

ESG Data Book 2022



GOLDWIN ESG Data Book 2022

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GOLDWIN is aiming to achieve sustainable growth by connecting the world through sports and advocating coexistence with nature.



President and Representative Director
Takao Watanabe

Prioritizing development of the Goldwin brand

We launched our medium-term management plan (March 2022–March 2026) as we were sustaining impacts from the COVID-19 pandemic. Even so, we were able to achieve strong performance, posting record-high sales in the plan’s first year that ended in March 2022 to break our previous record high achieved two years before in FY 2019 prior to the pandemic. We also posted our second-highest operating profit following FY 2019. That said, the COVID-19 pandemic has gone on longer than anticipated, which has prevented us from promoting the Goldwin brand in global markets and investing in the next stage of our brand as we had planned.

Therefore, we will develop the Goldwin brand as our top priority, backed by the advantages we possess and based on our medium-term management plan. We will build our strategy and proactively make moves with our sights set not only on Japan but on global markets as well. We will move to become more directly involved with customers in these global markets while deepening our branding activities. This involves shifting away from our past business model focused on wholesale sales to a business model built on e-commerce and directly managed stores. We have been operating these types of independently managed sales outlets already.

Creating a direct-to-consumer (DTC) business model, now considered the global standard, is our highest priority to have people around the world become familiar with the Goldwin brand and earn a reputation for its original value. We have been working on this for many years already, and it will remain our focus in the years ahead as well. In addition, we aim to develop the Goldwin brand while also considering the synergies possible with THE NORTH FACE, our most profitable brand among our existing businesses

What we mean by “Goldwin 0

From the 1980s to the 1990s, we achieved growth primarily based on our skiwear. Amid the subsequent sharp contraction in the Japanese ski market, we applied the technologies we developed in skiwear to other sports domains. With our main emphasis still in skiwear, we developed new business in the lifestyle segment starting in 2016, and then in the athletic wear and outdoor segments starting in 2019.

The Goldwin 0 platform that we announced in March 2022 was created from this legacy of taking on new challenges. Goldwin 0 is also a project to effectively communicate our corporate identity to the world. I want to use the Goldwin 0 platform to communicate to the world the three concepts of Circulation, Borderless, and Co-Creation that we have been nurturing.

Circulation is part of realizing our vision “To be a humane company that creates excitement and promotes a sustainable society.” While circulation is a very big concept, human society needs to have circularity built into it in the same way as the Earth’s biosphere does. Phrased another way, circulation is about altruistically connecting people around the world. Our world today is highly connected. We can look at how countries and regions around the world are working to build a new era of living with COVID-19 as a new kind of circulation for sustainability in society.

Expanding borderless relationships among people in this way will further solidify the connectedness of people around the world. Sports, which allow people who speak different languages and come from different cultures to strive together and push their abilities to new heights, are a wonderful way to do this. Sports are about more than just competition—they also play a role in connecting people to each other and to nature. We want to reframe how sports are viewed from this broad definition, expand sports’ potential and use sports to connect people. We cannot accomplish these things on our own. They only become possible through co-creation among diverse groups of people, diverse cultures and diverse regions. I feel that co-creation is something

people's experience of living with the COVID-19 pandemic has taught them about the most. Goldwin 0 is also a new marketing format that incorporates and embodies the concept of co-creation in our business. So while Goldwin 0 is a project, it is also playing an important role in rebuilding our companywide identity. We intend to integrate Goldwin 0 with our corporate identity by steadily growing this platform in Japan and global markets.

Creating new value through co-creation with startups

As I've described, it is becoming more and more difficult to create new things as one company alone. Looking ahead, we need to work together with people from other industries, come up with new ideas together, and achieve growth while recognizing each other's talents.

One example of this is the use of the new structural protein material Brewed Protein™, which is produced from microorganisms in a fermentation process, in moisture-permeable, waterproof fabric as well as denim and fleece for the Goldwin 0 collection. This came out of joint research and development conducted since 2015 with the biotechnology startup Spiber Inc., based in Tsuruoka City, Yamagata Prefecture. As a "third fabric" that does not use synthetic fibers derived from petroleum products or materials derived from animal sources, Brewed Protein™ is anticipated to help lower the environmental impacts of the apparel business. We are aiming to have 10% of our newly developed products use Brewed Protein™ by 2030.

We have also concluded a new capital tie-up with Bioworks Corporation, based in Souraku-gun, Kyoto Prefecture. Bioworks is a startup that develops materials made from biodegradable, plant-based polylactic acid (PLA). We are planning to launch products made with PlaX Fiber, a highly functional PLA compound, for THE NORTH FACE and other GOLDWIN Group brands starting in 2023.

These joint development projects with startups have shown us that corporate venture capital (CVC) is an effective means of accelerating creation of new value, and we have begun CVC investing.

We will first consider investing in startups whose fabrics, technologies and ideas are anticipated to generate synergies with our business and that have strong potential for generating profit. We also plan to get involved in projects to create new societal and community frameworks, projects to educate and develop youth, and projects to protect nature and improve the global environment. These plans are all connected to our corporate vision.

Just as the spread of networking and communication has changed the world, CVC similarly has the potential to spark major transformations in our business domain. While our business has primarily revolved around sports over the more than 70 years since our founding, we intend to connect our CVC investing to becoming actively involved in new fields and giving our role in society new meaning

Extending the success model of THE NORTH FACE

We see branding as not simply about selling lots of products, but about accurately and precisely conveying the true value of the brand in communications with customers, and have conducted our branding activities accordingly. We believe that maintaining customer engagement has allowed THE NORTH FACE and our other brands to earn the support of large numbers of people and branch out in diverse ways.

The approach of creating and building a brand together with customers while valuing our relationships with them feels like something universal that spans the ages. Indeed, THE NORTH FACE is loved by people from their teens to their 80s. It's rare for a single brand to have users across three generations. THE NORTH FACE brand has also moved beyond the outdoor category and is expanding into the lifestyle category. In the performance category, we offer the Summit Series and the Flight Series specially designed for activities like mountain climbing and trail running, and are expanding the Purple Label in the fashion category. The growth model for our brands is based on increasing brand awareness starting from the performance category, moving into the lifestyle category, which has a larger market scale, and then pursuing the fashion category to further increase brand value. Our strength is in not limiting our products to performance applications but also leveraging them in the lifestyle and fashion categories so that we can offer something to fit everyone's lifestyle through sports. In our medium-term management plan, we will apply the success model of THE NORTH FACE to the operations of our other brands. Specifically, we plan to do this with HELLY HANSEN, CANTERBURY and our own Goldwin brand.

Then in our retail business, it is undeniable that customer preferences and needs are changing, and that

expectations for brand value and many other elements are complex and advanced.

THE NORTH FACE Sphere, which opened in the Harajuku neighborhood of Tokyo on July 1, 2022, sells products that meet customers' individual requirements, including original designs as well as products for different body types and needs. In short, we are not only focusing on selling mass-produced items, but also on building relationships with customers. How do we create lifetime value and build relationships with customers? If we can build this kind of system for large numbers of customers, connect it directly to factories and agilely deploy AI and other technologies, a brand-new type of business is conceivable that leverages one-to-one relationships with customers. This is our vision for the DTC business we want to achieve. We aim to apply branding built around the business model of direct engagement with customers that we have developed through THE NORTH FACE, including in directly managed stores, shop-in-shops and e-commerce, to our original brand and develop our brand globally.

PLAY EARTH = Providing opportunities to have fun with the Earth

In our long-term vision PLAY EARTH 2030, which we established in May 2021 looking 10 years into the future, we declare our goal of embracing both sustainability for business and sustainability for the environment, and achieving both company growth and improving the global environment.

Just as it says, PLAY EARTH means “have fun with the Earth.” We see sports as starting from having fun with the Earth. Long, long ago during the era of hunting and gathering, people would hone the skills they needed for hunting in their daily activities. Peers would get together and hold competitions in running, swimming, climbing trees and hitting targets. This was so-called play time, and how future generations would enjoy recreation in what we call sports. I think most people would agree with the idea that sports originated out of play in the natural world.

The world of sports connects people to each other in ways that transcend language. Even if people speak different languages, they can have fun playing the same sport and push each other to greater heights playing under the same rules—this worldview is also our worldview at GOLDWIN. In a sense, this may mean reverting to a primitive state. However, it feels like the time has come to reassess what our values are and what we should aspire to as human beings by thinking more broadly about the meaning and potential of sports. This is the idea behind GOLDWIN PLAY EARTH PARK, an art space we created to connect people transcending language. We want children to enjoy sports intuitively and fully experience the appeal and wonder of nature. We also have a plan for the future. We have named a piece of land in Toyama Prefecture measuring tens of thousands of tsubo (1 tsubo=3.3 m²) PLAY EARTH PARK, and are currently in the preparation phase of designing a space to allow people to experience and play in a primitive natural setting. We are designing a place for people to experience sports in their primitive forms—to play in a wide-open expanse of nature and feel free to follow their innate curiosity, be inspired and nurture relationships with peers transcending language—as we look ahead to our 100th anniversary in 2050.

GOLDWIN's view of sustainability

I have been involved in THE NORTH FACE business and have learned a lot from its founders, Doug Tompkins and Kenneth Hap Klopp. These two people thought through the impacts our business has on the Earth and this responsibility, and always stayed focused on how they could be of service. I cannot tell you how much inspiration I have gotten from their intentional exploration of how to engage with society and the global environment from a long-term perspective instead of pursuing short-term profit.

Looking at the Japanese apparel industry, the fact that business operations generally do not take a long-term view is obvious. One example of this is the massive amount of clothing made of plastic fibers that is sent out into the world and then release microplastics. The same goes for the large amount of unsold products that are discarded each season. Business that chases after short-term fashions, imitates trend-setting designs, mass-produces them and sells them for cheap cannot be sustainable.

To eliminate waste from excess production, we have tightly integrated our production and sales systems with actual demand at stores. Instead of holding inventory created from imprecise forecasts, we are enhancing our inventory flow by building robust relationships with customers and capturing their needs. As a result, we have maintained a sales loss rate in the single digits since FY 2015, and this fell to approximately 1.5% in FY 2021.

If you do not have inventory left over, there is no need to hold discount sales. What started as an initiative for the global environment has resulted in higher profit margins as well as business sustainability.

Human rights abuses in the supply chain are also cited as an issue in the apparel industry. When you operate a global-scale business, assessing your own supply chain is critically important. When I joined GOLDWIN in the 1980s, the Toyama factory was our only production factory, but we expanded to several factories as our business scale grew and also shifted operations overseas. With this, relationships different than the former family-like atmosphere of our manufacturing settings came into exist.

But still, the responsibility we assume as a manufacturer for our production bases has not changed in the slightest. We must always remain aware of and verify whether the people working there feel good about their jobs and whether their individual rights are being protected as they deserve to be. We need to visit our local factories, deepen our direct communication with the people there, and share our ideas. We also present our basic approach to human rights in the GOLDWIN Group Policy on Human Rights, established in December 2021.

Shared understanding with employees, creating the future together

We face many problems in the world, from climate change and poverty to education and gender issues, and the problems we face are not fixed but ever-changing. What's important in management is sharing your understanding of the issues with employees and encouraging changes in their behavior. Instead of just going along and doing the work in front of them, employees should also take a deeper look at why we are engaging in business now.

This is why it is so important to engage in communication directly with employees. From this belief, I have been holding meetings with small groups of about 20 employees, where I talk about my approach and ideas in accessible ways. Communicating with employees like this gives me the opportunity to gain new insights and discoveries, and each time I come away with something to think about. In April 2020 when I assumed the post of president, I held around 10 presentations about what GOLDWIN aspires to be in 2050 for groups of 30 mid-level employees each. I did this to share what kind of company we are aiming to be 30 years from now, and I still want to share this vision of the future with as many people as possible so that they approach their work with this mindset.

We have now marked our 72nd year in business and have put forth our major vision for our next big turning point of our 100th anniversary, which we have started working toward. One generation is considered to be 30 years long. The vision of the future that we put forth 30 years ago is now a reality, thanks to the many innovations of our predecessors. We too surely have the ability to do the same.

I may be president, but this is only one role among many at our company. It is not possible for me to change our company alone. I hope to create the future together while seeing things from the same perspective and working together with GOLDWIN employees. I am confident that this will lead to sustainable growth that is wholly and distinctively GOLDWIN's.

President and Representative Director
Takao Watanabe

Approaches to Sustainability

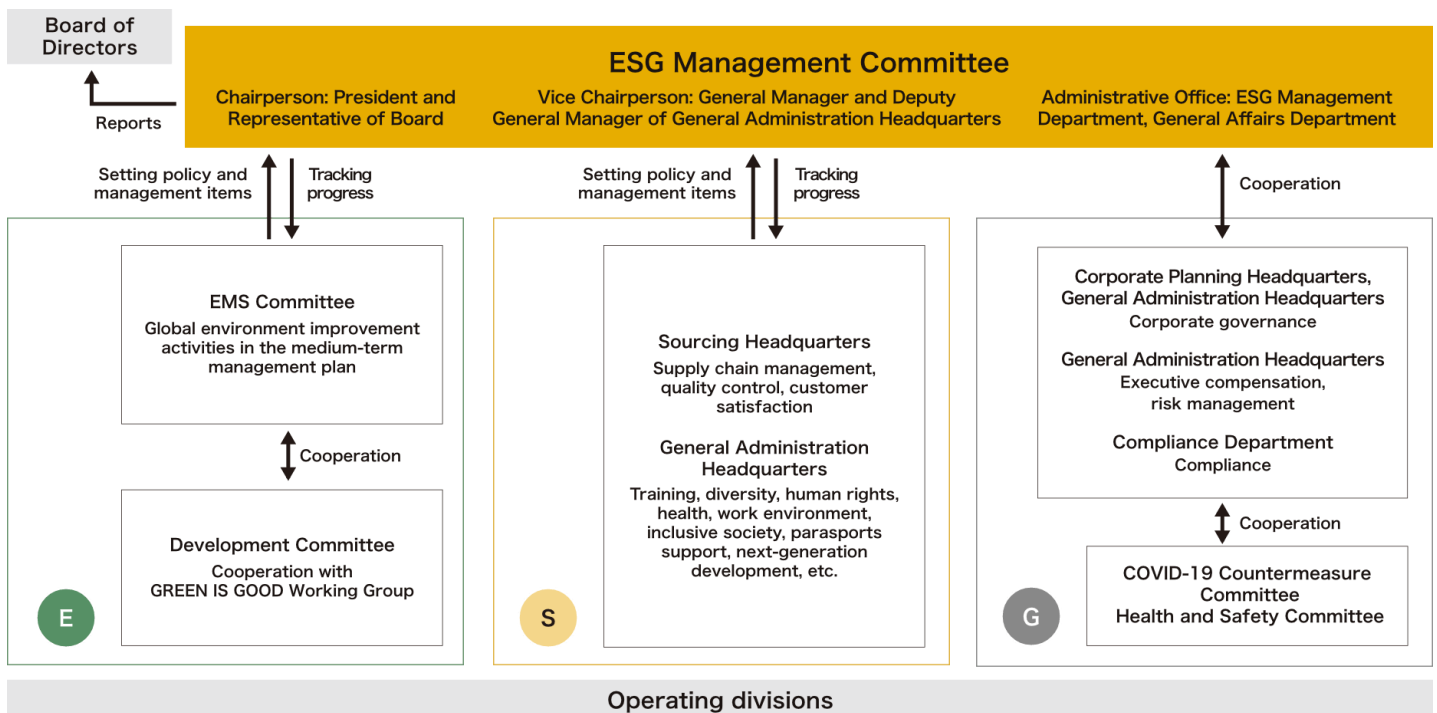
As a sports apparel manufacturer, the GOLDWIN Group's mission is to realize a fulfilling and healthy lifestyle through manufacturing and contribute to sustainability for the Earth and society. A wide range of social and environmental problems call for global action, from climate change and biodiversity loss to poverty and human rights abuses, and companies need to take steps through their activities to help solve these problems. As a company in the apparel industry, where there are concerns over environmental load and human rights problems, we too must honestly approach these concerns. In order to also fulfill our mission, we must take social and environmental problems into consideration in every stage from manufacturing to sales. We have defined these principles in our Basic Policy of ESG Management and have shared this policy throughout our Group.

Basic Policy of ESG Management

Every aspect of GOLDWIN Group's operations from manufacturing to sales is rooted in our corporate mission to "realize a fulfilling and healthy lifestyle through sports." Additionally, we will also leverage our passion and respect for sports to enhance our management transparency, create workplaces that enable employees to continue working in good health, make considerations for the global environment and biodiversity, and contribute to developing the future generation, local communities and the broader society through sports.

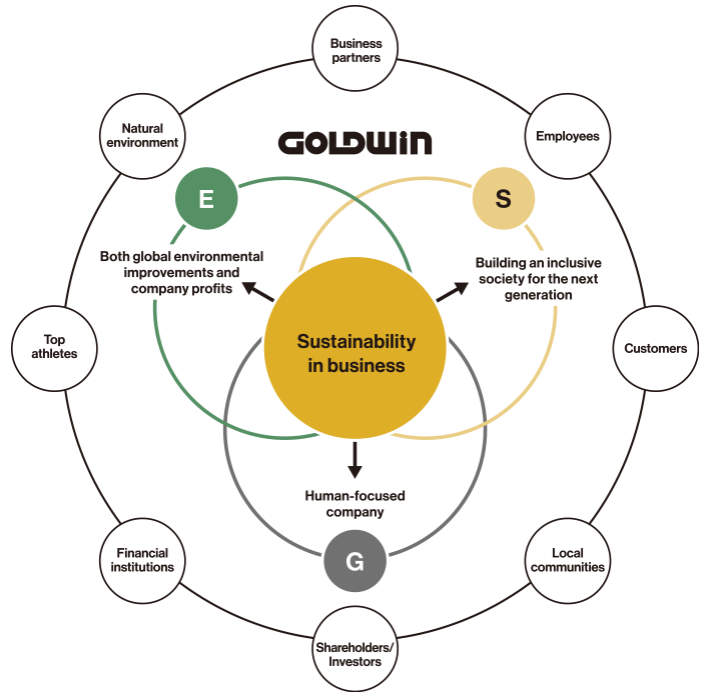
ESG management promotion framework

At GOLDWIN Group, the President and Representative Director holds the highest responsibility and authority for overall ESG management and is responsible for its effectiveness, based on the Basic Policy for ESG Management. Since April 2021, the previous CSR Committee was renamed the ESG Management Committee to promote ESG management throughout the Group. This committee has its administrative office in the ESG Management Department and the General Affairs Department, with the Business Division, the Sales Division, the Sourcing Division, the Corporate Planning Division, the Management Division, subsidiaries and others responsible for business execution participating as members to deliberate on non-financial projects and annual projects as stated in our long-term vision PLAY EARTH 2030 and to examine the quarterly status of projects and ESG management issues within the Group. The ESG Management Committee reports the status of ESG management to the Board of Directors once a year and receives approval from the Board of Directors. Regarding (E) Environment, we obtained ISO 14001 certification in 1999, the first to do so in the sports apparel industry, and have engaged in environmental conservation activities and developing environmentally friendly products while also improving our operational efficiency through conserving resources. The EMS Committee implements an environmental management system based on the ISO 14001 certification, while the Development Committee promotes the development of products with reduced environmental impact and recycling activities in the GREEN IS GOOD Working Group.



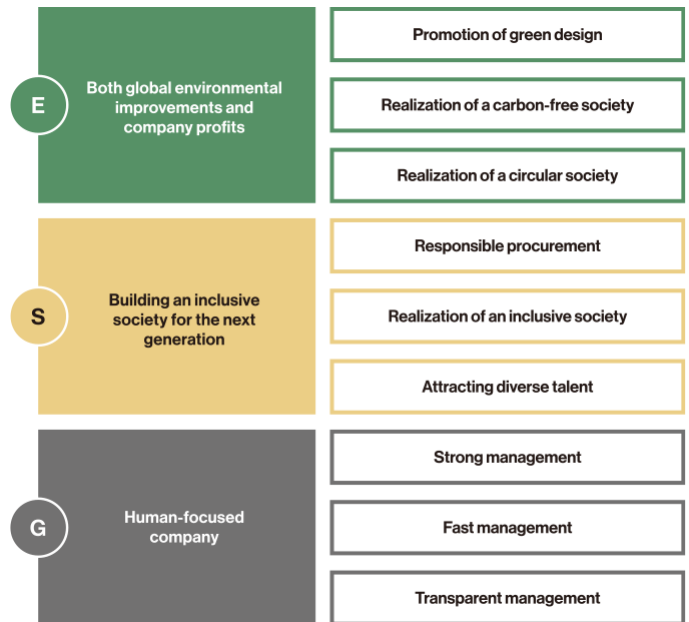
Value co-creation with stakeholders

Ever since its founding 70 years ago, GOLDWIN has been on track for growth. We believe this is a result of continuously keeping pace with our customers including top athletes, our employees and their families, business partners, financial institutions, shareholders and investors, local communities centered on our birthplace in Toyama Prefecture and our headquarters in Shibuya, and the rich natural environment that is inseparable from sports. At GOLDWIN, we always consider and value our stakeholders to achieve our legacy of creating a fuller life with sports while co-creating value with them.



ESG management key issues

We identify three themes and nine items as the GOLDWIN key issues to co-create value with stakeholders and concretely promote ESG management. At GOLDWIN, all business execution departments participate to implement initiatives for these nine key issues under the supervision of the ESG Management Committee.



Basic Concept

Our Group's top priorities are sports and the environment, and we therefore aim to improve the global environment through unbound imagination and breakthrough innovations that benefit the world.

We have defined our thinking in the Basic Principles of Environmental Protection and the Basic Policy for the Environment, and provide all Group employees with an Environmental Management Card and encourage them to carry it with them. We ensure that employees understand the principles and policy through bi-annual Environmental Management Meetings and environmental education activities held in each business division.

Basic Principles of Environmental Protection

All of us should embark on the noble mission of living and prospering in harmony with nature. The GOLDWIN Group aims to reduce environmental impact through planning, manufacturing and selling of sportswear and other types of functional wear, as a comprehensive health company. We also strive to make a positive impact on the environment by offering environmentally friendly products. Below you will find the basic environmental policies we have set for ourselves.

GOLDWIN's Environmental Policies

1. Strive to prevent environmental contamination and protect the environment by complying with all environmentally related laws, regulations, and other requirements applicable to GOLDWIN's corporate activities and facilities, and to establish voluntary standards that are as extensive as possible.
2. Protect our planet by recognizing the harm our corporate activities could do to the environment and minimizing the impact of our activities through the effort of all employees.
3. Set and review targets for reducing our environmental impact and engage in activities to improve the environment on an ongoing basis.
4. Use limited natural resources effectively and reduce industrial waste with a full awareness of the energy and resources used and CO₂ emitted.
5. Advance the development of health-conscious and environmentally responsible products by gathering all available corporate resources and developing proprietary technologies.
6. Continue to be a company operating in harmony with nature and coexisting with local communities to support the health of the natural environment and of all life.

Environmental Activities Promotion Framework

The EMS Committee is responsible for managing the implementation of environmental activities. Its deputy chair is a management executive, under the ultimate responsibility of the President and Representative of Board. Based on ISO 14001, the EMS Committee oversees the results of business divisions' environmental activities on a monthly basis. The GREEN IS GOOD Working Group, a sub-committee of the Development Committee, which plays a key role in Group product and technological development, primarily promotes activities and manages the progress of environmentally friendly product development and collection of unwanted apparel.

Group-wide environmental initiatives are reported to the management team in the ESG Management Committee.

EMS Committee

Under the ultimate responsibility of the President and Representative of Board, a management executive serves as deputy chairperson. Monthly EMS Committee meetings are held to confirm the progress of divisions' environmental activities and manage ISO 14001 sustainment. Progress of environmental activities is managed by an administrative office comprising members from the Internal Audit Office, General Administration Headquarters and Sourcing Headquarters. The administrative office manages environmental activities of each division, and managers from business divisions are responsible for ensuring that environmental activities are conducted.

GREEN IS GOOD Working Group, Development Committee

The GREEN IS GOOD Working Group within the Development Committee, mainly comprising members from the Sourcing Headquarters, Corporate Planning Headquarters and Business Headquarters, meets monthly to develop and manage materials with reduced environmental impact, manage apparel collection and promote marketing activities that communicate our environmental activities to customers. The working group manages registration of materials with reduced environmental impact in business divisions, and works with the EMS Committee to manage the sales mix of products using materials with reduced environmental impact. It also serves to drive Group-wide activities, including sharing information on materials developed.

Framework



Specifying Key Environmental Issues

The apparel industry is associated with large environmental impact, and building systems for society to coexist with nature is an urgent industry issue. Also, activities in the sports and outdoor fields that form the core of our business cannot be separated from environmental problems. We aim to realize a sustainable global environment and social structure, through business activities that reduce environmental impacts by using minimal resources and energy. We specified three key environmental improvement activities within our long-term PLAY EARTH 2030 vision in May 2021 with the aim of making further improvements to the global environment.

Environmental improvement activities: strategies and specific measures



Environmental achievements

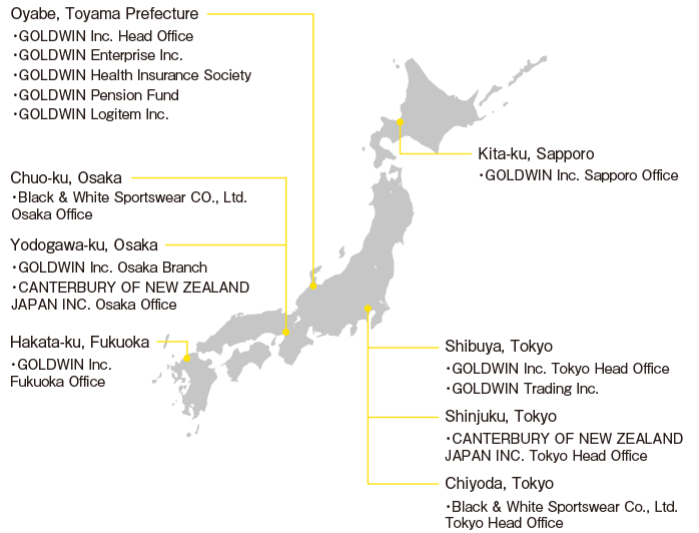
	Unit	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Sales rate of products using materials with reduced environmental impact	(%)	11.0	13.1	13.0	28.6	36.0
CO ₂ emissions	t-CO ₂	7,565	7,100	3,074	1,292	352
Waste emissions	t	148.3	147	96	65	52.5

ISO 14001 Certification

In November 1999, GOLDWIN's Toyama facilities obtained certification under ISO 14001, the international standard for environment management systems, making GOLDWIN the first company in the sportswear industry to receive this certification. To further develop its conservation programs and environment-friendly products while improving the efficiency of its operations through energy-saving measures, all of GOLDWIN's offices obtained ISO 14001 certification in February 2006. GOLDWIN Logitem followed suit in July 2008, followed by Canterbury of New Zealand Japan and Black & White Sportswear in August 2011 and September 2013 respectively.

GOLDWIN will continue to implement its corporate guiding principle of "Clean Management," by providing environment-friendly products and services, and will implement responsible employment and economic practices, in order to contribute to society.

ISO 14001 Certified Offices



Environmental Audits

Based on ISO 14001, our Group undergoes an audit from a certified organization and conducts an annual internal audit. This internal audit focuses on the conformity of aims set each fiscal year by our business divisions with laws and regulations. In FY 2021, the audit conveyed four non-conformities and six observations. The non-conformities were found in the non-achievement of fiscal year targets set by business divisions, the causes were analyzed and corrective actions were implemented.

The examination by the certified organization found no non-conformities, but conveyed three observations. We undertook clarification of the rules in response to these observations. From FY 2021, we shifted management from the floor-level to the smaller unit of business divisions, leading to more active communication and deeper understanding of our Basic Principles of Environmental Protection and Environmental Policies.

FY 2021 audit results

	Points raised by the internal audit	Points raised by the certified organization
Non-conformities	4	0
Observations	6	3

Training of Internal Auditors

Our Group has 31 internal auditors as at the end of FY 2021. We conduct training for internal auditors once a year to deepen their understanding of ISO 14001. In FY 2021, we appointed three new internal auditors. In addition to training these newcomers, we allowed them to undertake practical duties with our experienced auditors in an effort to enhance their skills.

Compliance with Environmental Laws and Regulations

In order to comply with relevant laws and regulations, and to minimize environmental risks, GOLDWIN Group checks revisions made to laws and regulations every six months, and regularly confirms their requirements. As a result, GOLDWIN Group saw no breaches of laws and ordinances, or fines, during FY 2021.

In the future, we will continue to comply with laws and regulations, and undertake Group-wide environmental risk management.

Information Disclosure Based on TCFD Recommendations

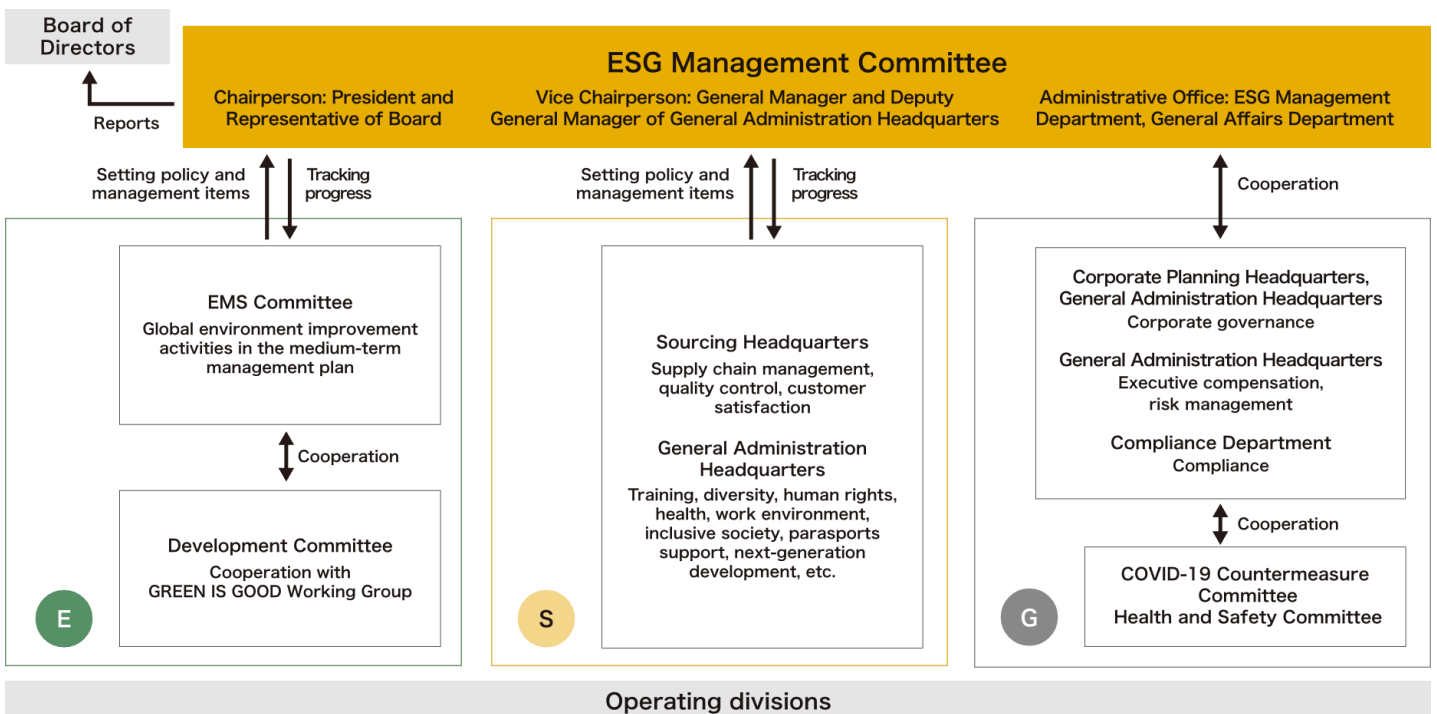
GOLDWIN Group considers the impact of climate change upon our business to be one of our key management issues. Under our long-term vision PLAY EARTH 2030, we are implementing business restructuring aiming to achieve sustainability in terms of both the environment and our business. As part of these efforts, in FY 2022 we declared our support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and reorganized our Group initiatives to address climate change. In the future, we will continue to promote full information disclosure based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and will respond appropriately to risks such as climate change, with the aim of realizing a sustainable society and to boost our corporate value.



