



**WE  
ARE  
asics**



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## Creating products and services

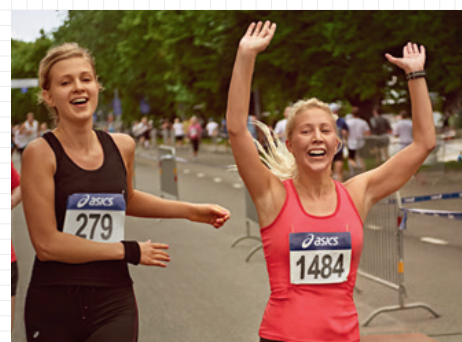
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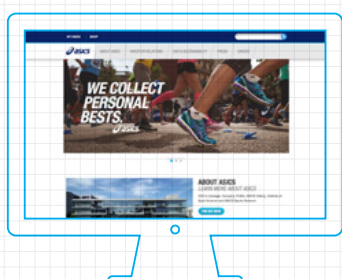
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## ABOUT THIS REPORT

*Pushing limits. Breaking records. Shaving off split seconds. Sport is all about bettering our best. Athletes will keep challenging themselves to perform at their peak and never stop looking for ways to become better. At ASICS we approach sustainability in the same way.*

*In this, our tenth Sustainability Report, we cover what we have been doing over the last financial year, April 1st 2013 to March 31st 2014, to keep improving our sustainability performance. We report on our efforts to reduce the environmental impact of our products, services and operations, as well as the actions we have been taking to raise standards in our supply chain. Finally, we explain how we have been supporting our colleagues and contributing to the communities in which we operate.*

*The title of this report – ‘We are ASICS’ – underlines the vital role that all our stakeholders play in helping us become a more sustainable business. As well as reporting on our sustainability actions and goals, the report explains how we engage with stakeholders to build stronger and more active partnerships, working together as one team to embed and improve performance.*



### 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](http://corp.asics.com/en)**

### We welcome your feedback on this report and our programme.

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## A MESSAGE FROM OUR CEO



### Welcome to our 2013/14 Sustainability Report

Our business is driven by our commitment to athletes, and our continually evolving understanding of their needs. As a company dedicated to improving sports performance, we know how important it is for athletes to constantly challenge themselves to do better. Athletes strive to beat the competition, but they do so in the knowledge that the competition includes themselves.

Just as athletes strive to better their previous best, our aim is to constantly improve our sustainability performance. At our Institute of Sport Science, researchers and scientists combine new discoveries about the human body with the latest technological advances in order to continually refine our products and services. However high we raise standards, we know there is always more we can do to raise them higher still. We approach sustainability in exactly the same way.

We aim to include sustainability considerations in every aspect of our business. That includes the wellbeing of our customers, reducing the environmental footprint of our value chain, promoting fair and safe working conditions at our supplier partners, and supporting our employees and the community.

As a global brand, we have a wide variety of stakeholders with a vested interest in our business, including customers, shareholders, suppliers and other industry partners. In the same way that an athlete's performance depends not just on individual discipline but also the support from others, we rely on the support of all of these stakeholders to achieve our sustainability goals. We have called this report 'We are ASICS' to highlight the vital importance of these relationships to our ongoing progress.

While all of these stakeholders are important to us, in this report we focus particularly on our supply chain. Fair business practices and improvement of labor standards were priority issues for us over the past fiscal year, during which we faced supply chain challenges in our suppliers' factories. Our response to these issues, which involved collaboration with international labor organizations, unions and Non Governmental Organizations (NGOs), served once again to underline the value of our stakeholder partnerships.

*WE AIM TO INCLUDE SUSTAINABILITY CONSIDERATIONS IN EVERY ASPECT OF OUR BUSINESS. THAT INCLUDES THE WELLBEING OF OUR CUSTOMERS, REDUCING THE ENVIRONMENTAL FOOTPRINT OF OUR VALUE CHAIN, PROMOTING FAIR AND SAFE WORKING CONDITIONS AT OUR SUPPLIER PARTNERS, AND SUPPORTING OUR EMPLOYEES AND THE COMMUNITY.*

We are aware of the position of our organization as a part of society at large. Three years have passed since the devastating earthquake in Tohoku, Japan, and while emergency aid is no longer needed in the area, for those affected life is far from back to normal. We remain committed to supporting the local community in Tohoku through our A Bright Tomorrow Through Sport program.

While I am proud of our achievements in sustainability, the challenges we faced during the year remind us that there is always more to do. As ever, our goal must be to continue to work closely with all our stakeholders in order to keep improving our performance, as we strive to become a more sustainable business. To better our best.

**Motoi Oyama**  
President and CEO  
ASICS

尾山 基

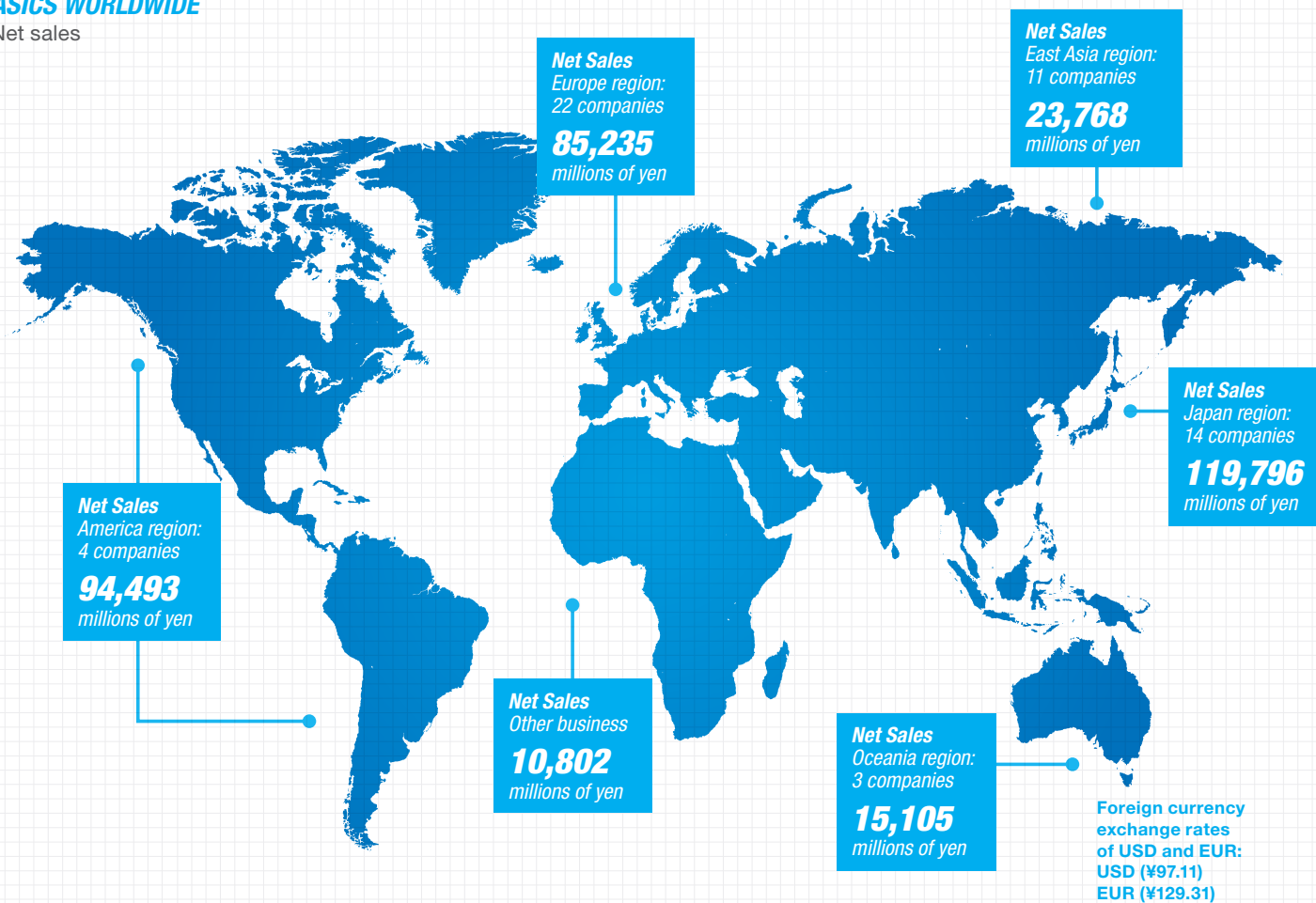


# ASICS AT A GLANCE

ASICS is one of the world's top five sports performance and lifestyle brands. We operate 54 businesses in over 30 countries, and through our business partners and global events our reach extends even further.

## ASICS WORLDWIDE

Net sales



**135+** SPONSORED MARATHONS AND LARGE RUNNING EVENTS

**6,585** EMPLOYEES WORLDWIDE

**35** SOURCING COUNTRIES

FY2013/14\*:

**329,464**

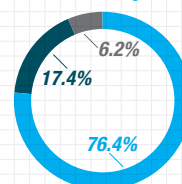
Net Sales (millions of yen)

FY2013/14\*:

**16,108**

Net Income (millions of yen)

Net Sales by Product (millions of yen)



Sports footwear:  
251,827

Sports apparel:  
57,198

Sports accessories:  
20,438

\*Fiscal Year 2013/14, April 1st 2013 – March 31st 2014

Find out more at [http://corp.asics.com/en/investor\\_relations](http://corp.asics.com/en/investor_relations)

# OUR APPROACH TO SUSTAINABILITY

## GUIDING PRINCIPLES

At ASICS, sustainability is in our DNA. When our founder Kihachiro Onitsuka established his business in 1949, he wanted the 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.’*

Today, we remain committed to upholding the vision and values of our founder by working to ensure that sustainability is ingrained in every area of our business. Our approach to sustainability is rooted in the ASICS Spirit that defines who we are and underpins everything we do.

## OUR VISION FOR SUSTAINABILITY

We provide sporting and lifestyle products and services that best serve the wellbeing of the world community and our planet, and enable consumers to lead more sustainable lifestyles.

## 8 SUSTAINABILITY PILLARS:

- Technology, innovation and sustainability of products and services
- Safety and quality of products and services
- Environment
- Fair business
- People in ASICS
- Community engagement through sports and health
- Profit sharing
- Governance

## 4 SUSTAINABILITY PRINCIPLES:

- Stakeholder engagement
- Respect for human rights and encourage sound development of individuals
- Ethical behavior and compliance
- Accountability and transparency

## ASICS SPIRIT

### A sound mind in a sound body

ASICS is an acronym derived from the Latin phrase ‘Anima Sana In Corpore Sano’ – a sound mind in a sound body. We believe that sport not only improves body and mind, but that it also has a more universal meaning; one that overcomes cultural differences and stimulates solidarity. This belief is the foundation of our ASICS Spirit, comprising our philosophy, vision and values. This spirit drives everything we do, including our efforts to become a more sustainable business.

