

# ASICS 2023 modern slavery statement

## A sound mind in a sound body.

At the heart of ASICS lies the philosophy, "A sound mind in a sound body." Together with its partners, ASICS is on a mission to create products, services, and an environment that uplifts the physical and mental well-being of individuals across the globe. In our journey, we hold a great responsibility to safeguard the fundamental human rights of our employees, workers in the value chain, our customers, and all those impacted by our operations in different parts of the world.

Recognizing the link between modern slavery, an aspect of human rights, and our founding philosophy, we recognize the importance of addressing both actual and potential risks of modern slavery<sup>1</sup> from both organizational and legislative perspectives. Because modern slavery is considered part of human rights, our policies and procedures usually address human rights in its broader sense. However, this statement delves specifically into the risks of modern slavery at ASICS. Throughout this document, we elaborate on ASICS' comprehensive strategy to combat modern slavery within our operations and global supply chain. This includes dedicated chapters on risk assessment, mitigation, grievance handling, remediation, monitoring, and future progress.

This statement<sup>2</sup> outlines ASICS' status on global practices, policies, and business processes designed to identify, mitigate, prevent, and address any actual and potential risks associated with modern slavery across ASICS operations and product supply chains<sup>3</sup>. Adopted by ASICS and its consolidated subsidiaries, this statement aligns with the modern slavery disclosure requirements in specific jurisdictions, including the UK Modern Slavery Act (2015), Australian Modern Slavery Act (2018), Canada Modern Slavery Act (2024), Canada Forced Labor Statute, California Transparency in Supply Chains Act (2010), Norway Transparency Act (2023), and the Netherlands Child Labor Due Diligence Law (2023).

### ASICS organizational structure and operations

Since its establishment in 1949, ASICS Corporation has evolved into a global leader in sports footwear, apparel, and accessories. As of December 31, 2023, its workforce stands at 8927 employees (consolidated) and 989 employees (non-consolidated), contributing to a robust revenue of 570,463 million yen (consolidated) and 33,423 million yen (non-consolidated). Our diverse range of high-quality products is disseminated through a network encompassing retail stores, third-party retailers, and online channels. Crucial to our operations is our extensive collaboration with various suppliers, including manufacturers, material suppliers, and logistics providers.

At the heart of our operations lies a global supply chain, connecting with suppliers in more than 20 countries, predominantly in South-East Asia. To enhance transparency for business partners, investors, labor organizations, and customers, ASICS discloses and annually updates its [global factories list](#).

### ASICS' modern slavery approach

<sup>1</sup> The term modern slavery as used in this statement by the ASICS Group include: forced or compulsory labor (including excessive overtime), child labor, human trafficking, debt bondage, and other human rights infringements of own employees and workers in ASICS value chain.

<sup>2</sup> This statement applies to the ASICS Group, including but not limited to ASICS Oceania Pty. Ltd., ASICS America Corporation and ASICS UK Ltd. Since the ASICS Group takes a globally consistent approach to the aforementioned, this document is set up describing our activities at a Group level, even though not all entities may be subject to the UK Modern Slavery Act (2015), Australian Modern Slavery Act (2018), Canada Modern Slavery Act (2024), Canada Forced Labor Statute, California Transparency in Supply Chains Act (2010), Norway Transparency Act (2023), and the Netherland Child Labor Due Diligence Law (2023).

<sup>3</sup> Customers are excluded from this statement as it falls out of the scope of modern slavery.

As a global leader in sporting goods, we understand the responsibility we bear to ensure that our operations and supply chains are free from exploitation and abuse. At ASICS, we are committed to upholding the highest standards of ethical conduct throughout our operations and supply chain.

We understand that eradicating modern slavery requires collective action and collaboration across industries, governments, and civil society. ASICS is proud to play our part in this critical endeavor, our commitment to combatting modern slavery is firm, and we will continue to work tirelessly towards a future where exploitation and forced labor have no place in our world.

