

# GENERATION FOR THE NEXT GEN





# A LETTER FROM OUR ATHLETES



Looking back, it all started with love.

Love for smashing aces on the court, drilling crosses on the pitch, parrying strikes on the piste, running circles around the boys. Love for the two-a-days, three-a-days. Love for the big moments and bright lights, but also the solo sessions, the hard days, the grind.

That passion is what drives you to break records and win championships. It's also what leads you to realize: *this journey is bigger than you*.

Because let's be real – as women and as athletes, so much of this wasn't built for us. Not the institution of sport, and not the system and structure of society. As athletes and as women, our only playbook has been to *be* the change we want to see.

A Black girl from Compton who doesn't fit the sport? Don't just break the mold. Change the sport – on your way to changing everything.

A champion becoming the world's fastest mother? Nurture what's next – and redefine the meaning of legacy.

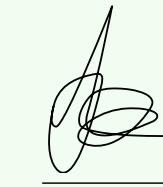
A soccer player claiming her space with every play? Build a platform to fight for everyone to win.

A trailblazer on the court who inspires a nation? Show every girl watching: no dream is out of reach.

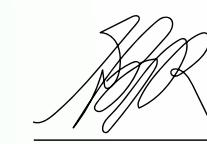


  
Shelly-Ann Fraser-Pryce



  
Ada Hegerberg

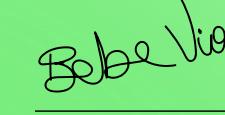


  
Li Na

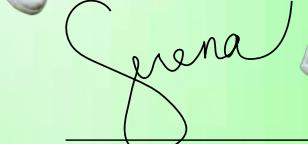


  
Megan Rapinoe



  
Bebe Vio



  
Serena Williams

A fencer facing odds others call impossible? Prove what's possible when you begin with belief.

A footballer writing history on the world stage? Shine a light for the next generation.

In our whole careers, in our whole lives, we haven't waited on change. We set out to create it. And when it comes to the biggest challenges of our time, that is the spirit we want to bring.

Whether it's advancing equity for women and girls, fighting climate change or uplifting our communities, we can't just wait. We can't just hope. We all have a part to play in creating a better world, and that's why it means so much to share this journey with NIKE, and with all of you.

The truth is, it hasn't been easy. Moving the world forward doesn't happen overnight. As women and as athletes, we've pushed to be seen and heard. We've raised our voices to help drive that change, and NIKE, you've been there to listen and evolve with us.

More than anything, what our journey has shown is that real innovation and lasting impact happens when we create a new playbook together – one built on engaging more deeply, championing women more meaningfully and expanding opportunity for generations to come.

So, to the changemakers out there: No matter where your journey takes you, our wish for you is to hold on to why you started. We see you, we hear you, we believe in the fire you have inside you.

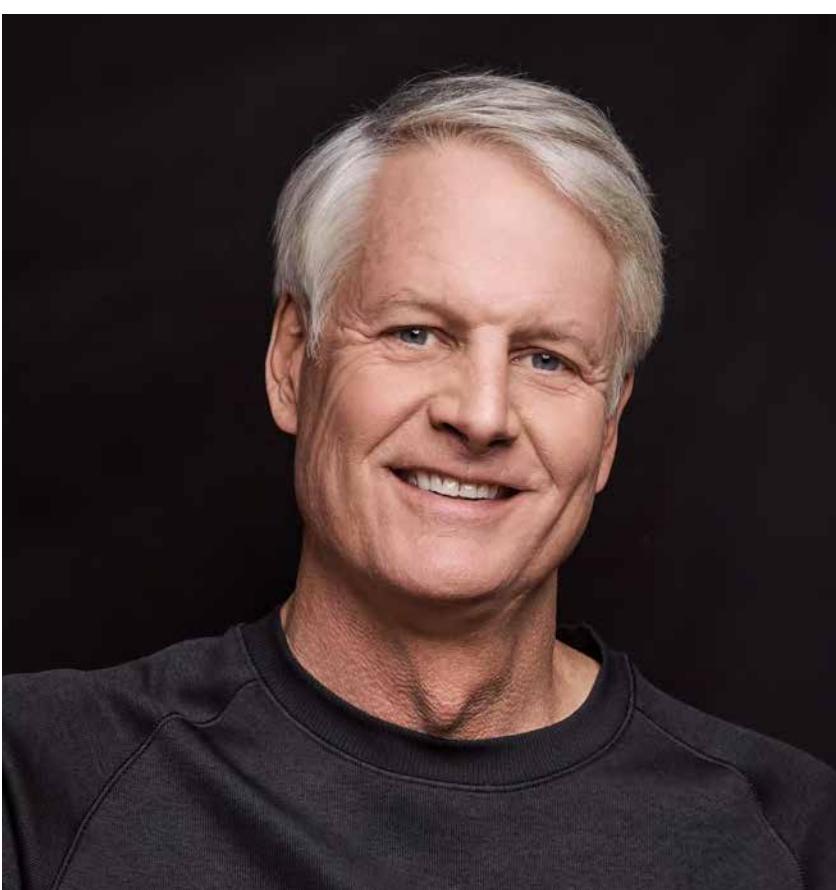
We can't wait to see the future you will create.

Love,



Introduction Letter from John

# Our purpose is to move the world forward through the power of sport.



John Donahoe  
President and CEO, NIKE, Inc.

If you're reading this letter, it's because you understand the power of sport.

You know that sport changes the way we see ourselves, and the way we see the world. Sport connects us with a shared language – the joy of a run, the thrill of a game, the power of movement, the calm of a deep breath. Sport builds community, opens minds, and changes hearts.

To me, that's what NIKE's potential for impact is all about. NIKE's mission is to bring inspiration and innovation to every athlete in the world. Our purpose is to move the world forward through the power of sport. And in the face of society's most pressing challenges, our belief is that sport can bring us together to change the world for the better.

More than 50 years ago, the passage of Title IX in the United States opened doors of opportunity for women and girls through sport. Within the same week, a small startup in Oregon would introduce its running shoes at the U.S. Olympic Track and Field Trials. And from the beginning, NIKE would define the word "athlete" through the lens of equality: "If you have a body, you are an athlete."

The way we see it, sport has always been one of society's most powerful catalysts for change. And over the years, what we've learned has moved NIKE forward, too.

Our inspiration comes in many forms, and from many voices. The teammates who help shape a more equal and inclusive culture. The coaches and community leaders who step up to expand access to youth sport. The innovators who help protect our planet, and the future of sport. The athletes who stand up, speak out, and push us to grow.

Above all, NIKE's journey is a work in progress. We continue to listen, learn, and evolve. We grow not just to serve today's athletes, but also for the next generation – the next Shelly-Ann, Ada, Li Na, Megan, Bebe, and Serena. The future changemakers. And just like the athletes we serve, we'll keep pushing to realize our full potential.

Sport moves us forward. It always has, and it always will.

John Donahoe  
President and CEO  
NIKE, Inc.



Introduction Letter from Michelle

# NIKE has long challenged itself to share its journey with humility and transparency.



Michelle Peluso,  
Chair, Corporate Responsibility,  
Sustainability & Governance Committee  
NIKE, Inc. Board of Directors

When I think about how NIKE leads with purpose, two words that come to mind are boldness and humility. NIKE has never been shy about setting bold, ambitious goals to create a better world through sport. Equally, NIKE has long challenged itself to share its journey with humility and transparency.

More than twenty years ago, the NIKE, Inc. Board of Directors first established a committee tasked with overseeing matters related to environmental and sustainability initiatives, labor practices, diversity and equal opportunity, and other issues related to corporate responsibility. Since then, NIKE's commitment to corporate purpose has only deepened and grown – building on the continuing commitment to strong governance, sustainable growth and responsible leadership.

Today, the Board's Corporate Responsibility, Sustainability & Governance Committee oversees NIKE's corporate governance, as well as the risks and opportunities associated with NIKE's three Purpose pillars – People, Planet, and Play. As a committee, our responsibilities include monitoring NIKE's progress against its five-year Purpose targets and long-term sustainability goals; providing oversight of significant Purpose-related strategies, activities, policies, investments and programs; and reviewing and providing guidance to management regarding the development of this annual Impact Report.

Purpose is embedded in NIKE's DNA, and continues to guide NIKE's growth. On behalf of the NIKE, Inc. Board, we are pleased to share this FY22 NIKE Impact Report.

Michelle Peluso  
Chair, Corporate Responsibility,  
Sustainability & Governance Committee  
NIKE, Inc. Board of Directors



# This year's report represents the second year of performance toward our 2025 targets.

## Our Targets

In 2005, NIKE published its first set of five-year Purpose targets, and we have stayed committed to this practice ever since. Today, we have a set of 29 ambitious corporate targets for the period from FY20 to FY25, focused on our Purpose across People, Planet and Play. These targets represent our multi-year commitment to drive impact, meet stakeholder expectations and align with NIKE's business priorities.

When we set our 2025 targets, we did so with the ambition that they be bold but attainable and measurable. Approaching the work with an athlete's mindset, our targets are meant to push us to the edges of what we can achieve – and in doing so, progress our enterprise meaningfully. Simply put, if we are easily crossing every finish line, then we need a race that is more challenging.

We work toward progress through strategic planning, piloting innovations, implementing solutions at scale and sharing best practices with our partners. Our approach distinguishes us because we:

- Connect executive compensation to progress toward our 2025 targets
- Leverage annual milestones and rigorous tracking to improve performance management
- Extend accountability of targets deeper into our value chain than ever before, specifically in the areas of carbon, waste, labor and supplier diversity
- Align with the United Nations Sustainable Development Goals and other frameworks

## About This Report

This year's report represents the second year of performance toward our 2025 targets. For each target, our report provides context on our goal and approach, details the initiatives underway to reach the target and updates on the results of our efforts. This includes reflecting on what areas of work have proven challenging, and sharing what plans we intend to pursue to address those areas in the future.

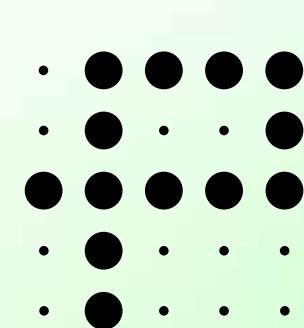
Throughout the report, we have included spotlights on the employees and athletes helping drive this work around the world, recognizing the people and stories behind our progress.

The final two sections of the report provide details on reporting methodology, Purpose governance, report assurance and data tables to provide additional transparency.

We know that success will not be linear, but accountability in this space means sharing our achievements and learning from our challenges openly – we are proud to do so in our FY22 Impact Report.



Introduction Impact Summary

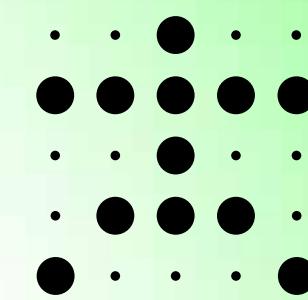


Play

There's an inclusive, welcoming place to play just around the corner.

# 375K

We have engaged 375k+ girls in local play and sport programs this year.



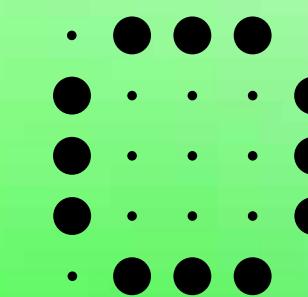
People

# 51%

51% of our global corporate workforce are women.

## MOVING THE WORLD FORWARD

We're well on our way to the world we want to see. It's a place where **women and girls** have a voice, inspire as athletes and serve as proud protectors of their planet. It's a world where everyone in our next generation sees a brighter future.

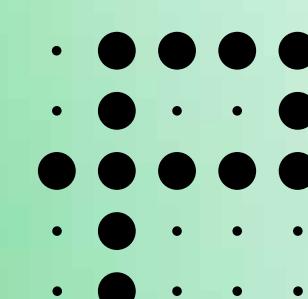


Planet

Your favorite college track star shares that she can train at any time of day without worries of excessive heat.

# 64%

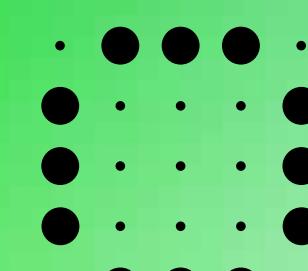
Since 2020, we've reduced Scope 1 and 2 emissions by 64% through multiple avenues including 93% renewable electricity.



Play

# 17K

In FY22, we supported 17k coaches with our training tools.



Planet

A world where waste is transformed into something new.

# 97%

97% of our waste is diverted from landfill, with 72% of our waste recycled.



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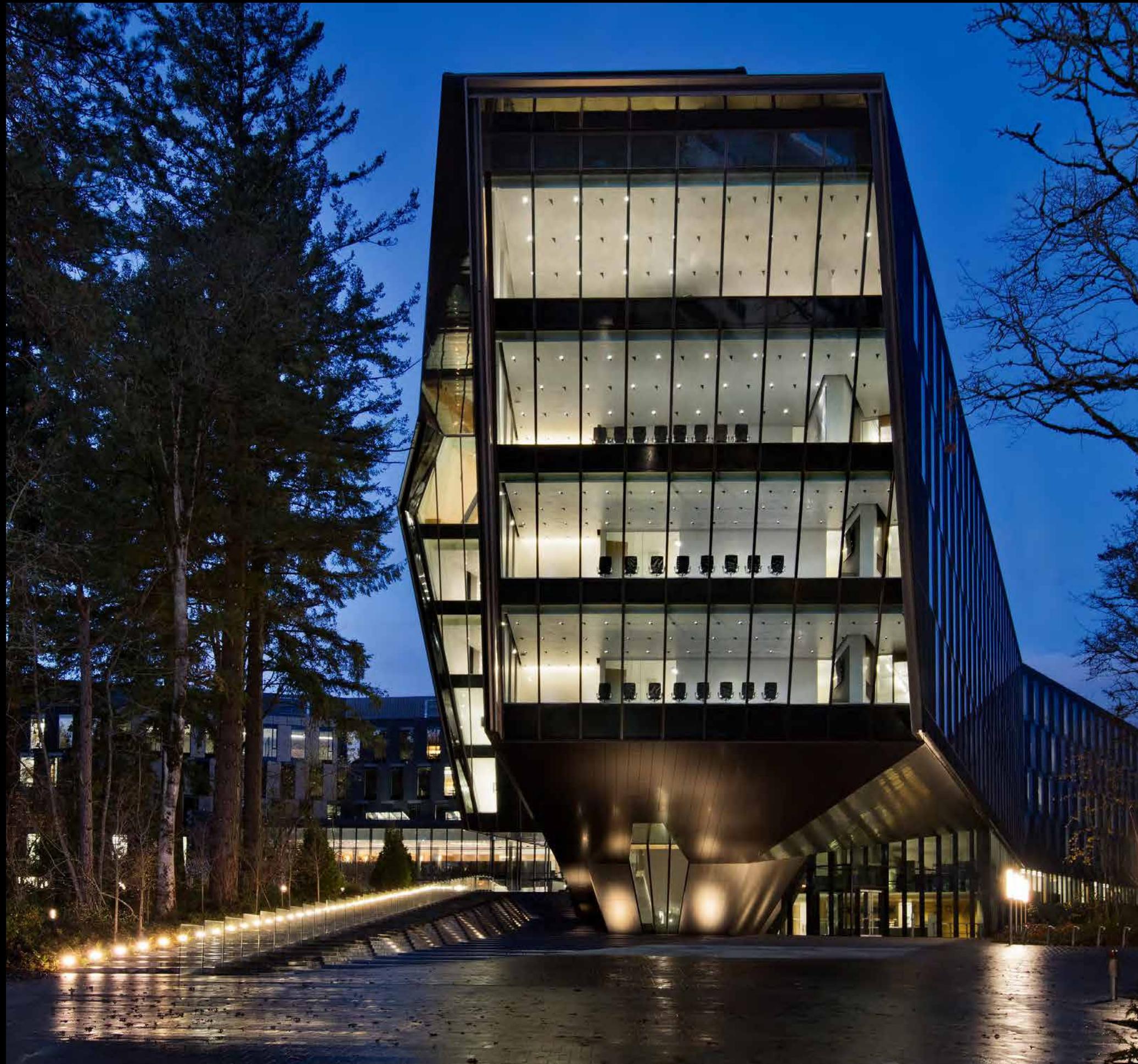
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## Introduction Safe Harbor Statement



### 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 not guarantees of future results or performance and are subject to certain known and unknown risks and uncertainties that are difficult to predict, are often beyond our control and 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 (the "SEC"), including our Annual Report on Form 10-K. Presented information may also discuss previously non-public financial and statistical information. Our approach to the disclosures included in this report and NIKE, Inc.'s corporate responsibility/sustainability reporting and website differs from our approach to the disclosures we include in our mandatory regulatory reports, including our filings with the SEC. This report and our corporate responsibility/sustainability reporting and website are intended to provide information from a

different perspective and, in certain cases, in more detail than that required to be included in our filings with the SEC. Climate-related science, data and methodologies are rapidly evolving; those underlying our climate-related analysis and strategy remain subject to evolution over time. For example, we believe the methodology of carbon accounting will continue to improve over time, especially as it relates to Scope 3 GHG emissions. As a result of improvements to the quality and completeness of our data and updates to our methodology over time, we may include information in future disclosures that differ from those contained in this report. Unless otherwise specified, all information (including forward-looking information) speaks only as of the date on which it is made, and we disclaim any obligation to update or delete any outdated information contained in this report or in our website materials. All content is the property of NIKE, Inc. This report contains third-party data. We have not, and do not intend to, independently verify third-party data. Actual results and outcomes may differ from those expressed in or implied in this report due to, among other factors, any applicable legal requirements and/or industry standards, in providing such data.



