart of our sustainability strategy. To help us realize this ambition, we're working with industry partners (see pages 21 to 22 for examples) to enable us to switch to more sustainable materials and processes during manufacturing.

Examples of sustainable materials currently used in ASICS products include recycled polyester, sustainable cotton and bio-based materials. Solution dyeing (see previous page), which uses less water and energy than conventional methods, is a good example of a more sustainable manufacturing process increasingly used by ASICS.

As well as using more recycled materials in our main collections, we're also applying them in the manufacture of apparel for sponsored events. In 2018, 89,700 of our event shirts were made entirely of recycled polyester and more sustainable cotton.

In addition to reducing waste and other environmental impacts, switching to more sustainable materials and manufacturing technologies will play an important role in helping us meet our new carbon reduction targets (see page 17).

### Closing the loop: collecting and recycling used products

To reduce our CO<sub>2</sub> emissions and use resources efficiently, we're committed to supporting a circular economic model where resources are reused and recycled rather than being sent to landfill. During 2018, we've been working in partnership with others on a number of projects to reclaim and reuse clothing and shoes of any brand at the end of their life.

In Japan, we worked to launch the ASICS REBORN WEAR PROJECT (ARWPJ) in early 2019 to offer a way to cheer for Japan Team for Olympic and Paralympic Games Tokyo 2020 by gathering sportswear rich with memories from people across the country and giving it new life as Tokyo 2020 Japan Team official sportswear<sup>1</sup>. We applied a circular production and development process to extract polyester from the donated items, use it to manufacture resin, thread and fabric, and then produce new sportswear and shoes<sup>2</sup>. ASICS will continue to contribute to the success of Tokyo 2020 and to reducing environmental impacts.

In the US, we are preparing for the upcoming launch of our partnership with I:CO, a global solutions provider for the collection, reuse and recycling of used clothing and shoes. Through the partnership, consumers will be able to donate used apparel and footwear from any brand at 22 selected ASICS outlet stores across



**Campaign poster featuring donated sportswear from retired wrestler Saori Yoshida, the three-time Olympic gold medalist**

the country. The project will launch in the second quarter of 2019.

As part of our preparations, our team designed and created in-store materials and other supporting materials such as a web page ([www.asics.com/ico](http://www.asics.com/ico)) to help consumers understand our circular business model, and the purpose and goals of the project. Staff at the selected stores received project training.

Consumers who donate clothes will be rewarded with a 15% discount coupon that can be used to purchase a single item in a future visit. Proceeds from the program will be donated to our non-profit partner, Right To Play. (see page 33 about Right To Play).



Products



### DynaFlyte 3 Sound

- 1 Heel: 50% recycled polyester
- 2 Tongue: 25% recycled polyester
- 3 Upper: 45% recycled polyester
- 4 Midsole: FlyteFoam™Lyte: 40% bio-based using waste products from sugarcane and organic fibers from wood pulp (CNF)

1 ASICS is a Gold Partner (Sporting Goods) of the Japan Olympic and Paralympic Team.  
2 For shoes, the upper and the insole are made with recycled materials.