We believe that every person involved in the production of ASICS products deserves to work in conditions that uphold their dignity and fundamental rights. We are dedicated to fostering transparency, accountability, and ethical practices throughout our value chain. We are deeply committed to ensuring that our business practices do not contribute to or enable any form of modern slavery or human trafficking. Through rigorous due diligence, collaboration with our associates, customers, and suppliers, and ongoing monitoring, we strive to identify and address any risks of modern slavery in our operations. Furthermore, we regularly review and update our policies, conduct thorough due diligence on our suppliers, and provide training and awareness programs to our employees and partners.

As we continue our journey towards a more sustainable and responsible future, we remain steadfast in our commitment to eradicating modern slavery in all its forms. We are dedicated to working collaboratively with our stakeholders to drive meaningful change and create a world where everyone can thrive, free from exploitation.

### Defining modern slavery

Resulting from both the inherent risks associated with the nature of our business and our foundational philosophy, ASICS has recognized the need and is committed to addressing various forms of modern slavery, including forced labor, child labor, human trafficking, debt bondage, excessive working hours and other human rights infringements for our own employees and workers in our supply chain.

To inform ASICS' human rights approach, including our modern slavery approach, we conducted internal risk assessments, led by the Corporate Social Responsibility (CSR) and Sustainability team. The assessments identified the most significant and noticeable issues relating to human rights, including modern slavery, within the context of ASICS' business activities. Following a thorough examination of UN, governmental, and peer reports, complemented with an analysis of existing laws and regulations, the team conducted interviews with customer service, human resources, general affairs, labor unions, NGOs, and more across ASICS Corporation and all entities globally that it owns or controls. A final likelihood and severity assessment identified various human rights risks, including several priority topics concerning modern slavery as set out below:

- Own operations: Excessive overtime and harassment.
- Supply chain: Child labor, forced labor (including excessive overtime), and health and safety.

### Governance structure

As a strategic step forward, ASICS developed and published a [Human Rights Policy](#) in 2022. The policy, applicable to ASICS Corporation, its subsidiaries, and affiliates, is anchored in the "International Bill of Human Rights" and the core labor standards of the International Labor Organization (ILO) as a minimum. This effort was further underscored by the establishment of the Human Rights Committee in the same year, embodying ASICS' dedication to respecting human rights, including modern slavery, throughout its business activities. The committee, operating under the Risk Management Committee,

advises on global human rights issues, oversees the implementation of human rights due diligence, assesses the effectiveness of human rights plans, and investigates incidents of human rights violations, offering advice and recommendations for remedial measures. In addition, the CSR and Sustainability team, led by the Head of Sustainability, is responsible for driving and effectively implementing the efforts to address social and environmental issues through all our business activities.

Refer to our most recent sustainability report for more information on ASICS' governance structure.

### [Our supporting policies](#)

All of ASICS' corporate activities are further guided by clear codes of conduct based on internationally recognized standards and conventions. Various policies and activities apply throughout the value chain, from materials suppliers (Tier 2 suppliers and beyond), through manufacture and retail to consumers and the product's end of life. These policies apply to our employees, suppliers, and other stakeholders in support of our modern slavery efforts:

#### ASICS overall

- [CSR Policy](#)
- [Global Code of Conduct](#)
- [Policy on Anti-Trust and Competition](#)
- [Policy on Anti-Bribery and Anti-Corruption](#)
- [Policy on Environment](#)
- [ASICS Human Rights Policy](#)
- [Policy on Protected Disclosure \(Whistleblowing\)](#)
- [ASICS Privacy Policy](#)

#### Specific to our suppliers and other business partners

- [Policy of Engagement \(Supplier Code of Conduct\)](#)
- [Global Business Continuity Policy](#)

#### Specific to our materials and products

- Restricted substances policy
- Policy on animal derived materials
- Conflict mineral policy
- Recycled material policy
- Cotton policy
- Sustainable Packaging Policy

To make ASICS' efforts known across the company, we share all policies and other relevant materials on our public website and our Intranet portal site, which is accessible to all employees.