01

# 2025 TARGETS



<sup>10</sup>

FY22 Performance  
Summary



## Target Progression *People*

Favorable Increase/Decrease  
 Unfavorable Increase/Decrease

Target met

# PEOPLE

*Corporate*

## REPRESENTATION & HIRING

	Metric	FY20 <sup>1</sup>	FY21	FY22	FY22 change vs FY21	FY22 change vs Baseline	FY25 target
50% representation of women in global corporate workforce and 45% in leadership positions	% women in global workforce	50.2%	50.4%	51.1%	+0.6 p.p. <sup>2</sup> 	+0.9 p.p. <sup>2</sup> 	50%
	% women in leadership positions	39.3%	43.0%	44.1%	+1.1 p.p. 	+4.8 p.p. 	45%
30% representation of U.S. racial and ethnic minorities <sup>3</sup> at Director level and above	% U.S. racial and ethnic minorities at Director level and above	26.2%	30.5% <sup>4</sup>	34.5%	+4.0 p.p. 	+8.3 p.p. 	30%
35% representation of U.S. racial and ethnic minorities <sup>3</sup> in our U.S. corporate workforce <sup>5</sup>	% U.S. racial and ethnic minorities in U.S. corporate workforce	31.5%	34.5% <sup>4</sup>	38.8%	+4.3 p.p. 	+7.3 p.p. 	35%
\$10 million investment in Historically Black Colleges and Universities (HBCUs) and Hispanic-Serving Institutions (HSIs)	\$ invested (cumulative)	—	\$0.45M	\$1.75M	\$1.3M 	\$1.75M 	\$10M
Enhance opportunities and marketing of open roles for Firstline athletes <sup>6</sup> to compete for corporate roles	Qualitative	—	—	—	—	—	—



## Target Progression People

Favorable Increase/Decrease  
 Unfavorable Increase/Decrease

Target met

## Corporate

### PAY & BENEFITS

	Metric	FY20	FY21	FY22	FY22 change vs FY21	FY22 change vs Baseline	FY25 target
100% pay equity across all employee levels on an annual basis	\$ earned by men/women; \$ earned by white/U.S. racial and ethnic minorities	100%	100%	100%	—	—	100%
Provide competitive and equitable benefits for all employees	Qualitative	—	—	—	—	—	—

### INCLUSIVE CULTURE & ENGAGEMENT

Top quartile of benchmarked companies for both engagement <sup>7</sup> and inclusion <sup>8</sup>	Average percent favorability engagement <sup>9</sup>	—	80%	79%	-1.0 p.p. 	—	Top Quartile FY22: 83%
	Average percent favorability inclusion <sup>9</sup>	—	75%	77%	+2.0 p.p. 	—	Top Quartile FY22: 82%
Continue to focus on improving access to athletes* of all abilities for our brand, our experiences, our product, our facilities and our company	Qualitative	—	—	—	—	—	—

### EDUCATION & PROFESSIONAL DEVELOPMENT

100% of Vice Presidents complete and be credentialed on Inclusive Leadership education	% VPs completing training	—	0%	45% <sup>10</sup>	+45 p.p. 	—	100%
2x investments focused on professional development for racial and ethnic minorities in the U.S. and women globally	\$ invested in professional development	\$76K	\$85K 1.1x	\$685K 9.0x	\$600K 	\$609K 	2x

### BUSINESS DIVERSITY & INCLUSION

\$1 billion cumulative spend on diverse suppliers <sup>11</sup>	\$ spent on diverse suppliers (cumulative)	—	\$282M <sup>12</sup>	\$777M	+\$495M 	\$777M 	\$1B
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## Target Progression People

Favorable Increase/Decrease  
 Unfavorable Increase/Decrease  
 Target met

Supplier<sup>13</sup>

## HEALTH & SAFETY

	Metric	FY20	FY21	FY22	FY22 change vs FY21	FY22 change vs Baseline	FY25 target
100% of strategic suppliers <sup>14</sup> are building healthy and safe workplaces <sup>15</sup>	% suppliers with Level 3 health and safety maturity	22%	27%	46%	+19 p.p. 	+24 p.p. 	100%

## GENDER EQUITY

	Metric						
100% of strategic suppliers <sup>14</sup> have gender equitable workplaces <sup>16</sup>	% suppliers achieving mature gender-equitable capability	—	0%	2%	+2 p.p. 	+2 p.p. 	100%

## WORKER ENGAGEMENT

	Metric						
100% of strategic suppliers <sup>14</sup> are measuring and improving worker engagement <sup>17</sup>	Strategic suppliers measuring and improving engagement	—	0%	21%	+21 p.p. 	+21 p.p. 	100%

Foundational Expectations<sup>18</sup>

## CODE OF CONDUCT<sup>19</sup>

	Metric						
100% of facilities in our extended supply chain meet NIKE's foundational labor, health, safety and environmental standards	% compliance with Foundational Expectations	94%	85%	60%	-25 p.p. 	-34 p.p. 	100%
	% of facilities measured for compliance of anticipated total scope	66%	79%	97%	+18 p.p. 	+31 p.p. 	100%



# PLANET

## CARBON

	Metric	FY20	FY21	FY22	FY22 change vs FY21	FY22 change vs Baseline	FY25 target
70% absolute reduction of greenhouse gas (GHG) emissions in owned or operated facilities through 100% renewable electricity and fleet electrification <sup>20, 21</sup>	Owned or operated facility GHG emissions (metric tons CO <sub>2</sub> e)	213,152	122,882	75,768 <sup>22</sup>	-38% 	-64% 	-70%
	% renewable electricity	48%	78%	93% <sup>22</sup>	+15 p.p. 	+45 p.p. <sup>23</sup> 	100%
0% emissions change in manufacturing and transportation <sup>24</sup>	Manufacturing and transportation GHG emissions (metric tons CO <sub>2</sub> e)	3,650,162	2,864,812	3,086,965	+8% 	-15% 	0% change
0.5M metric tons emissions reduction through 50% environmentally preferred materials (EPM) <sup>25</sup>	Materials GHG emissions reduced (metric tons CO <sub>2</sub> e)	96,020	123,367	182,611	48% 	90% 	500,000
	% EPM	31%	32%	39%	+7 p.p. 	+8 p.p. 	50%



## Target Progression *Planet*

Favorable Increase/Decrease  
 Unfavorable Increase/Decrease

Target met

## WASTE

Metric	FY20	FY21	FY22	FY22 change vs FY21	FY22 change vs Baseline	FY25 target
10% waste reduction per unit in manufacturing, distribution centers (DCs) and headquarters (HQs) <sup>26</sup>	Waste/unit (g/unit)	292.38	274.58	269.40	-2%	-8%  -10%
100% waste diverted; 80% recycled in manufacturing, packaging, DCs and HQs <sup>27</sup>	% waste diverted from landfill and incineration	96%	97%	97%	0%	+1%  100%
	% waste recycled	68%	70%	72%	+2 p.p.	+4 p.p.  80%
10x finished product waste (FPW) refurbished, recycled or donated <sup>28</sup>	FPW collected and recycled or donated (units)	1.28M 1.9x	2.44M 2.4x	3.11M	+0.66M	+1.83M  10x

## WATER

25% reduction in freshwater usage per kg textile dyeing and finishing <sup>29</sup>	Freshwater use/kg textile dyeing and finishing (L/kg)	84.36	78.68	76.91	-2%	-9%  -25%
13B liters water restored in our extended cotton supply chain <sup>30</sup>	Water restored (L)	0.65B	2.06B	3.72B	+1.66B	+3.07B  13B

## CHEMISTRY

Adopt clean chemistry alternatives for our 10 priority chemistries across our supply chain	# priority chemistries with clean chemistry alternative	0	0	0	—	—	10
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## Target Progression Play

Favorable Increase/Decrease

Unfavorable Increase/Decrease

Target met

# PLAY

## ACTIVE KIDS

Metric	FY20	FY21	FY22	FY22 change vs FY21	FY22 change vs baseline	FY25 target
Drive sustained community impact by getting kids moving in our key cities and sourcing backyards with 50% girl participation	—	52% <sup>31</sup>	50%	-2 p.p. 	—	50%

## INCLUSIVE COMMUNITY

Invest \$125 million to support organizations working to level the playing field and addressing racial inequality	\$ invested (cumulative)	—	\$36.6M	\$69.6M	\$33M 	\$69.6M 	\$125M
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## EMPLOYEE ENGAGEMENT

Increase the number of employees engaged in their communities to a minimum of 35%	% of employees engaged in their communities	37%	35%	35%	—	—	35%	
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## COMMUNITY INVESTMENT

Invest 2% of prior-year, pre-tax income to drive positive impact in communities	% of prior-year, pre-tax income invested	1.9%	3.4%	2.2%	-1.2 p.p. 	+0.3 p.p. 	2%	
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## Target Progression Footnotes

- 1 FY20 was the target year for our FY20 targets (FY15–20) and is the baseline year for the majority of our 2025 targets. The continual expansion of our Purpose targets' depth and breadth is a key element of our strategy. As such, we introduced new areas included in target scope with the 2025 targets. As a result, in many cases, FY20 values disclosed in the FY20 NIKE Impact Report differ from those provided in this report, reflecting the more inclusive measurement scope in our most current targets. For the nine Planet targets and the three Supply Chain targets, the target year (when target value achievement is measured) is considered the full FY25. For the Foundational Expectations target and the People targets, FY25 Q4 constitutes the final measurement period.
- 2 p.p. = percentage points.
- 3 U.S. racial and ethnic minorities as defined by EEO1 categories including American Indian or Alaskan Native, Asian, Black or African American, Hispanic/Latino, Native Hawaiian or other Pacific Islander.
- 4 Updated from FY21 Report based on changes in how employees self identify.
- 5 U.S. corporate workforce includes all U.S.-based full-time employees who do not work in our retail stores, distribution centers (DCs) or Air Manufacturing Innovation (Air MI).
- 6 Firstline athletes include full-time employees who work in our retail stores, DCs or Air MI.
- 7 This index measures the emotional commitment our teammates have for NIKE, influenced by their day-to-day experiences.
- 8 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.
- 9 Due to change in vendor, we are no longer able to measure our percentile metric. We are able to measure our percent favorability, and assess whether we score within the top quartile. See target narrative for further detail.
- 10 Due to terminating our relationship with our credentialing vendor, we would like to note that moving forward we will be using an internal credentialing program and that our target progression in FY22 should be viewed as a standalone year.
- 11 A diverse supplier is one that must be majority (at least 51%) owned, operated, managed and controlled by a diverse\* person or persons who are either U.S. citizens or lawful permanent residents. \*A "diverse person" may be defined as a minority\*\*, woman, disabled, LGBTQ and/or veteran. \*\*Minority is defined as African American, Hispanic, Asian American, Native American, Pacific Islander or other types of ethnic minorities here in the United States.
- 12 The basis for the revised spend data is based on three driving factors: We validated existing suppliers that qualified as diverse, but were not previously designated. This included researching the suppliers' certification, that the certification had been accurately recorded in our systems, and that the resulting spend data was reflected correctly. We have increased our outreach to Tier 1 suppliers (prime contractors) to report their Tier 2 (subcontractor) spend. We increased our survey scope from 16 to 200 suppliers (representing the majority of total indirect spend). This resulted in suppliers retroactively reporting their historic Tier 2 spend, which was not previously asked for by NIKE. We have been able to significantly improve the frequency and maturity of our data quality (validation) reviews.
- 13 Targets focused on Tier 1 finished goods and Tier 2 materials suppliers within our extended supply chain and their workers.
- 14 Strategic suppliers: strategic finished goods suppliers; suppliers representing approximately 80% of total footwear and apparel production.
- 15 Healthy and safe workplaces: Supplier must reach Level 3 safety and health maturity on Culture of Safety Maturity Assessment.
- 16 In order to reach mature gender equity, suppliers must achieve an overall Gender Equity Self-Diagnostic Tool (SDT) score of 71% and perform at a certain threshold in each of the SDT's 10 domains. The baseline for this target was created in FY21 as the tools to measure didn't exist when the target period started. While none of the strategic suppliers reached a mature level of gender equity in FY21, more than 95% of suppliers met our FY21 milestone to deploy and validate the SDT, develop an action plan and implement actions.
- 17 Criteria for measuring and improving engagement must be met for the factory to count toward the target key performance indicator of measuring and improving. While most suppliers have started to measure worker voice in their facilities, none have advanced to the next phase, which involves responding to and improving worker experience. We will begin reporting on progress next year as suppliers begin to enter this next phase. The baseline for this target was created in FY21 and this information wasn't measured in FY20.
- 18 Targets focused across the NIKE supply chain – including Tier 1 finished goods and Tier 2 materials suppliers, their workers and facilities, as well as NIKE employees at owned-and-operated facilities (Air MI and DCs).
- 19 The Nike Code of Conduct and Code Leadership Standards lay out the minimum standards we expect each supplier facility to meet. Our scope for this target includes Tier 1 finished good suppliers, Tier 2 material suppliers representing approximately 90% of our footwear uppers and apparel materials, focus DCs representing at least 80% of volume, and our NIKE owned or operated manufacturing facilities (Air MI).
- 20 Target represents NIKE's Scope 1 and 2 emissions footprint, including facilities and HQ fleet vehicles, and corporate jets.
- 21 FY15 is the baseline for NIKE's RE100 target, which was 14% renewable energy.
- 22 This metric is part of Management's Assertion on select sustainability metrics, which PwC has performed limited assurance over for the period from June 1, 2021, to May 31, 2022, as indicated in the Assurance Report.
- 23 Renewable electricity use was 14% when the baseline for this target was created.
- 24 Scope includes suppliers representing approximately 80% of total footwear and apparel production; suppliers representing approximately 80% of total footwear upper materials and apparel textiles production; and about 95% of both inbound and outbound transportation.
- 25 Footwear EPMs: recycled polyester, recycled rubber, leather that reduces NIKE's enterprise carbon impact; currently includes synthetic leather and NIKE's non-leather substitute for leather, Flyleather. Apparel EPMs: recycled polyester, organic cotton, recycled cotton, third-party certified cotton.
- 26 Scope includes packaging applied in finished goods manufacturing; suppliers representing approximately 95% of total footwear production; Air MI; DCs; and HQ locations. Apparel manufacturing waste not yet included in reporting scope as data sources for target tracking are under establishment.
- 27 Scope includes suppliers representing approximately 95% of total footwear production and about 60% of apparel; Air MI; DCs; and HQ locations. Diverted: Includes waste to energy incineration, recycled waste and composted waste. Recycled: Includes recycled and composted waste.
- 28 FPW consists of unsellable inventory in NIKE's marketplace (product deemed as unsellable through normal sales channels including aged inventory, samples, defectives, consumer returns) and end-of-life product owned by the consumer. We use an apportioned methodology when accounting for units recycled, to address the constraint that a full unit cannot always be recycled. To avoid overclaiming benefits from recycling, we only count the portion of the unit that is recycled in our target performance numbers.
- 29 Scope includes suppliers representing approximately 80% of total footwear upper materials and apparel textiles production.
- 30 Restored through a portfolio of projects that support long-term resilience for water-stressed ecosystems and communities within our extended cotton supply chain.
- 31 FY21 percentage has been updated for consistency with FY22 data which is inclusive of girls ages 0 through 17.

# 02 PEOPLE

## CORPORATE

- <sup>21</sup> Representation & Hiring
- <sup>41</sup> Pay & Benefits
- <sup>51</sup> Inclusive Culture & Engagement
- <sup>60</sup> Education & Professional Development
- <sup>63</sup> Business Diversity & Inclusion

## SUPPLIERS

- <sup>65</sup> Health & Safety
- <sup>70</sup> Gender Equity
- <sup>74</sup> Worker Engagement

## FOUNDATIONAL EXPECTATIONS

- <sup>80</sup> Code of Conduct





Being seen, heard and included is much more than a numbers game. But by measuring our progress and charting representation across gender, race, ethnicity and identity, **we keep ourselves accountable.**

In doing so, **we're moving closer to achieving the equity that every team, supplier, partner and organization we work with deserves.**



# ADDRESSING THE FUTURE

*with  
Serena Williams*





People Future Address

*"I've always believed the world isn't one color. At Serena Williams Design Crew, we come from different backgrounds and think differently."*



I picked up my first racquet at the age of five. I was a kid in Compton, a place that was most definitely not known for churning out world-class tennis athletes.

My sister, Venus, and I knew that the courts we practiced on weren't opened with us in mind. But we made them our own. As my game grew and my career advanced, I understood that so many elements of the game – from the rules to the gear – weren't designed for players like me. Whether it was the fit, the form, the function or the style, I was not represented and I had to make it my own.

Today my voice reaches far beyond sport. So I'd be remiss if I didn't fiercely advocate for the next generation of female players and young Black and Brown creators. Often overlooked in design fields, the creative contributions we have yet to make are what's needed to make our world brighter, bolder and better. Whether on the court or in the studio, seeing more players and designers like me and like you, who are not afraid to bring our best game will make all the difference. It is what will dare people, like you and my young daughter, to dream even bigger, and maybe even achieve a major award – or a grand slam – or two.

To create such a future, I partnered with NIKE in 2019 to build the Serena Williams Design Crew



(SWDC). Each year we choose 10 up-and-coming designers of diverse backgrounds and perspectives, with the mission of seeding a new era in design and expanding sport for a new generation. Much like me, the SWDC apprentices have a bold and progressive vision. I want to empower them to not follow trends, but instead create them.

I've always believed the world isn't one color. What some say does not match, ends up coming together beautifully. At SWDC, we represent different backgrounds and think differently. When we bring all that diversity together, just imagine the amazing things that we'll create...

I can see it and I hope you can see it, too.

*With gratitude,  
Serena*  
*Serena*



## People: Corporate Representation & Hiring

Quantitative Target

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

Our mission hasn't changed. NIKE wants to be a leader in building a diverse, inclusive team and culture, and this target is important in our work to create the equitable playing field of the future.

Gender equity in the workplace is part of our goal of creating an environment that enables self-identified women to reach their full potential and reflect the female athletes and the communities where we live, work and play.

Our FY21 representation of women in our global corporate workforce (50.4%) increased by 0.7 percentage points to 51.1% in FY22, allowing us to surpass our target. And, we went from 43% of women in leadership positions to 44.1% in FY22, 0.9 percentage points shy of our 45% 2025 target.

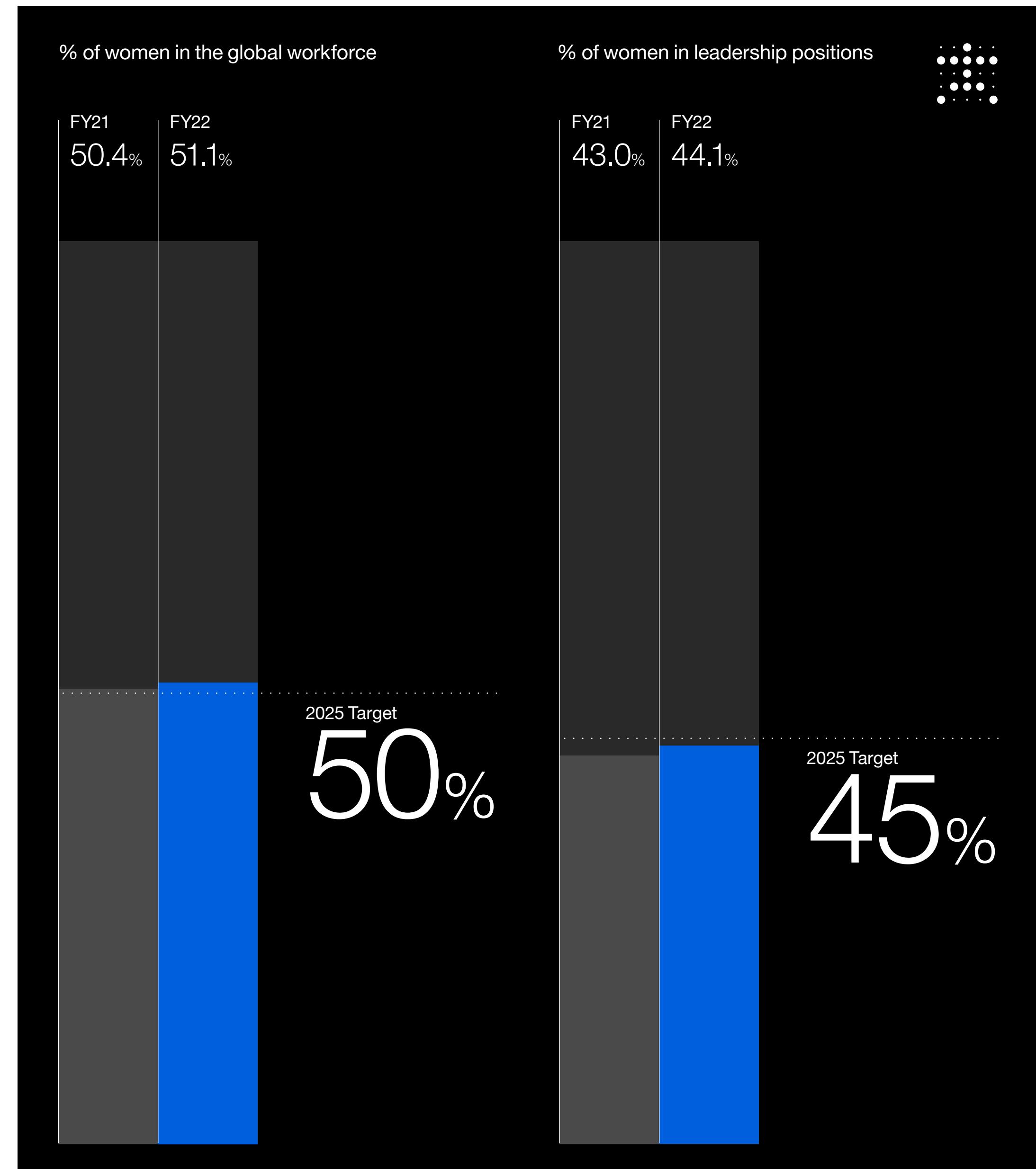
We continued to expand our diversity recruitment, talent development and retention practices, adopting a data-driven approach to guide our actions and decisions.

#### People Profile



**Jasmine Jordan**  
Basketball Field Rep,  
Women's Sports  
Marketing

*"When we set out to build the largest WNBA roster in Jordan Brand history – it wasn't about setting records, it was about setting the standard. We wanted to show off the depth and diversity of play across the women's game, and to create a legacy that invites in a new generation onto the court with us."*





## People Representation & Hiring



We also continued to build deeper and stronger relationships with 10 strategic women-only external partners, including Girls in Tech, Grace Hopper Celebration, Latinas in Tech, Lesbians Who Tech, Women Back to Work and the Society of Women Engineers, to help drive representation, retention and development opportunities.

In addition to helping NIKE source candidates from a variety of backgrounds, these partnerships offer unique benefits, supporting career development through professional memberships, leadership and technical trainings, networking and team building. NIKE's diverse group of employees participated in 50 Diversity, Equity and Inclusion (DEI) conferences in FY22, of which 12 focused on professional women and their needs. For example:

## FOCUSED LEADERSHIP DEVELOPMENT PROGRAM (FLDP)

An opt-in program in partnership with world-class, expert leadership development firms, the purpose of the FLDP is to help accelerate the movement, representation and retention of talent. Many of the offerings include leadership development programs focused on workplace and leadership

experiences specific to gender identity, race and/or ethnicity, and sexual orientation. The purpose of the FLDP is to help accelerate the movement, representation and retention of talent.

