

KnowTheChain 2023 Apparel & Footwear Benchmark

Additional Disclosure

Company Name: ASICS Corporation

Date: September 21, 2023

Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.
- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note **KnowTheChain has already undertaken a review of your website**. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.

INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

1.1 has a supplier code of conduct that requires suppliers to respect the ILO core labour standards, which include the elimination of forced labour; and requires suppliers to cascade/implement standards that are in line with the company's supplier code of conduct; and

1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.

INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g. bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

ASICS' President, CEO and COO, Yasuhito Hirota is the Representative Director on the board of directors who chairs the Risk Committee and Sustainability Committee (Figure 1), which oversees the implementation of our [Policy of Engagement](#) (supplier Code of Conduct). Figures 2 and 3 illustrate how ASICS gives employees a financial incentive to deliver on social outcomes by including sustainability targets in bonus-determining performance evaluations.



Figure 1: [Sustainability Report 2022 \(pg. 9\)](#)

(2) Efforts on Sustainability [Supplementary Principle 3-1-3]

The Company’s spirit towards sustainability is summarized in the phrase “Sound Mind, Sound Body.” To continue to realize this into the future, it will be necessary to resolve both social issues and environmental issues simultaneously. “Sustainability” is one of the Company’s strategic targets. This means that “Sustainability” is not a theme of just one department, but it is a theme that our business in its entirety, and each and every employee working in the Company should make effort as his/her own issues. In order to encompass such “Sustainability” further deeply in our business, the Company is promoting the Company-wide efforts such as by holding a semi-annual meeting of the Sustainability Committee chaired by President, and by including “Sustainability” in individual targets in employee performance evaluation.

Figure 2: [Corporate Governance Report \(pg. 3\)](#)

(ii) Performance-linked bonus (for a single fiscal year)

It is a monetary compensation paid annually at a certain time as a general rule to provide with incentives to improve corporate value, which is calculated in accordance with each individual’s quantitative and qualitative evaluation.

The quantitative evaluation takes into account each individual’s performance index (operating income ratio and net sales), and the qualitative evaluation takes into account the rate of achieving the targets set for each individual.

If the level of achieving quantitative targets is below the level set by the Board of Directors, the performance-linked bonus is not paid.

Figure 3: [Corporate Governance Report \(pg. 27\)](#)

2.2 discloses how it trains relevant decision-makers within the company on risks and policies that address forced labour; and

ASICS’ training approach is comprehensive (Figure 4). Training related to human rights includes staff at all levels, including procurement teams and production teams of all divisions and categories (Figure 5).

