How Ethical is Nike?

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Category: Rated

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Though it seems in this day and age every man and his dog owns a pair of Nikes, not so long ago the Nike image was synonymous with sweatshops and unethical manufacturing. So how does this brand rate today when it comes to its treatment of people, planet and animals?

In 1991, activist Jeff Ballinger published a report detailing the low wages and poor working conditions in Nike’s Indonesian factories. Soon after, the brand became the subject of an aggressive and sustained campaign by United Students Against Sweatshops. Nike was initially slow to respond – but under increasing pressure it eventually made some changes by improving its monitoring efforts, raising the minimum age of workers, and increasing factory audits.

The brand has since earned plaudits far and wide for its efforts. A few years ago, Business of Fashion reported that Nike has successfully transformed its tarnished image to become a “recognized sustainability leader,” with Morgan Stanley ranking Nike “the most sustainable apparel and footwear company in North America for environmental and social performance, including its labor record.”

But is this actually the case?

**A step backwards**

Though Nike has successfully improved its reputation and has become the top-selling activewear brand in the world, many of its practices are still problematic.

In 2017, Nike took a big step backwards, as International Labor Rights Forum reported that the company had turned its back on its commitment to the Worker Rights Consortium (WRC), which effectively blocks labor rights experts from independently monitoring Nike’s supplier factories. But last year, Nike was given a score of 57 out of 100 in Fashion Revolution’s 2019 Fashion Transparency Index (a 21% increase from 2018), showing it started going in the right direction again.

Environmental Impact

Though Nike has made a few positive changes to its environmental practices and is a member of the Sustainable Apparel Coalition, it still has a way to go before it can truly be called a ‘sustainable’ brand, which is why its environmental rating is ‘It’s a Start’. Nike uses a few eco-friendly materials including organic and recycled cotton and polyester, minimises off-cuts in parts of its manufacturing process and has a waste and water reduction strategy in place in most of its supply chain. It has also made a public commitment to reduce its greenhouse gas emissions in its operations by 100% by 2025.

However, Nike has not committed to eliminating hazardous chemicals from its supply chain. These chemicals are a big problem for workers who are exposed to them and even those who wear the products. Nike’s use of hazardous chemicals has also been criticised by Greenpeace, who have voiced concern regarding the pollution of waterways.

Labour Conditions

Nike’s labour rating is also ‘It’s a Start’. Though the brand has focused on female empowerment and inclusiveness in their recent advertising campaigns, the women who work for Nike (whether in its factories or headquarters) are seemingly left out of this picture. In 2018, Nike was in fact sued by two former female employees who accused the sneaker giant of creating a culture of gender discrimination and sexual harrassment.

On a good note, the company is Fair Labor Association (FLA) Workplace Code of Conduct certified. It also traces most of its supply chain, publicly lists its suppliers, audits some of its traced facilities and ensure payment of a living wage in some of its supply chain (but doesn’t state the percentage).

The recent Foul Play report by the Clean Clothes Campaign and Collectif Ethique sur l’Etiquette shows just how far Nike has to go when it comes to living wages. It highlights the difference between the ever increasing amount of money paid on sponsorships to sports stars and other marketing expenses, compared to the reduction of the share of the final price of your sports gear paid to workers in the supply chain. The report calls on both Nike and Adidas to commit to paying living wages across their supply chain by a specific date and other supporting action. Read more about living wages for garment workers here.

Animal Welfare

Nike does not use fur, angora or other exotic animal hair or skin in its products, which is definitely a step in the right direction. However, it does use leather, wool and down feather without specifying sources, which is problematic as the welfare of animals and workers is unknown and is not guaranteed, so we have given the brand a rating of ‘not good enough’ for animal welfare.

Overall Rating: It’s A Start

We rate Nike ‘It’s A Start’ based on information from our own research. Though Nike has a few promising environmental measures in place, it’s clear that the company does not do as well as it should. It needs to make serious changes in most areas. With an annual revenue of over $30 billion, they can certainly afford it! We notice that arch-rival Adidas (rated ‘Good’) has stepped up its game, improving its transparency and environmental practices.

See the rating.

Good Swaps

Ethical alternatives to Nike

Adidas

Rated: Good

Adidas is one of the largest sportswear makers in the world. The company has set some good environmental and labour standards, including a public commitment to reduce its direct and indirect greenhouse gas emissions by 15% by 2020.

See the rating.

Shop Adidas.

Reebok

Rated: Good

Reebok has set some good environmental and labour standards over the years. It is a founding member of the Better Cotton Initiative, the Sustainable Apparel Coalition and is partially certified by Bluesign.

See the rating.

Shop Reebok.

Organic Basics

Rated: Great

Organic Basics offers high quality sustainable fashion basics for men and women in organic materials. The Denmark-based brand puts sustainable thinking at the centre of everything - it only chooses fabrics that care for our environment, and only ever partners with factories that care about their impact.

See the rating.

Shop Organic Basics.

Threads 4 Thought

Rated: Good

Add a caption for this image, eg “Hunter Sweatshirt – Shipping: worldwide from US”

Threads 4 Thought uses a range of sustainable materials including Lenzing Modal harvested from the limbs of beech trees. This process means that the trees are never cut down and 95% of the production materials to make the yarn are recovered and reused. Their manufacturers are a combination of Fair Trade USA certified and Worldwide Responsible Accredited Production certified.

See the rating.

Shop Threads 4 Thought.

Patagonia

Rated: Good

Patagonia is a brand which truly lives and breathes the great outdoors. It makes clothing for trail running, climbing, mountain biking, surfing, skiing, and snowboarding. Patagonia has strong labour rights and uses recycled, rather than virgin, polyester. It has also committed to reducing its energy use and emissions.

See the rating.

Shop Patagonia.

Discover more ethical and sustainable activewear brands.

Editor's note

this article was first published in May 2017 and updated in February 2020. Feature image via Nike. Other images via brands. Good On You publishes the world’s most comprehensive ratings of fashion brands’ impact on people, the planet and animals. Use our Directory to search more than 2,000 brands. We may earn a commission on sales made using our offer codes or affiliate links. To support our work, we may earn a commission on sales made using our offers code or affiliate links.