## ADVANCING WOMEN EXECUTIVES (AWE) MANAGER ACCELERATOR

A cohort-based series of professional development courses for Manager to Senior Director level women, ADL supports career advancement through highly-interactive, learning-focused sessions. Participants gain access to best practices and new tools that help them be more effective as business leaders, and a wide network of like-minded peers. The courses are facilitator-led and include opportunities for networking and individualized support.



## People Representation & Hiring



## LEADERSHIP EDUCATION FOR ASIAN PACIFICS (LEAP)

A retreat in Hawaii for Asian Americans and Pacific Islander (AAPI) women, LEAP is a first-of-kind leadership development and wellness program for those who identify as women in the AAPI community.

Internally, we have continued to work to accelerate the career trajectory of women in the workplace by investing in signature programs to increase a sense of belonging, community and professional development. For example:

## WOMEN IN NIKE (WIN)

Building on the success of the previous cohorts, in FY22 we expanded this 24-month program designed for retired and retiring Women's National Basketball Association (WNBA) players. The 16 fellows in Cohort 3 joined the WIN community and received immediate support and mentorship

LEAP Women's Retreat

from Cohort 1 and 2 alumni, executives, their managers, peers and the NikeUNITED Networks. In FY22, we added new investments in professional development opportunities through stronger internal and external partnerships. Based on the positive response from over 40 WIN participants and their managers, we are expanding the WIN program in FY23 to also include former U.S. track & field athletes.

## VALARI

In FY21, we launched Valari, a nine-month fellowship that engaged the talents of former caregivers who have already paved a way in the technology industry and are eager to get back in the game. The program provided curated learning experiences for managers and fellows to accelerate their leadership development, including career coaching, executive sponsors and NikeUNITED Networks support, as well as mentorship. In FY22, all Valari fellows were offered and accepted full-time Director-level positions in the technology organization, landing on teams that are critical to our overall Consumer Direct Acceleration offense, including Enterprise Data and Analytics, and Technical Product Management.

### People Profile



**Kelly Zhou**  
Retail District Director of Zhejiang Province; Women of Nike & Friends Employee Resource Group Volunteer

*"I am very proud to inspire personal growth and career advancement with my women athlete peers by encouraging store athletes to participate in discussions on women's topics and share their experiences at community events."*



# Our Women of NIKE and Friends Network has a mission to empower, inspire and invest in women at NIKE.

## LEADERSHIP DEVELOPMENT PROGRAMS

We identify and nurture high-potential individuals to help develop strong talent for the future. In FY22, we revamped the curriculum of two signature programs focused on Directors and Senior Directors, and we continued to offer mentorship and on-the-job training. We also provided development opportunities with external partners.

At the executive level, we regularly conduct talent assessment evaluations that inform the types of training opportunities offered to our most senior leaders, including women in senior leadership positions. We leverage a variety of programs, including executive coaching, 360-degree reviews that better inform individual development plans, and quarterly executive development meetings.

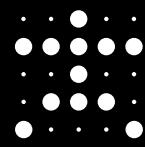
## WOMEN OF NIKE AND FRIENDS NETWORK (WON)

Since its establishment in 2010, WON continues to play a significant role in supporting gender equity in the workplace. Its mission is to empower, inspire and invest in women at NIKE, which it activates through three pillars of focus: community, career development and connection. In FY22, WON expanded its reach from 35 to 48 countries, hosting a variety of events and reaching more than 10,000 members globally.

In FY23, WON will work to elevate the needs of the women of NIKE through community building and career development opportunities, all while continuing to listen and learn, taking a data-driven approach, conducting surveys, and sharing insights with the business and its members.



## People Representation & Hiring



Quantitative Target

### 30% representation of U.S. racial and ethnic minorities at Director level and above

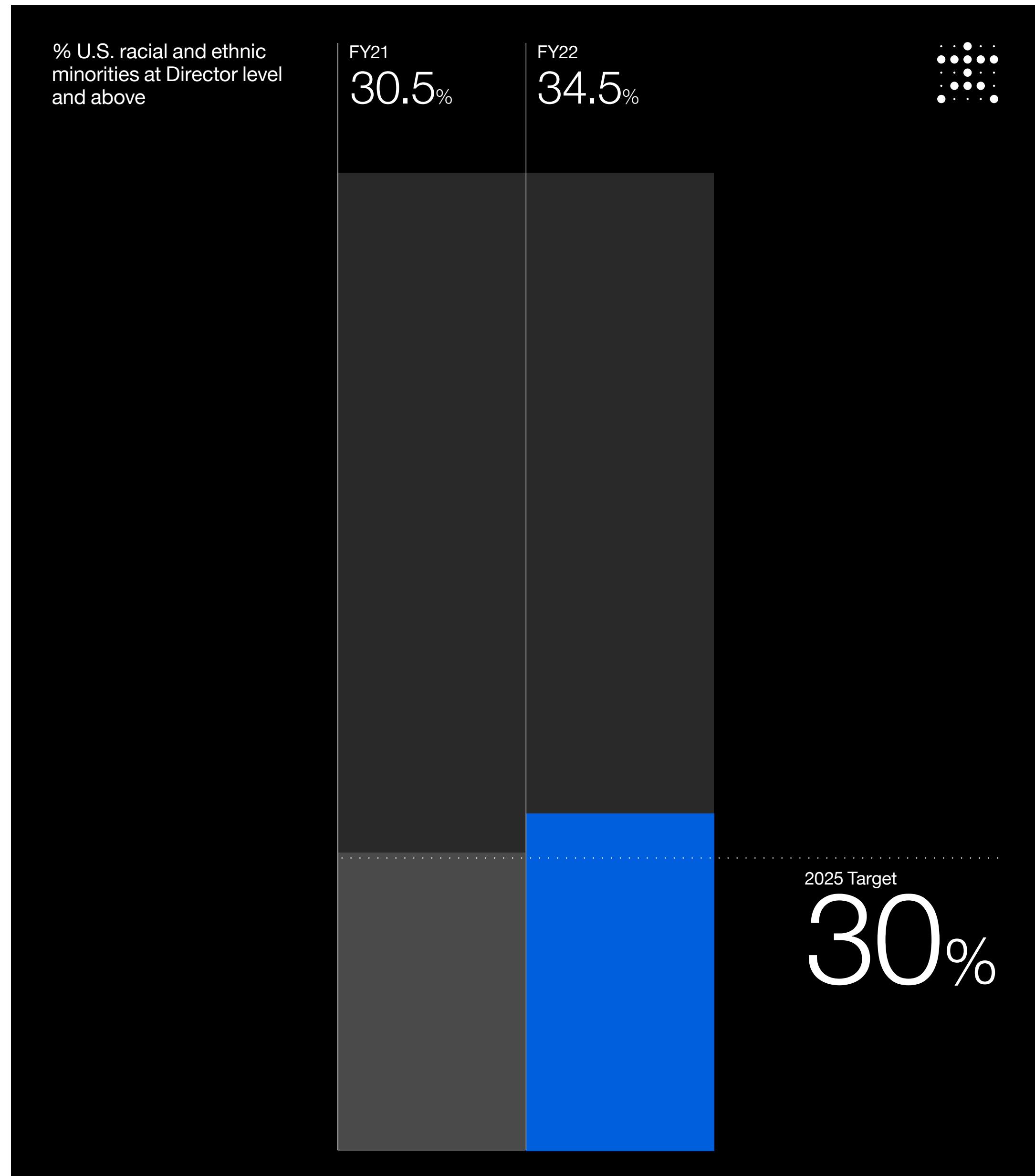
At NIKE, we are committed to attracting and fostering racial and ethnic minority leaders as we continue to create an inclusive culture and innovative company. We believe that a diverse leadership allows us to not only serve our consumers and their communities better, but also be a better company.

We have focused our efforts in two different areas: hiring new, world-class talent, and retaining them, which includes developing and promoting internal talent across all levels and across all U.S. racial and ethnic minorities.

In FY22, we increased the percentage of U.S. racial and ethnic minorities at Director level and above to 34.5%. This is a four percentage point increase, putting us above our 2025 target of 30% in FY22.

Our DEI strategy has focused on increasing representation through key partnerships with organizations like The Alumni Society, driving awareness of NIKE as a career destination for racial and ethnic minorities, offering focused development opportunities for a diversity of internal talent at the mid-level and above and enhancing the day-to-day sense of community for a diversity of populations at NIKE.

For example, in FY22 we continued to expand participation in McKinsey & Company's management program for mid-level leaders and McKinsey Academy for our Senior Directors, Vice Presidents and CNEXT platform emerging leaders. We continued to invest in NikeUNITED Networks and have steadily increased participation in NIKE's DEI mentorship program for corporate employees in the U.S., which strives to further promote equity, opportunity, belonging and inclusivity. In FY22, 1,028 employees participated in the program across 19 functions, and 98.5% of participants found the program a "valuable experience overall."





## People Representation & Hiring



NIKE Black  
Employee Network  
& Friends  
Skate Night

## OUR NIKEUNITED NETWORKS

The NikeUNITED Employee Networks bring together employees and allies who represent the unique experiences, perspectives, and ideas of our diverse global employee team. Networks serve to advance the development of their members, promote NIKE cultural awareness, and demonstrate our commitment to Diversity Equity, & Inclusion in the communities where we live and work. All the Networks have Executive Leadership sponsorship and meet regularly with Executive Leadership and our President and CEO, John Donahoe.

- 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 ConverseUNITED, including Converse Mosaic Network, Converse Pride Network, Women of Converse, Converse Military Veterans and Converse Abilities Network.

More information can be found at [NikeUNITED](#).



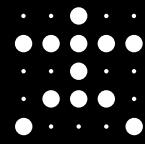
## People Representation & Hiring

### Leadership Positions (Director Level and Above) – Racial Category

	FY21		FY22		Change FY21–FY22	
	#	%	#	%	#	p.p.
American Indian or Alaskan Native (Not Hispanic/Latino)	9	0.2%	14	0.3%	5	0.1 p.p.
Asian (Not Hispanic/Latino)	610	13.6%	760	15.5%	150	1.9 p.p.
Black or African American (Not Hispanic/Latino)	256	5.7%	333	6.8%	77	1.1 p.p.
Hispanic/Latino	285	6.4%	340	6.9%	55	0.6 p.p.
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	9	0.2%	8	0.2%	-1	0.0 p.p.
Two or More Races (Not Hispanic/Latino)	196	4.4%	236	4.8%	40	0.4 p.p.
Unknown	35	0.8%	49	1.0%	14	0.2 p.p.
White (Not Hispanic/Latino)	3,073	68.7%	3,164	64.5%	91	-4.2 p.p.
<b>Total</b>	<b>4,473</b>	<b>100%</b>	<b>4,904</b>	<b>100%</b>	<b>431</b>	



## People Representation & Hiring



Quantitative Target

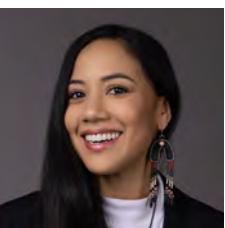
### 35% representation of U.S. racial and ethnic minorities in our U.S. corporate workforce

In FY22, NIKE increased from 34.5% to 38.8% representation of U.S. racial and ethnic minorities in the U.S. corporate workforce, seeing a 4.3 percentage points increase, and surpassing the 2025 target three years early.

We are continuing our commitment to increasing overall representation of racial and ethnic minorities in the corporate workforce by investing in new hiring and retention practices and focusing on targeted development offerings for racial and ethnic minorities in the U.S.

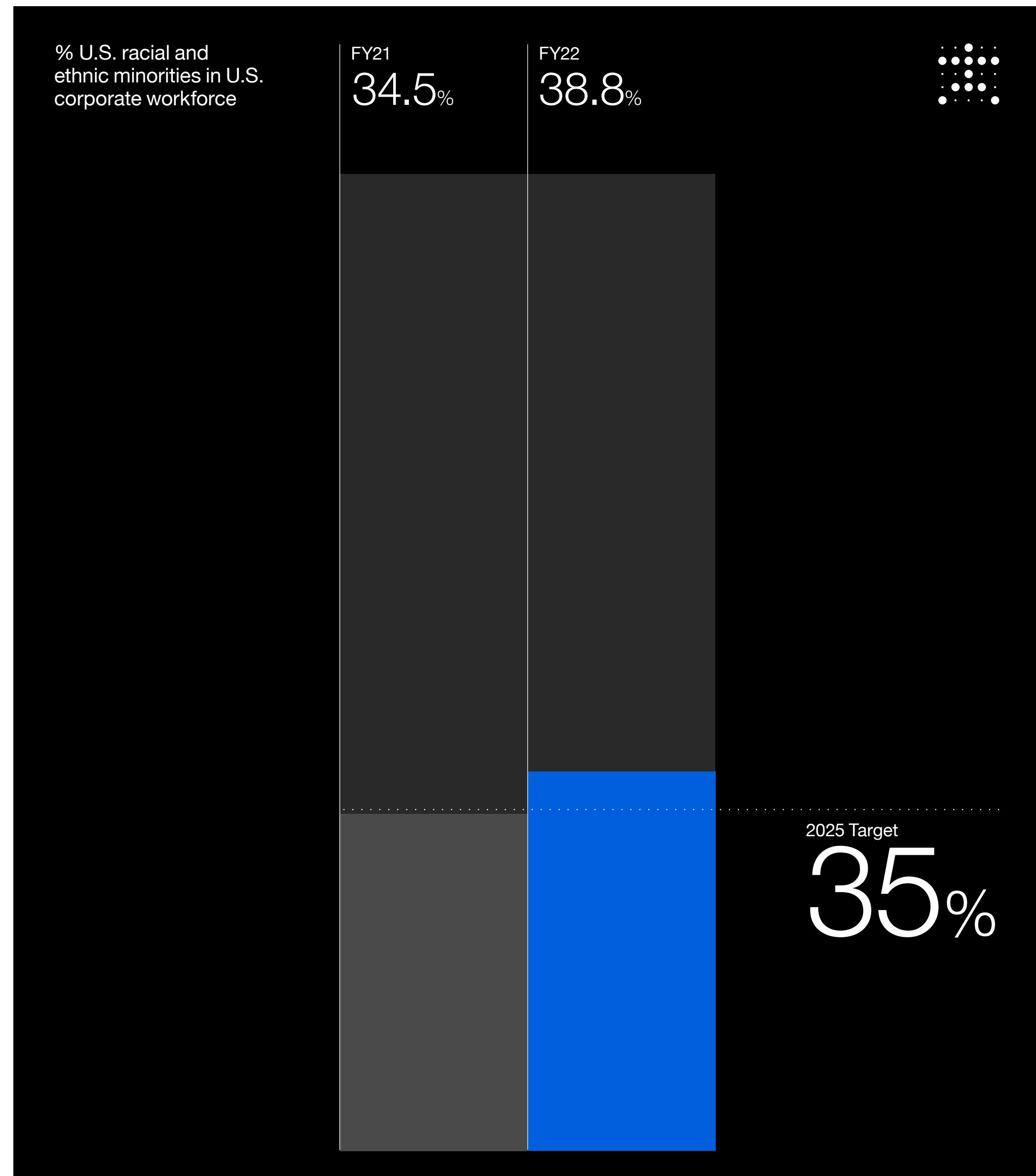
From a hiring perspective, we have increased our DEI partnerships and financial commitments to include 50 organizations as part of our efforts to diversify our candidates.

#### People Profile



**Izzy Yasana Hawley**  
NA Consumer Direct  
Marketing Unite Manager  
Klamath | Modoc | Filipina

*"I have an overwhelming sense of pride as I reflect on the work that the Native American Network is doing and will do for our community. My passion and purpose is to provide positive representation and visibility for Indigenous peoples, and to amplify sustainable change within NIKE and beyond."*





## People Representation & Hiring



Member of the  
Converse All Star  
Design Team

NIKE sponsored L'ATTITUDE, a business-based national initiative and event bringing together over 3,000 leaders focused on the New Mainstream Economy and the U.S. Latino cohort. NIKE's engagement included a Fireside Chat with our President and CEO, John Donahoe and a session on Powering Latina Leadership with NIKE board member Mónica Gil, and additional sessions featuring NIKE executives, athletes and partners, with discussions celebrating Latina leaders in sport and mental wellness. NIKE's presence at L'ATTITUDE brought together NIKE LatinX teammates across all levels and functions, including representation from LatinX executives, the Latino & Friends Network and NIKE retail athletes.

Working in partnership with Raedio, LLC, NIKE sponsored Issa Rae's HOORAE Takeover – a four-day festival celebrating Black creatives in art, music, media and other fields. NIKE's participation included an innovative community activation led by NIKE's Until We All Win grantee and nonprofit partner, Beyond the Ball. The event, "NIKE Storytelling by Design," engaged local students from Howard University for a sneaker design competition. This competition culminated with an

inspiring storytelling panel featuring NIKE designers, followed by a design pitch from five student teams, with the winning team receiving scholarships.

NIKE launched a series of career content in partnership with Blavity, featuring three Black NIKE technologists from varying levels within the company. The series celebrates our technologists and their professional journeys, as well as achievements throughout their careers. The series received 214,000 impressions, reaching a global audience through Blavity and NIKE channels.

NIKE continues to support Harlem's Fashion Row, a key strategic partner whose mission is to build community and elevate the voice and work of multicultural designers. We hosted the third Annual Harlem's Fashion Row Designer Retreat presented by NIKE, bringing together designers of color for a multiday summit featuring notable designers and brands. This event provides resources and creates space for designers to learn tools and develop relationships that will help this community grow their brands and advance their careers.

The Converse All Star Design Team (ASDT) apprenticeship program actively allows young creatives from diverse cultural and educational backgrounds to be part of the Converse Design and Innovation team, with the two-fold goal of potentially converting the apprentices to full-time employees and strengthening the design community by adding more diverse talent and perspectives. We grew our outreach from 210 creatives in Year 1 to over 300 in Year 2, specifically targeting the Boston, New York City and Philadelphia metro areas. For both years, creatives were narrowed down to classes of 15 design apprentices. Year 1 saw six apprentices join the Converse Design and Innovation team in roles across the function. Of the six, three have been converted to full-time employees. Year 2 saw four apprentices join Converse Design and Innovation team in roles across the function.

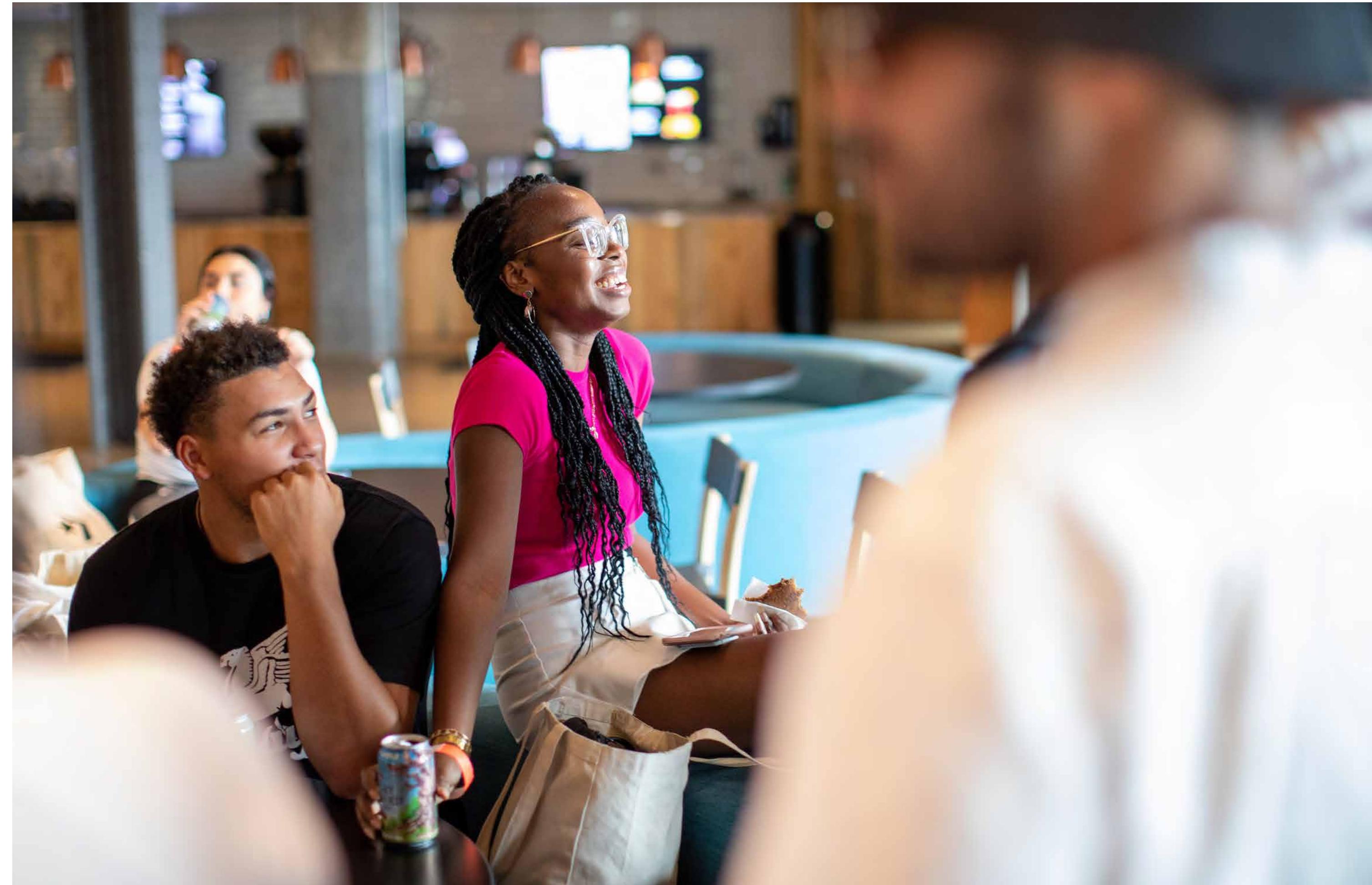
Additionally, 31 employees received their first bachelor's degrees at the University of Memphis with support from Lane Four, NIKE's tuition-paid benefit program in partnership with the University of Memphis for North America Distribution Center and Air Manufacturing Innovation (Air MI) teammates.