I. Governance

We have established the ESG Management Committee, which deliberates on important matters related to sustainability, including climate change. The results of deliberations by the ESG Management Committee are reported to the Board of Directors, which serves as the overseeing body, once a year in light of their degree of importance. The ESG Management Committee is chaired by the President and Representative of Board and creates the basic policy and targets for sustainability including climate change as well as the implementation plans, and reviews progress toward the targets. ESG Management Committee meetings are held quarterly, with participation by company directors, auditors, officers, all employees in positions of general manager and above, and Group company presidents. Based on the basic policy for climate change and priority matters, the Board of Directors creates the business strategy and comprehensively reviews and makes decisions on investment and lending projects. The EMS Committee has been established as the body for implementing improvements to address climate change and other global environmental problems. The committee also advances initiatives for the environment throughout GOLDWIN Group in collaboration with the GREEN IS GOOD Working Group, a sub-committee of the Development Committee which plays a key role in the Group's products and technological development.

Framework



II. Strategy

We believe that the impacts of climate change pose both risks and opportunities. Our Group is implementing business restructuring aiming to achieve sustainability in terms of both the environment and business under our long-term vision PLAY EARTH 2030. In fiscal 2022, as one aspect of these initiatives, we conducted scenario analysis to evaluate the future impacts of climate change. Under PLAY EARTH 2030, we have established three key environmental issues of “promotion of green design,” referring to a shift to materials with reduced environmental impact, “realization of a carbon-free society,” by promoting carbon neutral at all offices and directly managed stores, and “realization of a circular society,” through zero waste in both products and materials. Regarding the climate change risks and opportunities we considered through our recent scenario analysis, we have confirmed that we will be able to sufficiently address these key environmental issues.

1. Scenario Analysis

(1) Scenario setting

We referenced several internationally recognized climate change scenarios in the analysis of climate-related risks and opportunities. Specially, we referenced the Net Zero Emissions by 2050 Scenario (NZE) released by the International Energy Agency (IEA) in 2021, and Representative Concentration Pathways (RCP 8.5), a greenhouse gas concentration trajectory adopted in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) released in 2014, in identifying the risks and opportunities that climate change poses to our Group and for examining our long-term strategy.

Anticipated world	Reference scenario
1.5°C (mainly transition risks arise)	IEA : Net Zero Emissions by 2050 Scenario(NZE)
4°C (mainly physical risks arise)	IPCC : Representative Concentration Pathways (RCP8.5)

(2) Selection process of main climate-related risk and opportunity factors

We then identified transition and physical risks and opportunities based on the two climate change scenarios of temperature increases of 1.5°C and 4°C to inform our examination of business strategy feasibility and our 2030 growth strategy.

Under the 1.5°C scenario, we consider expected carbon tax and other carbon pricing, and strengthening of environmental regulations as risk factors, and construction of a circular business model, development and deployment of next-generation materials and recycled materials accompanying expansion of the sustainable fashion market as opportunity factors. Also, we believe that changes in consumer trends will be accompanied by the creation of opportunities to enter new markets, such as resale and fashion subscriptions.

Under the 4°C scenario, although there is the possibility that risks and opportunities will not significantly arise by 2030, we consider the occurrence of natural disasters such as typhoons and floods as risk factors that will impact the supply chain. Also, we believe that the increase of such extreme events risks impacting sporting events, while also leading to the creation of new needs.

1.5°C Scenario

(NZE reference scenario)

Anticipated changes	Impacts on the apparel industry
<ul style="list-style-type: none"> · Environmental policies and regulations are strengthened, and companies' greenhouse gas emissions are strictly regulated. · At the same time, use of renewable energy increases due to enhanced policies to increase its use. · Consumers are increasingly interested in sustainability, and low-carbon, circular products and services are expanded. · Disclosure of non-financial information becomes a requirement, and ESG investing becomes established. · Abnormal weather (frequent typhoons, localized torrential rains, drought, heavy snows, etc.) occurs at about the same frequency as in FY 2022 (current). 	<ul style="list-style-type: none"> · Use of recycled materials and new materials to reduce environmental impacts increases. · Sustainability is established as new brand value. · Consumers prefer and select low-carbon, circular products. · Sustainable fashion influencers appear on the scene.

Classification	Type of climate change	Category	Risks and opportunities	Main initiatives and countermeasures
Risks	Transition	Policies and regulations	Higher running costs from introduction of a carbon tax	Initiatives for carbon neutrality (switch to renewable energy, etc.)
			Higher indirect costs from tightened environmental regulations (calculating GHG emissions, carbon footprint labeling, etc.)	Creating the structure for appropriate reporting and disclosure of greenhouse gas emissions (2025 disclosure target)
		Technology	Increased production costs from switch to materials with reduced environmental impact and recycled materials	Promoting switch to next-generation and recycled materials Cost reductions through industry cooperation and collaboration

Classification	Type of climate change	Category	Risks and opportunities	Main initiatives and countermeasures
Opportunities	Transition	Increased resource efficiency	Obtaining competitive advantage by building a circular business model	Reducing fashion loss through strengthened order flow. Industry cooperation and collaboration in building a circular business model
		Products and services	Obtaining a competitive advantage by leading transition to sustainable fashion	Proactive use of materials with reduced environmental impact
			Differentiation through product development using new materials and manufacturing techniques	Launching CVC to discover next-generation materials
			Improving brand image by adapting to changes in customers' consumption behavior and awareness	Communicating information and launching new products to establish sustainable fashion
		Markets	Capturing new markets by moving into resale, fashion subscriptions, etc.	Examining new businesses including repair services, resale, fashion subscriptions, etc.

4°C Scenario

(RCP 8.5 reference scenario)

Anticipated changes	Impacts on the apparel industry
<ul style="list-style-type: none"> · Strict environmental policies and regulations are deferred, and greenhouse gas emissions increase at the current (FY 2022) rate. · Some companies introduce renewable energy, but there is strong demand for traditional energy sources. · ESG investing continues to grow, but use of non-financial information is limited to only some investors. · The frequency of abnormal weather (frequent typhoons, localized torrential rains, drought, heavy snows, etc.) and extreme weather events increases. 	<ul style="list-style-type: none"> · The supply chain suffers damage from abnormal weather, and production delays are frequent. · Demand for performance apparel increases as a result of frequent record-breaking extreme weather events, including excessive heat in summer and heavy snows in winter.

Classification	Type of climate change	Category	Risks and opportunities	Main initiatives and countermeasures
Risks	Physical	Acute physical risks	Supply chain damage from typhoons, floods and other natural disasters	Strengthened supply chain management
		Chronic physical risks	Sports events are impacted by the increase in extreme weather events (changes to where events are held, shorter periods when events can be held, fluctuations in competitor populations, etc.)	Focus on trends in competitor populations, reflect trends in production plans and product development
Opportunities	Transition	Products and services	Meet new needs (both function and fashion) arising from the increase in extreme weather events	Improve performance through use of new materials and manufacturing techniques, and offer GOLDWIN-centric fashions

2. Financial Impact Assessment

In our scenario analysis, we verified climate-related factors expected to impact on our Group in the future. In regards to financial impacts, during FY 2022, we conducted calculations limited to a portion of elements, and plan to analyze the details moving forward.

In the future, there is the possibility that expected carbon tax and other carbon pricing will impact our product procurement and store operating costs. We also expect financial impact from the effects of the occurrence of typhoons, floods and other natural disasters upon our supply chain. We considered increases in the carbon tax rate under the 1.5°C scenario. Anticipating the introduction of a carbon tax of around 15,000 yen/ t-CO₂, we believe the financial impact will be slight, under calculations based on our present GHG emissions (Scope 1, 2). Also, we are promoting the use of recycled materials in product manufacturing, which we concluded will reduce carbon pricing risks. Although we have not conducted quantitative analysis, we believe that the arrival of a society where sustainable fashion is mainstream will provide opportunities, from the perspective of market penetration of advanced environmental initiatives undertaken by our Group.

Regarding the supply chain impact anticipated under a 4°C scenario, we believe that the financial impacts upon our company will not be serious,

forecasting based on the flood damage to sewing factories in Thailand in 2019. We currently consider natural disaster risks when opening new stores, etc., and are engaged in strengthening supply chain management in an effort to minimize the potential for damage. Also, while we anticipate impact on the existing business from the increase in extreme events, we believe that market-trend focused production planning and product development will help us to reduce risks and capture opportunities.

Regarding the risks and opportunities identified through scenario analysis, the long-term vision PLAY EARTH 2030, which our Group is currently advancing, positions initiatives to tackle environmental issues as a key management issue, and we reflect this in our financial strategies. During the five-year period of our medium-term management plan, we plan to generate operating cash flow of 70-80 billion yen. Within this, we plan to invest 15-20 billion yen in new product research and development, 5-10 billion yen in initiatives to reduce environmental burden, and 10-15 billion yen in portfolio reconstruction.

III. Risk Management

We continue our efforts to enhance risk management and corporate governance by establishing various internal committees, such as the ESG Management Committee and Governance Committee, to address risks intrinsic to management issues.

Some of the risks and opportunities associated with climate change are anticipated to arise in the transition to a decarbonized society, and others from the physical impacts of climate change. We classified changes in the external environment associated with climate change, assessed impacts on the apparel industry, and then specified material risks and opportunities for our Group in light of the degree of impact on our Group's business activities. The specified risks and opportunities are reported to the ESG Management Committee, which sets the action policy, activities and targets as well as reviews the risks and opportunities. Its review is reported to the Board of Directors, which conducts oversight and makes final decisions.

For risks relating to management determinations, including decision-making on management strategy, we consult with law offices and other external experts as necessary, and related departments conduct analysis and investigation.

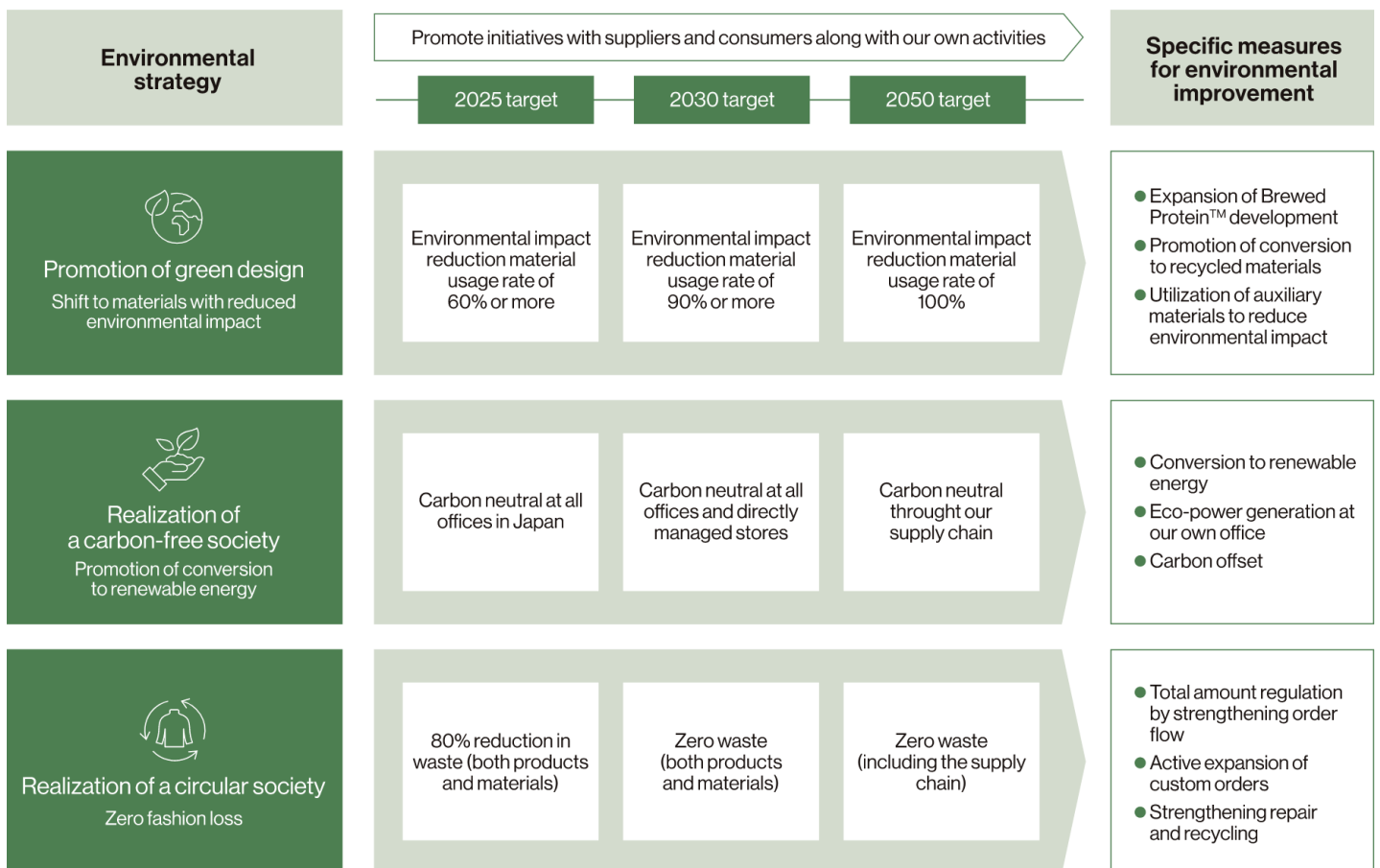
IV. Indicators and Targets

1. Indicators and Targets for Assessing Climate-related Risks and Opportunities

In order to adapt to environmental changes in the era of VUCA (volatility, uncertainty, complexity and ambiguity), and to realize sustainable growth, our Group formulated the long-term vision PLAY EARTH 2030, aimed at the coexistence of sustainability in the two dimensions of business and the environment, leveraging our strengths while ascertaining risks and opportunities. Even within this, we established targets with 2030 and 2050 in view, considering initiatives for tackling environmental issues as one of our most important challenges.

We have set medium-term and long-term targets accordingly and are conducting specific activities to achieve environmental improvements, Promoting "green design," "realization of a carbon-free society," and "realization of a circular society" as key environmental issues for improving the global environment.

As part of our promotion of green design, specifically, we aim to use of materials with reduced environmental impact in 100% of our products by FY 2050 through development of Brewed Protein™, switching to use of recycled materials and auxiliary materials with reduced environmental impact. Regarding realization of a carbon-free society, we are converting to use of renewable energy and aim to achieve carbon neutrality including in the supply chain in FY 2050 through enhanced supply chain management. Our plan for realizing a circular society targets zero fashion loss and includes driving total volume control through strengthened order flow and greater industry cooperation for zero fashion loss, and aims to achieve zero waste, including in the supply chain, by FY 2050.



2. Greenhouse Gas Emission Reduction Targets and Results

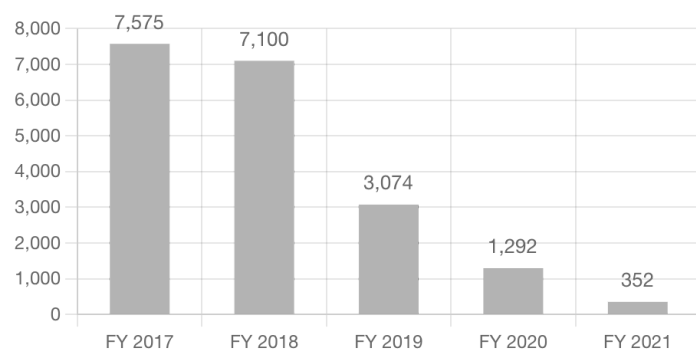
(1) Reduction targets

We are striving to reach targets of carbon neutrality at all offices in Japan by 2025, and at all offices and directly managed stores by 2030, with the aim of being carbon neutral throughout our supply chain by 2050.

(2) Results

Our greenhouse gas emissions were 352 t-CO₂ as at FY 2021. Our result in FY 2020 was 1,292 t-CO₂, but by switching major offices such as Tokyo head office and our Toyama office to renewable energy, we cut CO₂ emissions by 72.8%.

CO₂ emissions (t-CO₂)



The dyeing and processing business was excluded from FY 2019 calculations due to business restructuring.

Basic Concept

The apparel industry is associated with large-scale negative impacts on society and the environment, including greenhouse gas emissions, water consumption and mass disposal of product. We need to shift from harmful products with short life cycles to products with greater environmental sustainability that are safe and useful to consumers over the long term.

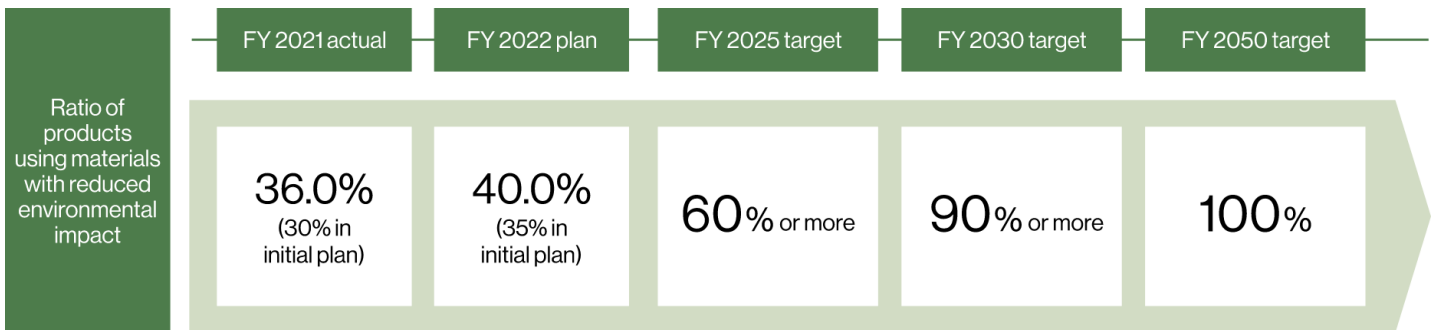
Our product development and the services we offer are based on the idea that the products will be used for as long as possible, and we will increase our use of materials with reduced environmental impact.

Key Environmental Issues

We have proactively developed products using renewable materials with minimal environmental impact, aiming to increase environmental sustainability and provide consumers with products that are safe and useful over the long term. Our new medium-term management plan includes promotion of green design as a priority issue.

The ratio of products that use materials with reduced environmental impact is incorporated into the key target items of each business division, and their progress is checked each month at the EMS Committee, chaired by our President and Representative Director. Progress is also reported at our ESG Management Committee, which meets each quarter.

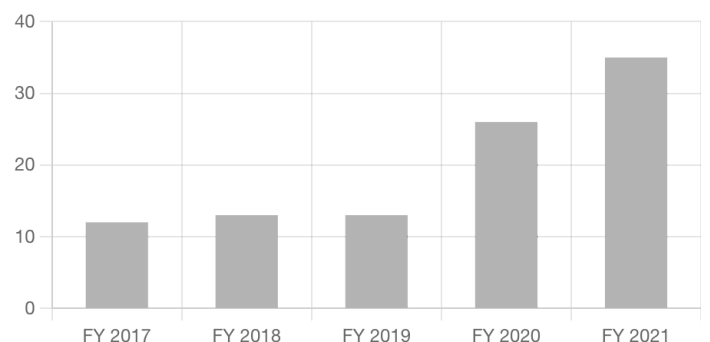
Environmental improvement activities: strategies and specific measures



Expanding Products that Use Materials with Reduced Environmental Impact

In FY 2021, we further increased our companywide use of materials with reduced environmental impact through greater sharing of information about materials across all brands. Our ratio of products that use materials with reduced environmental impact was 36%, exceeding our initial plan of 30%. We will continue to proactively develop products using materials with reduced environmental impact, including plant-based materials such as Brewed Protein™, a structural protein material, as well as recycled and upcycled materials.

Ratio of products that use materials with reduced environmental impact (%)



GREEN IS GOOD — Communication with Customers

This is an activity ongoing since 2008 to reduce environmental impact with the goal of achieving a sustainable society. Rooted in the concept of caring for different environments within all areas of sports, we aimed to realize a circular society by developing and manufacturing products that integrate ideas to reduce the environmental impact and taking actions with our customers who use these products. We work on initiatives based on the three keywords GREEN CYCLE (recycling), GREEN MATERIAL (selective use) and GREEN MIND (long-term use). Relevant products are marked with a special label so that customers can recognize them as environmentally friendly products. We will continue to reinforce our GREEN IS GOOD activities which will lead to the promotion of green design and zero fashion loss.



An enjoyable program for protecting our green planet
Under the concept of GREEN IS GOOD, GOLDWIN is expanding what it can do for the environment as a sporting goods manufacturer, such as the development of environmentally friendly products, and enjoyable ideas that reduce environmental burden.

> [GREEN IS GOOD website \(in Japanese\)](#)



Recycling
GREEN CYCLE

This is a recycling and reuse system to collect used products and recycle them as new products. By recycling polyester and nylon fiber products, the fiber products themselves are circulated as raw materials without relying on depleting petroleum resources. We also recycle down apparel.



Selective use
GREEN MATERIAL

When selecting materials, we prioritize minimizing our environmental impact by not using petroleum resources, choosing recycled materials, and materials derived from fast growing plants that use fewer resources.



Long-term use
GREEN MIND

We develop products that are superior in all aspects of performance, durability and design so that our customers can cherish them even longer. We also promote the repair services of our Repair Division.

Joint Development of Environmentally Friendly Next-Generation New Materials

Much sporting apparel uses polyester, nylon and other synthetic polymers, manufactured using petroleum as a raw material. The manufacturing process for these materials consumes large amounts of energy and produces greenhouse gas emissions. This has resulted in environmental problems, including climate change driven by the rapidly rising concentration of carbon dioxide in the atmosphere, and ocean pollution from petrochemical-derived microplastics. Given the concerns about petroleum depletion, as a modern society, we bear a heavy responsibility to switch to sustainable resources.

In order to tackle such global-scale environmental issues, since 2015, GOLDWIN has been promoting joint-development with Spiber of structural protein materials, launching a prototype outdoor jacket in fall 2015 made from structural protein material that mimics natural spider web. During the following four years, we repeatedly improved the material, launching a T-shirt and outdoor jacket from THE NORTH FACE made from structural protein Brewed Protein™ in 2019. Also, in 2020, Goldwin launched a sweater made from wool blended with Brewed Protein™.

Through a joint research and development initiative between Goldwin and Spiber, we are striving to re-evaluate the relationship between nature and mankind. By balancing functionality with environmental considerations, and examining the role of products and the economy, we hope to create sports apparel that can support a lifestyle in harmony with nature. We believe we can thereby contribute significantly to the development of a sustainable world. This belief drives our continued effort towards this goal.

> [Website for structural protein Brewed Protein™, jointly developed with Spiber Inc.](#)



Promoting Conversion to Recycled Materials

The majority of sports apparel uses polyester, nylon and other materials derived and manufactured from petroleum. We are proactively switching to recycled materials that do not rely on depleting fossil fuel. Also, we collect garments that are no longer needed at stores to facilitate circulation of limited resources.

Utilization of Auxiliary Materials to Reduce Environmental Impact

We will improve the usage rate of materials with reduced environmental impact in primary materials for products, and promote utilization of materials that have little impact on the environment for product accessories. Also, we will further reduce environmental impacts of auxiliary materials by reducing containers, packaging and labels, and selecting recyclable materials.

Future Issues

Going forward, we will increase the ratio of existing products that use materials with reduced environmental impact, and develop new materials with reduced environmental impact. We will strive to build understanding of our Group environmental initiatives among all of our stakeholders. A challenge will be encouraging consumers to select our products not only for function and appearance but also environmental friendliness.

Concept

The apparel industry's negative environmental impact has received scrutiny over the last few years, with CO₂ emissions said to account for approximately 10% of all industrial emissions. Global warming is also an urgent problem, and our industry must take action to achieve the 1.5% target adopted in the Paris Agreement.

We analyzed the impact of climate change on our business activities using science-based scenarios and set targets to reduce greenhouse gas emissions from business activities in our medium-term management plan to protect our field and continue our business activities.

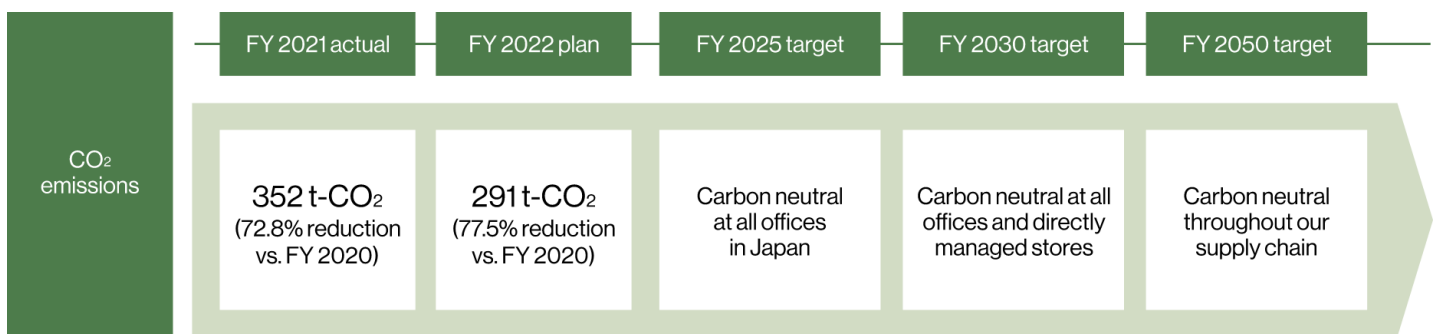
Key Environmental Issues

We have been working to reduce energy use and CO₂ emissions at our main offices for some time. To further boost these efforts and to reduce CO₂ emissions across the supply chain, we included "Realization of a carbon-free society" as a key issue in our new medium-term management plan. We will strengthen cooperation with suppliers, aiming to procure raw materials that do not come from fossil fuel sources, and to achieve carbon neutrality.

We are also promoting initiatives towards the realization of a carbon-free society, centered on our EMS Committee, chaired by our President and Representative of Board. The EMS Committee manages actual greenhouse gas emissions of each of our offices every month and strives to reduce these emissions. Progress is also reported at our ESG Management Committee, which meets each quarter.

We also began calculating Scope 3 emissions based on the GHG Protocol in FY 2021 to better understand energy use at directly managed stores, with the aim to achieve our targets.

Environmental improvement activities: strategies and specific measures

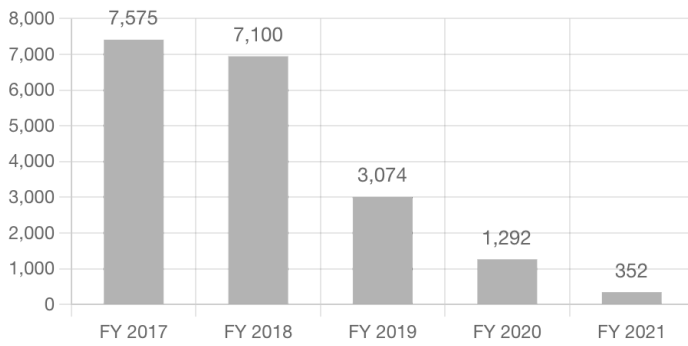


Greenhouse Gas Emission Reductions

GOLDWIN Group continues to work towards reduction of greenhouse gas emissions. Emissions from our main business locations in Japan was 352 t-CO₂ in FY 2021. The majority of our emissions came from heavy oil used to generate electricity used at our offices and in air conditioning.

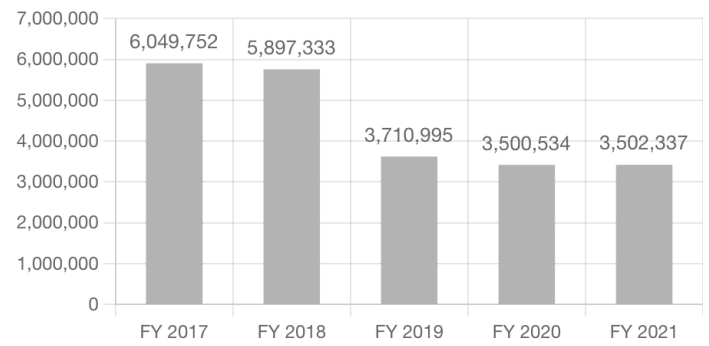
Greenhouse gas emissions at our business locations in Japan were 1,292 t-CO₂ in FY 2020, and we steadily decreased emissions by switching offices to electricity generated from renewable energy. We discontinued use of heavy oil, which is responsible for a large share of emissions, and switched to electricity as a further way to reduce our emissions in FY 2022.

CO₂ emissions (t-CO₂)



The dyeing and processing business was excluded from FY 2019 calculations due to business restructuring.

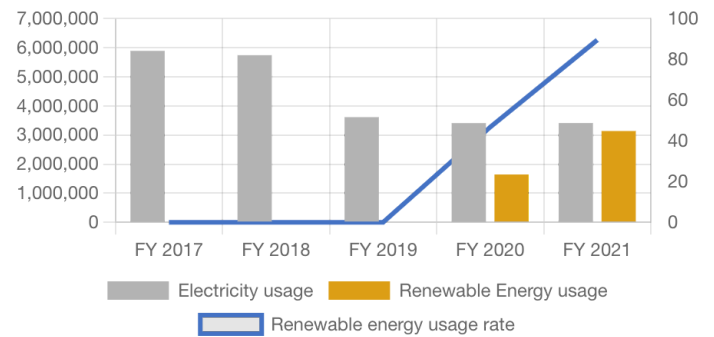
Energy consumption (kWh)



Conversion to Renewable Energy

Our main offices in Japan switched to electricity generated by renewable energy to reduce greenhouse gas emissions. As a result, renewable energy use as a ratio of total electricity use at our offices in Japan was 92% in FY 2021, a 44-point increase from 48% in FY 2020. Going forward, we plan to continue switching to renewable energy and to generate electricity by installing solar panels at our offices in the Toyama region.

Electricity usage (kWh / %)



Note: Usage at main offices in Japan (excluding some offices and stores)

Appropriate Management of Ozone-depleting Substances

GOLDWIN Group manages chlorofluorocarbon (CFC) used to fill air-conditioning units in accordance with standards set under the Act on Rational Use and Appropriate Management of Fluorocarbons. No CFC leakages were detected in FY 2021. Going forward, we will continue to comply with the law and to manage CFC emissions.

Future Issues

In FY 2021, we were able to cut greenhouse gas emissions at our Japanese offices above our targets. Going forward, we will continue to cut greenhouse gas emissions at our Japanese offices based on our Medium- to Long-term Management Plan. In the future, we must continue to calculate the greenhouse gas emissions at directly managed stores and in our supply chain, as per our targets for FY 2030 and FY 2050, and be aware of the actual emission amounts.