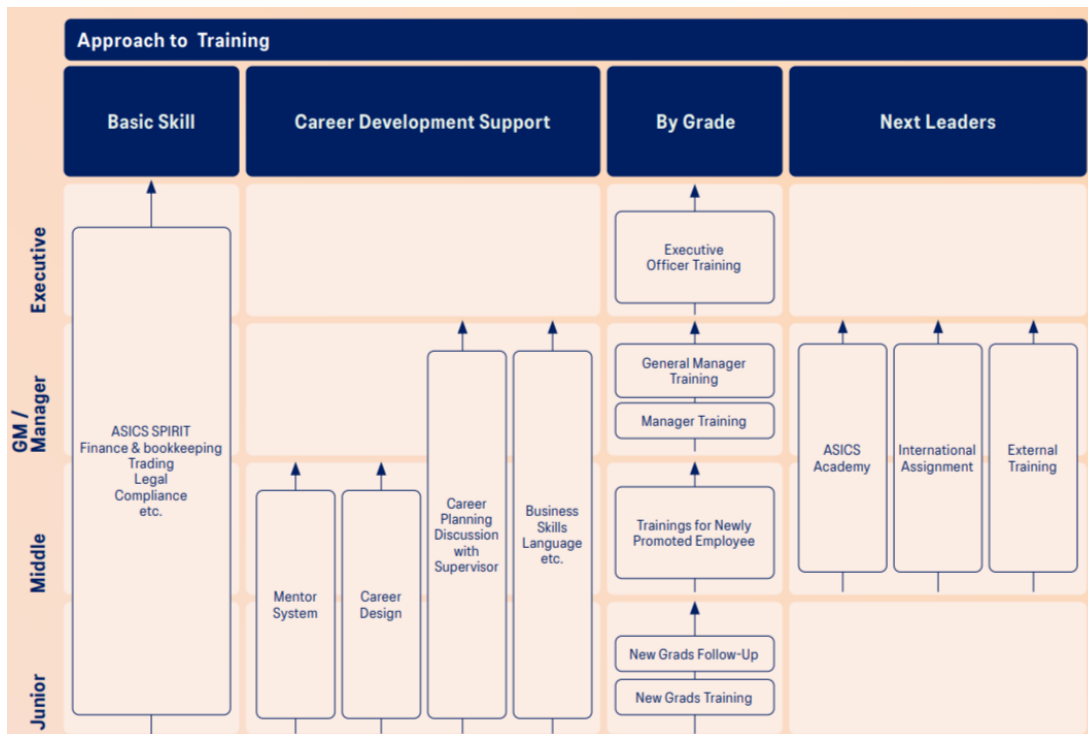


Figure 4: Sustainability Report 2022 (pg. 30)

Our Training and Awareness

Training and awareness are essential to upholding safe and ethical workplace conditions and to prevent human rights violations including modern slavery in our operations and supply chain. We provide training and awareness programs to our employees and suppliers to help them understand and identify modern slavery risks. These programs cover issues such as forced labor, debt bondage, human trafficking, and child labor, as well as our policies and procedures for addressing these risks.

In 2022, training was conducted for all levels of the ASICS Group, including human rights training for new employees, and divisions involved in procurement and production, and directors. In addition, debriefing sessions are held twice a year with each of the procurement and production departments of Footwear, Apparel & Equipment, and Onitsuka Tiger to share information and discuss human rights related risk trends and responsible purchasing.

Figure 5: Modern Slavery Statement (pg. 5)

2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

In 2022, ASICS established the Human Rights Committee (HRC) to ensure everyone in our supply chain has safe and ethical working conditions, our suppliers meet our standards related to forced and child labor, responsible recruitment, and fair wages.

The HRC reports directly the Risk Management Committee, the Executive Committee, and the Board of Directors (Figure 6); Risk Management Committee is chaired by ASICS President, CEO, and COO. (Figure 1). The HRC meets twice a year to update the board on forced labor and human rights related issues. The HRC is responsible for:

- Providing advice and recommendations on human rights issues to the Risk Management Committee, the Executive Committee, and the Board of Directors.
- Overseeing the implementation of human rights due diligence.
- Evaluating the implementation of human rights related policies or initiatives.



Figure 6: [Sustainability Report 2022 \(pg.23\)](#)

INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY

3.1 the names and addresses of first-tier suppliers;

3.2 the names and locations of below-first-tier suppliers (this does not include raw material suppliers); and

ASICS provided our key Tier 2 suppliers in the [Global Factory List](#). Those eight Tier 2 suppliers disclosed in the factory list supply to ASICS key Tier 1 footwear factories which produce 81% of ASICS total business volume; and they represent 71% of the Tier 2 volume, accounting for 58% of ASICS total business volume.

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.

ASICS has incorporated its global traceability program as part of an overall corporate transformation. By partnering with [TrusTrace](#), a traceability solution provider well known for their work in the apparel and footwear industry, we're able to integrate traceability into our existing supply chain management system. This integration enhances ASICS' traceability capabilities to cover all materials across its entire supply chain more efficiently and effectively. Recently we've seen the growing demand for greater granularity on how brands trace their materials and implement their policies related to human rights and forced labor. For instance, the [UFLPA](#) indicated cotton as the primary material subject to mandatory traceability legislation. Accordingly, ASICS determined the highest volume products and identified the appropriate traceability tiers. The recently published [Traceability Roadmap \(pg. 33-35\)](#) provides insights of our current work on traceability. Follow the embedded links for more information on how [TrusTrace works to prevent forced labor](#), as well as a [news article featuring ASICS' collaboration with TrusTrace](#).