## People Representation & Hiring

For the Converse intern program, the University Relations team has prioritized expanding its relationships and consideration set for the application pool, in terms of cities and schools. The team has several sourcing strategies to ensure roles are posted and accessible to as many students as possible across the U.S. For FY22, Converse had a cohort of 20 interns, with 50% female participation and 80% from U.S. racial and ethnic minorities. This is the most diverse intern class to date at Converse.

We also continued the rollout of the mentorship program for managers and above, which strives to promote equity, opportunity, belonging and an inclusive culture. In FY22, we launched the fifth cohort of DEI mentorship, with a total of 1,028 participants across 19 different functions. The cohort, which reported a satisfaction rate of 98.5%, will be expanded in FY23 with pilots in Converse and outside of corporate, hopefully leading to a global expansion.



Participants in  
the Converse  
internship program

## People Representation & Hiring

# NATIVE AMERICAN NETWORK (NAN)

NAN's work throughout FY22 had measurable impact in each focus area, with highlights including representation, visibility and community.

As it relates to representation, NAN featured 32 speakers, seven guests and 160 Indigenous community members and advocates at various internal and external events. The third annual NIKE Footprint Summit focused on increasing representation of Indigenous talent at NIKE by identifying tangible solutions that lead to real change.

On the visibility front, hundreds of teammates attended Native American Heritage Month (NAHM) events, and dozens of tribal flags flew at the third annual NAHM flag-raising ceremony at NIKE World Headquarters.

When it comes to community, NAN partnered with the White House and the Center for Native American Youth to discuss sports and mental health at the White House Tribal Youth Forum. In addition, NAN elevated Indigenous artists and activists through the power of NikeUNITED's larger network.

As part of its ongoing network strategy, NAN has five main priorities for FY23:

- Increasing Indigenous representation to 3% by partnering with internal and external talent acquisition specialists to create the recruitment pathways needed to meet the goal
- Celebrating Indigenous athletes by featuring events such as Haudenosaunee National Lacrosse Team signing
- Building and celebrating community by hosting events that celebrate, educate and empower friends and allies
- Including all new programing for Indigenous Peoples' Day
- Promoting awareness through advocacy by engaging with N7 athletes and the wider NIKE community to bring attention to causes such as the Missing and Murdered Indigenous Women, Girls and Two-Spirit People program
- Developing Indigenous talent by continuing to work with NikeUNITED Networks and other allies to develop leadership pathways for Indigenous employees





## People Representation & Hiring

### NIKE, Inc. Totals by Racial Ethnic Minority (REM) Group (Global/Corporate)<sup>32</sup>

All Employees	FY21		FY22		Change FY21–FY22	
	#	%	#	%	#	p.p.
<b>Corporate – Racial Category</b>						
American Indian or Alaskan Native (Not Hispanic/Latino)	48	0.4%	50	0.3%	2	0.0 p.p.
Asian (Not Hispanic/Latino)	2,073	15.1%	2,561	17.0%	488	1.8 p.p.
Black or African American (Not Hispanic/Latino)	763	5.6%	1,062	7.0%	299	1.5 p.p.
Hispanic/Latino	976	7.1%	1,221	8.1%	245	1.0 p.p.
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	48	0.4%	53	0.4%	5	0.0 p.p.
Two or More Races (Not Hispanic/Latino)	820	6.0%	914	6.1%	94	0.1 p.p.
Unknown	77	0.6%	166	1.1%	89	0.5 p.p.
White (Not Hispanic/Latino)	8,906	65.0%	9,071	60.1%	165	-4.9 p.p.
<b>Total</b>	<b>13,711</b>	<b>100%</b>	<b>15,098</b>	<b>100%</b>	<b>1,387</b>	<b>0.0 p.p.</b>

<sup>32</sup> Corporate is associated with the workforce not directly involved in retail stores, distribution centers or Air Manufacturing Innovation (Air MI).



# SPEND A DAY WITH: EMIKO MCCOY

Performance Apparel Designer,  
Beaverton, Oregon, USA



*“Being a BIPOC designer, I know how important diversity is. That’s the beauty of the Serena Williams Design Crew, it brings that diversity into NIKE, not just into design but into so many different departments.”*



## People Coaching Diaries

For Emiko McCoy, design is about empathy.

Emiko knows how it feels to be that 13-year-old girl on the field in the shorts from last year's uniform, still getting comfortable with a changing body. She wants to make apparel that brings girls back to sport, that gives them the compression and the self-expression they need to feel confident in any kind of movement.

After school one afternoon, her mom left an article out on the counter about Serena and Venus Williams. Emiko was gripped by what she read: the sisters had decided to complement their tennis careers by studying fashion design. Immediately, Emiko saw a path for herself. She found out where they went to school in Florida and applied. "To see someone that looked like me, designing," Emiko remembers, "that was a defining moment in my life."

In 2020, she joined the first cohort of the Serena Williams Design Crew, a diverse collective of emerging designers committed to redrawing the future of design. She now works at NIKE World Headquarters as an apparel designer for NIKE Pro, and previously on the maternity line, NIKE (M).



### Starting the day right

First thing I do in the morning is find some movement. I'm trying to get back into boxing at the moment. And then, of course, it comes back to Serena. She described to me once how she would enter the court, using the walk through the tunnel to the court as a place to focus her mind. When I arrive at the NIKE campus, that's my tunnel moment. Out of the car, hoodie up, head down, earpods in, music blasting.

I usually have an idea of how I want to start my day, but it changes all the time. I work between the Serena Williams Building and the LeBron James building, where I contribute to the Space Hippie line of sustainability-minded footwear, so the first thing I need to do is figure out where I need to be.

### Designing for her

We usually start a new season with a design meeting. This is where we get our briefs and start to bounce ideas around: What is it we're problem-solving? Whom are we designing for?

I come out of design sessions full of ideas: the history of NIKE as a heritage brand, the lives of the women we're designing for, and the potential of the materials we're working with. So it's time to sketch – I always have a pencil in my hand. Drawing lets me work out these ideas in relation to the curves of the body: how are the pieces going to perform? Where will she need compression and where will she need more freedom?

### Finding space

I love to take walks around the lake at NIKE World Headquarters. I'm that person on campus who's always taking pictures of the flowers. I can find inspiration that way, for sure, but it's also just a great way to decompress and refresh for the next part of the day.

It's only by looking after yourself that you have the energy to give to others. I try to reach out to students and young designers when I can. Sometimes that's a cup of coffee with someone just starting at NIKE, or giving a talk at a design school. We need to listen to the people who are coming up after us. They're the future, right?



### Design challenges

At NIKE, I've learned that you need to take time to understand how people use the products we design. This was especially true of the maternity range, NIKE M. I don't have kids, so I had to work harder to understand that journey. To suddenly have this growing belly, what does that feel like? I looked at mothers. I noticed how women were wearing their partner's shorts, folding over the waistband to make room for their bumps. She is literally showing us what she needs, right? So that's a lesson: I'm not in her shoes, but I can let her guide me.

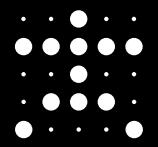


### The five to nine

When I was working in New York, I realized most designers don't have balanced lives. When you're working on a creative project it's hard to know when to stop. But my puppy Cooper helps me take care of both of us. He's a Shih Tzu-Bichon mix, a real cutie patootie. I'll take him out, so we can walk and just kind of breathe out the day.



## People Representation & Hiring



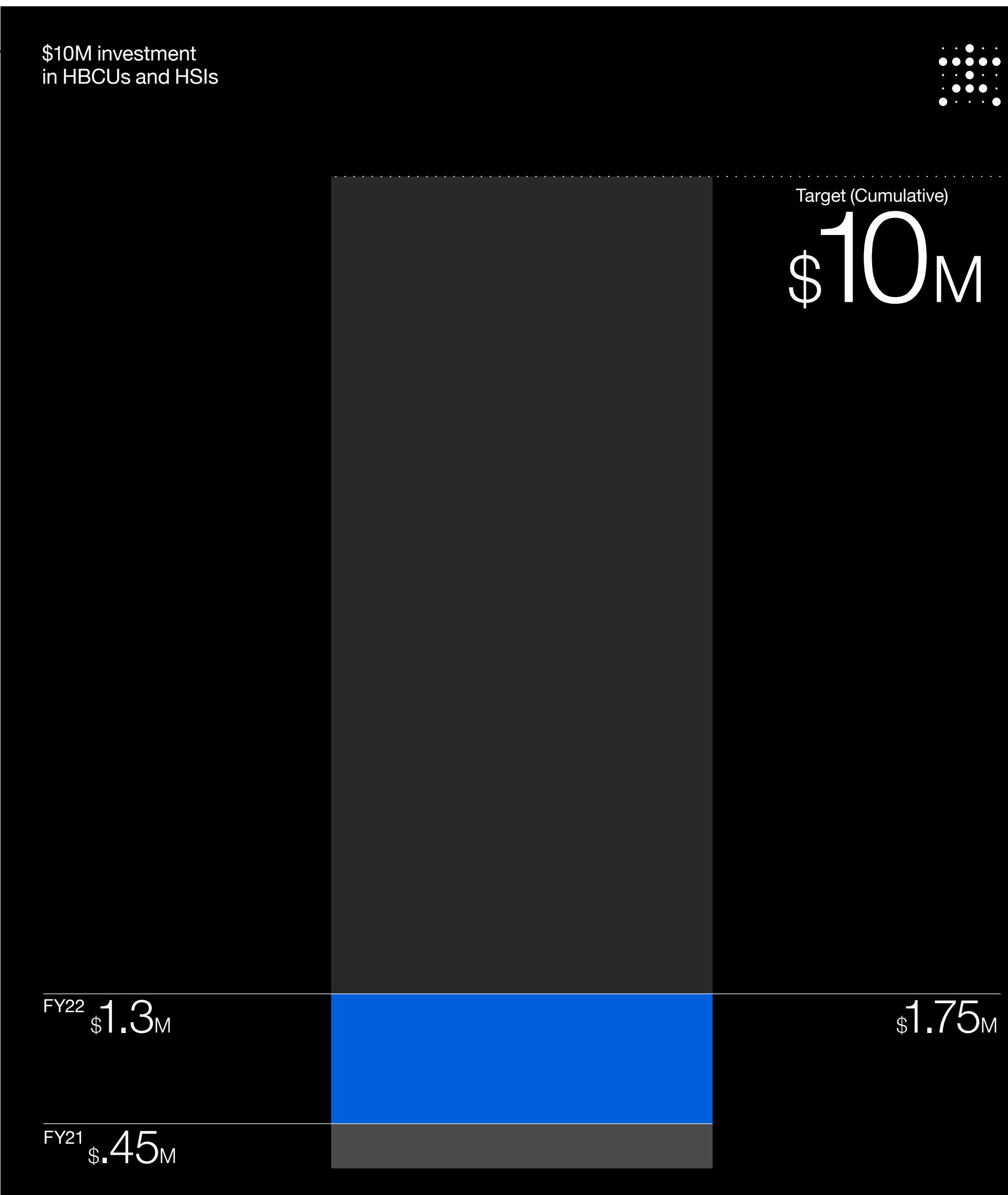
Quantitative Target (Corporate)

# \$10 million investment in Historically Black Colleges and Universities (HBCUs) and Hispanic-Serving Institutions (HSIs)

NIKE's commitment to taking action to create a better world is reflected in its continued support of HBCUs and HSIs through Purpose-driven product, storytelling, recruitment and investments. At NIKE, we're working to enable representation to exist at all levels and that starts by cultivating and hiring more students from a diverse set of institutions. In FY22, we saw positive movement in the diversity of our interns and direct hires.

We continue to build and execute on a comprehensive HBCU and HSI strategy through year-round engagement. In alignment with NIKE's Black Community Commitment, we increased our virtual and on-campus engagement with HBCUs. Our Diversity Recruitment team hosted resume writing workshops, interview preparation sessions and informational meetings to help our ecosystem of HBCUs to have multiple points of contact and access to NIKE opportunities throughout the year.

For the first time since the pandemic, we returned to the NIKE World Headquarters (WHQ) campus for an in-person, comprehensive summer internship experience to help drive recruitment, interest and hires. During a nine-week experience, our talented group of over 300 interns worked on meaningful projects across a variety of business areas. Within our summer 2022 intern class, 56% identified as U.S. racial and ethnic minorities and 58% identified as women. The students from 113 universities around the country included representatives from 15 HBCUs and HSIs and brought a diverse range of skills and backgrounds to help create the future of sport. Students from HBCUs and HSIs represented 21% of our intern class (HBCUs: 4%, HSIs: 17%). NIKE's summer internship program aims to convert 50% of interns into full-time employees in FY23.





## People Representation & Hiring

During FY22, we also laid the foundation and recruitment efforts for our global internship program. The Global University Relations team recruited and hired 88 interns for internships in NIKE's Europe, Middle East and Africa (EMEA) offices. 46.5% of this intern class identified as female and 24 nationalities across EMEA represented.

We continue making progress toward our target of investing \$10 million over five years in the form of scholarships and academic partnerships to increase direct hires and interns from HBCUs. In FY22, we delivered \$100,000 each in academic scholarships to seven HBCUs, \$500,000 to Morehouse College and \$100,000 to the United Negro College Fund (Atlanta). NIKE donated an additional \$25,000 in scholarships directly to Howard University students through a bespoke Storytelling by Design Panel and Sneaker Lab Competition.

In addition to supporting HBCUs and HSIs, and to help further increase diversity and inclusion within our pool of applicants, NIKE's University Relations and Recruiting programs continue to strengthen existing relationships and build new partnerships with more than 30 Tribal Colleges and Universities (TCUs). In FY22, we hosted our third annual NIKE Footprint Summit focused on creating pathways for Native and Indigenous community members with

an emphasis on university and industry candidates. This year, the engagement was once again 100% virtual and included a mix of internal and external speakers including NIKE executives and sponsored athletes. NIKE continued our investment in the American Indian Science and Engineering Society (AISES) and sponsored the registration fee for 50 members of the University of Oklahoma AISES chapter. As a result of our AISES partnership, we made valuable connections with students pursuing careers in STEM. Additionally, NIKE also worked with and invited community members from multiple tribes in Washington state and Idaho to a customized event to learn more about our internship and career opportunities.

Early-in-career and emerging-talent-development programs are critical to NIKE's strategic hiring. We continued our investment in the Marketing Vanguard Program (MVP), built to accelerate the flow of graduate-level talent from diverse backgrounds and experiences. We have also launched, and recruited students for, an HR rotational program modeled after MVP. Our inaugural class yielded six interns and four full-time employees from diverse backgrounds and we will continue to grow the program in FY23.

# 46.5%

*of interns in our EMEA internship identified as female*

# \$1.3M

*were delivered in academic scholarships to eight HBCUs and United Negro College Fund*



## People Representation & Hiring



The NIKE  
Yardrunners  
program

Additionally, we continue to leverage diversity conferences and partnerships like Management Leadership for Tomorrow and The Consortium to attract talent for programs like our summer internship, direct hire and graduate-level rotational programs.

This year, the NIKE Yardrunners program founded by NIKE HBCU alumni served as an opportunity for teams at NIKE to partner with HBCU trailblazers and community creatives to create inspirational storytelling and philanthropy for the community. Through Yardrunners 3.0, NIKE worked with the community to tell authentic stories, co-create culturally relevant product, deliver scholarships, activate on campuses throughout homecoming and establish networking opportunities through NIKE's University Recruiting team with a sharp focus on engaging candidates from a diversity of backgrounds.

In the spirit of co-creation, NIKE worked with four Yardrunners alumni who identify as Black women on the design of HBCU-licensed footwear, leveraging the iconic NIKE Dunk silhouette to highlight four institutions: Tennessee State University, Clark Atlanta University, Florida A&M University and North Carolina Agricultural and Technical University.

We also continue to track our progress in representation from universities relative to U.S. racial and ethnic minorities and women globally – we understand that there is no finish line. This allows us to understand how our university and early-in-career efforts impact and contribute to NIKE's 2025 Black Community Commitments.



## People Representation & Hiring

### Qualitative Target

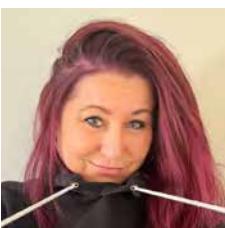
## Enhance opportunities and marketing of open roles for Firstline athletes to compete for corporate roles

Our Firstline athletes employees who work at NIKE retail stores, distribution centers and Air MI, are talented individuals from different cultures and backgrounds across the globe. They reflect the communities where we live, work and serve, and possess a wealth of product knowledge and consumer insights.

For that reason, the NIKE Athlete Experience (NAX) function exists to obsess the end-to-end experience for our retail Firstline teammates. One pillar of NAX, Firstline Programs, equips our retail Firstline teammates with accessible pathways to broaden their skills and competencies through corporate and retail work opportunities. The suite of NAX programs provide curated and intentional experiences at WHQ and in the field to elevate talent within the NIKE ecosystem, and develop the future leaders of NIKE.

In FY22, we were able to tap into and elevate the largest and most diverse talent pool yet at NIKE. We currently have five programs that sit within our suite of career experiences in the NAX program for Firstline retail athletes, and hope to expand into Converse, distribution centers and Air MI in FY23.

### People Profile



**Sharron Cairns**  
Athlete Voice Manager,  
EMEA NAX

*"During Pride month, we created space for members from our first line to come out to teammates and share their personal stories. These moments further my passion to do more, to push more and to be a part of more so all employees can be their truest and most authentic selves. I want to inspire others to believe in themselves, by being my own authentic self."*

*Our firstline athletes can access programs to learn more about the business while upskilling.*





Retail Experience  
Program

## THE ACADEMY

The Academy is a one-year rotational program that is open to both past and present U.S. retail store managers and assistant store managers. Participants spend four months working at the manager level across three business functions, allowing for exposure across all of NIKE Direct. At the end of the Academy program experience, participants are placed in a full-time, manager-level role within NIKE Direct, North America.

In FY22, The Academy launched its fourth cohort, with six total Head Coach participants from three different territories. The participants had rotations in North America store concepts, consumer services and online-to-offline (O2O), and landed full-time, manager-level roles in Unite, Live, consumer services, NAX and O2O. We also expanded the eligibility for the FY23 cohort of The Academy to include our Assistant Head Coach population.

## RETAIL EXPERIENCE PROGRAM (REP)

REP invests in the development of our Firstline athletes through a four-month program within NIKE tech and digital disciplines that leverages their retail experiences. After completing the REP, individuals return to stores with an opportunity to apply what they have learned as they continue to build their career in retail or at WHQ.

In FY22, REP had three new cohorts of eight individuals – totaling 24 participants. Two participants achieved promotions to in-store leadership and four participants were hired into roles at WHQ after the program.

## TRACK STRETCH HQ

The main objective of Track Stretch HQ is to provide exposure and experience of various career paths for our Firstline athletes across a breadth of functions at WHQ through a six-month development experience stretch. Our Firstline athletes bring their strong marketplace, product and consumer knowledge into the corporate environment, and at the end of the stretch experience, participants return to their store and roles with an opportunity to apply what they have learned.

