

Asics Corp. (Asics)

TICKER
TKS:7936

MARKET CAPITALISATION
US\$3.62 billion

HEADQUARTERS
Japan

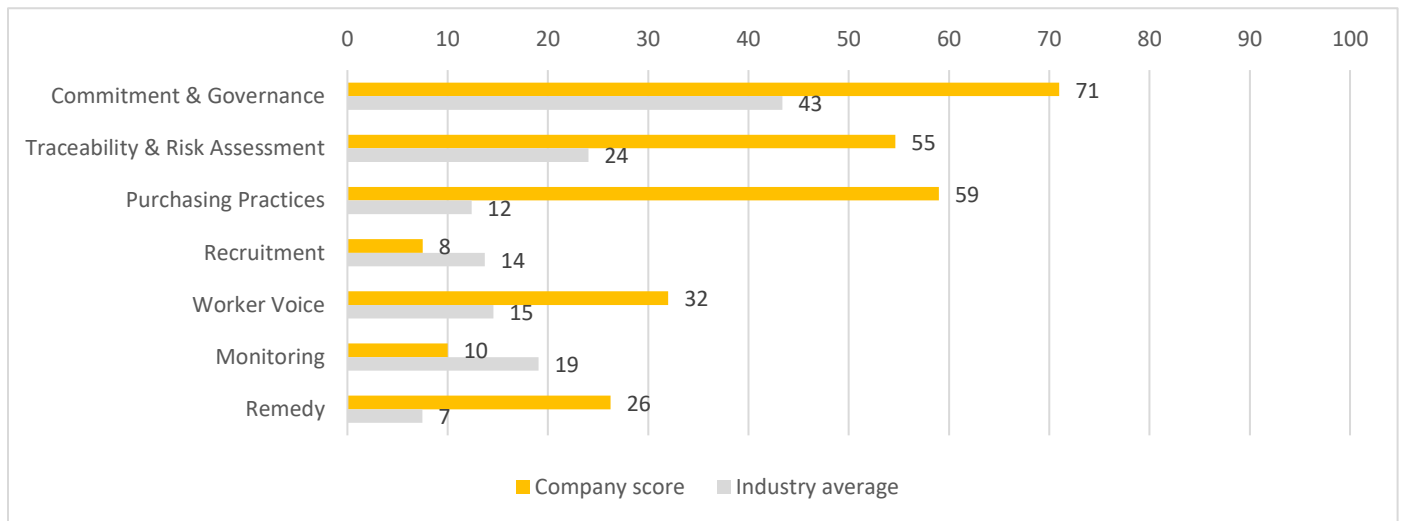
DISCLOSURES
UK Modern Slavery Act: [Yes](#)
California Transparency in Supply Chains Act: [Yes](#)
Australia Modern Slavery Act: [Yes](#)
OVERALL RANKING

12 out of 65

[2021 Rank:](#) 16 out of 37

OVERALL SCORE

40 out of 100

THEME-LEVEL SCORES

KEY DATA POINTS
FIRST-TIER SUPPLIER LIST

Yes

RISK ASSESSMENT

Yes

DATA ON PURCHASING PRACTICES

Yes

ENGAGED WITH KNOWTHECHAIN²

Yes

NO-FEE POLICY

Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS

Yes

HIGH-RISK RAW MATERIALS¹

Cotton, leather, rubber

SUMMARY

Asics Corp. (Asics), one of the ten biggest sportswear brands in the world,³ ranks 12th out of 65 companies. Compared to 2021, the company improved its rank by 4 places. This is because the company began disclosing board oversight of its supplier code of conduct prohibiting forced labour, information on purchasing practices including forecasting times and production capacity, wage calculation and payment terms, stronger detail on its human rights risk assessment, and newly disclosed remedy outcomes for suppliers' workers. Notably, the company has the joint highest score on the theme of Purchasing Practices and is the second-highest scoring Japanese company in the benchmark. KnowTheChain identified one allegation in the company's supply chains, related to alleged Uyghur forced labour. The company denies the links to the suppliers in question and states it has confirmed with its supplier where the cotton used in its products was sourced. However, the company does not disclose the steps it has taken to address the risks of alleged Uyghur forced labor across raw materials and supply chain tiers. The company has an opportunity to improve its performance and disclosure on the themes of Recruitment, Worker Voice, and Monitoring.

LEADING PRACTICES

Traceability & Supply Chain Transparency: Asics discloses a global factory list which includes its first-tier suppliers and second-tier suppliers representing 71% of tier 2 business volume. The list includes facility names and addresses, product type, and the percentage of women and migrant workers.

Purchasing Practices: The company is one of only 3% of benchmarked companies to disclose two quantitative data points on its purchasing practices, including its payment terms and its forecast times, with are three months before the first production month in each season.

OPPORTUNITIES FOR IMPROVEMENT

Recruitment: While the company discloses a policy that incorporate the Employer Pays Principle, stating that employers must be responsible for the costs of recruitment, the company is encouraged to disclose how it ensures the implementation of this through the prevention of fees in its supply chains, such as through: mapping of migration corridors and labour agencies used by suppliers, specialised monitoring for fees, and evidence of supplier payment of fees to labour agencies directly. It may also consider steps to ensure that such fees are reimbursed to the workers and/or to provide evidence of payment of recruitment-related fees by suppliers.

Worker Voice: Though the company has a collaboration with local union UA Zensen, the company 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, such as migrant workers. The company is also encouraged to disclose the percentage of suppliers' workers covered by collective bargaining agreements. To guarantee protections for supply chain workers on freedom of association and collective bargaining, the company may consider entering into a global framework agreement or enforceable supply chain labour rights agreements with trade unions or worker organisations. Further, the company may consider disclosing data about the practical operation of its grievance mechanisms, such as the number of grievances filed, addressed, and resolved for supply chain workers and/or their representatives.

Monitoring: While the company discloses monitoring first-tier and major second-tier suppliers against its supply chain standards addressing forced labour, the company is encouraged to disclose information on the results of its monitoring efforts, such as a breakdown of findings, to assure stakeholders that the company has strong monitoring processes in place.

¹ For further details on high-risk raw materials and sourcing countries, see KnowTheChain's 2023 apparel & footwear benchmark [findings report](#).

² Research conducted through June 2023 or through September 2023, 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](#).

³ All Top Everything (2023), "[Top 10 Biggest Sportswear Brands in the World](#)." Accessed 28 November 2023.