As a sporting company, ~82% of our business is footwear (Figure 7). While we have identified that cotton, polyester, and leather are the three key raw materials with the highest potential risk of forced labor in their respective supply chains, our key sourcing countries are Vietnam and Indonesia; illustrated by the [Global Factory List](#). ASICS' cotton policy was developed not only in response to the naming of cotton as a high-risk material for forced labor by governments worldwide, but also through listening to the demands of our stakeholders (Figure 8). With the support and approval of our board, our policy was implemented and ultimately verified by our traceability system. All three high-risk materials (cotton, polyester, leather) are traced using the same system.

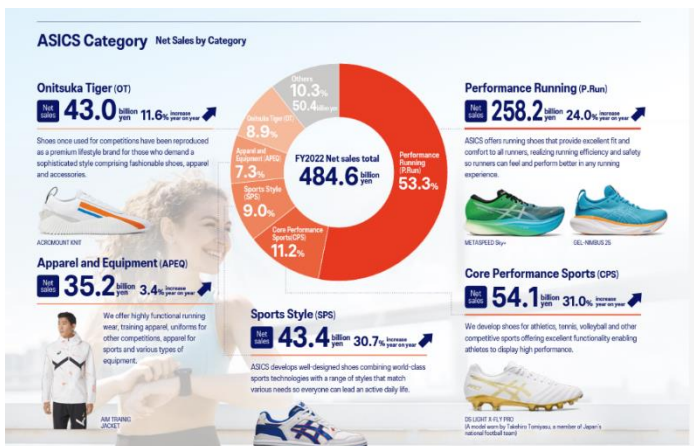


Figure 7: [Integrated Report 2022 \(pg. 10\)](#)

2. ASICS Material Guideline (Use for external party) for Suppliers	
2023 ※No change from 2022	
1.3. Definition of terms	<p>Sustainable Cotton</p> <ul style="list-style-type: none"> • GOTS (Global Organic Textile Standard) certified cotton • Fair trade certified cotton • GRS (Global Recycled Standard) etc certified recycled cotton • Better Cotton (cotton sourced from BC (Better Cotton) certified cotton farmer) • Cotton Made in Africa (CmiA) certified cotton • U.S. Cotton Trust Protocol certified cotton
2.3. Cotton sourcing policy	<p>ASICS recognizes the importance of taking action to resolve social and environmental issues of the cotton industry and drive sourcing certified sustainable cotton.</p> <ul style="list-style-type: none"> • To eliminate forced labor and child labor, and to prevent negative impacts of pesticides on human and environment, ASICS aims to use certified sustainable cotton for 100% of its cotton by 2025. • Not to procure cotton that is suspected of practices of violate human rights such as forced labor or child labor • ASICS will not do any business with partners when there is a fact or suspicious of forced labor or child labor, and it is judged that the situation cannot be improved. • ASICS requires business partners to confirm the supply chain transactions and provide information, and ASICS check evidences if necessary.

Figure 8: Summary of ASICS' Cotton Sourcing Policy

INDICATOR 4: RISK ASSESSMENT

4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, including through engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

ASICS works closely with stakeholders and industry partners on risk assessment and addressing the potential forced labor risks in the supply chain. Details of our engagement with the stakeholders that have enhanced our due diligence and monitoring process are listed in the [Modern Slavery Statement \(pp. 4-5\)](#). ASICS continues its [collaboration and partnership](#) with local union [UA Zensen](#), an affiliate of [IndustriAll](#), as our main partner on human rights due diligence and remediation.

ASICS is not just a brand member of the American Apparel & Footwear Association (AAFA), but an active participant in many of the AAFA [committees and working groups](#) such as the Social Responsibility Committee, Forced Labor Working Group, and the Tier 2 Working Group. To proactively address potential forced labor risks in the supply chain, ASICS regularly engages with the AAFA and other industry partners who have recognized human rights risks and are working together to eliminate these conditions.

