

Evaluate & Assess

Synthetic raw materials (Thailand, Malaysia, Indonesia, Taiwan, Vietnam)

Impact	Transition risk	Opportunity
In the production of primary forms and spinning processes for synthetic raw materials, inadequate management of chemicals, wastewater, and sludge can cause effluent discharge and soil contamination.	If the manufacturing sites for primary forms of synthetic raw materials and the spinning and processing facilities are located in areas with high numbers of threatened endangered species, and if inadequate chemical and wastewater management could lead to ecosystem degradation, regulatory scrutiny, NGO pressure, and reputational harm to ASICS, ultimately affecting market confidence and sales.	By collaborating with stakeholders to promote the transition to raw materials with lower impacts on nature and the adoption of dyeing technologies such as solution dyeing, which reduces water usage and wastewater loads, ASICS has the potential to help mitigate environmental burdens around manufacturing sites for primary forms of synthetic raw materials and spinning and processing facilities.

Natural leather (Brazil, USA)

Impact	Transition risk	Opportunity
Land-use change for cattle ranching and agricultural expansion leads to deforestation	Deforestation resulting from cattle ranching on converted agricultural land is likely to trigger stricter regulations on nature-related impact reporting. These regulatory changes can lead to increased costs from fines and compliance requirements, as well as higher switching costs to suppliers that meet enhanced standards.	<ul style="list-style-type: none"> • By promoting initiatives such as the “Run for Reforestation” challenge, which aim to restore lost natural ecosystems, we contribute to the recovery of degraded forests. • By promoting initiatives to minimize nature-related impacts, including expanding procurement of LWG-certified leather among natural leather materials, we can ensure compliance with nature-related disclosure requirements, thereby reducing regulatory penalty costs and supplier transition costs.

Cotton (Cotton cultivation: Pakistan, Australia / Cotton spinning and processing: Sri Lanka, Vietnam)

Impact	Transition risk	Opportunity
During spinning and finishing processes of cotton, water use tends to be high. If wastewater treatment is inadequate, it can potentially lead to water and soil pollution.	Non-compliance with wastewater and chemical-management standards may trigger NGO campaigns, regulatory scrutiny, and investor concerns. Resulting perceptions of unmanaged nature-related impacts could erode ASICS’ reputation and reduce consumer trust.	By promoting initiatives such as the adoption of low-water dyeing technologies, we help reduce environmental impacts around suppliers’ spinning and finishing facilities.
Dependency	Physical risk	Opportunity
Cotton cultivation is highly dependent on water supply and is sensitive to climate-driven variability in rainfall and groundwater levels.	Cotton relies heavily on water. In water-stressed regions, declining freshwater availability or deteriorating water quality can disrupt processing and raise treatment costs.	Advancing initiatives that reduce reliance on nature—such as increasing the use of certified materials with lower environmental impact—enables the sustainable procurement of natural cotton.