Basic Concept

While the apparel industry performs an important role in people’s lives, the negative impacts on society and the environment of mass production, consumption, and disposal are increasingly severe. We must build circular systems, providing products made with renewable raw materials and products that can be used over the long term.

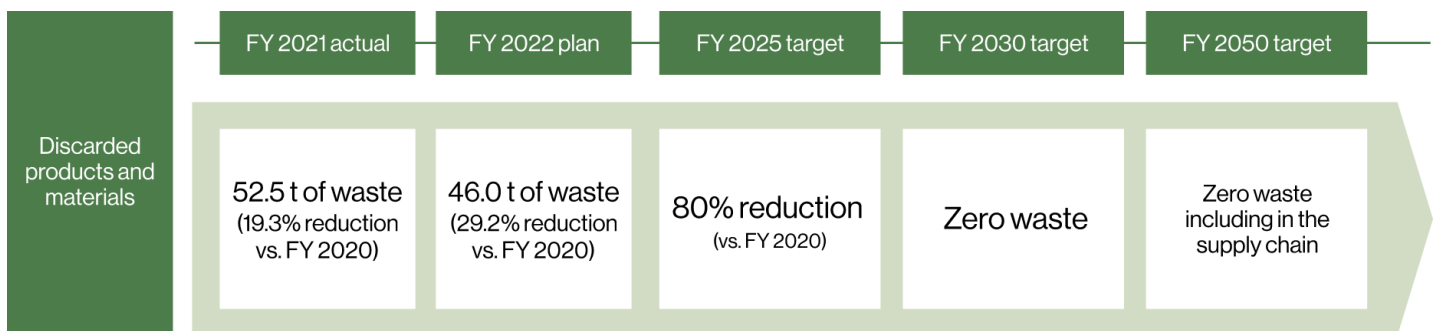
We are aiming to realize a circular society through zero fashion loss, eliminating waste, including in our business activities, extending product life, and reusing apparel that is no longer needed.

Key Environmental Issues

Until now, we have rigorously managed procurement and production plans and taken other steps to reduce material and product waste in our Group. Our new medium-term management plan includes “Realization of a circular society” as a priority issue. In cooperation with procurement partners, we are promoting in-store collection and reuse of apparel that is no longer needed, and working to reduce loss, aiming to realize a circular society to eliminate simple incineration and landfill disposal throughout the supply chain.

Also, our EMS Committee, chaired by our President and Representative of Board, manages actual monthly waste volumes, and promotes reduction and more effective use of waste. Progress is also reported at our ESG Management Committee, which meets each quarter.

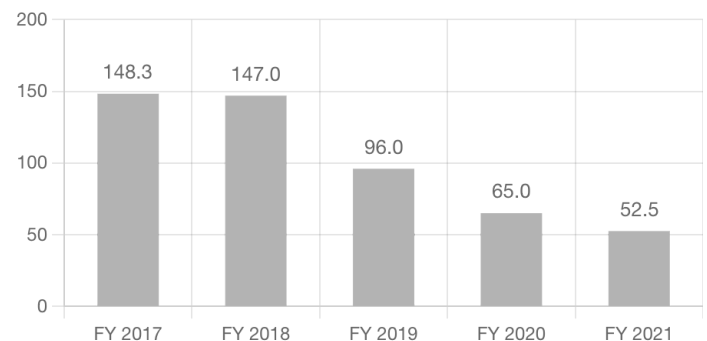
Environmental improvement activities: strategies and specific measures



Reducing Waste

Our Group’s volume of industrial waste was 52.5 tons in FY 2021. This volume was 65 tons in FY 2020. We are reducing product waste volumes by reducing our sales loss rate as well as through more effective use of deadstock materials. Future issues include further reducing waste volumes accurately grasping waste volumes in the supply chain, and examining ways to reduce waste.

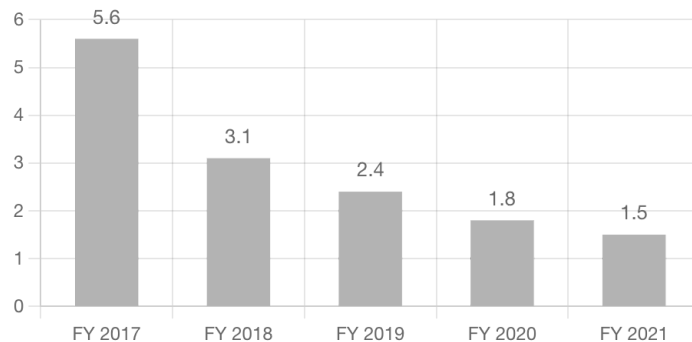
Waste volume (t)



Reducing Product Waste by Lowering Sales Loss Rate

A major environmental issue in the apparel industry is product waste due to excess supply. With the shift to an actual demand business model from 2000, we commit to order flow management and strictly manage the total amount of procurement. Additionally, we reduced our sales loss rate to 1.5% in FY 2021 through development of flagship products that customers can enjoy as long as possible, and fast inventory flow during the sales period.

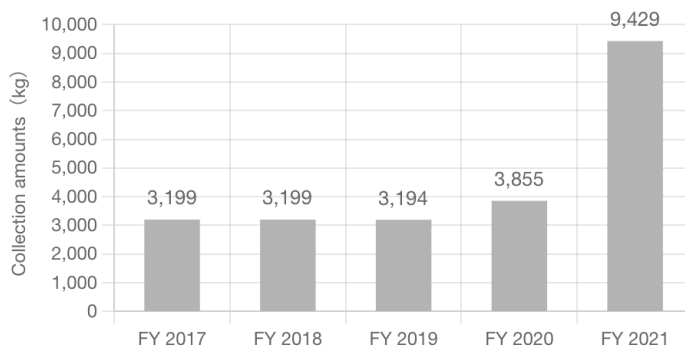
Sales loss rate (%)



Promotion of Recycling

GOLDWIN Group is also promoting initiatives to incorporate clothing into a circular model, for the careful use of our limited resources. We started recycling in collaboration with various partners in 2008, whereby we collect garments that are no longer needed regardless of the brand, quality and condition, and convert them to raw materials for new products. In FY 2021, 9,429 kg of garments were collected. We placed recycle boxes at 158 stores across Japan (as of March 31, 2022), mainly at directly managed stores, to facilitate product collection from customers. We also collect products at sports events, such as the Toyama Marathon and ULTRA-TRAIL Mt. FUJI, and facilitate recycling activities for a cyclical business in collaboration with our partners (Kawada Feather Co., Ltd., Toray Industries Inc., Hasetora Spinning Co., Ltd., JEPLAN, INC.).

Product collection results



Repair Service to Encourage Long-Term Use

THE NORTH FACE provides repairs with a strict policy of “free repairs on items with material or manufacturing defects, and repairs on other cases for a reasonable price.” Repairs are offered for outdoor items from brands such as THE NORTH FACE, and for motorcycle, ski, and athletic apparel.

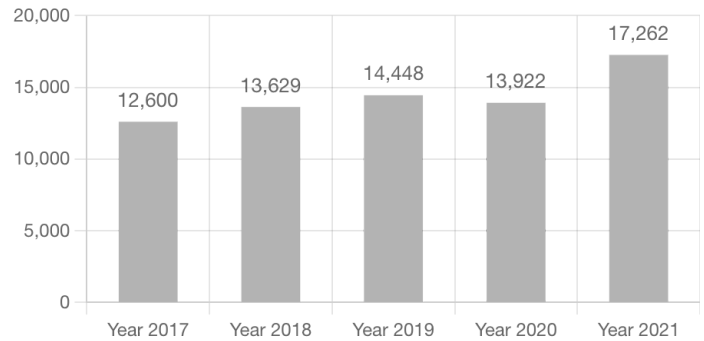
The service also offers free repairs on kid's items (exclusions apply.)

We have been receiving more repair requests as the extended use of items became more popular due to increased environmental awareness. In 2004, we received around 3,500 requests annually for repair, which rose to 17,262 requests in FY 2021.

GOLDWIN Group anticipates that demand for repairs will continue rising, and is boosting its repair systems. In addition to responding to the increased number of repair requests, we aim to reduce the current six-week turn-around to two weeks by 2025. Also, we will enhance the service by accepting repairs requests online, which previously had to be made in-store.



Repair results (cases)



Future Issues

We achieved our waste reduction target as planned in FY 2021. We are also collecting more used apparel and receiving more requests for repairs. A future issue to achieve our FY 2050 target of zero waste in the supply chain is understanding and reducing waste volumes not only at our company but in the supply chain.

Basic Concept

GOLDWIN Group is advancing manufacturing with sports and the environment as our top priorities, “To improve the global environment through unbound imagination and breakthrough innovations that are beneficial to the world,” as stated in our Vision. We share these environmental initiatives and related information widely in society and enhance transparency, while promoting communication with stakeholders. Furthermore, we hold environmental education each year for employees to increase their environmental awareness.

GREEN IS GOOD

Since 2008, GOLDWIN has done all that it can as a sports apparel manufacturer, considering the environment together with consumers with the aim to realize a sustainable society, under the banner of GREEN IS GOOD.

We aimed to realize a circular society by developing and manufacturing products that integrate ideas to reduce environmental impact, while taking action with our customers who use these products, aiming to care for different environments within all areas of sports and the outdoors. We are promoting communication and activities with our customers through our stores and products, on our company website, and through events.



> [GREEN IS GOOD](#)

Affiliation with Japan Sustainable Fashion Alliance (JSFA)

In August 2021, GOLDWIN established Japan Sustainable Fashion Alliance (JSFA) together with 11 other companies in various fields of the fashion industry, in order to consider a variety of issues faced by the industry.

In FY 2021, GOLDWIN was involved in the operation of JSFA as co-chair. Together with other participating companies, we strive to understand the impact of the fashion industry upon the natural environment and society, to derive solutions to issues shared by the fashion and textile industries, promoting the transition to a sustainable fashion industry, with aims of zero fashion loss through appropriate levels of production and consumption, recycling and reuse, and of achieving carbon neutrality by 2050.

Environmental Education

GOLDWIN Group conducts semiannual environmental education for each business department, aiming to ensure awareness of our Environmental Philosophy and Environmental Policies, and to share progress on key environmental issues.

In FY 2021, we also held sustainability workshops and microplastic workshops for all employees. In the sustainability workshops, we enhanced employee understanding by introducing environmental issues faced by the fashion industry, our company's targets, and our initiatives to develop environmentally friendly products. A key trading partner also addressed the workshops. As part of the microplastics workshops, we screened a video about plastics, and learned about the microplastics problem.

In FY 2022, our policy is to again provide opportunities to all employees in an effort to reinforce our Environmental Policies, and to learn about the environmental issues faced by GOLDWIN Group.



Workshop content	Target	Participants	Workshop time (minutes)
Sustainability workshops	All employees	441	120
Microplastics workshops	All employees	189	90

Environmental Communication Examples

GOLDWIN Group actively communicates our environmental initiatives, for example, through our website, our Integrated Report, and through event sponsorship.

We also promote activities to improve the global environment in-store and through sporting events, together with participants in sporting and outdoor activities. In addition, we hold activities to raise interest in Earth and the environment among children, who have Earth's future in their hands, and to help them to understand the importance of working together to protect our natural environment, through experiences and fun, such as Kids Nature School and Play Earth Park.



› Developing the Next Generation

Website to Communicate Environmental Initiatives

We report about our specific initiatives to resolve key environmental issues and the results on the GOLDWIN Group website. We regularly update news related to GOLDWIN Group's sustainability and strive to share the latest information.

Collection of Clothing at the 2021 Toyama Marathon

GOLDWIN collaborated in the 2021 Toyama Marathon, held on Sunday November 7, 2021. We erected a booth to introduce GOLDWIN's environmental initiatives, and collected clothing.



Community Clean-up Activities

Each of the GOLDWIN Group's business departments undertake community clean-up activities. In FY 2021, we conducted 51 such activities.

Future Issues

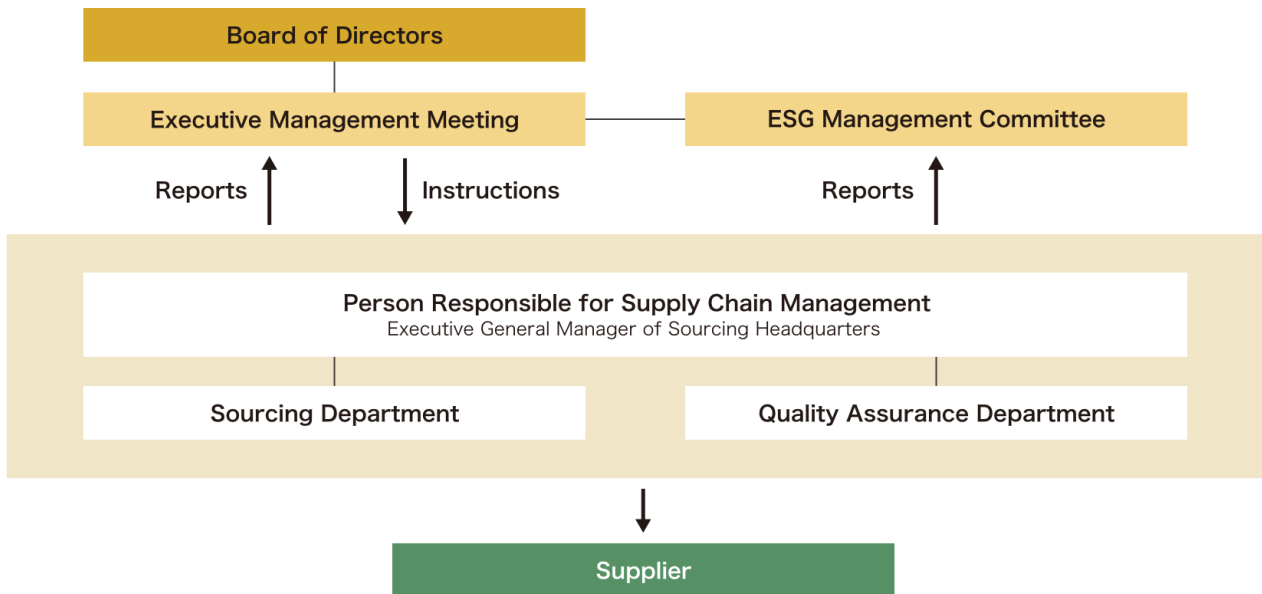
In FY 2021, we held internal environmental education for each business department. One of our trading partners introduced the latest environmentally friendly material, thereby helping to raise the environmental awareness of our employees. The impact of COVID-19 in FY 2021 limited our opportunities to share our initiatives with all of our stakeholders, but in the future, we hope to use various media to communicate the environmental initiatives of GOLDWIN Group.

Basic Concept

As the supply chain expands around the world today, striving to realize a sustainable society throughout it beyond the scope of a company's own group is an important social responsibility. Based on the Code of Conduct for GOLDWIN Suppliers revised in FY 2021, we conduct procurement activities with consideration for compliance, quality assurance, the environment, and human rights in cooperation with suppliers. We will contribute to the development of a sustainable society by building healthy relationships with suppliers inside and outside Japan based on fair and just transactions and through supply chain management focused on transparency.

Promotion Framework and Person Responsible

We have built a supply chain management system led by the Sourcing Department and Quality Assurance Department, with the Executive General Manager of the Sourcing Headquarters having responsibility. We maintain communications with suppliers in Japan and overseas, and ask for their understanding and cooperation with our company policies. Activities are reported to the ESG Management Committee and Executive Management Meeting, with oversight and guidance received from the Board of Directors through the Executive Management Meeting.



GOLDWIN's Supply Chain

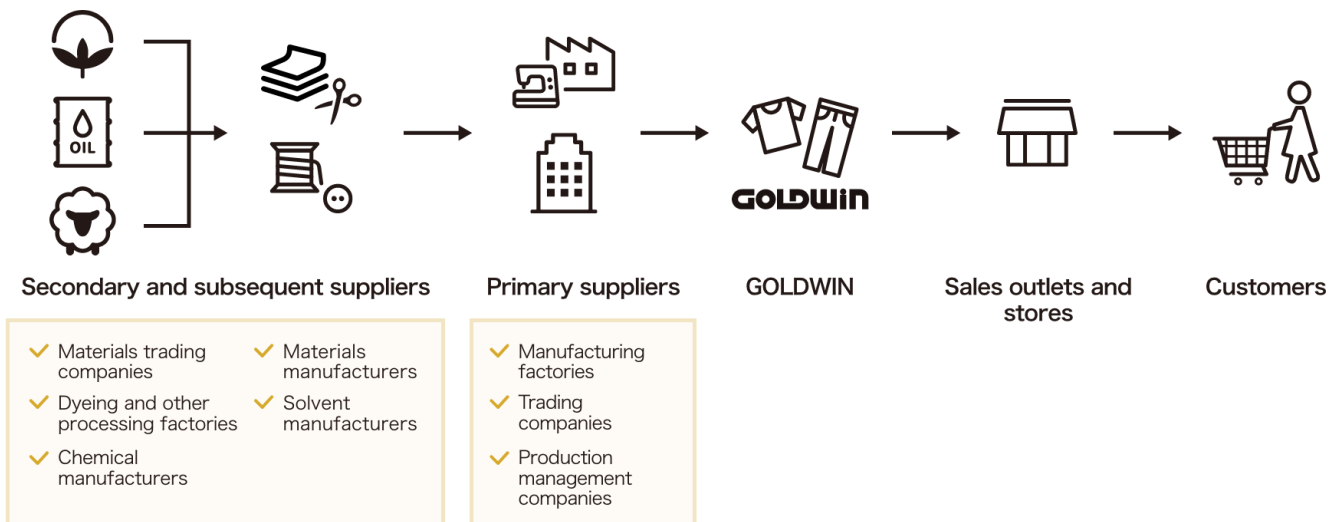
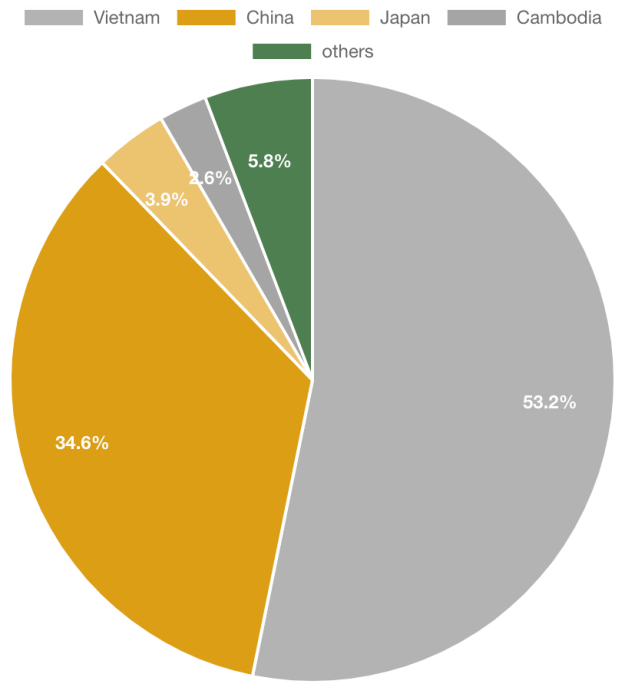
We conduct direct and indirect procurement activities with a wide range of suppliers inside and outside Japan. We take a broad view of our supply chain as encompassing primary suppliers that deliver finished products to our Group and secondary suppliers that supply materials, chemical substances and raw materials for our products through primary suppliers.

Primary suppliers comprise manufacturing factories for our products and trading companies and production management companies involved in the manufacturing. Along with quality guidance and other direct communication, we are also conducting desktop audits of all manufacturing factories as of FY 2021. Approximately 90% of these manufacturing factories (on an order value basis) are located outside Japan.

Secondary suppliers refer to materials manufacturers and trading companies that manufacture materials (fabrics, auxiliary materials, etc.) from raw materials procurement after dyeing and other processing.

Under our new system as of FY 2021, we currently request that our primary suppliers and main secondary suppliers conclude a memorandum of understanding for the Code of Conduct for GOLDWIN Suppliers and the GOLDWIN Restricted Substance Management Regulations.

Country of origin ratio



Selection of New Suppliers

Prior to beginning transactions between the GOLDWIN Group and new suppliers, we ensure that they meet all of our standards, including the Code of Conduct for GOLDWIN Suppliers and the GOLDWIN Restricted Substance Management Regulations. We only begin transactions after confirming that all documents have been received and that the supplier is found to be conforming through a desktop audit. In FY 2021, we started dealing with 39 new suppliers.

Documents required prior to entering a supplier contract

- Memorandum of understanding for the Code of Conduct for GOLDWIN Suppliers
- Corporate data sheet
- Company confirmation documents (business license, factory registry)
- Desktop audit report (manufacturing companies only)
- List of affiliated companies (subcontractors, processing factories, etc.)
- Memorandum of understanding for the GOLDWIN Restricted Substance Management Regulations
- Hazardous materials management survey

CSR-Based Procurement

To build a healthy supply chain, improve product quality, and strengthen initiatives for human rights, the environment, and safety, we ask suppliers to cooperate with audits, both desktop and on-site, and make continuous improvements. We request that the necessary paperwork is updated each year.

We have established an internal operational flow for the Code of Conduct for GOLDWIN Suppliers, and conduct management with clearly defined roles and responsibilities among the Business Department, Sourcing Department and Quality Assurance Department. We aim to increase corporate value for both GOLDWIN and suppliers through CSR-based procurement incorporating sustainability criteria.

Supplier Audits

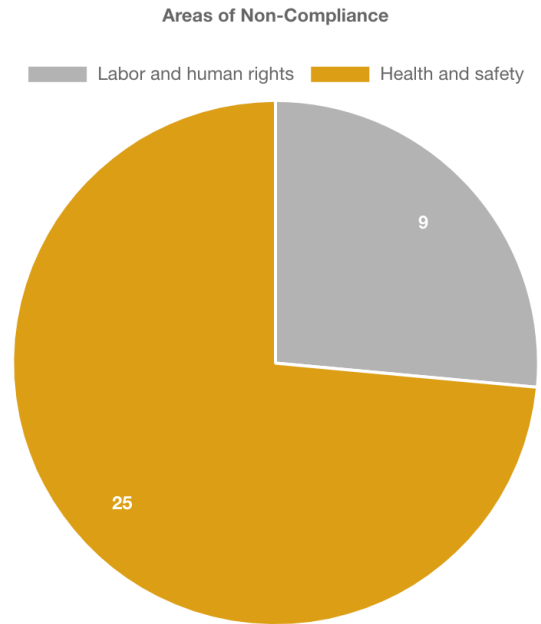
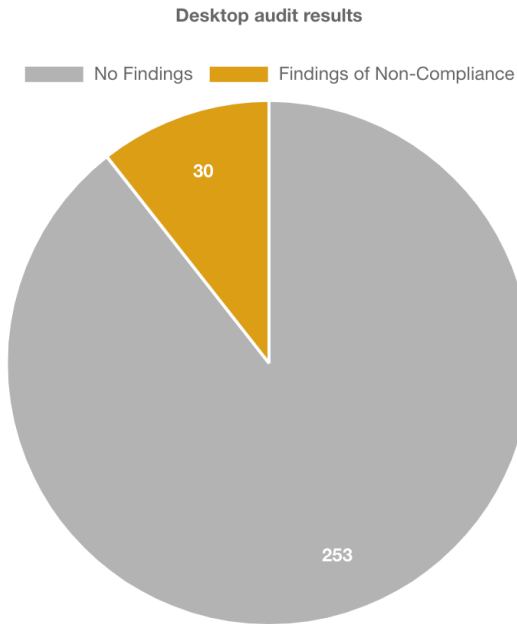
Starting in FY 2021, we are conducting desktop audits (self-assessment questionnaire) once a year with all factories with which we do business. We request responses to around 80 questions in nine areas. They confirm the status of progress on the legal, social and ethical requirements defined in the Code of Conduct for GOLDWIN Suppliers, which is then shared with us. We make requests for improvements case-by-case to suppliers for which risks are identified from the questionnaire.

In FY 2021, we conducted desktop audits for 283 companies. We also conduct on-site audits for 57 companies, primarily our main manufacturing factories. We provide suppliers feedback from the audit results, and request that remedies are implemented and corrective action plans are submitted for factories where remediation is needed. We are confirming the status of remediation for matters that were deemed to require remediation in FY 2021.

Desktop audit details

1. Compliance with laws and regulations, and acquisition of business license
2. Labor and human rights
3. Health and safety
4. Use of subcontractors
5. Compliance with environment-related laws and regulations
6. Intellectual property and duty of confidentiality
7. Facility security and maintenance
8. Confirmation of compliance
9. Production of safe and reliable products

FY 2021 desktop audits (283 companies)



Communication with Suppliers

Our business would not be possible without the cooperation of suppliers that produce products and deliver products and materials to us. We broadly share our principles for promoting sustainability through business activities with our supply chain, and focus on communication with suppliers on an individual basis to build a cooperative framework based on mutual trust.

Briefings for Business Partners

In FY 2021, we held a video-based briefing for business partners on the topic of our CSR framework for the supply chain. In the briefing, we explained the background to establishing the Code of Conduct for GOLDWIN Suppliers, specific revisions that were made and how to complete the paperwork that needs to be submitted. The video was viewed by manufacturing factories, trading companies, production management companies, and materials-related companies that have concluded a memorandum of understanding for the Code of Conduct for GOLDWIN Suppliers.



Regular Meetings with Main Suppliers (Trading Companies)

We hold monthly meetings individually with our main suppliers. The meetings are a place to exchange information on quality, cost, delivery schedules, and other matters as well as to discuss issues that arise from time to time and resolve them together. Engaging in communication helps deepen our cooperation and build better partnerships.

Internal Education

We provide regular education to internal persons in charge of procurement to enhance our CSR framework for the supply chain. When adopting and promoting a new CSR framework for the supply chain in FY 2021, we invited outside instructors to speak to our employees. They gave a seminar on sustainable management and restricted substance management in the supply chain from a global perspective, and encouraged understanding and awareness among our employees. We carefully explain our review of the Code of Conduct for GOLDWIN Suppliers, its content, and approaches for transitioning to the new framework. We also share information to enable appropriate responses when acting as a point of contact with suppliers.

Subcontract Act Training

Every year, as part of our finance training, we provide internal training on the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (Subcontract Act), which is the law in Japan that helps realize fair trading. In addition to explaining things like the purpose of the Subcontract Act, together with relevant conditions and obligations of the procuring companies, we discuss required information on order forms to ensure compliance with the act when company employees place orders. In FY 2021, 20 employees attended the training. ◦

Future Issues

The GOLDWIN Group will continue to deepen collaborations with suppliers to fulfill our corporate social responsibility through the entire supply chain.

From next fiscal year, we will establish a control flow to enable the various information and lists collected from suppliers to be appropriately utilized in management. We also aim to improve awareness of the importance of procurement from the CSR perspective among all officers and employees, including those in charge of procurement. Furthermore, we plan to investigate and acquire certification systems that are applicable to our business, and then work on extending the systems to the supply chain.

Basic Concept

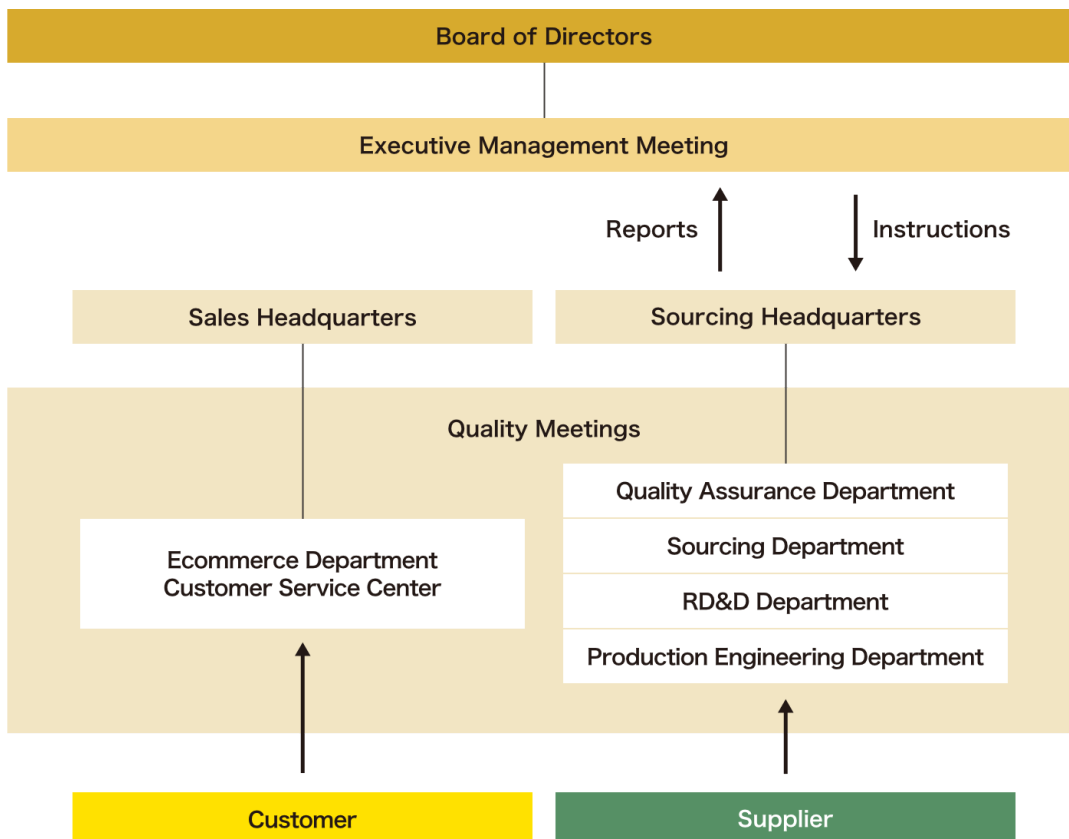
At GOLDWIN, we aim to create products and services of value that benefit customers based on our corporate mission to “realize a fulfilling and healthy lifestyle through sports.” As part of this, we strive to ensure product safety and improve quality. From the design process to ordering materials, production, and inspections of finished products, we comply with relevant laws and regulations, and pursue a level of quality that ensures customer satisfaction. At the same time, we reflect point-of-sale customer feedback in our product manufacturing activities. We feel a responsibility for ensuring the peace of mind and comfort of people who enjoy sport, and for providing products that can even improve competitive performance. Our aim is to continue delivering high-quality sports-oriented products.

Promotion Framework and Person Responsible

Our Quality Assurance Department, with the General Manager of the Quality Assurance Department having responsibility, oversees quality control initiatives for the entire group. In addition to formulating rules of operation and managing numerical targets, the Quality Assurance Department also holds monthly Quality Meetings while working to deepen collaborations with the Sourcing Department, RD&D Department, Production Engineering Department, and Customer Service Center. The Sourcing Department is in charge of sharing and requesting quality-related information from suppliers.

Each of these measures are reported on to management at monthly meetings of the Sourcing Headquarters, which are attended by the President and Representative of Board, and the Senior Managing Director. Information on quality-related claims lodged with the Customer Service Center is also distributed as needed to all managers, from general managers and up, including management executives.

