



MIZUNO CORPORATION MODERN SLAVERY STATEMENT FY2017

This statement has been published in accordance with the Modern Slavery Act 2015. It describes the measures taken by Mizuno Corporation and its group (hereinafter 'Mizuno') during the fiscal year ending 31 March 2018 to prevent modern slavery and human trafficking in its business and supply chains.

Introduction

For Mizuno, 'good manufacturing' does not simply mean producing high quality, safe and reliable items. We believe that our manufacturing processes should meet international criteria in terms of respect for human rights, labour practices, and environmental conservation. As Mizuno productions involve a variety of partners in Japan and overseas, it is essential to cooperate with these partners in terms of 'good manufacturing'. For this reason, Mizuno examines respect for human rights, the safety of the working environment, and environmental conservation as well as legal compliance with suppliers, and undertakes improvements if there are any problems. We commenced CSR procurement activities in 2004 in order to maintain an appropriate working environment. We recognize that our manufacturing affects people working in factories and communities, and we promote CSR procurement based on trust and cooperation with our suppliers, asking them to improve their management and working environment so that they can provide the benefits of production efficiency and strengthened competitiveness, and have a positive impact on communities.

Our organization's structure, business and supply chains

The Mizuno Group, comprising Mizuno Corporation, its 20 subsidiaries and four affiliated companies, is primarily engaged in the manufacturing and the selling sporting goods. Mizuno Corporation (UK) is one of three branch offices in Europe established by Mizuno Corporation in Osaka, Japan, which is the headquarters.

Mizuno manufactures sporting goods including shoes, apparel and golf clubs that are made by its own factories and more than 400 contract suppliers and factories located in Japan, China, Korea, Taiwan, Indonesia, Vietnam, Thailand, the Philippines, Myanmar and Cambodia, among others.

Mizuno monitors the situation of human rights, labour practices and the environment through the implementation of CSR audits of more than 170 factories, and also expects

them to respect the Mizuno Code of Conduct for Suppliers.

In addition to the relationship with suppliers, in 2011, Mizuno signed the “Global Framework Agreement” with the International Textile, Garment & Leather Workers’ Federation (ITGLWF) (now IndustriALL), UI ZENSEN (now UA ZENSEN) and the Mizuno Workers’ Union in order to improve human rights protection and the working conditions of workers in manufacturing factories. As a result of this agreement, Mizuno respects the signatories as partners and undertakes the proper execution of the core labour standards (freedom of association and protection of the right to organize, abolition of child labour, etc.) provided by the International Labour Organization (ILO).

Our policies in relation to slavery and human trafficking

Mizuno is basing on CSR Basic Philosophy, CSR vision, and ISO26000, guidance on social responsibility to proceed with CSR activities.

Mizuno respects the labour-related international code of conduct, including the Universal Declaration of Human Rights and the ILO core labour standards. We comply with all labour-related laws and regulations, including working hours in each country, remuneration, union options, right to collective bargaining, and working conditions, and we aim to achieve a workplace where each individual’s dignity and fairness are respected. Mizuno determines the CSR code of conduct for suppliers, adding the perspective of ISO 26000, the international guidance on social responsibility, conveys Mizuno’s approach to our suppliers, and requests that they adhere to these principles.

Mizuno has included an article on respecting human rights (10th article) in the Mizuno Corporation Ethical Standards, in which we express the intent to avoid utilising forced labour or child labour. Along with this, we express the prohibition of child labour and forced labour by including an article on human rights in the Mizuno Code of Conduct for Suppliers (2nd article; 1st item).

Mizuno regards slavery and human trafficking as one of the risks inherent in child labour and forced labour, which is why we express the prohibition of child labour and forced labour, and we are aiming to achieve it through CSR procurement.

The due diligence processes in relation to slavery and human trafficking in our business and supply chains

Regarding CSR audits for suppliers with which business is undertaken, based on the Mizuno CSR procurement regulations we implement regular (every three years) monitoring (CSR audits) of compliance with the contents of the Mizuno Code of Conduct for suppliers for about 240 factories, which constitute our main contract manufacturing. Monitoring consists of on-site inspections, document examinations, and interviews with employees, usually with multiple auditors over the course of one day to several days. We use a common monitoring sheet based on ISO 26000 to confirm compliance, classify the audit items into three stages known as Critical, Major and General, and adopt the point addition method in implementing the audit. As some audit items are not applicable owing to the nature of the facilities, we show the percentage of the points earned against the total points for the applicable items. If any problems are found, we consider the appropriate improvement action together with the factory, and then implement a follow-up audit six months later in the case of an evaluation of C or below. In FY2017, we audited 43 factories.