4.2 details on forced labour risks identified in different tiers of its supply chains; and

ASICS details its monitoring methodology and due diligence process on both its [website](#) and in its [Modern Slavery Statement \(pg. 4\)](#). As seen in Figure 9 and explained in Figure 10, areas of non-compliance found during audits or assessments helps inform the Tier 1 factory ratings; a higher-rated supplier will often carry less risk of forced labor or human rights issues.

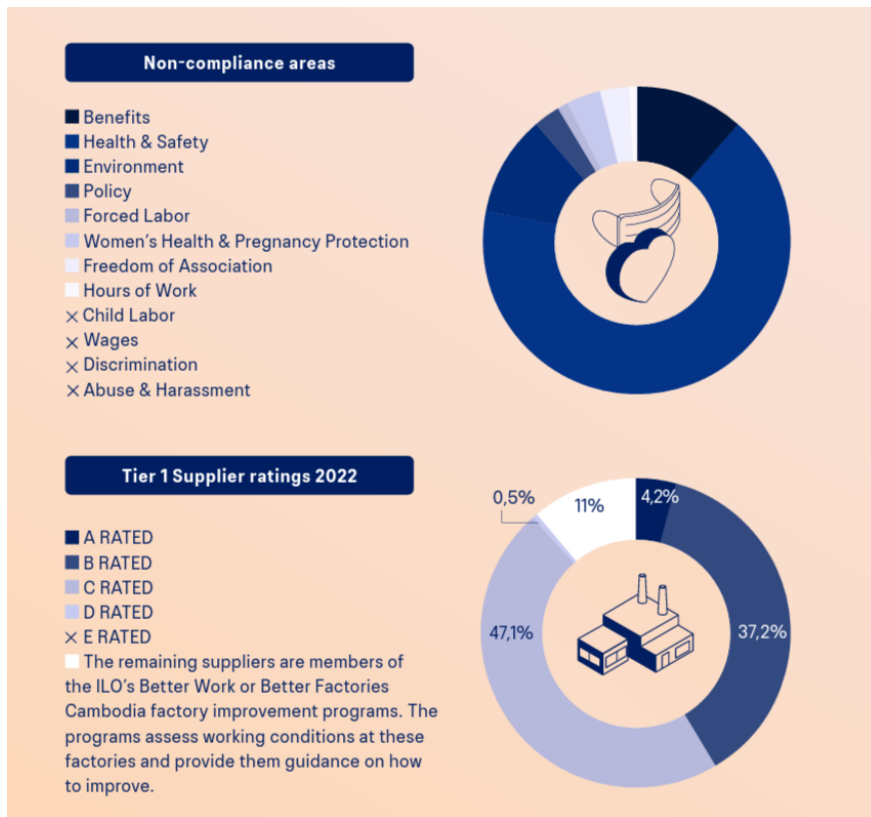


Figure 9: Sustainability Report 2022 (pg. 26)

Addressing non-compliance in the supply chain

We conduct regular assessments to identify non-compliance. When non-compliance issues are identified, we categorize them as either major or minor based on their severity and level of risk to workers. We take appropriate action, which may include reviewing future orders, conducting third-party investigations or issuing formal warnings. If the violation is serious or persistent, we may terminate the business relationship.

In the case of minor non-compliance issues, we start with a remediation period of three months, during which we expect suppliers to take corrective measures. We offer support, including training and resources, to help them in this process. As of the end of 2022, 68% of non-compliance was related to health and safety, according to each factory's latest evaluation results.

Figure 10: Sustainability Report 2022 (pg. 26)

4.3 how it has consulted with relevant stakeholders (such as civil society, unions, and workers or their representatives) in steps taken to address the risks identified.

ASICS works closely with the unions and worker representatives on addressing supply chain risks includes forced labor, freedom of association, responsible recruitment, and other human right issues ([Modern Slavery Statement pg. 4-5](#)). Please find the summaries of two different cases (Case #1 and Case #2) that were reported during the KTC Benchmarking period. These examples highlight how ASICS, through direct engagement with partner [UA Zensen](#), actively works to address and remediate forced labor risks in its supply chain.