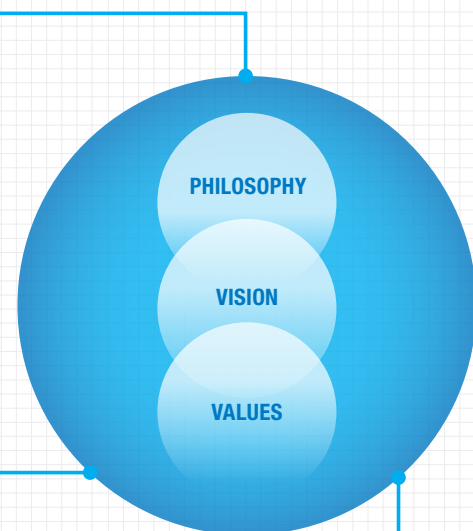
### PHILOSOPHY

1. Provide valuable products and services through sport to all our customers
2. Fulfill our social responsibility and help improve conditions for communities around the world
3. Share profits brought by our sound services with our shareholders, communities and employees
4. Maintain a spirit of freedom, fairness and discipline, respectful of all individuals

### VALUES

#### SPORTSMANSHIP:

1. Respect rules
2. Be courteous
3. Be persistent
4. Work as one team
5. Be prepared
6. Learn from failure



**VISION**  
Create quality lifestyle through intelligent sport technology



# OUR APPROACH TO SUSTAINABILITY

## PRIORITIES AND TARGETS

*At ASICS, we have an evolving set of sustainability priorities so we can focus our efforts and set targets around the areas where we have the greatest impact. We set these priorities in several ways, including listening to our stakeholders and identifying the issues of greatest concern to them (see page 8), as well as through internal assessments, research, and collaboration with partners.*

Through this process we have identified three sustainability areas to prioritize:

- 1 Reducing environmental impact throughout the value chain
- 2 Improving chemicals management in our supply chain
- 3 Improving labor practices in our supply chain

Using these priorities as a starting point, we have set a number of annual/mid-term sustainability targets for 2015. While working towards these targets we continuously monitor and evaluate stakeholder feedback on our progress, and use this feedback in the evolution of our priorities for 2015 and beyond.

## SUSTAINABILITY TARGETS 2015 AND PROGRESS

Our sustainability targets encompass the entire value chain, with an emphasis on reducing impacts during manufacturing. The following table summarizes the progress of each target.

From 2014, we are including globally prioritized targets of our apparel and equipment business. These are decided based on the results and progress of projects and programs in each region.

Category	FY2015 Target	Progress to end of FY2013	Plan for FY2014	See more
Products	<ul style="list-style-type: none"> <li>Sequentially introduce industrial environmental indicators.</li> <li>Adopt global evaluation standards.</li> </ul>	<p>Began to integrate the SAC Higg Index into our design and development process. <b>Status: On-Track</b></p>	<p>Integrate the Higg Index further in the design and development process for a wider range of items.</p>	<b>P11</b>
	<ul style="list-style-type: none"> <li>Increase sales ratio of eco-friendly products to 35% (FY2013 target for the Japanese market).</li> </ul>	<p>Achieved 38.8% of sales ratio. <b>Status: Achieved</b></p>	<p>Continue our sustainable product efforts using the Higg Index.</p>	<b>P10</b>
	<ul style="list-style-type: none"> <li>Continually strengthen management of chemical substances.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened our guideline and internal material management system.</li> <li>Became a member of AFIRM Group.</li> </ul> <p><b>Status: On-Track</b></p>	<ul style="list-style-type: none"> <li>Further implementation of the updated guideline and system.</li> <li>Conduct training program for internal and external stakeholders.</li> </ul>	<b>P14</b>
Materials	<ul style="list-style-type: none"> <li>Use eco-friendly materials.</li> </ul>	<p>Incorporated recycled materials in 140 items. <b>Status: On-Track</b></p>	<p>Continue to consider use of environmentally sustainable materials.</p>	<b>P12</b>
	<ul style="list-style-type: none"> <li>Conduct Research and Development (R&amp;D) of industry-leading sustainable materials.</li> </ul>	<p>Six sustainability-oriented material research projects are under way. <b>Status: On-Track</b></p>	<p>Continue R&amp;D and work to apply research outcomes to products.</p>	<b>P12</b>

Table continued on the next page →

## SUSTAINABILITY TARGETS 2015 AND PROGRESS (CONTINUED)

Category	FY2015 Target	Progress to end of FY2013	Plan for FY2014	See more
Manufacturing	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions, water consumption and solid waste emissions at direct trading factories by 10% per pair of shoes (compared to 2009).*</li> </ul>	<p>Applied product design practices which reduced environmental impacts to items developed in 2013, which represent around one quarter of our total production pairs. <b>Status: On-Track</b></p>	<p>Strengthen collaboration with the factories to reduce manufacturing-related environmental impacts.</p>	<a href="#">P12</a>
	<ul style="list-style-type: none"> <li>Promote use of eco-friendly water-based adhesives in at least 60% of total production.*</li> </ul>	<p>Used in 31% of total production. (45% of production in factories where it has been introduced). <b>Status: Limited Progress</b></p>	<p>Investigate the situation at factories which have not introduced it yet to come up with additional action to increase the adoption.</p>	<a href="#">P14</a>
	<ul style="list-style-type: none"> <li>Conduct R&amp;D of industry-leading sustainable manufacturing processes.</li> </ul>	<p>Seven sustainability-oriented manufacturing research projects are under way. <b>Status: On-Track</b></p>	<p>Continue R&amp;D and work to apply research outcomes to products.</p>	<a href="#">P12</a>
	<ul style="list-style-type: none"> <li>Formalize CSR &amp; Sustainability screening and ensure compliance to ASICS standards for newly contracted Tier 1 suppliers.</li> </ul>	<p>Continued implementation of CSR &amp; Sustainability screening and applied to all newly contracted Tier 1 suppliers in 2013. <b>Status: On-Track</b></p>	<p>Continue to operate the CSR &amp; Sustainability screening for new Tier 1 suppliers.</p>	<a href="#">P20</a>
	<ul style="list-style-type: none"> <li>Achieve ASICS CSR &amp; Sustainability standard at all Tier 1 suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>Implemented new 'Supplier Self-Assessment' for all Tier 1 suppliers.</li> <li>89 audits conducted of contracted Tier 1 suppliers manufacturing footwear, apparel and accessories.</li> <li>New supplier evaluation system applied to all ASICS and third-party audits conducted in 2013/14 fiscal year.</li> <li>64% of Tier 1 suppliers rated 3 level and above at ASICS labor compliance standards.</li> <li>Became a Partner of International Labour Organization (ILO) Better Work program.</li> </ul> <p><b>Status: On-Track</b></p>	<ul style="list-style-type: none"> <li>Continue operation and improvement of the Supply Chain Management system.</li> <li>Continued assessment of Tier 1 suppliers compliance to CSR &amp; Sustainability standard.</li> <li>Continue to promote suppliers in relevant countries to join 'ILO Better Work program'.</li> <li>Provide training and support to suppliers in collaboration with ILO Better Work.</li> </ul>	<a href="#">P21</a>
Packaging and transportation	<ul style="list-style-type: none"> <li>Reduce weight of packaging and use recycled materials.</li> </ul>	<ul style="list-style-type: none"> <li>Continued to use recycled cardboard and optimized the size of shoeboxes.</li> <li>Recycled or reused 2,576 tonnes of transportation packaging at our distribution centres.</li> </ul> <p><b>Status: Limited Progress</b></p>	<ul style="list-style-type: none"> <li>Continue to use recycled cardboard and optimize the size of shoeboxes.</li> <li>Continue to increase the recycle and reuse of transportation packaging.</li> </ul>	<a href="#">P15</a>
	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions by consolidating distribution bases.</li> </ul>	<ul style="list-style-type: none"> <li>Started distribution network optimization in Europe, US and Asia.</li> </ul> <p><b>Status: On-Track</b></p>	<ul style="list-style-type: none"> <li>Continue plan development and execution of scheduled actions toward the goal.</li> </ul>	<a href="#">P15</a>
	<ul style="list-style-type: none"> <li>Increase capacity usage of product transport containers to at least 85% (for shipments within Japan).*</li> </ul>	<p>82% achieved in 2013. <b>Status: On-Track</b></p>	<ul style="list-style-type: none"> <li>Implement optimal shipment plan based on information from factories.</li> <li>Consider additional action to achieve the target.</li> </ul>	—
Company	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions by 10% at business locations.</li> </ul>	<ul style="list-style-type: none"> <li>Compared with the previous financial year, the absolute CO<sub>2</sub> emissions increased by 1.4%. However, the emissions per revenue decreased by 19.9%.</li> <li>Energy saving features incorporated into new ASICS Japan Office, and in design of new ASICS Europe Distribution Centre and ASICS Retail stores</li> </ul> <p><b>Status: Limited Progress</b></p>	<ul style="list-style-type: none"> <li>Further assessment of opportunities at ASICS Distribution Centres.</li> <li>Include energy saving features in new office locations and new retail store designs.</li> </ul>	<a href="#">P13, 16</a>

\*Scope is footwear business.



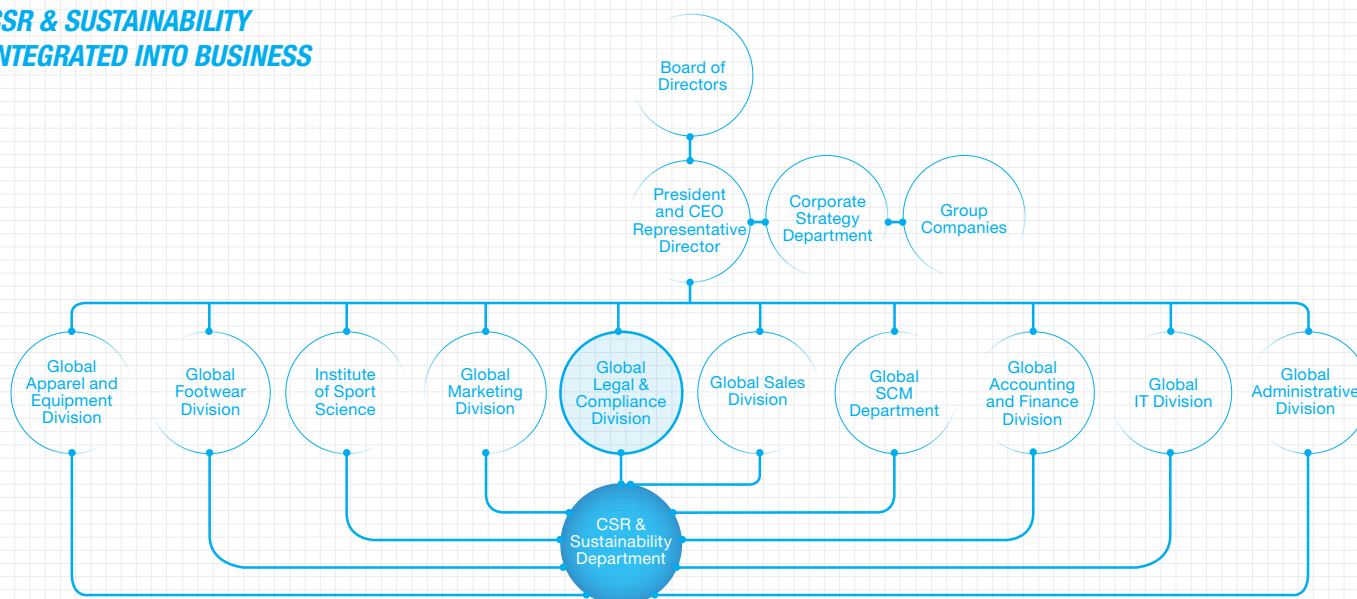
# OUR APPROACH TO SUSTAINABILITY

## GOVERNANCE AND ETHICS

Managing the integration of sustainability into our business 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 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. 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.

