

Asics Corp.

TICKER
 TKS:7936

MARKET CAPITALIZATION
 US\$3 billion

HEADQUARTERS
 Japan

DISCLOSURES
UK Modern Slavery Act: Yes

California Transparency in Supply Chains Act: Yes

TARGETS

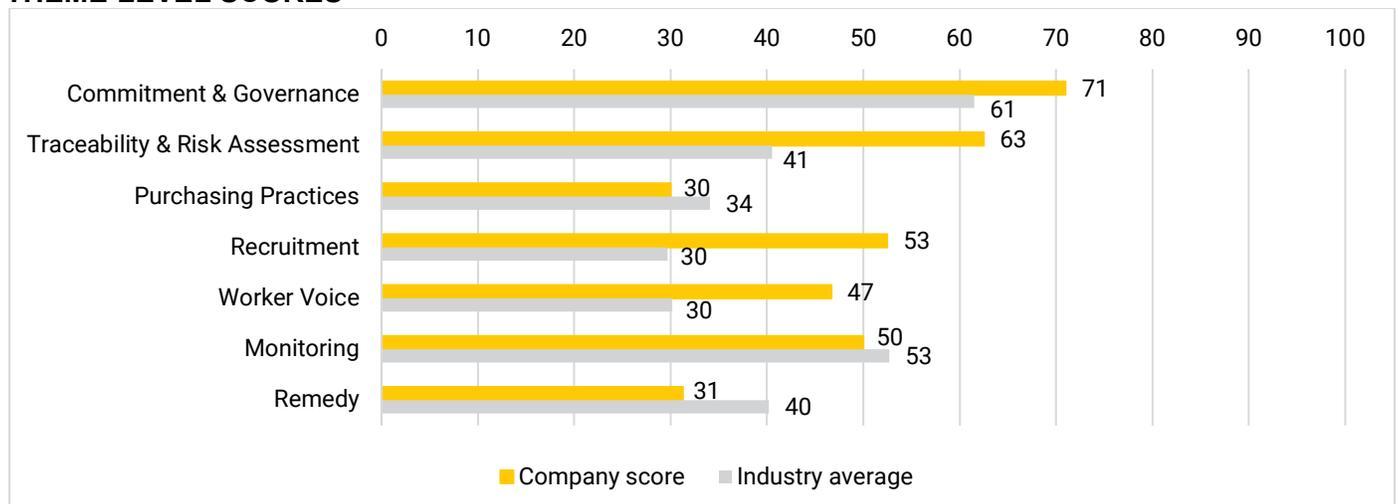
None

OVERALL RANKING
16 out of 37

(2018 Rank: 22 out of 43)

OVERALL SCORE
49 out of 100
SUMMARY

Asics Corp. (Asics), one of the largest global sports brands,¹ ranks 16th out of 37 companies, disclosing more information on its forced labor policies and practices than its peers. Compared to 2018, Asics improved its score by eight points. It began disclosing working with stakeholders to address issues relating to migrant workers in high-risk countries, setting up a grievance mechanism, strengthening its policies for migrant workers, data points on its suppliers' workforce, and including a limited number of second-tier suppliers on its supplier list. It scores higher than average on the themes of Commitment & Governance, Traceability & Risk Assessment, Recruitment, and Worker Voice and lower than average on the remaining themes. Asics previously disclosed a statement on alleged Uyghur forced labor but this is no longer available, and it does not disclose the steps it has taken to address the risks of alleged Uyghur forced labor across its supply chain tiers. KnowTheChain identified one additional allegation of indicators of forced labor in its supply chains. Asics discloses working with other brands to ensure that recruitment fees were repaid to workers. However, it neither discloses engagement with affected stakeholders nor evidence that the remedy is satisfactory to the victims. Asics has an opportunity to improve on the themes of Purchasing Practices, Worker Voice, and Remedy.

THEME-LEVEL SCORES


KEY DATA POINTS
SUPPLIER LIST

Yes

IMPROVEMENTS OF FREEDOM OF ASSOCIATION

No

HIGH-RISK RAW MATERIALS²

Cotton, natural rubber, and wool

DATA ON PURCHASING PRACTICES

No

REMEDY FOR SUPPLY CHAIN WORKERS

Yes (Limited)

HIGH-RISK SOURCING COUNTRIES

Brazil, China, India, and others

LEADING PRACTICES

None.

NOTABLE FINDINGS

Traceability and Supply Chain Transparency: Asics discloses a supplier list that includes the country, facility name and address, parent company name, product type, number of workers within ranges, percentage of migrant workers, and gender ratio per facility. The list includes a date and is available in Excel format. It also includes a limited number of second-tier suppliers on its supplier list.

Recruitment: Asics incorporates the [Employer Pays Principle](#) into its supplier code of conduct. Further, it discloses an example of recruitment fee repayment to supply chain workers. The company reports that it has been working to understand the issues around responsible recruitment of foreign workers in its supply chains and how these can be addressed.

Grievance Mechanism: In addition to its publicly available grievance mechanism that its suppliers' workers and other stakeholders may use, the company discloses that it has introduced a grievance mechanism for migrant workers in Thailand and Japan, in collaboration with a Japan-based NGO, to address specific issues faced by migrant workers producing for the Olympics. Asics reports that it received two reports from migrant workers via this mechanism in 2020 relating to harassment and overtime work.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: While Asics states that it approaches both parties in cost negotiations "clearly and fairly," it is encouraged to disclose details of responsible purchasing practices that decrease the risk of forced labor, such as improving planning and forecasting and prompt payment or providing incentives (e.g., price premiums or increased orders) to suppliers to encourage or reward good labor practices. It is also encouraged to disclose quantitative data points on its responsible purchasing practices.

Worker Voice: Asics may consider disclosing evidence of the positive impact of worker engagement in its supply chains. Where there are regulatory constraints on freedom of association, it may consider advancing workplace environments in which workers in its supply chains are able to pursue alternative forms of organizing. Further, it is encouraged to disclose examples covering different supply chain contexts of how it improved freedom of association and/or collective bargaining for its suppliers' workers.

Remedy: Asics may consider establishing a process to ensure that remedy is provided to workers in its supply chains in cases of forced labor and disclosing details on this process, such as responsible parties, approval procedures, timeframes, and, crucially, engagement with affected stakeholders. While Asics discloses a remedy outcome in response to an allegation, it is encouraged to disclose additional examples

of remedy that include engaging with affected rightsholders and ensuring that remedies are satisfactory to the victims.

ENGAGED WITH KNOWTHECHAIN³

Yes ([Provided Additional Disclosure](#)).

¹ MBA Skool (last updated 20 January 2021), "[Top 10 Sports Brands in the World 2020](#)."

² For further details on high-risk raw materials and sourcing countries, see [KnowTheChain's 2021 Apparel and Footwear Benchmark Report](#).

³ Research conducted through November 2020 or through February 2021, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the [Business & Human Rights Resource Centre website](#).