### [Due diligence at ASICS](#)

To foster transparency and accountability, ASICS has instituted a comprehensive due diligence process, as described in our Human Rights Policy. This process serves as a strategic framework to identify, mitigate, prevent, and address potential negative human rights impacts, including modern slavery, stemming from our business activities. The following steps outline our approach to human rights due diligence, succinctly presented in the accompanying graphic:

- Identify and Assess Risks: We diligently recognize potential human rights risks within both our operations and supply chains.
- Prevent/Mitigate: Actions are prioritized to proactively prevent, mitigate, and, if necessary, remediate identified risks throughout our entire value chain.

- Monitor/Adapt: A continual monitoring process is in place to assess the effectiveness of our actions, allowing for adaptive measures as needed.
- Regular Disclosure/Communication: Upholding transparency and accountability, we share our ongoing efforts through regular reporting.

Throughout our due diligence efforts, we actively engage stakeholders, fostering collaboration on solutions and establishing partnerships for impactful change. For further details on our due diligence approach, refer to our [website](#).

While actively combatting modern slavery, we acknowledge the areas for improvement in preventing any violations of decent working conditions such as the need for further worker engagement and the integration of in-factory grievance channels. We strive to identify and close these gaps, working to remove any type of modern slavery in our business activities. In the following chapters, we provide a detailed explanation of our approach, including examples, to identifying, mitigating, addressing, and preventing any actual and potential risks of modern slavery within both our own operations and supply chains.

## Modern slavery in ASICS' own operations

**For the first time, we have chosen to include a section in ASICS' modern slavery statement that focuses on our own operations. We recognize the potential and actual modern slavery risks, such as excessive overtime, within our organizational borders. It is crucial to clarify that, as of now, the information disclosed in this section pertains exclusively to our headquarters in Japan. We are working on implementing a more centralized reporting mechanism. This will allow us to share more information on our efforts to identify, mitigate, and remediate actual and potential risks of modern slavery within our operations across all our locations in the years ahead.**

The ASICS philosophy calls for the creation of a healthy workplace free from discrimination, respecting diversity, promoting appropriate working conditions, and prioritizing occupational health and safety. Our [Global Code of Conduct](#) serves as our cornerstone in upholding these principles across our operations.

### Risk assessment

In our internal risk assessment, we identified excessive overtime (a type of forced labor) as critical modern slavery concerns, ranking high in both severity and likelihood. Acknowledging the risk of excessive overtime stemming from changes in the business structure, we emphasize the need for ongoing monitoring, and it is imperative to address the issues.

### Mitigation

To prevent the occurrence of modern slavery in our own operations, we prioritize mitigation through training and awareness programs for our employees. In 2023, trainings were conducted at all levels of the ASICS Group. This includes human rights training for new employees and divisions involved in procurement and production, and directors. We also offered well-being training on work-life balance post-COVID-19, and work efficiency sessions to reduce excessive overtime. We are yet to assess the effectiveness of these programs.

Recognizing the risks of excessive overtime and harassment in our own workforce, we have intensified our efforts to mitigate these challenges as outlined in the examples below.

### Excessive overtime

In Japan, our overtime is managed through regular reporting, including transparent data sharing between labor unions and our management. Supervisors receive mid-month alerts, allowing proactive adjustments for employees working at an accelerated pace. Divisions exceeding ASICS' 36 Agreement, a working hour agreement we and the labor union agreed on based on Japan's Labor Standards Act article 36, receive detailed reports from managers and department heads. These reports explain the reasons for surpassing time limits and outline subsequent management actions. To address peak periods, collaborative efforts between labor and management lead to the inclusion of temporary special clauses in the 36 Agreement, ensuring adaptability to varying workloads. Additionally, online training sessions guide our employees in Japan in adopting autonomous work practices, seamlessly combining telecommuting and in-person work for more effective time management.

### Grievance

In tandem with our risk mitigation efforts, we strive to cultivate a workplace culture that encourages employees to voice their opinions. Since 2014, we have implemented an internal grievance mechanism allowing employees to address non-compliance concerns anonymously and confidentially. As part of that, we developed a [Policy on Protected Disclosure](#). Recognizing the effectiveness of ASICS' grievance mechanism depends on people's awareness and trust, we are communicating all grievance channels through our website, intranet, and offline communication. Billboards and posters in our operating facilities and offices reinforce our engagement efforts. Our engagement survey offers an additional means of direct communication and a feedback system for our employees. In the future, we are committed to improving these processes to expedite the grievance mechanisms from receipt of employee consultation to resolution.