Sixteen cohorts, totaling 81 employees, participated in the program in FY22 compared to 53 participants in FY21. Twenty participants were hired into new full-time employee roles: two within the store and 18 at WHQ. These metrics highlight that Track Stretch HQ is a great platform to create exposure and engagement for Firstline athletes to find their future path – creating the potential future leaders of NIKE from within. We also expanded and scaled the Track Stretch HQ framework to Asia-Pacific and Latin America (APLA) and Greater China, creating a consistent and equitable experience for our Firstline retail athletes globally to stretch from retail to a corporate role.

## People Representation & Hiring

# TRACK STRETCH RETAIL

In FY22, we piloted Track Stretch Retail to serve those interested in growing their career within retail – creating an experience for in-store retail stretches with structured onboarding and a curated learning journey through the cohort model. The initial program had 11 participants from 10 stores, of whom four participants were promoted to the retail leadership roles they were stretching into. We are planning to scale this program to all of North America in FY23 and allow the framework to inform in-store stretch experiences across other geographies.

# UNIFIED FIRSTLINE

Unified Firstline was another net-new program in FY22, designed to bridge the gap between physical and digital consumer service, enabling our part-time athletes to expand their skills and capabilities developed in stores by also serving consumers digitally on our [nike.com](#)

and NIKE app channels as NIKE experts on demand. This program is exclusive to our part-time population, in partnership with the Consumer Services team in North America. The pilot cohort had 10 part-time athletes participating, two of whom saw career growth moves to WHQ roles in Consumer Services. The program is approved to continue into FY23.

In addition to employee experience programs, we have also updated our approach by providing greater visibility into Gateway roles, which are functional roles at WHQ that are a good match for the transferable interests of Firstline employees. While our NAX efforts are specifically for our Firstline retail teammates, Gateway roles are accessible to all employees (in retail, distribution centers and Air MI). The NAX and Recruiting Programs team partnered with functions to identify roles and job families that would make good Gateway roles and then made these roles visible to Firstline employees on an ongoing basis. Firstline employees can now view a curated list of open corporate roles that match their interests on the external NIKE careers site, so that they may easily find and apply for open roles and participate in the competitive process.

NIKE Track Stretch  
teammates



## People Pay & Benefits

Quantitative Target (Corporate)

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

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

A personalized and holistic rewards system is essential to attracting, inspiring and developing premier talent. We link pay to company performance, demonstrated and expected individual performance, contributions and impact, and key talent needs for NIKE's long-term growth.

Company performance plays a significant role in our short-term and long-term incentives; individual performance informs rewards like base pay increases and milestone bonuses, as well as promotions into roles with more scope and responsibility.

**1:1**

*men/women*

**1:1**

*white/U.S. racial  
and ethnic minorities*





Knoxville retail  
athletes

## COMPETITIVE AND EQUITABLE PAY

We believe that competitive and equitable rewards go hand in hand while recognizing that pay can be managed and assessed in a number of ways. Each year, NIKE analyzes benchmark data from other leading global companies to inform salary investments and adjust pay rates and ranges.

During FY21, we implemented a minimum hourly rate of \$15 for retail store teammates in North America and in FY22 we increased our starting hourly rates for store employees across EMEA and Mexico. We also increased hourly rates to \$18 for distribution center employees in North America in FY22.

At NIKE, we define pay equity as equal compensation for employees who undertake the same work at the same career level, location, experience and performance. Globally, we assess this across gender, and in the U.S., we also assess this across racial and ethnic minorities. Since signing the White House Equal Pay Pledge in 2016, we have developed an ongoing discipline of reviewing our pay practices annually to achieve and maintain pay equity for our approximately 80,000 teammates across all geographies, functions and business units. Our FY22 data shows that NIKE has maintained 1:1 pay equity. Since FY20, 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.

We did that through competitive pay assessment. An investment was also made in merit increases to enable continued market competitiveness. We are reviewing and refreshing our internal pay infrastructure to strengthen market relevancy and competitive positioning in an ever-changing external macro environment. We have made additional investments in high-performing talent, aligning to their performance and potential.

## OUR COMMITMENT TO TRANSPARENCY

Transparency at NIKE is the sharing of relevant information to drive better decisions related to pay – for employees, leaders and candidates. We believe that by infusing transparency into our policies and practices, we build trust and accountability – both of which are integral to our culture.

In FY22, we enhanced our commitment to educate employees on talent and pay practices – creating expanded resources and hosting live training sessions. The goal of these global information sessions was to strengthen manager capability and confidence in having productive pay conversations. The live training sessions were well received, with managers reporting greater understanding and increased comfort levels educating their teams on how pay decisions are made.



# ADDRESSING THE FUTURE

*with  
Megan Rapinoe*

Northern California town, there. Now we have the best matches. Our coaches? That's what people knowledged. We was able to find it was before off. Agents made it clear that girls shouldn't play with boys, let alone coach; and fighting my being transgendered, but began to play. As I rose to play for the U.S. men's National Soccer Team, did the public realize is equal to my skill as an athlete? equity looks like.

A close-up, profile photograph of Megan Rapinoe. She is looking towards the left of the frame. She has short, light-colored hair with blue highlights. She is wearing a dark green top and a necklace with small pearls. Her hand is resting against her chin, supporting her head. The background is a soft, out-of-focus gradient from blue to green.



People Future Address



*"I use my skill as a player and my voice as an athlete to ask what true equity looks like, so that we are not leaving anyone behind."*

Growing up in my small Northern California town, there wasn't a girls' soccer team for me to join. Now we have the eyes of the world on Women's Championship matches. Our games are breaking global records of attendance. That's what progress looks like, and what it means to be acknowledged.

When I was young, I could play on boys' teams and I was able to find my feet, hone my craft and discover my gift. That was before off-the-field comments made it clear that many thought girls shouldn't compete with boys, let alone beat them. But I kept playing, and winning, and fighting my way onto teams where I not only felt like I belonged, but began to understand that I had an critical role to play.

As I rose to play on the U.S. Women's National Soccer Team, so did the public's interest in women's soccer; what still needs to increase is equal pay for women across the board. That's why I use my skill as a player and my voice as an athlete to ask what true equity looks like, so that we are not leaving anyone behind.

Playing alongside amazing athletes, like my teammate Quinn, pushes me to the edge of my game. They, along with other trailblazing members of the trans community, are shining a light on the



importance of authenticity and belonging. And what it means to show up as your whole self.

Creating that sense of belonging, for everyone in the next generation, is as important to me as playing the best game I can. I appreciate the steps Nike is taking inside its business, and beyond, to prioritize inclusivity, and give all voices a moment to be heard. And even more can be done.

Our society today can only be stronger, when we are more inclusive – in how we see each other, and champion one another. That is a future worth fighting for.

*Stand strong,  
Megan*





## People Pay & Benefits

Qualitative Target

### Provide competitive and equitable benefits for all employees

We believe benefits should be comprehensive and inclusive. To best serve our diverse team of approximately 80,000 employees, we offer a variety of benefits so teammates can choose the best options for their life and family.

We design inclusive, value-driven programs and practices that anticipate and serve the needs of teammates at all stages of life and positively impact their well-being. Our decisions and program design are guided by NIKE's values and goals, employee insights and feedback, and market data.

Appreciation Day at  
NIKE Korea office



# 94%

of NIKE employees value  
the benefits offered to them

# 92%

were satisfied or very satisfied  
with the mental healthcare  
approach meeting their needs

## EVOLVING OUR BENEFITS

A big part of supporting our teammates is listening to their feedback to inform what we offer. We're always asking ourselves whether our programs and practices are having the desired impact and where we can improve.

During FY22, we introduced several new and enhanced offerings:

- We launched a new benefit with Lyra Health to provide mental health support for our employees in the U.S. With Lyra, employees have access to timely care through a high-quality and diverse provider network, as well as guided self-care and meditations. Ninety-two percent were satisfied or very satisfied with the care approach meeting their needs.
- At the same time, NIKE expanded its Employee Assistance Program (EAP) so that all global employees and their family members have access to 20 fully covered therapy sessions per year. EAP counselors are carefully chosen and trained to support mental health, substance abuse, marital and family challenges, depression, anxiety, building stress resiliency and achieving balance. Confidential support is available 24/7.

- In FY22, NIKE teammates and their dependents engaged in more than 35,000 counseling sessions.
- NIKE offers a variety of family-building benefits – including fertility treatment, adoption and surrogacy coverage – to support all paths to parenthood. During FY22, we expanded our fertility benefits through Progyny, Inc. so U.S. NIKE teammates now have access to unlimited “Smart Cycles” for fertility services like IVF, egg retrieval, sperm freezing, and more.
- We offer inclusive family-planning benefits and transgender care, including travel costs when services are not available locally. Our comprehensive transgender healthcare is inclusive of services recommended in the latest World Professional Association for Transgender Health (WPATH) standards of care and includes access to a dedicated transgender healthcare advocate to help navigate care and insurance coverage.

NIKE employees  
have access to  
family-building  
benefits





## People Pay & Benefits



NIKE Live  
Kings Road

## CRISIS SUPPORT

We continue to support our employees through challenges related to the COVID-19 pandemic.

During FY22, we extended and replenished our COVID Sick Leave policy, which – in addition to existing paid time off benefits – provides up to two regularly scheduled work weeks of paid sick leave. Teammates can take COVID Sick Leave when they experience symptoms associated with COVID-19, need to take time off to care for their children due to school or childcare closure, or need time away to prioritize their mental and emotional well-being.

In light of the COVID-19 pandemic and related challenges, NIKE absorbed healthcare premium increases for the past two years, so NIKE teammates were able to continue their coverage at the same cost year-over-year.

Beyond COVID-19, we support employees in a variety of ways during times of crisis.

- NIKE provides pay continuity when stores or operations need to close due to natural disasters or other unforeseen situations.
- We provide mental health support through our EAP with individual, group or onsite counseling.
- Through our Natural Disaster Assistance program, we provide financial and lodging support to employees who have been severely impacted by a natural disaster.
- NIKE matches employees' cash donations to organizations supporting those affected by the crisis through Give Your Best, the company's employee giving platform.

To support teammates impacted by the war in Ukraine, we provided pay continuity to retail employees when stores were closed, continued access to life insurance and provided additional EAP support to teammates across EMEA who were affected by the conflict.



*NIKE offers a range of benefits to support the emotional, physical and financial well-being of our teammates and their families.*

## NIKE WELL-BEING BENEFITS

NIKE continues to prioritize and invest in the holistic well-being of our employees and their families, supporting their physical, emotional and financial well-being.

From mental health support to unlimited free financial coaching – and, of course, access to sport – we are committed to helping our teammates live their most fulfilling lives – at work and outside of it. When we support the well-being of our employees and inspire each individual to be their best self, we do our best work as a team.

To support emotional well-being, NIKE offers 20 free therapy and coaching sessions to employees and their family members through Lyra Health and EAP, as well as a range of meditation, mindfulness and caregiving resources. We also offer onsite EAP support at our distribution centers. NIKE is also a proud supporter of Crisis Text Line, a nonprofit that provides free 24/7 crisis counseling via text messaging.

As champions of physical well-being, we encourage employees to make sport a daily habit by providing free access to NIKE Sports Centers, wide-ranging fitness discounts and comprehensive preventive programs, healthcare and family building benefits.

To support the financial well-being of our teammates, we offer unlimited free financial coaching through Ernst & Young, as well as a 401(k) match, scholarship programs, tuition reimbursement, dependent care subsidies, performance bonuses, stock purchase plans and more.

NIKE offers workplace flexibility and generous time off, including half-day Fridays throughout the summer and a closing of our corporate offices for a dedicated Well-Being Week in August where we take time off together as a team to focus on our well-being, plus Well-Being Days for teammates in our retail stores and distribution centers.



## People Pay & Benefits

# MENTAL HEALTH & EMOTIONAL WELL-BEING

During FY22, amid the ongoing pandemic and in conjunction with our return to the workplace in many locations, we intentionally focused our investments and energy on mental health. Based on employee feedback, we evolved our approach to support the well-being of our retail store and distribution center teammates and introduced dedicated Well-Being Days for teammates to use at their convenience. We also launched a new internal Well-Being Hub to make it easy for teammates to find inspiration, events, resources and benefits to support their well-being.

As a community, we are deeply committed to helping break down the stigma associated with mental health and promoting habits that nourish mind and body in everyday life. One of the ways we do that is by engaging our NIKE family in conversations about mental health.

We frequently invite athletes to join employee meetings so our teams around the world can hear firsthand about their mental health and well-being strategies. In FY22, we also produced a new podcast, No Off-Season, where our partners from Crisis Text Line interview NIKE athletes about their mental health journeys. Episodes feature candid conversations with athletes such as Laurie Hernandez, Raven Saunders and Karl-Anthony Towns.

The image shows a blurred foreground featuring a white water bottle with a red swoosh and a black cap. In the background, a computer monitor displays the Nike Well-Being Hub on a social intranet platform. The screen shows a banner for "Well-Being" with 35,828 members, a search bar, and a list of latest posts. One post from "Nike Families" discusses a past event: "Past Event: Live Fierce / Live Well: Life Lessons From a SurThivor". Another post mentions a Zoom Webinar on Thursday, March 9th, from 12:00 pm - 1:00 pm. The background also includes a collage of three photos: a person sitting on a beach chair, a person performing a handstand on a bench, and a person working on a laptop outdoors.

## CULTURE & LEADERSHIP

We believe it's our responsibility to maintain an inclusive, empathetic culture where every employee can be their most authentic self – and that means creating a safe place where we can be vulnerable, ask for help and admit when we're not okay.

Our leaders strive to model behaviors and create an environment where employees feel empowered to prioritize their well-being. We celebrate leaders who lead with a well-being mindset and train leaders around the world on how to model behaviors that best support their team. Many of our most senior leaders have been open about their own mental health experiences and routines, which has helped advance the dialogue among employees and teams.

We partner closely with our NikeUNITED and ConverseUNITED Networks to understand the unique well-being challenges facing diverse communities, and we strive to provide resources to meet those needs. During FY22, we scheduled dedicated EAP sessions with specialized counselors for several of our networks, including the Black Employee Network, Ascend Network, Pride Network, NIKE Military Veterans Network and more.

## RETURN TO THE WORKPLACE

Well-being was a core element of our return to the workplace in FY22. In addition to offering over 60 days' notice of our return date, we offered a ramp-up period to allow employees an opportunity to gradually reacclimate to the office. We also returned in a new 3/2 hybrid work approach for the majority of employees – three days a week in the office and two from home. Employees in the 3/2 work approach also benefit from Four Week Flex – an opportunity to work from another location of their choice up to four weeks per year.

As teammates returned to campus and work locations around the world, we offered mindfulness and meditation activities alongside our fitness facilities and classes. We also continued our virtual offerings for a subset of our employees who are a part of the remote work approach as well as people in other locations around the world. In addition, we intentionally re-onboarded teammates who had joined NIKE during the pandemic, and provided resources for leaders and teams supporting hybrid work and new ways of working as they transitioned. In the fall of FY22, we continued to provide onsite access to flu shots and COVID-19 boosters.

NIKE new hire  
fitness class





## People Inclusive Culture & Engagement

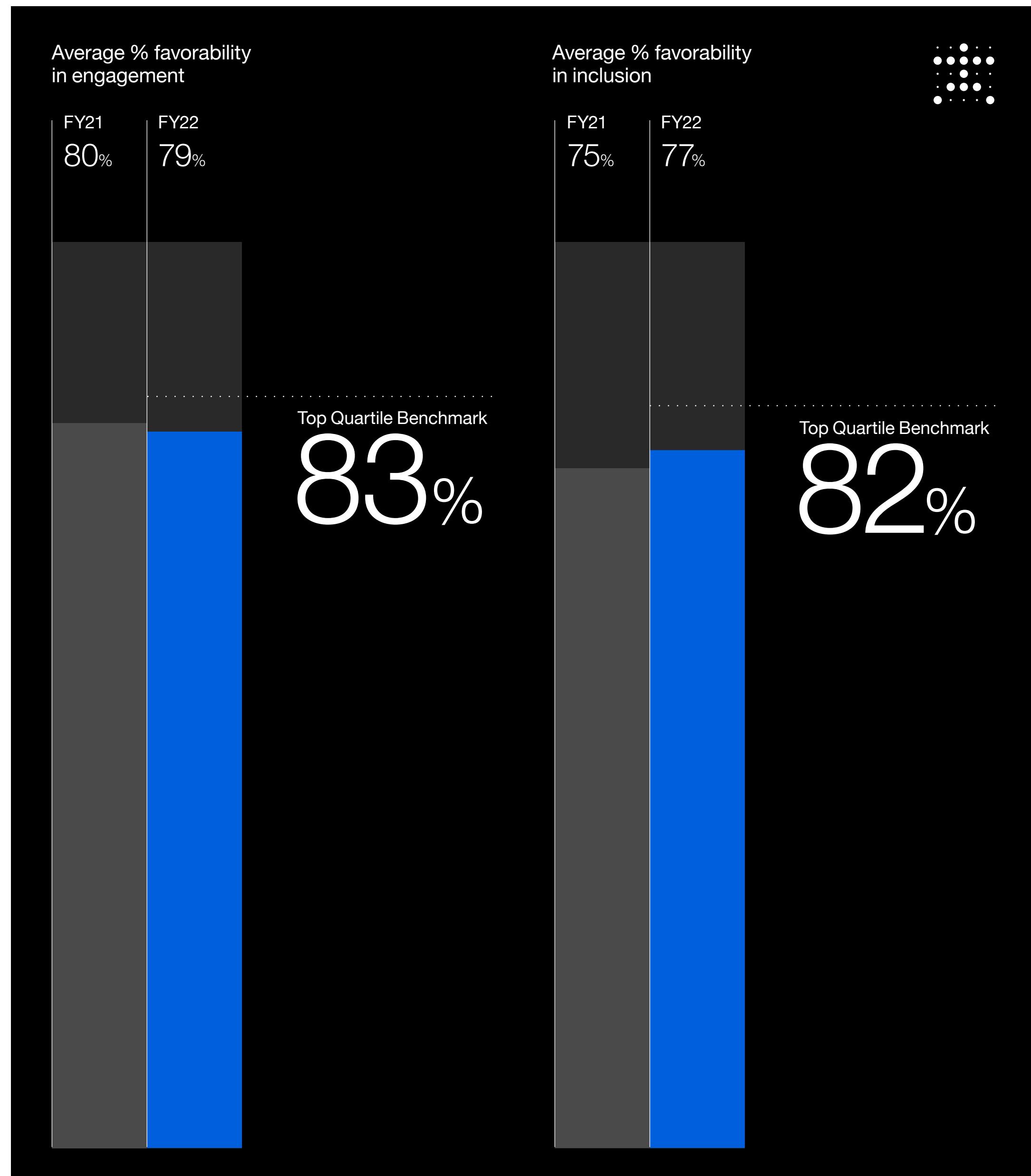
Quantitative Target

# Top quartile of benchmarked companies for both engagement and inclusion

At NIKE, we are committed to creating an engaging and inclusive culture where all teammates can authentically express themselves, become their best selves and reach their full potential.

In FY22, we continued to measure employee engagement and our culture of belonging through our annual All-Employee Engagement survey and several corporate pulse surveys and listening sessions focused on topics that are important to employees, including well-being, career progression and culture. The results show the Engagement and Inclusion Indexes are strong and stable, and employees continue to respond favorably to NIKE's support of their changing needs while creating a culture of inclusion and belonging.

As part of our strategic focus on building a leading internal employee listening function, in FY22 we moved to a new survey platform and benchmark provider. Due to this change, this year we are reporting the percentage of employees who agree or strongly agree (on a five-point scale), while in prior years we reported percentiles. Additionally, we are unable to report on a full Global Inclusion Index benchmark. However, we can compare to a global benchmark for a subset of our Inclusion Index (four out of six items). For that subset of items, favorability was 77% in FY22, up two percentage points from FY21 and five percentage points below the 75th-percentile benchmark. The two items within our Global Inclusion Index that do not have benchmarks provide further insight into the holistic, felt experience of inclusion at NIKE. Moving forward, we will continue to evaluate and enhance our survey strategy and inclusion measures to best represent our employees' voices and experiences as part of our continued commitment to our Diversity, Equity and Inclusion priorities.



## People Inclusive Culture & Engagement

# EMPLOYEE ENGAGEMENT

We continued to focus on employee engagement in FY22, including building out a rigorous employee voice program to gather more frequent feedback and drive meaningful action and promoting key programs that aim to enhance the employee experience in a holistic way. For example:

- Benefits to support teammates' emotional, physical and financial well-being (see Pay & Benefits section for more details).
- Launched a new internal Well-Being Hub to make it easy for teammates to find inspiration, events, resources and benefits to support their well-being.
- Well-Being Week/Days & Summer Fridays: For the second year in a row, we encouraged employees to participate in Well-Being Week, when the company closes its corporate offices and Air MI facilities for a full week in the summer.