Case #1: (From Internal Report)

1. Earlier this year, ASICS received a letter of complaint from a factory union (SPN) through a trade union (UA Zensen) regarding the layoff of a union officer at a footwear factory in Indonesia; the firing of trade union officers can be a way of restricting and discouraging worker participation in unions.
2. Through UA Zensen, the workers let ASICS know that they would protest if appropriate action wasn't taken. Upon learning this information, ASICS worked directly with the factory and performed a fact-check around the case and reiterated that FOA was not being restricted.
3. Details that were disclosed during the factcheck shows that the worker was:
 - a. Not fired, but rather his fixed-term contract was not renewed;
 - b. Had been given prior warnings for his poor work performance;
 - c. Not known by the factory to be a union officer because he was not indeed a full-time union official.
4. ASICS then communicated the findings to UA Zensen.
5. ASICS obtained the agreement from the factory to reinstate the worker.
6. ASICS, factory management, and the union have continued to work together to communicate about this case to ensure monitoring and necessary training was implemented to improve worker-management communication.

Case #2 (From Internal Report)

1. In November 2022, an ASICS supplier in Indonesia and their union (SPN) agreed to change the working days from 6 days a week to 5 days a week due to reduced business; stemming from the post-COVID macroeconomic environment.
2. In December, the factory and SPN discussed a CBA for workforce reduction.
3. In early January, the factory and SPN signed a CBA for a workforce reduction plan with a scale of up to ~1600 workers. Both sides agreed on voluntary resignation.
4. In February, the factory submitted the voluntary resignation implementation report to the labor authority. The factory then carried out the voluntary resignation plan and reported it to the labor authority.
5. Later in the month, ASICS receives a letter from SPN through UA Zensen; union reported that there was a dispute of 135 workers who did not agree to terms of voluntary resignation. The letter asks ASICS to intervene.
6. ASICS immediately contacts factory management team to investigate/fact-check the situation. Throughout this time, we kept close communication with SPN and the factory for data validation.

7. Upon completion of investigation, it was confirmed that the factory did not act alone and did indeed have an agreement with the union on their voluntary resignation program. However, 135 workers refused to resign.
8. Multiple meetings were held between ASICS, UA Zensen, SPN, and the factory regarding the situation and desires of the 135 workers; ASICS facilitating the discussion. The demands from the workers were as follows:
 - a. Priority hiring for resigned workers of this program;
 - b. Reinstatement for workers who refused resignation;
 - c. Monetary compensation from the factory for workers who voluntarily resigned.
9. As a result of the extensive engagement between UA Zensen, ASICS, SPN, and the factory, an agreement was reached regarding the 135 workers. Both parties (factory and SPN) agreed on the CBA and the 135 workers voluntarily resigned; the case has been settled.

Additionally, [ASICS partnered with the Better Work Vietnam](#) advisory assessors to help factories understand the findings and how to remedy the issues with little impact to workers and to their business. The remediation is still ongoing however, the factory is making significant progress.

INDICATOR 5: DATA ON SUPPLY CHAIN RISKS

- 5.1 the percentage or number of supply chain workers who are women;
- 5.2 the percentage or number of supply chain workers who are migrant workers' and
- 5.3 the percentage or number of supply chain workers that are being paid a living wage.

INDICATOR 6: PURCHASING PRACTICES

6.1 commits to responsible buying practices in its contracts with suppliers;

When it comes to [responsible purchasing practices](#), ASICS understands how its decisions can impact various levels of our supply chain, including the suppliers, the workers, and the environment. Therefore, ASICS has incorporated these practices as how it conducts business with the suppliers:

- maintains high visibility on planning business for suppliers to prepare and act;
- provides sufficient lead time for suppliers to complete production;
- incentivizes tier 1 suppliers to encourage good labor and environmental practices by increasing orders and maintaining stable long-term business partnership; most of our suppliers having been with us for an average of 15 years or more;
- and we are conscious about the cost of development and therefore we bear the material costs, and we review the cost of labor quarterly and reflect that in the costing of product.

