



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 2020 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 the manufacturing processes should meet international criteria in terms of respect for human rights, labor practices, and environmental conservation. As Mizuno productions involve a variety of partners in Japan and overseas, it is essential to cooperate with these partners regarding “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 a proper 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 to provide the benefits of production efficiency and strengthened competitiveness, and have a positive impact in communities.

Our organization's structure, business and supply chains

The Mizuno Group, comprising Mizuno Corporation, its 21 subsidiaries and nine affiliated companies, is primarily engaged in the manufacturing and the selling of sporting goods.

Mizuno works with a number of outside organizations in an effort to supply better sporting goods. Sports shoes, sportswear, golf clubs and other goods are manufactured at its own factories and at contracted factories, which are mainly located in China, South Korea, Taiwan, Indonesia, Vietnam, Thailand, the Philippines, Myanmar and Cambodia. Mizuno conducts its CSR procurement activities in compliance with the Mizuno CSR Procurement Code of Conduct. After Mizuno confirms that the factories fully understand the content of these activities, it conducts CSR procurement audits at contracted factories so that Mizuno makes corrective measures if Mizuno identifies any problems related to human rights, occupational safety and health, and the environment. Mizuno monitors the situation of human rights, labour practices and the environment through the implementation of CSR audits of more than 184 key factories, and also expects them to respect the Mizuno Code of Conduct for Suppliers.

In 2011, Mizuno signed the Global Framework Agreement with ITGLWF: International Textile Leather Workers' Union (currently IndustriALL), UI Zensen (now UA Zensen), and Mizuno Union to protect the

human rights of workers at manufacturing factories and to improve their working conditions.

As a result, Mizuno respects the signatories as partners and undertakes the proper execution of core labour standards (freedom of association and protection of the right to organize and abolition of child labour) provided by the International Labour Organization (ILO).

In FY 2019, IndustriALL, UA Zensen, Mizuno Union and Mizuno witnessed the CSR audits conducted by the audit firm with the aim of confirming the status of corrective measures at the factory in Thailand, where problems had been pointed out by human rights NGO in the past.

Our policies in relation to slavery and human trafficking

The Mizuno Group promotes sustainability activities based on the Sustainability Basic Policy and Philosophy, referring ISO 26000 as a guideline on social responsibility.

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 utilizing 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.

Thailand is a region where there are concerns about forced labour and cross-border workers from neighboring countries, and the issue of minimum wages for migrant workers.

In December 2018, Mizuno conducted a special audit on the human rights of Burmese workers at a garment factory near the border of Myanmar in Thailand, based on information provided by NGO.

As a result, we confirmed the living environment and fire prevention measures as problems in the dormitories, labour management as problems in working hour management and cases below the minimum wage. We worked together with this factory to correct these problems.

In June 2019, we witnessed a CSR audit to confirm the status of correction. Representatives from signatories to the Global Framework Agreement, such as IndustriALL, UA Zensen and Mizuno Union, also attended the CSR audit and discussed improvements with factory management. Since FY2018, Mizuno has been investigating the use of substances defined as conflict minerals due to human rights concerns, and identifying products that use these substances. Specifically, it was found that tungsten was used in the heads of golf clubs, weights to balance for soft tennis rackets, and the tips of baseball carbide spikes. Mizuno has confirmed that the relevant minerals used for these parts are conflict mineral free, that is not procured from conflict areas.

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

In order to ensure CSR procurement, we consider that it is important to undertake an evaluation before commencing business. Based on the CSR procurement regulations, we provide the mechanism of CSR evaluations in advance to potential new manufacturing factories, and undertake our own evaluation of human rights, labour practices, and the environment for the main potential new manufacturing factories.

Regarding CSR audits for suppliers with which business is undertaken, based on the Mizuno CSR procurement regulations we implement regular (every three years or every five years for a superior factory) monitoring (CSR audits) of compliance with the contents of the Mizuno Code of Conduct for suppliers for about 184 factories, which constitute our main contract manufacturing. In FY2019, 31 factories were audited.

We give the top priority to Tier1 suppliers of Mizuno that have a direct relationship with us, so we undertake CSR audits of them regarding human rights, labor and the environment, and request them to correct noncompliance if necessary. For Tier2 and Tier3 suppliers who do not have a direct relationship with Mizuno, which delivers parts and materials to the factories, we are also focusing on areas where there is a high risk to significant human rights, labor, and environmental impacts. In FY 2017, we began grasping the current status of Tier2 and Tier3 suppliers, including plates for golf clubs, such as iron head, dyeing textile materials, and leather tanning for baseball gloves and shoes.

- In FY 2017, we visited the metal processing factory in Japan and the dyeing processing factories in Thailand to determine the state of Tier2 and Tier3 suppliers.

- In FY 2018, we conducted a CSR audit of our plating factory in China, the leather tanning factory in Vietnam, the upper material factory for shoes and the rubber sole material factory for shoes in Vietnam.
- In FY 2019, we conducted CSR audits of the golf parts factory in China, the upper material factory in Vietnam, the upper material processing factory in Indonesia and the sole material factory in Cambodia. Because the audits of the golf parts factory in China, the sole material in Cambodia and the upper material processing factory in Indonesia fell below the standards, we plan to implement corrective measures and follow-up audits in FY 2020.

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

Mizuno adds its own perspective based on the World Governance Indicators published by the World Bank, and if the factories are located in countries that are considered to have high human rights risks, the factories must have a CSR audit on a regular basis.

This work is reviewed annually based on the latest World Governance Indicators.

The factories are exempt from a CSR audit if they are located in countries that are highly ranked in terms of indicators such as Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption.

Although the factories in Japan are exempt from a CSR audit, Mizuno conducts CSR audits for factories that employ foreign technical intern trainees based on related human rights concerns.

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

Because CSR audits consist of on-site inspections, document examinations, and interviews with employees, multiple auditors usually take one to several days to conduct them.

We use a global common monitoring sheet based on ISO 26000 to check compliance. The audit items in the monitoring sheet are classified into three stages, Critical, Major and General, depending on the degree of importance. The urgency and the points are set for each stage. If the audited items meet the criteria, the audit is quantified by aggregated points for applicable audit items.

The CSR auditor confirms if there is no child labour or forced labour, 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 labour or forced labour (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 FY2019, eight people from five companies participated in the CSR Procurement Seminar held at the Mizuno-Osaka Head Office as an activity for capacity building. At the seminar, we explained the global trends and our initiatives with regards to CSR and sustainability, as well as the major issues pointed out in the past CSR procurement audits and related corrective measures.

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

Signed



Akito Mizuno

President

Mizuno Corporation

30 September 2020