

June 15, 2021  
Via electronic mail

Office of Chief Counsel  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Re: Response to No Action Letter of NIKE Inc on Diversity & Inclusion Proposal

Ladies and Gentlemen,

Wynnette LaBosse Tr (S) (the “Proponent”) is beneficial owner of common stock of NIKE Inc (the “Company”) and has submitted a shareholder proposal (the “Proposal”) to the Company. I am responding, on behalf of Proponent, to the letter dated May 14, 2021 (“Company Letter”), from Ann M. Miller contending that the Proposal may be excluded from the Company’s 2021 proxy statement.

The Proposal requests that the Company annually publish a report, at reasonable expense and excluding proprietary information, which assesses the outcome of the Company’s diversity and inclusion efforts. The proposal suggests that the report include the Board’s process for assessing the effectiveness of its diversity, equity, and inclusion (DEI) programs and the Board’s conclusions regarding program *effectiveness*, as reflected in goals, metrics, and trends related to the Company’s promotion, recruitment, and retention of protected classes of employees. (emphasis added).

The Company argues that the Proposal may be excluded from the 2021 Proxy Materials as substantially implemented pursuant to Rule 14a-8(i)(10). In order for the Company to meet its burden of proving substantial implementation pursuant to Rule 14a-8(i)(10), it must show that its activities meet the guidelines and essential purpose of the Proposal. The Staff has noted that a determination that a company has substantially implemented a proposal depends upon whether a company’s particular policies, practices, and procedures compare favorably with the guidelines of the proposal. *Texaco, Inc.* (Mar. 28, 1991). Substantial implementation under Rule 14a-8(i)(10) requires a company’s actions to have satisfactorily addressed *both* the proposal’s guidelines and its essential objective. See, e.g., *Exelon Corp.* (Feb. 26, 2010).

Thus, when a company can demonstrate that it has already taken action that meet most of the guidelines of a proposal and the proposal’s essential purpose, the Staff has concurred that the proposal has been “substantially implemented.” In the current instance, the Company has substantially fulfilled *neither* the guidelines nor the essential purpose of the Proposal.

The Company focuses its argument on its provision of data demonstrating that it has DEI programs. The Proponents are not asking for affirmation that DEI programs exist at NIKE, nor for additional reporting on what those programs are. It is expected that diversity programs of varying quality exist at most public companies. The Proponents are also not looking to judge or shift NIKE’s existing programs or initiatives.

DEI programs are associated with share outperformance across a number of measures. Thus, investors are seeking decision-useful information to assess whether the Company’s programs work in a way that supports shareholder value. That data has not yet been shared by the Company. The fact that a limited, initial set of data focused on the racial and gender composition of NIKE staff has been provided does not

answer the crucial question of whether Nike's diversity and inclusion program as a whole is effective and achieves the goals of contributing to stock outperformance.

What Proponents seek is information that shows the *effectiveness* of those programs, in total, including metrics and trends related to the company's promotion, recruitment and retention of protected classes of employees.

To illustrate the difference between what the Company has provided and what the Proposal is requesting, a metaphor is useful: a private high school might publish a beautiful brochure describing its buildings, its commitment to the whole child, the school's warm and encouraging atmosphere, and the school's strong scholastic programs. These things, while important and necessary, do not tell a parent whether the sought-after result of a well-educated child is likely. Before agreeing to tuition costs, parents will also want to know how these programs contribute to students' success, including for example, student reading and mathematics scores, graduation rates, and college entrance and graduation rates. NIKE has published brochure-worthy content on its commitment to DEI, and the fact that it has hired diverse people, what it has failed to disclose is whether that translates into the sought after outcomes of retaining and promoting a diverse workforce that benefits Nike's product and sales.

### **Insufficiency of current reporting**

The Company argues that its Impact Report contains an eight-page discussion of its efforts to attract and develop a diverse, engaged, and healthy workforce. This extensive reporting of efforts, rather than the outcomes of programs, is at the crux of Proponents' request. A laundry list of actions, and the entry-level hiring of diverse employees within a subset of potential positions, does not provide information about the outcome of the Company's diversity and inclusion programs. Proponents' seek information to demonstrate the programs effective in ensuring a workforce of diverse employees that are not only hired, but retained and promoted such that they can and do contribute meaningfully to creating value for the Company.

The Company states that its existing disclosures discuss its process for assessing its DEI programs. While knowing that the Board has a strategy in place to evaluate effectiveness is one important element, it cannot stand in the stead of disclosing the *outcome* of the Board's assessment of the effectiveness of the Company's strategy.

Perhaps the strongest language on program effectiveness is in CEO John Donahoe's Introduction to the FY20 NIKE, Inc. Impact Report, where he writes "Our efforts have increased representation of women globally across the enterprise to 49.5 percent and representation of racial and ethnic minorities to 29 percent of our VP Leadership Team in the United States." This statement aggregates data in a way that prevents investors from analyzing NIKE's programs, possibly obfuscating data key to the resolution's request. It combines all racial and ethnic minorities into an aggregate statement implying diverse representation, but without the information needed to demonstrate whether and how specific protected races or ethnicities are hired, retained, and promoted, particularly Black and Latinx employees versus other ethnicities such as Asian employees.

Black employees face different stereotypes and discriminations than other protected racial and ethnic minorities.<sup>1</sup> Black workers, in particular, are more likely to face racism in the workplace. According to McKinsey research, Black employees are less likely than white peers to feel they receive sufficient support to advance, less likely to see promotions as fair, and less likely to believe a company's DEI

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<sup>1</sup> <https://www.pewresearch.org/fact-tank/2021/03/18/majorities-of-americans-see-at-least-some-discrimination-against-Black-hispanic-and-asian-people-in-the-u-s/>

programs are effective.

The case for investor concern over the lack of measurable DEI data is particularly acute at NIKE. BrandFinance estimates that the Company has the world's most valuable apparel brand, calculated at a value of \$30.4 billion.<sup>2</sup> An important portion of NIKE's marketing focuses on indicating allyship with the Black community, including a partnership with Colin Kaepernick, advertisements released just after George Floyd's death<sup>3</sup> focused on racial justice, and the "We Play Real" campaign focused on Black female athletes.<sup>4</sup> The Company has acknowledged that its business success is reliant on Black culture and support. Nike's CEO, John Donahoe has stated, "Our brand would not be what it is today without the powerful contributions of Black athletes and Black culture."<sup>5</sup> However, Black employees have raised significant concerns about their treatment at the Company and NIKE's race-focused advertising has been released over the objections of its Black employees.<sup>6</sup>

Understanding NIKE's crucial tie to diversity, the Proposal seeks data that shows that something more than marketing (often referred to as performative allyship) is happening. As a result of the concerns raised by Black employees, the proposal had explicitly asked that the report include information on protected classes of employees, not aggregated statistics.

### **Diverse representation does not represent program success**

NIKE's FY2020 Impact Report includes targets for its DEI programs and metrics on the Company's workforce diversity numbers. This provides a limited overview of the Company's programs -- a snapshot of diversity at a certain point in time.

Workforce diversity composition is not an indication of program success. The presence of a diverse employee at a given point in time does not mean that investors will benefit from their skills and knowledge unless the company is also equitable and inclusive. As stated by a Harvard Business Review article *Diversity Doesn't Stick Without Inclusion*: "In the context of the workplace, diversity equals representation. *Without inclusion, however, the crucial connections that attract diverse talent, encourage their participation, foster innovation, and lead to business growth won't happen.*" (emphasis added).

Companies that recruit without attention to equity and inclusion risk organizational tensions, frustrated employees, potential negative reputational concerns, and increased human capital expense as employees cycle in and out of the company. Such companies will not be able to realize the benefits of diverse hires.

Researchers have found that "thirty-seven percent of African-Americans and Hispanics and forty-five percent of Asians say they "need to compromise their authenticity" to conform to their company's standards of demeanor or style."<sup>7</sup> Given this known problem, the resolution is explicit in its request for reporting on the *effectiveness* of equity and inclusion programs.

The Company only shares high level workforce composition trend data and does so in a format that does not conform to current best practice standards. It fails to identify if these numbers are a result of strong

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<sup>2</sup> <https://brandfinance.com/press-releases/nike-does-it-again-claiming-title-of-worlds-most-valuable-apparel-brand-for-7th-consecutive-year>

<sup>3</sup> <https://www.youtube.com/watch?v=drcO2V2m7lw>

<sup>4</sup> <https://www.youtube.com/watch?v=SY4PI75BJPQ>

<sup>5</sup> <https://purpose.nike.com/ceo-letter>

<sup>6</sup> <https://www.ft.com/content/e8b4a2e3-e0cf-467a-890b-b64db664778a>

<sup>7</sup> <https://hbr.org/2017/02/diversity-doesnt-stick-without-inclusion>

retention or if significant resources were needed to recruit new employees in the face of high employee turnover. For investors seeking to understand the effectiveness of a company's DEI program, this is essential information.

### **The Importance of inclusion data – recruitment, retention and promotion**

The resolved clause explicitly asks for “the Board’s assessment of program effectiveness, as reflected in any goals, metrics, and trends related to its promotion, recruitment, and retention of protected classes of employees.” The company currently publishes limited, passing references to these data sets.

#### *Recruitment*

The Company’s discussion of its recruitment programs includes mention of a Serena Williams apprenticeship with ten participants, a two-year Women in Nike program that has 15 participants, and an internship program that has 310 interns, 55 percent of whom were women and 49 percent of whom were racial and ethnic minorities. It also references an increase in recruitment from Historically Black Colleges and Universities, moving from 8 percent in 2019 to 18 percent in 2020, but does not provide a baseline. The company does not share what its total recruitment number is relative to the entry level positions being filled by the programs detailed, leaving the reader unable to ascertain how meaningful these programs are relative to the company’s overall hiring and diversity needs. Nor does the report share the Board’s assessment of the effectiveness of these programs.

#### *Retention*

Relative to the need for retention data, Arthur Woods of the diversity recruiting platform Mathison, has said “We see organizations that have instituted plans for diversity hiring actually failing to retain and advance those very job seekers.”<sup>8</sup> Companies with diverse employees in their headcount may still struggle with unwelcoming and discriminatory cultures. This is not a theoretical concern. As an example, Whistle Stop Capital and *As You Sow* staff have had a company explicitly tell them that recruitment was not a challenge and that it had strong diverse representation. This same company stated that it was unwilling to share its retention data because its turnover of diverse employees would be concerning to investors.

The strongest data found in NIKE’s reporting was “Retention remains high, but we know we need to stay engaged to avoid eroding our progress in hiring and promoting women globally and U.S. racial and ethnic minorities.” The hiring and promotion data to support this statement of “progress” is not shared. Nor does the report share the Board’s assessment of the effectiveness of these programs.

#### *Promotion*

Studies show extensive bias in promotion, referred to as the “promotion gap” or “broken rung.” McKinsey found that, in 2019, for every 100 men promoted, only 85 women, 71 Latinas and 58 Black women were promoted.<sup>9</sup> Men are also more likely to promote other men and women more likely to be the promoters of other women.<sup>10</sup> This promotion bias reinforces career immobility, as more men are in positions where they choose whom to promote. Women are also required to be more qualified: Globally, 44.3 percent of female managers have university degrees, as compared to only 38.3 percent of male managers.<sup>11</sup>

<sup>8</sup> <https://www.marketplace.org/2020/07/17/diversity-recruitment-retention-workplace-discrimination/>

<sup>9</sup> <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/women-in-the-workplace>

<sup>10</sup> <https://www.payscale.com/career-news/2018/05/new-research-promotion-gap>

<sup>11</sup> ILO, “A Quantum Leap for Gender Equality” < [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_674831.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_674831.pdf)>

In addition, studies from Stanford<sup>12</sup> show that merit reviews, which allow for bias, conflict with impartial rankings of employees. That is, when a system allows for subjective employee reviews, bias is more likely to occur in the assessment of a diverse employee's contribution.

Relative to promotion, the strongest data found in NIKE's reporting was "We introduced an onboarding and coaching program for new Vice Presidents to support their transition and developed high-potential future leaders at Senior Director and Director level, through a combination of 360 assessment, coaching, and career experiences. Through these programs, our high-potential talent has not only been exposed to impactful learning experiences, we've seen it pull through in our promotion data as well, as 56 percent of the 2020 program participants were promoted to new roles."

The number of high-potential employees that have started or made it through NIKE's program is not stated, nor is it clear what a "combination of 360 assessment, coaching, and career experiences" actually means. The fact that 56 percent of 2020 participants were promoted to new roles sounds promising, but one needs to understand the number of participants enrolled in the first instance and the promotion rates of non-participants to actually understand what was accomplished. Again, the report does not share the Board's assessment of the effectiveness of these programs.

### **Investors have been consistent in requesting this data**

That these issues are important to investors' assessment of companies is underscored by earlier shareholder votes on this issue. The same request that was submitted to NIKE has earned high levels of support at companies with similar, or higher levels, of DEI reporting as NIKE, including at American Express where this resolution was supported by 60 percent of shareholders; International Business Machines (IBM) where this resolution was supported by 94 percent of shareholders; Procter & Gamble (P&G) where this resolution was supported by 37 percent of shareholders; and Union Pacific where this resolution was supported by 81 percent of shareholders. At the time of the shareholder vote, both IBM and P&G had released significantly more DEI data than NIKE.

The effectiveness of DEI programs has been shown to be linked to company success; shareholders therefore seek the requested information for use in making securities' selections. Should Staff grant the Company's no action request, investors will lose an important forum for communicating to the Company the disclosures they seek from NIKE. We respectfully request that the Staff inform the Company that it is denying the no action letter request.

Sincerely,



Meredith Benton  
Workplace Equity Program Manager, *As You Sow*  
Principal and Founder, Whistle Stop Capital

cc: Ann M. Miller

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<sup>12</sup> As presented by Lori Nishiura Mackenzie, co-founder, Stanford VMware Women's Leadership Innovation Lab, at the CalPERS & CalSTRS Diversity Forum on June 6, 2019

May 14, 2021

Via E-mail: [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)

Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.,  
Washington, D.C. 20549

Re: NIKE, Inc.  
Request to Omit Shareholder Proposal of As You Sow

Ladies and Gentlemen:

Pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), NIKE, Inc., an Oregon corporation (the “Company”), hereby gives notice of its intention to omit from the proxy statement and form of proxy for the Company’s 2021 Annual Meeting of Shareholders (together, the “2021 Proxy Materials”) a shareholder proposal (including its supporting statement, the “Proposal”) received from As You Sow on behalf of Wynnette LaBosse Tr (S) (the “Proponent”). The full text of the Proposal is attached as Exhibit A.

The Company believes it may properly omit the Proposal from the 2021 Proxy Materials for the reasons discussed below. The Company respectfully requests confirmation that the Staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “Commission”) will not recommend enforcement action to the Commission if the Company excludes the Proposal from the 2021 Proxy Materials.

This letter, including the exhibits hereto, is being submitted electronically to the Staff at [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov). Pursuant to Rule 14a-8(j), the Company has filed this letter with the Commission no later than 80 calendar days before the Company intends to file its definitive 2021 Proxy Materials with the Commission. A copy of this letter is being sent simultaneously to the Proponent as notification of the Company’s intention to omit the Proposal from the 2021 Proxy Materials.

## I. THE PROPOSAL

The resolution included in the Proposal reads as follows:

**Resolved:** Shareholders request that Nike Inc. (“Nike”) publish, at reasonable expense and excluding proprietary information, annual reporting assessing the Company’s diversity and inclusion efforts. At minimum reporting should include:

- the Board’s process for assessing the effectiveness of its diversity, equity and inclusion programs,
- the Board’s assessment of program effectiveness, as reflected in any goals, metrics, and trends related to its promotion, recruitment, and retention of protected classes of employees.