ASICS understands supplier pressures related to labor force, inflation, market demands, and the rapid growth of the regulatory requirements; and ASICS shares these responsibilities through these practices, but not limited to them, and consistently plays our part in improving social and environmental sustainability in the supply chain.

6.2 describes how it has adopted responsible purchasing practices in the first tier of its supply chains, which includes planning and forecasting, and how it ring-fences labour costs; and

6.3 discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labour.

Frequent communication with our suppliers is vital to ensuring our [responsible purchasing practices](#) are carried out (Figure 11). ASICS' sourcing team conducts on-going business planning and forecasting with each supplier to ensure proper labor distribution at the production site.

1. On average, the sourcing team gives PO estimates to suppliers **3 months prior** to the first production month of each season. As a result, the discrepancy between actual purchase orders and forecasted orders is usually small, if any.
2. Labor costs related to production are calculated based on the **quarterly average wage** provided by each supplier; any increase in labor costs is reflected in production costs.

Examples of our responses for each item are as follows:

Planning and Forecasting

ASICS sourcing team conducts on-going business planning and forecast updates with each supplier continuously to review granular forecast to each supplier is usually 3 months prior the first production month in each season, then 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 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. And leftover materials generated during production are passed on to the next production, and ASICS also deals with purchases.

Payment and Terms

ASICS endeavors to pay in accordance with the terms agreed in the manufacturing contract.

Figure 11: [Responsible Sourcing](#)

INDICATOR 7: RECRUITMENT-RELATED FEES

7.1 requires that no worker in its supply chains should pay for a job—the costs of recruitment-related fees should be borne not by the worker but by the employer ("Employer Pays Principle");

The implementation of Employer Pays Principle as part of ASICS's Responsible Recruitment policy has been integrated into our manufacturing agreement with the suppliers, our [Policy of Engagement](#) with the suppliers, and in our [responsible recruitment webpage](#).

We implement this policy through our rigorous ongoing monitoring program. If a case is reported through worker grievance mechanism, whistle-blower channel, union, or audit:

- a full investigation will immediately take place by a qualified 3rd party monitor who specializes in migrant workers, to confirm the findings, establish direct connection with the worker;
- the recruitment fees must be returned to the workers timely, and this process must be witnessed by the 3rd party monitor and/or ASICS' representative from the sustainability department and with our sourcing team;
- ASICS' sustainability team and the 3rd party monitor will maintain direct contact with the affected worker to ensure money is received and that his/her job is maintained without any form of retaliation.

7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and

While we have not found a case where a worker was charged with recruitment fees during this KTC benchmarking research period, we did however identify a case in Vietnam that had the potential to satisfy forced labor indicators if not addressed in a timely manner. Details of the case is provided are provided [here](#).

ASICS's monitoring process detailed in our [Modern Slavery Statement \(pg. 4\)](#) explains the process of pre-sourcing assessment to determine whether there are any modern slavery risks and other priority human rights related risks prior to establishing a business relationship any new factory. For existing factories, our ongoing supplier training in partnership with Better Work in Vietnam, Indonesia, and Cambodia ensures our suppliers and workers are fully aware and understand the requirements and consequences. Preventing forced labor is a shared responsibility. Monitoring alone isn't the answer, therefore training for factories and workers to help increase their awareness is equally important.

7.3 In the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.

While we have not found a case where a worker was charged with recruitment fees during this KTC benchmarking research period, we did however identify a case in Vietnam that had the potential to satisfy forced labor indicators if not addressed in a timely manner. Details of the case are provided [here](#).

If a case is found, a full investigation will immediately take place by a 3rd party monitor. In accordance to the policy, the recruitment fees must be returned to the workers, and this process must be under the witness of either a 3rd party monitor and/or ASICS' representative from sustainability department and with our sourcing team. ASICS' sustainability team maintains direct contact with the affected worker to ensure payment is received and that they continue to work in the factory without retaliation.

INDICATOR 8: RESPONSIBLE RECRUITMENT

8.1 discloses information on the recruitment agencies used by its suppliers; and

ASICS conducts regular supply chain surveys. A responsible recruitment questionnaire on whether factories hire workers through recruitment agencies is usually included, and the request to disclose list of agencies is in progress.