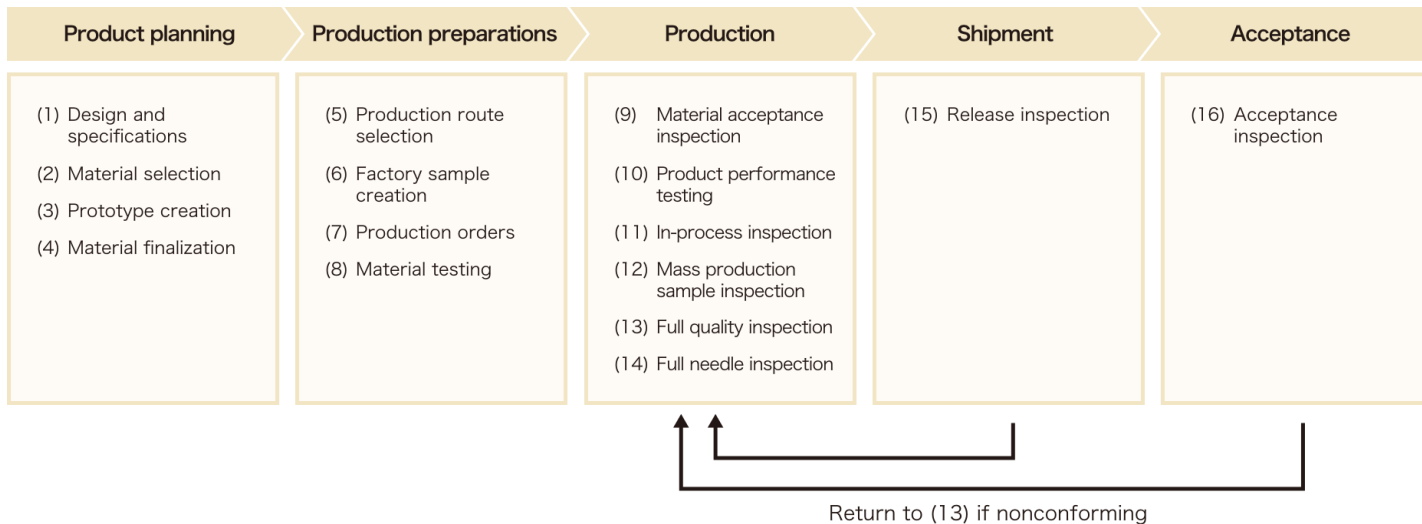
Framework



Quality Control System

At GOLDWIN, we have established original Quality Standards that define uniform quality standards for our Group, which suppliers are required to understand with an in-depth level of knowledge. The Quality Standards comprise the four areas of Product Quality Control Guidelines, Product Quality Inspection Guidelines, Materials Quality Control Guidelines, and Materials Quality Inspection Guidelines, and apply to all products we carry. We have established a management system able to deliver high quality to customers with verifications and inspections based on these standards in each process of product planning, production preparation, production, shipment, and acceptance. Based on our Code of Conduct for GOLDWIN Suppliers, we asked more than 200 partner factories to comply with these standards by FY 2021.

Quality control diagram



Strengthened Quality Control at Supplier Factories

We send specialists to our supplier factories inside and outside Japan to improve quality while providing direct instruction on quality control and production engineering. In FY 2021, we sent specialists to 11 factories a total of 28 times.

With our rate of overseas production currently at more than 90%, the importance of global quality control measures is increasing. We hold regular, quality meetings with our main supplier factories outside Japan, with a total of 15 meetings held with 9 companies in FY 2021. We aim to increase corporate value for both GOLDWIN and supplier companies by providing products that customers can feel reassured using through strengthened quality management in cooperation with supplier factories.



Recall handling in the event of product defects

At GOLDWIN, we follow the recall handling procedure below to minimize the possibility of incidents occurring or increasing due to product defects.

- Cease sales and withdraw products from distribution channels and stores
- Provide appropriate information on risks to consumers
- Replace, rectify (inspect, repair, etc.), or accept products already purchased by consumers

In the event of a recognized product defect or incident, the relevant department and Quality Assurance Department collaborate to respond promptly while prioritizing the prevention of harm to customers in line with the Recall Procedure shared companywide.

Overview of Recall Procedure

1. The person who receives a report of a product defect communicates promptly with the relevant department.
2. The relevant department gathers facts on the incident and shares the information with the Quality Assurance Department.
3. A decision is made to recall products in line with the Recall Decision Guidelines and, in the case of a serious incident, a Recall Headquarters is established.
4. Products are recalled (the relevant department prepares the response, notifies everyone at once, and the whole company implements the recall).
5. The progress of product recovery is monitored and reports are created.
6. The relevant department and Sourcing Department collaborate to investigate the cause and formulate measures to prevent recurrence.
7. The results of the recall and measures to prevent recurrence are communicated throughout the company.
8. The recall is discontinued when the product recovery rate reaches 100%.

In FY 2021, a total of 24 recalls were implemented. None of them were recognized as a serious incident.

Employee Education on Quality Control

With the understanding that employees are the ones who maintain the high quality of products, we provide employees with ongoing education on quality control. We provide a full range of programs tailored to the occupation level, with a focus on people engaged in procurement.

Training conducted in FY 2021

Training	Applicability	Training hours per person (minutes)	Participants (persons)	Training purpose and content
Recall explanation	Person in charge of recall	16 mins	15	Lesson on the Recall Procedure
Quality session	Mid-career recruits	175 mins	55	Explanation of GOLDWIN Quality Standards and fabric test values
Internal study group on Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices	Persons in charge of labeling	71 mins	14	Lesson on regulations related to labeling, including advertising and publicity
Basic knowledge of fibers	New recruits	210 mins	15	Details on the various processes of apparel production, including material and fabric characteristics
Production inspections	New recruits	210 mins	15	Explanation of manufacturing and the role of product inspection based on the Quality Standards flow chart
Knowledge of color fastness and how to read test result reports	GOLDWIN TECH LAB employees	150 mins	4	Explanations with examples of complaints, aiming to deepen understanding of expectations in the GOLDWIN standards
Knowledge of physical properties and functionality testing	GOLDWIN TECH LAB employees	240 mins	4	Introduction of functionality testing with a focus on the GOLDWIN standards

Restricted Substance Management

The GOLDWIN Group strives to protect customer and employee safety, and reduce impacts on the global environment, in every one of our products. When using the chemical substances that play essential roles in product manufacturing, we thoroughly manage the substances in every process to prevent contamination with harmful substances.

To strengthen our management globally, we formulated the GOLDWIN Restricted Substance List Compliance in April 2021 in consideration of the laws and regulations of each country where we do business, from Europe and beyond. This list clarifies the restricted substances and restriction levels in all products handled by our group and the materials used in their manufacture. We require suppliers, who deliver products and materials to us, to understand these regulations, and ask that they comply with them and manage their subcontractors accordingly. We have established a management framework to achieve this purpose in the supply chain. To periodically confirm the status of restricted substance management by our suppliers, the Quality Assurance Department also conducts random third-party verification testing.

Responsible Product Labeling and Advertising Initiatives

It is essential that we provide accurate product information so that our customers can be confident that they are buying quality products and services. The GOLDWIN Group complies with all relevant laws and regulations, and is committed to product labeling and advertising that does not cause misunderstandings.

In terms of the Act against Unjustifiable Premiums and Misleading Representations in particular, which applies to all products, we are working to assign a person in charge of labeling in every department. The Quality Assurance Department has created a Collection of Important Labeling Examples that promotes awareness of specific expressions and terminology. It has distributed this collection to persons in charge of labeling for them to use as guidelines when creating documents for external use in each department.

We comply with the following laws and regulations.

- Household Goods Quality Labeling Act
- Act against Unjustifiable Premiums and Misleading Representations
- Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices
- Act on the Promotion of Effective Utilization of Resources
- Food Sanitation Act
- JIS standards
- Association of Japan Sporting Goods Industries (JASPO) guidelines

Future Issues

Our unending objective is to deliver higher and higher quality, which we will achieve by continuing to implement quality control initiatives and fulfilling our corporate social responsibility. Our constant aim is to become a trusted company for our customers around the world through the provision of safe and reliable products.

Next fiscal year, as part of efforts to strengthen our global response, we aim to progress and stabilize the GOLDWIN Restricted Substance List Compliance, which is the global standard we launched in FY 2021. We will also continue efforts to reduce complaints and the defect product return rate, and to lower the environmental impact of the supply chain.

Basic Concept

At the GOLDWIN Group, we build and maintain relationships of trust with customers even after they purchase our products. This is achieved through stores that maximize brand value, and our Customer Service Center and Repair Center, with a focus on dialogue with customers. In addition to taking all customer feedback seriously, we are also deeply interested in unspoken feelings as we aim to provide the ultimate customer experience.

Promotion Framework

The GOLDWIN Group has created a framework for managing safety and quality in every process, from development to production, and from sales through to customer use. Our Sales Headquarters oversees operation of our stores, while our Ecommerce Department is in charge of the Customer Service Center and other operations. In collaboration with all relevant departments, including the Merchandise Department, Quality Assurance Department, and GOLDWIN TECH LAB, we employ the valued opinions of our customers in subsequent product development and service improvement.

Stores that Maximize Brand Value

We believe that our stores are the frontline in communicating brand value to our customers. We operate a range of shops in different styles according to the area and the customer demographic we are addressing, from highly specialized shops to family-oriented shops, and lifestyle shops. Our aim is to create shops that make customers feel comfortable, and where they are happy to spend time, by focusing not only on our product ranges, but on appealing to the senses of our customers through store interiors, textures, music, and smells.

Opportunities to Communicate with Customers

With a proactive approach to showing the attraction of sport, our stores offer opportunities for customers to experience different sports. Stores are not only places for our products, but they also provide opportunities for valuable communication with customers, so they also hold various events and workshops. The knowledge that we acquire from customers through our stores is then used to enable us to constantly develop new products and services.

New Store Formats Attuned to the Needs of Customers

We are also focused on developing new sales formats that help us improve two-way communication with customers. We have established THE NORTH FACE GRAVITY field shops in Niseko, Hokkaido Prefecture, and in Hakuba, Nagano Prefecture. The purpose is not only to sell sports wear and gear, but to lend products and related books, and hold events, that meet a wide range of customer requests.

In Tokyo, we have opened our NEUTRALWORKS urban store built on the concept of “helping to maintain the natural balance of mind and body for people who want to pursue an active lifestyle 24/7.”

Through these directly managed stores, we are also exploring new sports-related value and offering associated products and services.



THE NORTH FACE Sphere
(New athletics and sports store format)



THE NORTH FACE STANDARD
(For urban outdoor enthusiasts)



THE NORTH FACE FLIGHT TOKYO
(High-performance running gear)



THE NORTH FACE GRAVITY
(Field shop)

Sales Convention (Sales Staff Training)

The GOLDWIN Group provides a range of information directly to customers through our directly managed stores, from the functions and applications of planned and developed products to usage scenarios and cautions. We are focused on two-way communication as a new customer experience. Although currently postponed due to the COVID-19 pandemic, we hold a Sales Convention every year where we run a customer service role-playing contest to improve the customer service skills of our sales staff.

Customer Support Services

We have established the following three channels for responding to customer inquiries, depending on the nature of the query. In addition to responding in good faith to customer comments and requests, we are also deeply interested in their unspoken feelings as we work to build relationships of trust with customers. We employ the valued opinions of our customers as internal feedback to improve our products and services.

Support service	Overview
Customer Service Center	Inquiries, comments, and requests about brands and products
GOLDWIN WEB STORE Support	All inquiries about the GOLDWIN WEB STORE
Repair Center	Queries about product repairs

> Inquiries

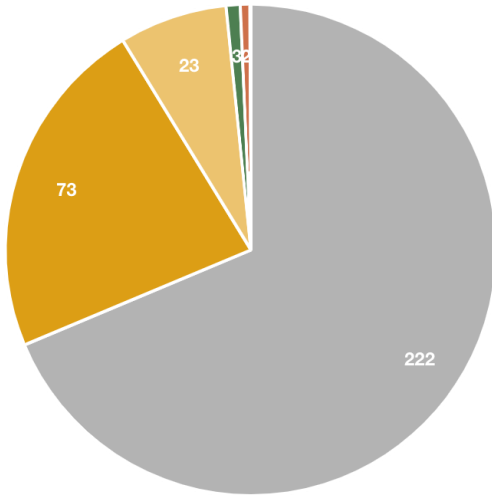
Support service	Total number of inquiries	Number of telephone inquiries	Number of email inquiries	Details	Number of inquiries
CSC	16,646	11,828	4,818	Inquiries	8,323
				Complaints	148
				Comments and requests	1,764
				Praise	11
				Stock inquiries	4,559
				Other	1,841
EC	25,618	5,636	19,982	Order-related inquiries	14,273
				Website and ID inquiries	3,904
				Product arrivals	1,726
				Product-related inquiries	2,697
				Product complaints	3,018
Repairs	8,438	3,947	4,491	Checking possibility of repairs	4,219
				Repair application procedure	2,297
				Checking details and delivery	1,830
				Other	91

Improving Customer Service Quality

After customers engage with our Customer Service Center or GOLDWIN WEB STORE Support services, we ask them to complete a survey. In addition to feeding the survey results back to the relevant employees, we listen to recordings of the customer interaction to share positive comments and areas of concern with trainers so that the results can be utilized in future calls.

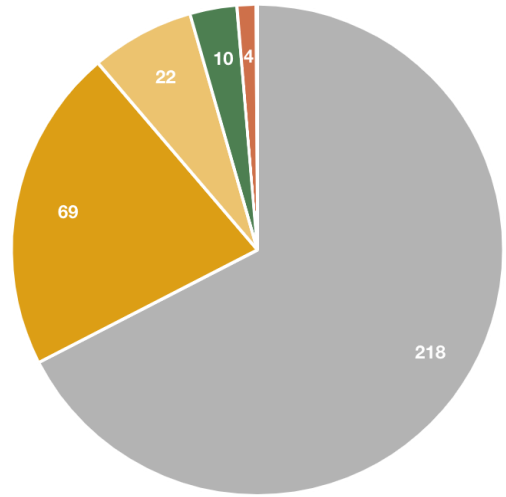
Satisfaction with telephone response

Very satisfied Satisfied Average
Dissatisfied Very dissatisfied



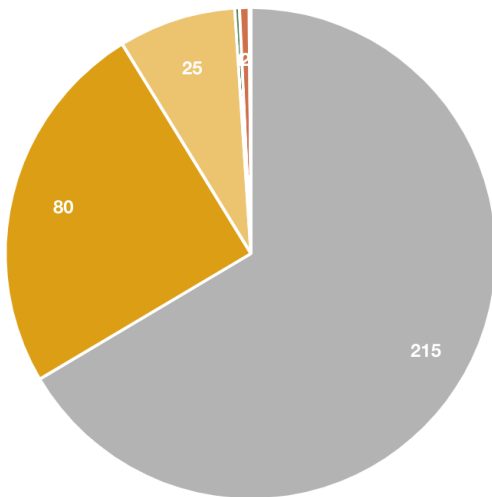
Was the problem resolved?

Very satisfied Satisfied Average
Dissatisfied Very dissatisfied



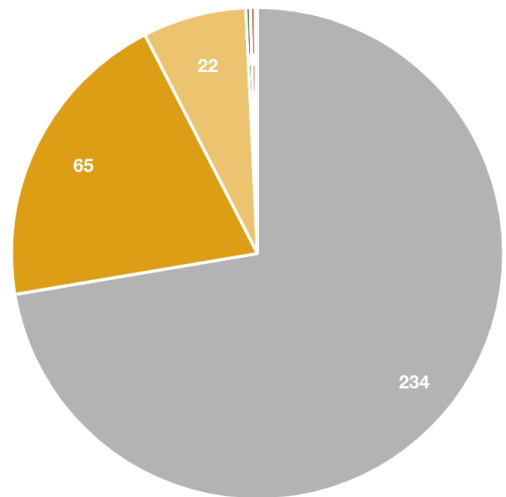
Speed of response

Very satisfied Satisfied Average
Dissatisfied Very dissatisfied



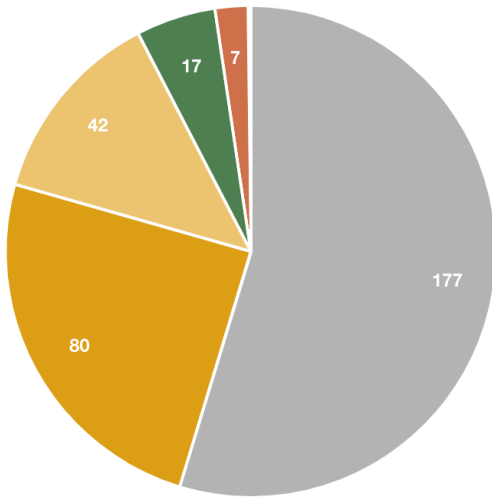
Politeness and accuracy

Very satisfied Satisfied Average
Dissatisfied Very dissatisfied



Were you able to reach the support service easily?

Very satisfied Satisfied Average
Dissatisfied Very dissatisfied



Mechanisms for Utilizing Customer Feedback

Once a month, details of all inquiries to our customer support services are compiled into a report, which is shared with all department managers. We also provide feedback on product quality-related issues to all relevant departments, including the Merchandise Department, Quality Assurance Department, and GOLDWIN TECH LAB, for use in efforts to prevent recurrence and improve quality.

Main Improvements in FY 2021

It was reported that some of THE NORTH FACE Alpine Light Pant products in the past exhibited signs of fluff and pilling, so we improved the products by changing the material. As a result, we have stopped receiving these complaints from customers.

Future Issues

To grow the GOLDWIN fan base, we will focus on activities that arise from dialogue with customers. In particular, we will continue to improve the quality of customer service in our stores and customer services that act as contact points with our customers.

We will also consider revising our internal systems to enhance information sharing so that we can use the valued opinions of our customers not only in improving quality but also in developing future products and services as well.

Basic concept

We conduct a wide range of R&D, primarily at Goldwin Tech Lab, in service of our corporate mission to “realize a fulfilling and healthy lifestyle through sports.” Our wide-ranging intellectual capital consists of many elements that comprise our corporate value, including trademark and licensing rights to high added-value sports brands, outstanding creativity to deliver brand value, planning and development capabilities, manufacturing know-how, systems that uphold high quality, store design communicating brand value to customers and sales expertise. Using this intellectual capital, we will continue striving to improve the global environment through unbound imagination and breakthrough innovations that are beneficial to the world, in order to not only develop products in the short term but also to increase our corporate value in the mid- to long term.

Framework for intellectual capital activities in our business

Development Committee

Our Development Committee meets six times a year in pursuit of developing high value-added products specifically with our original technologies and functions. The meetings comprise members selected from across our company and are held for the purpose of maximizing use of our human capital, intellectual capital and other internal resources. The committee also reviews product commercialization, marketing strategy and sales promotions to bring higher-level insights and efficiencies to product planning, and shares know-how across organizations. KODENSHI[®], which was developed in the committee, was used in products worn by Yuichiro Miura in his ascent of Mt. Everest. KODENSHI[®] is now being deployed in development, promotions and other areas across our brands.



KODENSHI[®] fabric offers advanced heat retention performance. It is blended with ultra-fine ceramic particles that absorb far-infrared radiation (body heat) emitted from the skin of the person wearing it and returns the heat to their body.

Patent and Design Subcommittee, Patent and Design Working Group

The Patent and Design Subcommittee meets twice a year to establish our policy and strategy for effectively utilizing our Group's intellectual property. Under it, the Patent and Design Working Group meets four times a year and holds more detailed discussions. The subcommittee and working group share intellectual property information on patents, designs, utility models, know-how and so on, and deliver our distinctive high added-value to customers through our various brand offerings. Through their discussions, the subcommittee and working group strive to effectively and efficiently obtain exclusive rights and protections on intellectual property by making decisions on applying for patents and other actions. This serves to prevent other companies from obtaining the rights and to curtail the availability of imitations.



SMART SEAM® is an original GOLDWIN technology. Creating flat seams to reduce seams' stress on the skin

Service invention program

We have created an incentive program for intellectual property encompassing inventions, original works, ideas and know-how created by employees in the course of their work. Employees who have created intellectual property designated in the Patent and Design Subcommittee are given a cash reward corresponding to the evaluation of the intellectual property. The contribution to our business is also regularly assessed, with cash rewards given accordingly. This program greatly contributes to increasing employee motivation to develop high value-added products specifically with our original technologies and functions, not just functions based simply on relevant laws and regulations.



Motorcycle jacket with air intake at the chest. The jacket is constructed with two layers of zippers at the chest to deliver waterproof performance in the rain as well as ventilation when it's not raining. The jacket brings in a larger volume of air than before to reduce perspiration under clothing.

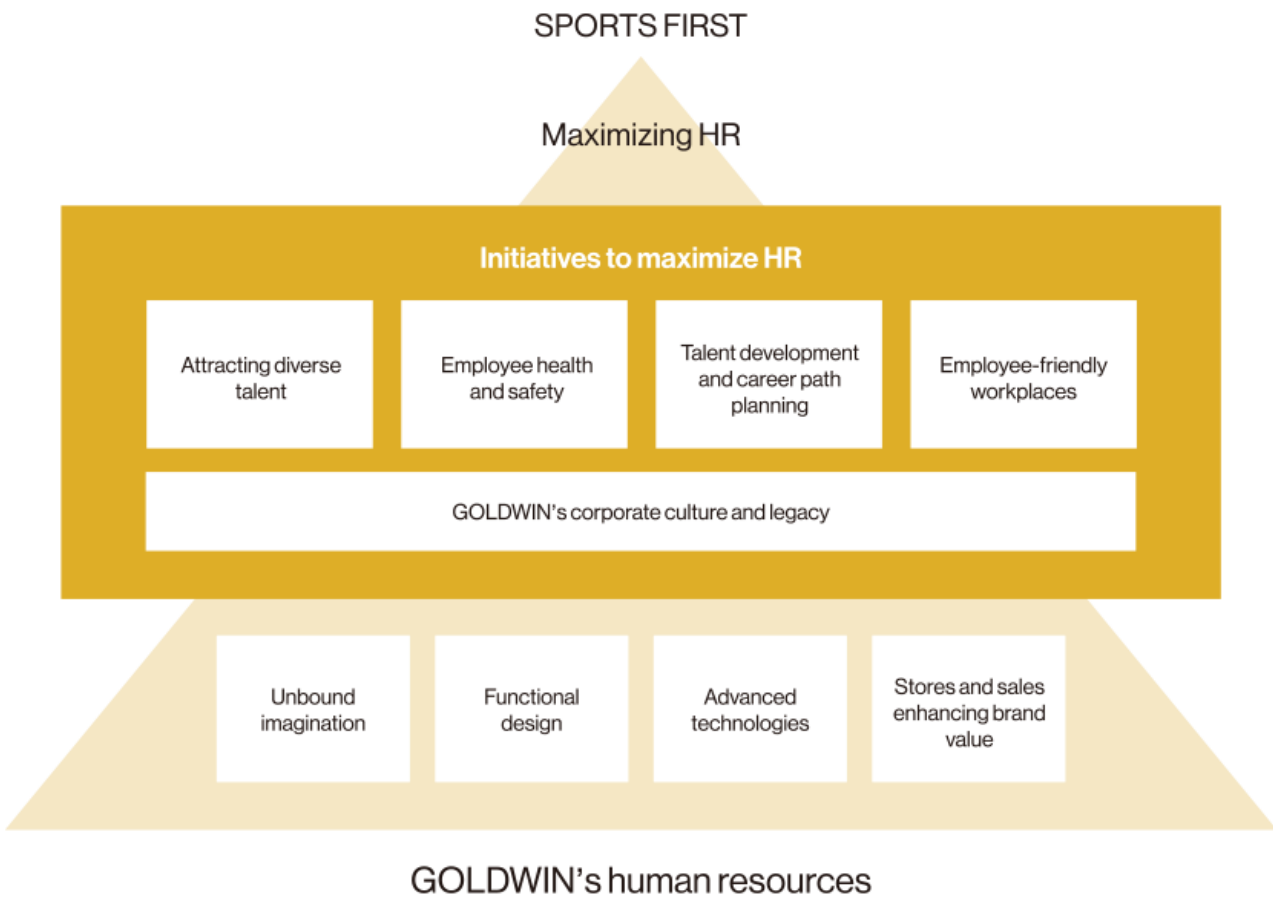
List of our brands

In addition to our original brands, we also operate a multi-brand business that includes brands whose trademark rights we have acquired and licensed and distributor brands. We have formed strategic partnerships with the global parent companies of these brands and operate our business to create brand value on a global scale and further increase this value.

Original brands	 Goldwin  GOLDWIN MOTORCYCLE  MXP  and per se  PROFECIO.  NY  nanamica
Owned brands	 THE NORTH FACE  HH HELLY HANSEN  canterbury  DANSKIN  ellesse
Licensed/ distributor brands	 speedo  EST. 1830 WOOLRICH  Black & White. SPORT  E41  macpac  icebreaker  SUNSKI

Basic Concept

SPORTS FIRST with all employees who work at GOLDWIN—we love sports, understand the power of sports, and share the desire to deliver the appeal of sports to as many people as possible. Our corporate value is achieved through every one of our employees realizing SPORTS FIRST, and this is why aiming to maximize human capital is one of our highest-priority management issues. Even amid drastic social change and a challenging management environment, our Basic Policy of Human Capital aimed at achieving sustainable growth sets forth that, even when conditions are uncertain, we will develop and secure professional human capital to allow us to achieve sustainable growth. The Human Resources Department that leads these efforts aims to achieve the management strategy and vision in terms of utilizing human capital as a strategic partner. In addition, the HR Department aims to be a partner for employees and officers who give comprehensive and attentive support for their self-actualization. In the area of HR management operations, the department conducts various programs with the mindset of seeking higher-level performance and greater efficiency in its managers.



Model HR

To realize our Basic Policy of Human Capital, we have established a set of “model human resources,” which we share throughout the company. Recognizing that these model human resources are the human capital that underpins our corporate value, we are engaged in various measures to maximize them.

1

Human capital with advanced specialization able to demonstrate imagination with a customer focus

Human resources capable of seeing things from the perspectives of others and conceptualizing and promoting new businesses by thinking differently to others and applying high levels of expertise (knowledge and skills)

2

Human capital able to independently perform their roles and responsibilities and take on challenges

Human resources who have a keen awareness of the roles and responsibilities required of them in order to achieve results as a team (organization), who take responsibility for their actions, and who are willing to take on new challenges.

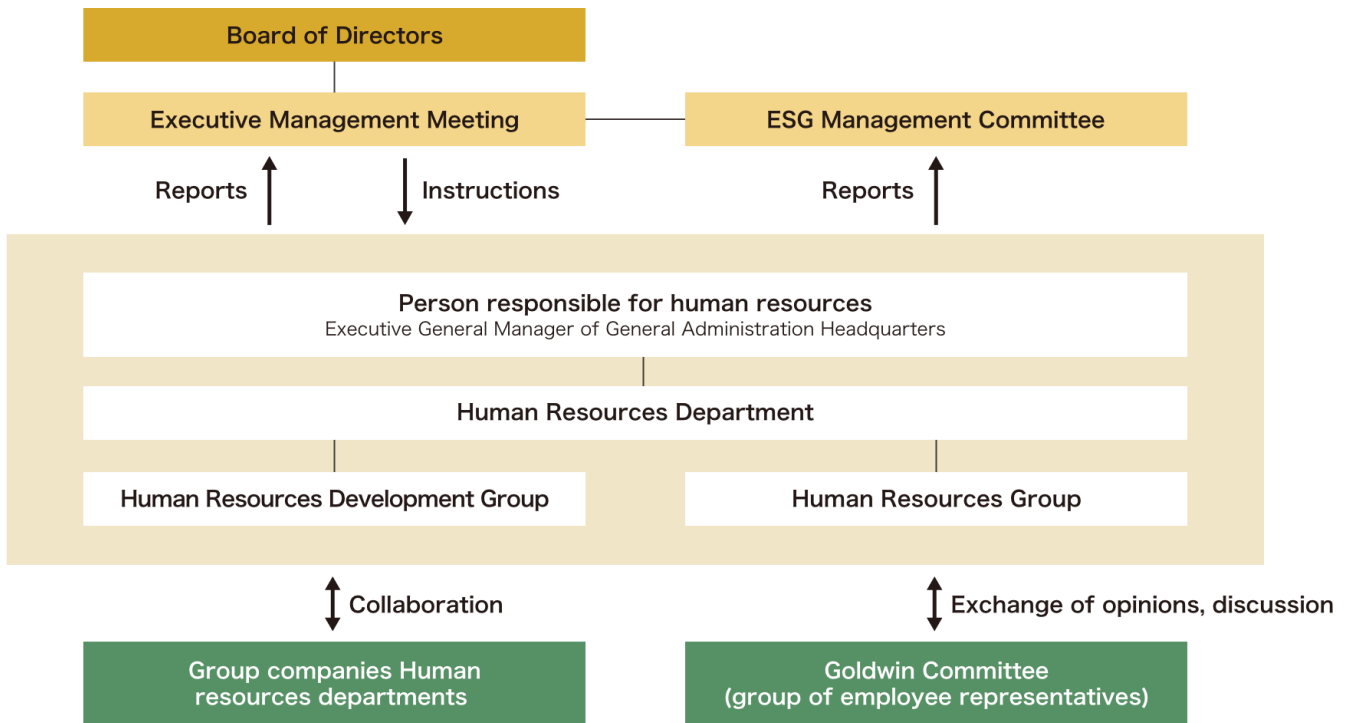
3

Human capital who respect individuals' attributes, embrace teamwork, and achieve growth

Human resources who, in addition to maximizing their individual abilities, take full advantage of the resources of the team (organization), and who promote business from the optimal company-wide perspective

Promotion Framework and Person Responsible

Under the responsibility of the Executive General Manager of the General Administration Headquarters, the Human Resources Department is the main department in charge of the various measures based on the Basic Policy of Human Capital. Each measure is reported to the ESG Management Committee and to the Executive Management Meeting, and oversight and instruction are received from the Board of Directors via the Executive Management Meeting. As well as coordinating with the human resources departments of Group companies, we also consult with the Goldwin Committee—a group of employee representatives—exchanging opinions and discussing improvement plans on working conditions, workplace environments, and employment conditions.



For more details about each measure, see the following pages.

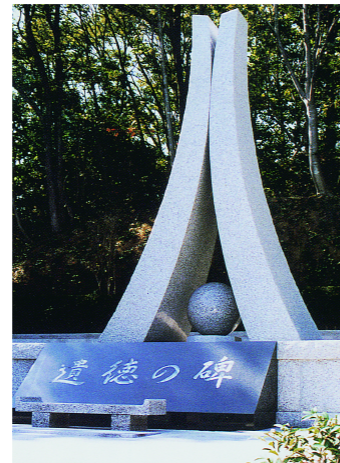
- > Employment and Diversity
- > Employee-Friendly Workplace
- > Talent Development
- > Fair compensation, benefits and evaluations

GOLDWIN's Corporate Culture and Legacy

We are proud of the technical mastery and know-how we have inherited from our predecessors, and preserve their legacy while engaging in our current corporate activities. Our commitment to SPORTS FIRST runs through everything we do, and our employees' lived experience of sports informs our products and services.

Monument Honoring Our Predecessors

GOLDWIN founder Tosaku Nishida raised the Remembrance Monument in Oyabe City, Toyama Prefecture, Japan to honor the accomplishments and memory of our predecessors who overcame many obstacles to build GOLDWIN. Our management team has a tradition of visiting the Remembrance Monument to pay their respects to these predecessors after the shareholders' meeting every year. This tradition not only honors their memory but nourishes in our current leaders the same spirit of determination and passion our predecessors had as we look ahead to our future.



Putting Sharing Information, Sharing Goals, and Sharing the Company into Practice

In past years, we held multi-day training intensives for new employees and senior management at important Shinto shrines and Buddhist temples in Toyama Prefecture, Japan. Traditions at these trainings included early morning cleaning sessions and forging mental strength through lectures and meditation. They were opportunities to focus intently on problems and future issues and how to address them as well as to unite hearts and minds. Today, these trainings take the form of an annual senior management conference to share our management policy, company goals, and other key information. These training sessions were held online again during FY 2021 due to the COVID-19 pandemic.