### CSR & SUSTAINABILITY INTEGRATED INTO BUSINESS



## EARNING TRUST

We are dedicated to growing our corporate value and earning the trust of all stakeholders. Our goal is highly transparent management. This means putting in place corporate governance that helps us improve our business management system.

We are focusing on enhancing the audit functions of our corporate management and internal controls. This goes beyond compliance. We want to create a management approach that reflects the perspectives of our stakeholders.

## ENABLING COMPLIANCE

Our ASICS Global Code of Conduct sets out the basic standards we expect our colleagues to uphold in everything they do every day.

We want our employees to report any behavior that violates the ASICS CSR Policy or the ASICS Global Code of Conduct. Our whistleblower program accepts reports and inquiries of this kind.

The Code applies to all ASICS Group companies. It also provides an opportunity for consultation on compliance issues.

Through this service, we aim to detect the first signs of wrong doing and to promote corrective measures without delay. We take special measures to prevent retaliation and unfair treatment of employees who use this service. We accept anonymous submissions and treat all reports confidentially.

In addition to our ASICS Global Code of Conduct, which elaborates on our key internal rules of behavior, we operate subject-specific policies and procedures to ensure that within our organizations we can operate a transparent and efficient governance structure with clear responsibilities, limits of authority, reporting lines and communication flows.

# OUR APPROACH TO SUSTAINABILITY

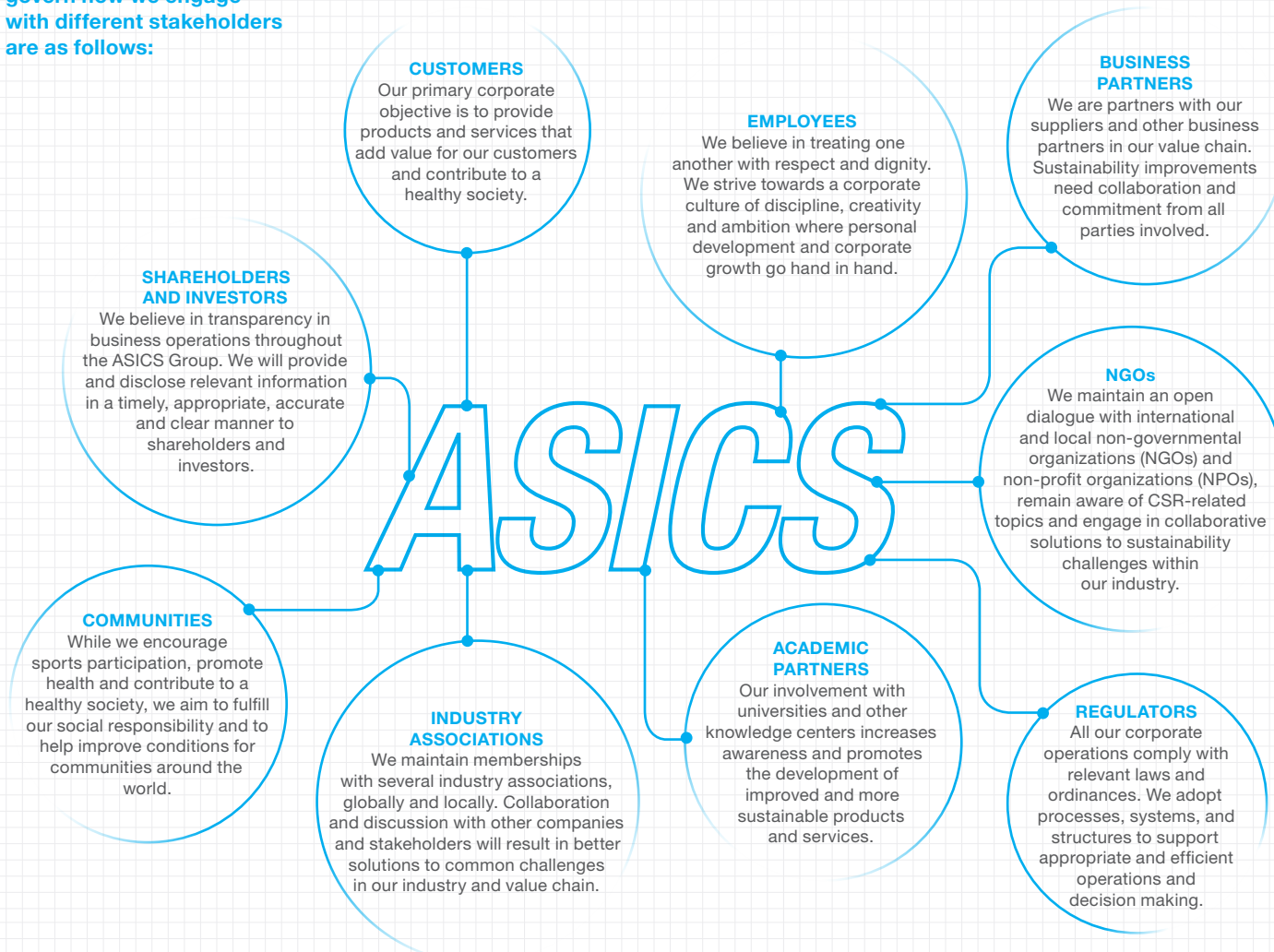
## STAKEHOLDER ENGAGEMENT

*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 interconnected stakeholders, all of whom have important roles to play in helping us meet our*

*sustainability goals. For that reason it is essential that we build strong relationships with our stakeholders and engage them in open active dialogue, so we can understand the issues that matter most to them and act accordingly.*

### OUR STAKEHOLDERS

The key principles that govern how we engage with different stakeholders are as follows:







**CREATING  
PRODUCTS  
AND SERVICES**

**WE ARE**

**INSPIRED**

**Corporate Philosophy**

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



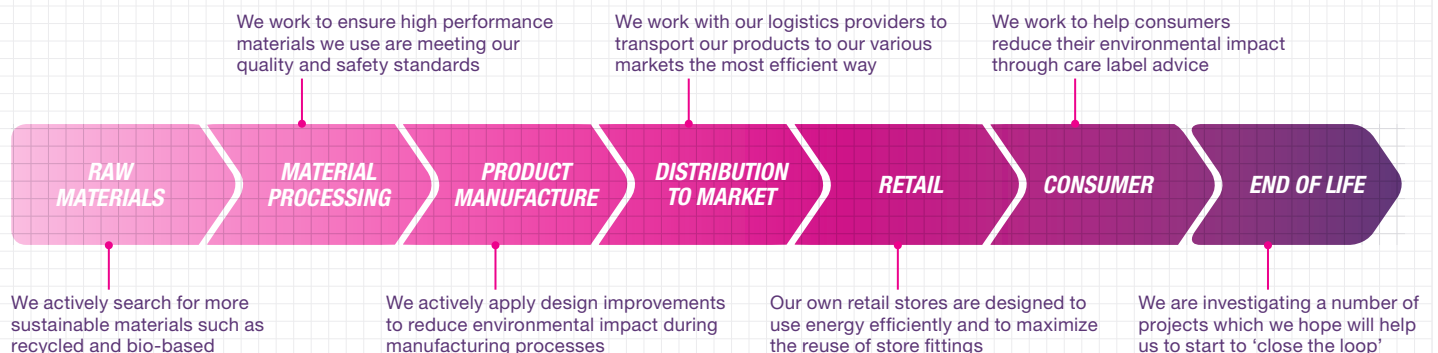
## APPROACH

*We are increasingly integrating sustainability principles in the design of our products. Through constant research and innovation, we create products and services that help people enjoy the physical and mental benefits of sport while also reducing our impact on the environment. In this way we aim to create a sustainable value chain that encompasses not just our products, services and manufacturing processes, but also the activities and lifestyles of our customers.*

## PROGRESS

- ASICS was involved in the development of the Higg Index Product Module. We integrated this into the design and development process.  
> [Go to Page 11](#)
- ASICS completed a life cycle assessment (LCA) project focused on Trail Running Apparel design and development. Further LCA Project work on Trail Running Apparel manufacturing is already underway in 2014.  
> [Go to Page 11](#)
- ASICS achieved 38.8% of sales ratio of eco-friendly products in the Japan market.
- Compared with the previous financial year, the absolute CO<sub>2</sub> emissions from our business locations increased by 1.4%. However, the emissions per revenue decreased by 19.9% and per employee number decreased by 8.6%.  
> [Go to Page 13](#)
- We strengthened our guidelines and internal material management system to better manage our chemical safety information. We also became a member of the Apparel and Footwear International RSL Management Group (AFIRM Group) to increase our knowledge and communication in the industry.  
> [Go to Page 14](#)
- We adopted CO<sub>2</sub> reduction designs for key footwear products to achieve our CO<sub>2</sub> reduction target by 2015. We used sustainable materials in both footwear and apparel products.  
> [Go to Page 12](#)
- R&D of sustainable materials and manufacturing processes are ongoing with 13 projects.  
> [Go to Page 12](#)
- Optimization of distribution networks.  
> [Go to Page 15](#)

## VALUE CHAIN



### Our Objectives:

- We provide highly technological, innovative and sustainable products and services that meet our customers' needs and create a quality lifestyle.
- We ensure the safety and high quality of our products and services, and will be held accountable for all decisions made affecting our value chain from material procurement to sales.
- We seek to minimize the environmental impacts of; product design, production processes and other business activities.
- We put in place processes, systems and structures to enable appropriate and efficient decision-making and business activities.

# 39%

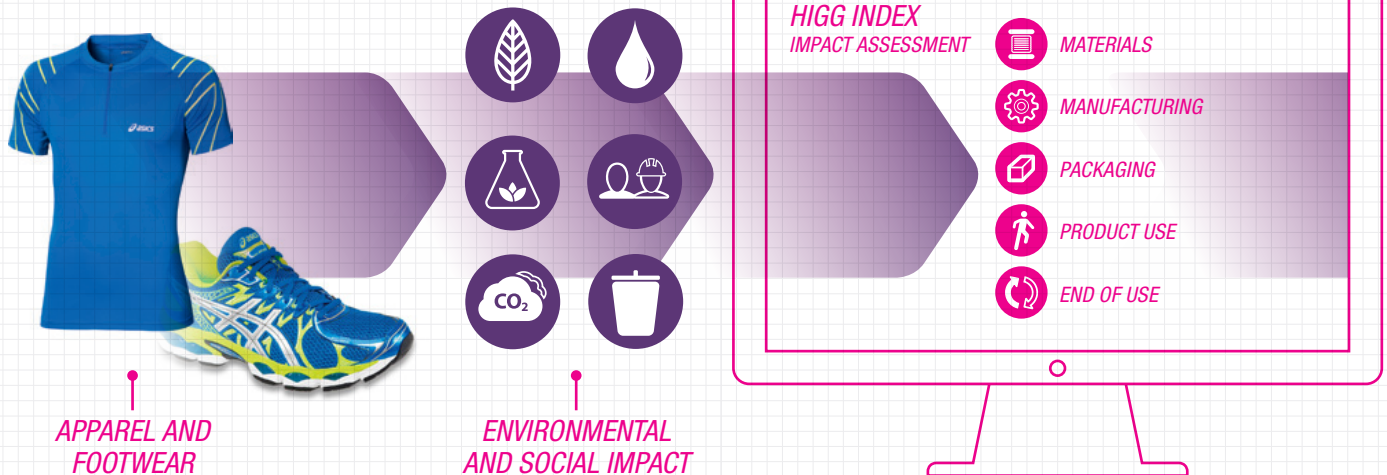
Sales ratio of eco-friendly products on market in Japan



## INTEGRATING SUSTAINABILITY INTO OUR PRODUCTS

*We actively investigate the environmental impacts of our products, the results of which inform our design approach. Year-on-year we continue to apply improvements that benefit both product performance and the environment.*

### HIGG INDEX APPROACH



### ALIGNING WITH INDUSTRY STANDARDS

We have recently aligned our approach to sustainable product development with the Sustainable Apparel Coalition's Higg Index.