Even though it was not identified as a key concern in ASICS' own operations, we actively reduce the risk of child labor and human trafficking by requesting proof of graduation or age from all our in-house recruits. Additional recruitment guidance for migrant workers mandates the presentation of official and verified IDs, passports, or other relevant documentation.

### Remediation

Through monitoring, several cases of excessive overtime work were reported in 2023, in Japan. These incidents stemmed from unexpected workloads, such as changes in the business structure, staff shortages, and busy periods, including events and deadlines. Immediate action involved meetings with planning, production, and top management to identify reasons for exceeding overtime and implementing changes in production planning for the following months.

While we strive for zero violations of the Agreement on Overtime and Holiday Work (in Japan), we acknowledge that achieving zero violations may sometimes result from underreporting or power imbalances, which is not necessarily a positive outcome. Consequently, our efforts are directed towards prevention as well as enhancing the accessibility of reporting channels. We actively promote continuous working hour reporting, provide training, conduct stress and health checks, and distribute engagement surveys to assess the effectiveness of our remediation efforts.

## Modern slavery in ASICS' supply chains

Recognizing the importance of ASICS' interconnected network of various supply chain partners, we are continuously engaging with our suppliers and are committed to upholding human rights standards throughout our global supply chain. That covers all of ASICS' Tier 1 and Tier 2 factories, (sub)contractors, intermediaries, and associated business partners.

Our commitment is rooted in maintaining a robust, resilient supply chain that adheres to international human rights and labor standards, enforced through the ASICS' Supplier [Code of Conduct](#). This code sets forth minimum standards covering forced labor, child labor, harassment, discrimination, freedom of association, wages, working hours, occupational health and safety, and environmental protection. Embracing both opportunity and responsibility, we actively strive to safeguard the working conditions of those involved in the production of our products and contribute to the global efforts for the eradication of modern slavery, throughout our value chain.

### Risk assessment

As part of the internal risk assessment, the CSR team conducted a mapping of our supply chain to identify ASICS' direct and indirect suppliers. Based on a severity and likelihood assessment, we identified forced labor, child labor, and the occupational health and safety of supply chain workers as our primary modern slavery concerns in our supply chain. To prioritize engagement with high-risk suppliers, we have assessed our suppliers to identify the actual and potential risks of modern slavery. Furthermore, we actively address issues related to harassment, discrimination, freedom of association, wages, working hours, and environmental protection, including as outlined below.

### Mitigation

ASICS aims to actively assist suppliers in building robust management systems through extensive training programs, allowing partner factories to develop resilience and adherence to industry best practices. ASICS training sessions for suppliers help to foster understanding and identify risks related to forced labor, debt bondage, human trafficking, and child labor. In these sessions, we also cover ASICS-specific policies and procedures for addressing these risks. Collaborating with the ILO Better Work program, we organized yearly CSR seminars for managers of outsourced production factories, emphasizing the promotion of autonomous sustainability management. In November 2023, 54 attendees from 20 factories joined the Better Work training in Vietnam on forced labor and management systems, organized by ASICS. To further strengthen understanding, we hosted off-site sessions in December 2023 for Japanese suppliers, specifically addressing vulnerable migrant workers. A key component of these sessions involved a self-assessment with the participating suppliers, enabling direct reflection on their social practices. In addition, we hosted three joint cross-industry workshops sponsored by KnowTheChain. The workshops were held in 2023 at ASICS Japan's Tokyo office and were aimed at enhancing awareness and understanding of forced labor risks in the global supply chain. Finally, we aim to organize briefing sessions twice a year with each of the procurement and production departments of Footwear, Apparel and Equipment, and Onitsuka Tiger to share information and discuss human rights-related risk trends and responsible purchasing.