## II. BASIS FOR EXCLUSION

The Company believes that the Proposal may be properly excluded from the 2021 Proxy Materials pursuant to Rule 14a-8(i)(10) because the Proposal has been substantially implemented.

## III. ANALYSIS

### A. The Proposal may be omitted under Rule 14a-8(i)(10) because it has been substantially implemented by the Company.

1. Rule 14a(i)(10) allows the Company to exclude proposals when the Company’s actions satisfactorily address the proposal’s essential objectives.

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials “[i]f the company has already substantially implemented the proposal.” In general, differences between a company’s actions and a shareholder proposal are permitted provided the company’s actions satisfactorily address the proposal’s essential objectives. See, e.g., *Exxon Mobil Corp.* (Rossi) (Mar. 19, 2010). The Commission has clarified that the actions requested by a proposal need not be “fully effected” by the company or presented as preferred by the proponent in order to be substantially implemented. See Amendments to Rule 14a-8 under the Securities Exchange Act of 1934 Related to Proposals by Security Holders, Exchange Act Release No. 34-20091 (Aug. 16, 1983); Amendments to Rules on Shareholder Proposals, Exchange Act Release No. 34-40018 (May 21, 1998). Instead, “a determination that the company has

substantially implemented the proposal depends upon whether [the company's] particular policies, practices and procedures compare favorably with the guidelines of the proposal." *See Texaco, Inc.* (March 28, 1991).

The Staff has consistently concurred with the exclusion of a shareholder proposal under Rule 14-a-8(i)(10) when the company can show it satisfactorily addressed the proposal's underlying concerns and essential objectives, even if the disclosures were not in the exact form requested by the proponent. For example, the Staff concurred that Wendy's could exclude a proposal requesting that the company provide a report disclosing, among other things, the company's standards for choosing the organizations to which the company makes charitable contributions and the "business rationale and purpose for each of the charitable contributions" as substantially implemented because the company already published on its website its policies and guidelines for determining the types of grants that it makes and the types of requests that the company typically does not fund. *The Wendy's Co.* (Apr. 10, 2019). *See also Hess Corp.* (Apr. 11, 2019) (concurring with the exclusion on substantial implementation grounds of a proposal requesting a report on how the company could reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement's goal where the company had addressed the underlying concern and essential objective of the proposal in its most recent Sustainability Report, its response to a CDP Climate Change Questionnaire and its recent Investor Day Presentation); *eBay Inc.* (March 29, 2018) (concurring with the exclusion of a proposal requesting that the board compensation committee prepare a report assessing the feasibility of integrating sustainability metrics, including diversity among senior executives, into the performance measures of the CEO under the company's compensation plan where the company already incorporates some elements of sustainability and diversity into the review and determination of its CEO compensation); *Apple Inc.* (Dec. 15, 2017) (concurring with the exclusion of a proposal requesting that the board of directors make all lawful efforts to implement policies related to equal employment and recruiting employees from underrepresented groups, among other things, where the requested information was already disclosed in the company's equal employment policy and channel member policy, which prohibits discrimination, and the company's diversity & inclusion policy, which includes specific goals and metrics for increasing the diversity of its workforce).

Similarly, the Staff has allowed shareholder proposals requesting that a company's board of directors prepare a report on a particular initiative to be excluded when the company's website already contains information about the initiative. *See, e.g., The Wendy's Co.*, *supra*; *Amazon.com, Inc.* (March 27, 2020) (Proposal by the Sisters of the Order of St. Dominic of Grand Rapids et al.) (concurring with the exclusion of a

proposal requesting that the board prepare a report assessing the feasibility of integrating sustainability metrics, including diversity among senior executives, into the performance measures of senior executives where the company disclosed its reasons for not using specific performance metrics to determine compensation in the compensation discussion & analysis section of its annual proxy statement); *The Gap, Inc.* (Mar. 16, 2001) (concurring with the exclusion of a proposal requesting a board report on the child labor practices of the company's suppliers, including specific details as substantially implemented, where the company asserted its Code of Vendor Conduct and "extensive internal as well as external monitoring programs," website information regarding both, and willingness to engage with interested parties).

2. *The Company's existing public disclosures already discuss the Company's process for assessing its diversity, equity and inclusion program, as well as the Company's goals, metrics and trends related to its workforce diversity.*

The Proposal asks that the Company publish a report assessing its diversity and inclusion efforts, including a discussion of the Company's Board of Directors' (the "Board") assessment process and goals, metrics and trends related to its promotion, recruitment and retention of protected classes of employees. See Exhibit A.

The Company's Diversity, Equity and Inclusion Strategy (the "DEI Strategy"), available on the Company's website, states:

*Our mission is to be a recognized leader in advancing diverse, inclusive teams and to champion a strong culture of belonging in our community, by creating a robust ecosystem and access for our various communities, including our suppliers around the world. We focus on five value drivers that guide our diversity, equity and inclusion work: transparency, authenticity, accountability, visibility and belonging.*

The full Board oversees the Company and delegates certain responsibilities to its Committees. The Corporate Responsibility, Sustainability & Governance Committee (the "Corporate Responsibility Committee") reviews and make recommendations to the Board with respect to any shareholder proposal that relates to corporate governance, including the Company's DEI efforts because it oversees such efforts. Consistent with its Charter, the Corporate Responsibility Committee reviewed the Proposal and determined that the Company's current public disclosures do not need to be altered in order to effectively address the underlying objectives of the Proposal. To

make this determination, the Corporate Responsibility Committee compared the objectives of the Proposal with the following Company disclosures, all of which may be found on the Company’s website:

<b>Proposal Objective</b>	<b>Current Company disclosure providing the requested information</b>
<p>The Board process for assessing the effectiveness of its diversity, equity, and inclusion programs</p>	<ul style="list-style-type: none"> <li>• The Board’s Corporate Governance Guidelines (the “<u>Guidelines</u>”) reflect the Board’s commitment to monitor the effectiveness of policy and decision making both at the Board and senior management level, with a view to enhancing long-term shareholder value and corporate purpose. This includes diversity and inclusion, global community and social impact, corporate responsibility, sustainability and human rights.</li> <li>• The Corporate Responsibility Committee Charter provides that the Committee is responsible for (i) annually reviewing the Guidelines and (ii) reviewing and evaluating the Company’s significant strategies, activities, policies, investments and programs regarding corporate purpose, including diversity and inclusion.</li> <li>• The Guidelines and Corporate Responsibility Charter are available on the Company’s website.</li> </ul>
<p>The Board's assessment of program effectiveness, as reflected in any goals, metrics, and trends related to its promotion, recruitment, and retention of protected classes of employees.</p>	<ul style="list-style-type: none"> <li>• The Corporate Responsibility Committee Charter also provides that the Committee is responsible for monitoring the Company’s progress towards its diversity and inclusion (“D&amp;I”) objectives and compliance with the</li> </ul>

	<p>Company’s responsibilities as an equal opportunity employer.</p> <ul style="list-style-type: none"> <li>• The Company’s FY2020 Impact Report (the “<u>Impact Report</u>”) provides an overview of the Company’s 2020 targets for its D&amp;I, in-depth metrics on the Company’s workforce diversity, five years of comparable data to measure the Company’s progress, and 2025 targets for further investing in and advancing a more diverse and inclusive workforce. The Impact Report is available on the Company’s website. Exhibit B includes relevant excerpts of the Impact Report.</li> <li>• The Company’s DEI Strategy sets out the five value drivers—transparency, authenticity, accountability, visibility and belonging—that underpin all of the Company’s DEI work. The DEI Strategy is available on the Company’s website (the “<u>DEI Page</u>”).</li> <li>• The D&amp;I page on the Company’s Career website includes a summary of the Company’s ongoing efforts to create an environment focused on equality, inclusion, empowerment and respect, as well as a list of external D&amp;I rankings. The D&amp;I Career Page is available on the Company’s website.</li> <li>• The Company has also committed to disclose the Federal Employer Information Report EEO-1 Data beginning with data for 2021 (the “<u>EEO-1 Data</u>”), although it does not use the EEO-1 Data to measure progress or believe it is appropriate to do so. The EEO-1 Data will be available on the Company’s website.</li> </ul>
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The Company's actions as summarized above and described more fully in the following section are implemented in a manner that is consistent with the Proposal and supports the Corporate Responsibility Committee's conclusion that the Board and Company's DEI efforts already substantially implement the Proposal and provide adequate disclosure to shareholders and the public about the Company's efforts to foster a more diverse and inclusive workplace.

3. *The Company's current disclosures on its process for assessing the Company's diversity, equity and inclusion program, as well as the Company's goals, metrics and trends related to its workforce diversity, address the essential objective of the Proposal.*

As summarized above, the Company already addresses the essential objective of the Proposal: an assessment of the Company's DEI efforts. The Proposal's supporting statements note that "[i]nvestors seek quantitative, comparable data to understand the effectiveness of the [C]ompany's diversity, equity, and inclusion programs." The Company makes this data public, along with information on its many efforts to implement and refine the Company's DEI Strategy and process for assessing these efforts.

The Company believes that the success of its DEI Strategy begins at the top. The Guidelines reflect the Board's commitment to monitor the effectiveness of policy and decision making both at the Board and senior management level, with a view to enhancing long-term shareholder value and corporate purpose, including diversity and inclusion, global community and social impact, corporate responsibility, sustainability and human rights. In addition, as also disclosed on the Company's website, various committees of the Board play key roles in overseeing and promoting D&I at the Company. For example, the Corporate Responsibility Committee (i) reviews and evaluates the Company's significant strategies, activities, policies, investments and programs regarding corporate purpose, including diversity and inclusion; (ii) monitors the Company's progress towards its D&I objectives and compliance with the Company's responsibilities as an equal opportunity employer, and (iii) annually reviews the Guidelines. In addition, the Compensation Committee of the Board is tasked with reviewing and providing guidance to management regarding the Company's policies, programs and practices related to talent management and development for executive officers and senior management, including with respect to employee engagement and workplace D&I.

The Company also publishes extensive materials about its DEI efforts on its website. In fact, because D&I was one of three key areas of focus for the Company's 2020 corporate targets (set in 2015), the Impact Report contains an eight-page discussion of the Company's efforts to attract and develop a diverse, engaged and healthy workforce. Key excerpts of the Impact Report are attached here as Exhibit B. The Impact Report discloses the Company's ongoing investment in leadership training and accountability to help senior leadership increase representation on their teams. In addition, it discusses the Company's efforts to recruit diverse talent through scaled-up efforts on traditional channels, like on-campus recruiting, and new initiatives, such as partnerships with athletes to create apprenticeship programs, the two-year Women in NIKE Program, launched in 2019, for retired or retiring WNBA players, and new partnerships with organizations such as Historically Black Colleges and Universities ("HBCUs"), the National Black MBA Association and Reaching Out MBA.

In addition, the Impact Report provides detailed qualitative data on the Company's workforce and celebrates the Company's recent representation milestones. For example, in 2020, 49.5% of the Company's employees worldwide self-identified as women, and 26.9% of the Company's employees in the United States at the director level and above self-identified as racially diverse. The Company includes five years of data in its report, to illustrate the Company's progress on these metrics over time.

Going even further, the Impact Report includes DEI targets that the Company will seek to achieve by 2025, including:

- having women make up 50% of the Company's global corporate workforce and 45% of the Company's leadership positions;
- having U.S. racial and ethnical minorities make up 30% of the Company's employees at the director level and above, and increasing the Company's pipeline of Black and Latinx talent at the director level and above;
- having U.S racial and ethnic minorities make up 35% of the U.S. corporate workforce;
- investing \$10 million in HBCUs and Hispanic serving institutions in the form of scholarships and academic partnerships to increase the number of Black and Latinx intern and direct hires;

- enhancing marketing of open roles for first-line athletes to compete for corporate roles; and
- ensuring all of the Company's strategic suppliers are increasing access to career opportunities and upward mobility for women employed in their factories.

This information, along with the Company's DEI Strategy, may also be found on the DEI Page of the Company's website.

The Company has increased its focus on DEI in recent years. Its career website includes an entire section devoted to the Company's ongoing D&I commitments and resources to support a diverse spectrum of individuals across the Company, including eight Employee Networks that represent various employee groups at the Company, including employees with different abilities, military veterans, women, employees with roots in Asia, the Middle East and Pacific Islands, and LGBTQ, Black, Latinx, and Native American employees.

The Company also elevated its D&I team to sit at the heart of the Company's People and Culture Strategy and combined its Talent and D&I teams under a single leader. The Company prioritizes D&I education so that all of its employees and leaders have the cultural awareness and understanding needed to successfully build diverse and inclusive teams. In addition, in 2020, the Company took action to support organizations focused on advancing racial equality in the U.S., including a combined \$140 million commitment from NIKE, Converse, Jordan Brand, and Michael Jordan.

As previously mentioned, the Staff has consistently concurred with the exclusion of shareholder proposals seeking a report when the contents of the requested report are already disclosed in multiple locations on the company's website. Just this year, the Staff allowed an identical proposal from As You Sow to be excluded from Comcast's proxy statement because Comcast's website already disclosed its long-standing commitment to DEI, and Comcast updates its website with information on its DEI initiatives, efforts and progress, annual reports with the requested DEI metrics, and board oversight of its D&I efforts. *Comcast Corp.* (April 9, 2021). Like Comcast, the Company has already addressed the specific objective of the Proposal: to provide shareholders with information on the Board's process for and assessment of the Company's DEI efforts as disclosed in the Guidelines and relevant Board committee charters. As described above, the Company already includes in-depth discussions of the Company's multi-pronged D&I efforts, as well as its progress meeting these efforts and

five-year targets to ensure that the Company continues to strive to have an inclusive, equitable and diverse workforce, in its Impact Report and DEI Strategy.

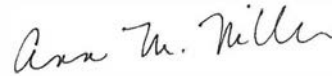
**IV. CONCLUSION**

The Company respectfully requests that the Staff concur that the Proposal may be excluded from the 2021 Proxy Materials for the reasons described above.

\* \* \* \* \*

Should you have any questions or if you would like any additional information regarding the foregoing, please do not hesitate to contact Ann Miller, VP, Corporate Secretary and Chief Ethics and Compliance Officer of NIKE, Inc. at (503) 532-1298. Thank you for your attention to this matter.

Very truly yours,



Ann M. Miller, VP, Corporate Secretary and  
Chief Ethics and Compliance Officer

Attachments

cc: As You Sow

**EXHIBIT A**



**VIA FEDEX & EMAIL**

April 7, 2021

Ann M. Miller  
Vice President, Chief Ethics & Compliance Officer,  
And Corporate Secretary  
Nike, Inc.  
One Bowerman Drive  
Beaverton, OR 97005-6453  
[ann.miller@nike.com](mailto:ann.miller@nike.com)

Dear Ann Miller,

*As You Sow* is co-filing a shareholder proposal on behalf of the following Nike, Inc. shareholders for action at the next annual meeting of Nike, Inc.

- Kate Earle Funk 2000 Trust
- Wynnette LaBosse Tr (s)
- The Woodcock Foundation (S)

Shareholders is are co-filers of the enclosed proposal with of Earle Brown Music Foundation, who is the Proponent of the proposal. *As You Sow* has submitted the enclosed shareholder proposal on behalf of Proponent for inclusion in the 2021 proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. *As You Sow* is authorized to act on Kate Earle Funk 2000 Trust's, Wynnette LaBosse Tr's or The Woodcock Foundation's behalf with regard to withdrawal of the proposal.

Letters authorizing *As You Sow* to act on co-filers' behalf are enclosed. A representative of the lead filer will attend the stockholders' meeting to move the resolution as required.

