Summary of the LEAP Analysis at ASICS

		VC Upstream Raw material production			VC Upstream Raw material processing				VC Upstream Product manufacturing factories	Own Operation	VC Downstream sales • disposal
Scoping	**Value Chain**										
	Raw materials × Process	**Synthetic raw materials × Primary foam production**	**Natural leather × Cattle farming**	**Cotton × Cotton cultivation**	**Synthetic raw materials × Spinning and processing**	**Cotton × Spinning and processing**	**Recycled paper × Recycled pulp production**	**Natural leather × Tanning**	**All raw materials**		
	Procurement volume	**Large**	**Small**	**Small**	**Large**	**Small**	**Medium**	**Small**			
	Policy	**Analysis target**							Excluded from analysis		
Locate	**Priority areas***	Thailand Malaysia Indonesia Taiwan Vietnam	Brasil USA	Pakistan Australia	Indonesia Taiwan Vietnam China	Sri Lanka Vietnam	Vietnam	Environmental impact below threshold during LWG certification	Excluded from analysis		
Evaluate	**Dependency & Impact**	(Impact) Water pollution • Soil pollution	(Dependency) Deforestation	(Dependency) Water supply	(Impact) Water pollution • Soil pollution	(Impact) Water usage Water pollution • Soil pollution	No material dependencies or significant environmental impacts	Excluded from analysis			
Assess	**Transition & Physical risks**	(Transition) Decline in ASICS's brand reputation leading to reduced sales	(Transition) Increased costs from fines, compliance requirements, and switching costs to compliant suppliers	(Physical) Increased raw material costs due to reduced cotton production caused by declining water supply	(Transition) Decline in ASICS's brand reputation leading to reduced sales	(Transition) Decline in ASICS's brand reputation leading to reduced sales	Excluded from analysis				
	Opportunity	Reducing environmental impacts in areas surrounding primary manufacturing sites by switching to raw materials with lower nature-related impacts.	• Promoting initiatives to restore degraded ecosystems, leading to forest recovery and reduced penalty costs • Reducing supplier switching costs	Ensuring sustainable sourcing of natural cotton through the use of certified materials with lower environmental impact	Reducing environmental impacts in areas surrounding spinning and processing factories by switching to raw materials with lower nature-related impacts	Reducing environmental impact around supplier spinning and finishing facilities by promoting nature-friendly practices					

*Based on secondary data; does not indicate use of raw materials from those countries.