Visits to Ise-jingu Shrine to Give Thanks, Learn Cultural Continuity

In the words of GOLDWIN founder Tosaku Nishida, “There are things in this world that are greater than any human power. When you feel lost, cleans your soul, banish evil thoughts, and think seriously about what you should do with a pure heart before the gods and Buddha. When you do, you will instinctively see the path forward.” Every year, employees who have reached specific years of age considered unlucky in Japan pay a visit to Ise-jingu Shrine. This is an opportunity for employees to give thanks to their ancestors and family, pray for good health, and learn about the importance of preserving continuity through the history of Ise-jingu Shrine being rebuilt every 20 years. In FY 2021, 51 employees visited the shrine.



SPORTS FIRST MAG: New Type of Online Media

SPORTS FIRST MAG publishes interviews with GOLDWIN employees and sponsored athletes, profiles of people who live a SPORTS FIRST lifestyle, and articles about the intersection of sports and work and useful information in the world of sports. This new type of sports media highlights people, goods, lifestyles, and work that place top priority on a love of sports instead of ability or physical strength. In FY 2021, the sporting lives of 20 employees were introduced.



> <http://sportsfirst.jp/> (in Japanese) [🔗](#)

Participation of Employees in Various Sports Events

GOLDWIN sponsors events including the ULTRA-TRAIL Mt. FUJI, an international trail running race over 160 km long, and the Toyama Marathon held in Toyama Prefecture. Many of our employees enter these events as competitors and participate as staff and volunteers helping to run the events. These are just a few examples of how we are committed to implementing SPORTS FIRST in our business operations as well.



Achievements in FY 2021

Event	Number of employees participating
Hokuriku Welfare Golf Tournament	6
Toyama Marathon	14

SPORTS FIRST AWARDS

The SPORTS FIRST AWARDS program recognizes employees who epitomize SPORTS FIRST, which is both our tagline and our employee code of conduct. Every year, employees vote for the colleagues featured in SPORTS FIRST MAG over the previous year who they feel most personify SPORTS FIRST, with the top three receiving an award plus a cash prize and a special holiday.

In FY 2021, the Gold Award went to Akiko Chiba for enjoying snow sports on a snowboard she made herself.



Sports Cheer program

The Sports Cheer program is one that provides support for employees involved in sports so that they can set ambitious goals and continue to challenge themselves, rather than simply participating in a one-time event.

The program covers not only sports tournaments, but also employees participating as volunteers or coaches. Support is provided in the form of financial assistance, products, special leave, and so on, depending on the level of each employee. In FY 2021, 11 employees took advantage of this program.

Goldwin Group Committee (Group of Employee Representatives)

With the exception of stores, a representative employee is appointed at each Goldwin Group business location. The Goldwin Group Committee, whose executives comprise employee representatives, has been established to engage in legally required labor-management consultations as an alternative to a labor union, and has concluded necessary labor-management agreements, including agreements on overtime and holiday work (based on Article 36 of the Labor Standards Act)

Employee representatives are appointed once a year by a vote of all employees (including part-time employees) excluding managers. When implementing major changes that may significantly affect employees, prior notice is given to employees and employee representatives, and decisions are made in consultation with employee representatives.

In FY 2021, in conjunction with the revision of the HR system, discussions on the new HR system are being held with employee representatives.

Future Issues

We will continue to implement various measures based on the Basic Policy of Human Capital, aiming to maximize our human capital.

From next fiscal year onward, with the launch of the new HR system, we will focus on ensuring a smooth transition to the new system and promoting better understanding among employees. Our aim is to improve productivity through the new system. Together with each system reform, we will work to improve employee satisfaction and revitalize the organization.

Basic Concept

We share our prized values of prioritizing sports and the environment, and living life without a boundary between work and play, as we engage in our day-to-day work. These values are connected to the accepting how employees live their lives, work, and think, as well as respecting the unique characteristics of individuals. We have defined this way of thinking in the GOLDWIN Group Policy on Human Rights, and are working to secure diverse human capital with zero discrimination based on sex, nationality, ethnicity, ability or disability, sexual orientation, or other characteristics. Our transition to a job-type HR system in fiscal 2022 has enabled us to operate our HR system with greater fairness, impartiality, and transparency regardless of how long the employee has worked at GOLDWIN, their age, or whether they joined GOLDWIN straight from school or mid-career. We will strive to create an environment in which diverse human capital can utilize their own abilities and experience and make contributions.

Approaches to Ensuring Diversity

The diverse experiences and backgrounds of each employee are what drive the support and growth of our business. In addition to emphasizing workplace diversity when hiring employees, we believe that ensuring diversity in core human resources will become even more essential in the future, such as by actively promoting women, non-Japanese, and mid-career hires to management positions. We will promote initiatives steadily while establishing specific targets and KPIs and communicating their progress both internally and externally.

Employee data (consolidated)

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
No. of employees (persons)	Total	2,251	2,330	2,526	2,679	2,830	2,861
	Male	1,035	1,088	1,174	1,252	1,328	1,364
	Female	1,216	1,242	1,352	1,427	1,502	1,497
No. of non-Japanese employees (persons)		6	4	9	9	13	21
Average age (years)		40.2	40.3	39.6	39.7	39.7	39.8
Average length of service (years)		12.8	13.1	12.4	12	11.8	11.7
Ratio of managerial positions (%)	Male	12.1	13.1	13.2	12.5	13.5	12.5
	Female	0.1	0.1	0.1	0.3	0.5	0.6
Percentage of female executives (%)		7.1	7.1	7.7	14.3	15.4	16.7
No. of new graduate hires (persons)	Total	31	15	25	39	30	34
	Male	14	6	10	18	18	20
	Female	17	9	15	21	12	14
No. of mid-career hires (persons)	Total	74	118	173	137	127	108
	Male	35	78	96	65	58	48
	Female	39	40	77	72	69	59
Turnover rate (%)		15.8	10.7	13.4	11.1	8.8	8.6

Employee data by employment contract type (consolidated)

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Ratio of non-regular employees (%)		59.6	59.9	62.9	64.7	65.7	64.4
Regular employees (persons)	Total	910	934	936	947	970	1,019
	Male	479	492	483	492	503	524
	Female	431	442	453	455	467	495
Contract employees (apart from sales associate positions) (persons)	Total	224	246	338	393	433	463
	Male	116	133	188	207	239	254
	Female	108	113	150	186	194	209
Contract employees (sales associate positions) (persons)	Total	695	747	820	905	978	997
	Male	343	368	399	442	467	474
	Female	352	379	421	463	511	523
Part-time employees (persons)	Total	422	403	432	434	449	382
	Male	97	95	104	111	119	112
	Female	325	308	328	323	330	270
No. of employees (persons)	Total	2,251	2,330	2,526	2,679	2,830	2,861

Recruitment Policy

In terms of our recruitment policy, we are looking for a wide range of colleagues who share our values, regardless of gender, nationality, and disability and whether they are a new graduate hire or mid-career hire. “Even amid an uncertain business environment, develop and secure professional human capital to enable sustainable company growth”: having established this as our Basic Policy of Human Capital, to achieve this, we share our “model human resource” throughout the company. Recognizing that these model human resources are the human capital that underpins our corporate value, we are engaged in various measures to maximize them.

Model HR

1

Human capital with advanced specialization able to demonstrate imagination with a customer focus

Human resources capable of seeing things from the perspectives of others and conceptualizing and promoting new businesses by thinking differently to others and applying high levels of expertise (knowledge and skills)

2

Human capital able to independently perform their roles and responsibilities and take on challenges

Human resources who have a keen awareness of the roles and responsibilities required of them in order to achieve results as a team (organization), who take responsibility for their actions, and who are willing to take on new challenges.

3

Human capital who respect individuals' attributes, embrace teamwork, and achieve growth

Human resources who, in addition to maximizing their individual abilities, take full advantage of the resources of the team (organization), and who promote business from the optimal company-wide perspective

Promotion Screenings

We engage in equal opportunity hiring with a focus on work experience and without distinguishing between the sexes or between new graduates and people in the middle of their career. From our focus on having employees understand our company culture and atmosphere, we have a policy of hiring people in the middle of their careers as contract employees. If they decide in the course of their employment that they would like to work for GOLDWIN long term, they undergo a promotion screening to become a regular, full-time employee. The system enables them to take on this challenge while considering what they want in their career. We also conduct screenings for the changing of employment tracks, appointing of an annual salary system, and the reappointing of childcare exceptions.

Promotion screenings are given upon a recommendation from the employee's boss, and consist of a submitted report, a written test, and an interview with corporate officers. In FY 2021, 16 employees received a change of employment status through the promotion screening system.

Women's Advancement in the Workplace

Our SPORTS FIRST philosophy is achieved when our employees' lived experience of sports informs to our products and services. Women's ideas and values are also key to this, and we are focusing in particular on women's advancement in the workplace within our push to create a company atmosphere and conditions that allow all employees to fully unleash their potential.

Action Plan for Women's Advancement in the Workplace

We established an action plan in 2020 based on the Act on the Promotion of Women's Active Engagement in Professional Life. In FY 2021, we conducted informational interviews based on the work-life balance sheet with women employees who are raising children. As of March 2022, 100% of women employees had taken the interview.

In FY 2022, we created a new action plan to further expand opportunities for women's advancement in the workplace during the three years until FY 2024. We are making additional environmental improvements based on the following three targets.

1. Conduct follow-up interviews with employees returning to work after childcare leave and their managers 100% of the time
2. Increase awareness for career advancement among female employees by 10%
3. Aim for 30% of male employees to take childcare leave through promotion efforts

> General employer action plan

Career Planning Support for Female Employees

With a view to expanding the number of women in managerial positions, in November 2021, we held a workshop for women managers to understand the current issues and draw lessons for the future. On the day of the workshop, 20 female managers working at GOLDWIN participated online. The workshop started with an explanation by the Human Resources Department on the background and approach to promoting the advancement of women in the workplace, followed by the results of a questionnaire that participants had answered earlier. Group discussions were then held on two topics: How do you feel about being in a managerial position? What do you think is needed to make it easier for women managers to work at the company? and there was a lively exchange of opinions. We will continue to hold training and seminars for female employees to support them in developing their careers.

Creating Conditions Where Employees with Disabilities Can Make Contributions

We aim to realize an inclusive society where diverse human capital can make contributions regardless of handicapped status. We are working to improve workplace environments so that employees with disabilities have flexibility and can continue working according to the circumstances of their disability. In FY 2021, 2.33% of our employees had a disability.

We plan to develop workspaces including at stores and expand employment of people with disabilities. As the groundwork for this, we are holding trainings for managers in phases to build understanding for employing people with disabilities.

Ratio of employees with disabilities (consolidated)

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Ratio of employees with disabilities (%)	2.16	1.95	1.72	2.46	2.63	2.33

GOLDWIN KAWAGOE FARM Initiative

With the aim of realizing fulfilling lifestyles through sports and contributing to the development of society, at GOLDWIN, we are committed to the employment and retention of people with disabilities. As part of these initiatives, in October 2019, we opened GOLDWIN KAWAGOE FARM in Kawagoe City, Saitama Prefecture, leveraging the IBUKI service developed by Startline CO., LTD. providing employment support in indoor farming to people with disabilities. As of July 2022, 15 people with disabilities were engaged in growing and processing crops at the farm. At work, staff members wear uniforms made at NEUTRALWORKS. and feel a sense of unity as employees of the GOLDWIN Group. The herbs produced at the farm are processed into herb tea and served in the staff canteen at the Tokyo Head Office. They are also used as novelty items at various events and at NEUTRALWORKS. Going forward, we will promote greater awareness and understanding of this activity within the company, and heighten awareness among employees for the importance of employing people with disabilities.



Reemployment Program for Older Workers

Amid a declining labor force, society as a whole needs to create an environment in which many people can continue to actively work for a long time, regardless of their age. At GOLDWIN, we have established a reemployment program for older workers, rehiring any employees who reach the age of retirement but want to keep working from the end of the fiscal year in which they turn 60 until the end of the fiscal year in which they turn 65. In FY 2021, the number of rehired employees was 84 and the reemployment rate was 71.7%.

We also hold an annual life planning seminar for employees in their 50s to help them plan for life after retirement. In addition, we support our employees to engage in their own careers over the long term, providing age-specific career training courses tailored to the needs of employees who are turning 60, employees in their early and late 50s, and employees in their early and late 40s.

Number of rehired older workers and reemployment rate

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Number of rehired employees (persons)	11	12	29	75	84
Reemployment rate (%)	30.5%	41.3%	54.7%	64.6%	71.7%

LGBTQ (Sexual Minority) Initiatives

As part of creating workplaces where individuals are respected and diversity is encouraged, we are focusing on creating an environment that is open and friendly to LGBTQ employees. Our Group policy explicitly prohibits any language or action that is discriminatory on the basis of sexual orientation or gender identity, and we are building understanding for this internally through trainings and other efforts. We make accommodations for LGBTQ employees who express preferences for their work mode, and plan to develop ways for same-sex partners of employees to receive the same treatment as spouses in our HR-related programs.

Future Issues

To be a company that is inclusive and values the individuality of each and every person, we will continue striving to create workplace environments that enable the employment and work of diverse human resources and make the most of their abilities.

An important key to promoting diversity is changing the mindset of employees. From FY 2022, we will provide managers with training to deepen their understanding about diversity, and we will encourage them to obtain Universal Manners Certification.

Basic Concept

People are one of our greatest assets, and the growth of our human capital is the source of our company growth. We conduct a broad range of HR development programs based on the belief that developing employees to have high-level perspectives, innovative qualities, and imagination, and sharing a diverse range of knowledge creates a strong organization.

We launched a new HR system in FY 2022 to pass down the GOLDWIN DNA that has become our legacy over more than 70 years and produce human capital to drive business growth. Our newly established HR Management Policy sets forth “Even amid an uncertain business environment, develop and secure professional human capital to enable sustainable company growth” as our Basic Policy of Human Capital. We have defined our model HR based on this, and it also forms the cornerstone of our HR development.

1

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Talent Development

To support the individual growth of employees, we have established our training system from a long-term perspective. It comprises four main types of training: level-based training, management-level training, selective training, and companywide training. Our HR development programs use a combination of internal and outside instructors and aim to create various opportunities that spark imagination and innovation.

Status of taking trainings and total hours of trainings (non-consolidated)

	FY 2019	FY 2020	FY 2021
Annual hours of companywide education and trainings taken	Total of 218 people	Total of 399 people	Total of 309 people
Total cost of companywide education and trainings	74.51 million yen	77.34 million yen	46.67 million yen
Training hours per employee (average)	2.01 hours	2.64 hours	2.39 hours

Company Level-based Trainings

We provide trainings corresponding to different company levels, from new employees to mid-level employees and managers. We support employees so that they can acquire the skills they need to perform their current job duties with the aim of raising the level of our organization.

Main level-based trainings

Training	Training hours per person (hours)	Participants (person)			Training purpose and content
		FY 2019	FY 2020	FY 2021	
New employee training	64–86 hours	40	29	34	This training is designed to have talent engaged in processes from planning and production to sales at a sports manufacturer, experience jobs other than their own, and leverage this experience in their work. New graduate employees and mid-career hires regularly participate in this training at Goldwin Tech Lab, our R&D center. New employees learn about our corporate history in the archive corner, and learn the basics of manufacturing by practicing sewing to create their own sports apparel.
Mid-level employee training 20s × 3rd–4th year Fourth/fifth-year training	14	22	19	14	Employees gain an understanding of their own interpersonal style, and study key points in deepening ties with others (social skills in interpersonal relations). Employees gain experience-based understanding of model ways to have a team with strong ties.
Post-promotion training	3.5–5 hours	60	49	38	Training to improve mindset and motivation, targeting employees promoted from part-time sales positions
Mid-career sales employee training	1–2 hours	11	43	28	Training to improve mindset and motivation, targeting mid-career sales recruits
Basic sales training	20	11	15	15	Basic sales training for new graduate sales associates

Management-level Training

Employees in managerial positions receive training to improve the management skills they need to have when managing an organization.

Key management-level training

Training	Training hours per person (hours)	Participants (person)			Training purpose and content
		FY 2019	FY 2020	FY 2021	
New leader training	14	24	23	30	This training creates the foundational knowledge and base for GOLDWIN managerial positions for employees assuming their first managerial position.
New manager training	28	13	25	16	The following three areas form the training curriculum designed to have employees make contributions as managers leading the future of GOLDWIN. 1) The basic roles managers are expected to perform (2) Skills to get the most out of teams, and skills to direct and support team members (3) Self-understanding as a manager
Basic management training	20	—	85	27	Training to understand the role of store managers
Middle management training	36	4	0	10	A program of 12 training sessions for general managers and above to systematically acquire the management skills needed as business leaders and to cultivate a companywide management perspective
New area manager training	20	0	20	6	Training for recognizing the role of area managers in achieving sound store operations
New supervisor training	2–3 hours	26	30	19	Training to learn the supervisor duties of new store managers

Selective Trainings

We select high-performing employees for strategic development as future management candidates. We encourage them to acquire practical knowledge and specialized skills through various trainings.

Key selective training programs

Training	Training hours per person (hours)	Participants (person)			Training purpose and content
		FY 2019	FY 2020	FY 2021	
Selected young employee training	20	6	0	18	Program designed to train selected employees in the logical thinking skills that businesspeople should acquire in order to continue to achieve results (problem-solving, communication, decision-making skills, etc.)
IFI training	40	1	1	7	(MD course) Program to acquire knowledge on marketing, branding, merchandising, etc., as well as to learn practical information linked to sales, such as strengthening sales skills, VMD, and inventory control (Store operations course) Program designed to develop store personnel capable of increasing brand assets, including sales promotion, strengthening sales skills, store operations, and VMD
Customer service training	7-14 hours	0	60	40	Training program to learn service styles and to acquire customer service skills that inspire customers
Leader development training	7	0	0	7	Training for leaders to learn how to effectively nurture subordinates

Companywide Trainings

We have developed various training programs for all employees. We encourage employees to take these trainings to help strengthen our HR capabilities.

School of S²AT

We have operated the School of S²AT (pronounced “sat”) for all employees since November 2020. This is an original training program designed to nurture individual employees’ creativity. S²AT is an acronym for sports, science, art, and technology. The program can be likened to an in-house university, where people active on the front lines of various fields are regularly invited to give presentations facilitated by employees. The program is designed to sharpen the intuition and perceptiveness of employees in real-life fields while they engage in a range of experiences.

A total of ten online sessions have been held in FY 2021.



Other Training Programs

Sewing training

As an opportunity to experience GOLDWIN’s manufacturing directly, a 4-day, 3-night sewing course is run for all new employees, regardless of whether they are new graduates or mid-career recruits, in the Toyama region where our office is located. On the first day of training, employees listen to a presentation on GOLDWIN’s history, followed by visits to the Remembrance Monument, which honors our predecessors who helped develop the company, GOLF CLUB GOLDWIN, and GOLDWIN LOGITEM, which handles our Group’s logistics functions. Days two to four are spent at GOLDWIN TECH LAB, where employees take part in technical training in printing, embroidery, and sewing. By experiencing where our products are actually made, the program helps employees understand the advantages of GOLDWIN and how we differ from other companies.

The program was suspended in FY 2021 due to the impact of COVID-19, but will start again after FY 2022.

Overseas language training

To develop global human resources who will support our business overseas, we invite regular employees and contract employees (including sales associates) who have been with GOLDWIN for three or more years to participate in our overseas language training program. Applicants need to be recommended by their supervisors to apply, and following a document screening and interview process, final selections are made by the Executive Management Meeting. The departments to which selected employees will be assigned upon their return to Japan are decided in advance. They then spend six months living with a local family while improving their language skills and gaining experience working at a local Goldwin store. Between FY 2018 and FY 2020, two employees took advantage of this training program. So far, the program has been implemented in the US. The program has been suspended since FY 2021 due to the COVID-19 pandemic, but is scheduled to resume as soon as the situation allows.

Sustainability workshops

Under a banner of “GREEN IS GOOD,” GOLDWIN aims to reduce its environmental impact and develop environmentally friendly products. By developing products and adopting mechanisms that are considerate to the environment, we strive to make contributions, however small, to the creation of a sustainable society. We hold sustainability workshops on a regular basis to unify our approach toward the environment and to proactively apply it to our future product planning. In addition to holding lectures on environmental issues, we also run workshops on different themes each time to raise awareness for the environment. In FY 2021, we started with presentations by our own staff on “The Environment Surrounding the Fashion Industry and the Direction GOLDWIN Aims to Take” and “Our GREEN IS GOOD Initiatives.” This was followed by presentations from Takeshi Kuroda of Kawada Feather Co., Ltd. on “The First Step toward a Decarbonized Society Starts with Everyday Feathers! Initiatives for SDGs and SBT Activities” and from Shun Sasaki of TBM Co., Ltd. on “TBM’s Environmental Initiatives and New Initiatives for GOLDWIN and Resource Recycling.” The COVID-19 pandemic meant in-person participation was limited. Combined with online participants, a total of 441 employees participated in the workshops.



“Sales Convention” customer service role-playing contest

The GOLDWIN Group has placed a strong emphasis on interactive communication, proposing new experiences to customers by directly informing them through point-of-sale interactions at directly managed and self-managed stores about the functions and uses of the products it plans and develops, as well as about situations in which its products should be worn and precautions that should be taken. One way that we aim to improve the customer service skills of our sales staff is through our annual “Sales Convention” customer service role-playing contest. The contest was, however, suspended in FY 2021 due to the COVID-19 pandemic.



Career Development Support for Employees

GOLDWIN provides a variety of support, such as through workshops and interviews, to help employees develop their diverse talents and achieve their career aspirations. We also have a system in place that makes it easier to reflect the wishes of employees when deciding where they are assigned.

Career and Development (C&D)

Once a year, GOLDWIN has all employees in positions of general manager and below (including contract employees) fill out a career development card. It is an online questionnaire that asks employees about their views on their own careers and about work-related challenges, and which is later used as the basis of interviews with their supervisors. The questionnaire also includes items related to staff transfer requests, which are used as a basis for companywide personnel allocations. Career development cards allow employees to tell the company how they want to work in the future

and to be proactively involved in selecting the department and location where they work.

In FY 2021, 87 office workers and 118 sales staff put in transfer requests, of which 17 were relocated to the department of their choice.

Internal Recruitment System

When launching a new department, we conduct internal recruiting as required so that the desired personnel can be assigned to it. Applicant employees are rigorously selected from among those who are determined to meet the necessary criteria for the work following a screening by the new department and by the Human Resources Department. Internal recruiting occurs irregularly. It was not conducted during FY 2021 due to the significant impact of COVID-19. As a transfer mechanism that places emphasis on the wishes of employees, we plan to resume the system as soon as FY 2022 depending on circumstances.

Career Counseling Office and Career Workshops

Employees are given regular career consultations in order to 1) be able to objectively view their own situation in the context of social changes, 2) become aware of and understand the changes and apply them to their own situation, and 3) have opportunities to consider their own strengths and skills to survive and thrive in the future. In addition, we hold career workshops once a year for each age group, providing employees with an opportunity to reflect on their own careers according to their specific stage in life.

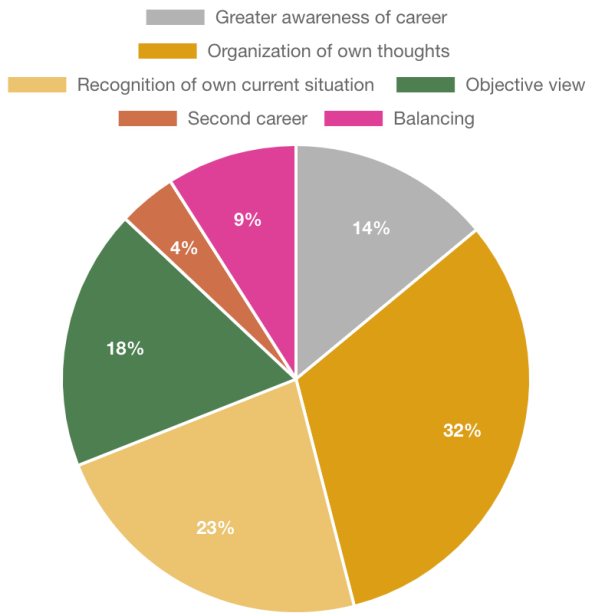
140 managerial track employees aged 40–49 attended the 40s Life Plan Seminar in January 2022, and 150 managerial track employees aged 30–39 attended the 30s Life Plan Seminar in February 2022. Furthermore, individual meetings with career consultants are available throughout the year at the Career Counseling Office for anyone interested.

Feedback from users

(Helpful comments)

- Talking with senior staff with solid careers from outside the organization helped me organize my thoughts by summarizing and discussing my own ideas. I think it gave me the opportunity to explore more deeply the shallow aspects of my thinking.
- I was able to see what I want to do (what I should do) in my work.
- They told me what kind of person I look like, which gave me the opportunity to examine myself objectively.
- It is like I realized what confuses me the most.
- Also, thank you for advising me what to do at first.
- As I verbalized my feelings and talked about them, I was reminded once again that I love my job.
- It has inspired me to continue to enjoy working on both my personal development and my job.
- As I answered the questions, I understood my current situation. I got advice on unexpected blind spots, and I realized that this is how we can solve problems.
- I now have a clear picture of what I am responsible for doing in the rest of my professional life.

Categories based on helpful comments



Future Issues

Under the new HR system that we started in FY 2022, we are putting effort into presenting the company's development policy and model HR more clearly to employees. Through this, we aim to run a system that accelerates the self-development of employees and inspires them to take on challenges. We will also inform every employee in a clear and simple manner what support measures are available for them.

Basic Concept

Viewing human capital as one of our greatest assets, we have shared our prized values of prioritizing sports and the environment and living life without a boundary between work and play. We must continuously provide support along with the times so that all of our employees can evolve while mobilizing their talents to the fullest and continuing to work with a sense of satisfaction. Based on the fact that employees are in different stages of life and have different needs for how they work, we are focusing on developing and operating programs that offer employees a high degree of freedom. By creating an environment in which employees can concentrate on their work with peace of mind, we aim to increase the overall productivity and performance of our workplaces.

Promotion of Work-life Balance

We are committed to preventing overwork and increasing the rate at which employees take annual paid leave in order for them to achieve work-life balance and appropriate working hours that allow them to work in good health and with a sense of fulfillment.

Preventing Excessive Work

Starting in FY 2020, we conducted a review to drive work efficiency improvements. Through the introduction of network restrictions and a telework program, we are taking steps to reduce overtime work for all employees. In terms of managing working hours, PC startup and shutdown times are recorded daily, and the log data is delivered to supervisors automatically to raise their awareness of how their subordinates work. If any employees work in excess of a certain benchmark, the Human Resources Department reaches out to the managers and supervisors of the relevant department and requests that they establish remedial measures.

In FY 2021, we set a companywide target of reducing annual overtime hours to 600 hours or less for all employees. As a result of working to achieve this target, annual overtime fell to 586 hours. Based on this, we are promoting further efforts with a goal of reducing annual overtime hours to 550 hours or less in FY 2022.

Trends in employee overtime hours are also reported once every three months to the ESG Management Committee.

Annual working hours per employee

	FY 2019	FY 2020	FY 2021
Annual total working hours per employee	1,829.0 hours/year	1,830.9 hours/year	1,788.9 hours/year
Annual hours of overtime work per employee	179.9 hours/year	137.9 hours/year	145.2 hours/year

Improving the annual paid leave utilization rate

We are working to improve the rate of annual paid leave taken in order to maintain and improve employee health and to create employee-friendly workplaces. Each department has set a target of achieving an annual leave utilization rate of at least 70%, with the head of the department taking responsibility for promoting the use of paid leave. A list of annual leave utilization by department is circulated every month, and the rate of progress is shared companywide.

The annual paid leave utilization rate for FY 2021 was 85.8%.

Annual paid leave utilization rate (non-consolidated)

	FY 2019	FY 2020	FY 2021
Paid leave utilization rate	84.0%	79.7%	85.8%

Support for Balancing Work and Childcare/Caregiving

We provide employees with various kinds of support so that they can balance work and childcare and/or family caregiving. In terms support for childcare in particular, we have enhanced systems beyond statutory requirements, including allowing employees to work shorter hours until their children start fourth grade at elementary school. In addition, regarding childcare leave and other programs, we ensure that each employee who is pregnant or whose spouse is pregnant is familiar with these programs and we confirm their intentions. In FY 2021, we began distribution of an e-learning course for managers that explains the actions needed to achieve this.

Use of programs

Program		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
No. of employees using childcare leave program (persons)	Male	1	0	0	3	7	13
	Female	21	16	24	28	33	52
Average no. of days of childcare leave taken (days)	Male	211	0	0	111	33	26
	Female	310	363	337	324	351	238
Percentage of employees returning to work after childcare leave (%)	Male	100	0	0	100	100	100
	Female	100	100	95.8	96.4	94.7	96.8
No. of people using shortened work Hours for childrearing program (persons)	Male	0	0	0	0	0	2
	Female	8	17	9	20	26	26
No. of people using caregiving leave program (persons)	Male	0	0	0	0	0	2
	Female	0	2	1	0	0	0
No. of people using shortened work hours for caregiving program (persons)	Male	0	0	0	0	0	0
	Female	0	0	0	0	0	0

Other support programs and number of users

Program	Overview	No. of people using the program in FY 2020 (persons)	No. of people using the program in FY 2021 (persons)
Maternity leave	Leave program for the period from 46 days before the due date to 56 days after the birth	28	51
Spousal labor leave	Program to grant special leave to attend spouse's labor	22	21
Support for daycare fees paid to more than one provider	Program to subsidize daycare fees so that parents can continue to work full-time	0	0
Parking fee assistance	Program to assist with parking fees for daycare drop-off and pick-up	1	0

Parent's Consultation

In June 2021, we established a "Parent's Consultation" support desk for employees who are raising children. Until now, in accordance with the Japanese Act on the Promotion of Women's Active Engagement in Professional Life, we had been enhancing support for female employees who had reached the childbirth/childcare stage of life, and with the establishment of this support desk, one of our main objectives is to accelerate the participation of male employees in raising children. In FY 2021, we endeavored to inform employees of the programs available to them and to promote their use of the programs, such as through distribution of an internal e-newsletter and flyers and one-on-one consultations.

FY 2021 consultations

Period: April 2021 – March 2022,

Number of consultations: 240, Method of consultation: 80% by phone and 20% by email

Timing of consultation	Number of consultations	Subjects
Early pregnancy	40%	<ul style="list-style-type: none"> • Benefits related to childbirth • Company regulations and national programs for maternity leave and childcare leave • Using up paid leave before maternity leave • Bonuses during maternity leave
Before maternity leave	20%	<ul style="list-style-type: none"> • Documents to submit to the company and how to claim allowances • What to do if unable to get into daycare • How to apply • What to do before taking maternity leave • Applying for an "Eligibility Certificate for Ceiling-Amount Application" for high-cost medical care • Should the father take childcare leave?
When extending childcare leave	10%	<ul style="list-style-type: none"> • I was unable to get my child into daycare. • How do I extend my childcare leave? • Documents to submit to the company • Advice on when to return to work
Before taking childcare leave, male employees	20%	<ul style="list-style-type: none"> • How to apply • Merits of taking childcare leave • Childcare leave benefits • Advice on length of leave
Advice after returning to work	10%	<ul style="list-style-type: none"> • Nursing care leave and programs supporting childcare • Timing of next pregnancy

Creating Rewarding Workplaces

GOLDWIN is focused on creating workplaces where employees can enjoy working and can demonstrate their abilities with pride and a sense of solidarity. In order to put into practice our policy of prioritizing sports and the environment and living life without a boundary between work and play, it is essential that we respect the values of our employees and create an environment where they can choose diverse work styles. By pursuing rewarding workplaces that reflect GOLDWIN's unique character, we will increase employee engagement which will lead to sustainable growth.