### Responsible purchasing practices

ASICS is committed to promoting [responsible purchasing practices](#) aimed at mitigating forced labor risks within the supply chain. For example, by improving planning and forecasting, we aim to reduce the risk of excessive overtime of workers in our supply chain. Other practices allow us to encourage general good labor practices, including as outlined below:

- **Responsible recruitment:** In 2018, ASICS became a signatory to the AAFA/FLA Apparel & Footwear Industry [Commitment to Responsible Recruitment](#). To address the risk of forced labor, our monitoring process verifies that workers are not required to pay placement or recruitment fees.
- **Planning and Forecasting:** ASICS' sourcing team conducts ongoing business planning and forecast updates with each supplier. They review granular forecasts for each supplier usually 3 months before the first production month in each season. Then they communicate with suppliers every month and make adjustments to ensure proper labor distribution on the production site.
- **Design and Development:** If the free samples in the development stage are not commercialized, ASICS bears the material costs.

- *Cost and Cost negotiation:* Labor costs related to production are calculated based on the quarterly average wage schedule provided by each supplier, and any increase in labor costs is basically reflected in product costs.
- *Sourcing and Order placement:* ASICS coordinates the production capacity and the actual order with the factories at the time of ordering every month. Leftover materials generated during production are passed on to the next production, and ASICS also deals with purchases.
- *Payment and Terms:* ASICS strives to adhere to the payment terms outlined in the manufacturing contract. The standard maximum payment term for footwear factories is 75 days. (as of October 2023)

## Grievance

We understand that fostering an environment where concerns can be raised and addressed is crucial to the well-being of workers in our supply chains. ASICS is actively working towards establishing a robust grievance mechanism that empowers all stakeholders, including all workers in its own operation and supply chain, to voice their concerns and seek resolution. ASICS' [Policy on Protected Disclosure](#) and [Supplier Code of Conduct](#) provide clear guidelines for reporting any ethical concerns, labor-related issues, or violations of our code of conduct. In 2019, we introduced grievance mechanisms in our target factories in Vietnam, Indonesia, and Japan. These are factories with a high risk of forced labor due to the migrant workers.

## Grievance channels

We acknowledge the gaps in the scope of ASICS' current grievance mechanism. ASICS strives to establish a grievance mechanism that covers our entire value chain. As part of that plan, in 2023, we invested in establishing a new management system (more details under the headings *Stepping into the future*) that will enable us to expand the coverage of ASICS' grievance channels. At the same time, the system will allow reporting on the effectiveness of the grievance channels, including key metrics such as the number of grievances filed, addressed, and successfully resolved. Looking ahead, we continue to promote in-factory grievance support as an integral part of our broader management system support. In that, ILO Better Work is a key partner in improving compliance standards at individual factories in Vietnam, Cambodia, and Indonesia. For example, in Indonesia, we put a specific focus on social dialogue, establishing communication mechanisms between workers and factory management, and the effective implementation of grievance mechanisms.

## Labor union collaboration

Overall, ASICS strives to foster collective worker empowerment through the maintenance of direct communication channels between labor unions, ASICS' human rights team, and factory management. We actively engage in negotiations with suppliers, workers, and independent trade unions, especially during industrial disputes. To safeguard the rights of workers in ASICS' supply chain, including their freedom of association (FOA) and collective bargaining, ASICS' [Supplier Code of Conduct](#) mandates our partners to recognize and respect employees' right to organize and join associations of their own choice, as well as to engage in collective bargaining. Moreover, since 2011, we have been a signatory of the Freedom of Association (FOA) Protocol in Indonesia.

We collaborate with labor unions to solve challenges immediately. In 2023, five cases were reported through the labor unions. Four cases related to limited Freedom of Association, and one concerned an employment issue in one of our contracted factories. Specifically, one instance involved addressing layoffs and worker dissatisfaction. Through a close working relationship with the labor union, we successfully navigated through the issues, resulting in a resolution that not only mitigated the impact of layoffs but also yielded improved outcomes for all parties involved. In other cases, unions raised concerns about the challenges in establishing unions smoothly. ASICS fostered internal dialogue between the factory management and the union in all instances, proactively addressing and resolving emerging issues.