We also introduced dedicated Well-Being Days for retail and distribution center teammates to use when it's convenient for them. And we continued our Summer Fridays, when employees are encouraged to stop working around noon on Fridays throughout the summer. We believe taking time to step away from work is important to help our employees be healthy, creative and productive.

- We also expanded NIKE's digital learning platform, The Source, to increase employee development through curated learning experiences.

FY22 was also a significant year in our company's history. We celebrated our 50th anniversary and hosted a series of events to show our appreciation to our employees, partners and the communities we serve. We hosted "Appreciation Days" in offices and on campuses around the world, reconnecting employees to our purpose with engaging programming that started in April and continued through September with Just Do It (JDI) Day and the Maxim Awards ceremony.

FY22 also marked our return to the workplace with a new hybrid model for our corporate employees. We hosted a series of events that eased the transition back to the workplace and strengthened the bonds that we have as NIKE employees. For example, we hosted a Welcome Week Experience for U.S.-based corporate employees hired between March 2020 and April 2022. The experience included events, campus tours and giveaways to help newer employees feel connected to NIKE and their new workplace. And we continued to host a series of virtual offerings for employees who are a part of the remote work approach or in other locations around the world (see Pay & Benefits and Well-Being sections for more details).

We are committed to addressing the needs of all employees, but we place a strong focus on supporting underrepresented groups through our pillars of representation, education, development and creating community.



NIKE EMEA  
Festival of Sport



## People Inclusive Culture & Engagement



NIKE contingent  
at the Portland  
Pride Parade

## DIVERSITY AND INCLUSION

As covered in greater depth throughout the People section of this report, we continued to promote diversity and inclusion in FY22, including:

- Increasing representation at all levels of the organization.
- Creating DEI learning and development programming internally through the NikeUNITED Networks and externally through our DEI partners.
- Expanding the DEI mentorship program for U.S. corporate employees.
- Increasing accessibility efforts to create equitable and inclusive experiences for our employees with disabilities. As a result, NIKE was recognized as a “Best Place to Work for Disability Inclusion” with a score of 100 on the Disability:IN Disability Equality Index – a globally recognized benchmarking tool to evaluate disability inclusion and equality.

- Achieving recognition as one of the Best Places to Work for LGBTQ+ employees for the 20th consecutive year on the Human Rights Campaign’s Corporate Equality Index. NIKE is one of only seven out of more than 1,200 participating companies to achieve a 100% rating for the last two decades. The Corporate Equality Index is the preeminent national benchmarking tool on corporate policies, practices and benefits pertinent to LGBTQ+ employees, and the primary driving force for LGBTQ+ workplace inclusion.



## People Inclusive Culture & Engagement

### Qualitative Target

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

We have a long history of disability inclusion at NIKE, from hiring disabled employees to sponsoring adaptive athletes and innovating new products such as FlyEase. To deepen our strategic commitment, NIKE established the Accessibility Center of Excellence (CoE) to lead our global enterprise strategy on accessibility and disability inclusion. Our vision is to create an accessible, inclusive experience for all athletes\* because if you have a body, you are an athlete, and that includes people with disabilities. Our mission is to foster disability inclusion that drives innovation in collaboration with the disability community.

Our global enterprise approach brings together teams from across NIKE. We run a hub and spoke model with the Accessibility CoE collaborating with business units to drive forward accessibility and disability inclusion because we win as a team.

#### People Profile



**Dr. Megan Lawrence**  
Global Director of  
Accessibility and  
Disability Inclusion

*"I am a proud disabled leader who is honored to champion accessibility in all things we do. We help create a strong disability culture by driving accessibility for our employees and consumers, because we know disabilities are a strength at NIKE. We push boundaries of what is possible to ensure the disability community is part of NIKE."*

NIKE EMEA  
*Festival of Sport*





## People Inclusive Culture & Engagement

The Accessibility CoE focuses on four areas of strategic investment:

- ① Disability Employee Experience to strengthen the disability experiences across the employee lifecycle
- ② Accessibility Innovation to engage in accessible design and create products built for one and extended to many
- ③ Inclusive Brand to elevate authentic stories of people with disabilities and community connections
- ④ Direct to Disabled Consumer to accelerate access and support to the NIKE ecosystem with the disability community

Accessibility is part of NIKE's DEI commitment. We know that disability is part of diversity and that accessibility creates equitable experiences which, in turn, drive inclusion. NIKE is recognized as a "Best Place to Work for Disability Inclusion" with a score of 100 (up from 90 the previous year) on the Disability:IN Disability Equality Index – a globally recognized benchmarking tool. We channel our efforts in three areas:

### Product

Our FlyEase sneakers are created with insights from the disability community. FlyEase technology makes it seamless to put shoes on with no hands and/or easily with limited interaction. First came the FlyEase LeBron Soldier 10. But we didn't

stop there. We now have a FlyEase model of many of our sneakers, across price points, to support independent living and self-expression for people with disabilities. We have continued to scale these learnings across our products, and this year launched our Dynamo Go sneakers and our adaptive clothing line for kids.

### People

At the heart of the Accessibility CoE are people – including our disabled employee community and the consumers we connect with every day. We know that representation matters. In celebration of disability and sport, we launched our new adaptive workouts on the NIKE Training Club (NTC) with adaptive athlete Amy Bream. The classes were created with accessibility and adaptive workouts in mind, all designed for people with and without a disability.

### Program

In collaboration with our Social Community Impact team we provide grants to disability organizations across the world. Mental health, for example, is a disability with global impacts, and NIKE partners with several mental health organizations. One such group is the Ben Raemers Foundation, which highlights how skateboarding can help people develop the skills and tools needed to support themselves and each other as well as to help understand and address mental health through community and sport.

NIKE FlyEase Go





# ADDRESSING THE FUTURE™

*with  
Bebe Vio*

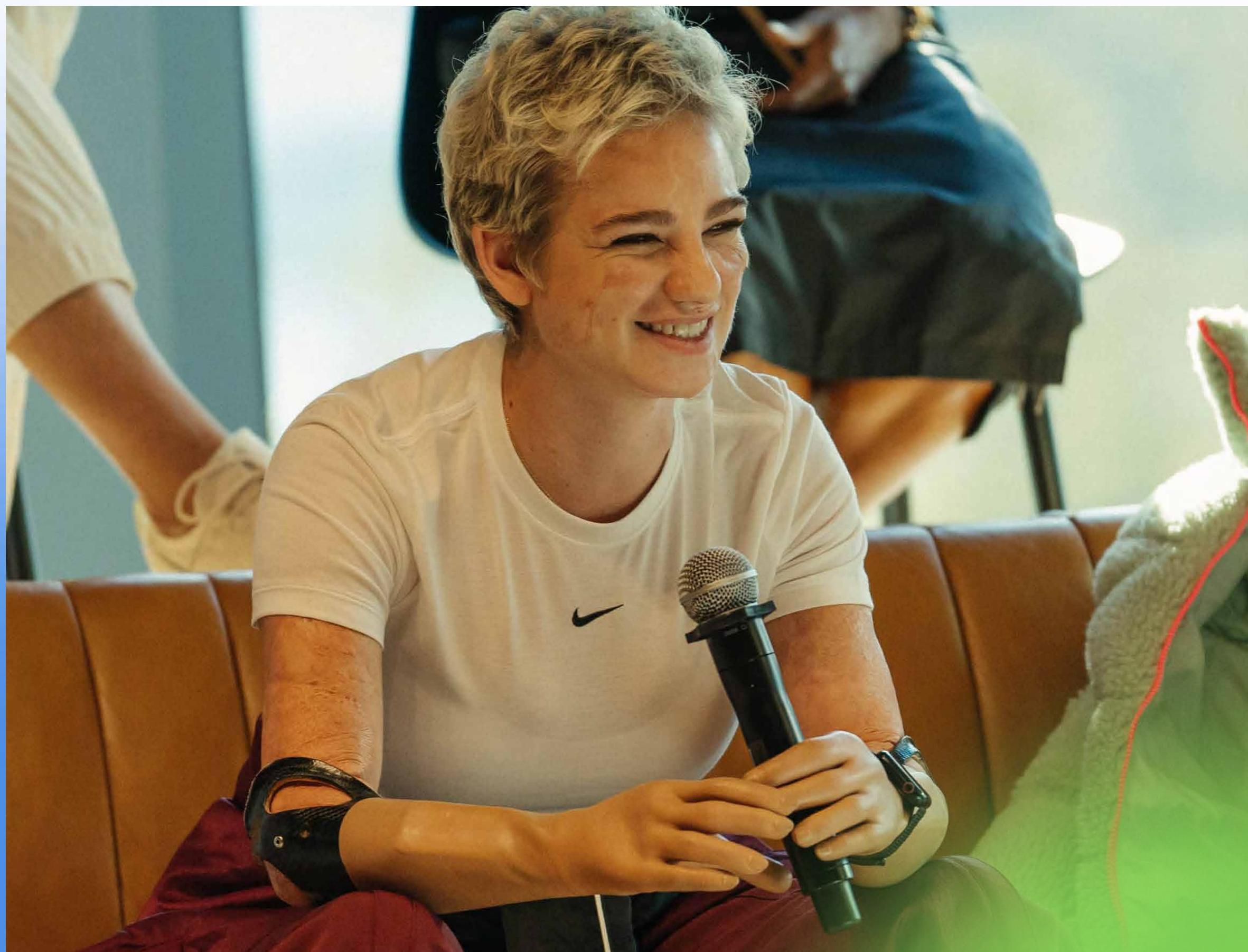


It's easy to let your own doubts weigh you down. I envision a world where people are free to move their legs and chase their dreams of freedom. I'm here to change; this is my life, "Gold medalist in wheelchairs." I've changed my world through art, like art, lives on. It's important to look back with me. It means so much to believe that just because it doesn't fit in with what everyone else does something that's right for me. And I live to do that.

I'm proud today as an athlete, and I'm only



People Future Address



*"I envision a world where everyone believes in the endless opportunity in being told you 'don't have what it takes.'"*

In sport, and in life, it's easy to let your own doubts weigh you down – to tell yourself you don't have what it takes. I envision a world where everyone believes in the endless opportunity in being told you "don't have what it takes."

When I lost my lower legs and forearms to meningitis at 11 years old, I was sure my dreams of fencing had come to an end. I knew so much was going to change – that I was going to have to put my foil down. I'd tell myself, "Gold medalists in fencing need their arms and can't be in wheelchairs."

Then my mother told me something that turned my world upside down (in a good way, don't worry!). "Fencing, like art, lives in your mind, not your hands," she said. This stuck with me. It made me question everything around me. It made me believe that just because everyone else does something in a specific way, it doesn't mean that I have to.

I stand proudly today as an athlete with a disability. I've not only found my own way, but I have the privilege of standing on the shoulders of those who wouldn't let adversity take them down. This includes my family, coaches and mentors who believe in me. And NIKE, who like me, understands that good coaches can help kids see their potential.



In 2021, I founded the Bebe Vio Academy and NIKE has been my partner to help grow the Paralympic movement in Italy. I want athletes like me, and the medalists of tomorrow, to live in a world where the only limitations they have are their imaginations.

When I, as the only fencer in the world who competes without arms in a wheelchair, won my second Paralympic gold medal I realized something. To change the world, we have to let those who look up to us in on the most beautiful secret: Our imaginations – our minds – are what will create a safer, more equitable world for everyone regardless of ability, or disability, origin, skin color, sexual orientation or gender identity.

I firmly believe imagination is the most powerful way to bring people along on our journey.

*En garde,  
Bebe  
Bebe Vio*



People Additional Priority Area: Occupational Health & Safety

Additional Priority Area

## Occupational Health & Safety

Our approach to occupational health and safety (OH&S) rests on several foundational pillars that we use to monitor our facilities' adherence to our Foundational Expectations:

- ① NIKE's Environment, Health and Safety (EHS) Policy
- ② NIKE's Code of Conduct
- ③ NIKE Code Leadership Standards
- ④ Local laws wherever we or our suppliers operate

Certain NIKE owned and operated facilities undergo external audits and internal assessments. When those processes reveal gaps in EHS standard implementation, we initiate management plans and develop tools to address and correct those problems.





## People Additional Priority Areas: Occupational Health & Safety

# NIKE OWNED AND OPERATED FACILITIES

In FY22, COVID-19 response continued to be a priority and a dominant component of our work over the year. Our mitigation efforts spanned the globe and touched all functions and locations. NIKE procured and distributed more than 200,000 self-administered COVID-19 tests free of charge to employees and contractors. We hosted COVID-19 and flu vaccine clinics for both employees and family members in the fall of 2021 at many of our high-density locations globally. NIKE's provision of face coverings and KN95 masks and sanitation supplies also continued in FY22.

COVID-19 notifications and contact tracing were universally applied, with isolation and quarantine policies that aligned to Centers for Disease Control and Prevention (CDC) and local requirements. We closed out FY22 with the return to workplace for our corporate office employees. The response will continue into FY23 with newfound support and resources to manage day-to-day governance as we return our focus to core EHS initiatives and objectives.

NIKE focused on updating life safety programs in FY22 with a focus on occupational health, emergency medical response programs and injury prevention. In Greater China, we partnered with International SOS to procure and install automated external defibrillator

systems across 11 office locations – a deal that included embedded training content. Our North America distribution center facilities implemented 24/7 onsite registered nurse and emergency medical technician oversight through a combination of internal and third-party vendor services. Air MI locations embarked upon a comprehensive injury-prevention program that established onsite medical suites with licensed occupational athletic trainers and injury-prevention specialists to treat and mitigate hazards associated with both personal and occupational injuries and illnesses. The Air MI team also launched an employee-wide culture of safety campaign focused on eight SAFE (Safety and Accountability for Everyone) principles. The program includes employee-led training and individual commitments, ensuring safety is an everyday commitment.

Our Innovation EHS team elevated chemistry and machine safety programs across all units with an enhanced job safety assessment digital application for equipment and machine safety operations.

## LOOKING AHEAD

In FY23, NIKE plans to launch its Global Office Safety program within select key city locations around the world. The program provides each NIKE office location with systems and tools to effectively implement injury response and reporting, life safety programs, EHS committee function and robust ergonomic management systems.

Establishing baseline assessments across our globally owned and operated locations will not only aid in legal compliance with local EHS regulatory requirements, but also serve as NIKE's foundational baseline and complement existing conformance assessments conducted in accordance with NIKE Code Leadership Standards and industry-wide Social & Labor Convergence Program (SLCP) assessments for certain participating facilities.

We will be partnering with industry experts to develop site-specific Emergency Response Plans for all NIKE owned and operated locations, which will include hazard-specific protocols in addition to updated evacuation procedures, maps and complementary first aid, automated external defibrillator, CPR and fire extinguisher education.

With a renewed focus on employee awareness and individual preparedness, NIKE is working to secure and offer Occupational Safety and Health Administration online training course content globally through the NIKE University learning management system.

We are also continuing to leverage and expand our internal EHS management system, which gives employees the ability to report injuries, hazards and near misses across our office, distribution, retail and manufacturing locations. Understanding our leading and lagging indicators with regards to EHS performance will enable our future investments are made against risk-based priorities.

NIKE Air MI  
teammate at work





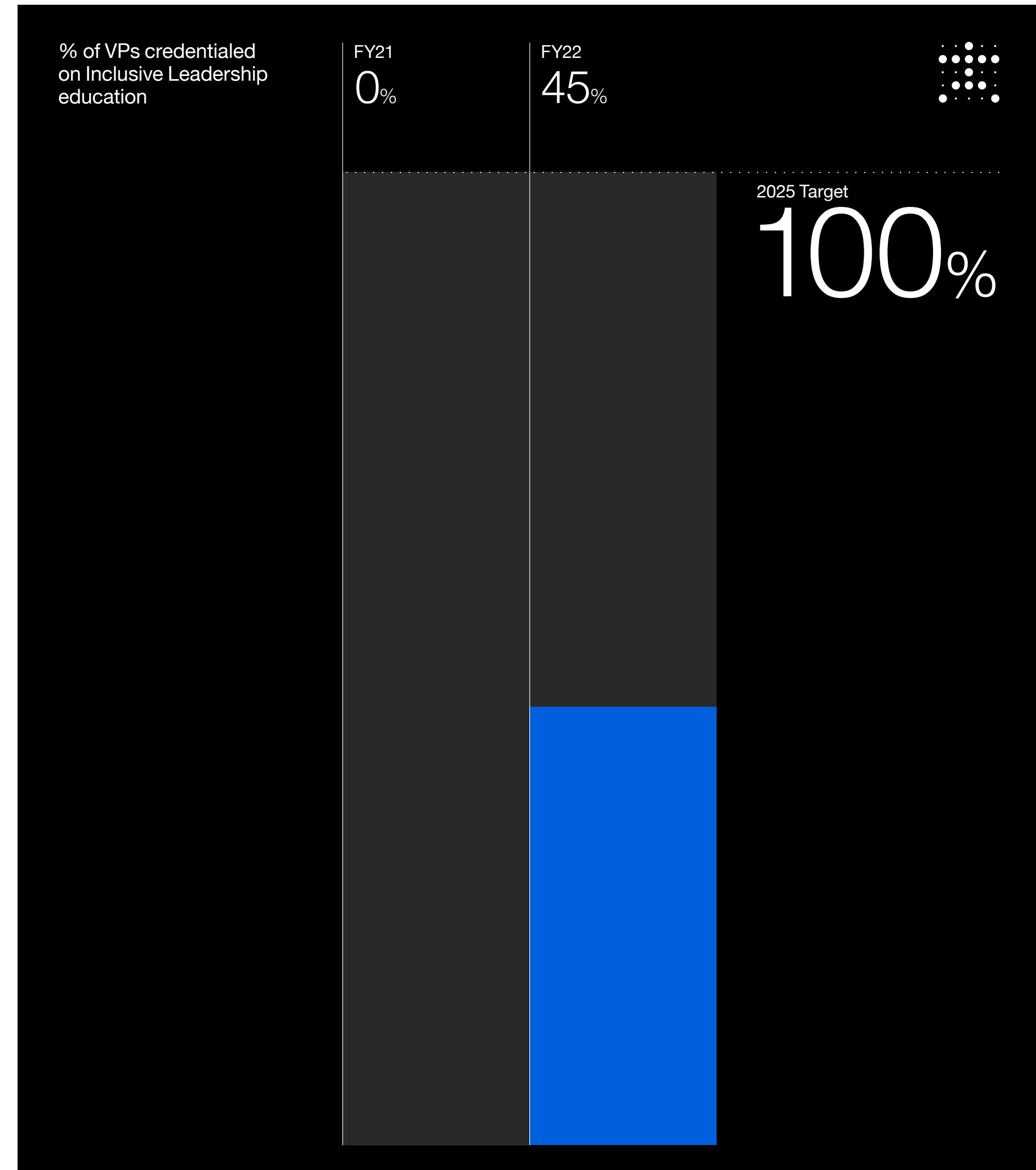
## People Education & Professional Development

Quantitative Target

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

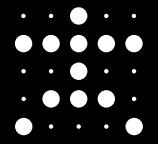
Our overarching objective is to develop inclusive leaders who are held accountable for fostering our culture of belonging. As part of our five-year DEI strategy, in FY21 we piloted two education programs for our Vice Presidents and our NikeUNITED and ConverseUNITED Network Leaders. The programs, both rich in dialogue through facilitation, generated an appetite for even deeper learning around DEI. Leveraging the feedback from these two programs, we decided to evolve how our Vice Presidents are certified and receive their training. To renew our commitment, in FY23, we will launch Inclusive Leadership education certification within our ongoing Vice President leadership training, designed for all NIKE executives across the globe. Additionally, we began development of a new custom unconscious bias awareness training that will be rolled out to all employees, with the goal of 96% completion. Disability inclusion is an area in which we are also exploring new and innovative ways to make content more accessible to our employees with disabilities.

We have also worked closely with our business and supporting functions to provide strategic design consultation on topics such as inclusive communication, inclusive sponsorship, cultural appreciation versus cultural appropriation, and inclusive and accessible design. For our Firstline distribution and manufacturing teams around the globe, we look to expand our comprehensive cross-cultural curriculum programming, designed for teammates in non-traditional work environments to advance their DEI acumen and Inclusive Leadership skills. The ongoing program has focused on race and the impact of culture on our personal and work relationships in the U.S., Singapore and China. This year, we hope to gain a deeper level of understanding for our teammates and their experiences in Vietnam and Indonesia.