ASICS is a founding member of the Sustainable Apparel Coalition (SAC), an industry-wide group of more than 100 leading brands, retailers, suppliers, not-for-profits and NGOs working to reduce the environmental and social impacts of apparel and footwear products around the world. Developed within the SAC, the Higg Index provides a tool for the apparel and footwear industry to assess sustainability throughout a product's entire life cycle, from materials to end-of-life.

ASICS is already using the Higg Index during product development to help us track progress against our sustainability targets. Now we are implementing the index to evaluate our environmental performance globally. The Higg Index replaces our original ASICS Eco Plan Mark indicator, which was assigned to products with high environmental performance sold in Japan.

We are closely involved in finalising the Higg Index Product Module by providing input and feedback. Our membership of SAC also gives us a valuable forum to discuss sustainability opportunities with like-minded brands and suppliers.

### LIFE CYCLE THINKING

Life cycle assessment (LCA) is a valuable tool for building knowledge about the environmental 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. To improve our LCA approach, we conduct continuous research within the ASICS Institute of Sport Science and in collaboration with renowned external research partners.

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. LCA also highlights the environmental impact differences between our apparel and footwear items. For example, consumer washing is a significant impact category for apparel, but it's less relevant for footwear, as few consumers wash their footwear. On the other hand, manufacturing is a much greater impact contributor for our footwear than for our apparel items. Knowledge like this helps us prioritize areas for attention and make real progress on environmental impact reduction.

In the future, we believe there will be many more opportunities for using more sustainable materials, improving manufacturing efficiency and promoting product stewardship. We are looking at these options closely and assessing their relevance to our business and our stakeholders, for the short and medium-term.

**GEL-NIMBUS PART REDUCTION****GEL-NIMBUS 15**  
(2013)**-21%****GEL-NIMBUS 16**  
(2014)**-29%****COMING SOON**  
**GEL-NIMBUS 17**  
(2015)**EVOLVING OUR PRODUCTS TO  
REDUCE THEIR IMPACT**

LCA research projects have demonstrated that the greatest environmental impact of our footwear business can be attributed to specific manufacturing processes.

From 2010 to 2012, ASICS conducted a joint research project with the Massachusetts Institute of Technology (MIT) to analyze the environmental impact of our footwear production. In this research, we used the GEL-KAYANO 17 series to measure the carbon footprint of a pair of shoes and identify where and how we can effectively reduce its environmental impact.

Through the mitigation opportunities identified by this LCA, we reduced the carbon footprint of the special edition GEL-KAYANO 18 by approximately 20%.

In 2013, we increasingly adopted the following design practices to key footwear products, including running, tennis and rugby shoes, in order to reduce their environmental impacts. These measures were taken while maintaining the performance and quality of the shoes. Specifically these are:

- The consolidation and reduction of individual parts, materials and processes.
- Improving the efficiency of manufacturing processes with energy and waste reduction in mind.

**Innovating new materials & manufacturing processes**

Two areas of intense R&D interest for the ASICS Institute of Sport Science are environmentally sustainable materials and manufacturing technologies. In 2013, 13 R&D subjects of manufacturing technology, sustainable materials, and durability were addressed to improve energy efficiency, resource conservation, and recyclability.

**Working with recycled materials**

At ASICS, we actively search for recycled materials that meet our strict performance and quality requirements for use in our products. In 2013, we incorporated recycled materials in 140 of our products. We will continue to promote the increased use of recycled and other environmentally sustainable materials in our products.

**IMPROVING THE GEL-KAYANO 20**

The GEL-KAYANO 20 uses approximately 25% fewer parts than the previous model, thanks to a number of design innovations. For example, in previous models, we enabled high fit by using several different types of material, requiring processes to prepare each material and combine them. In GEL-KAYANO 20, we applied a seamless structure called 'Fluid Fit', which reduced parts and processes while enabling a better fit.

**25%**  
Fewer parts  
than previous  
modelReduced  
carbon footprint**GEL-SUPER J33**

Another example of how we have applied sustainable design practices is the GEL-SUPER J33, the first natural running shoe designed for overpronators. This new product incorporates sustainable design as well as stability and fit from the very beginning. Its seamless, one-piece upper mesh is comprised of almost half the amount of upper parts than normal/conventional models. The result is reduced energy consumption and waste during the manufacturing process and a great product.

**50%**  
Fewer upper  
parts than  
conventional  
modelReduced  
energy and  
waste

## REDUCING MANUFACTURING AND LOGISTICS IMPACTS

*As well as actively applying design improvements to reduce environmental impacts in our manufacturing processes we also address the impacts of our own operations and our supplier operations, and how we then get our products to point of sale.*

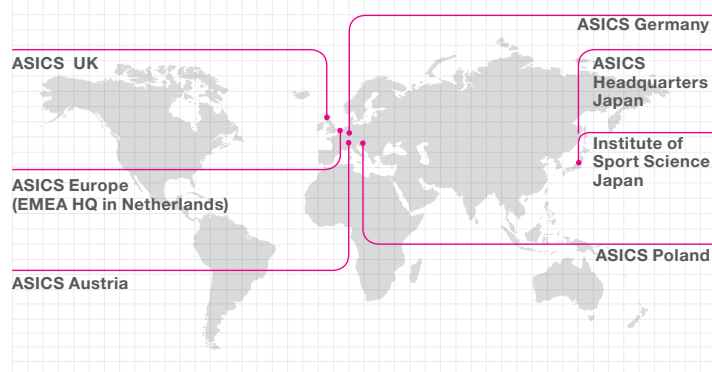
### MANAGING OUR GROUP OPERATIONS

ASICS Group has been implementing environmental management systems for more than 10 years. Many Group members are ISO 14001 certified. All are trying to improve environmental performance continuously according to the PDCA ('plan-do-check-act') cycle. Reducing CO<sub>2</sub> by 10% from our business locations is a key sustainability target for 2015.

Every ASICS global location has to meet the requirements of our group-wide environmental management system. These include regularly reporting environmental performance to ASICS Headquarters.

As a result, 24% of ASICS employees are working under the ISO 14001 system. In 2014, ASICS America will begin on its journey towards certification. We are continuously expanding the ISO 14001 scope. As of March 31st 2014, seven Group locations have achieved certification.

#### ISO 14001 CERTIFIED LOCATIONS



### REDUCING CARBON EMISSIONS

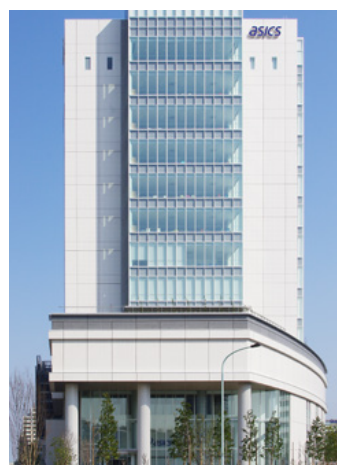
ASICS has been measuring and reducing CO<sub>2</sub> emissions from our business locations in Japan since 2007. By 2011, we had expanded our reporting scope to all global business locations.

We work to continuously reduce CO<sub>2</sub> in several ways, including:

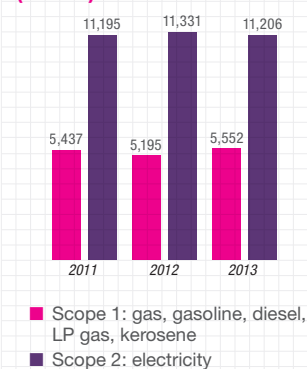
- continuous daily energy saving
- adopting energy efficient design and equipment
- sourcing renewable energy for new facilities, equipment and vehicles.

In 2013, ASICS sourced 6.5% of electricity from renewable energy. We also adopted green design in our ASICS Japan office building including: low-emissivity coated glass, LED lighting and renewable energy.

During 2014 our US office and distribution center will investigate opportunities for greater energy efficiency through their relocation and expansion.



#### CO<sub>2</sub> emissions from our locations (tonnes)



Data applies to ASICS Group locations including offices, showrooms, distribution centers and wholly-owned factories globally.

Company/lease car impacts are also included. Figures for Group companies in Japan are calculated according to an emissions factor based on the Law Concerning the Promotion of Measures to Cope with Global Warming. The electric power emissions factor is 0.410 kg-CO<sub>2</sub>/kWh.

Data for Group companies other than Japan are calculated with an emissions factor provided by the GHG Protocol.

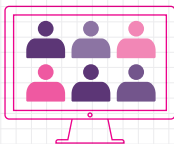
The 2011 and 2012 data were corrected from the previous report due to updated data.



## SAFETY AND QUALITY TRAINING

2,486

STAFF RECEIVED TRAINING

AT  
56  
EVENTS

## MANAGING SAFETY AND QUALITY

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 communication materials all the way from planning to shipping to market. Catalogs, labels and advertisements all have to 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.

At our headquarters, the Product Safety Managers of all departments hold quarterly meetings to promote consistency in our approach to product safety and quality. This helps to standardize our ways of sharing information and how we adopt new quality assurance and product safety guidelines.

We carry out staff training to make sure safety guidelines are implemented correctly. In 2013, 2,486 staff received product safety and quality training over 56 events.

## MANAGING CHEMICALS

Chemical safety is a big area of concern within our industry. We have a target for continuously strengthening our management of chemical substances. As such, we have been implementing a program that will enable us to reduce the use and impact of harmful chemical substances related to the manufacture and use of our products.

The key components of the program up to and including 2015 are:

- Strengthening the ASICS Restricted Substances List (RSL) to reduce risks during use by the consumer, disposal and manufacturing
- Improving the framework and guidance of product and material safety testing
- Improving supplier communications and training in chemical substance management
- Improving knowledge of chemical-related risks at suppliers and at ASICS
- Updating and improving product safety guidelines, including the 'ASICS Guideline for the Control and Use of Chemicals', established in 2005.

## APPROACH FOR PRODUCT CHEMICAL SAFETY



## Guidance and systems

In 2013, we updated the 'ASICS Guideline for the Control and Use of Chemicals' to define the responsibilities of ASICS and our suppliers regarding the control and use of chemicals associated with design and manufacture of ASICS products. We also strengthened the guidance of our product and material safety testing and the testing itself.

In addition, we made our internal database system easier to manage, enabling us to search for chemical safety information from our factories and suppliers (as well as information such as recycled content, finish type and certification of materials).