Introduction of programs that aim to improve job satisfaction

Program	Outline	FY 2021 results
Long-term service program	A program that provides time off work and cash prizes to employees who have worked for a long time. Different benefits are set for 10, 20, 30, and 40 years of service.	10 years of service: 52 employees 20 years of service: 23 employees 30 years of service: 47 employees 40 years of service: 21 employees
Vacation holiday time	A program that allows sales associates to take 10 consecutive days of leave. By combining with personal leave, employees are able to take up to 14 days of leave. Employees are encouraged to use the leave for recreation or spending time with family, etc.	Of the 856 eligible employees, 809 requested to take leave, and 784 took leave (utilization rate: 91.6% of eligible employees, 96.9% of employees who requested to take leave)
Sports Cheer program	A program that provides support in the form of financial assistance, products, special leave, etc. to employees who, rather than simply participating in one-time events, set themselves high goals and engage in sports activities or volunteer or coach at tournaments on an ongoing basis.	11 employees

Promotion of Diverse Work Styles

As individual employees have diverse needs in terms of work styles, we believe that giving employees greater flexibility in when and where they work will result in improved work efficiency and productivity. We have launched various programs that support diverse work styles so that all employees can have greater job satisfaction and opportunities for personal growth.

Programs that support diverse work styles

Program	Outline	Eligibility
<p>Paid leave available in half-day and hourly increments</p>	<p>[Objective] To allow workers to flexibly take leave to accommodate various circumstances</p> <p>[Details] Workers can take paid vacation in half-day increments, and in hourly increments for up to five days per year</p>	<p>Regular, contract, and part-time employees</p>
<p>Program allowing side work</p>	<p>[Objective] 1) Employees acquire expertise and skills not obtainable within GOLDWIN 2) Employees expand business opportunities at GOLDWIN through acquisition of new expertise and information as well as personal connections created outside GOLDWIN 3) Cultivation of employees' autonomy and independence, attracting outstanding talent, and preventing them from leaving GOLDWIN</p> <p>[Details] 1) Sole proprietor-type side work 2) No possibility of leaks of confidential company information 3) No competitive relationship with GOLDWIN's business 4) For side work outside of standard working hours to be permitted, it cannot negatively impact the employee's health or work efficiency</p>	<p>Regular and contract employees who have received permission to perform side work</p>
<p>Telework</p>	<p>[Objective] For the purposes of new value creation, contributing to company revenue through improved productivity, and accommodating needs for employees to have more latitude in their daily activities and for contingencies including disasters and infectious diseases</p> <p>[Details] Employees use information and communication technology tools to perform work in locations other than GOLDWIN offices 1) Work from home 2) Mobile work 3) Satellite offices</p>	<p>Of regular, contract and part-time employees, those persons who have received permission to perform their work via telework</p>
<p>Satellite offices</p>	<p>[Objective] Accommodate diverse working styles by providing work spaces for employees for whom telework at home is not feasible</p> <p>[Details] GOLDWIN contracts with a company that operates satellite offices, and allows employees who have made a request in advance to use them</p>	<p>Employees in certain regions</p>
<p>Staggered working hours</p>	<p>[Objective] 1) Improve work efficiency and productivity, and reduce overtime work 2) Rethink career development by expanding options for work styles.</p> <p>[Details] Prescribed working hours remain the same, but upon prior application and approval, employees are able to choose when they start and finish work within a predetermined range</p>	<p>Regular and contract employees (excluding sales associates, GOLDWIN Development Inc., GWL, nanamica)</p>

Future Issues

GOLDWIN will continue to strengthen its efforts to create employee-friendly workplaces for its diverse workforce. We believe it is important to present to our employees what we value and what support activities we focus on by clarifying our KPIs and specific goals. We will disseminate the programs we have developed in a way that is easy to understand, establish operational systems to ensure that eligible employees can make use of the programs when necessary, and expand the number of users.

Basic Concept

Aiming to maximize human capital is one of our highest-priority management issues. It is important that all employees who work at GOLDWIN firmly understand the roles that they are expected to perform, and that there are means for them to contribute to achieving our organizational goals through execution of their job duties. We have a core HR system for conducting fair evaluations and determining compensation and benefits, and operate it with a high degree of transparency through communication with employees.

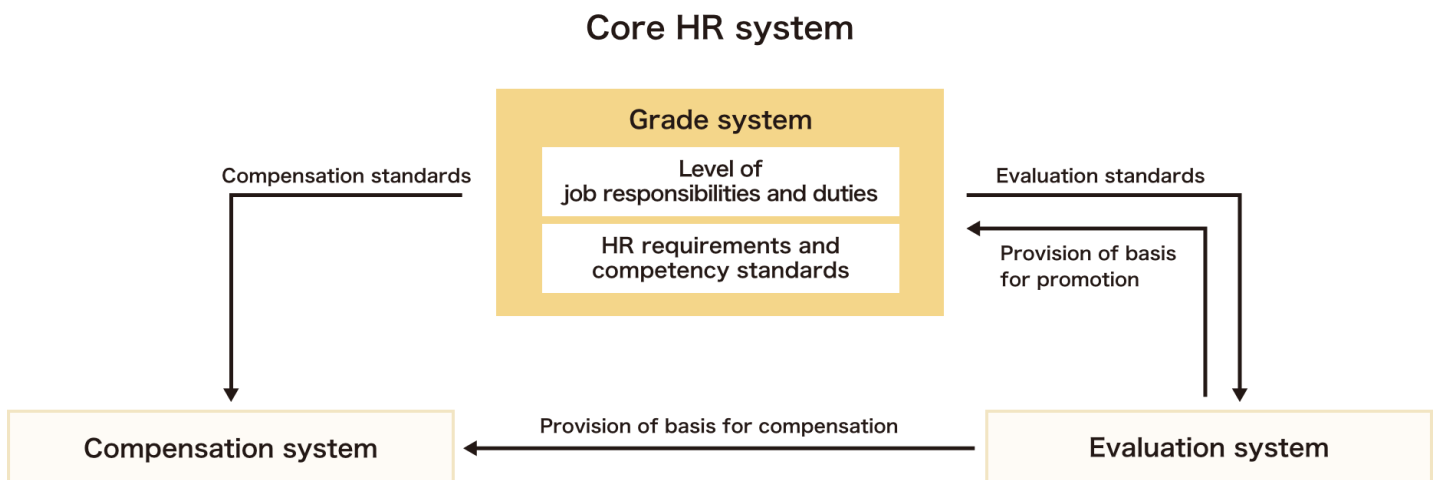
New HR system

We introduced a new HR system in FY 2022. The new HR system is based on the concepts of being a simple and compelling framework for producing human resources to drive business growth as well as to activate and pass down GOLDWIN DNA. As a job-type HR system, it focuses on having the company clearly present to employees what is expected of them, and presenting career paths based on this.

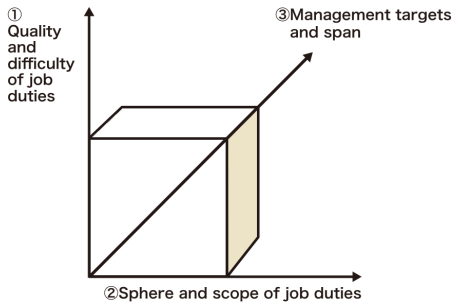
The new HR system comprises three core HR systems. These are the grade system, which defines the job duties, competencies, experience and other attributes expected of each grade, the evaluation system defining the evaluation criteria, and the compensation system that determines compensation from the results of the grade-based evaluation of job performance. As a job-type HR system, the HR system is based on the job duties that make up the assigned work and roles. We define the grades, evaluation criteria and compensation scheme based on the three pillars of 1) quality and difficulty of the job duties, 2) sphere and scope of the job duties, and 3) management targets and span.

Implementing the new HR system allows us to clearly define the roles for job duties and conduct evaluations that earn employee support as well as enable strategic HR rotations and HR development.

Core HR system



Core HR system



<p>1) Quality and difficulty of job duties</p>	<p>Differences in the quality of outcomes created in the course of work</p> <ul style="list-style-type: none"> • Examples: Stable and reliable performance of work; efficient performance of work; creation of new value, etc. <p>Difficulty of work</p> <ul style="list-style-type: none"> • Examples: Able to be easily performed by anyone; able to be performed after several years of training; able to be performed only by a limited number of people within the company
<p>2) Sphere and scope of job duties</p>	<p>Spheres (expertise) and scope of work</p> <ul style="list-style-type: none"> • Examples of spheres of work: Development, design, manufacturing, sales, accounting, HR, etc. • Examples of scope: Existing routine work; existing non-routine work (troubleshooting, etc.); new, non-routine work
<p>3) Management targets and span</p>	<p>Items that need to be managed in fulfilling job responsibilities and the scope of those items</p> <ul style="list-style-type: none"> • Examples of management targets: Own work; work of subordinates; work conditions of subordinates, etc. • Examples of management span: Self; team of several people; team of dozens of people, etc.

Deciding Fair and Competitive Compensation and Benefits

We prohibit all forms of discrimination based on the Goldwin Group Policy on Human Rights. In our wage system as well, sex-based discrimination is prohibited, with compensation determined in compliance with laws related to equal pay for equal work. Compensation and benefits are determined not only in terms of compliance with legally mandated minimum wages, but also to provide competitive pay above the level of living wages. One of the new HR systems we introduced in FY 2022 is the job-type HR system. In doing so, we are working to reduce the wage disparity between men and women.

Average salary (yen) (non-consolidated)

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Average salary	6,297,719	6,483,984	6,810,469	6,072,614	6,377,448

Wage disparity between men and women (ratio of men's wages vs. women's wages) (non-consolidated)

	FY 2021	FY 2022 (Apr-Jul)
All employees	62.0%	65.0%
Of them, regular employees	59.1%	63.6%
Of them, part-time and contract employees	73.5%	75.1%

* Based on "Methods of Calculating and Disclosing Wage Disparity Between Men and Women" (Ministry of Health, Labour and Welfare of Japan)

Corporate Pension Plan

Our Group operates a corporate pension plan with the aim of ensuring a stable lifestyle for employees after retirement. The plan consists of a defined benefit (DB) pension plan and a defined contribution (DC) pension plan, with monthly contributions being made according to the grade of each employee. With respect to the defined contribution (DC) pension plan, we have adopted a matching contribution plan (employee contributions) up to an amount equivalent to our contribution.

Status of corporate pension plan

	Number of participants	Contributions in FY 2021
Defined benefit (DB) pension	912	547,317,540
Defined contribution (DC) pension	912	59,610,243

Future Issues

We will continue to make fair evaluations and decisions on compensation and benefits, while operating with a high degree of transparency through communication with employees.

From next fiscal year onwards, we will focus on transitioning smoothly to the new HR system and on building understanding among employees. Our aim is to improve productivity through the new system. Together with each system reform, we will work to improve employee satisfaction and revitalize the organization.

Basic Concept

GOLDWIN believes that maintaining and improving employee health is essential for sustainable corporate growth. Protecting the physical and mental health and well-being of employees forms the foundation for securing a stable workforce. It also enhances individual performance, productivity, and engagement with the company, leading to revitalization of the organization. Based on our corporate mission to “realize a fulfilling and healthy lifestyle through sports,” we focus on keeping our employees active and energetic outside of work and keeping their families healthy as well. This philosophy was expressed in the GOLDWIN Group Health Management Declaration in March 2021, and we have since been strengthening a range of initiatives under the leadership of top management.

GOLDWIN Group Health Management Declaration

Our corporate mission is to “realize a fulfilling and healthy lifestyle through sports.” Employees’ physical and mental health and safety is absolutely essential for both the company and employees to achieve growth. We pledge to proactively work together with employees, their families and health insurance associations to create conditions so that all employees are able to work safely and maintain and improve their health.

March 2021

Message from the President on Health Management



At GOLDWIN, we want to be a company where employees are able to work with pride and enthusiasm.

Based on this premise, we believe that when employees and their families are able to maintain and improve their physical and mental health and well-being, and employees can continue working with a sense of enjoyment, new ideas and inspiration will be born. What’s more, everyone’s individual aptitudes and capabilities will be fully unleashed, leading to company development and contributions to society.

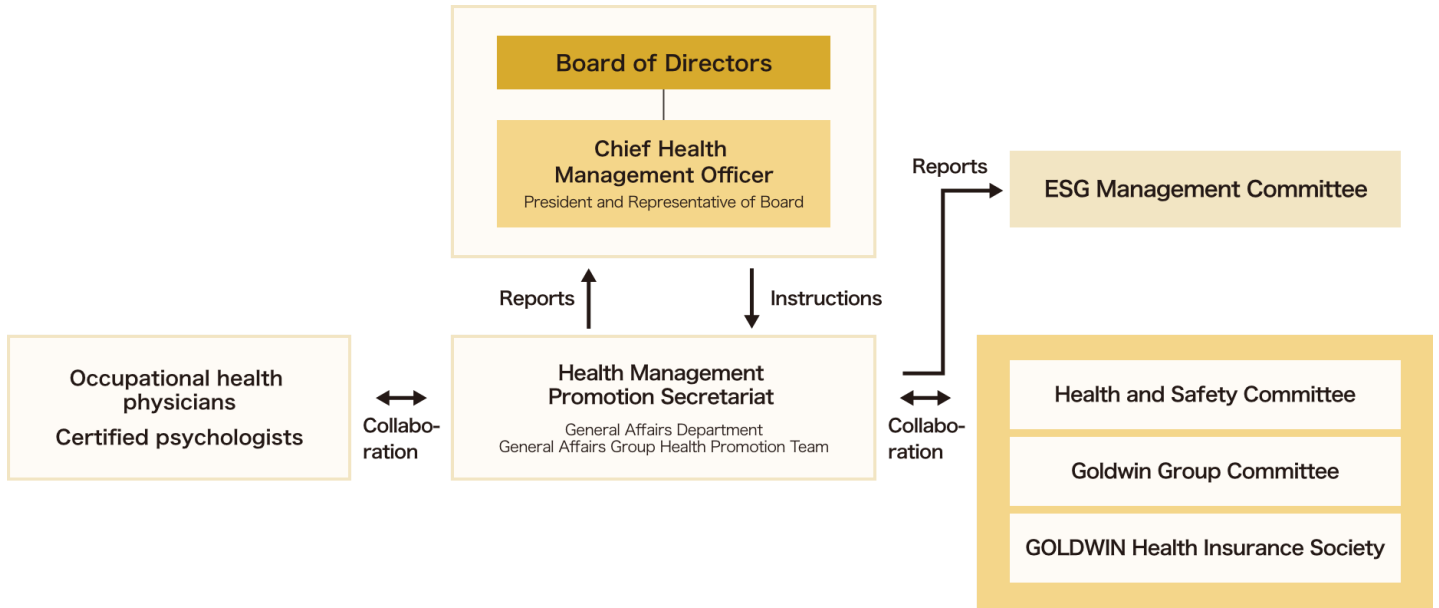
We will promote the improvement of health as a company in concert with the health insurance associations, employees, and their families so that we are able to prioritize sports and the environment as well as live life without a boundary between work and play.

Takao Watanabe
President and Representative of Board

Promotion Framework

We have established a system to promote health management, with the President and Representative of Board serving as the Chief Health Management Officer, and the Health Promotion Team in the General Affairs Group, General Affairs Department, serving as the secretariat. We will implement a variety of measures in collaboration with the Health and Safety Committee, the Goldwin Group Committee (group of employee representatives), and the GOLDWIN Health Insurance Society, and in consultation with occupational health physicians and certified psychologists. Each measure is also reported to management via the ESG Management Committee.

System for the promotion of health management



Specific Initiatives

GOLDWIN promotes the following initiatives throughout the Group to create environments where employees can work in good physical and mental health.

Interviews, Counseling with Occupational Health Physicians

As a way of supporting the mental health of each and every employee, we have systems in place for employees to seek advice from occupational health physicians and certified psychologists. In FY 2021, we worked to expand opportunities for interviews and counseling for the purpose of preventing mental health problems and providing appropriate follow-up. In the first half of FY 2021, the number of interviews with occupational health physicians and the number of counseling sessions increased by 57% and 132%, respectively, compared to the same period of the previous year.



FY 2021 measures

Measures	Details
Offer combined in-person and online counseling services nationwide	In addition to in-person interviews that had previously been offered in Tokyo, Toyama, and Osaka, in FY 2021, we introduced online interviews, thereby establishing an environment in which Group employees across Japan are able to seek advice regardless of where they are located.
Encourage supervisors of employees with mental health problems to see an occupational health physician	We established a consultation system for supervisors so that mental health problems do not end up being the sole problem of those concerned.
Establish a return-to-work support program	We clarified our follow-up system for employees with mental health problems. Video-based training was provided for employees at the leadership level and above to learn about the return-to-work support process.

Smoking Cessation Measures

Smoking can lead to lifestyle-related diseases. It affects not only the individual smokers but also others around them through passive smoking. GOLDWIN believes that quitting smoking is fundamental to protecting health, and fully supports employees who want to quit. Since April 2022, it has been our policy to prohibit smoking for all Group employees during working hours (including during breaks, when on business trips or out of the office, and when arriving at work early or working overtime).

FY 2021 measures

Measures	Details
Establish an online quit smoking clinic	We established a new clinic in FY 2021 to make it easier for employees to see a doctor. Support for quitting smoking is provided in stages via online treatment and aids to stop smoking.
Provide support for smoking cessation treatment	We fully subsidize the treatment costs borne by employees for smoking cessation treatment at authorized medical institutions until treatment is complete.
Provide free nicotine patches	Until FY 2020, nicotine patches were only provided to employees who made a declaration to quit smoking, but from FY 2021, eligibility was expanded to anyone who asks.
Distribute an e-newsletter	We are improving health literacy by distributing an e-newsletter on issues such as passive smoking to all employees twice a month.

Stress Checks

Every year, we encourage all Group employees to take a stress check to promote their awareness for stress and to help improve workplaces. In FY 2021, 98.6% of employees took the test, an improvement of 0.8 points from the previous year's 97.8%. Following the stress checks, employees with high levels of stress are instructed to see an occupational health physician. Group analysis of each division is also used to determine the degree of stress and any trends, and interviews for workplace improvements are conducted by counselors and department managers.

Employee Health Promotion Programs

Wellness points

To help employees improve their health literacy and choose and practice behaviors that are good for their own health, since FY 2019, we have adopted a wellness point system as part of our welfare program. The system allows employees to earn wellness points on a dedicated app as they take actions that lead to better health. Employees can then exchange accumulated points for products of their choice. This benefit allows employees to have fun incorporating healthy habits in their daily lives. As of FY 2021, 78% of all Group employees had joined the system. We are also rolling out a variety of events through which employees can earn points.



Events conducted in FY 2021

- Walking Challenge
- Waling Campaign
- Diet Challenge
- Streaming of RIZAP 5-min indoor exercise videos

Health education and training

We are continuing to develop various education programs designed to raise employee awareness for health promotion. During FY 2021, we enhanced our online training so that it can be viewed from PCs and mobile devices even amid the COVID-19 pandemic. Once every quarter, training is held on such topics as “GOLDWIN’s health management” and “What is health?”

Sports days

Every year, we hold company sports days at two locations in Tokyo and Toyama. They are large-scale events with more than 600 employees and their families participating in hotly contested activities and vying for MVP awards and “hustle” awards.

Although the sports days were not held in FY 2021 because of the spread of COVID-19, they will be resumed as an activity to provide more opportunities for exercise and to deepen the sense of solidarity within the company.



Encouragement of club activities

Based on the spirit of “SPORTS FIRST,” we actively encourage employees to participate in club activities. There are about 30 active clubs, including baseball, soccer, walking, fishing, water sports, and golf. Through sport, a total of about 700 employees (FY 2021, including members of multiple clubs) are expanding their communication network beyond the boundaries of their departments and positions.



Infection Control Measures

Amid the ongoing impact of COVID-19, we implemented the following infection control measures in FY 2021.

- Distribution of masks to all employees
- Installation of hand sanitizer alcohol and thermometers at all offices and at all stores
- Temperature checks of all employees every morning
- Promotion of teleworking due to government restrictions
- Workplace vaccinations for COVID-19
- Securing of PCR testing facilities and early testing
- Antigen testing and PCR testing to allay concerns
- Installation of partitions to prevent droplet infection
- Prompt disinfection in the case of suspected infections

External Evaluation and Certification for Health Management

GOLDWIN has been evaluated highly by several external organizations as a company that actively promotes health management.

Health & Productivity Stock Selection 2022

GOLDWIN was selected for the first time in the Health & Productivity Stock Selection 2022. The Health & Productivity Stock Selection is a joint selection by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) of listed enterprises recognized as strategically engaging in the health management of employees from a management perspective. GOLDWIN was recognized for promoting greater awareness for time management among individual employees, reducing working hours to reasonable levels, and achieving its targets for annual paid leave utilization, thereby also increasing opportunities to do sports, leading to better physical and mental health.



Certified Health & Productivity Management Outstanding Organizations, White 500

The Certified Health & Productivity Management Outstanding Organizations Recognition Program is one established by METI to publicly honor particularly outstanding large enterprises, SMEs, and other corporations implementing health and productivity management, based on initiatives that address health-related challenges in communities and initiatives to improve health led by the Nippon Kenko Kaigi (Japan Health Council). In the large enterprise category, the top corporations are recognized as “White 500” enterprises.

GOLDWIN has been recognized as a Certified Health & Productivity Management Outstanding Organization for five consecutive years since the inception of the program in 2017. In 2021, we were also selected as a White 500 enterprise for the fourth time.



Certification as a Sports Yell Company

The Sports Yell Company program is administered by the Japan Sports Agency and recognizes companies that are actively engaged in improving employee health through sport. GOLDWIN has been certified as a Sports Yell Company for five consecutive years since the program was launched in FY 2017.



Certification as a Tokyo Sports Promotion Company

Under the Tokyo Sports Promotion Company Certification Program, the Tokyo Metropolitan Government (TMG) certifies companies which promote sports activities among their employees and which are engaged in social activities in the area of sports. GOLDWIN has been certified as a Tokyo Sports Promotion Company for seven consecutive years since the program started in FY 2015.



Future Issues

We will maintain and develop our efforts to further promote employee health and deepen our health management. Based on the analysis of various indicators and data, we will proceed to establish numerical targets for each measure, aiming to implement them more effectively. We emphasize a two-pronged approach, that is, a “high-risk approach” that addresses high health risk individuals and a “population approach” that strives to prevent health risks for the organization as a whole.

Initiatives to be strengthened

- Penetration of health management throughout the company via training and seminars
- Further increasing the number of active users of wellness points
- Making the menu in the staff canteen more health-oriented
- Prohibiting smoking during working hours, including breaks
- Introduction of a health/diet management app

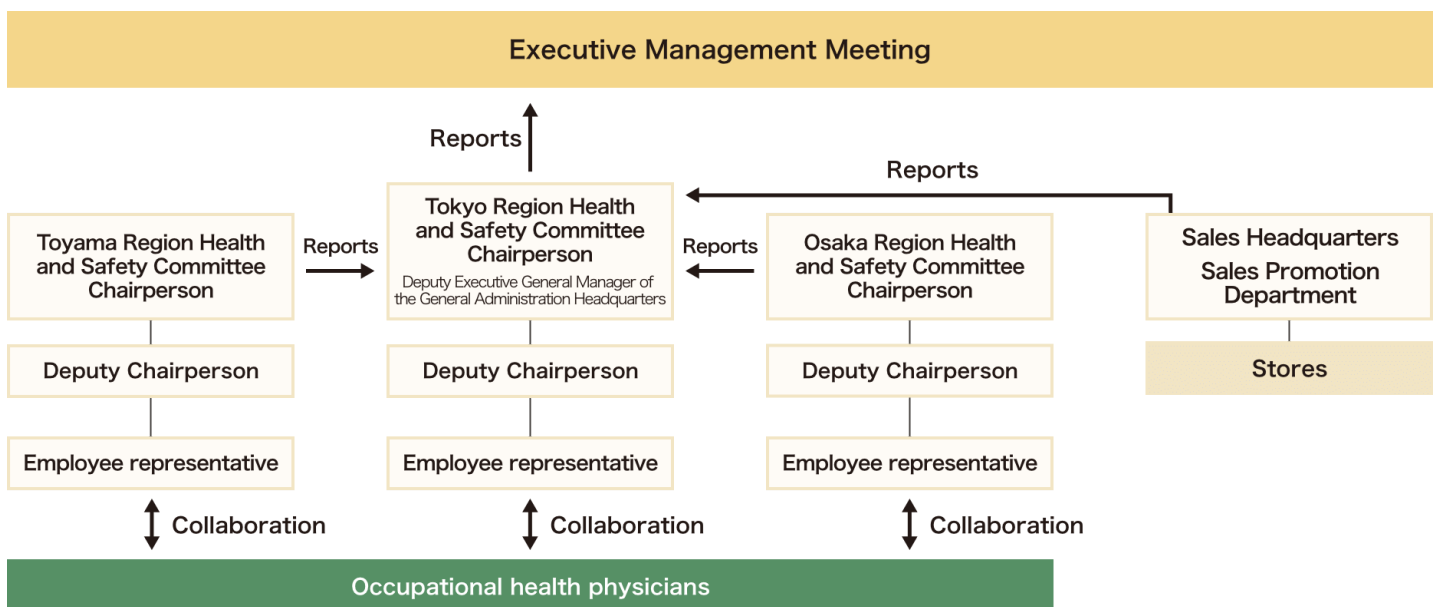
Basic Concept

We are committed to upholding management that places first priority on employee health and safety. In addition to preventing work-related accidents and illnesses among employees, we actively ensure their safety and health, and we promote the creation of comfortable, employee-friendly workplaces.

Promotion Framework

We have established Health and Safety Committees for the purpose of holding discussions to ensure our employees can work safely and securely. In accordance with the Industrial Safety and Health Act, we have established committees in the Tokyo, Toyama, and Osaka regions where we have offices with 50 or more employees. In addition to improving workplace environments and preventing occupational accidents from occurring, the committees have been established to protect the health of employees and as a forum for employees to proactively thinking about their own health and propose improvements. One committee member is selected from each department, and meetings are held once a month. Furthermore, occupational health and safety at stores across Japan is overseen by the Sales Promotion Department. Information on accidents and incidents at stores is compiled by the Human Resources Department, and reported to the Executive Management Meeting by the Deputy Executive General Manager of the General Administration Headquarters, who chairs the Tokyo Region Health and Safety Committee.

Framework



Initiatives for the Prevention of Occupational Accidents

At GOLDWIN, the Health and Safety Committee in each region plays a central role in preventing occupational accidents. Given the nature of our business, we have had no fatal accidents since our founding, and the majority of occupational accidents are those involving vehicles while commuting to and from work. Nevertheless, hazardous points detected at stores, near misses, and other information is shared among all concerned to help prevent accidents.

Initiatives for the Prevention of Occupational Accidents

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
No. of occupational accidents (incidents)	Work-related accidents	3	11	9	8	5
	Commuting accidents	3	0	3	1	8
No. of deaths from occupational accidents (persons)		0	0	0	0	0

Future Issues

We will continue to prioritize employee health and safety, and strive to prevent occupational accidents from occurring or reoccurring. Currently, information is appropriately shared among those concerned, but going forward, in order to raise the awareness of each and every employee, information managed on an office basis will be shared across offices to help prevent any accidents from reoccurring.

Basic Concept

In the GOLDWIN Group, we conduct a range of activities that contribute to local communities, primarily those in Toyama Prefecture where we were founded, and in the Shibuya neighborhood of Tokyo where our Head Office is currently located. With the technology and expertise we have developed over many years as a sports wear manufacturer, and in line with our corporate philosophy, we offer ways for children and adults to lead a fulfilling and healthy lifestyle through sports.

Shibuya Social Action Partner Agreement with Shibuya Ward (Tokyo)

We have concluded a Shibuya Social Action Partner Agreement (hereinafter referred to as S-SAP Agreement) with Shibuya Ward in Tokyo. S-SAP Agreement is a public-private partnership framework concluded between Shibuya Ward and companies, universities and other organizations with a physical presence in Shibuya Ward for the purpose of solving local community challenges.

Together with Shibuya Ward, we provide various opportunities to engage in activities through sports primarily aimed at children based on our shared goal of realizing an inclusive society.

GOLDWIN and Shibuya Ward have entered a partner agreement to provide the following.

1. Support for creating an inclusive society through sport
2. Support for developing the next generation
3. Support for preserving the environment
4. Support for disaster mitigation
5. Other support deemed necessary for the partnership agreement

In FY 2021, we collaborated in running an outdoor experience program at a special event held at Shibuya Friends Honmachi. The program included sports climbing, sleeping bag speed stuffing and tent assembly experiences, and paracord wristband making.

We also participated in a remote interview on the local environment with an elementary school in Shibuya Ward. This environmental facilitator initiative allowed us to talk about what we are doing at GOLDWIN to reduce our environmental impact.



Special Sponsor of the Toyama Marathon

The Toyama Marathon is held in Toyama Prefecture, where GOLDWIN was founded, and we have served as a Gold Partner. The marathon enjoys a large number of runners spanning all generations and levels, since it was first held in 2015. In addition to our employees volunteering to help put on the marathon, we conduct activities through the marathon to raise awareness among locals for improving the environment, including collecting old clothes and providing participation award tee-shirts made with recycled materials.



Kataller Toyama - Support and Collaboration

Kataller Toyama is a professional soccer team located in Toyama Prefecture, where GOLDWIN was founded. Its aim is to contribute to the healthy development of young people, the growth of sports, and stimulation of the region through soccer, and to make “Hometown Toyama” an exciting place to live. GOLDWIN has supported the team as an official uniform supplier since the team was first launched in 2008. From the 2022 season, we have also been collecting unwanted clothes from supporters at Kataller Toyama home games (17 games this season). We have been working with the local community to improve the environment with the aim of creating a circular society.



Photo: ©Kataller Toyama

Cooperation with the Prince Tomohito Memorial Cup Hokuriku Welfare Golf Tournament

We have provided support for the Prince Tomohito Memorial Cup Hokuriku Welfare Golf Tournament held at GOLF CLUB GOLDWIN in Oyabe, Toyama Prefecture, every year since the first tournament in 1999.

Many of our employees assist in running the tournament as volunteer staff with the purpose of helping people correctly, and better, understand welfare for people with disabilities. Four of the course's short holes have been designated as "welfare holes," with donations received according to the players' scores and net profits from the tournament being used in welfare activities for people with disabilities living in the Hokuriku region.

> [Prince Tomohito Memorial Cup Hokuriku Welfare Golf Tournament](#) 



National Park Official Partnership Program of the Ministry of the Environment

In 2020, GOLDWIN joined the Ministry of the Environment's National Park Official Partnership Program. The program was established to help people in Japan and overseas to better understand natural environment preservation efforts and to stimulate the regions that are home to the country's national parks. Through the program, participants globally publicize the world-class scenic beauty of Japanese national parks, and the appeal of staying within a local national park, to raise the number of national park visitors from Japan and abroad.

By leveraging the knowledge we have built up through our directly managed stores and events focused on outdoor sports throughout Japan, we help increase awareness and promote use of Japan's national parks.