## Remediation

If it becomes evident that ASICS has contributed to or been involved in any type of modern slavery, we take steps to address the issue through relevant protocols. Specifically, in addressing issues with our factories, ASICS employs a dual strategy of targeted remediation and proactive, long-term measures. When problems arise, ASICS collaborates closely with factories to swiftly implement corrective actions, tailoring plans to address specific concerns like labor practices, workplace safety, or environmental sustainability. This dual approach aims to instill sustainable positive changes in the supply chain by addressing immediate concerns and promoting the development of resilient management systems for long-term ethical and responsible practices.

For example, during our monitoring process in 2023, we discovered dispatched worker contract issues in two Vietnamese factories. Because this was an issue that could potentially lead to forced labor, we worked with Better Work Vietnam to encourage improvements, such as switching to appropriate employment contracts.

## ASICS' monitoring efforts

Regular monitoring of our performance is essential to gauge our progress in combating modern slavery in our own operations and supply chain. To monitor our efforts described throughout the statement, we utilize specific key performance indicators:

- Supplier Code of Conduct documents
- Annual supplier audits
- Workers trained on our policies (with a focus on modern slavery prevention)
- Reported incidents of modern slavery

### Supplier Code of Conduct

To ensure that ASICS' suppliers operate their business fulfilling ASICS' minimum requirements on protecting the environment, safeguarding human rights, and maintaining a sound workplace, we incorporated ASICS' [Supplier Code of Conduct](#) into contract manufacturing agreements and require suppliers to sign it. In 2023, all suppliers have signed our Supplier Code of Conduct.

### Supplier auditing

To ensure that our Tier 1 and Tier 2 suppliers maintain their commitment to respect human rights, we monitor their compliance with our policies on an ongoing basis. New suppliers undergo an initial audit to establish a baseline level of compliance with ASICS' CSR standards. Periodically, we conduct audits on our suppliers to ensure continuous compliance and foster a culture of improvement. The results of our audits are disclosed in our Integrated Report, Sustainability Report, and on our website. For example, in 2023, we conducted a total of 71 audits compared to 36 in 2022. These audits include third-party assessments according to SMETA standards (55 audits), ASICS internal audits (6 audits), and partner audits by Better Work (10 audits). In addition, ASICS is a signatory of SLCP (Social & Labor Convergence Program), aiming to eliminate audit fatigue and enhance transparency throughout the apparel and footwear supply chain by providing high-quality comparable data sets on working conditions applicable to all industry stakeholders.

Year	Internal ASICS Audit	Commissioned Audits	Partner Audits	Total
2023	6	55	10	71
2022	7	18	11	36
2021	1	21	12	34
2020	16	19	17	52
2019	31	57	29	117
2018	23	46	24	93

Instances of non-compliance with ASICS standards are categorized based on urgency, with sanctions ranging from business relationship termination to third-party investigations or formal warnings. Zero-tolerance is upheld for violations such as child labor, the use of force, or involuntary labor.

### Workers trained on the ASICS policies

In 2023, our supplier workforce underwent specialized training, emphasizing policy adherence with a focus on preventing modern slavery. Partnering with Better Work Vietnam, we hosted a CSR seminar attended by 54 participants from 20 factories, highlighting the combating of forced labor. We are dedicated to continuing these training initiatives in the years ahead.

### Reported incidents of modern slavery

To support preventing modern slavery in ASICS' business activities, we monitor all reported incidents through existing grievance channels. In 2023, there was an increase in reported cases. Four incidents related to Freedom of Association, and one related to employment were reported through labor unions, whereas there were none in 2022. In addition, cases of harassment and excessive overtime in Japan were reported through ASICS' internal grievance channels. While an increase in reported cases is always a matter of concern, it also underscores the improved effectiveness of ASICS' grievance channels, helping us to identify, address, and prevent actual and potential risks of modern slavery. We continuously work on improving our grievance and remediation processes, as elaborated under the *grievance* headings.