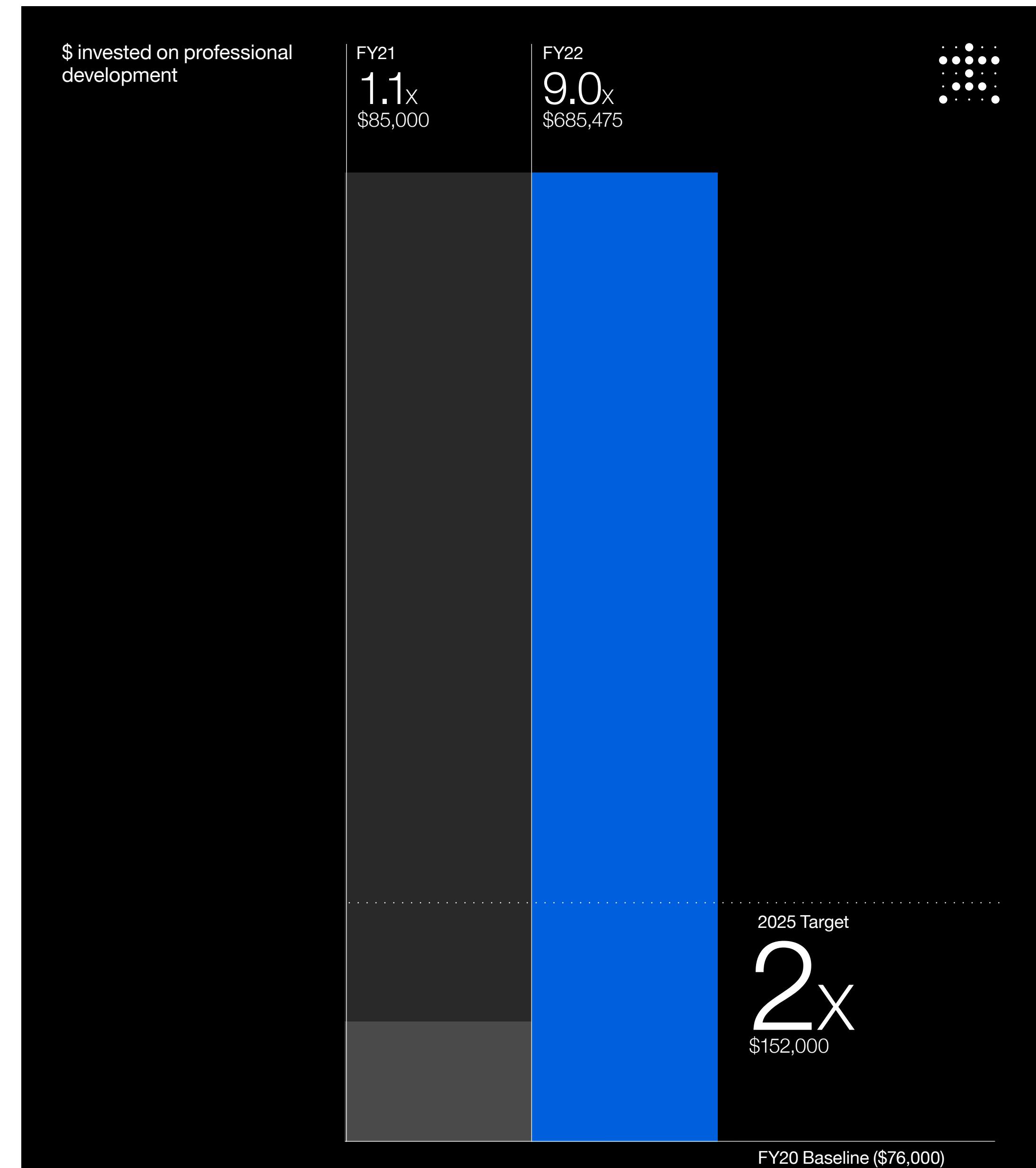
People Education & Professional Development



Quantitative Target

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

Our investment in professional development remains a key component of our talent strategy. We are investing in the development of racial and ethnic minorities in the U.S. and women globally at all levels to drive career mobility, advancement and retention. Our mentorship program, which was launched in June 2021, has had two full cohorts complete the nine-month program while maintaining a 98% satisfaction rate among participants. Given the success of the program in the corporate environment, we are partnering with our Firstline teams to modify the program, with an aim to pilot in FY23. Additionally, we have invested in a technology platform to facilitate matching of mentorship pairs.





## People Education & Professional Development



Diversity, Equity  
and Inclusion  
Leadership  
Acceleration  
Academy

As part of our opt-in Focused Leadership Development program we expanded two external relationships with McKinsey & Company Executive Leadership and Leadership Education for Asian Pacifics (LEAP). Through our work with McKinsey, we have had 40 participants complete the Black, Asian and Hispanic Management Accelerators programs and 12 complete the McKinsey & Company Executive Leadership Program. Across all of our associations we have had over 200 underrepresented leaders throughout the enterprise participate in leadership development opportunities with the goal to grow future executive leaders.

We continue to enhance and expand our external relationships in efforts to offer world-class programming designed to meet the changing needs of our talent. In FY22 we added a new senior development program in conjunction with our partner CNEXT, and began building a custom leadership program for executive leadership, which we aim to roll out in FY23.

We also began researching vendors for targeted leadership development for Native American and Indigenous leaders with plans to launch a new program in FY23 for this specific demographic. We are partnering with CultureAlly and American Indigenous Business Leaders (AIBL), along with the NikeUNITED Networks' Native American Network leadership team to design and create this new program.

We also launched a monthly career development series for the NikeUNITED and ConverseUNITED Networks to further amplify the network membership experience and increase resourcing for our internal communities at NIKE. This is an opt-in, career development series for network members and leadership teams to advance their suite of skills and increase their personal growth, in conjunction with external organizations like Bleeker, Out Leadership, Hispanic Association on Corporate Responsibility and Workplace Change. Topics included goal setting, storytelling, the art of negotiation and conflict resolution, and the series amplified the network membership experience through

increasing the available resources for NIKE's internal communities. The curriculum aligned with Leadership Defined behaviors and key career moments during NIKE's fiscal year to prepare teammates for career conversations and planning. We had over 2,000 attendees over the course of 11 months, with an 85% satisfaction rate overall.

Finally, we are investing in professional development of potential talent outside of NIKE through our partnerships with The Asian American Foundation (TAAF), Management Leadership for Tomorrow and OneTen. NIKE has a four-year community grant agreement with TAAF, worth \$5 million – \$1 million per year over five years (2020–2025). In FY22 we committed to OneTen, whose mission is to hire, promote and advance one million Black individuals without four-year degrees into family-sustaining careers over the next 10 years. We are focused on developing a strategy to connect with our talent acquisition team and identify key roles that fit OneTen eligibility, with the goal of hiring in FY23.



## People Business Diversity & Inclusion

Quantitative Target

# \$1 billion cumulative spend on diverse suppliers

Business Diversity & Inclusion (BDI) is more than the right thing to do; it delivers strategic business results. Suppliers are players on our team and a diverse team is a winning team. During FY22, NIKE increased supplier access, drove strategy awareness across the enterprise and expanded programs to fuel the development of diverse suppliers.

Our approach to business growth is fueled by the belief that diversity – in all its forms – fosters creativity and accelerates innovation. We know that leveraging different perspectives, experiences and backgrounds generates unique ideas and makes our value chain stronger. To enable this work, we will continue to build a roster of suppliers who can actively support our business requirements, while also sharing our commitment to DEI.

### People Profile



**Abigail Schleichkorn**  
Global Business Diversity & Inclusion Program  
Operations Lead

*"As a graduate of a women's college and a collegiate athlete\*, my life goal has always been to use the power that sport has to bring people together to change the world. I feel grateful that I have the opportunity to create meaningful impact in the lives of diverse business owners by giving them insights to build sustained business relationships with NIKE."*

\$ spent on  
diverse suppliers

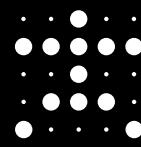
2025 Target (Cumulative)

\$1B

\$777M

FY22  
\$495M

FY21  
\$282M





## People Business Diversity & Inclusion



Our strategy is based on three critical elements:

- ① Drive accessibility and development – expand visibility to diverse suppliers and build capabilities through coaching and training
- ② Fuel demand – engage and educate our leaders and buyers to proactively support BDI efforts
- ③ Establish internal structure – design processes, tools and metrics to embed BDI in all procurement decisions

To accelerate progress toward our strategic goals, NIKE:

- Invited over 30,000 diverse suppliers from North America to apply for Year 1 of the Business Diversity Academy, dramatically scaling the program from six companies to over 75. This program is designed to accelerate the capabilities of diverse suppliers so that they improve their ability to win new business with NIKE and other Fortune 500 companies. The program helps address the challenges many diverse suppliers face in building their business, gaining access to new opportunities, and presenting themselves to corporations. Participants in the Business Diversity Academy are often located in economically disadvantaged communities where the economic impact is felt far beyond those who complete the program and extends into their communities where they employ diverse workforces.

- Increased our outreach to diverse suppliers by collaborating with supplier diversity councils to host “How to Do Business with NIKE” webinars and attending the National Minority Supplier Development Council Conference & Exchange in New Orleans.
- Launched an internal training campaign to educate our sourcing professionals on how to embed BDI principles into their process.

To facilitate global expansion into EMEA, NIKE:

- Partnered with WEConnect International and the Minority Supplier Development United Kingdom to help certify diverse suppliers in the region.
- Worked with other corporations and supplier diversity counterparts in EMEA to determine best practices and support diverse businesses across the countries and regions.
- Built the foundation of the BDI program in the region by integrating the strategy into requests for proposals, tracking diverse spend and educating business stakeholders.

Our commitment to supplier diversity was demonstrated across the organization in FY22, including, for example:

- We worked with a minority-owned training and consulting company to facilitate a diverse supplier training program, The Academy.
- To support more minority-owned businesses, NIKE encourages our suppliers to also engage with their diverse supplier network. An example of this approach is the LeBron James “Father Time” video project, where 91% of the subcontractors hired were minority-owned businesses, demonstrating the impact that can be made with intentional sourcing.

Executing on NIKE’s strategy to increase our diverse supplier base and educate our buyers resulted in a delivery of \$777 million cumulative spend on diverse suppliers.



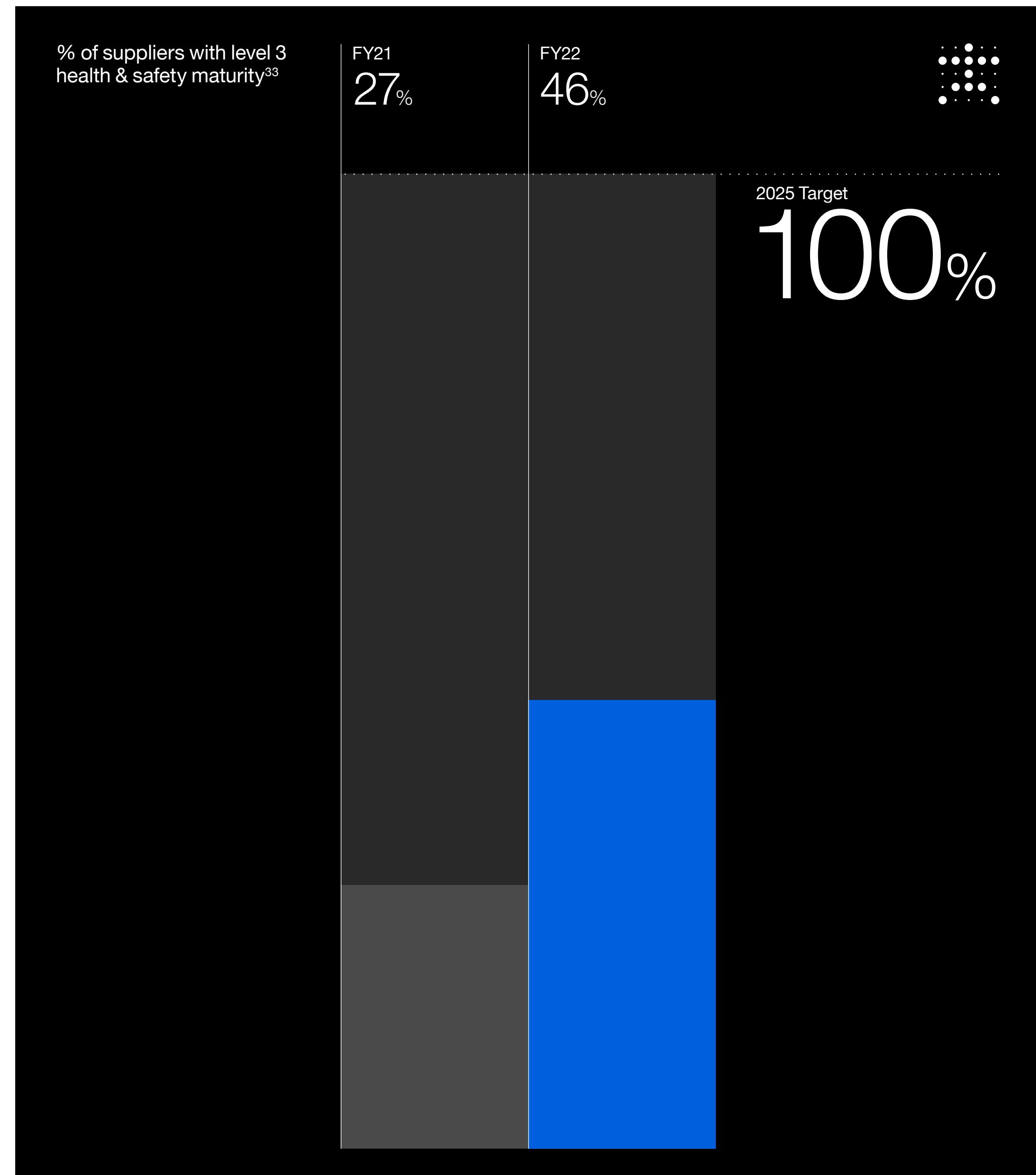
## People Health & Safety

Quantitative Target

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

In line with the International Labour Organization's (ILO) recently amended Declaration on Fundamental Principles and Rights at Work, NIKE believes in the fundamental right of the protection of life and health in the workplace for all people. This is a key component of our responsible supply chain strategy, which is why we have an expectation that suppliers provide safe and healthy workplaces for all workers.

We focus on fostering a culture of health and safety by having leaders and workers collaborate to adopt, refine and standardize industry-leading safety management systems and policies and develop education, training, certification programs and safety leadership capabilities.



<sup>33</sup> Healthy and safe workplaces: Supplier must reach level 3 safety and health maturity on Culture of Safety Maturity Assessment (COSMA).



## ENGAGING AND ACTIVATING THE WORKFORCE

We believe that a skilled and capable workforce is a critical enabler to achieve this target. As we continue to develop new products and innovate new materials, we also create new manufacturing processes and adjust workplace safety practices to proactively manage new risks. As a part of this, health and safety professionals must demonstrate a broad range of skills and competencies to not only effectively manage risk and compliance programs, but also foster a culture of health and safety in their facilities.

Strong technical skills combined with business and soft skills equip facility health and safety personnel with the skills they need to improve safety performance and influence and drive change. In order to support this, we have developed programs to upskill individuals and improve organizational capabilities, which foster peer-to-peer and peer-to-manager conversations about relevant health and safety issues within the facility and enable workers to be more engaged and actively involved.

Since we set this target in FY20 and started measuring impact, we have already seen substantial improvements in the rate of supplier lost time injuries per worker. We analyzed 6.7 billion hours worked from the beginning of FY20 through the end of FY22 and saw a 47% reduction in Lost Time Injury Rates (LTIR) during this time period. By FY22, all in-scope factories were implementing the program, and LTIR stabilized throughout the fiscal year.



*A teammate checks fire safety equipment at Shenzhou's Worldon apparel factory in Vietnam.*

## WORKPLACE FACILITATOR ON FIRE SAFETY

Fire prevention and action planning during emergency situations continue to be areas of focus. To improve fire safety practices among workers and managers, we implemented a facilitator program, which guides workers, managers and leaders on having peer-to-peer conversations on fire safety and other topics. This program started as a collaboration between the Fair Labor Association (FLA) and the Institution of Occupational Safety and Health (IOSH). Since 2015, over 96 Tier 1 finished goods suppliers have implemented the Workplace Safety Facilitator program and trained nearly 375,000 workers on fire safety by the end of FY22.

## IOSH COMPETENCY FRAMEWORK

A well-rounded Occupational Safety and Health (OSH) team has been identified as a key enabler to continually drive health and safety initiatives that result in reductions in incidents, non-compliances and overall negative impacts to the workforce.

In FY22, we selected the IOSH competency framework as the tool to develop our internal NIKE Health and Safety team as well as suppliers' teams. It is a standardized assessment process that gives the OSH professionals an opportunity to determine their current skill level with respect to technical, behavioral and core competencies. Then it gives them a personalized development track that focuses on enhancing either their technical knowledge, their business acumen or their interpersonal skills.

In FY23, our NIKE internal teams will go through the framework. Then, we plan to scale the framework to strategic supplier facilities.

## OCCUPATIONAL HEALTH AND HYGIENE

When new materials and manufacturing processes are introduced in our supply chain, it's a priority for us to anticipate, recognize, evaluate and control potential workplace hazards that may arise and cause sickness or impaired health. NIKE developed an [Industrial Hygiene Playbook](#) that guides in-scope suppliers on how to implement occupational health programs, policies and procedures to improve workplace conditions.

Since the launch of the playbook at the end of FY22, 10 factory-based health and safety professionals have completed the Fundamentals of Industrial Hygiene training course offered by the [Phylmar Academy](#) or an equivalent program. Additionally, 19 have completed more advanced courses on industrial hygiene. We plan to continue to build out these courses in FY23.

## MACHINE SAFETY CERTIFICATIONS

Another health and safety priority is helping improve suppliers' ability to operate and maintain modern and automated machinery. As part of our Code Leadership Standards (CLS) suppliers are required to implement machine management programs and track their performance toward international machine safety standards. Working closely with Pilz, an internationally recognized safety expert, we provide advanced machine safety training and certification for suppliers. Since FY18, 253 machine safety practitioners have completed the Pilz training course, with 79 people designated as Certified Machinery Safety Experts, and have run safety checks on 63% of in-scope machines (over 49,000 machines), which include the following measures: 1) machine safety risk assessments, 2) job hazards analysis, 3) risk-reduction controls, 4) safety work instructions and 5) training operators and maintenance staff on the work instructions.

## ROAD AND COMMUTER SAFETY

After beginning discussions in FY21 with the ILO's Vision Zero Fund (VZF), a G7-funded initiative focused on eliminating severe or fatal work-related accidents, injuries and diseases in global supply chains, we expanded our relationship and collaboration in FY22 to reduce road and commuter accidents among workers in our supply chain.

VZF and NIKE developed of a Theory of Change (TOC) framework on road safety, using ILO-collected feedback from workers, employers, governments and ILO specialists from a number of countries. The framework identified the following four key outcomes for improving commuting safety for workers in the garment and footwear sectors:

- ① Workers are empowered to make decisions and act to avoid and/or mitigate known risk factors when commuting.
- ② Workers have access to and use safe transport alternatives when commuting to and from work and are insured in case of accidents.
- ③ Road infrastructure adjustments are made and assistance services that mitigate road safety risks of commuters are available.
- ④ National legislation is aligned with international best practice and is effectively enforced.

We seek to continue our relationship with VZF in FY23 and will pilot the TOC road safety framework in a select country, focusing on the first two outcomes. The aim is to develop a scalable tool that can be deployed in other countries.



Teams at Dong Jin Textile in Indonesia operate state-of-the-art knitting machines.



## DEVELOP SAFETY LEADERSHIP AND GOVERNANCE

We believe effective leaders set the ethical tone for the company, hold themselves accountable for safety performance, drive safer behaviors at work and motivate their colleagues to do the same.

With IOSH, we have successfully piloted an enterprise-level program with our largest supplier groups to help their company leaders evaluate and improve the effectiveness of existing safety governance structure and safety leadership. Seven supplier groups representing 72 factories and more than 445,000 workers have completed the program by the end of FY22. We plan to scale to the supplier groups in the Supplier Sustainability Council (SSC) in FY23 and to the remaining in-scope supplier groups by 2025.

The SSC is a group of suppliers' enterprise-level representatives committed to innovating and scaling sustainability programs to enhance their operational performance and mitigate risk while sharing out best practices in the hopes of elevating worker safety across the sector. At the end of FY22, there were 11 suppliers in the SSC. The SSC workstreams, including transformational leadership in health and safety, come to life through the supplier group leadership. The program is aimed at enterprise-level leaders and governing bodies that are accountable for the strategic direction and oversight of health and safety in their organization. The program enables these leaders to gain confidence and better understand the key elements of effective corporate health and safety governance, their strategic strengths and areas where they can improve.