> [National Parks of Japan official website](#) 



Comprehensive Partnership Agreement with Shari Town in Shari District, Hokkaido Prefecture

On October 9, 2021, GOLDWIN and Shari Town signed a Comprehensive Partnership Agreement on Regional Revitalization with the aim of sharing a sense of direction for the future and driving initiatives that have made the Shiretoko area a field for outdoor activities. Goals of the agreement include continuing the philosophy of creating an outdoors culture, increasing the appeal of the Shiretoko National Park, creating an abundance of nature experiences for children as custodians of the future, and pursuing sustainability.

In 2019, prior to this agreement, we opened THE NORTH FACE / HELLY HANSEN Shiretoko, a directly managed store, within the Shiretoko National Park Nature Center. In addition to selling sports wear and gear to travelers and locals, we also collaborated with Shari Town, and local organizations and businesses, to develop outdoor activities, develop industry, and conserve nature. Through this new comprehensive partnership agreement, we plan to further promote these collaborations with Shari Town and to implement other initiatives, including promoting outdoor activities and creating nature experiences for children in the diverse and open fields for outdoor activities that Shiretoko offers.



Comprehensive Partnership Agreement with Hakone Town , Kanagawa Prefecture

On March 9, 2022, GOLDWIN and Hakone Town signed a Comprehensive Partnership Agreement on Regional Vitalization with the aim of energizing the region through collaborative projects, preserving the natural environment, and realizing a bright future for children as custodians of the future. This agreement will enable each of us to effectively utilize our resources, from the knowledge we have gained about experiences and lessons in the outdoors, to the natural environment in Hakone Town.

Going forward, we will publicize the appeal and possibilities of Hakone's natural environment to a wider audience and encourage local residents, and children in particular, to form a strong attachment to their region. We also plan to collaborate with Hakone DMO (Hakone Tourist Association) to conduct environmental preservation activities, such as maintaining mountain trails, and work on branding in collaboration with local industry.



Comprehensive Partnership Agreement Between THE NORTH FACE and Hokuto City in Yamanashi Prefecture

In January 2020, GOLDWIN's "THE NORTH FACE" brand and Hokuto City in Yamanashi Prefecture signed a comprehensive partnership agreement. Through this comprehensive partnership agreement, both parties plan to implement problem-solving activities such as teaching children about the appeal of Hokuto City, improving mountain trails and other environmental protection measures and improving access to outdoor fields from train stations.

The number of events and other activities were inevitably reduced due to the pandemic, but from July 2021, we started providing support for the operation of the Mountain Taxi service linking JR Kobuchizawa Station with the start of mountain trails in the Yatsugatake Mountains, Mount

Kaikoma in the Southern Alps, and other areas. With our employees also helping to maintain the mountain trails, we will implement a range of other initiatives going forward.



Sponsored the International Trail Running Association ULTRA-TRAIL Mt. FUJI

GOLDWIN sponsors ULTRA-TRAIL Mt. FUJI (UTMF), which is an international trail running race of more than 160 km, covering the base, trail paths, walking paths, and woodland paths of Mt. Fuji. We have been sponsoring this event since its first year.

Although it had to be canceled in 2020 and 2021 to help stop the spread of COVID-19, it was held again this year, from April 22 to 24, 2022, with our employees helping out as ground staff in various roles, from supporting the athletes to checking equipment, operating the water stations, and providing guidance.

[UTMF 2019 Participation T-shirt Recycling Project]

Through a partnership between GOLDWIN, JEPLAN, INC., and the UTMF Executive Committee, we carried out efforts to collect participation T-shirts from past events and other events. The materials from the collected T-shirts will be re-used for the next UTMF participation prize T-shirts.



Basic Concept

At GOLDWIN Group, we aim to realize a world in which people's differences are accepted, including attributes of sex, nationality, social status and physical ability or disability, and in which everyone can lead their life as they see fit and is respected as a member of their community. Based on the engineering and experience we have built up as a sports apparel manufacturer, we are making contributions through sports aiming to have these principles of an inclusive society become widely understood.

GOLDWIN Supports Para-Sports by Encouraging “Doers,” “Audiences,” and “Supporters”

GOLDWIN has been actively supporting para-sports with the technology and expertise it has developed over many years as a sports wear manufacturer. Our ultimate goal is to help create an inclusive society where everyone with different capabilities can live a healthy life together. Toward this goal, we encourage “doers,” “audiences” and “supporters” of para-sports so that all may enjoy sports.

Outfitting “Doers”

Love sports, play sports, and believe in the power of sports. With “SPORTS FIRST” as our slogan, GOLDWIN contributes to the fulfillment of a meaningful life and the development of a healthy society by supporting the development of sports doers and contributing to local communities. In this spirit, we signed an official partnership agreement with the Japanese Para-Sports Association in April 2015, and we have been supporting its efforts to create an enjoyable environment where everyone can continue to participate in sports activities.

We have also concluded contracts with various sports leagues and associations, and we provide apparel for Japanese national teams by brands that we plan and produce.

In FY 2021, Japanese national teams in various sports gave good performances in the new uniforms we provided. These uniforms were developed in line with athletes' requests after multiple rounds of meetings and tests wearing the uniforms, and they played a supporting role in helping the athletes perform.

From FY 2022, we have also worked with some of the sports bodies to collect old uniforms and sports wear for recycling in the Green Cycle program that we launched.



Supporting Wheelchair Rugby Team Japan



GOLDWIN employee Takayuki Suzuki competing for Japan at a Paralympics swimming event



Providing uniforms for Hinotama Japan, the Japan national boccia team



Supporting visually impaired climbers through Monkey Magic NPO

Educating and Inspiring “Audiences”

As a part of our efforts to help para-sports succeed, we actively encourage our employees and their families to attend and watch para-sports events. By promoting attendance among family members, including children, we hope to foster a better understanding of and familiarity with para-sports, which we believe is important for realizing an inclusive society.

We help to run events that inspire the interest of young audiences in para-sports, and we sponsor merchandise related to para-sports competitions. In these and other ways, we will continue to create opportunities for audiences that have stayed away from sports in recent years due to the impact of COVID-19.



“Hachilabo” event held at Shibuya Cultural Center Owada



Donating supporter mufflers to elementary school students

Aiding “Supporters”

A framework for assisting “supporters” is essential for para-athletes to succeed in realizing an inclusive society. We provide and donate staff uniforms to various organizations and associations.

In FY 2021, GOLDWIN employee and Paralympics swimmer Takayuki Suzuki gave a number of seminars at nine elementary, junior high, and high schools across Japan. He spoke about the concept of an inclusive society and about the importance of accepting diversity. He also acted as presenter at the awards ceremony for the Toyama Marathon wheelchair category that we sponsor, and he handed out wheelchair user-friendly bags that he helped to develop.



GOLDWIN supports:


Monkey Magic Nonprofit Organization

> <https://www.monkeymagic.or.jp/en-us> 


Japan Para Sports Association

> <https://www.parasports.or.jp/> (in Japanese) 

Japan Wheelchair Rugby Federation

> <https://jwrf.jp/> (in Japanese) 

Japanese Para-Swimming Federation

> <https://competition.paraswim.jp/> 

Japan Para-ski Federation

> <https://jps-ski.com/> (in Japanese) 

Japan Boccia Association

> <http://japan-boccia.net/> (in Japanese) 

Basic Concept

With technology and expertise developed over many years as a sports wear manufacturer, the GOLDWIN Group conducts a range of activities to support children as the custodians of the future. In addition to supporting the dreams of children as they take on the world through competitive sports, we provide inspiration and opportunities for children to unleash their potential and shape a beautiful future. This includes outdoor activities in the middle of nature and art classes using materials found in nature.



GOLDWIN PLAY EARTH PARK

We established the GOLDWIN PLAY EARTH PARK as an event where children take center stage to create new ways of playing with play equipment designed by five teams of architects. Using the five elements that make up the Earth—earth, water, fire, wind, and sky—as their theme, the events installed play equipment designed in collaboration with architects to allow entirely new types of play to unfold that stimulate children’s powers of imagination. Using these five elements, we also established a series of collaboration items under five brands, including THE NORTH FACE and HELLY HANSEN, and held a number of fun workshops mainly for children to think further about their relationships with nature in urban areas.

Event details

April 23 to May 29, 2022: Tokyo Midtown Grass Square

July 23 to August 14, 2022: Fugan Unga Kansui Park and Toyama Prefectural Museum of Art and Design, Toyama Prefecture



GOLDWIN FIS YOUTH JAPAN CUP

Since 2000, GOLDWIN has been a special supporter of the GOLDWIN FIS YOUTH JAPAN CUP, an alpine ski competition (organizer: National Standard Race) that lays the groundwork for youth to become alpine skiers, and expands the athlete population. Top finishers in this event earn the right to compete in the FIS WHISTLER CUP for children, and the opportunity to spread their wings on the global stage. From 2020, the GOLDWIN FIS YOUTH JAPAN CUP has become an official International Ski and Snowboard Federation (FIS) event for U14 and U16* skiers for the first time in Japan, offering opportunities for Japanese skiers to compete with others from around the world.

* U14 (12 and 13-year-olds) and U16 (14 and 15-year-olds)

In FY 2021, 289 competitors took part in the GOLDWIN FIS YOUTH JAPAN CUP held at Naeba Ski Resort in Niigata Prefecture from March 10 to 13, 2022.

> National Standard Race (NASTAR) [🔗](#)



THE NORTH FACE KIDS NATURE SCHOOL: Experiencing Nature and Learning as a Family

We have held THE NORTH FACE KIDS NATURE SCHOOL, where children and their parents learn while experiencing nature, since 2014. The school awakens a sense of adventure in children, which develops experiences and knowledge through contact with nature, the joy of growing together with friends, and the curiosity to challenge their own limits. The school also provides time for many children to nurture their ability to live close to nature and connect this to their dreams for the future.

In FY 2021, despite the COVID-19 pandemic, we were able to hold two online schools and four field schools.

> THE NORTH FACE KIDS NATURE SCHOOL [🔗](#)



GOLDWIN Junior Challenge Golf Tournament

We have held the GOLDWIN Junior Challenge Golf Tournament since 2010 at GOLF CLUB GOLDWIN, the golf course in Oyabe City, Toyama Prefecture operated by group company GOLDWIN Development Inc. The aim of the tournament is to offer junior golfers, from elementary to high school, opportunities to not only improve their competitive golf skills but to also learn golf rules and etiquette through competition. On August 5, 2021, 31 junior golfers got together to battle it out in a close contest.



GOLDWIN SKI CAMP

In 2020, we began sponsoring the GOLDWIN JR. DEMO SKI CAMP and GOLDWIN CAMP IN APPI as skier development programs for junior skiers, including those who will go on to compete on the global stage. With the belief that supporting the development of junior skiers will also develop the ski and snowboard market, we participate in these training camps from the planning stage. We also support camp operation and send TEAM GOLDWIN members to work as guest instructors. By continuing to support the development of junior skiers, we are helping to spread the message that both sports skiing and competitive skiing are fun.

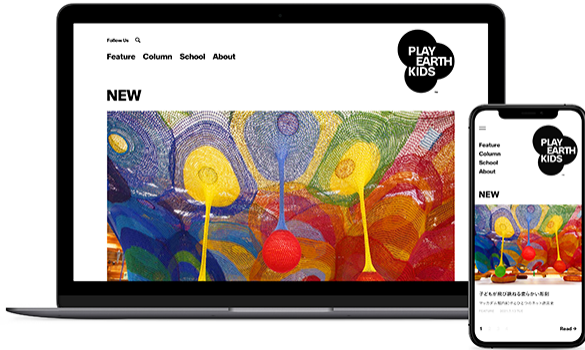
In FY 2021, we held both camps at Asahikawa Kamui Ski Links and Appi Kogen Ski Resort, with a total of about 200 junior demo skiers and junior racers participating.



PLAY EARTH KIDS

PLAY EARTH KIDS is a project that aims to both investigate and create the future of children and the Earth through play. While respecting the imagination and energy of children's perception of the world and the environment through free play, PLAY EARTH KIDS provides online content that offers ideas and methodologies that bring a fresh perspective on the world. It also provides in-person experiences for joint creation of a prosperous present and a bright future using ideas and methodologies that take advantage of the natural imagination and curiosity of children. In FY 2021, despite the COVID-19 pandemic, we were able to hold one online school and one field school.

> <https://www.goldwin.co.jp/playearthkids/> (in Japanese) 



Goldwin Nishida Education Foundation and Goldwin Tosaku Nishida Sports Promotion Memorial Foundation

Goldwin Nishida Education Foundation

GOLDWIN decided to establish this foundation in August 2020 to provide scholarship assistance to students taking sports-related or fashion-related courses that support athletes, as well as students from Toyama, the company's home city. Through the activities of this foundation, we seek to further develop the sports apparel industry and local communities. We believe that these activities will contribute to the realization of our corporate philosophy and lead to the betterment of our industry, which in the long haul, will help enhance our corporate value in the medium- to long-term.

> [Goldwin Nishida Education Foundation](#) 

Goldwin Tosaku Nishida Sports Promotion Memorial Foundation

This foundation was established in May 2017 to advance projects that promote sports with the aim of contributing to the realization of a cohesive society in which all people can enjoy sports equally.

We are implementing the following projects to achieve this goal:

1. Subsidies for projects related to the promotion of sports for people with disabilities
2. Subsidies for projects related to the promotion of youth sports
3. Subsidies for sports promotion projects in Toyama Prefecture
4. Other projects necessary to achieve the goals of the foundation

> [Goldwin Tosaku Nishida Sports Promotion Memorial Foundation](#) 

Basic Concept

Under the tag line “SPORTS FIRST,” GOLDWIN’s mission is to realize a fulfilling and healthy lifestyle through sports. We recognize that it is essential for our business activities to fulfill our social responsibilities as a company, which include compliance with laws and regulations, establishment of internal control, improvement of customer service, emphasis on the environment, thorough occupational safety and health management, protection of human rights, and social contribution. It is also essential that we are trusted by all stakeholders, that we seek to expand our profitability, strengthen/improve our management structure, and that we maintain long-term and stable return of profits to our shareholders.

With this as our foundation, we strive to improve our management fairness and transparency, make accurate and prompt decisions, and execute our businesses efficiently in order to strengthen and enhance corporate governance. We thoroughly instill these ideas in all of our officers and employees through our principle “Strong, Fast, Transparent Management.”

Strong management

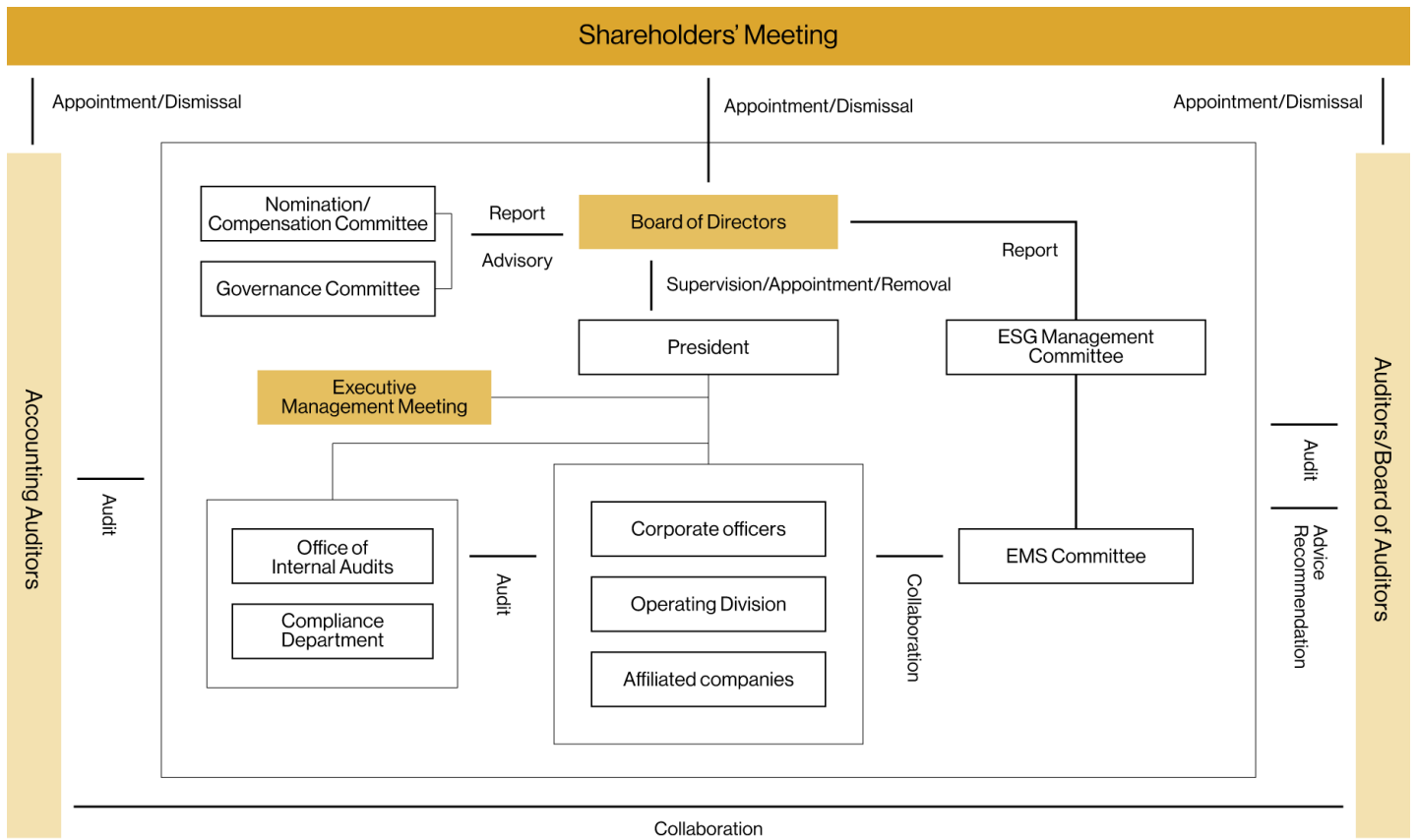
We will strengthen our financial position by bolstering our selection and focus while proactively investing for the mid- to long term to increase our corporate value.

Fast management

We will be agile in responding to changes in customer needs by optimizing product development, procurement and marketing to promote an actual demand business.

Transparent management

We will focus our attention on the balance between work and home life while operating our company in an environmentally friendly way and remaining steadfast in offering transparent information.



External directors:
4 out of 10 directors

External auditors:
3 out of 4 auditors

Female directors:
2 out of 10 directors

Overview of each institution

Institutions	Structure	Activities
Board of Directors	Chairperson: Chairman and Representative of Board 10 directors, 4 auditors	<ul style="list-style-type: none"> Deliberating important matters, auditing management and discussing management policy
Nomination / Compensation Committee	Chairperson: External director 2 internal directors, 4 external directors	<ul style="list-style-type: none"> Defining the roles, authority, and other aspects of officers (directors and auditors) and corporate officers, and appointing them Verifying incentive scheme for officers Examining succession measures for officers
Governance Committee	Chairperson: External director 3 internal directors, 2 external directors, 1 full-time corporate auditor	<ul style="list-style-type: none"> Enhancing the effectiveness of corporate governance code requirements Examining countermeasures for major governance risks

Institutions	Structure	Activities
Executive Management Meeting	Chairperson: President and Representative of Board 6 directors, 3 corporate officers, 1 full-time corporate auditor	<ul style="list-style-type: none"> Decisions on business operations and execution of operations
Board of Auditors	Chairperson: Full-time corporate auditor 1 full-time corporate auditor, 3 external auditors	<ul style="list-style-type: none"> Receiving material auditing reports, conducting consultations or decision-making
ESG Management Committee	Chairperson: President and Representative of Board Leaders from each department participate, including those of subsidiaries	<ul style="list-style-type: none"> Reviewing the status of key issues pertaining to implementation of ESG management as described in the medium-term management plan

Appointment of Directors, Auditors and Corporate Officers

In designating director and auditor candidates, their career, insights, character and other attributes are extensively reviewed by the Board of Directors, which decides the suitability of their appointment based on the content of deliberations by the Nomination/Compensation Committee, an advisory body to the Board of Directors. In the event of a director's violation of the law or articles of association or a reason deemed to make the rightful execution of other duties infeasible, the Board of Directors deliberates and decides their dismissal or other discipline.

Corporate officers are appointed by a decision of the Board of Directors to contribute to increasing our corporate value in the medium- to long term. The conditions for dismissal of corporate officers are stipulated in the Corporate Officer Guidelines. Corporate officers who meet these conditions are dismissed by a decision of the Board of Directors.

Evaluating the Efficacy of the Board of Directors

We evaluate the efficacy of the Board of Directors annually. In FY 2021, the efficacy of the Board of Directors was evaluated under the following process. Guidance in survey analysis was obtained from an external organization to increase the transparency of the evaluation.

We conducted the FY 2021 survey in December 2021, the Governance Committee held discussions in January and February 2022, the content of which was reported to the Board of Directors. As a result, we confirmed that while there is still some room for improvement, the efficacy of the Board of Directors is generally realized.

Evaluation process

1. Collection of surveys from all directors and auditors
2. Analysis of survey results
3. Discussions in the Governance Committee based on the analysis results

Main evaluation items

- Composition of the Board of Directors
- Board of Director operations
- Information provision to external officers
- Improvements from the previous fiscal year
- Overall evaluation

Training for Directors and Auditors

Our internal directors and auditors attend external seminars for the purpose of self-development, including acquiring new ways of thinking and real-time information. We encourage them to join external groups and actively participate in interpersonal networks (exchanges with people in other industries) and add to their knowledge. We hold lectures for external directors and auditors when they begin their appointments to provide them with an overview of our Group, our basic mission and our management plans. After they assume their positions, they attend external seminars, we hold briefings for them on our business activities, and provide Group property and facility tours. Expenses for attending external seminars are borne by the company.

Executive Compensation

GOLDWIN's officer incentive scheme aims to provide fair compensation corresponding to each officer's role and responsibilities, with the basic policy of promoting sustainable growth and improving medium- to long-term corporate value. The compensation system and criteria are revised objectively considering economic conditions, our performance, and criteria at other companies.

The designation and dismissal of director candidates are decided by the Board of Directors after deliberation by the Nomination/Compensation Committee, which is comprised of a majority of external officers. Specifically, compensation for internal directors consists of basic compensation, performance-related compensation, and non-monetary compensation. The ratio of each is decided by the Board of Directors after deliberation by the Nomination/Compensation Committee. The guideline for the compensation ratios is basic compensation: performance-related compensation (monetary compensation): performance-related compensation (non-monetary compensation) = 70:15:15. External directors responsible for auditing functions are only paid basic compensation, in view of their duties. The amount of individual compensation is decided by the Board of Directors after deliberation by the Nomination/Compensation Committee, within the compensation limits decided at the shareholders' meeting.

Content of director compensation

Types of compensation	Payment method (fixed/variable)	Content of compensation
Basic compensation	Cash (fixed)	At GOLDWIN, basic compensation for directors is fixed monthly and paid evenly each month. Basic compensation corresponds to the position and responsibilities.

Types of compensation	Payment method (fixed/variable)	Content of compensation
Performance-based compensation	Cash (variable)	Performance-based compensation aims to heighten awareness of yearly performance improvements by paying internal directors a uniform amount for each month of the following year. The amount of performance-based compensation is decided based on companywide performance each business year. The target performance indicators are revised as needed based on a review by the Corporate Planning Department corresponding to changes in the business environment.
Stock-based compensation	Non-monetary (variable)	Non-monetary compensation aims to incentivize sustainable growth and improved corporate value in the medium- to long term and to enhance value sharing with shareholders by granting restricted stock to internal directors. The number of shares granted is determined taking into account the position and responsibilities. After consulting the Nomination/Compensation Committee, the Board of Directors also determines the duration and terms for providing specific compensation. In this way, the details are considered to be in accordance with the decision policy.

FY 2021 status (April 1, 2021 to March 31, 2022)

Officer classification	Total compensation (Millions of yen)	Total of each type of compensation (Millions of yen)				Number of relevant officers (officers)
		Fixed compensation	Performance-based compensation	Retirement allowance	Non-monetary compensation in the left columns	
Directors (excluding external directors)	299	224	36	—	38	6
Auditors (excluding external auditors)	17	17	—	—	—	1
External officers	62	62	—	—	—	7

Approach to Cross-shareholding

We believe that cooperative relationships with various companies in the areas of R&D, production and financing is necessary to continue achieving growth in the future. We may therefore hold shares for purposes other than investment, when deemed necessary to increase corporate value in the medium- to long term, after considering the business strategy and business objectives jointly with the business partner.

The Board of Directors individually validates currently held shares of all stocks on an annual basis, based on our basic policy of disposing of or scaling back cross-shareholding as quickly as possible when its significance has decreased. As a result of validation, we continue holding shares of stocks for which we deem the purpose of is appropriate and attendant benefits and risks are commensurate with the capital cost. For other stocks, we promptly sell them off factoring in stock price and market trends.

Exercising voting rights pertaining to cross-shareholding is approved when the resolution being voted on is expected to help to increase our corporate value, or is expected to benefit efficient and sound management for the issuing company and increase its corporate value.

Basic Concept

GOLDWIN Group aims to be corporate group trusted by its stakeholders that fulfills its social responsibilities by conducting business activities in a sincere and fair manner while complying with laws and regulations and adhering to social standards and ethics. To realize this, we recognize that it is essential for each employee to act with a strong awareness of compliance.

We foster a corporate culture that does not permit fraud, by establishing the Corporate Code of Conduct and Employees' Code of Conduct, both of which serve as the standards for employees to choose the appropriate action, ensuring that all employees are familiar with these standards.

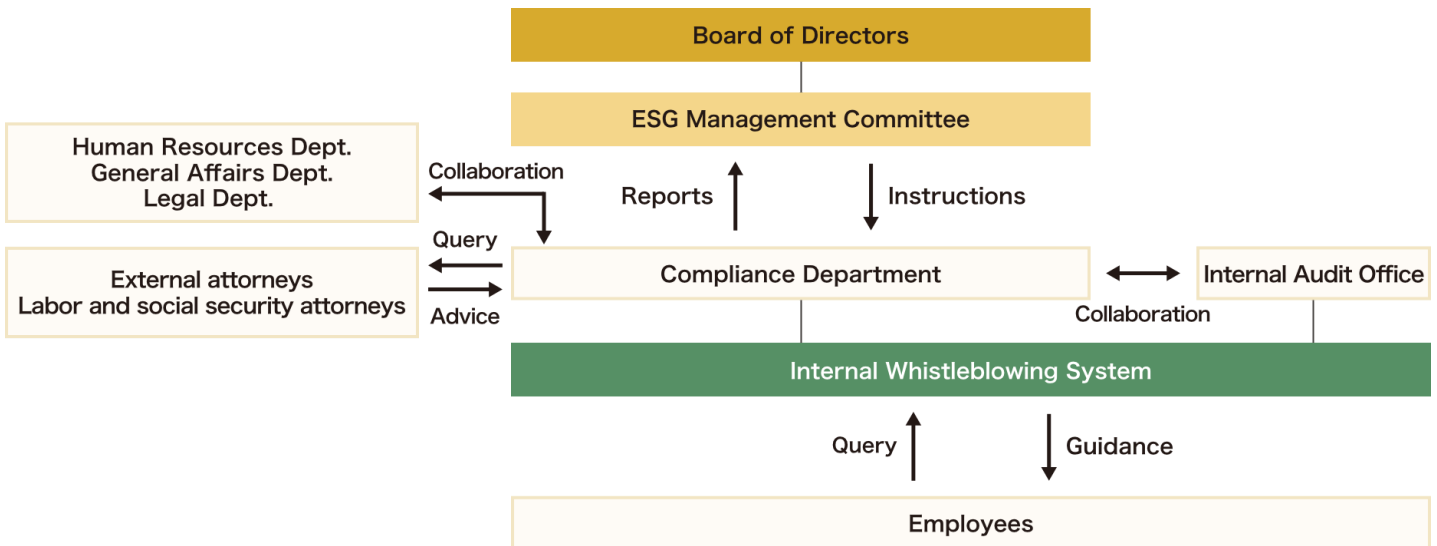
› Corporate Code of Conduct / Employees' Code of Conduct

Promotion Framework

We have built a compliance framework led by the Compliance Department. Compliance activities are reported to the ESG Management Committee, with oversight and guidance from the Board of Directors. The Internal Audit Office cooperates in operating the internal whistleblowing system and in activities to raise employee awareness.

HR, General Affairs and Legal Departments cooperate in planning and conducting training, and in confirming and complying with laws and regulations.

Framework



Compliance Promotion

GOLDWIN and Group companies follow our internal whistleblowing system and ensure that external directors and auditors can express independent and objective opinions at Board of Directors and Board of Auditors meetings. We thereby ensure that directors and auditors perform their duties lawfully. We provide training to ensure that all employees fully understand relevant laws, our corporate philosophy, and our code of conduct. We also confirm compliance with business procedures and manuals at all locations through internal audits and control system assessments. We also conduct annual compliance workshops.

We distribute the Compliance Card, a guide to the internal whistleblowing system, code of conduct and standards of conduct, to all employees and instruct them to carry it always. We also strive in other ways to raise employee awareness of compliance issues.

Compliance Workshops

We conduct annual compliance workshops for office workers, including employees at Group companies. In FY 2021, we held workshops for 1,462 employees (100% attendance) with the objective of instilling company regulations, etiquette, and morals, fostering understanding of compliance, and increasing awareness of these issues.

Furthermore, at the semiannual national managers conference, we shared our approach to compliance sales agents to nurture each employee's awareness. In FY 2021, we again shared the results of our internal audit and the increase in compliance awareness among employees, while again requesting that each store promote and support it.

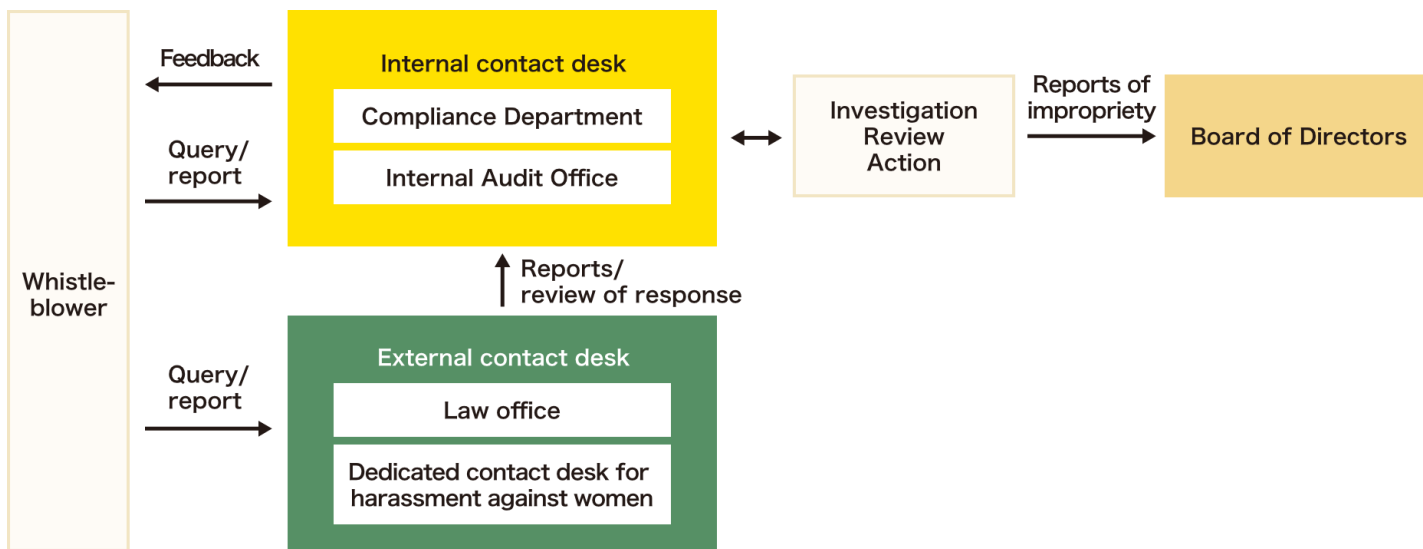
Internal Whistleblowing System

GOLDWIN Group deploys an internal whistleblowing system (corporate ethics hotline) for queries and reports on misconduct, violations of the law and corporate ethics, or any possible violation in execution of company business. Reports are received by an internal contact desk and a contracted attorney's office and a contracted labor and social security attorney's office, to enable anonymous reporting and queries.