To schedule a dialogue, please contact Meredith Benton, Workplace Equity Program Manager at [benton@whistlestop.capital](mailto:benton@whistlestop.capital). Please send all correspondence **with a copy to** [shareholderengagement@asyousow.org](mailto:shareholderengagement@asyousow.org).

Sincerely,

Andrew Behar  
CEO

Enclosures

- Shareholder Proposal
- Shareholder Authorization

cc: Andy Muir, Vice President Investor Relations [andy.muir@nike.com](mailto:andy.muir@nike.com)

**Resolved:** Shareholders request that Nike Inc. (“Nike”) publish, at reasonable expense and excluding proprietary information, annual reporting assessing the Company's diversity and inclusion efforts. At a minimum reporting should include:

- the Board process for assessing the effectiveness of its diversity, equity, and inclusion programs,
- the Board’s assessment of program effectiveness, as reflected in any goals, metrics, and trends related to its promotion, recruitment, and retention of protected classes of employees.

**Supporting Statement:** Investors seek quantitative, comparable data to understand the effectiveness of diversity, equity, and inclusion programs within and between companies.

**Whereas:** Studies have pointed to the corporate benefits of a diverse workforce, including:

- Companies with the strongest racial and ethnic diversity are 35 percent more likely to have financial returns above industry medians.
- Companies in the top quartile for gender diversity are 21 percent more likely to outperform on profitability and 27 percent more likely to have superior value creation.<sup>1</sup>
- A study of the S&P 500 found that the most diverse companies had an average annual five year stock return 5.8 percent higher than the least-diverse companies.<sup>2</sup>

Nike has extensive brand advertising that speaks to race and justice issues, including featuring Colin Kaepernick in advertising campaigns, and an advertisement which states, “Don’t pretend there’s not a problem in America. Don’t turn your back on racism.”

In the wake of George Floyd’s death, Nike’s CEO, John Donahoe, wrote “. . . our most important priority is to get our own house in order . . . Nike needs to be better than society as a whole. Our aspiration is to be a leader. While we have made some progress over the past couple of years, we have a long way to go.”<sup>3</sup>

Mr. Donahoe also said, “Our brand would not be what it is today without the powerful contributions of Black athletes and Black culture.”<sup>4</sup>

Yet, despite these statements and goals, Nike has faced damaging allegations of harassment and discrimination on the basis of gender, race, and gender identity. Reports of a toxic workplace have continued even after allegations of sexual harassment and gender discrimination led to significant turnover of male executives in 2018. In July 2020, an anonymous employee wrote to *Business Insider* accusing the company of “performative allyship” and said of Black employees at Nike: “Many have been suffering in silence, alone. Many have been laid off due to retaliation. Many feel like they should just shut up and work...”<sup>5</sup>

---

<sup>1</sup>McKinsey & Company, “Delivering through Diversity”, January 2018  
([https://www.mckinsey.com/~media/mckinsey/business%20functions/organization/our%20insights/delivering%20through%20diversity/delivering-through-diversity\\_full-report.ashx](https://www.mckinsey.com/~media/mckinsey/business%20functions/organization/our%20insights/delivering%20through%20diversity/delivering-through-diversity_full-report.ashx))

<sup>2</sup> Holger, Dieter, “The business case for more diversity” Wall Street Journal, October 26, 2019  
(<https://www.wsj.com/articles/the-business-case-for-more-diversity-11572091200>)

<sup>3</sup> <https://www.kicksonfire.com/nike-anti-racism-letter-to-employees-prioritizes-getting-our-own-house-in-order/>

<sup>4</sup><https://purpose.nike.com/ceo-letter>

<sup>5</sup> <https://www.businessinsider.com/black-nike-employees-allege-racism-at-company-in-instagram-account-2020-7>

Nike provides insufficient quantitative data for investors to determine the effectiveness of its human capital management program as it relates to workplace diversity. Unlike 71 percent of S&P 100 companies, Nike does not release its EEO-1 form, the best practice for sharing workforce composition. Nor does the company release meaningful data related to the hiring, retention, or promotion of its diverse employees.

12/16/2020 | 8:30:35 AM PST

Andrew Behar

CEO

As You Sow

2150 Kittredge St., Suite 450

Berkeley, CA 94704

**Re: Authorization to File Shareholder Resolution**

Dear Andrew Behar,

As of the date of this letter, the undersigned authorizes As You Sow (AYS) to file, co-file, or endorse the shareholder resolution identified below on Stockholder's behalf with the identified company, and that it be included in the proxy statement as specified below, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder: Wynnette LaBrosse Tr (S)

Company: Nike

Annual Meeting/Proxy Statement Year: 2021

Resolution Subject: Greater Disclosure of Material Corporate Diversity, Equity and inclusion Data.

The Stockholder has continuously owned over \$2,000 worth of company stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2021.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

DocuSigned by:  
  
6A8CFBAFEE40454...

Name: wynnette M. LaBrosse

Title: Trustee

**EXHIBIT B**

*purpose*<sup>25</sup>



FY20 NIKE, Inc. Impact Report

# BREAKING BARRIERS

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## About This Report

This NIKE Impact Report represents our final performance update on our 2020 targets and measures, which together form an aggregated view of our long-term goals and public commitments to meet stakeholder<sup>1</sup> expectations and align with NIKE's business priorities. Different from previous reports, we have included performance information that falls outside of the fiscal year (FY20), to provide more detail on our five-year journey for each target. In this report, we also announce the launch of our next set of long-term purpose targets and share the insights that set the foundation of the next part of this journey.

Building on NIKE's reporting tradition since 2001, we expect to continue reporting annual progress toward our social and environmental targets and priority issues.

When we reference NIKE, Inc., unless otherwise stated, we are referencing our portfolio of brands including the Nike, Jordan and Converse brands. NIKE divested of Hurley in the third quarter of FY20. Hurley is included in performance results up to the divestiture in most cases (and included slightly after the divestiture in owned or operated energy and emissions due to transition agreements). Due to materiality, restatement of historical data was not necessary.

This report covers NIKE's fiscal year 2020 (June 1, 2019, through May 31, 2020), with the notable exception of calendar year 2020 data for the Employee and Occupational Health & Safety sections. We will refer to the fiscal year as FY20 and the calendar year as CY20 in the report, and, unless otherwise stated, the baseline for our 2020 targets is FY15.

We have obtained external assurance on select reported metrics including Scope 1 and 2 energy consumption and emissions, Scope 3 commercial air travel emissions and outbound logistics, and select diversity and inclusion data. More information can be found in the [Appendix](#).

For news, updates, and more details about NIKE, please visit [purpose.nike.com](https://purpose.nike.com). This report has been prepared in accordance with the [GRI STANDARDS: CORE option](#).

Note: The information in this report and NIKE, Inc.'s corporate responsibility/sustainability reporting and website, inclusive of charts, graphs, and discussion, and all other information presented, may contain forward-looking statements, estimates, or projections based on expectations as of the original date of those materials. Those statements, estimates, and projections are subject to certain risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties are detailed in our reports filed with the U.S. Securities and Exchange Commission, including Forms 8-K, 10-K, and 10-Q. Presented information may also discuss previously non-public financial and statistical information. All information was current only as of the date originally presented. We do not update or delete outdated information contained in website materials, and we disclaim any obligation to do so. All content is the property of NIKE, Inc.

<sup>1</sup> Stakeholders are broadly defined as customers, consumers, shareholders, employees, communities, NGOs, and academia.

### *Featured Athlete (Cover)*

#### **Marielle Hall**

Marielle Hall is a long-distance runner from the United States and a 2016 Olympian, four-time World Championship team member and three-time All-American.

"Running is empowering," says Hall. "It's more than my livelihood or a way to stay healthy. I lean heavily on the running community and the lessons I've learned from the sport and my fellow athletes. Every day you have to line-up, put in your best effort and strive to do a little bit better today than you did yesterday."

Hall also believes in using the platform sport provides to help create a better world.

"Through sport, I have learned to stretch the limits of discomfort to unlock my potential. And I'm using those same lessons to raise my voice for the things that truly matter. Social justice. A healthy planet.

These are the greatest issues of our time, and we all need to raise our voices and do more."

### *Featured Artist*

#### **Jade Purple Brown**

This report contains several original works by artist Jade Purple Brown. Her work uses strong figures, vibrant colors, and messages of optimism to create new, dynamic worlds of individuality and empowerment.

Learn more about her work at

[jadepurplebrown.com](https://jadepurplebrown.com).



# INTRODUCTION



# PURPOSE GUIDES US, BECAUSE WE BELIEVE THAT PROGRESS IS POSSIBLE.

We believe in the power of sport to move the world forward and bring out the best in people – and the potential of people to bring out the best in our world.

We're focused on breaking barriers that prevent us all from reaching our full potential. Barriers that get in the way of accessing sport – especially for youth who are our future leaders. Barriers in the fight against climate change. Barriers to realizing a more equal, inclusive world.

We believe these issues are interconnected. If we can address one, we impact another. Together, through sport, we can build a movement.

At NIKE, our purpose guides our culture and strategy. It inspires us to think bigger and challenges us to work harder.

Leading with purpose means always striving for better – whether it's the role we play, the change we lead, or the future we shape.

In setting our 2025 targets, our focus has been on how well we map the journey. Like in training, we know the hard miles are worth it, and a game plan is required. It's impact we're after, and we've set the targets that push us to look inside and outside our business for the strategies and commitments to help us achieve as much as possible. In doing so, we also hope to inspire and activate others to join us on the journey, and be part of the change.



# WELCOME TO THE FY20 NIKE IMPACT REPORT

This is the 11th report we have published since we first began reporting our progress toward our environmental, social, and governance goals in 2001.

Our report this year is special in three ways:

Firstly, the unprecedented events of this past year have made clear that we need to take collective action to shape a better future.

Secondly, we have come to the end of our reporting cycle for the corporate targets we set in 2015. Which means we want to share how we've done with those ambitions, walking readers point-by-point through how we performed in the 34 targets and measures we had set against our efforts in sustainability, equality and inclusion, and our investments in getting kids active and building community.

Our aim, as we close out these targets, is to share with readers: 1) transparency to the work and strategies, 2) the inspiration we feel, across all our teams and business functions, from the action we've led, as well as progress we've made, and 3) the learnings we have from the challenges we met.

Lastly, we have developed new corporate targets to get us to 2025. They reflect the ambitious work that we, at NIKE, intend to lead over the next five years. We'll bring our purpose to life with a focus on people, planet, and play.

How to read this report:

- We open with a [letter from our CEO](#).
- In our [2020 Targets section](#), we report on progress over the last five years.
- To learn our areas of focus for the next five years, please read our [2025 Targets section](#).
- To understand how we determined the most important issues to cover, see our [Issue Prioritization section](#).
- Finally, our Appendix includes information on our [human rights commitment](#), [external assurance of data](#), and the [GRI Index](#).

Thank you to the many teams across NIKE who are part of our annual reporting cycle, from our data and analytics team, to our operational functions and subject matter experts, to Communications, Legal, Brand, and all the cross-functional partners who brought this report to life. Most importantly, thank you to the multitude of teammates who help make these targets real every day.

*Purpose Communications  
and the Purpose Leadership Teams*



## Letter From Our President and CEO

NIKE's journey began in 1964, with a handshake between a runner and his coach. As our company has grown, so has our belief in NIKE's role and vision for impact in the world. Today, we're proud of our long history of helping to create a brighter future.

Our strong values have guided us through this past year. As I write this letter, we continue to navigate a global pandemic, a climate crisis, a reckoning of racial inequity and more. This has been a defining moment for our society – and a defining moment for NIKE.

NIKE is a brand of hope and inspiration. We believe in the power of sport to bring out the best in people, and the potential of people to bring out the best in our world. Ultimately, everything we do is grounded in a greater purpose: to redefine human potential – in the game and around the globe.

For our team at NIKE, FY20 proved how much our people and purpose matter. It showed the difference that our voice and our actions can make. In the face of our society's most pressing challenges, we embrace NIKE's unique opportunity to lead the way.

Our FY20 NIKE, Inc. Impact Report represents a true inflection point.

First, this past year we used NIKE's scale and influence to raise the bar for sustainability. We launched our Supplier Climate Action Program to develop pathways for carbon reduction for our material and finished goods manufacturers. And we saw real progress throughout our supply chain:

- We are currently using 100% renewable energy in the United States and Canada in our owned or operated facilities.
- Our textile dyeing and finishing suppliers reduced freshwater use by 30%, far exceeding our FY20 target.
- Our Tier 1 finished goods footwear suppliers diverted 99.9% of our manufacturing waste from landfill.

We're also investing in solutions that create lasting change in our communities around the world. Building on collaborations with partners, such as the U.S. Olympic & Paralympic Committee, we created a training module called Coaching Girls for volunteer youth coaches to help build a culture that makes sport fun and inclusive for girls.

And through Made to Play – our global commitment to get kids moving through play and sport – we engaged our own teammates in the effort: more than 6,700 of our store employees across 29 countries volunteered more than 60,000 hours in FY20 to inspire kids to be active.



At the same time, as our society continues to reckon with systemic racial injustice, we are committed to standing up for one of NIKE's core values – equality. Our brand would not be what it is today without the powerful contributions of Black athletes and Black culture. And our belief in human potential inspires us to lead in addressing equality's most persistent barriers. That's why we're taking meaningful action to support organizations focused on advancing racial equality in the U.S., including a combined \$140 million commitment from NIKE, Converse, Jordan Brand, and Michael Jordan.

We are also focused on building a diverse, inclusive team and culture, one in which all voices are welcomed and heard. This culture of belonging reflects the diversity of the athletes we honor, the people who love our products, and the communities we serve.

Our efforts have increased representation of women globally across the enterprise to 49.5% and representation of racial and ethnic minorities to 29% of our VP Leadership Team in the United States.

We're proud of the successes we've seen, but we know the work is still just beginning. We will continue to strive to lower emissions across our key operations, to shrink our product carbon footprint, to accelerate diversity and inclusion across our teams, to enable kids to have access to play and sport. We will always challenge ourselves to do better. Always.

Our progress to date is measured against five-year targets we set for ourselves. As we've closed out these FY20 targets, we undertook a rigorous companywide effort to establish NIKE's new five-year roadmap for global impact – our Purpose 2025 Targets.

Today, as we close one set of targets, we begin our next journey. Our Purpose 2025 Targets are not just aspirations. They are a call to action – with clear goals, strategies, and accountabilities. We are also redefining what responsible leadership looks like. For the first time, we will tie executive compensation to NIKE's progress in deepening diversity and inclusion, protecting the planet, and advancing ethical manufacturing.

Our goal is, and always will be, for NIKE's people and purpose to come together for good. At NIKE, we'll never stop striving for better. Our purpose will always guide us, and our values will always push us forward – toward that better future we believe in.

John Donahoe  
President and CEO  
NIKE, Inc.



In 2020, we witnessed a series of world events that shaped our company, our culture, and the communities where we live and work. From the COVID-19 pandemic to a global reckoning with systematic racial inequity, this was a year that changed our world – and changed NIKE.

## COVID-19

NIKE is committed to using the power of sport to support our employees, communities and athletes\* all over the world impacted by the coronavirus (COVID-19) pandemic.<sup>2</sup> There are moments that an athlete can't anticipate when training. But when they come, you fall back on what you know, and you are clear on what matters.