## Stepping into the future

In 2023, ASICS' efforts in its supply chain were recognized in KnowTheChain's global benchmark for the apparel and footwear sector. ASICS scored 40 out of 100 points (industry average: 21) resulting in an improved ranking from 16th in 2021 to 12th in 2023. Despite the improvements, we acknowledge existing limitations concerning the collection of supplier data, our grievance mechanism, and worker engagement.

Below, we highlight two initiatives included in our new management system established in 2023, which will be further implemented in 2024. This system will enable us to identify, mitigate, remediate, and proactively prevent actual and potential risks associated with modern slavery in ASICS' own operations and its supply chain more effectively.

### Enhanced traceability and transparency

In 2023, ASICS initiated a partnership with a third party to digitalize our traceability system, aiming to enhance visibility and transparency throughout our supply chain - from the point of origin to the end consumer. The system facilitates supply chain mapping, direct supplier data collection, indirect supplier risk assessment (utilizing third-party datasets), and due diligence of ASICS' indirect suppliers through direct suppliers. Leveraging artificial intelligence and blockchain technology, we can efficiently compare third-party audit results against ASICS risk indices, enabling a higher volume of reports from our suppliers - particularly those aligned with industry-recognized multi-stakeholder initiatives and standards. This not only streamlines the assessment and data collection process but

also allows us to reallocate the audit budget toward more targeted, risk-specific monitoring areas, including forced labor and migrant worker recruitment. This approach allows us to concentrate our efforts on risk-based remediation strategies and provide tailored support to our suppliers, ensuring a more resilient and robust supply chain. In 2023, we started identifying Tier 1 and Tier 2 suppliers and initiated the new auditing procedure for priority material suppliers, such as cotton and recycled polyester. Looking ahead to 2024, we plan to gradually expand the scope to additional target materials and products.

**Integration of our grievance channels**

In pursuit of deeper insights into worker engagement and grievance mechanisms, ASICS is currently conducting a supplier survey indicating that a minimum of 37% of ASICS footwear factories have implemented a third-party grievance program. In 2024, we will take steps towards a grievance mechanism that covers ASICS’ entire value chain. In pursuit of this goal, ASICS has joined forces with a trusted third-party solutions provider equipped with an innovative mobile app that facilitates direct and independent communication with workers. The mobile app enables us to strengthen the supplier-owned grievance mechanism, promoting worker-driven due diligence, and fostering a culture of openness and responsiveness. While some of ASICS’ factories have implemented the new app, we are currently exploring more factories to participate.

**Current and future collaboration**

ASICS actively partners with a diverse array of NGOs and industry stakeholders, including the International Labor Organization (ILO), Better Work Programme, Sustainable Apparel Coalition (SAC), Unions (for example, IndustriALL, UA Zensen), The World Federation of the Sporting Goods Industry (WFSGI), SLCP (Social & Labor Convergence Program), and the Japan Platform for Migrant Workers towards a Responsible and Inclusive Society (JP-MIRAI). Demonstrating our goal to advance industry practices, we engage in collaborative initiatives with the American Apparel & Footwear Association (AAFA), actively participating in key working groups such as the Social Responsibility Committee, Environmental Committee, Forced Labor Working Group, Tier 2 Working Group, Product Safety Council, Brand Protection, and Trade Policy Committees. This collective effort fosters supply chain due diligence and enhances industry practices.

By fostering this collaborative approach, ASICS strives to tap into collective expertise to gain a comprehensive understanding of legislative requirements and their practical applications affecting the industry. By working closely with other stakeholders, we collaboratively design programs and efforts tailored to meet the dynamic demands of the market, with a specific emphasis on supply chain risk management. ASICS recognizes the value of collaboration to stay informed, share insights, and collectively address challenges. This collaborative spirit not only strengthens our supply chain practices but also contributes to the broader advancement and sustainability of the apparel and footwear industry.

This statement was approved by the ASICS Board of Directors on March 13, 2024

Signed,



Yasuhito Hirota  
Chairman and CEO, Representative Director  
ASICS Corporation