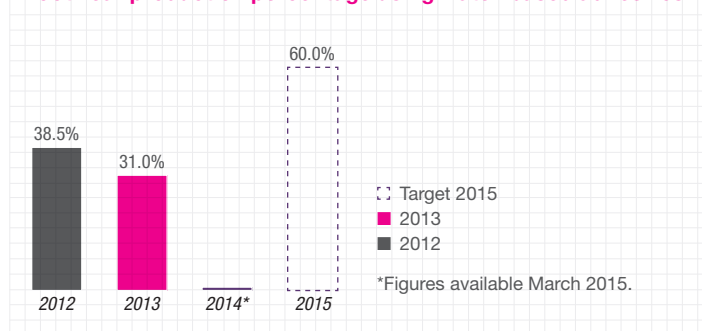
To improve our knowledge of chemical-related risks, we also became a member of the Apparel and Footwear International RSL Management Group (AFIRM Group), which is working to reduce the use and impact of harmful substances in the apparel and footwear supply chain.

## Water-based adhesives

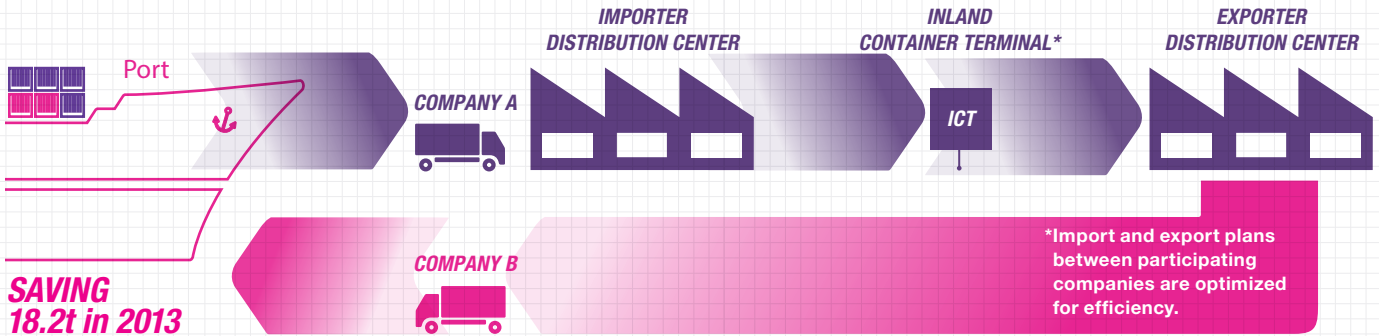
Adhesives used in footwear production can have a major impact on environmental sustainability and workplace safety. To reduce emissions of volatile organic compounds (VOCs) during our manufacturing processes, we are aiming to use water-based adhesives for 60% of our footwear production volume by 2015.

In 2013, we expanded our manufacturing capacity, adding new factories. Because of the time needed to introduce water-based adhesives to these new factories, we made no progress towards the target that year. In 2014, we will evaluate the situation at each factory again to review the plan. Our Institute of Sport Science is also conducting research on the shoe assembly process in an effort to reduce the use of adhesives and simplify the process.

## Footwear production percentage using water-based adhesives



## COOPERATIVE TRANSPORT SYSTEM FOR MARINE CONTAINERS



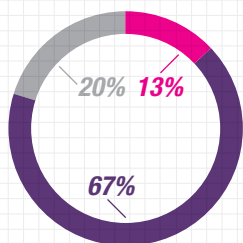
## OPTIMIZING DISTRIBUTION LOGISTICS

The ASICS approach to reducing the environmental impact of distributing our products has focused on two areas. Firstly consolidating our distributions bases and secondly collaborating with other companies to increase transport efficiency.

Consolidated distribution networks are set up in Europe and will be realized in the USA within the next few years. In Asia we opened a new distribution center in Singapore that will serve the East Asia region.

In Japan, we won the Excellence Award for Green Logistics from the Ministry of Economy, Trade and Industry. ASICS collaborated with over 20 companies to develop a system that makes empty imported containers available to other companies for use as export containers at a number of different distribution terminals. Through this initiative, we have reduced emissions by 18.2 tonnes in 2013 totaling approximately 43 tonnes in the past three years.

In 2013, we also expanded our CO<sub>2</sub> emission measurements to capture road and air data. We are paying particular attention to the impact of air freight, which forms a large part of these emissions, and will be looking for ways to tackle this challenge whilst still ensuring our products are delivered in a timely manner.

2013 CO<sub>2</sub> emissions from transportation (tonnes)

Road/Rail freight	6,617
Sea freight	33,839
Air freight	10,158

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.  
The emissions factors provided by the GHG Protocol are used.

## REDUCING THE IMPACT OF PACKAGING

We remain committed to improving the sustainability of the packaging we use for our products and transportation.

In 2013, ASICS continued to use recycled cardboard and water-based ink for our shoeboxes. We are now cutting down on packaging materials by optimizing the shoebox for each shoe size. We have adopted a single type of material to increase the recyclability of our apparel packaging, and we also reuse and recycle the cardboard packaging we use for transportation.

In Europe, we saved 13 tonnes of transportation packaging waste through packaging reuse, and recycled 710 tonnes of cardboard packaging waste. In North America, 1,194 tonnes of cardboard at our main Distribution Center were recycled – equivalent to saving 20,298 trees and 3,582 cubic yards of landfill space. In addition, 659 tonnes of additional transport packaging waste was avoided through the use of full-case picking for outbound orders wherever possible. We will continue to look for ways to improve the sustainability of our transport packaging.

## PACKAGING RECYCLED – NORTH AMERICA

**1,194t** recycling of paper equivalent to  
**20,298 trees**

## PACKAGING REUSE – EUROPE

**13t** transportation packaging waste saved through packaging reuse

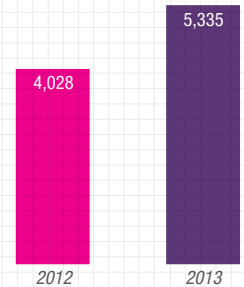
## OPERATING STORES SUSTAINABLY

ASICS's own retail operations are growing globally at a rapid rate – this is illustrated in terms of its accompanying CO<sub>2</sub> footprint, which was already 24% of ASICS Direct Operations in 2013. To improve the sustainability of our retail stores, we focus on how we can use technology to improve energy efficiency, material efficiency and safety.

Our continuous improvement approach to retail sustainability looks at two key areas: store design and store operation. Because the retail side of our business is growing so fast, we are focusing on integrating sustainability into store design to ensure that it is a key consideration in any new retail project.

To support this we created our Retail Sustainability Guidelines in 2013.

CO<sub>2</sub> emissions from  
retail stores (tonnes)



*We continued to improve the sustainability of our retail stores in 2013:*

### LIGHTING

Lower-intensity lighting installation was trialed in one of our factory outlets, and we plan to implement this in new factory outlets. We will trial more extensive use of energy-efficient LED lighting in stores in 2014.

### FIXTURES

We initiated a major fixture redesign project in 2013, to create fixtures which are more durable, easier to assemble and can be more efficiently manufactured. These are now installed in four stores.

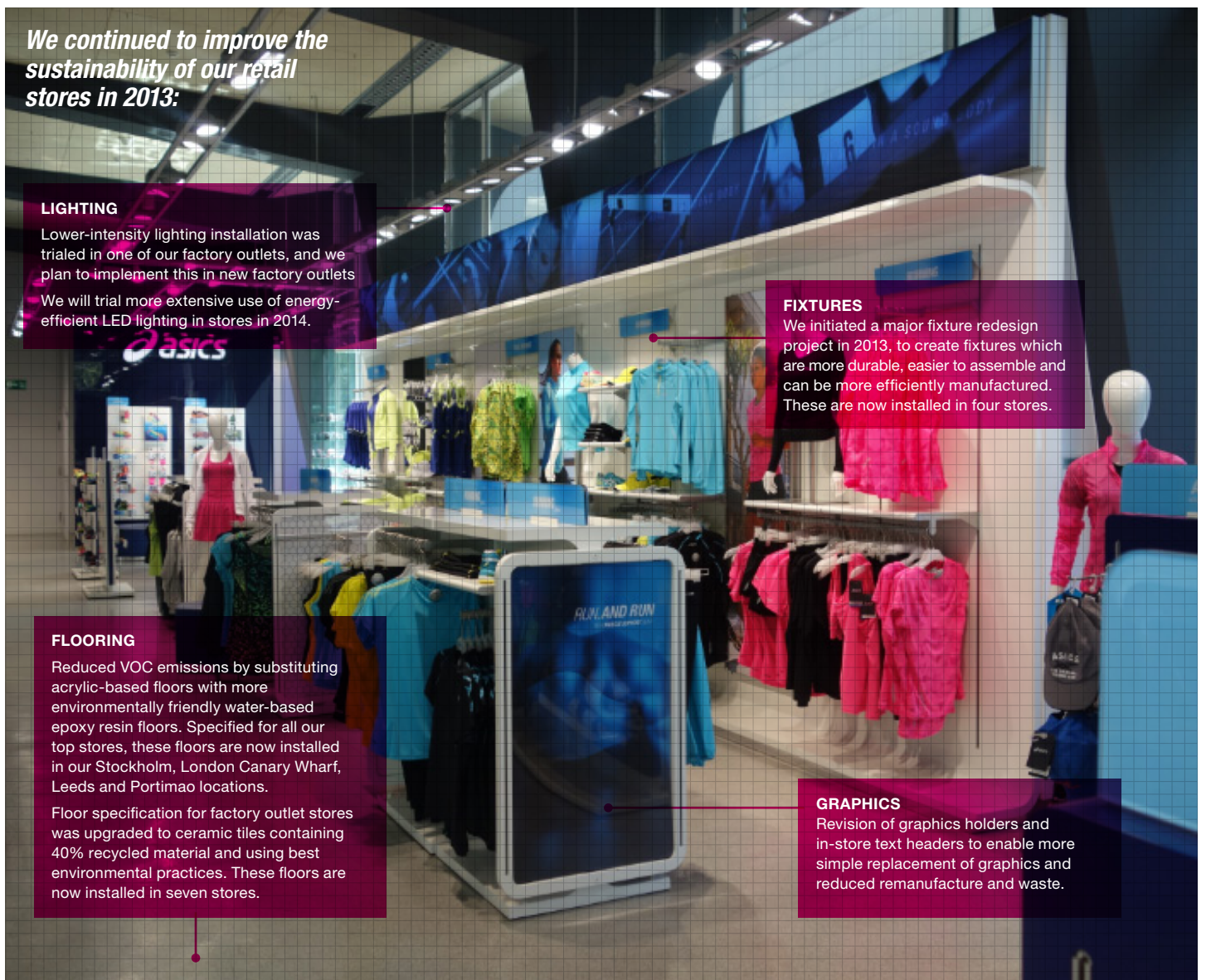
### FLOORING

Reduced VOC emissions by substituting acrylic-based floors with more environmentally friendly water-based epoxy resin floors. Specified for all our top stores, these floors are now installed in our Stockholm, London Canary Wharf, Leeds and Portimao locations.

Floor specification for factory outlet stores was upgraded to ceramic tiles containing 40% recycled material and using best environmental practices. These floors are now installed in seven stores.