### Giving Back to Our Communities

Our people and our communities have always been at the core of who we are and what we do. On behalf of our portfolio of brands, NIKE's leaders, employees, the Nike Foundation, and NIKE have committed more than \$30 million to COVID-19 response efforts around the world. We're supporting local organizations in our global key cities as they work to meet immediate needs such as food assistance and medical care. This included funding efforts by the World Health Organization (WHO) and partners, as well as support for local response efforts. In China, we committed \$2 million to the China Youth Development Foundation and program partners in Hubei province to support frontline health and medical workers with needed supplies and equipment as well as to aid overall community relief efforts. In Europe, the COVID-19 Community Youth Fund donated \$1.1 million to 44 youth sports organizations.

We know that employees want to help too. That's why we teamed up with our employees to provide a two-to-one match for all employee donations to community organizations providing COVID relief and support anywhere in the world.

### Keeping Our Teammates Healthy

Beginning in March 2020, NIKE offered its employees paid COVID-19 sick leave in addition to existing paid time off benefits and legally mandated sick leave programs. This coverage expanded in November beyond physical health to include mental and emotional wellbeing. Additionally, we offered free virtual counseling sessions through NIKE's Employee Assistance Program (EAP), enabling our employees to access trained counselors.

### Using Innovation to Help

Working closely with health professionals at Oregon Health & Science University (OHSU), NIKE's Innovation, Manufacturing, and Product teams came together to provide for an urgent need: personal protective equipment (PPE) in the form of full-face shields and powered, air-purifying respirator (PAPR) lenses to protect against the spread of COVID-19.

NIKE's teams have produced and shipped more than 360,000 units of PPE to approximately 30 hospitals and healthcare providers across the United States

(U.S.). In addition, Converse led an effort to source and donate PPE, including more than 470,000 face masks total to Massachusetts General Hospital and Boston Medical Center as well as area hospitals, and 50,000 masks for use in India created as a result of technical assistance from Converse to third-party Beyond Retro.

### Donating Product to the Athletes\* Who Need It Most

In FY20, NIKE donated over 32,000 pairs of Air Zoom Pulse to hospitals and health systems in the U.S. and Europe. This shoe, which launched in FY19, was designed specifically to meet the needs of healthcare professionals, and given to the doctors, nurses, and other frontline healthcare workers responding to the COVID-19 pandemic.

In addition to the Air Zoom Pulse shoes, NIKE also donated products that help meet the needs of healthcare workers, such as Dri-FIT t-shirts and soccer socks with mild compression. In all, we've donated more than 140,000 pieces of footwear, apparel and equipment globally, worth more than \$5.7 million.

### Helping Athletes\* Stay Active

We offered NTC Premium, the NIKE Training Club's subscription-based service, for free in the U.S. The platform includes a library of more than 185 online workouts for all fitness levels, ranging in length, type and equipment needs. As part of our holistic approach to support all athletes in their indoor wellness journey, we launched The Living Room Cup, a digital workout series offering a new space for NTC app users to compete against NIKE pro athletes through weekly fitness challenges.

NIKE also collaborated with the World Federation of the Sporting Goods Industry and other member companies to launch a physical activity guide supporting the WHO's promotion of physical activity at home.

### Working Closely With Our Suppliers

We support our suppliers in their responses to the dynamic and unprecedented nature of COVID-19. We have continued to place orders, taking into account marketplace dynamics and paying in full for finished product from all suppliers globally, while honoring previously agreed payment terms for product in production. In the case of canceled orders, our policies and agreements with suppliers are, and have always been, that NIKE will pay the appropriate amount of the order, depending on the stage of production as communicated by our supplier, to enable the supplier to recover costs associated with the canceled order.

We have also been working to support our suppliers as they implement health and safety practices and processes in line with applicable local laws and research-based best practices.

<sup>2</sup> <https://purpose.nike.com/covid-19-response-efforts>



### Standing Up for Equality

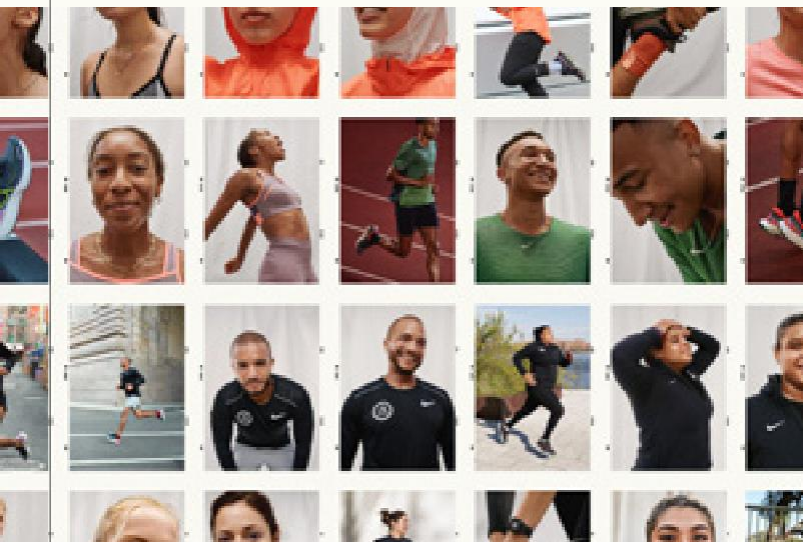
The resilience of people and communities around the world has proved that no matter what separates us, we are one human race. We're dedicated to fostering an inclusive culture of belonging and creating an environment in which every voice matters – from supporting civic engagement to embedding diversity and inclusion education throughout every employee journey.

We strive to create an advanced society, focused on inclusion and equality for not just Black athletes\* but all people. Addressing systemic racism and supremacy will require more than a few actions. NIKE is committed to doing the long-term work in making a positive impact locally and globally.

#### Helping Dismantle Systematic Injustices

In 2020, NIKE, Inc. announced \$140 million commitment on behalf of the Nike and Jordan brands and Michael Jordan to advance a more just and equal society for Black Americans.

Part of this commitment was \$40 million over the next four years, on behalf of the NIKE, Jordan and Converse brands collectively, to invest in and support organizations focused on addressing systemic inequity.



Spring 2021 NIKE Running Campaign



Nike Air Zoom Pulse

The first four national recipients are the NAACP Empowerment Programs,<sup>3</sup> the NAACP Legal Defense and Educational Fund, Inc. (LDF),<sup>4</sup> Black Girls CODE<sup>5</sup> and Black Girl Ventures,<sup>6</sup> each of which will receive funding ranging from \$500,000 to \$1 million.

Converse provided additional funding of \$100,000 each to the Equal Justice Initiative<sup>7</sup> and the NAACP LDF.

In addition, Michael Jordan and Jordan Brand committed \$100 million over the next 10 years to directly fight systemic racism. Support will focus on three priority areas: social justice, economic justice, and education and awareness. This commitment also focuses efforts on combating voter suppression.

The initial donations from Michael Jordan and Jordan Brand of \$1 million to the NAACP LDF, \$1.1 million to the Formerly Incarcerated & Convicted People and Families Movement,<sup>8</sup> and \$500,000 to Black Voters Matter<sup>9</sup> will immediately help to drive change for Black communities today.

#### Investing in Our Future

The Until We All Win grant portfolio is a direct reflection of what our eight Employee Networks, collectively known as NikeUNITED, stand for: our commitment to diversity and inclusion in the communities where we live, work, and play. Grants, totaling \$4 million per year, support nonprofits that work to advance equality in cities throughout North America. In addition, each of our eight Employee Networks donates \$25,000 annually to nonprofit organizations aligned with their goals. Intersectionality across race, gender, and orientation is a key consideration in our grantmaking, as it enables us to create more impact in each of the communities we support – individuals of all abilities; Asian American, Middle Eastern and Pacific Islander communities; the Black community; the Latinx community; our military and veterans communities; Native American and Indigenous communities; the LGBTQIA+ community; and girls and women.

3 <https://naacp.org/empowerment-programs/>

4 <https://www.naacpldf.org/>

5 <https://www.blackgirlscode.com/>

6 <https://www.blackgirlventures.org/>

7 <https://ejj.org/>

8 <https://ficpfm.org/>

9 <https://blackvotersmatterfund.org/>



# 2020

## Looking Back

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62	Priority Issues: Occupational Health & Safety
65	Priority Issues: Forced Labor



# 2020 TARGETS



Dylan Alcott: Australian wheelchair tennis player

## Our 2020 targets – 34 in total – focused on three areas of impact:

- **Sustainability**, both our environmental footprint and social/labor standards in our supply chain
- **Diversity and inclusion** in our corporate business
- Our **community investments** – particularly the investments we make in getting kids active

We set these targets in 2015, with an understanding of where we most wanted to drive change. We are proud of the progress we have made. We also recognize that in setting ambitious targets, our performance wasn't going to be linear. And no doubt, we will continue to face challenges in our work ahead. We remain committed to meaningful action, strategic adaptation, and continual learning in our pursuit of progress.



## Focus Area

## EMPLOYEES

## Looking Back: Five Years of Our Employees

*“To support our growth model, NIKE will ensure our culture of innovation, competition and excellence remains front and center of all we do. We want all people who join our team to realize their full potential. We know the best ideas often come from unexpected places and our individual differences bring new perspectives to the table – so we are committed to fostering a workplace that is increasingly diverse and inclusive. NIKE will accomplish this through recruitment, development and retention of diverse talent, with a specific focus on women and on people of color to start, with the goal of expanding representation across all dimensions of diversity over the long term.”*

*FY14/15 Sustainable Business Report*

## Qualitative Target

## Attract and develop an increasingly diverse, engaged, and healthy workforce

NIKE's approach to employee and business growth is fueled by the belief that diversity – in all its forms – fosters creativity and accelerates innovation. Leveraging and celebrating different perspectives, experiences, and backgrounds generates unique ideas. We've stepped up our efforts to foster an environment focused on equality, inclusion, empowerment, and respect, while attracting a more diverse workforce – one that's more representative of the consumers we serve, and the communities where we live and work.

While we value the employee experience we have created at NIKE, it can always be improved. NIKE is focused on its workforce representation, starting with women globally and racial and ethnic minorities in the United States,<sup>28</sup> and maintaining its equitable pay goals. We launched a number of programs across the company, which we continue to learn from and evolve, including training programs for future leaders, mentoring programs and unconscious bias awareness training for all employees. The section that follows provides more detail into these and other initiatives focused on maintaining a creative and inclusive culture where all dimensions of diversity are amplified.

## Qualitative Measure

## Provide visibility to our diversity and inclusion progress

Diversity & Inclusion (D&I) is a top priority for NIKE and we are committed to having a diverse team and culture. It is important for our brand, and our aspiration is to lead in this space.

In 2020, we witnessed a series of events that brought to the forefront systemic social and racial injustices. While not new, these events put a spotlight on the systemic racism that prevails in the U.S. and around the world. NIKE was not unique in our learnings and response to the calls to action from consumers and employees to accelerate solutions, including in the workplace, to expand representation and promote an enhanced culture of belonging. We recognize that we alone cannot solve social and racial injustices, but we are committed to help shape a better society by empowering and inspiring our people to serve as a catalyst for change.

### Evolution of the D&I Function

In 2017, we increased our resources within the Global Diversity & Inclusion Team to provide strategic leadership for the function, and drive consistency for our eight Employee Networks. We have focused on creating a systemic approach to our diversity, equity, and inclusion efforts in service of our business, people strategy, and employee experience with an eye on transforming our culture. In 2018, we elevated the D&I Team to sit at the heart of NIKE's People and Culture Strategy.

In 2020, we made shifts in our internal D&I structure, combining our Talent and D&I under a single leader. When referring to Talent, we mean every aspect of the entire employee experience: from Talent Acquisition (recruiting) and Talent Management (talent and succession planning) to Talent Practices (goal setting and performance management) to Learning and Development (professional development). D&I is now integrated into the entire Talent agenda from the very beginning of the employee experience, with measurement and leadership accountability throughout each employee's career.

<sup>28</sup> As defined by EE01 racial and ethnic categories. Previous iterations of the NIKE Impact Report refer to this group as underrepresented groups (URGs).



## Leadership Accountability

In 2018, we increased our investment in leadership training and accountability. As part of this effort, we provided our senior leaders with information, guidance, and tools to enable them to increase representation across their teams. We set D&I representation milestones for key enterprise leaders with respect to racial and ethnic minorities in the U.S. and women globally as a mechanism to drive accountability.

In 2020, we maintained this sharp focus on building diversity at the most senior levels and we continued to promote clear expectations around leadership. That includes building acumen and holding our leaders across the company accountable.

We launched Leadership Defined, a set of expectations of what great leadership at NIKE looks like, and invested in Manager Essentials, a global development program for all people managers. Looking forward, we will launch a comprehensive Inclusive Leadership training in collaboration with Northwestern University and University of Southern California, among other relationships.

In addition, last year, we launched Unconscious Bias Awareness (UBA) training and, as 2020 came to a close, over 54,000 employees, close to 70% of our global workforce, had completed the virtual training.

## Recruiting Diverse Talent

We also continued to prioritize recruiting the best and brightest talent – acquiring critical capabilities, supporting continued business growth, building our pipeline, and diversifying our workforce.

We scaled up our efforts across traditional channels like executive recruiting, campus recruiting, and sourcing, and are especially excited about the innovative programs we've launched to proactively expand our reach and diversify our talent pool.

In 2019, NIKE teamed up with Serena Williams to launch the Serena Design Crew – an eight-month apprenticeship program designed to bring diverse, talented individuals together to work on a Serena-inspired collection. The first cohort of this multi-year commitment saw 10 people from the New York City area embark on an apprenticeship from January through August 2020. Seven of the 10 participants have since joined NIKE.

In 2020, we also recruited the second cohort to our Women in Nike (W.I.N.) program. The two-year program, which launched in 2019, provides relevant and dynamic work experience for retired or retiring WNBA players – and contributes toward building the next generation of talent at NIKE. This cohort kicked off in late 2020 and 15 fellows were placed in product creation across NIKE, Converse, and Jordan. In addition to their work, fellows will have the opportunity to participate in various educational and professional development initiatives.

We also remain committed to recruiting across other key groups including Black communities, Asian/Asian American and Pacific Islander, Latinx, LGBTQIA+, Native and Indigenous, all abilities, and Military communities.

Our internship program in the U.S. also helped drive our D&I strategies. The 2020 intern class was our most diverse yet: 55% of our 310 interns were women and 49% were U.S. racial and ethnic minorities. The 2020 class also

stood apart by being completely virtual. We have continued to see high rates of conversion to full-time positions for interns throughout NIKE, in line with industry benchmarks, even during a pandemic.

We also shifted our recruiting focus to expanding and deepening our relationships with Historically Black Colleges and Universities (HBCUs) and Hispanic-Serving Institutions (HSIs). Through adding new diversity relationships with organizations including the National Black MBA Association and Reaching Out MBA, we broadened our presence in talent attraction, resulting in an increase in diversity relationships and HBCU hires from 8% in 2019 to 18% in 2020.

## Diverse Slates and Diversity in New Hires

In 2018, we implemented a new sourcing capability that requires diverse slates for our Director-level and above positions in the U.S. At the same time we increased our focus on women globally and U.S. racial and ethnic minorities candidates as a critical component in hiring for leadership roles, and we have expanded this practice more broadly since then. In addition, we introduced technologies and tools to build more inclusive hiring practices such as Textio for de-biasing job descriptions and standardized candidate screening questions to help remove any potential bias from the application process. We also established internal job posting and competitive hiring practices to provide employees with transparency and access to opportunities within NIKE. Starting in 2018 and held again in 2020, our recruiters went through recruitment process training, which included inclusive hiring practice training.