We conduct thorough investigations and reviews based on the content of the reports or queries, respond to the person who raised the issue, and take action accordingly. Personal information is protected and kept confidential in accordance to the Whistleblower Protection Act, so that no one suffers any consequences in raising a query.

In FY 2021, we received a total of 32 queries and reports, which were all dealt with appropriately.

Internal whistleblowing system mechanism



Future Issues

We will continue to comply with laws and regulations, to observe social norms and ethics, and to meet societal expectations. We therefore share information about relevant laws, our corporate philosophy, and our code of conduct, conduct internal audits, and internal control system assessments, hold compliance training, and strive to foster compliance awareness among all employees.

Corporate Code of Conduct

1. GOLDWIN will endeavor to comply with laws and social conventions and undertake sound corporate activities in the spirit of fair play.
2. GOLDWIN will disclose its corporate information in a proactive and fair manner to its shareholders, investors, customers, and business partners in its effort to increase transparency in management. GOLDWIN will ensure that a wide range of information, including personal and customer information, is protected and controlled.
3. GOLDWIN will develop and provide products and services that are socially meaningful and safe in order to secure the satisfaction and trust of consumers and customers.
4. GOLDWIN will respect the diversity, personality, and individuality of employees, secure a safe and accessible working environment, and provide comfort and economic well-being.
5. GOLDWIN will contribute to the development of the sporting culture through its corporate activities and actively engage in activities that will benefit communities.
6. In overseas business activities, GOLDWIN will not only adhere to the international rules and local laws, but also respect the local culture and customs and operate in such a manner as to contribute to their preservation and promotion.
7. GOLDWIN's top executives are aware that they are responsible for carrying out the spirit of the Code of Conduct and will act accordingly to demonstrate the spirit. They will communicate the importance of the Code of Conduct not only internally within the Group but also to its business partners. They will also ensure that they pay attention to the voices inside and outside the company so that it can evolve to become a more efficient and effective organization.
8. In the event of a situation involving a violation of this Code of Conduct, the top executives of GOLDWIN will personally take steps to resolve the problem and strive to identify the causes and prevent a recurrence. GOLDWIN's top executives will make a prompt and accurate disclosure and assume full accountability, clarify the scope of the relevant authority and responsibility, and take strict actions against the persons involved, including his or her self.
9. GOLDWIN recognizes that environmental issues are common to all humanity and that the development of environmental programs is a vital part of a corporation's identity and activities. GOLDWIN will strive to protect the environment and promote the efficient use and conservation of natural resources.
10. GOLDWIN will be resolute in opposing anti-social forces and groups that threaten to disrupt the order and safety of civil society, and will reject any relationships whatsoever with them.

Code of Conduct for Employees

1. Compliant business activities

1. GOLDWIN's employees will observe the Anti-monopoly Act and will not engage in any unfair practices such as cartel, price fixing, or abuse of superior bargaining position.
2. GOLDWIN's employees will ensure that procurement is conducted in a fair and transparent manner, observe the Subcontract Act and the Industrial Homework Act and its internal regulations, and pay attention to such issues as legal compliance, quality, safety, environmental conservation, information security, fair trade, ethics, safety and hygiene, human rights and labor rights so as to encourage its suppliers to fulfill their social responsibility.
3. GOLDWIN's employees will respect intellectual property rights and seek to create a corporate culture that values intellectual property rights. They will use their best efforts to maximize corporate value in the creation, protection, and utilization of intellectual property rights while

observing laws and regulations and facilitating fair and free competition.

4. In international trade, GOLDWIN's employees will observe the applicable laws and regulations of the trading country as well as Japan's Unfair Competition Prevention Act and other related import and export laws. In investing overseas, GOLDWIN's employees will comply with the laws and regulations of the host country.
5. GOLDWIN's employees will neither offer to nor receive from GOLDWIN's customers and vendors entertainment, gift, or money that exceeds the bounds of social conventions. In particular, when dealing with public servants in Japan or overseas, GOLDWIN's employees will not only ensure full compliance to relevant laws and regulations, but also refrain from any conduct that may appear suspicious.
6. Should GOLDWIN's employees gain any material information regarding GOLDWIN or its business partners, they will not engage in any insider trading involving transactions of shares or securities prior to the publication of such material facts.

2. Active information disclosure and protection of personal information

1. GOLDWIN will provide timely and appropriate information disclosure to shareholders and investors to facilitate the understanding of its corporate activities.
2. GOLDWIN recognizes that not only management and financial information that is useful to stakeholders but also non-financial information related to the environment and society information is material to its corporate activities and should be made available to the public includes, and strives to voluntarily disclose such information.
3. Recognizing the importance of protecting personal information, GOLDWIN will adhere to the relevant laws and internal regulations. Confidential information will be strictly controlled.

3. Improvement in product quality and service

1. GOLDWIN will coordinate its product development, marketing (including that of distributors and retailers) and customer services in order to develop and offer products and services that are based on customer needs and friendliness to the global environment.
2. To ensure product safety and quality, GOLDWIN will establish standards and procedures to be followed in all processes of development, sales, and consumption and develop a quality and safety management regime so that any defects, if found, can be addressed appropriately and quickly.
3. GOLDWIN will ensure appropriate labeling in accordance with the Act Against Unjustifiable Premiums and Misleading Representations and other relevant laws and regulations so that consumers are able to choose products and services in an objective manner.

4. Securing job satisfaction and fundamental rights for workers

1. GOLDWIN will promote a workplace where employees can find job satisfaction and a sense of purpose, and expand employment opportunities without prejudice to nationality, gender, age, religion, or disabilities. And the company develops a personnel management and compensation framework that is reasonable and fair.
2. GOLDWIN will strive to secure safety and hygiene at workplace, actively support a healthy lifestyle, maintain appropriate working hours, and to create a comfortable work environment.
3. GOLDWIN will respect the individuality and the fundamental rights of employees, and support their career and skill development. In addition, GOLDWIN will introduce a wide range of employment modes so that its employees can maintain a balance between work and personal life.
4. GOLDWIN provides its employees with appropriate information on its operation status, economic environment, and challenges in order to work toward the growth of company operations by sharing common understanding of company's stands.
5. GOLDWIN will respect the basic labor rights of employees and under no circumstances will employ forced or child labor, or engage in any other inhumane treatment of workers.

5. Society and environment

1. GOLDWIN will fulfill its corporate citizenship by making community contributions on a consistent basis through such means as supporting cultural and artistic activities, collaborating with local communities, leading volunteer activities, and participating in international cooperation, thereby advancing the growth and prosperity of society.
2. When conducting business activities overseas, GOLDWIN will respect the laws, cultures, and customs of the host country.
3. GOLDWIN will have no dealings whatsoever with any anti-social forces or organizations and will absolutely refuse any unreasonable demands made by them.
4. In decision-making, GOLDWIN will take into consideration factors that impact the environment, including energy efficiency, resource savings, and protection of biodiversity. GOLDWIN will do so in order to facilitate the creation of a low-carbon society and to develop products and business models that are conducive to environmental conservation in an effort to build a sustainable society.

Basic Concept

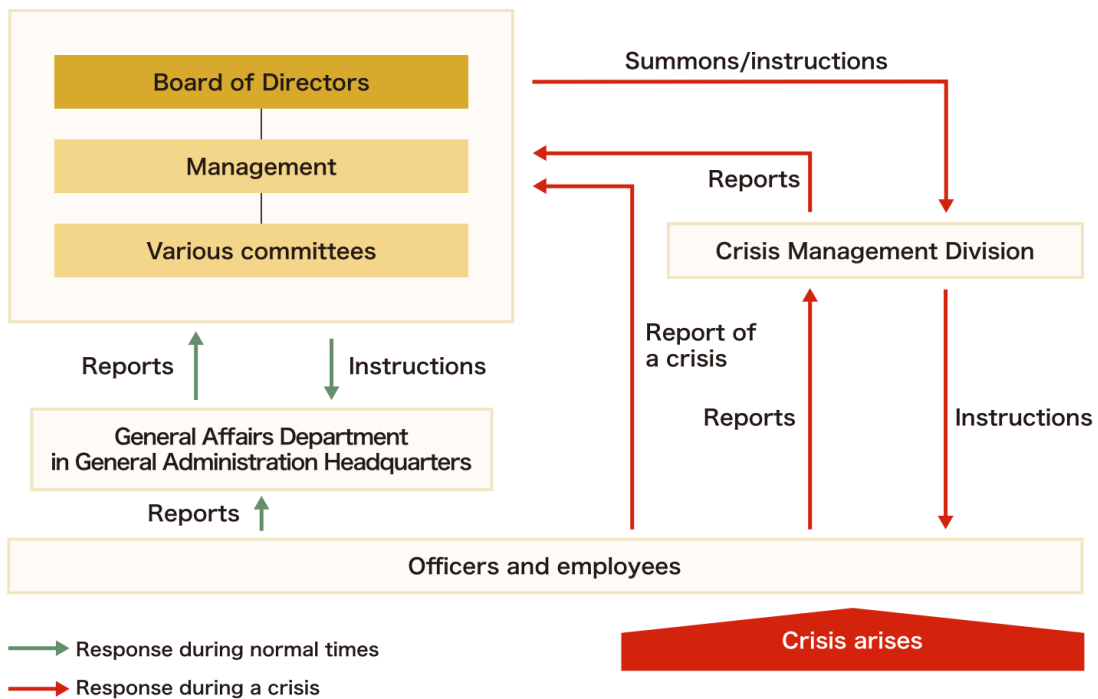
There is the risk that a crisis could materially impact our company activities, and we view risk management as an extremely important activity. We have established our Risk Management Guidelines and prepare for various risks for the purpose of preventing crises before they arise and minimizing the impacts on our company if a crisis does arise.

Promotion Framework

We have established different types of internal committees, such as the ESG Management Committee, as part of our risk management efforts to anticipate risks that could arise at any time. It is also important to uniformly collect information on crisis management and make decisions comprehensively. We have therefore made the General Administration Headquarters the managing headquarters for crisis management, with the General Affairs Department executing these duties in normal times.

If a crisis arises, it is promptly reported to management, primarily to directors, and a Crisis Management Division is formed to response to the crisis. The Crisis Management Division gathers and analyzes information, examines countermeasures and the policy to prevent reoccurrences, and establishes the structure to give instructions and orders to officers and employees on the actions required to resolve the crisis.

Framework



Business Continuity Planning

If a natural disaster occurred such as an earthquake, large typhoon, or volcanic eruption, or an event such as an infectious disease or large-scale prolonged power outage that would impact the continuity of economic activity, or an incident such as an information leak, it could exert enormous impacts on our business activities in the medium- to long term. We have established a business continuity plan (BCP) to anticipate these kinds of emergency situations, confirm the safety of employees and their families even during a crisis, and minimize the impacts on our business activities.

In FY 2021, we identified anticipated threats and risks and established the initial version of our BCP, which contains the response procedures for each division during a crisis. In FY 2022, we plan to conduct drills and internal education using a manual.

Response to COVID-19

We established the COVID-19 Countermeasure Committee in March 2020 after the rise in COVID-19 cases. Chaired by the Executive General Manager of the General Administration Headquarters, the committee promptly issued instructions and made decisions to prevent serious incidents and the spread of infections.

Refer to the following for information on our infection control measures.

- › Health management infection control measures

Future Issues

Using the BCP established in FY 2021, we will strengthen our crisis management framework to be even more effective. Specifically, we will conduct drills and internal education following the BCP manual as well as revise our BCM framework and update our guidelines as necessary.

Basic Concept

The information assets of any company are a constant security risk, with exposure potentially impacting many stakeholders. Recognizing that ensuring information security is an important social responsibility of companies, GOLDWIN formulated and implemented its Basic Policy on Information Security in March 2008. In view of current trends such as accelerating globalization of business and expansion of e-commerce channels, we revised this policy in October 2021 and developed a management framework that is more in tune with these changes. Our aim is to increase awareness of these diverse risks among all officers and employees, to maintain and improve information security, and to become a more trusted company in society.

Basic Policy on Information Security

Recognizing that ensuring information security is an important issue in the delivery of accurate and efficient business operations, GOLDWIN formulated and implemented this Basic Policy on Information Security with the aim of protecting the company's information assets.

1. Establishment of an information security framework

To maintain and improve information security, we will secure the required resources and establish a promotional framework for information security activities.

2. Protection of information assets

We will appropriately manage information assets to ensure confidentiality, integrity, and availability, and strive to protect our information assets from all these related threats.

3. Compliance with laws and regulations

We will comply with laws and regulations related to information security.

4. Education and training

We will provide regular education and training to ensure our officers and employees are sufficiently aware of their responsibilities and obligations to ensure information security.

5. Continuous improvement

To respond to changes in risk associated with revisions to laws and regulations related to information security, and technical innovations, we will regularly evaluate and revise this Basic Policy on Information Security, our other related policies, and management systems, as we strive to continually improve our information security.

6. Incident handling

We will work to prevent incidents related to information security and, in the event that an incident occurs, we will not only respond to the incident but also take prompt and appropriate measures, including measures to prevent recurrence.

Established: March 17, 2008

Revised: October 1, 2021

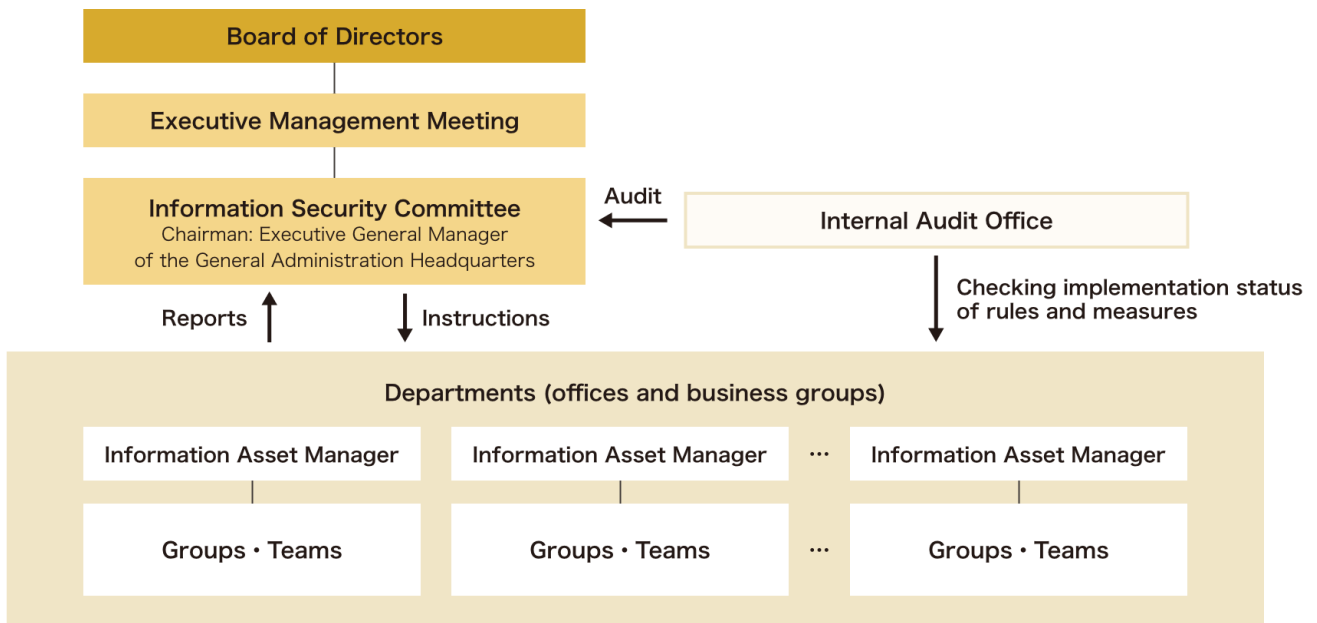
Promotion Framework and Person Responsible

GOLDWIN operates an information security promotion framework with the Information Security Committee, which was established in October 2021, having responsibility.

The Information Security Committee is chaired by the Executive General Manager of the General Administration Headquarters, who oversees the Information Systems Division, with oversight and guidance on important matters received from the Board of Directors through the Executive Management Meeting. The committee meets twice a year as a rule, but the chairman may convene a meeting at any time if necessary.

The General Manager of each department, office, or business group is in charge of managing information assets and works as liaison between the division and the Information Security Committee. The General Manager is in charge of communicating instructions from the Information Security Committee to the employees, and implementing those instructions.

Framework



Information Security Education

With human error being the cause of many security incidents, including information leaks, improving the information security awareness and literacy of every employees is essential for preventing incidents from occurring. In FY 2021, we are running a series of e-learning and group training programs to educate employees on a range of related matters, including approaches to information security, case studies of incidents and related measures, and internal systems and rules. One hundred percent of our 1,465 applicable employees (office workers) participated in the programs. In addition, we also conducted targeted email response drills to raise employee perception of cyberattacks as being a risk that can affect them. We will revise the content of our curriculum as needed and update details in light of the current state of rapidly changing information technology.

Commitment to Information Asset Management

To strengthen companywide management of information assets under this new framework, it is important that we restructure our management rules. In FY 2021, we began working to understand the situation with internal management of information assets as the first step toward achieving this goal. After asking each division about which information assets they hold and how they are currently managing them, we have been analyzing the status of operations.

Under the GOLDWIN document handling rules, we have defined three standards: Strictly Confidential, Confidential, and For Internal Use Only. In FY 2021, we conducted a survey of personal information and other information classified as Strictly Confidential, which requires the highest level of control. Going forward, we will clearly identify our information assets to ensure documentation, companywide uniformity, and compliance with the management rules.

Information Security Incident Support Center

When information security incidents occur, it is extremely important to receive a prompt report from the relevant person, and to respond as an organization. In August 2021, we established and began operating a new Information Security Incident Support Center in preparation for such a situation. We are also explaining to all employees that if they find an incident potentially leading to an information leak, they must report it to their division superior and contact the support center immediately.

Examples of information security incidents

- Losing a computer or other information device
- Opening an attached file or accessing a URL in an unsolicited or spam email
- Installing a file infected with a virus
- Having an ID to the company social media, etc. hacked
- Disclosing personal information accidentally

Future Issues

With the importance of information security continuing to increase, we will improve the level of management in terms of technologies, operations, systems, and education going forward. We will also establish appropriate management indicators as we steadily advance our objectives. From next fiscal year, we plan to assess risks related to the essential computers, networks, and other devices we use for business, and to investigate priority measures. In addition, we plan to further strengthen our systems by securing specialists in information security management and establishing a dedicated organization.

Basic Concept

As the GOLDWIN Group, we recognize the significant implications that business has on human rights, and in order to conduct activities with consideration for human rights, advance initiatives for respecting human rights in accordance with international standards including the UN Guiding Principles on Business and Human Rights.

We have established the Goldwin Group Policy on Human Rights as our shared values in advancing our initiatives and share it with all officers and employees of our Group as well as with related suppliers.

GOLDWIN Group Policy on Human Rights

The mission of the GOLDWIN Group (“The Group”) is to realize a fulfilling and healthy lifestyle through sports. Our aim is to build a sustainable society as we raise our corporate value through our business activities while respecting every facet of people’s diversity. Recognizing that respect for human rights is indispensable to realizing our mission, we have implemented the GOLDWIN Group Policy on Human Rights (“The Policy”), based on the United Nations Guiding Principles on Business and Human Rights. Our approach is specifically described in our compliance guidelines: our Corporate Code of Conduct, Code of Conduct for Employees, and Code of Conduct for GOLDWIN Suppliers.

Compliance with Global Human Rights

The Group is committed to respecting the laws and regulations of every nation in which it operates while also complying with the International Bill of Human Rights and the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work. Should the laws and regulations of a nation conflict with internationally recognized human rights standards, the Group will seek ways to honor the principles of international standards in its conduct.

Scope of Compliance

The Policy applies to all directors and employees of The Group.

Suppliers are also expected to support The Policy and share our commitment to respect human rights globally.

Human Rights in Practice

To secure the human rights of all stakeholders, The Group prohibits any engagement that contributes to human trafficking, forced labor, child labor, and all types of discrimination or harassment. The Group also guarantees the right to freedom of association and collective bargaining.

We continue to conduct due diligence to ensure compliance with human rights standards throughout The Group’s value chain and to prevent or reduce actual or potential risks of violation.

The Group’s President and Representative Director has ultimate responsibility for effective deployment and implementation of The Policy throughout The Group’s operations.

The Group recognizes the importance of seeing potential human rights infringement from the viewpoints of stakeholders liable to be victimized. Therefore, The Group retains external, independent expertise in this field and confers with relevant stakeholders in the course of implementing The Policy.

The Group also conducts educational programs on implementing The Policy for its directors and employees, and organizes activities to raise awareness and understanding of The Policy among its suppliers.

Remediation

The Group maintains a procedure for stakeholders to consult on or report acts that have a negative impact on human rights. Should The Group realize that any part of its operation has caused or contributed to an adverse effect on human rights, we will initiate corrective action(s) necessary as remediation.

Progress Reports

Progress on implementation of The Policy is reported on The Group’s website.

December 13, 2021

Takao Watanabe

Representative Director, President, and Chief Executive Officer

GOLDWIN Inc.

Editorial Policy

The GOLDWIN Group actively discloses financial and non-financial information to enable all stakeholders to understand the sustainability activities of the group.

The sustainability website is reviewed annually in accordance with the Global Reporting Initiative (GRI) Standards and international guidelines such as the SASB Standards.

Reporting Period

April 1, 2021–March 31, 2022

Note: Includes some information outside of the above period.

Reporting Scope

The report scope is the activities of GOLDWIN Group, primarily comprising GOLDWIN Inc., and 14 consolidated subsidiaries and three affiliated companies (as of March 31, 2022); however, some content covers GOLDWIN Inc. on a non-consolidated basis.

Material Changes to the Organization During the Reporting Period

Nothing in particular

Updates

October 2022 (previous update: December 2021 / next update: October 2023, planned)

Referenced Guidelines

Global Reporting Initiative (GRI) Standards

ISO 26000 (Guidance on social responsibility)

Sustainability Accounting Standards Board (SASB) Standards

Contact Information for All Inquiries on This Report

> [Inquiries](#)

General Disclosures

GRI standards	Requirements	References	
102 General Disclosures	Organizational profile		
	102-1	Name of the organization	ABOUT US
	102-2	Activities, brands, products, and services	Brands
	102-3	Location of headquarters	ABOUT US
	102-4	Location of operations	Offices / Group Companies / Overseas
	102-5	Ownership and legal form	ABOUT US
	102-6	Markets served	ABOUT US
	102-7	Scale of the organization	ABOUT US
	102-8	Information on employees and other workers	Employment and Diversity
	102-9	Supply chain	Supply Chain Management
	102-10	Significant changes to the organization and its supply chain	Editorial Policy
	102-11	Precautionary Principle or approach	Information Disclosure Based on TCFD Recommendations Compliance Risk Management
	102-12	External initiatives	Information Disclosure Based on TCFD Recommendations
	102-13	Membership of associations	Environmental Communication
	Strategy		
102-14	Statement from senior decision-maker	Top Message	

GRI standards	Requirements	References	
102 General Disclosures	Strategy		
	102-15	Key impacts, risks, and opportunities	Top Message Environmental Management System Information Disclosure Based on TCFD Recommendations Risk Management
	Ethics and integrity		
	102-16	Values, principles, standards, and norms of behavior	MISSION · VISION · VALUE · TAGLINE Corporate Code of Conduct / Employees' Code of Conduct
	102-17	Mechanisms for advice and concerns about ethics	Compliance
	Governance		
	102-18	Governance structure	Corporate Governance
	102-19	Delegating authority	Approaches to Sustainability
	102-20	Executive-level responsibility for economic, environmental, and social topics	Approaches to Sustainability Environmental Management System
	102-21	Consulting stakeholders on economic, environmental, and social topics	Environmental Communication Supply Chain Management Improving Customer Satisfaction Human Resources and HR Strategy
	102-22	Composition of the highest governance body and its committees	Corporate Governance
	102-23	Chair of the highest governance body	Corporate Governance
	102-24	Nominating and selecting the highest governance body	Corporate Governance
	102-25	Conflicts of interest	Corporate Governance
	102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance Approaches to Sustainability
	102-27	Collective knowledge of highest governance body	Corporate Governance
	102-28	Evaluating the highest governance body's performance	Corporate Governance

GRI standards	Requirements	References	
102 General Disclosures	Governance		
	102-29	Identifying and managing economic, environmental, and social impacts	Approaches to Sustainability. Information Disclosure Based on TCFD Recommendations
	102-30	Effectiveness of risk management processes	Risk Management
	102-31	Review of economic, environmental, and social topics	Approaches to Sustainability. Information Disclosure Based on TCFD Recommendations
	102-32	Highest governance body's role in sustainability reporting	
	102-33	Communicating critical concerns	Corporate Governance Risk Management
	102-34	Nature and total number of critical concerns	
	102-35	Remuneration policies	Corporate Governance
	102-36	Process for determining remuneration	Corporate Governance
	102-37	Stakeholders' involvement in remuneration	Corporate Governance
	102-38	Annual total compensation ratio	
	102-39	Percentage increase in annual total compensation ratio	
	Stakeholder engagement		
	102-40	List of stakeholder groups	Approaches to Sustainability.
	102-41	Collective bargaining agreements	Human Resources and HR Strategy.
	102-42	Identifying and selecting stakeholders	Approaches to Sustainability.
	102-43	Approach to stakeholder engagement	
	102-44	Key topics and concerns raised	
	Reporting practice		
	102-45	Entities included in the consolidated financial statements	Editorial Policy.

GRI standards	Requirements	References	
102 General Disclosures	Reporting practice		
	102-46	Defining report content and topic boundaries	Editorial Policy
	102-47	List of material topics	Environmental Management System
	102-48	Restatements of information	N/A
	102-49	Changes in reporting	N/A
	102-50	Reporting period	Editorial Policy
	102-51	Date of most recent report	Editorial Policy
	102-52	Reporting cycle	Editorial Policy
	102-53	Contact point for questions regarding the report	Editorial Policy
	102-54	Claims of reporting in accordance with the GRI Standards	Editorial Policy
	102-55	GRI content index	GRI Standards Content Index
	102-56	External assurance	
	103 Management Approach	103-1	Explanation of the material topic and its Boundary
103-2		The management approach and its components	Environmental Management System
103-3		Evaluation of the management approach	

Economic

GRI standards		Requirements	References
201 Economic Performance	201-1	Direct economic value generated and distributed	
	201-2	Financial implications and other risks and opportunities due to climate change	Information Disclosure Based on TCFD Recommendations
	201-3	Defined benefit plan obligations and other retirement plans	Fair Compensation, Benefits and Evaluations
	201-4	Financial assistance received from government	
202 Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Fair Compensation, Benefits and Evaluations
	202-2	Proportion of senior management hired from the local community	
203 Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Contributing to Local Communities An Inclusive Society Through Sports Developing the Next Generation
	203-2	Significant indirect economic impacts	
204 Procurement Practices	204-1	Proportion of spending on local suppliers	
205 Anti-corruption	205-1	Operations assessed for risks related to corruption	Compliance
	205-2	Communication and training about anti-corruption policies and procedures	Compliance
	205-3	Confirmed incidents of corruption and actions taken	
206 Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A
207 Tax	207-1	Approach to tax	
	207-2	Tax governance, control, and risk management	
	207-3	Stakeholder engagement and management of concerns	
	207-4	Country-by-country reporting	

Environmental

GRI standards		Requirements	References
301 Materials	301-1	Materials used by weight or volume	
	301-2	Recycled input materials used	
	301-3	Reclaimed products and their packaging materials	
302 Energy	302-1	Energy consumption within the organization	<u>Realization of a Carbon-free Society.</u>
	302-2	Energy consumption outside of the organization	
	302-3	Energy intensity	
	302-4	Reduction of energy consumption	<u>Realization of a Carbon-free Society.</u>
	302-5	Reductions in energy requirements of products and services	
303 Water and Effluents	303-1	Interactions with water as a shared resource	
	303-2	Management of water discharge-related impacts	
	303-3	Water withdrawal	
	303-4	Water discharge	
	303-5	Water consumption	
304 Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
	304-2	Significant impacts of activities, products, and services on biodiversity	
	304-3	Habitats protected or restored	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	

GRI standards		Requirements	References
305 Emissions	305-1	Direct (Scope 1) GHG emissions	<u>Realization of a Carbon-free Society.</u>
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	
	305-4	GHG emissions intensity	
	305-5	Reduction of GHG emissions	<u>Realization of a Carbon-free Society.</u>
	305-6	Emissions of ozone-depleting substances (ODS)	<u>Realization of a Carbon-free Society.</u>
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
306 Waste	306-1	Waste generation and significant waste-related impacts	
	306-2	Management of significant waste-related impacts	
	306-3	Waste generated	<u>Realization of a Circular Society.</u>
	306-4	Waste diverted from disposal	
	306-5	Waste directed to disposal	
307 Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	<u>Environmental Management System</u>
308 Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	<u>Supply Chain Management</u>
	308-2	Negative environmental impacts in the supply chain and actions taken	<u>Supply Chain Management</u>

Social

GRI standards		Requirements	References
401 Employment	401-1	New employee hires and employee turnover	Employment and Diversity
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee-Friendly Workplace Fair Compensation, Benefits and Evaluations
	401-3	Parental leave	Employee-Friendly Workplace
402 Labor / Management Relations	402-1	Minimum notice periods regarding operational changes	
403 Occupational Health and Safety	403-1	Occupational health and safety management system	Occupational Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	
	403-3	Occupational health services	
	403-4	Worker participation, consultation, and communication on occupational health and safety	
	403-5	Worker training on occupational health and safety	Health Management
	403-6	Promotion of worker health	Health Management
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9	Work-related injuries	Occupational Health and Safety
	403-10	Work-related ill health	Occupational Health and Safety Health Management

GRI standards		Requirements	References
404 Training and Education	404-1	Average hours of training per year per employee	Talent Development
	404-2	Programs for upgrading employee skills and transition assistance programs	Talent Development
	404-3	Percentage of employees receiving regular performance and career development reviews	Talent Development
405 Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Employment and Diversity
	405-2	Ratio of basic salary and remuneration of women to men	Fair Compensation, Benefits and Evaluations
406 Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	
407 Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
408 Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	
409 Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	
410 Security Practices	410-1	Security personnel trained in human rights policies or procedures	
411 Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	
412 Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	
	412-2	Employee training on human rights policies or procedures	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	
413 Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	
	413-2	Operations with significant actual and potential negative impacts on local communities	
414 Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Supply Chain Management
	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management

GRI standards		Requirements	References
415 Public Policy	415-1	Political contributions	
416 Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Quality Control
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Quality Control
417 Marketing and Labeling	417-1	Requirements for product and service information and labeling	Quality Control
	417-2	Incidents of non-compliance concerning product and service information and labeling	Quality Control
	417-3	Incidents of non-compliance concerning marketing communications	Quality Control
418 Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	
419 Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	N/A