### GRAPHICS

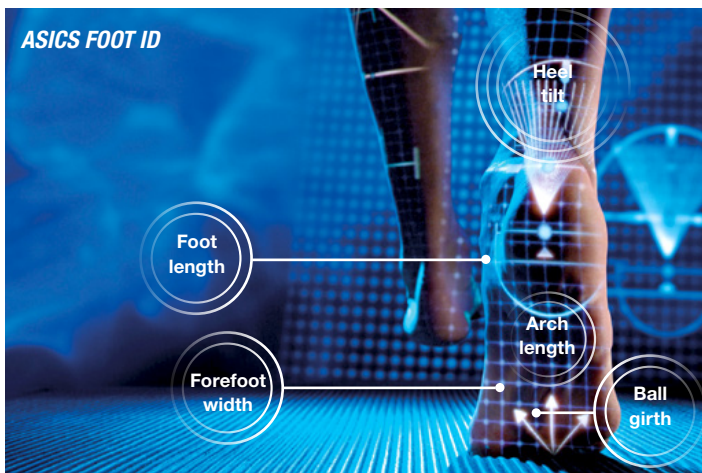
Revision of graphics holders and in-store text headers to enable more simple replacement of graphics and reduced remanufacture and waste.





## PROMOTING PERFORMANCE AND HEALTHY LIFESTYLES

*Every year, ASICS sponsors more than 135 marathons and large running events worldwide, as well as numerous other races and sporting events. From international competitions and races to local grassroots events, we support a wide range in order to stimulate participation in sports and contribute to a health-conscious society.*



### RUNNING SERVICES

ASICS stores worldwide provide professional advice and an extensive collection of footwear and apparel. Our running services assist in learning to prevent injuries, finding the best shoe to match one's individual running style and improving their running abilities. These include 3D Foot Scan, Gait Cycle Analysis and ASICS Running Lab.

#### ASICS Static Foot ID

The static Foot ID System analyses a customer's foot in 3D using four laser and eight micro cameras. Measurements include foot length, forefoot width, ball girth, arch height and heel tilt.

#### ASICS Dynamic Foot ID

With special test shoes and software, our Dynamic foot ID uses a camera to analyze your 'gait cycle' as you run on a treadmill. The focus of gait analysis is to measure the degree of pronation – the way the foot rolls inward when walking and running.



The data collected is combined in a personal Foot ID which reveals which ASICS shoe fits the feet, pronation pattern and running style, thus helping to reduce the risk of injury and improve running efficiency.

#### ASICS RUNNING LAB

In the ASICS Running Lab customers can have their running characteristics measured. The Running Ability Measurement is one of the most advanced systems for biomechanical analysis. It consists of six measurements based on four separate assessments: Foot shape, leg alignment and body composition, leg muscles, running form and aerobic fitness.

#### Achieving goals through training plans

Developed at the ASICS Institute of Sport Science in Kobe, Japan, MY ASICS is our adaptive training program for runners. Participants can create personalized, free plans for marathon, half marathon, 10km, 5km, 10 mile and five mile distances. Our research shows that the programme has a remarkably high success rate: of those runners who start a plan, 78% follow it to the end and achieve their goals.

The program works by building up a runner's anaerobic threshold to improve endurance and maximize performance through a training plan. The effectiveness of training depends on three basic elements: length of training time, frequency, and intensity. While time and frequency are easily measured, the intensity is more elusive. The scientific concept of Anaerobic Threshold (AT) is based on an index that can be used as a measure for training intensity.

### MY ASICS SUCCESS RATE

**78%**



of MY ASICS runners achieve their running goals



A full-page photograph of two male runners during a marathon. The runner in the foreground is wearing a yellow Asics long-sleeved shirt and grey shorts, with a race bib on his chest. He is looking down. The runner in the background is wearing a red Asics singlet and a black cap, looking towards the camera. Blue Asics banners are visible in the background.

**PARTNERING  
WITH SUPPLIERS  
AND WORKERS**

**WE ARE**

**CONNECTED**

**Corporate Philosophy**

*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.*

## APPROACH

*Sustainability is not something any company can achieve in isolation. 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, in this year's report we focus on our partnerships with factories and their workers.*

## PROGRESS

**Audited 89 of our contracted Tier 1 suppliers manufacturing ASICS footwear, apparel and accessories**

[> Go to Page 21](#)

**New supplier evaluation system applied to all ASICS and third-party audits conducted in 2013/14 fiscal year**

[> Go to Page 22](#)

**Implementation of global environmental policy as part of supplier standard**

[> Go to Page 22](#)

**64% of our Tier 1 suppliers rated 3 level and above at ASICS labor compliance standards**

[> Go to Page 21](#)

**Implementation of new Factory Self Assessment for Tier 1 suppliers**

[> Go to Page 20](#)

**Training and capacity building provided to 24 suppliers in Cambodia and China**

[> Go to Page 23](#)

**Became a Partner of ILO Better Work program**

[> Go to Page 24](#)

**CSR training provided to all business divisions in Headquarters**

[> Go to Page 22](#)

### Our 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 share our CSR values.
- We put in place processes, systems and structures to enable appropriate and efficient decision-making and business activities.

# 64%

of our Tier 1 suppliers are rated level 3 and above at ASICS labor compliance standards on a scale of 5



## WORKING WITH PARTNER BUSINESSES

*Our ASICS Supply Chain Management Program is based on the principle of Compliance when needed, Commitment where possible and consists of four building blocks: Monitoring and Risk Management; Governance and Transparency; Training and Capacity Building; and Stakeholder Engagement.*

### Compliance



#### Monitoring and Risk Management

- Country Risk Evaluation
- Supplier Assessment Tools
- Audit Follow Up/Corrective Action Plan (CAP)
- Supplier Monitoring
- Issue and Crisis Management



#### Governance and Transparency

- Supplier Contracts and Agreements
- Supplier Standards, Guidelines and Manuals
- Corporate Codes/Policies
- Data Management and Systems
- Internal/External Communication

### Commitment



#### Training and Capacity Building

- Supplier Training
- Collaboration around efficiency and productivity
- Business Integration



#### Stakeholder Engagement

- Industry Collaboration (SAC, WFSGI, Better Work)
- Open and constructive stakeholder dialogue (unions, NGOs, Media)
- Global (public) Sustainability Report

## MONITORING EFFECTIVENESS

When we select any new footwear, apparel or accessories supplier, we assess their social and environmental sustainability performance against 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. We conduct three types of assessments within the ASICS supply chain:



*Good practice: factory employee wearing proper personal protection equipment when cutting textile fabric.*

### 1. Self-assessment

Suppliers and their subcontractors demonstrate their compliance levels by filling out a supplier self-assessment periodically. Information from these self-assessments feeds into our other assessment forms and increases supplier awareness of ASICS priorities and supply chain issues.

### 2. Internal audits

ASICS compliance auditors conduct on-site inspections, verify documentation and interview supplier management. They provide detailed explanations of ASICS policies, identify issues and plan corrective actions through discussions with management.

### 3. Commissioned audits

We consign this type of audit to specialized, accredited third-party monitors. These are independent auditors well versed in local laws, regulations, culture and languages. They can gather information that is otherwise difficult to obtain through an internal audit, e.g. through worker interviews in local language.

## IMPROVING SUPPLIER STANDARDS

In 2013, ASICS increased the integration of sustainability criteria and performance into our business and strengthened internal collaboration and knowledge sharing.

Collaboration with supply chain partners concentrated on improving compliance levels and performance. The aim was to ensure our products are manufactured under fair, safe and healthy working conditions, meeting our ASICS baseline requirements, currently scaled on a 1 to 5 rating, with 1 being unacceptable/lowest level and 5 being very good/best practice. One of our main areas of focus in 2013 was our continuous assessment of subcontracted Tier 1 suppliers and converting the findings to our new rating methodology.

In addition to collaborating with suppliers on improvements of labor standards and environmental practices, we aim to improve transparency and level of influence where possible. In 2013 we expanded our responsibility and further integrated CSR into our group entities. One of our larger footwear sourcing offices employed full time staff to cover CSR responsibilities. Closely collaborating with our team at ASICS Headquarters, our sourcing offices are key to building our supplier insight and improving the performance of our footwear manufacturing partners.

We continuously monitor that our products are produced under safe and ethical working conditions. Our annual audit plans are based on multiple factors, such as the historical sustainability performance of existing suppliers and geographical location (e.g. in a high risk countries with a bad reputation on sustainability issues).

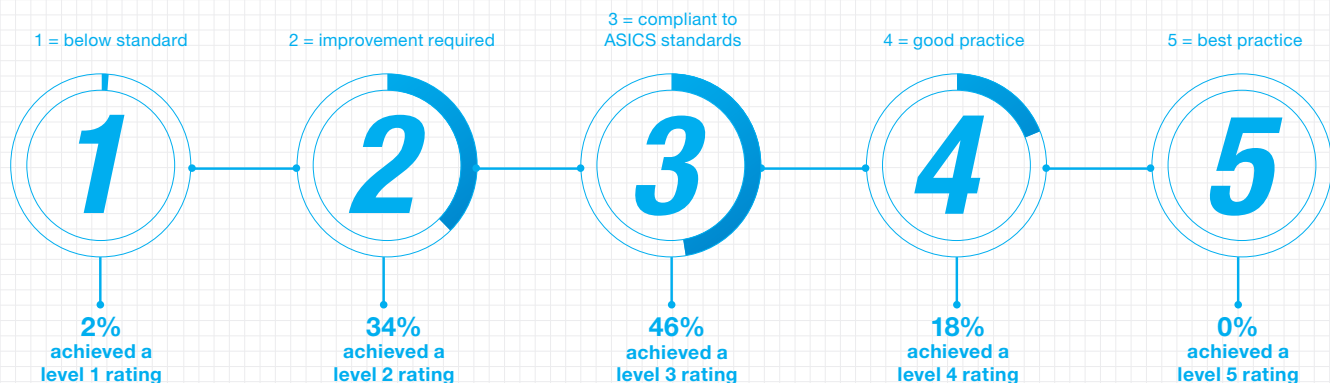
### History supplier assessments per calendar year

Year	Internal ASICS Audits	Commissioned ASICS 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)

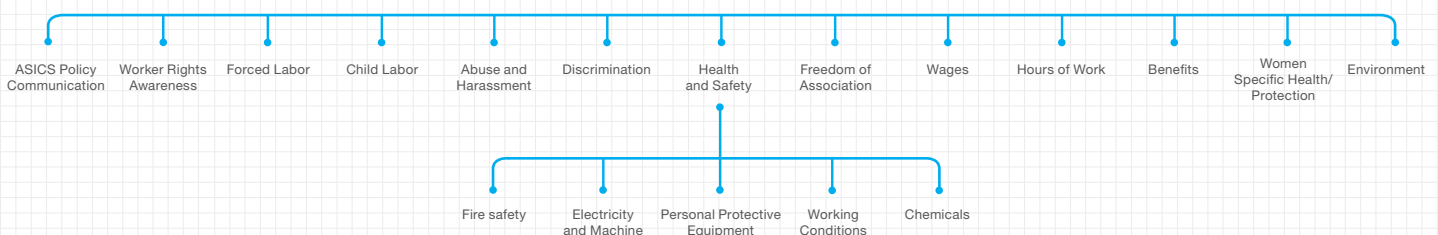
\*Partner Audits, not commissioned by the ASICS Group but audits conducted with ASICS suppliers as part of our collaboration with multistakeholder initiatives. In 2013, fiscal year two assessments of ASICS suppliers were conducted. Although already collaborating with Better Factories Cambodia, ASICS became an official partner with Better Work in January 2014.