## Representation Milestones

From 2015 to 2020 we achieved several important representation milestones. Women, as a percentage of our employee population, increased to 49% in 2018. At the same time, diverse representation for both women globally and U.S. racial and ethnic minorities increased compared to 2016 levels. Overall, during the past five years, U.S. racial and ethnic minorities increased by 5 percentage points (p.p.), and representation of women globally increased just over 1 p.p. Representation of women globally and U.S. racial and ethnic minorities on the VP Leadership Team increased by 14 and 13 p.p. respectively since 2015.

In 2020, we increased representation of women and at the Director and above level by 2 p.p. over 2019, and women now make up 50% of our total employee base. Representation of U.S. racial and ethnic minorities at the Director and above level increased by 2 p.p., and representation of U.S. racial and ethnic minorities at the Vice President (VP) level increased 8 p.p. We have made steady progress to date and are building momentum with our consecutive years of growth. Still, we know there is more to do – and we'll continue focusing on recruitment, promotion, and retention as levers to drive further increases in representation.

We continued to broaden our diversity focus at the Manager level and above, while also supporting early-career employees in their efforts to advance. We have also maintained our strong focus on opportunities to promote internally. Retention remains high, but we know we need to stay engaged to avoid eroding our progress in hiring and promoting women globally and U.S. racial and ethnic minorities.



NIKE, Inc. Totals by Gender (Global)<sup>29</sup>

	CY15		CY16		CY17		CY18		CY19		CY20		Change From CY15-20	
<i>All Employees</i> <sup>30</sup>	#	%	#	%	#	%	#	%	#	%	#	%	#	% pts
<i>Gender</i>														
Female	28,967	48%	31,338	48%	32,082	48%	31,792	49%	33,060	48.7%	<b>32,617</b>	<b>49.51%</b>	3,650	1.26 p.p.
Male	31,077	52%	33,878	52%	34,657	52%	33,559	51%	34,845	51%	<b>33,268</b>	<b>50.49%</b>	2,191	-1.26 p.p.
Total	60,044	100%	65,216	100%	66,739	100%	65,351	100%	67,905	99.7%	<b>65,885</b>	<b>100.0%</b>	5,841	0.00 p.p.
<i>Directors+</i> <sup>31</sup>														
Female	1,853	36%	2,091	37%	2,146	38%	2,412	39%	2,660	40.8%	<b>2,758</b>	<b>42.5%</b>	905	6.16 p.p.
Male	3,248	64%	3,553	63%	3,513	62%	3,734	61%	3,852	59%	<b>3,733</b>	<b>57.5%</b>	485	-6.16 p.p.
Total	5,101	100%	5,644	100%	5,659	100%	6,146	100%	6,512	99.8%	<b>6,491</b>	<b>100.0%</b>	1,390	0.00 p.p.
<i>Vice Presidents (VPs)</i>														
Female	104	27%	116	28%	119	32%	145	36%	161	39%	<b>162</b>	<b>41.1%</b>	58	13.96 p.p.
Male	279	73%	299	72%	258	68%	257	64%	252	61%	<b>232</b>	<b>58.9%</b>	-47	-13.96 p.p.
Total	383	100%	415	100%	377	100%	402	100%	413	100%	<b>394</b>	<b>100.0%</b>	11	0.00 p.p.

## NIKE, Inc. Totals by Race/Ethnicity (U.S.)

	CY15		CY16		CY17		CY18		CY19		CY20		Change from CY15-20	
<i>All Employees</i>	#	%	#	%	#	%	#	%	#	%	#	%	#	% pts
U.S. Racial and Ethnic Minorities	17,688	52.9%	19,249	54.5%	20,513	56.5%	18,331	55.3%	19,418	56.7%	<b>19,345</b>	<b>58.1%</b>	1,657	5.16 p.p.
<i>Race/Ethnicity</i>														
American Indian or Alaskan Native (Not Hispanic/Latino)	137	0.4%	124	0.4%	121	0.3%	123	0.4%	143	0.4%	<b>128</b>	<b>0.4%</b>	-9	-0.03 p.p.
Asian (Not Hispanic/Latino)	2,566	7.7%	2,817	8.0%	2,949	8.1%	2,825	8.5%	3,079	9.0%	<b>3,097</b>	<b>9.3%</b>	531	1.62 p.p.
Black or African American (Not Hispanic/Latino)	7,267	21.7%	7,963	22.6%	8,530	23.5%	7,175	21.7%	7,425	21.7%	<b>7,953</b>	<b>23.9%</b>	686	2.14 p.p.
Hispanic/Latino	5,992	17.9%	6,399	18.1%	6,911	19.0%	6,151	18.6%	6,572	19.2%	<b>6,055</b>	<b>18.2%</b>	63	0.25 p.p.
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	264	0.8%	253	0.7%	275	0.8%	240	0.7%	239	0.7%	<b>213</b>	<b>0.6%</b>	-51	-0.15 p.p.
Two or More Races (Not Hispanic/Latino)	1,462	4.4%	1,693	4.8%	1,727	4.8%	1,817	5.5%	1,960	5.7%	<b>1,899</b>	<b>5.7%</b>	437	1.33 p.p.
Unknown	94	0.3%	15	0.0%	141	0.4%	209	0.6%	228	0.7%	<b>306</b>	<b>0.9%</b>	212	0.64 p.p.
White (Not Hispanic/Latino)	15,643	46.8%	16,029	45.4%	15,661	43.1%	14,595	44.0%	14,597	42.6%	<b>13,655</b>	<b>41.0%</b>	-1,988	-5.80 p.p.
Total	33,425	100%	35,293	100%	36,315	100%	33,135	100%	34,243	100%	<b>33,306</b>	<b>100.0%</b>	-119	0.00 p.p.

29 We restate immaterial historical data where data changes due to retroactive actions. This is applied to all the employee data tables in the report. CY20 data is part of Management's Assertion on select sustainability metrics, which PwC has performed limited assurance over employees by gender and employees by race/ethnicity for "all employees" as of December 31, 2020, as indicated in the Report of Independent Accountants.

30 Data current as of 12/31/20. Reported figures exclude all temporary employees.

31 All employees who are Director level and above. Director, in this instance, refers to a certain management level within the company.



NIKE, Inc. Totals by Race/Ethnicity (U.S.)

	CY15		CY16		CY17		CY18		CY19		CY20		Change from CY15-20	
	#	%	#	%	#	%	#	%	#	%	#	%	#	% pts
<i>Directors+</i>														
U.S. Racial and Ethnic Minorities	768	21.4%	900	22.4%	922	22.9%	1,065	24.1%	1,164	24.8%	<b>1,259</b>	<b>26.9%</b>	491	5.58 p.p.
<i>Race/Ethnicity</i>														
American Indian or Alaskan Native (Not Hispanic/Latino)	12	0.3%	11	0.3%	9	0.2%	9	0.2%	9	0.2%	<b>9</b>	<b>0.2%</b>	-3	-0.14 p.p.
Asian (Not Hispanic/Latino)	319	8.9%	388	9.7%	417	10.4%	473	10.7%	511	10.9%	<b>559</b>	<b>12.0%</b>	240	3.09 p.p.
Black or African American (Not Hispanic/Latino)	176	4.9%	190	4.7%	183	4.5%	200	4.5%	225	4.8%	<b>248</b>	<b>5.3%</b>	72	0.41 p.p.
Hispanic/Latino	176	4.9%	204	5.1%	203	5.0%	231	5.2%	250	5.3%	<b>264</b>	<b>5.6%</b>	88	0.75 p.p.
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	5	0.1%	5	0.1%	9	0.2%	11	0.2%	11	0.2%	<b>11</b>	<b>0.2%</b>	6	0.10 p.p.
Two or More Races (Not Hispanic/Latino)	80	2.2%	102	2.5%	101	2.5%	141	3.2%	158	3.4%	<b>168</b>	<b>3.6%</b>	88	1.37 p.p.
Unknown	29	0.8%	4	0.1%	61	1.5%	99	2.2%	118	2.5%	<b>131</b>	<b>2.8%</b>	102	2.00 p.p.
White (Not Hispanic/Latino)	2,800	77.8%	3,112	77.5%	3,043	75.6%	3,253	73.6%	3,404	72.6%	<b>3,285</b>	<b>70.3%</b>	485	-7.58 p.p.
<b>Total</b>	<b>3,597</b>	<b>99.9%</b>	<b>4,016</b>	<b>100%</b>	<b>4,026</b>	<b>99.9%</b>	<b>4,417</b>	<b>99.8%</b>	<b>4,686</b>	<b>99.9%</b>	<b>4,675</b>	<b>100%</b>	<b>1,078</b>	<b>0.00 p.p.</b>
<i>VPs</i>														
U.S. Racial and Ethnic Minorities	50	15.9%	58	16.6%	51	15.6%	64	18.6%	73	21.2%	<b>92</b>	<b>29.3%</b>	42	13.38 p.p.
<i>Race/Ethnicity</i>														
American Indian or Alaskan Native (Not Hispanic/Latino)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	<b>0</b>	<b>0.0%</b>	0	0.00 p.p.
Asian (Not Hispanic/Latino)	9	2.9%	16	4.6%	15	4.6%	18	5.2%	18	5.2%	<b>26</b>	<b>8.3%</b>	17	5.41 p.p.
Black or African American (Not Hispanic/Latino)	29	9.2%	29	8.3%	25	7.6%	28	8.1%	34	9.9%	<b>45</b>	<b>14.3%</b>	16	5.10 p.p.
Hispanic/Latino	8	2.5%	9	2.6%	7	2.1%	10	2.9%	11	3.2%	<b>11</b>	<b>3.5%</b>	3	0.96 p.p.
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	<b>0</b>	<b>0.0%</b>	0	0.00 p.p.
Two or More Races (Not Hispanic/Latino)	4	1.3%	4	1.1%	4	1.2%	8	2.3%	10	2.9%	<b>10</b>	<b>3.2%</b>	6	1.91 p.p.
Unknown	0	0.0%	1	0.3%	8	2.4%	9	2.6%	5	1.4%	<b>9</b>	<b>2.9%</b>	9	2.87 p.p.
White (Not Hispanic/Latino)	264	84.1%	290	83.1%	268	82.0%	271	78.8%	267	77.4%	<b>213</b>	<b>67.8%</b>	-51	-16.24 p.p.
<b>Total</b>	<b>314</b>	<b>100%</b>	<b>349</b>	<b>100%</b>	<b>327</b>	<b>99.9%</b>	<b>344</b>	<b>99.9%</b>	<b>345</b>	<b>100%</b>	<b>314</b>	<b>100%</b>	<b>0</b>	<b>0.01 p.p.</b>



Board of Directors

	CY15		CY16		CY17		CY18		CY19		CY20	
<i>Gender</i>												
	#	%	#	%	#	%	#	%	#	%	#	%
Female	3	23%	3	25%	2	18%	3	23%	4	31%	4	33%
Male	10	77%	9	75%	9	82%	10	77%	9	69%	8	67%
Total	13	100%	12	100%	11	100%	13	100%	13	100%	12	100%

<i>Race/Ethnicity</i>												
American, Indian or Alaskan Native	-	-	-	-	-	-	-	-	-	-	-	-
Asian	1	8%	1	8%								
Black or African American	2	15%	2	17%	2	18%	3	23%	4	31%	3	25%
Hispanic/Latino	-	-	-	-	-	-	-	-	-	-	-	-
Native Hawaiian or Other Pacific Islander	-	-	-	-	-	-	-	-	-	-	-	-
Two or More Races	-	-	-	-	-	-	-	-	-	-	-	-
Unknown	-	-	-	-	-	-	-	-	-	-	-	-
White	10	77%	9	75%	9	82%	10	77%	9	69%	9	75%
Total	13	100%	12	100%	11	100%	13	100%	13	100%	12	100%

Qualitative Measure

# Invest in our employees through growth and development, and wellbeing initiatives

## Voice of the Employee

We are deeply committed to giving our employees a voice to help shape our culture and priorities. One of the primary ways we source employee feedback is through our Engagement Survey program, which includes an All-Employee Engagement Survey and a Pulse Survey.

Each year, all employees across the globe are invited to share their confidential feedback on key areas known to drive engagement, including their feelings about their managers, the Senior Leadership Team, their work and the company. Our goal for this program has been to steadily improve participation numbers, employee engagement (measured by our Engagement Index) and perceptions of inclusion (measured by our Inclusion Index).

In early 2020, we conducted our third annual Engagement Survey, coinciding with the beginning of the global spread of COVID-19. In spite of this challenge, nearly 56,000 employees responded to the survey – more employees than ever. In total, our survey response rate was 77%, up from 73% in 2019.

NIKE monitors the pulse of the organization through two key indices: the Engagement Index<sup>32</sup> and the Inclusion Index.<sup>33</sup> The Engagement Index, which indicates our employees' emotional commitment to the company, declined slightly to 81% favorable (2019: 81.6%). The Inclusion Index increased by two percentage points to 71% following a global rollout of our Unconscious Bias Awareness (UBA) training and a reinvigorated commitment to building upon our culture of belonging.

In 2020, as COVID-19 impacted how we work and live, we also introduced additional ways to better understand our employees' needs. For example, we conducted several sensing surveys to proactively capture feedback from employees on remote working, helping us identify and create the work experience of the future.

## Development and Growth for All Employees

Over the past five years, we have continued to invest in growth and development for all employees. Knowing how important career development is to current and future employees, we offer a range of opportunities. In FY17, we launched a reimagined onboarding experience for new employees to drive inspiration and empowerment from day one. With Career Central, launched in 2018 and part of NikeU, we created a single resource to help employees navigate their careers.

The platform equips employees with tips, tools, and in-person labs for their critical career-building moments. Managers can also find tools here to better support and guide their employees in planning their careers and development. Through our NikeU platform, we offer over 1,800 courses supporting leadership, career, and skill development.

In 2019, we extended our high-potential development pathway, continuing Xcelerate for Senior Director talent and introducing E-VOLVE for Directors. Within these programs, we strengthened our commitment to diverse representation – the 2019 programs comprised over 50% female and 30% U.S. racial and ethnic minorities.

In 2020, NIKE recognized Juneteenth<sup>34</sup> as an annual paid holiday in the U.S. We offered a series of Juneteenth programming and learning opportunities to all employees on topics ranging from racial equality to the power of sport to catalyze change. We saw significant employee engagement through a wide-ranging series of online forums and guest speakers including Melody Hobson, Ms. Opal Lee, Dr. Khalil Muhammad, and many of our elite athletes.

In 2020, we switched many of our in-person courses to virtual classrooms, enabling people to continue their development through the work-from-home restrictions. We also launched Learn Anywhere, a curated set of digital tools to support employees while working remotely. Over 13,000 people used this resource in 2020.

32 This index measures the emotional commitment our team members have for NIKE, influenced by their day-to-day experiences.

33 This index measures the extent that our teammates feel that NIKE supports a culture of diversity and inclusion, as well as their personal perceptions around feeling valued and included.

34 Juneteenth is a holiday celebrating the emancipation of those who had been enslaved in the United States.



## Developing Leaders and Managers

It's critical that our leaders are set up for success, committed to developing their teams, and accountable for it. To achieve this, they need specific feedback tools, opportunities for personal and professional growth, and clear expectations of what great leadership looks like. The culmination of these expectations – now known as Leadership Defined – was launched in 2019 with specific behaviors for each level of leader at NIKE.

We are committed to developing leaders who model these behaviors for all NIKE employees. Our most senior leaders participated in a holistic assessment and development experience, grounded in Leadership Defined, to build self-awareness and inform development plans. Our 370+ Vice Presidents participated in a three-day virtual summit focusing on business strategy and leadership, during which leading change, inclusive leadership, and talent strategy topped the agenda. We will continue to hold these summits on a bi-annual basis as part of a comprehensive leadership development plan for our VP-level leaders.

