



## Policy of Engagement

23-Jun-2014

### Part 1 To the Management and Employees of Business Partners

#### A. Purpose

1. ASICS Corporation, its subsidiaries and its affiliates (hereinafter collectively referred to as "ASICS") require all of ASICS' suppliers (including manufacturers), (sub)contractors, intermediaries, commercial agents, consultants and other service providers (hereinafter collectively referred to as "Business Partners") to operate their business so that they meet the minimum requirements provided herein.
2. The minimum requirements provided herein are based on "ASICS Spirit", "ASICS CSR Policy", "ASICS Global Code of Conduct", which are accessible on ASICS' web site, and are in line with the Fundamental Conventions of the International Labor Organization (ILO) and the Model Code of Conduct of the World Federation of the Sporting Goods Industry (WFSGI).
3. The major purposes of this Policy are:
  - (a) To inform Business Partners of these minimum requirements for the protection of the environment, the protection of human rights, the maintenance of a sound workplace including health and safety, the prevention of bribery and corruption, the prevention of the violation of anti-trust and competition laws, and the protection of privacy; and
  - (b) To ensure that Business Partners comply with such minimum requirements at all of their facilities.
4. This Policy is one of the core documents regarding corporate responsibility in ASICS and establishes a part of the criteria for selecting and retaining Business Partners. Business Partners should maintain all relevant documents necessary to demonstrate their compliance with this Policy, and submit these documents to ASICS upon ASICS' request, respecting applicable laws. Further, ASICS shall have the right to conduct audits or shall have the right to have ASICS' designated independent monitor conduct such audits, regardless of ASICS' prior notice, to determine if Business Partners comply with this Policy.

#### B. Standards (minimum requirements)

ASICS requires Business Partners to operate their business at least in accordance with the following standards:

##### 1. General Principle

Business Partners shall fully comply with all laws, regulations and administrative instructions (hereinafter collectively referred to as "laws") applicable to their business operations. Furthermore, Business Partners shall operate their business observing the requirements for approval of the establishment of their facilities as well as the safety requirements at their facilities.

## **2. Environmental Standards**

Business Partners shall comply with all the environmental laws applicable to their business operations. Further, Business Partners shall operate their business with consideration on the environment and safety matters. Business Partners shall implement sustainable procurement, track environmental data, minimize pollution and reduce waste, make efficient use of resources and energy and reduce the emissions and the usage of hazardous substances.

## **3. Employment Standards**

With regard to the employment of any and all of their employees (hereinafter referred to as "Employees"), Business Partners shall comply with the following Standards:

### **(1) Prohibition of Forced Labor:**

Business Partners shall not use forced labor, whether in the form of prison labor, indentured labor, bonded labor, or otherwise. No Employee can be compelled to work through force, the threat of force or intimidation of any form.

### **(2) Prohibition of Child Labor:**

Business Partners shall not employ any persons who are younger than 15 years old, or who are younger than the age for completing compulsory education in their country of employment where such age is equal to or higher than 15.

### **(3) Prohibition of Harassment and Abuse:**

Business Partners shall acknowledge that their Employees have the right to have a workplace free from physical, sexual, psychological or verbal harassment or abuse and Business Partners shall treat their Employees with respect and dignity.

### **(4) Non-Discrimination:**

Business Partners shall not discriminate against the Employees in their employment conditions, including recruitment, hiring and firing, opportunities for growth, development and promotions, selection of Employees for training, determination of wages and benefits, and disciplinary action on the basis of their creed, nationality, ethnic origin, religion, political opinion, age, gender, sexual orientation, medical condition, physical or mental health or genetic information.

### **(5) Freedom of Association and Collective Bargaining:**

Business Partners shall recognize and respect the Employees' right to organize and join associations by their own choice, and to bargain collectively.

### **(6) Compensation:**

Business Partners shall recognize that the Employees should be fully and fairly compensated for all of their working hours and be provided with a clear and written accounting for every pay period. Business Partners shall pay the Employees at least a) the minimum wage required by the applicable laws or b) the prevailing wage in the industry, whichever higher. In addition to their compensation for regular hours of work, the Employees shall be compensated for overtime work at least at the premium rate required by the applicable laws or, in the countries where such laws do not exist, at a rate of no less than 25% over their normal hourly compensation. Business Partners shall at least provide all the legally required benefits to all of their Employees.