## COMPLIANCE LEVEL OF RATED TIER 1 SUPPLIERS

\*Tier 1 suppliers: Direct suppliers to ASICS who are responsible for manufacturing finished footwear, apparel and accessories.



### AUDIT RATING CRITERIA:



## BUSINESS INTEGRATION

Throughout our fiscal year 2013/14, another priority was the continuous integration of CSR & Sustainability consideration into all our business operations. Besides our global and regional CSR & Sustainability staff, our colleagues in other departments and ASICS Group divisions play an important role in making sure our operations are safe, ethical and sustainable.

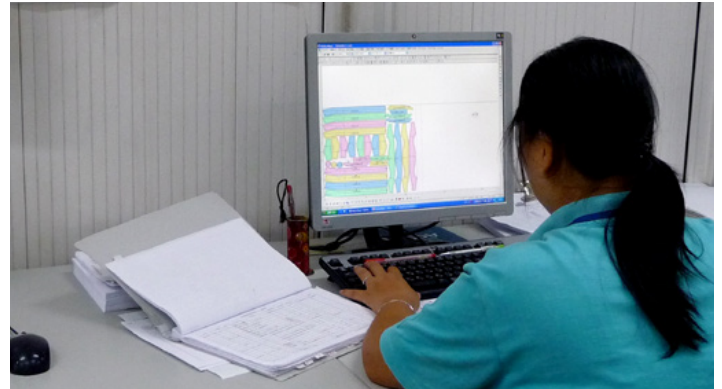
In 2012, ASICS introduced a new evaluation methodology within the ASICS Group to facilitate supplier assessment. Benchmarked with the industry's best practices and instruments, this internal tool allows objective translation of external/third-party reports, arriving at a uniform ASICS rating for our supply base.

The indices enable quantitative understanding of risks, compliance subjects and trends at the individual facility level, as well as overall trends.

Within our headquarters supplier ratings and information on performance of suppliers on CSR & Sustainability is shared with other teams such as product sourcing in order to make joint action plans, mitigate challenges, improve future performance and ensure considered informed business decisions.

Regular training and awareness meetings are held with other ASICS Group divisions. For example, those responsible for coordinating production and supplier management in our main production regions play a key role in building our supplier insight and improving the performance of our manufacturing partners. Working closely with our supplier partners, these teams play a fundamental role in continuous monitoring, raising issues, and identifying opportunities and training requirements.

***IN 2013, WE IMPLEMENTED AN UPDATED, GLOBAL ENVIRONMENTAL POLICY THROUGHOUT THE ASICS GROUP, ENSURING THAT ALL GROUP COMPANIES COMPLY WITH THE GROUP'S EFFORT REGARDING PRESERVATION OF THE ENVIRONMENT.***



*Optimizing efficient fabric use by computer based pattern placement.*

## IMPLEMENTING POLICIES AND GUIDELINES

In 2013, we implemented an updated, global Environmental Policy throughout the ASICS Group, ensuring that all Group companies comply with the Group's effort regarding preservation of the environment. The new Environmental Policy will be included in our ASICS supplier standards. They will be accompanied by improved supplier guidelines and training materials highlighting the interconnectedness of environmental management and human health and safety. These will cover subjects such as proper chemicals management, storage and personal protection equipment (PPE).

Although our current Policy of Engagement already covers the environment along with labor standards, the separate policy will specify how the ASICS Group aims to reduce the impact of its business operations on the environment and how collaboration within our supply base will form an important future priority of ASICS's sustainability agenda.

Our Guideline for Chemicals Management (see also page 14); and guidelines and manuals for manufacturers are also updated on a periodic basis. These documents contain best practices regarding facility management and health and safety.



## TRAINING SUPPLIERS

*In 2013, the ASICS CSR & Sustainability team undertook a detailed needs assessment of suppliers' capacities as part of continuous improvement profiling. During the course of the audits, it became clear that many of the suppliers lacked the knowledge and skills to implement management systems that enable continuous improvement of labor and environmental standards at their facilities. In many cases, the lack of awareness and structured systems identified in the needs assessment were resulting in poor health and safety, and failure to comply with our Policy of Engagement, which is our supplier code of conduct.*

### MEETING THE NEED

In response to these results, we organized three training events in 2013.

#### GuangZhou, China

A one-day training event was conducted by an external professionally accredited consultant.

**27** **14**  
participants suppliers  
attended

#### Phnom Penh, Cambodia

We held two training events conducted by an engaged stakeholder partner.

**33** **10**  
participants suppliers  
attended

#### 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.

### YING DONG SHOES CO LTD – FOOTWEAR SUPPLIER, CAMBODIA

"Ying Dong Shoes Co Ltd's headquarters are in Taiwan, and our Cambodian factory is a relatively new operation. Because we had little experience of operating a facility in Cambodia, we originally struggled with Cambodian culture and the local regulation system. Thanks to help from Better Factories Cambodia (BFC) and ASICS, we have become better organized and made many improvements at our factory.

"BFC's first audit of our facilities took place in December 2011. Since then, following advice from BFC, the work environment and public hygiene at the factory have improved. Our facilities are now better lit and ventilated, and the toilets for employees are cleaner and better equipped. Since the working environment became more comfortable, our employees' productivity has also increased.

"BFC has also helped us apply certain Cambodian labor laws, and provided training on local challenges such as prevention of child labor and chemicals management. Through BFC's assistance, the relationship and communication between employees and factory management has improved.

"We would like to thank BFC and ASICS for their ongoing support."

**THANKS TO HELP FROM BFC AND ASICS, WE HAVE BECOME BETTER ORGANIZED AND MADE MANY IMPROVEMENTS AT OUR FACTORY.**

## BETTER FACTORIES CAMBODIA

Better Work (BW) and Better Factories Cambodia (BFC) deliver a range of training programs and advisory services to workers and factory managers. These organizations are part of a unique partnership between the International Labour Organization (ILO), and the International Finance Corporation (IFC), which builds on the respective strengths of these organizations.

In Cambodia, BFC works with more than 500 factories, together employing close to 500,000 workers. These workers produced more than \$5 billion in garment exports in 2013. BFC's 13-year history is marked by leadership, adaptability, and a relentless drive to ensure that its three partners – government, employers, and workers – are all striving to ensure good working conditions.

ASICS is Better Work's only Japanese Partner. In their partnership, BW/BFC and ASICS collaborate to improve working conditions, focus on building safety, child

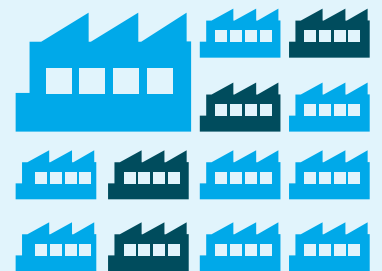
labor prevention, occupational health and safety, and continuous improvement in factories producing for ASICS in Cambodia, Vietnam and Indonesia.

In 2013, ASICS sponsored two training programs conducted by BFC for ASICS suppliers in Cambodia. The training aimed to enhance suppliers' awareness of employment management on how to prevent recruiting child labor, and on how to improve occupational health and safety. BFC also provides advisory services to address a range of compliance issues – including developing good worker-management relations – in ASICS suppliers in Cambodia.

Child labor, awareness of workers' rights, strikes and increased minimum wage are critical issues in Cambodia. ASICS commits to work closely with BFC to effect change in the footwear and apparel factories that produce for ASICS and that have registered to join the BFC program.



# 500 FACTORIES



## COMMITTED TO COLLABORATION

A number of apparel supply chain incidents shocked the world in early 2013. These events reminded us that certain issues continue to require our industry's attention. The key priorities we identified for 2013 were the protection of juvenile workers, education around chemicals management, and building and fire safety.

At ASICS, we want to work with business partners that share our commitment towards a fair and sustainable sporting goods industry. This includes relationships with suppliers as well as collaboration between different companies within the ASICS Group. Through listening, learning and open dialogue, we aim to establish relationships and partnerships of trust, reciprocity and mutual benefit.

ASICS is actively collaborating with and supporting a range of different organizations and initiatives, including the Sustainable Apparel Coalition (SAC) and the World Federation of the Sporting Goods Industry (WFSGI). In 2013 we also became a partner of ILO Better Work. We believe our operations should benefit all parties: our shareholders, consumers, business partners, the general public and future generations.

## LEARNING FROM CHALLENGES

While safety and ethical working conditions are of paramount importance to the ASICS Group, we faced challenges concerning labor conditions at our supplier factories in 2013.

An accident at one of our supplier factories in Cambodia, caused by the improper construction and use of a mezzanine extension, was the first serious incident in our company's long history. We were deeply shocked and saddened by this tragic accident, which resulted in two factory workers losing their lives and 12 others being injured.

We ensured that those affected by the accident received support and compensation. We also took further safety measures to prevent such cases at the factory in future.

This remediation followed detailed and prolonged consultations with the ILO, local labor unions, NGOs, the sporting goods industry and garment manufacturing representatives. We provided occupational health and safety training sessions for all ASICS supplier factories in Cambodia, with the aim of preventing future accidents and increasing knowledge and awareness among workers of the shared responsibility for a safe working environment.

In addition, we urged our contracted factories in Cambodia to join the BFC program. All of them completed the registration.

Serious incidents like these highlight the importance of working closely with suppliers. We will continue to engage with suppliers and other stakeholders in order to improve conditions in our factories and ensure a safe working environment for everyone involved in the manufacture of ASICS products.





**INVESTING IN  
PEOPLE AND  
COMMUNITIES**

**WE ARE** 

# ONE

**Corporate Philosophy**

*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.*



## APPROACH

*In keeping with the ideals of our founder, we want to have a positive influence on individuals and society. For ASICS, that involves supporting our people and contributing to the communities in which we operate. We listen to our colleagues and strive to provide a working environment that meets their needs and helps them realize their potential. At the same time, we support our communities through donations, charitable work and social investment. Our founder Kihachiro Onitsuka was dedicated to the intellectual, moral and physical education of the younger generation through sports. He believed that, in addition to benefiting the body and mind, sports carries a universal significance that overcomes cultural differences while nurturing teamwork. As a sporting goods company, we aim to contribute to the creation of a fair and clean world in which our customers can enjoy sports. As a global company, we not only serve our customers, we respect and show consideration to everyone around us, and the planet itself.*

## PROGRESS

1,963 employees surveyed from all levels working in ASICS Headquarters, ASICS Japan Corporation and ASICS Sales Corporation Japan for employee feedback

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Strengthened training programs across the organization

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Continued attention for diversity, work-life balance and promoting healthier lifestyles for employees

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Over \$692,160 invested in community contributions and a further \$146,441 of donations in kind

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Ongoing support to young people affected by the Great East Japan Earthquake

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### Our objectives:

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

# 6,585

Employees worldwide

## OUR PEOPLE

*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. Through 'One Team', we are creating a working environment that encourages diversity and respect for all while enabling each employee to demonstrate individuality and creativity.*

### BUILDING ON EMPLOYEE SUGGESTIONS

Regular surveys help us understand how our employees see our organization and our role as an employer, then develop better programs based on their feedback. We have learned that many of our employees feel proud of our products and services and the philosophy, vision and values behind them. Clearly, it is important for us to maintain and build on this high level of engagement with our employees.