In 2020, we continued to identify and develop a strong, diverse pipeline of future leaders, accelerating their growth and transition. We introduced an onboarding and coaching program for new Vice Presidents to support their transition and developed high-potential future leaders at Senior Director and Director level, through a combination of 360 assessment, coaching, and career experiences. Through these programs, our high-potential talent has not only been exposed to impactful learning experiences, we've seen it pull through in our promotion data as well, as 56% of the 2020 program participants were promoted to new roles.

2020 also marked the emergence of Manager Essentials, a global development program based on Leadership Defined, for all people managers. Participating people managers have access to a series of in-person or virtual sessions, tools, and custom content to help them learn and practice the skills and behaviors needed to successfully lead people at NIKE. Since the program's launch in February, we have had over 13,300 course completions.

## Wellbeing Initiatives

Over the past five years we have continued to build on our belief that encouraging people to live a healthy, active lifestyle sits at the core of NIKE culture. As stated in our FY15 report "we enable employees to make customized choices in their wellbeing benefits, while offering consistent opportunities across our business, regardless of location." In 2018, we worked with Headspace to enable employees access to its meditation and mindfulness services, and in 2019 we offered free access to our Sport Centers at our World Headquarters (WHQ) for our full-time employees and North America store employees. Through NIKE's global Employee Assistance Program (EAP), we offered employees and their families free access to a network of advisors who provide short-term counseling and assistance for a range of issues from daily stresses to finding eldercare services.

## Our NikeUNITED Networks

Teammates across NIKE have formed several networks, collectively known as NikeUNITED. These employee-formed and -managed communities offer resources to NIKE teammates around the world, helping advance the development of its members, promote cultural awareness, and help strengthen our commitment to diversity and inclusion.

- Ability Network
- Ascend Network & Friends
- Black Employee Network & Friends
- Latino & Friends Network
- Nike Military Veterans & Friends
- Native American Network & Friends
- PRIDE Network
- Women of Nike & Friends

Converse has also adopted this model with five distinct Employee Networks, collectively known as Converse United, including Converse Mosaic Network, Converse Pride Network, Women of Converse, Converse Military Veterans, and Converse Abilities Network.

More information can be found at NikeUNITED.<sup>35</sup>

Supporting the emotional and mental wellbeing of our employees was a key focus for us in 2020. The COVID-19 pandemic required a large part of our global team to work from home, creating additional stressors that were magnified by the ongoing displays of racial and social injustices around the globe.

- In addition to our existing EAP, which provides free and confidential counseling to all global employees and their families, we offered virtual sessions with trained counselors to support U.S. employees on a variety of personal matters.
- NIKE also expanded our relationship with Headspace, with an offer of a free membership to all employees, as well as free access to two other apps: Sleepio for insomnia support and Daylight for anxiety support.
- Lastly, knowing the importance of daily movement for physical and mental wellbeing, we made NTC Premium available for free to our employees globally. This subscription-based service includes the best on-demand workouts and expert tips from our elite master trainers and other fitness and wellness experts.

<sup>35</sup> <https://purpose.nike.com/employee-networks>





NIKE Military Veteran X Ability Network: Yoga Class

#### Qualitative Measure

## Provide comprehensive, competitive, and equitable pay and benefits

NIKE's total rewards are designed to be competitive and equitable, meet the diverse needs of our global teammates and reinforce our values. Our goal is to support a culture in which everyone feels included and empowered – and rewarded for the success we create as a team.

This year, as a result of the COVID-19 pandemic, we saw many of our NIKE owned and operated stores, distribution centers, and manufacturing facilities closed at various points in time. NIKE invested approximately \$500 million to support our employees through programs like pay continuity and a Situational Incentive Pay (SIP) differential – a form of additional premium pay.

Pay continuity provided ongoing base pay and store-specific variable pay to all impacted employees at stores that were closed. This practice, which was extended through the end of June 30, 2020 and beyond as needed, was based on employees' standard or contractual hours and any applicable governmental requirements.

During government stay-at-home orders, the SIP differential was provided to hourly employees working onsite in our U.S. and Canada distribution centers and Air Manufacturing Innovation (Air MI) facilities, as well as APLA Retail employees assisting in preparations to reopen stores.

We implemented a temporary COVID-19 Sick Leave Policy, providing up to two regularly scheduled work weeks of paid sick leave for those experiencing symptoms associated with COVID-19, or who needed time off to care for their children due to school or childcare closure. This coverage expanded in November beyond physical health to include mental and emotional wellbeing.

In appreciation of our military employees for their service, NIKE's U.S. Military Leave Policy provides up to 12 weeks of paid leave every 12 months for full-time employees. In 2020, NIKE added an additional 12 weeks of paid leave for reservists called up to support the COVID-19 response.

### Equal Pay for Equal Work

At NIKE, we define pay equity as equal compensation for women and men of all races/ethnicities who undertake the same work at the same level, location, experience, and performance. We are committed to competitive pay and to reviewing our pay and promotion practices annually, in accordance with the White House Equal Pay Pledge we signed in August 2016.

We recognize that pay can be managed and assessed in a number of ways. Each year NIKE benchmarks with other leading global companies, and uses this data to inform salary investments, and adjust the pay ranges we use to guide our pay decisions. In addition, we conduct an annual global pay equity review for our 74,000 teammates across all geographies, functions, and business units.

Our 2020 pay equity data shows that for every \$1 earned by men, women globally earned \$1, and for every \$1 earned by white employees in the U.S., racial and ethnic minority employees earned \$1.

### Performance Sharing Plan

At the beginning of FY19, we moved to one annual bonus plan, our Performance Sharing Plan for eligible employees, to reinforce our culture and reward behaviors that support collaboration and teamwork. We know a personalized and holistic rewards system is essential to attracting, inspiring, and developing talent. Through our evolving Total Rewards program, we continue to address the diverse needs of our employees, deliver differentiated, competitive pay and benefits, and support a culture in which employees feel included and empowered.

## Supporting Our Whole Team

In FY16, we formally launched our U.S. Family Care benefit program, which provides up to eight weeks of paid time off for all eligible employees to care for a spouse, partner, or dependents. In 2019 in the U.S., we increased our fertility and adoption benefits, added a new surrogacy benefit, and introduced Rethink, a resource for families caring for children with learning, social, or behavioral challenges. At the same time, NIKE extended family care benefits at our European Headquarters. Also in 2019, we introduced a new Military Leave benefit, which provides up to 12 weeks of paid time off every 12 months.

A big part of supporting our teammates through pay and benefits is listening to our employees to help inform what we offer. As part of this continued commitment, we introduced the following new and enhanced employee programs in 2020:

- We launched a variety of support and services including additional COVID-19 leave, health coverage enhancements, telemedicine, enhanced mental health support, and apps for insomnia and anxiety.
- We updated our transgender healthcare coverage to provide employees covered on the U.S. Health Plan access to both restorative services and personalized care to support their emotional and clinical needs through their process and journey.
- We enhanced our Family Care program through additional leaves, backup care, and child/elder care assistance. Backup care and care assist in the U.S. were launched in an accelerated timeframe for COVID-19 support.
- We enhanced U.S. mental health care coverage to provide both in- and out-of-network coverage at in-network rates, worked with United Healthcare to curate a list of diverse providers, and scheduled NIKE-exclusive sessions with a diverse set of counselors.

## Employees of All Abilities in the Workplace

NIKE is focused on creating an inclusive workplace environment in which all employees are able to do their best work. We have developed new design standards to specifically increase accessibility and inclusion for employee of all abilities in our workplaces. For example, at our WHQ in Beaverton, Oregon we increased the number of mother's rooms for nursing mothers by 15% for a total of 121 spaces around campus. Signage was replaced at all these locations for better wayfinding and 21% of furniture was upgraded to provide a more accessible and improved experience. In 2021, we will be implementing an all-gender restroom signage program.

In addition to designing our workspaces to be more inclusive, we've expanded our supported employment program at our WHQ. This program, which matches candidates with intellectual and developmental disabilities with jobs across our corporate services and workplace facilities, went from a pilot in 2019 to employing 38 people prior to COVID-19. The program's success can be attributed, in part, to the heavy focus on understanding and amplifying the individual strengths of candidates through an inclusive interview model.

This model includes adding short working interviews to every verbal interview, which allows the hiring team to see a candidate's strengths in action. Leveling the playing field for qualified candidates with alternative communication styles, who are often underestimated. The Supported Employment team also supports teams across NIKE and Air MI Manufacturing to explore job opportunities, help source candidates, and provide customized training.

To support this work, a centralized fund has been created so that team members, who are blind or have low vision and persons who are deaf or hard of hearing, can have equitable access to meeting and events without impact to their manager's budget. Centralized tools include assistive listening devices, closed captioning, sign language translation, and translation assistive devices. By creating a centralized fund, meetings and events are more accessible to all employees.

## Looking Ahead

We are committed to building a diverse, inclusive team and culture. It is important for our brand, and our aspiration is to lead in this space. The 2025 People targets we developed represent the key areas of focus to achieve this vision.

We are building a diverse talent pipeline – one that reflects the diversity of the athletes we honor, the people who love our products, and the communities we serve. We're leveraging our global scale to accelerate business diversity, including investing in business training programs for women and supplier opportunities for minority-owned businesses. We're also prioritizing D&I education so that all NIKE employees and leaders have the cultural awareness and understanding needed to successfully build diverse and inclusive teams. We're continuing to offer industry-leading development programs and experiences that empower and enable employees to realize their career aspirations. Finally, we will continue to prioritize pay equity and comprehensive and equitable benefits for all employees.

## Learn More →

[2025 People Targets](#)



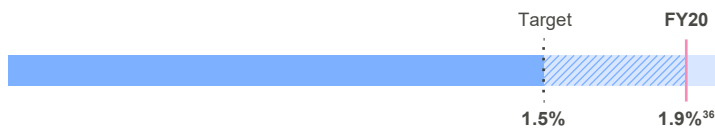
## Focus Area

# COMMUNITY IMPACT

## Quantitative Target

Invest a minimum of 1.5% of pre-tax income to drive positive impact in our communities

Annual Investments as % of Pre-Tax Income



On track

Community has always been at the core of who NIKE is and what we do. Our history is rooted on the trails, courts, fields, and tracks of communities all around the globe.

In both flourishing and challenging times, NIKE has been a committed and active participant in the communities where we live, work, and play. FY20 was no exception. By harnessing the power of our brands, together with employee talents and passions, NIKE invested \$89.8 million to drive positive changes for kids and communities around the world.

## Looking Back: Five Years of Community Impact

*"Today's youth are part of the least physically active generation ever, with consequences for health, education and whole economies. NIKE is shifting this trend by fueling a movement and working with others to raise awareness about the physical inactivity epidemic. We are also committed to shifting this trend by providing kids with early positive experiences in sport and physical activity at a time when they are forming their lifelong habits. Research shows that the window between ages 7 and 12 is key to setting kids on a path to more active lives. Together with our employees, partners, consumers and athletes\* we are helping kids get active early and for life – helping them to realize their full potential."*

*FY14/15 Sustainable Business Report*

## Qualitative Measure

## Get kids moving through play and sport

### Active Schools

NIKE continues to inspire school communities from London to Shanghai to inspire kids to be active through play and sport.

- Last year, NIKE and China's Ministry of Education (MOE) reached an important three-year milestone for the Active Schools China initiative. Through this relationship, we're transforming the role of play and sport for children in China. The Active Schools China initiative surpassed its original goal by engaging more than 2 million students from 7,100 schools. This initiative also trained more than 7,000 Physical Education (PE) teachers across the country. In August 2019, while hosting the country's third national Active Schools Innovation Awards ceremony, the initiative recognized 100 of the country's most creative and inspiring teachers transforming the culture of sport and physical activity in their schools across China.

<sup>36</sup> Number represents FY20 community investment as a percentage of FY19 pre-tax income.





Special Olympics Youth Games, NIKE World Headquarters

- In London, Active School Hero is an initiative jointly created by NIKE and ukactive Kids to recognize primary school staff who are making an outstanding contribution to getting kids active throughout the city. Our work to promote Active Schools included NIKE selecting its first ever Active School Hero from the borough of Hackney.
- In Mexico City, through the Juega Más Active Schools program, delivered in collaboration with local nonprofit Yo Quiero Yo Puedo, we continued to equip PE teachers in primary schools with the resources and training needed to improve the quality and quantity of students' physical education and activity levels. By the end of the 2019–2020 academic year, the program had reached more than 15,000 kids and trained 120 physical education teachers across 52 schools.
- In Johannesburg, NIKE worked with Sportstec to facilitate the Active Schools program focused on encouraging 7- to 13-year-old kids to get moving during school, and empowering and enabling teachers to deliver quality physical education. This program has reached 14,000 kids and 200 P.E. teachers across 25 Johannesburg schools.

In 2012, NIKE, the American College of Sports Medicine, the International Council of Science & Physical Education, and several other expert organizations released *Designed to Move* – a landmark study and framework for action consolidating the evidence around the growing epidemic of physical inactivity, its dire consequences for kids and communities, and a global set of actions on how to address the challenge. Stakeholders from diverse sectors, such as UNESCO, Aspen Institute and TAFISA Sport for All, leveraged the findings of *Designed to Move* to prioritize investments in positive play experiences for children around the world.

NIKE followed up the release of *Designed to Move* by focusing its community programming on a global commitment to getting kids moving, *Made to Play*. This evergreen commitment focuses on kids aged 7–12 because the research is clear: kids who move are more likely to have a lifetime of better physical health, higher educational attainment, professional success, greater self-esteem, positive relationships, and stronger life skills.

### Focused on Coaches and Girls

Coaches can make a difference. And when young girls in particular connect authentically with their coaches, they're more likely to keep playing. Inspired by the Aspen Institute's Project Play 2020 initiative (of which NIKE is a founding member), NIKE and the U.S. Olympic & Paralympic Committee created "Coaching Girls"<sup>37</sup> in FY20. This coach training module serves as an expansion of the *How to Coach Kids* training course for volunteer youth coaches, and helps them build a culture that makes sport fun and inclusive for girls.

In addition to creating free, open-source digital tools, such as *Coaching Girls*, NIKE is also helping to fuel the community for girls and women through relationships with organizations like *Gurls Talk*, a nonprofit organization that brings together young women to share, talk, and listen on issues such as mental health, body positivity, and relationships. NIKE worked with *Gurls Talk* and *Women Win* to support young women using sport as a catalyst for change in their communities, while creating spaces for girls and women to connect. Last year, we supported the journey of 27 young female leaders from around the world through funding, mentoring, coach education, and leadership training. Collectively, these young women are getting thousands of girls active every week in their communities.

37 <https://www.howtocoachkids.org/girls.html>



## Qualitative Measure

## Inspire NIKE employees to engage with their communities

Over the last five years, NIKE has invested in training retail employees around the world to serve as NIKE Community Ambassadors (NCAs). The NCA program gives NIKE store employees the opportunity to share their love of sport by volunteering in local schools and their communities. NCAs are trained on inclusive coaching principles and in turn, they support and inspire kids to succeed both on and off the court. In FY20, despite the decreased opportunities for NCAs to volunteer in person due to the pandemic, more than 6,700 NCAs from 560 stores across 29 countries volunteered over 60,000 hours to get kids moving.

In FY20, NIKE employees continued to make a positive difference in their local communities by supporting 3,100 organizations around the world. In 2019, on Giving Tuesday alone, more than 1,800 employees from 16 different countries donated more than \$3.8 million to over 1,100 organizations in a single day – an 85% increase in total donations from the previous year. And, we didn't stop there. To support COVID-19 pandemic relief and racial and social justice, the Nike Foundation matched employee donations 2-to-1 in FY20. This effort resulted in more than \$5.1 million directed to 1,360 organizations providing community support and relief efforts to combat the pandemic.