Currently we give the top priority to Tier 1 suppliers of Mizuno that have a direct relationship with us, so we undertake CSR audits of them regarding human rights, labour and the environment, and request them to correct noncompliance if necessary. We will identify Tier 2 & 3 suppliers that have a significant environmental impact and conduct audits of them after establishing the proper scope of audits and standards. However it is difficult to expand this approach to all Tier 2 and 3 suppliers, so we would like to focus on the high-risk processes that may occur regarding the problem of human rights, labour practices, and significant environmental impacts. We are now studying Tier 2 & 3 suppliers in terms of plating for golf heads, dyeing fabric and tanning leather for baseball gloves or shoes.

In FY2017, we visited a metal processing factory in Japan and a fabric dyeing factory in Thailand to ascertain the current state of affairs.

At a fabric dyeing factory in Thailand, we implemented the CSR audit with some additional environmental items on top of our current check list, and we will evaluate the effectiveness of it. We will continue to evaluate the effectiveness of it in the same way at a metal plating factory and tannery

We will not be able to respect Fair Play, Friendship and Fighting Spirit and contribute to the realization of a sustainable society and preservation of the Earth's environment without the cooperation of numerous stakeholders. Mizuno understands that it is crucial to listen sincerely to requests, expectations, comments and evaluations from different stakeholders, to study them and to incorporate them into business activities. .

The parts of our business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps that have been taken to assess and manage this risk

In FY 2017, Mizuno used the World Bank's Worldwide Governance Indicators 2016 ('WGI') as the basic data for comprehensive analysis by country, adding the factory evaluation of the CSR audits undertaken in the past. We used the results of this analysis to evaluate the risk of 214 countries and territories and for information to assist us in making decisions on commencing business with potential OEM factories. We classified the countries and territories into two groups: those to be audited, and those not to be audited. In addition, we quarterly check what kinds of Mizuno products are produced in what country.

Its effectiveness in ensuring that slavery and human trafficking is not taking place in our business or supply chains, measured against such performance indicators as it considers appropriate

We use a common monitoring sheet based on ISO 26000, and classify the audit items into three groups known as Critical, Major and General, and utilize the point addition method in implementing the audit so that we could confirm compliance.

The CSR auditor confirms if there is no child labor or forced labor, which is classified as Critical, by checking the ID cards and other documents and by carrying out worker interviews. We have stipulated that the auditor must inform the CSR section in the Legal Affairs Department of Mizuno headquarters, regardless of the evaluation of any other items, and handle the situation in accordance with the instructions provided by the CSR section if an auditor discovers child labor or forced labor (slavery and human trafficking) during a CSR audit.

The training on slavery and human trafficking available to our staff

We hold explanatory meetings and seminars inside and outside Mizuno as required in each country to ensure our way of thinking regarding CSR procurement are thoroughly understood. Inside Mizuno, we hold explanatory meetings for the production department as well as an employee training program for all members of the company.

We have also established a program for explaining the Mizuno CSR procurement activities in seminars held outside the company. In addition, we visit the countries in which our suppliers and factories are located, and hold seminars for them.

In FY2017, we held the CSR Procurement Seminar for our suppliers in two locations in Japan as a capacity-building activity. 21 participants from 11 companies attended the seminar to deepen their understanding of the global trends of CSR and sustainability, the main nonconformities in past CSR audits and how to bring about the corrections.

At Mizuno Corporation, we believe it is very important for the management team to thoroughly understand the economic, environmental and social impact associated with our business operation, and the relationships with the business as well, and for the current context of CSR to be incorporated into the business decisions and business strategy by top-down decision-making. We therefore invited an expert to be an instructor for a seminar on the current trends of global CSR for the Director and Executive Officers, and 15 people participated. In FY2018, we were able to deepen this knowledge further by holding a second similar seminar in April. We will hold a third one in August

This statement was approved by the Board of Directors of Mizuno Corporation.

Signed

A handwritten signature in black ink, appearing to read 'Akito Mizuno', written in a cursive style.

President

Mizuno Corporation

30 September 2018