8.2 provides details of how it supports responsible recruitment in its supply chains (e.g. by collaborating with relevant stakeholders to engage policy makers to strengthen recruitment standards).

ASICS is not just a brand member of the American Apparel & Footwear Association (AAFA), but an active participant in many of the AAFA [committees and working groups](#) such as the Social Responsibility Committee, Forced Labor Working Group, and the Tier 2 Working Group. To proactively address the potential forced labor risks in the supply chain, ASICS signed the [2023 AAFA Commitment to Responsible Recruitment](#). This revised commitment is the direct result of engagement with the AAFA and other industry partners who recognized the forced labor risks associated with worker recruitment in the supply chain and decided to work together to eliminate these conditions.

ASICS also supports the [Tokyo Declaration 2020 on Responsible Acceptance of Foreign Workers](#) (also known as the ASSC Tokyo Declaration 2020). The Declaration is designed to comply with international treaties, guidelines, norms, standards, such as the Dhaka Principles and the norms and provisions of international organizations such as the IOM and ILO, while considering the various systems for accepting foreign workers in Japan.

INDICATOR 9: FREEDOM OF ASSOCIATION

9.1 works with independent local or global trade unions and/or other legitimate worker representatives to improve freedom of association in its supply chains;

ASICS works closely with unions to improve freedom of association in our supply chain:

- [The Better Work program](#) in key sourcing countries: Vietnam, Indonesia and Cambodia. Through this partnership, Better Work engages “with unions and workers to ensure existing unions participate on committees and that workers have the capacity to represent their fellow workers in advancing their rights and interests, as partners in dialogue with employers.”
- ASICS continues its [collaboration and partnership](#) with local union [UA Zensen](#), an affiliation of [IndustriAll](#), as our main partner on human rights due diligence and remediation. Earlier this year, representatives from [UA Zensen and IndustriALL met at ASICS HQ](#) to discuss current issues around the implementation of human rights due diligence, such as forced labor, FOA, etc. (Figure 13).



Figure 13: [Knowledge Sharing with UA Zensen and IndustriALL at ASICS HQ](#)

9.2 discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labour rights agreement with trade unions or worker organisations.

- ASICS has been a signatory of the [Freedom of Association Protocol \(FOA\)](#) (also called the Indonesia Protocol) since 2011 (Figure 14). As a major sourcing country for ASICS, the standards of the Indonesia Protocol cover a significant portion of ASICS T1 suppliers.

FOA Protocol Indonesia

*On June 6th 2011 a protocol on freedom of association was signed by Indonesian trade unions, Indonesian sportswear employers and multinational sportswear brands including Adidas, Nike, Puma, Pentland, New Balance and **Asics**. This protocol provides these companies with a practical set of guidelines on how to uphold and respect the rights of workers to join together into trade unions and to collectively bargain decent pay and better working conditions.*

The agreement covers such areas of implementation as trade union recognition; non-victimisation of trade union officers

Figure 14: [FOA Protocol Indonesia \(pg. 12\)](#)

9.3 discloses the percentage of supply chains covered by collective bargaining agreements.

INDICATOR 10: GRIEVANCE MECHANISM

10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and

Our [Global Policy on Protected Disclosure](#) is available to all workers across all tiers of our supply chain. This policy outlines the process for reporting a grievance and ensures that workers who file a grievance (substantiated or not) are protected against adverse employment actions including discharge, demotion, suspension, harassment, or any other forms of discrimination.

10.2 discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved; and

10.3 takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism.

INDICATOR 11: MONITORING

11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;

ASICS details its monitoring methodology and due diligence process on both its [website](#) and in its [Modern Slavery Statement \(pg. 4\)](#). As seen in Figure 9 and explained in Figure 10, areas of non-compliance found during audits or assessments helps inform the Tier 1 factory ratings; a higher-rated supplier will often carry less risk of forced labor or human rights issues.

11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and

See Figure 9 & Figure 10.