As a global organization, NIKE has also found ways to connect locally with the communities where our employees live and work. Through NIKE's Community Impact Fund, we involve local employees at all levels of the organization in the grant selection process across cities in the U.S. and Europe – because no one knows their neighborhood needs better than the people who live there. From 2010 to 2020, the NIKE Community Impact Fund has engaged 530 employees to make over 900 grants totaling \$8.8 million to hundreds of organizations around the world. We also include teammates in determining the grantees for our \$4 million Until We All Win portfolio. These organizations are working to level the playing field for the communities represented by our NIKE Employee Networks (NikeUNITED).

## Qualitative Measure

## Drive sustained community impact in primary markets and sourcing backyards

Over the year, we've learned that while NIKE's commitment to change is substantial and long-term, no single company or organization can drive progress alone. More funders and collective action are critical to have impact at scale. Participating in multi-stakeholder initiatives, such as Aspen Institute Project Play 2020, TAFISA Sport for All and Let's Move Active Schools, has enabled NIKE to channel its unique resources and support for new, innovative approaches to getting kids moving.

### Changing the Game With Converse

Converse seeks to connect youth to the resources needed to make the changes they want to see in their lives and communities. We invest in organizations using positive youth development approaches to engage youth through social justice, creativity, and sport – specifically basketball and skate – in neighborhoods around the world.

In FY20, we focused on building a strong foundation in Boston. This included PRIDE associations built on several years of relationship with It Gets Better Foundation, OUT MetroWest and The Ali Forney Center. Our Black History Month relationships included The BASE, The Possible Project, Origination Cultural Arts Center, and the Museum of Fine Arts. Finally, Converse launched a new engagement with Shooting Touch, supporting young women in Boston through the power of sport. We also initiated improvements to policy and process, including a new product donations relationship with Good360 that will help extend the reach and efficiency of our product donations.

Throughout FY20, NIKE expanded its relationships and programming investments to train coaches and get kids moving globally.<sup>38</sup> Below are a few examples from our global portfolio.

In Tokyo, NIKE continued its relationship with the Foundation for the Promotion of Sound Growth in Children to expand JUMP-JAM, an innovative program that merges sport and free play to give elementary school kids the physical activity and social skills they need. JUMP-JAM is now offered at more than 90 Children's Centers across Tokyo and by 2020, nearly 60% of their coaches were female and more than half of their participants were girls.

In China, Boundless Girls is an engagement between NIKE and the China Youth Development Foundation which now covers 20 schools in Beijing and Shanghai. To date, the collaboration has provided gender-sensitive training and inclusive programs that have reached more than 20,000 girls over the last two years.

In Paris, NIKE has worked with Sport dans la Ville to help get more girls moving through play and sport. This collaboration trains female coaches, provides a gender-inclusive sports curriculum, and removes barriers to play by donating sport hijabs and sports bras to girls accessing 12 community center locations across Paris. In FY20, these investments led to a 15% annual increase in girl participation.

In Barcelona, we launched a three-year relationship with the Barça Foundation and Gasol Foundation to provide underserved children with greater access to healthy habits through play and sport. One component of this engagement powers the work of the FIVALIN project, which last year reached 324 parents, 83% of whom were mothers. Additionally, 74% of the project's 62 coaches are female, serving as role models for the participating girls. NIKE also fuels the Barça Foundation's work with seven social centers and schools across Barcelona offering after-school sport opportunities for kids who are at risk of social exclusion. Last year, of the 208 kids participating in the program, 29% were girls – and together with third-party organizations, we hope to build upon this progress to reach even more girls in need.



## Athletic Space at the Obama Presidential Center

The Nike Foundation worked with the Obama Foundation to support the first-ever athletic space at any U.S. presidential center – the Obama Presidential Center located on the south side of Chicago. Made possible in part by a \$5 million contribution from the Nike Foundation, this facility will be an athletic and recreation space where the engagement hopes to inspire play, sport, and community connection. Many amenities will be open to Chicagoans, as well as visitors from around the world.

## World Federation of the Sporting Goods Industry

NIKE is a founding member of the Physical Activity Committee of the World Federation of the Sporting Goods Industry (WFSGI). Through proactive engagement with companies and multilateral organizations, such as the World Health Organization and the International Olympic Committee, we have sought to galvanize support for investing in kids and physical activity in communities around the world. Additionally, NIKE's chairmanship of the WFSGI Physical Activity Committee helped steward the organization's COVID response, including the creation of a COVID-19 Hub for members and stakeholders globally.

## Jordan Brand Wings Program

The Jordan Brand Wings Program is designed to serve underserved kids. Our 23 nonprofit Wings engagements across the U.S. nominate high-performing, committed students who are often the first generation to go on to higher education. The Jordan Wings Scholars Program specifically covers gap scholarships – including tuition, room, and board for students who qualify – and has given full-ride scholarships to over 200 students in the last six years.

In Greater China, the program provides education and mentoring programs to help students finish their high school education. More than 400 NIKE and Jordan Brand employees also support almost 2,000 underserved students as youth mentors across 16 provinces in mainland China through education, mentorship, and sports.

The Jordan Brand Wings Program also launched a new program in Paris to invest in tutors who work with young people – particularly from underserved communities – to help them overcome barriers and unlock the generational benefits of higher education.



PowerPlay – New York City, New York

## Girl Effect

In 2008, the Nike Foundation launched the Girl Effect at the World Economic Forum in Davos and sparked a movement designed to inspire the world's most influential leaders to recognize and invest in helping to unleash the full potential of adolescent girls living in poverty. Through this work, together with the support of key partners including the NoVo Foundation and United Nations Foundation, the Nike Foundation helped elevate girls on the sustainable development agenda and dramatically impacted the way development programs are created for girls around the world. In 2015, the Girl Effect embarked on a new chapter by becoming an independent organization with the aim of accelerating its goal of reaching more than 250 million adolescent girls living in poverty. The Nike Foundation has continued to champion the Girl Effect movement through investing over \$100 million between FY15 and FY20. These investments have helped the Girl Effect impact tens of millions of girls across 20 countries in Africa and Asia through media programs, digital projects, and other girl-focused programming.

## Looking Ahead

The community you call home is where we live and work, too. Investing in more equal, inclusive, and active communities isn't just the right thing to do as a business, it's also critical for helping to realize a thriving future for our kids, communities, and the planet.

Our 2025 Community targets provide an overview of where we will be focused for the next five years. We will continue our investments in getting kids moving, especially girls, and leveling the playing field for all. Our investments and engagement will seek to leverage the power of sport to move the world forward, and we'll engage our employees throughout.

## Learn More →

[2025 Community Targets](#)



## Looking Ahead

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# 2025



*Our Vision*

# 2025 TARGETS



NIKE Running Campaign

Over the next five years, we will bring our purpose to life with a focus on people, planet, and play.

We have developed 29 targets to achieve our ambitions. Our targets are aggressive, but achievable. We're committing to clear action plans with clear goals, clear measures – and clear accountability. Above all, we're committing to helping shape a better future, across our company and around the world.

Like in training for any competition, we may face unforeseen challenges. We've set targets that will push us to new boundaries, because we know now is the time to accelerate. We have plans in place to achieve our targets, knowing progress depends on teamwork and end-to-end execution. We expect the journey won't be a straight path – we will amplify successes and we will pivot from any setbacks. And collective action will be our call-to-action, because we know we can't do it alone.

Our 2025 Targets are our roadmap. The targets we have set are industry-leading in how we:

- Tie executive compensation to our 2025 target performance
- Leverage annual milestones to improve performance management
- Extend accountability of targets deeper into our value chain, with new targets focused on waste, labor and supplier diversity
- Align with Science Based Targets and Sustainable Development Goals



# PEOPLE



WE INVEST  
IN THE  
POWER  
OF PEOPLE  
TO MOVE  
THE WORLD  
FORWARD.

At its best, sport redefines human potential. When people see what they're capable of, they can break barriers in areas where we need change the most: protecting the planet, creating active communities, and advancing equality.

We are building a more diverse, inclusive team and culture of belonging – one that reflects the diversity of the athletes we honor, the people who love our products, and the communities we serve.

Across our value chain, we seek to advance responsible sourcing with fair and equal conditions for the people who make NIKE products. Our consumers and stakeholders hold NIKE to a higher standard. And so do we.

Around the world, we support athletes who lead on and off the field, visionaries who inspire a culture of possibility, and youth who create a brighter future.

Our goal is, and always will be, that NIKE moves people into action to create a better world.



# REPRESENTATION & HIRING



## 2025 Targets

**50%** representation of women in global corporate workforce and **45%** in leadership positions

**30%** representation of U.S. racial and ethnic minorities at Director level and above; increase pipeline of Black and Latinx talent at Director and above

**35%** representation of racial and ethnic minorities in our U.S. corporate workforce

**\$10 MILLION** investment earmarked for historically Black colleges and universities (HBCUs) and Hispanic-serving institutions (HSIs) in the form of scholarships and academic partnerships to increase intern and direct hires

Enhance opportunities and marketing of open roles for first-line athletes to compete for corporate roles



## Why Representation Matters for NIKE Employees

NIKE's approach to employee and business growth is fueled by the belief that diversity – in all its forms – fosters creativity and accelerates innovation. Leveraging different perspectives, experiences, and backgrounds generates unique ideas. To enable this work, we will continue to build a creative and inclusive culture where all voices are welcomed and heard.

We aspire to be a leader with a diverse and inclusive team and culture. This is a space where we are choosing to act – and act decisively.

## How We Will Win With Representation

**We will focus on a systemic approach to improve representation at NIKE.** We seek to advance a diverse and inclusive culture by focusing on four key areas:

- **Representation** at all levels of the organization and across all U.S. racial and ethnic minorities, with a sharp focus on Black, Latinx and female representation. We will track and measure progress on a regular basis.
- **Education** is an important enabler of becoming a more diverse, inclusive culture. We will invest in making educational resources available to build awareness and understanding on social justice and racial equity.
- **Development.** We will significantly increase our investment in professional development to support people to advance and grow their careers at NIKE. This will include providing more mentorship opportunities and additional training, resources, and support systems.
- **Community.** We're committed to driving positive change in the communities where we live and work through the efforts of our employee networks, and the relationships we have with a broad range of suppliers, educational organizations, and nonprofits.

**We will expand our diversity recruitment, retention, and promotion efforts.** In recent years, we have seen great success with our diversity recruitment programs, and will continue to build on those efforts. We will increase engagement with and participation from the HBCUs and HSIs, and will put further academic programs in place with a specific focus on Science, Technology, Engineering, and Math (STEM), business, and arts. NIKE will also continue our talent innovation- and diversity-sourcing programs such as Serena Design Crew and Women in NIKE, launch a Converse All Stars Design Team apprenticeship program, and will evolve our internship program into a direct hire program with an allocated Full-Time Employee (FTE) headcount.

Through the expansion of inclusive and transparent talent practices and decisions, we will increase participation of underrepresented talent in accelerated development programs. We will also increase engagement and decrease turnover of our diverse talent by building sustainable career roadmaps for our diverse talent for advancement, retention, and growth with mentorship support.

Lastly, we will put programs in place that enhance the growth opportunities for our first-line athletes. We will offer a variety of accelerated development programs and will make corporate roles available through a so-called gateway program. The gateway program identifies select corporate roles that are a fit for retail employees who want to pursue a corporate career. In addition, we are also offering sessions on résumé building and interviewing skills.

**We will continue to mitigate bias through transparent and data-driven talent practices and decisions.** We plan to equip our leaders with the tools, information, and support necessary to achieve their goals. We'll also be working closely with our Human Resources Business Partners (HRBPs) and Diversity Business Partners to help them understand how best to analyze and use our representation data with their stakeholders, to ensure strategic alignment and genuine cultural progression over time. We intend to give all of NIKE's Vice Presidents access to representation data, with sharp accountability to deliver on their Diversity & Inclusion (D&I) plans.

## Women in Sport

NIKE is committed to improving a woman's sport experience at every stage of her journey – from her introduction to the game, through her daily workouts and all the way to the competitive playing field.

NIKE has helped to grow women's sport worldwide. We support the most athletes, teams, and leagues. And for decades, we've built programs that are focused on supporting girls by providing access and removing barriers to play and sport. We know how important it is to invite more girls into sport and to keep them in once they start. And we're developing curriculums to make the coaching experience for young girls more inclusive and positive. And, we know we still have more work to do.

We've also learned that while mental health and wellness are important for all genders, women and girls often face unique challenges. That's why we're partnering with a nonprofit called Crisis Text Line in the U.S. to help expand access to free, 24/7 mental health support for athletes in need – all through text message.

So we're learning. We're taking action on the challenges we see before us. And we're making real progress. But we know there's more to do. Because it's not always about shattering world records and winning tournaments, sometimes it's about getting more people to the starting line.



Feng Tay (Lifeng Footwear) – Putian, China

### 2025 Targets

**100%** of strategic suppliers are increasing access to career opportunities and upward mobility for women employed in their facilities

#### Why Representation Matters in the Supply Chain

We know that gender diverse businesses perform better and positively impact workers. Unfortunately, there is a gender gap in almost every industry, including in footwear and apparel manufacturing. Over 70% of people making NIKE products are women, yet female representation decreases with the move into leadership ranks. We believe that increased opportunities for all workers will equal better business outcomes.

Through our engagement with suppliers, we have shown that a skilled, valued, and engaged workforce is key for growth. We've laid the groundwork for how they can value and engage their workers. The time is right to deepen this commitment and drive progress toward a more gender equitable manufacturing supply chain. We see a future of a more inclusive workforce where everyone feels respected, included, and heard. This means that we will continue to support contract manufacturers who invest in their workforce, ensuring they have the skills, empowerment, and support to reach their full potential.

#### How We Will Win in the Supply Chain

**We will measure gender equity.** We will support our contract suppliers in advancing gender-equitable policies and practices. We have worked with the International Center for Research on Women to develop a resource hub to measure gender equity for the footwear, apparel, and textile manufacturing sector. This hub provides resources to identify strengths and areas of improvement for factories interested in advancing gender equitable policies and examples of the best practices to get there. As a first step toward achieving this target, our suppliers will complete an annual self-diagnostic tool to understand their areas of opportunity. We will then support them in addressing low-scoring areas and developing a long-term action plan to advance gender equity within their organization.

**We will work with the right organizations.** We want to support our contract factories to advance gender equity in their workforces and integrate this work into their overall human resource management (HRM) systems. We will look to work with organizations that can help factories implement best practices in advancing a more equitable workplace, such as supporting working parents and addressing harassment.

**We will identify ways our suppliers can develop strong internal career pathways and more equitable talent pipelines.** We will focus on contract suppliers who invest in their employees to develop the skills and competencies to thrive in the future. By focusing first on advancing gender-equitable policies and practices, then developing strong career development pathways and external talent pipelines, this will help advance career opportunities and upward mobility for women in our supply chain. Our hope is that those gains can be sustained over time through an inclusive and supportive environment.



# PAY & BENEFITS



## 2025 Targets

Maintain **100%** pay equity across all employee levels on an annual basis

Provide competitive and equitable benefits for all employees



NIKE World Headquarters – Beaverton, Oregon

## Why Pay & Benefits Matter

NIKE's benefits are designed to be competitive and equitable, meet the diverse needs of our global teammates, and reinforce our values. Our goal is to support a culture in which everyone feels included and empowered – and is rewarded for the success we create as a team.

## How We Will Win

Pay can be managed and assessed in several ways. NIKE annually benchmarks with other leading global companies, and uses this data to inform salary investments, and adjust the pay ranges we use to guide pay decisions. In addition, we conduct an annual global pay equity review for our employees across all geographies, functions, and business units. We define pay equity as equal compensation for women and men globally of all races/ethnicities in the U.S. who undertake the same work at the same level, experience, and performance.