#### **(7)Hours of Work:**

Business Partners shall not ask their Employees to work in excess of sixty (60) hours per week (this number is the sum of regular working hours and overtime working hours) or the maximum working hours stipulated by the applicable laws, whichever shorter. Even when it is allowed to work in excess of sixty (60) hours per week under the applicable laws, the work exceeding sixty (60) hour is permitted only in exceptional cases agreed by ASICS, and only to the limit that is permitted by applicable laws. Business Partners shall grant their Employees:

- a) at least twenty-four (24) consecutive hours off in every seven day period and,
- b) paid annual leaves required by the applicable laws.

#### **(8)Health and Safety:**

Business Partners shall provide a safe and healthy working environment, including, but not limited to adequate lighting, temperature control and air ventilation systems. Business Partners shall provide training to their Employees periodically in order to ensure their Employees can protect themselves against and cope with emergency, and responsibly handle hazardous and noxious substances. Further, Business Partners shall provide personal protective equipment to their Employees free of charge, Business Partners' Employees shall have access at all times to sanitary facilities which are adequate and clean. When Business Partners provide residential facilities (dormitories) to their Employees, the same standards should be applied.

#### **4. Standards for Anti-Bribery and Anti-Corruption**

Business Partners shall comply with all applicable anti-bribery laws and anti-corruption laws, and shall never engage in bribery and corruption. In particular, Business Partners who deal with governments or government officials need to be extremely careful not to give rise to the suspicions that they might engage in bribery or corruption.

As a result, gifts, hospitality, facilitation payments and kickback may be prohibited. Business Partners shall recognize that anti-bribery and anti-corruption laws may be applied internationally.

#### **5. Standards for Anti-Trust and Competition**

Business Partners shall comply with all applicable anti-trust and competition laws. To fully comply with these laws, Business Partners shall recognize that the following activities are strictly prohibited or restricted in most countries and that they are expected to avoid such activities or, at least they are required to consult their legal department or external advisors in advance:

- a) Making contracts or arrangement of price fixing with competitors;
- b) Making contracts or arrangements of market sharing or customer sharing with competitors;
- c) Making contracts or arrangements with competitors not to enter into a business relationship with another business entity;
- d) Setting a price which is lower than costs in order to throw competitions from market; and
- e) Advertising that belittles others' products, etc.

Business Partners shall recognize that anti-trust and competition laws may be applied internationally.

#### **6. Standards for Privacy Protection**

Business Partners shall comply with all applicable laws on privacy protection. Business Partners shall acknowledge that leakage and abuse of private information is harmful to business and society, and that it deprives people of trust and confidence in the company.

## **Part 2 To the Management of Business Partners**

### **A. Publicity**

Business Partners shall exert their best effort to have their Employees understand this Policy by informing the Employees of this Policy orally, or by distributing or displaying a written copy of Part 1 of this Policy, which is translated into the local languages spoken by the Employees, at a conspicuous place in the facilities. In the case where information of this policy is provided orally, the Employees are entitled to receive a written copy of Part 1 of this Policy from Business Partners upon their request.

### **B. Breach of this Policy**

In the event that Business Partners breach any of their obligations stipulated in this Policy, ASICS may, at its discretion,

- a) order such Business Partners to cure the breach immediately; and/or
- b) terminate the contract between ASICS and such Business Partners.

However, if otherwise agreed between ASICS and Business Partners in an individual contract in writing, such agreement prevails.

### **C. Liability and Indemnification**

Business Partners are liable for any and all damages, losses, costs or expenses that ASICS, its employees, its officers and its directors may suffer arising out of or in connection with the breach of this Policy by Business Partners.

Further, Business Partners must indemnify and hold harmless ASICS, its employees, its officers and its directors from and against any and all claims, suits, demands, proceedings, damages, losses, costs or expenses arising out of or in connection with the breach of this Policy by Business Partners.

### **D. Protected Disclosure (Whistleblowing)**

Business Partners, its employees, its officers and its directors, may report to ASICS' Global Whistleblowing Line with respect to any illegal, unacceptable, undesirable conducts, or concealment of such conducts, by ASICS. Business Partners, its employees, its officers and its directors, who reported to ASICS' Global Whistleblowing Line are protected against any disadvantageous treatment by ASICS because of the said report.

The details of ASICS' Global Whistleblowing Line are displayed on ASICS' website

I, as a duly authorized representative, have read, fully understood and accepted all of this Policy (both Part 1 and Part 2), accordingly sign below.

[Company Name]

[Sign]

[Name]

[Title]