11.3 the use of worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities).

INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

A(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and

Our [Human Rights Policy](#), [CSR Policy](#), [Global Code of Conduct](#), [Policy of Engagement](#), [Procurement Policy](#), and [Manufacturing Agreements \(internal document\)](#) are written to respect the fundamental human rights of people working in our supply chain, as well as people in countries

and regions affected by our business, and to ensure their physical and mental well-being and safety.

If there are any instances of potential complaints and/or reported violations of policies addressing forced labor or any other human rights issue in our supply chain, our [Global Policy on Protected Disclosure \(Whistleblowing\)](#) outlines the process and procedure for reporting and responding to such issues.

An outline of our policies and due diligence process can be found on page four of the [Modern Slavery Statement](#). As illustrated by the three cases listed in indicator 4.3, ASICS places a great importance on stakeholder engagement. Whether we're engaging with the factory management, trade unions, or worker representatives, dialogue between all parties is vital to understanding the issue, developing an equitable solution, and implementing follow-up actions.

A(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

Please see the three examples listed in Indicator 4.3: Case #1, Case #2, and the Better Work Vietnam case. These examples highlight how ASICS addresses findings through engaging affected stakeholders (worker, union, factory management) throughout the entire process. In turn, the agreed-upon remediation and implemented long-term preventative measures help our sourcing factories build more robust management systems.

In addition, where an allegation is identified in a company's supply chains:

B.1.1 that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s)

B.1.2 outcomes of the remedy process in the case of the allegation(s); and

B.1.3 evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

Where an allegation is identified in the company's supply chains, but is denied by the company:

B.2.1 a description of what actions it would take to prevent and remediate the alleged impacts; and

B.2.2 as part of this process, it would engage with affected stakeholders and their representatives.

Headline:

Sourcing linked to allegations of Uyghur forced labour

Suppliers:

Hirdaramani International, Texhong Textiles

Summary:

Research by Sheffield Hallam University, based on bills of lading, shipping records, and corporate disclosures of five textile companies in China identified routes through which cotton from the Xinjiang region of China, which is allegedly made using Uyghur forced labour, may reach international consumers. It alleges all five companies sourced cotton from the Uyghur region, and some have subsidiaries in the region or that have employed labour transfers. The research identifies 53 intermediary manufacturers that purchase unfinished cotton goods from the five Chinese textile companies and identified brands supplied by those intermediaries. The research alleges that Asics sources from intermediary manufacturer Hirdaramani International, which sources from Texhong Textiles.

Sources: Sheffield Hallam University (2021),

"Laundering cotton: how Xinjiang cotton is obscured in international supply chains,"

ASICS conducts regular and thorough monitoring of our suppliers to ensure compliance with our company standards, which encompass measures to prevent forced labor, child labor, and all human rights abuses within our supply chains.

Regarding the allegations made above, we can confirm that based on our own investigation, and verified by an independent third-party, we do not source products from the regions associated with forced labor, and we are confident that no raw materials from those regions are being utilized in ASICS-branded products. After extensive internal engagement with our sourcing, purchasing, and production teams as well as external engagement with our cotton suppliers, we confirmed that the raw cotton procured from the Hirdaramani Group came from Brazil, India, Spain, and USA. At present, our supplier mapping of cotton does not indicate any association between Hirdaramani and Texhong.

Reporting Legislations

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

Yes/No. Please provide link to a publicly available statement.

Australia Modern Slavery Act: Where applicable, the company discloses at least one statement under the Australia Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

High Risk Sourcing

Please indicate whether your company sources any of the below high-risk raw materials. Note where a company does not provide this information, KnowTheChain will review the company's website as well as third party sources to identify relevant information.

- Bamboo
- Cashmere
- Cotton
- Leather (cattle)
- Rubber (natural)
- Silk
- Viscose
- Wool

Please indicate whether your company sources from any of the below high-risk locations.

- Argentina
- Bangladesh
- Brazil
- China
- Ethiopia
- India
- Malaysia
- Nepal
- North Korea
- Thailand
- Vietnam