**We will maintain focus on pay equity.** In August 2016, NIKE signed the White House Equal Pay Pledge, publicly declaring our commitment to review pay and promotion practices annually, and to review that women and men who undertake the same work at the same level are equitably compensated. At that time, we expanded this pledge to also include equity across all races and ethnicities in the U.S.

**We will continue to identify and provide competitive and equitable benefits, tailored to the needs of our employees.** A big part of supporting our teammates through pay and benefits is listening to our employees to help inform what we offer. This includes a new Financial Wellness benefit, working with EY to provide free, independent financial coaching and education for all U.S.-based employees. Financial support will comprise one-to-one consultations, group webinars, and on-demand digital learning resources. We will also continue to support our employees who work from home due to COVID-19 health and safety measures, providing them with select technology and ergonomic products through a NIKE-exclusive portal.

**We will continue to support our suppliers in developing mature compensation approaches.** We want to support worker livelihoods and enable them to remain attractive employers in local labor markets. We will continue our support for suppliers in developing their strategic compensation capabilities, as part of our broader HRM programming.



# HEALTH & SAFETY



## 2025 Target

**100%** of strategic suppliers are building world-class, safe, and healthy workplaces for people making our products

### Why Health & Safety Matters

We believe all people enjoy a fundamental right to the protection of life and health in the workplace. As our global business evolves, NIKE aims to provide safe, hygienic, and healthy workplaces across our value chain, which includes workplaces operated by contract factories and suppliers. We do this by adopting and refining safety systems and rules; through education and training; and by fostering a culture of health and safety.

Throughout the past five years, we have defined a roadmap for achieving world-class safety performance, tested and piloted programs to create advanced health and safety management systems, and developed new tools to measure individual competencies and leadership capabilities that enable a mature culture of health and safety in the workplace. During our pilot, we found that our control lines where the health and safety systems were piloted had 85% lower injury and illness rates compared to traditional manufacturing lines. Control lines were tested at eight different manufacturing facilities through 4 million working hours.

### How We Will Win

**We will scale our Culture of Health and Safety initiative.** Our focus for the next five years is to increase investment in developing a mature culture of health and safety within our strategic supplier factories. We believe that mature safety cultures activate and enable safety management systems that create world-class healthy and safe workplaces.

**We will measure the maturity of our contract factories' safety programs.** The "Culture of Safety Maturity Assessment" (CoSMA) tool contains 27 health and safety diagnostic elements that assess factory leadership engagement and accountability, management systems and processes, and organizational skills and capabilities. The diagnostic elements within the CoSMA show areas where the factory is performing well and areas that could improve. Areas of improvement provide a clear roadmap toward building a world-class safe and healthy workplace. The tool is now open sourced through a third-party online training platform,<sup>109</sup> hosted by the Phylmar Academy.

109 <https://phylmar.learningcart.com/content/Phylmar-Academy.aspx>



Chang Shin (VJ) – Dong Nai, Vietnam

**We will encourage self-assessment.** To help foster engagement, we developed online training on how to use our self-assessment tools. As of FY20, 156 factory and third-party consultants have successfully completed our online training. The self-assessment can be supported by trained third-party consultants or NIKE staff, and the results are calibrated with a worker/management safety perception survey. Calibrated results are used as a leading indicator of safety performance.

**We will collaborate with external experts.** As we continue to elevate a culture of health and safety within our supply chain and across our industry, we collaborate with others to resolve common OH&S issues. We have current engagements with the Fair Labor Association (FLA) and Better Work, a joint program of the International Labour Organization (ILO), and the International Finance Corporation (IFC). In our exploration of adding strategic relationships, including one with the IOSH, we will continue to accelerate our strategy to build world-class safe and healthy workplaces globally.

**We will pilot our Transformational Leadership program with our largest and most strategic suppliers.** As we continue our pilot, we will adjust and customize the program to meet the cultural, language, and footwear and apparel industry sector needs of our contract factories. If the pilot proves to be successful, we plan to scale throughout our remaining 23 key manufacturing supplier group partners. Effective corporate governance of OH&S and implementing our Transformational Leadership program at the highest leadership level of an organization will enable more effective and sustained health and safety programs.



# INCLUSIVE CULTURE & ENGAGEMENT



## 2025 Targets

**TOP QUARTILE** in benchmarked companies for both engagement and inclusion

Continue to focus on improving access to athletes\* of all abilities for our brand, our experiences, our product, our facilities, and our company

## Why an Inclusive Culture Matters to NIKE Employees

We are deeply committed to fostering a culture and workplace where employees have a meaningful work experience, feel valued and supported, and have the right tools and resources to be successful. We know developing our employees is critical to both personal achievement and business success – and we continue to approach this growth from several angles.

Diversity and inclusion are core to our purpose and mission, and ability is one dimension of diversity. Ability inclusion through accessibility comes to life through our strategy, governance, and implementation.

## How We Will Win with Employees

**We will focus on educating leaders and managers.** We will launch the next iteration of unconscious bias awareness (UBA) training with a focus on further expanding and embedding D&I education throughout the employee journey. In addition, in collaboration with the University of Southern California's Race and Equity Center, we will be rolling out a robust diversity and inclusion curriculum to all 75,000 employees, covering topics such as anti-racism, racial inequity, and micro-aggressions. Also, the VP Leadership Team will begin an inclusive leadership certification program with Northwestern University's Dr. Alvin Tillery.

**We will redefine our performance and development programs.** This includes increasing our focus on mentorship and a targeted education to ensure we advance the careers of our diverse talent.

**We will consistently maintain certification for the MLT Black Equity at Work Index.**<sup>110</sup> This index is a clear and comprehensive Black equity standard for employers. The certification provides NIKE with the roadmap and recognition necessary to pursue Black equity with focus and rigor.

**We will increase participation rates and engagement of women and U.S. racial and ethnic minorities talent in the All-Employee Engagement Survey.** Our NikeUNITED networks will help drive change by advocating for participation in the survey and we will share the changes we've made for women globally and U.S. racial and ethnic minorities as a direct result of survey feedback.

**We will establish Workplace Design and Connectivity (WD+C) "Universal Design" standards and guidelines.** NIKE is focused on creating an inclusive workplace environment through our workspaces and services so that all employees are able to do their best work. Moving forward, we will continue to evolve our accessibility workplace standards. This work will focus on accessibility for employees with physical mobility, hearing and visual disabilities, as well as neurodivergent employees. An Accessibility Council has been set up to hear feedback from our employees and help shape the future workplace standards, as well as creating accessible meetings and events.

<sup>110</sup> <https://www.mltblackequityatwork.org/>





Feng Tay (Lifeng Footwear) – Putian, China

**2025 Target**

**100%** of strategic suppliers are measuring and improving the engagement of the people making our products

**Why an Inclusive Culture Matters in the Supply Chain**

We want to empower suppliers to engage with and value their people. We know that high employee engagement leads to a more efficient, agile, and committed workforce, which results in beneficial outcomes for both the individual and the organization. Not only are engaged workers more likely to feel physically and mentally secure, but they're also more likely to actively and positively contribute to their work. Having an engaged workforce is proven to fundamentally shift overarching business issues such as compensation, overtime, and workplace conditions.

Over the past five years, we developed and implemented the Engagement and Wellbeing (EWB) Survey to measure the level of engagement and experiences of factory workers. While we have been scaling the deployment of this survey to reach more factories across our supply chain, measuring worker voice is just the start. We are actively supporting our suppliers in building capabilities that will increase engagement, and this approach is foundational to a future where we continue to grow with those factories that value and engage workers.

**How We Will Win in the Supply Chain**

**We will focus on scaling the EWB Survey.** Our goal is to reach 100% of our strategic suppliers. The more suppliers that we can reach, the better the grasp we'll have of the whole industry and the more likely we'll be able to change for the better.

**We will focus on driving supplier-led measurement of worker voice.** Recognizing that no two suppliers are the same or at the same point in their worker engagement and wellbeing journey, we plan to meet them where they are. NIKE's guidelines will enable a standardized approach and drive supplier ownership and accountability in this process. We have a robust network of vendors who leverage mobile and tablet technology to deploy these surveys digitally, enabling rapid feedback on results and more potential to integrate into their worker-management communication systems.

**We will work with suppliers to incorporate worker engagement and wellbeing processes into their overall HR approach.** We will continue to evolve tools and advance capabilities to help suppliers convert the insights from their EWB Survey into actions that positively impact workers. These include supports such as the EWB Toolkit, which helps factories develop and implement a process for converting these insights from workers into action and embedding these practices into their HRM systems.



# EDUCATION & PROFESSIONAL DEVELOPMENT



## 2025 Targets

**100%** of Vice Presidents complete and be credentialed on Inclusive Leadership education

**2X** investments focused on professional development for U.S. racial and ethnic minorities and women globally

## Why Education and Professional Development Matters

Developing our employees is critical to both personal achievement and business success – and we continue to approach this growth from several angles.

We're placing a stronger focus on Diversity & Inclusion (D&I) education for all NIKE employees and leaders – to make sure everyone has the cultural awareness and understanding needed to successfully build diverse and inclusive teams. Education is the foundation and an important first step in removing implicit and unconscious bias to steward a culture of belonging, and individual growth and development.

We're continuing to offer industry-leading development programs and experiences that empower and enable NIKE employees to realize their career aspirations. It is our goal to ensure consistent career progression and growth, and we plan to provide more clarity to help all employees understand how to build their careers at NIKE.

## How We Will Win

**We will focus on D&I education.** Last year, we started with delivering foundational D&I training to instill a culture of belonging. To date, over 57,000 employees have completed this training. With our new D&I commitments and focus on education, we have increased our investment in D&I education, with a focus on providing deep and immersive education on topics of equity, inclusion, and anti-racism.

**We will strengthen inclusive leadership.** We will launch VP Leadership Team-specific inclusive leadership education and certification, in collaboration with Northwestern University's Dr. Alvin Tillery. In parallel, we will offer a comprehensive company-wide D&I curriculum for all employees through our relationship with Dr. Shaun Harper of the University of Southern California's Race and Equity Center. This curriculum will be self-paced and digitally delivered through a new digital learning platform. We will amplify this investment and professional development through mentorship and ongoing external relationships, and will continue to make leader and employee tools and resources available.

**We will grow awareness and activism in areas of social justice and racial equality.** Education is the prerequisite to awareness. In November 2020, we hosted a three-day VP Leadership Team meeting to provide a consistent leadership-development experience and set clear leadership expectations. By educating our leaders, we're giving them the skills to find their voice, be advocates and allies, and can scale that to their teams. Going forward, we expect to continue to roll out more D&I education programs that build inclusion into our company's DNA.

**We will empower and enable all employees to realize their career aspirations.** We will redefine individual development plan programs and policies, with sharpened manager training and continue the delivery of industry-leading development programs and experiences, sharply focused on U.S. racial and ethnic minorities and women globally, in collaboration with key educational institutions and associations such as Management Leadership for Tomorrow (MLT), The Executive Leadership Council (ELC), The Alumni Society, and Stanford Continuing Education Programs.



# BUSINESS DIVERSITY & INCLUSION



## 2025 Targets

**\$1 BILLION** cumulative spend  
on diverse suppliers

### Why Business Diversity & Inclusion Matters

Promoting Business Diversity & Inclusion models provides NIKE full access to innovation and creativity to stay competitive and forward-thinking in the global marketplace. It's a way to grow economic opportunity and create equal playing fields for all, everywhere we do business.

In addition, Business Diversity & Inclusion amplifies our ability to speak authentically to our diverse consumer base. It helps us generate new ideas that can change the world around us, as well as how we conduct business on a daily basis. Business Diversity & Inclusion recognizes that NIKE can only reach its full potential by forming robust relationships with diverse businesses. Ultimately, we believe that a diverse and inclusive team is a winning team.

### How We Will Win

**We will build and develop a robust pipeline of diverse suppliers.** Our goal is to create a sustainable pathway for cross-industry suppliers to engage with NIKE. Through this work we will be able to empower the communities we serve through diverse and inclusive business relationships.

**We will create and enforce policies that will serve as procedural guidelines to influence and track spend with diverse suppliers.** Holding our cross-functional teams accountable for diverse and inclusive sourcing will deepen our engagement and ability to drive impact.

**We will network to create relationships both internally and externally to further the reach of Business Diversity & Inclusion.** Internally, our goal is to spread awareness and adoption of our program strategy on all levels of leadership across the organization. Our external goal is to connect to the global network of the Supplier Diversity industry including Supplier Diversity councils, government-affiliated Chambers of Commerce, and other Fortune 500 corporations.

**We will focus on the diversity of the people in the entire NIKE ecosystem to be representative of the diverse communities we serve.** Our areas of focus range from our internal workforce, contingent labor workforce (contractors), and the external workforce of our suppliers in terms of representation on NIKE accounts.



NIKE World Headquarters – Beaverton Oregon



# FOUNDATIONAL EXPECTATIONS



## 2025 Target

**100%** of facilities in our extended supply chain meet NIKE's foundational labor, health, safety, and environmental standards demonstrating respect for the rights of their workers and communities where they operate

## Why Foundational Expectations Matter

Our commitment to serving athletes everywhere has taught us that equality on the field is a powerful catalyst to driving equality off the field. NIKE supports human rights as defined by the Universal Declaration of Human Rights, which recognizes that “all human beings are born free and equal in dignity and rights.” We work to elevate human potential through our products, relationships, and operations – something that cannot be accomplished without a fundamental respect for human rights throughout NIKE's operations. We expect that these foundational principles are respected throughout our suppliers and supply chain, and across NIKE's operations. And while we have focused on elevating this commitment with our Tier 1 finished goods suppliers, we are taking the next step in this evolution to extend measurement of performance against NIKE's foundational standards across our extended supply chain to facilities that make and move our product, including Tier 1, high-volume Tier 2, distribution centers, and NIKE owned and operated facilities.

## How We Will Win

To enable our operations to hit our expectations of foundational labor, health, safety, and environmental standards, we need robust factory monitoring systems in place. When it comes to factory audits, a frequent challenge that the apparel and footwear industry faces is audit duplication and lack of resources to invest in improving working conditions across the supply chain.

**We will apply a holistic factory-monitoring system across our supply chain.** NIKE is a signatory of the Social & Labor Convergence Program (SLCP) and a member of the Sustainable Apparel Coalition (SAC), which seek to drive industry convergence on factory compliance to mitigate issues. Their approach is based on supplier ownership of responsible manufacturing and aligns with NIKE's approach to drive sustainable and consistent performance with our contract factories. Our goal is to replace our current supplier factory monitoring system with this industry approach to monitor labor, health and safety, and environmental compliance. NIKE just began extending this holistic approach with our Tier 2 dyeing and finishing suppliers. Moving forward, we will continue to scale within our AIR MI facilities, Tier 1 and 2 supply base and logistics providers.

**We will update our Code of Conduct and Code Leadership Standards (CLS).** To further extend this approach to monitoring compliance across NIKE's extended supply chain, we are updating our Code of Conduct and CLS. This, in turn, will help prevent evolving risks, for example by reducing carbon emissions and advancing construction safety.

**We will introduce programs designed to address common risks in the supply chain.** This will help our extended supply chain meet our holistic foundational standards. For example, to prevent and eliminate forced labor, we will scale programs to improve our understanding of its root cause, particularly for vulnerable groups such as foreign migrant workers. We will also tackle these issues through capability building and supplier ownership, and by strengthening our external relationships to advocate for meaningful improvements to laws governing responsible recruitment and employment of vulnerable workers.