In 2013, our survey was completed by 1,963 employees at all levels working in ASICS Headquarters, ASICS Japan Corporation and ASICS Sales Corporation Japan. We asked questions on 25 subjects: from ASICS Spirit, to work environment and company reputation, to employee health. From 2014, we will expand the scope of the survey to cover the ASICS Group globally.

Using findings from the latest survey and feedback from regional HR teams, we introduced a new evaluation, compensation and qualification system that aims to unify the way we support our employees globally. Based on keywords such as 'Growth' and 'Competency', the system encourages personal development and focuses on behavior that can generate high performance.

#### Work-life balance

ASICS is developing a system to help employees achieve a better work-life balance, and continues even when employees leave work temporarily for childcare and family care reasons. This can be in the form of supported childcare, maternity and parental leave.

The system could follow the example of our European regional head office, where a teleworking system has been in place for more than three years, meeting the needs of an increasing number of employees who wish to perform part of their job from home. The system allows employees to adjust work schedules to avoid rush hours, provides flexibility for those with small children, and makes it possible to better combine work with study or personal activities.



#### A Sound Mind in a Sound Body

The ASICS founding philosophy has underpinned programs that inspire our workers and encourage them to lead healthier lifestyles.

Many of our larger offices have a gym or shower facilities that enable employees to engage in sports activities such as running, boot camp or yoga classes during lunchtime and after work. To promote healthy lifestyles, ASICS provides employees with healthy food options in its offices, (free) fresh fruit and/or a company contribution to sports club memberships as a secondary employee benefit.

At ASICS Europe, an annual highlight is the ASICS Europe Sports Day. All employees take part in a wide variety of sports activities, which provides opportunities to have fun, engage in teamwork and be active with colleagues outside the work environment.



## EFFECTIVE TRAINING FOR ALL EMPLOYEES

Training is an important part of our personnel and organizational development strategy. In 2013, we evolved the whole ASICS training program to promote personal and organizational development and competitiveness. We strengthened the training program for each grade, in addition to leadership training for high-performing employees.

In 2013, we conducted 10 training programs for 582 employees across our headquarters and the Japan region. In 2014, we will align our training programs with the new personnel system and support each employee to fill the gap between the competencies required for their grade.

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, and health and safety.

## TRAINING PROGRAM STRUCTURE



New ASICS employees in Japan learning about how our products are made.



ASICS Europe staff trying their hands at graffiti. The activity builds on an earlier workshop about personal branding and how to influence other people's perception of us.

## JAPAN REGION TRAINING PROGRAM

**10** training programs for  
**582** employees



## ASICS DIVERSITY PROJECT

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. The ASICS Diversity Project ensures that every employee plays an active role in our company.

### Programs in 2013:

- Increased awareness and communication regarding diversity through internal communication tools and opportunities.
- Forums providing opportunities for people to think about their career vision, planning and networking.
- Training for management people to enable them to leverage diversity in their organization.
- Various promotional events in Japan focusing on ASICS's women's product lines and brands, aiming to emphasize ASICS as an attractive employer to women.



## INFORMATION ON DIVERSITY ASICS EUROPE

At ASICS Europe, HQ to the EMEA region, we pride ourselves on fostering a diverse population and actively look to continually improve the balance of women in senior management.

Currently 46% of the workforce is female. In senior management positions (Directors and their management teams) 32% are women.

The country organisations are almost 100% local nationals (e.g. France, Poland, Germany, Italy, South Africa etc.). In countries such as South Africa we continually reinforce the importance of diversity from the Board to Senior Management in South Africa and have set a target to actively recruit a diverse population (ethnically and gender).

In relation to our ethnic diversity the EMEA headquarters is 56% Dutch with the following other nationalities represented.

### THE MAKE-UP OF ASICS EMEA HQ





## COMMUNITY INVOLVEMENT

*At ASICS, we want to be a positive influence on the communities in which we operate. We contribute in a number of ways, including sponsoring marathons and sporting events worldwide, philanthropic donations, volunteer work, offering disaster relief and supporting education for healthier, more sustainable lifestyles.*

### ENGAGING FOR POSITIVE OUTCOMES

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 participation (e.g. for economically disadvantaged or physically or mentally challenged) or supporting research and education for healthier, more sustainable lifestyles. The overview on our next page highlights some of our activities in the last fiscal year.

In this fiscal year our support has added up to over \$692,160.00 and a further \$146,441.00 of donations in kind (footwear, apparel and sports accessories, various equipment, food etc).

In addition, over 20,000 pieces of aged inventory were donated and staff in various regions (Japan, Korea, America) have been involved in volunteering for charity projects in their local communities.

### COMMUNITY CONTRIBUTIONS

# \$692,160

Plus \$146,441 of donations in kind



#### ASICS AMERICA EMPLOYEES VOLUNTEERING AT SECOND HARVEST FOOD BANK

Collaborating with the University of Irvine to harvest fruit at a research agricultural site enabling the fruit to be donated, and not wasted. Staff also volunteered to work at a food bank warehouse where food is collected from donors such as supermarkets and other retail or food brand companies. There, our staff assisted with putting together packages with sufficient food to feed a family of four in need, for a weeks).



## MAKING A DIFFERENCE IN THE COMMUNITY

### NCAAD-WOMAN TO WOMAN RECOVERY PROGRAMS

Donations in kind to support this NGO that aims to reduce the incidence and prevalence of the diseases of alcoholism and drug addiction, and to reduce the effects of domestic violence on its victims.

### COOKIES FOR KIDS' CANCER

Non-profit organization committed to raising funds to support research for pediatric cancer. ASICS America created a special edition product with proceeds going to this foundation to help promote awareness and education on pediatric cancer.

### PROSTATE CANCER FOUNDATION

Philanthropic organization funding and accelerating prostate cancer research globally. ASICS America created a special edition product with proceeds going to this foundation to help promote awareness and education on prostate cancer.

### ASICS TOMORROW PROJECT

ASICS's support program for young people who were affected in the Great East Japan Earthquake.

### SECOND HARVEST FOOD BANK

ASICS America staff volunteered in harvesting fruit and assisted in packing food boxes at the Second Harvest Food Bank (see also page 30).

### FAMILY RESOURCE CENTER

Donations in kind (footwear) to support disadvantaged families in a neighboring community.

### BOYS AND GIRLS CLUB OF SANTA ANA

Donations in kind (footwear) to support the disadvantaged youth in a neighboring community.

### PEDIATRIC CANCER FOUNDATION

Supplied volunteers with jackets, shorts, backpack and shoes for fundraising marathon supporting the Pediatric Cancer Research Foundation.

### SPECIAL OLYMPICS NIPPON

Global organization that serves more than four million athletes with intellectual disabilities working with hundreds of thousands of volunteers and coaches each year. ASICS employees volunteered during competitions and routine programs held throughout Japan.

### UP AND RUNNING AGAIN

Donations in kind (footwear) to support disadvantaged families in a neighboring community.

### TWO TEN FOUNDATION

By means of a silent auction funds were generated to support an unprecedented footwear industry community service project, spearheaded by Two Ten Footwear Foundation and sponsored by Amazon Fashion. In addition to this ASICS America staff volunteered in preparing food boxes that were enabled by these projects.

### FAMILIES FORWARD

Donations in kind (footwear) to support disadvantaged families in a neighboring community.

### HUMANA

Humana is a charitable organization that collects, sorts and sells excess stock, unsellable collections and used clothing and footwear. With the proceeds from these collections ASICS Europe, Humana support development projects in Africa.

### RIGHT TO PLAY

A global organization that uses the transformative power of play – playing sports, playing games – to educate and empower children facing adversity. Right to Play was chosen as the long-term priority charity of the Dam tot Dam Loop, the biggest running event of the Netherlands. ASICS is the proud sponsor of this race and supported, together with other main sponsors, fundraising activities.

### RIGHT ACTION FOR WOMEN

Provides educational and financial support to women who are at increased risk of breast cancer and do not have insurance or the financial flexibility to cover the high costs associated with breast screenings. ASICS America created a special edition pink product line with proceeds going to assist women fighting the disease.

### ITDONATIONS

ITdonations is an independent foundation devoted to the sustainable and responsible removal of IT equipment, GSMs, PDAs and smartphones, with the proceeds going to a charity of the organization's choice. In 2013, proceeds from equipment cleared from ASICS Europe were donated to Right to Play.



*Top sprinter Yoshihide Kiryu meeting children and promoting physical activity as part of the ASICS 'A Bright Tomorrow Through Sport' program*

## A BRIGHT TOMORROW THROUGH SPORT

In April 2011, ASICS launched A Bright Tomorrow Through Sport, a support program for young people who were affected in the Great East Japan Earthquake. The goal of the program is to promote the sound development of minds and bodies through sports:

### Product donations

The program is designed for children who were orphaned or otherwise affected as a result of the 2011 Great East Japan Earthquake. To be eligible, children need to have been aged 18 or younger on April 1st 2011.

Under the program, ASICS provides eligible young people with ASICS brand sportswear, shoes, and other sporting goods until they reach the age of 19. This program has benefited 148 children as of March 31st 2014.

### Visits by athletes

Professional athletes sponsored by ASICS visit children in the affected regions and participate in sports clinics and other sporting events in order to provide the children with opportunities to enjoy sports.

### Invitation to Kobe

Kobe, having been struck in 1995 by Japan's worst earthquake in recent history, has now been reconstructed and is home to ASICS. To help the children under the 'Tomorrow Program' regain their vitality by having fun through sports, we invite children from the affected regions to tour the ASICS Sports Museum and the ASICS Institute of Sport Science in Kobe. In 2013, 160 students from four schools and organizations took part.

### Support for health and exercise

ASICS employees or supporting staff visit the affected areas to provide exercise instruction and hold events to improve public health.

## ASICS TRACK AND FIELD EVENTS

Three years since the earthquake, we are seeing some recovery in urban areas. However, in coastal areas, children are experiencing complicated problems, such as poor physical ability and mental stress caused by the limitations in their daily life.

As part of our 'Tomorrow Program', the first ASICS track and field event took place at Onagawa Elementary School in Miyagi Prefecture in January 2014. The school is located in the coastal area where the tsunami hit hardest. Many students lost their home and still live in temporary houses.

The top sprint runner in Japan, Yoshihide Kiryu – an aspirational figure known as the fastest high school student in the world – provided a lesson on how to sprint. Kiryu had been looking for an opportunity to support the disaster-stricken areas and his wish came true through the ASICS 'Tomorrow Program'.

This event aimed to promote physical activity among children with less chance to engage in sport after the earthquake. It also encouraged children to live their dreams through interaction with world-leading athletes. Feedback from the children showed they really enjoyed the physical activity on a memorable day when they ran with the top sprint athlete. In 2020, come the Tokyo Olympics, the fifth graders who took part in the Onagawa event will turn 18 years old – the same age as Yoshihide Kiryu today. Who knows, one of them might even be competing.



**Find out more**

You can find out more about ASICS  
and our approach to sustainability –  
read previous reports and download  
our GRI index on our corporate website

***VISIT [CORP.ASICS.COM/EN](http://CORP.ASICS.COM/EN)***