## SET AGGRESSIVE TARGETS AND REPORT PERFORMANCE

We developed our Culture of Safety Maturity Assessment (CoSMA) in 2017 to assist suppliers in measuring their progress. The tool, our maturity roadmap and assessment methodology are based on Professor Patrick Hudson's research on Safety Cultural Maturity. When we piloted this initiative at eight different manufacturing facilities with over four million working hours, we found that supplier lines where the health and safety systems were piloted had 85% lower injury and illness rates compared to traditional manufacturing lines<sup>34</sup>.

The maturity roadmap, assessment methodology and CoSMA tool are offered to suppliers through a third-party online training platform hosted by the Phylmar Academy. In FY22, we added a companion guide, the Culture of Safety Playbook, to further assist

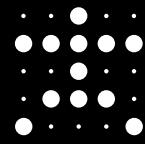
facilities through their journey to develop mature safety cultures and systems. At the end of FY22, 292 factory personnel, third-party consultants and NIKE internal staff had completed the online training and were able to self-evaluate their health and safety culture maturity using standard methodology and metrics.

While working closely with third-party consultants, 46% of our in-scope suppliers (51 suppliers) have self-assessed their culture and have met our threshold for building safe and healthy workplaces, with mature management systems now covering more than 439,000 workers in our supply chain. This data has been validated by feedback from workers through a worker voice platform. We have implemented a new method to collect worker voice through MicroBenefits' data platform and Safemap's safety perception survey questions.

<sup>34</sup> <https://www.hbs.edu/faculty/Pages/item.aspx?num=55877>



## People Gender Equity

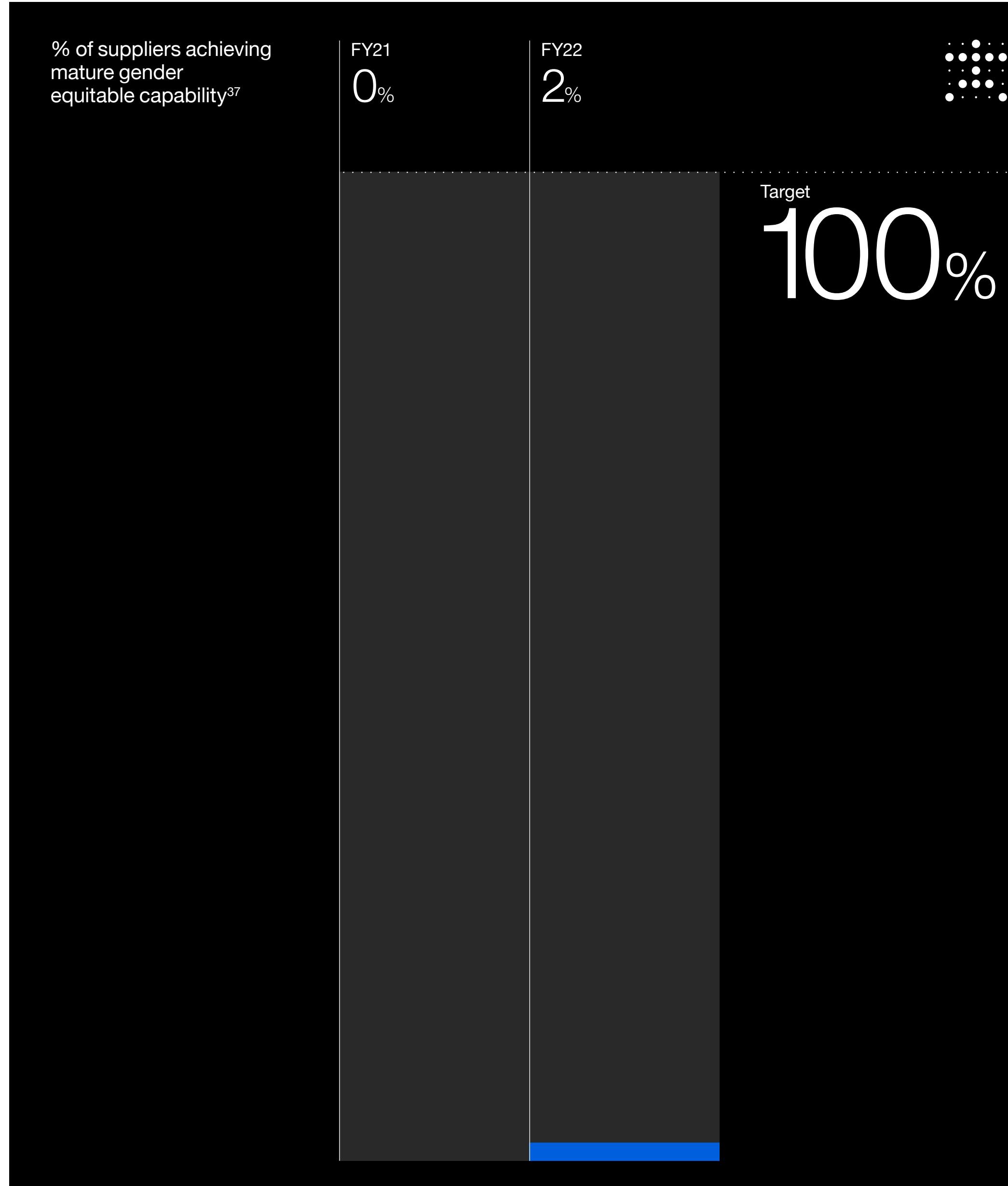


Quantitative Target

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

Our Purpose is to move the world forward through the power of sport and help create a level playing field for all. And we know that operating a responsible and resilient supply chain includes enabling access to career opportunities and upward mobility for women. In our manufacturing supply chain, women make up over 70% of the total workforce and 80% of the finished goods production workforce. Yet female representation decreases with the movement into leadership positions. We aspire toward a level playing field by focusing on creating career opportunities and upward mobility for women, because we know diverse organizations are more resilient, financially outperform their non-diverse peers,<sup>35,36</sup> and more effectively attract and retain talent.

Our multi-pronged approach starts with engaging suppliers to help them build strong capabilities that we know enable cultures that promote and enable equity and will help result in an increase in representation of women in leadership and skilled roles. In order to achieve this goal, we continue to leverage partnerships with global gender experts, including long-standing relationships with the International Center for Research on Women (ICRW) and the International Finance Corporation (IFC).



<sup>35</sup> <https://www.mckinsey.com/featured-insights/sustainable-inclusive-growth/chart-of-the-day/most-diverse-companies-now-more-likely-than-ever-to-outperform-financially>

<sup>36</sup> <https://www.usaid.gov/engendering-industries/gender-equality-guides/business-case>

<sup>37</sup> This target baselined in FY21 as the tools to measure didn't exist when the target period started. While none of the strategic suppliers reached a mature level of gender equity in FY21, more than 95% of suppliers met our FY21 milestone to deploy and validate the Gender Equity Diagnostic Tool, develop an action plan and implement actions.



## MEASUREMENT AND OUTCOMES

To meet this target, suppliers must implement strong policies and practices that incorporate gender equity. We measure this target by validating supplier performance on the Gender Equity Self-Diagnostic Tool (SDT), which analyzes 10 domains of gender equity in areas from how organizations embed an equity lens into their recruitment and hiring practices to how they support and care for working parents in their workforce.

With the launch of our gender equity target in FY20, we worked in collaboration with ICRW to build the SDT to measure gender equity in the footwear and apparel manufacturing industry at the organizational level. After consulting with industry experts, as well as a representative group of suppliers, we were able to help ground the tool in real-life experience. With this input, ICRW was able to work with gender experts to bring this work to life. Anyone can access the tool on [ICRW's website](#), along with supporting materials to help those in the industry, including suppliers, build robust gender equity capabilities.

After setting this target, we worked with strategic suppliers to lay the foundation by helping build an understanding of the importance of gender equity, with the acknowledgment that every organization is starting from a different point on the gender equity journey.

In FY21, the first year of our five-year target, our in-scope suppliers deployed and validated the SDT assessment, which helped many of them to identify the stronger elements in their policies and practices, along with areas needing improvement. This tool helped suppliers think about gender equity as core to their business strategy and operations and not as a separate, standalone women's empowerment program.

In FY22, suppliers completed the SDT for the second year. Overall, we saw an increase of 9% in their ratings on the tool globally. The SDT measured an increase in almost every domain, with the biggest gains in suppliers advancing internal metrics and key performance indicators to understand gender equity and in advancing policies and practices to support working parents. Over half of our in-scope factories began collecting data on unplanned absenteeism or turnover through a gender lens, allowing them to understand what factors help employees feel better supported.

## SUPPORT FOR WORKING PARENTS

The need to support working parents has been amplified through the COVID-19 pandemic and is becoming increasingly top of mind for all employers worldwide. Suppliers who now have a strong foundation and understanding of gender equitable practices were able to focus on understanding the root causes of areas of concern for working parents. These included childcare and balancing work and family responsibilities. As a result, suppliers have increased flexibility where they can, from adjusting transportation times to adapting childcare policies such as increased parental leave.



*With programs focused on movement and play, Feng Tay has provided childcare for thousands of working parents at factories in Vietnam since 2008.*



# 98%

*of in-scope suppliers set meaningful representation targets*

To support this, we worked with IFC to share research and educate suppliers on the most effective policies to attract and retain working parents. This included case studies from three suppliers in which Pou Chen (Vietnam) saw increased productivity worth \$470,000 each year, and TKG TAEKWANG (Vietnam) experienced reduced absenteeism which helped save \$945,000 annually. MAS (Sri Lanka) launched a daycare center providing valuable support for working parents and saw sick leave absenteeism drop by 9%.

In FY22, the first of our supplier facilities were deemed to have gender equitable policies and practices, meeting the threshold for our 2025 target. These facilities showed a deep commitment to measuring and understanding their current state and displayed strong cross-functional prioritization of implementing key actions identified in the SDT. The impacts are already evident, with much stronger return rates post-holiday, where we often see high rates of attrition, and lower turnover and unplanned absenteeism rates compared to other factories. We are excited to continue these efforts and scale the learnings from our initial success in the coming years.

## CAPABILITY BUILDING

One of the ways we continue this progress and help suppliers advance gender equity is by offering capability building training. To this end, we worked with IFC to host a five-part training series with global suppliers – helping suppliers build foundational gender equity knowledge as well as providing targeted and actionable guidance on how to set meaningful and actionable representation targets. These sessions were attended by an average of 160 participants representing facilities across all strategic suppliers. In early FY23, the remaining sessions will focus on gender-inclusive recruitment and promotion, care and support for working parents and creating harassment-free environments, which are all key areas of interest requested by suppliers.

IFC also offered direct bespoke support to interested suppliers. This included several facilities who will complete EDGE Gender Certification, a leading global assessment methodology and business certification standard for gender and intersectional equity.

Beyond NIKE's supply chain, we also kicked off a collaboration, led by ICRW, with six other like-minded brands in the footwear and apparel industry and beyond, to co-create a gender-focused worker voice tool, which will be piloted in FY23. This tool is an industry first and is designed to complement our Engagement and Wellbeing (EWB) worker survey. It will allow us to more accurately triangulate with the SDT results to provide a full picture of gender equity in facilities. By working with other large brands, we are able to help drive change at scale across our industry and beyond, as well as learn and share best practices with our peers.

## People Gender Equity

# REPRESENTATION

We believe that organizations need to have strong equitable policies and practices in place to help advance more women into leadership roles and set women up for success. We also recognize that representation looks different for every organization.

In FY22, IFC trained suppliers on how to set meaningful representation targets. From there, 98% of in-scope suppliers set meaningful representation targets after looking at their own business priorities and workforce demographics through a gender lens, and submitted personalized representation targets focused on increasing career opportunities and upward mobility for women employed in their facilities.

The self-set targets fall into three focus areas: increasing the representation of women in initial levels of management, senior leadership and technical roles. Within technical roles, we have seen an uptick in interest of increasing the representation of female engineers specifically. We have seen suppliers set meaningful targets in areas that make sense for the shape of their business and the demographic contexts they are working within instead of deploying a one-size-fits-all approach.

Supplier workforce data analysis indicates men advancing into the first rung of leadership at over three times the rate of women. In response, the Women's Leadership Accelerator pilot program in Vietnam was implemented in partnership with IFC and local research organization Mekong Development Research Institute, with a focus on high-potential female employees in strategic suppliers' facilities in Vietnam to strengthen women's career advancement. This disparity at the initial entry to leadership roles exacerbates the underrepresentation of women in leadership at all levels. In order to help facilities close this gap, we are helping support female candidates for leadership roles through the Women's Leadership Accelerator pilot program. This program, along with aligned factory self-set representation targets, has brought meaningful input for leadership.

Three strategic suppliers, Huali, TKG TAEKWANG and Ramatex, joined us to serve as a supplier steering committee for the pilot program. Accelerator participants were nominated by their factory leadership to participate in the six-month pilot to learn both hard and soft skills, as well as to create a network with other women. The program kicked off in March with over 50 women representing 16 different supplier groups who collectively employ over 380,000 people in the country in facilities that supply NIKE product. The pilot concluded in September 2022, and we are now measuring its impact and scaling in areas where it can provide the most benefit.

*Tra Lam Thao (left) and Tran Vu Bich Hang (right) help lead a team of more than 10,000 workers, 60% of whom are women, at Feng Tay's Dona Pacific factory in Vietnam.*





## People Worker Engagement

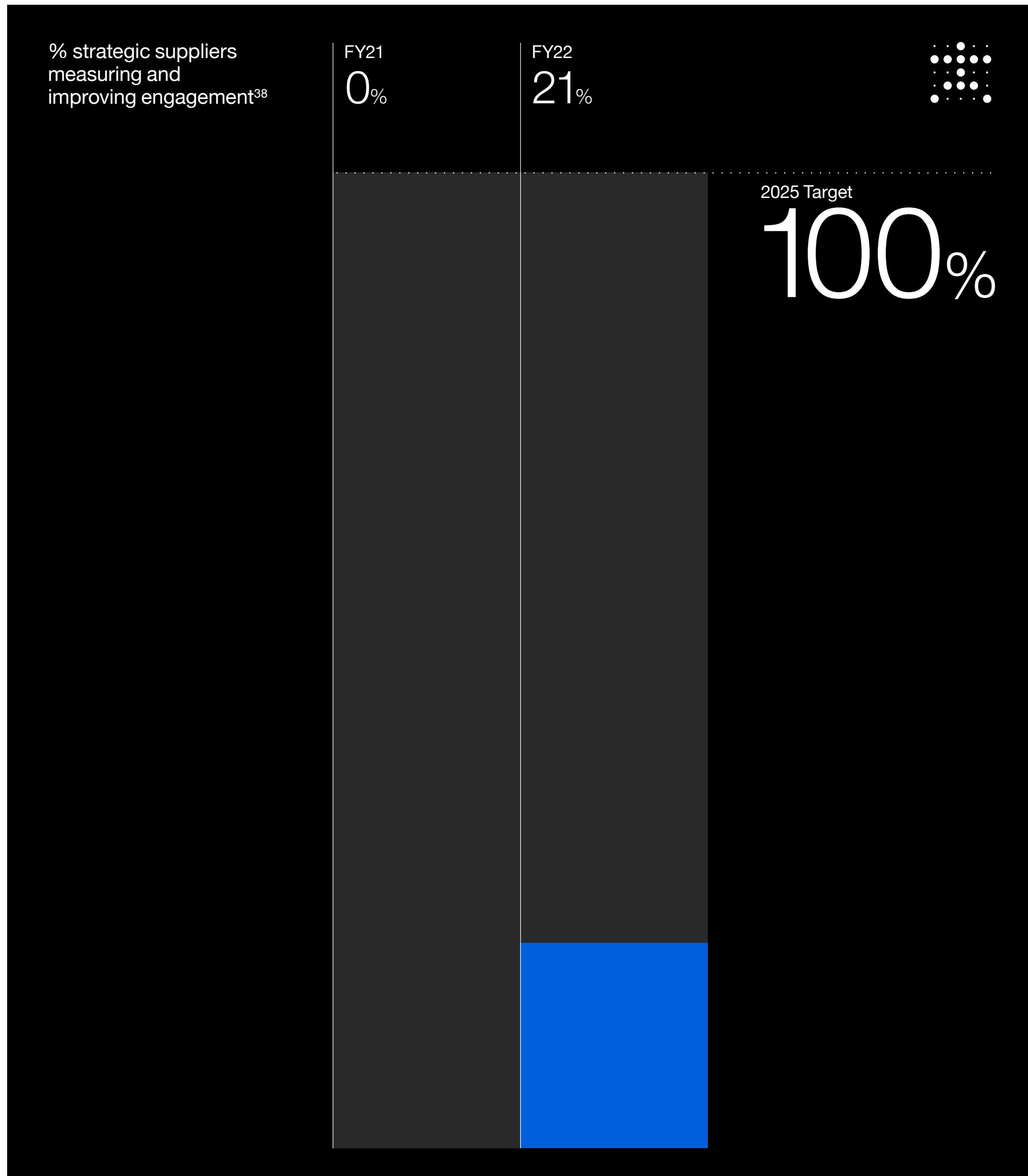
Quantitative Target

### 100% of strategic suppliers are measuring and improving worker engagement

Another key aspect of operating a responsible and resilient supply chain is investing in suppliers who engage and value their workforce. Higher engagement leads to a more efficient, agile and committed workforce, which results in beneficial outcomes for both workers and the organization. Not only are engaged workers more likely to feel physically and mentally secure – they are also more likely to actively and positively contribute to their work.

NIKE's EWB program aims to drive employee engagement and well-being as a supplier-owned model to increase facility performance, including through key metrics such as higher productivity and decreased turnover. This program will help enable NIKE to work with suppliers that are committed to improving the lives of the people making our product.

We begin by measuring worker experience, then support suppliers in developing and embedding the capabilities needed to respond and improve these experiences.





*Lilis Komala  
operates a cutting  
machine at a Chang  
Shin footwear  
facility in Indonesia,  
where workers now  
have access to HR  
systems and training  
via mobile app.*

## EWB SURVEY

NIKE developed the [EWB Survey](#), a comprehensive and anonymous tool that helps capture the voice of workers across several experience categories.

Once a supplier has deployed the EWB Survey, we have a suite of tools and supports, such as the EWB Action Planning Guide, to help suppliers develop and implement a process for converting survey insights from workers into action and embedding practices into their human resource management (HRM) systems.

In FY22, 89 of NIKE's strategic suppliers deployed the EWB Survey, exceeding our expectation of 87 strategic suppliers. Since 2017, we have been scaling the EWB Survey to reach more suppliers. Since that scaling began, the EWB Survey has reached 106 unique factories representing around 580,000 workers across 15 countries.

Recognizing that no two suppliers are the same or at the same point in their employee engagement journeys, we work to meet them where they are and actively support building capabilities that increase engagement.

Throughout the year, we monitor supplier target progress and conduct regular check-ins to encourage continued commitment to the target and enable suppliers to share challenges. Based off these conversations, the NIKE team provides targeted support as needed.

In FY22, 24 in-scope facilities measured and improved engagement. There is a natural journey in a supplier building their capabilities in measuring worker voice prior to being able to convert insights into action and embedding new practices in overall systems to drive sustained improvement.

We continue to tap into survey insights to help prioritize and develop a more data-driven approach. For example, the top-scoring questions across geographies and demographic groups in FY22 were around social connection, getting input from employees and safety awareness. We also share common trends with suppliers and work to make sure these areas are prioritized. Suppliers can then begin to further understand the root causes of any issues and build capabilities to best address them as we progress toward 2025.

## People Worker Engagement

# INCREASING ENGAGEMENT

In FY22, we introduced the second phase of the target, providing a clear methodology for suppliers to implement the capabilities needed to improve engagement with their workforce in a consistent, scalable manner. Twenty-four in-scope facilities measured and improved engagement.

We seek to drive supplier-led measurement of worker voice. NIKE helps enable a standardized approach through our guidelines and best practices in implementing worker voice tools. We have developed for survey vendors an action planning guide to drive supplier ownership and accountability.

We continue to have strong relationships with organizations like MicroBenefits, Labor Solutions and Ulula, which provide not only the ability for facilities to digitally deploy the survey, but also a broader suite of services connecting workers and management. For many suppliers, their employee engagement strategy involves adopting solutions from these organizations, such as worker voice tools that are available on mobile devices and/or made available via tablets at convenient and private kiosks in the facility. These solutions have a variety of capabilities such as confidential, anonymized grievance mechanisms, training platforms and employee portals with access to things such as wage visibility and pay stubs, hours and benefits. As we look at the journey of progression, suppliers are increasingly identifying ways to leverage these types of digital solutions to increase their engagement with workers on a daily basis.

*Workers at Feng Tay Vietnam have access to sport facilities to promote engagement and wellbeing.*



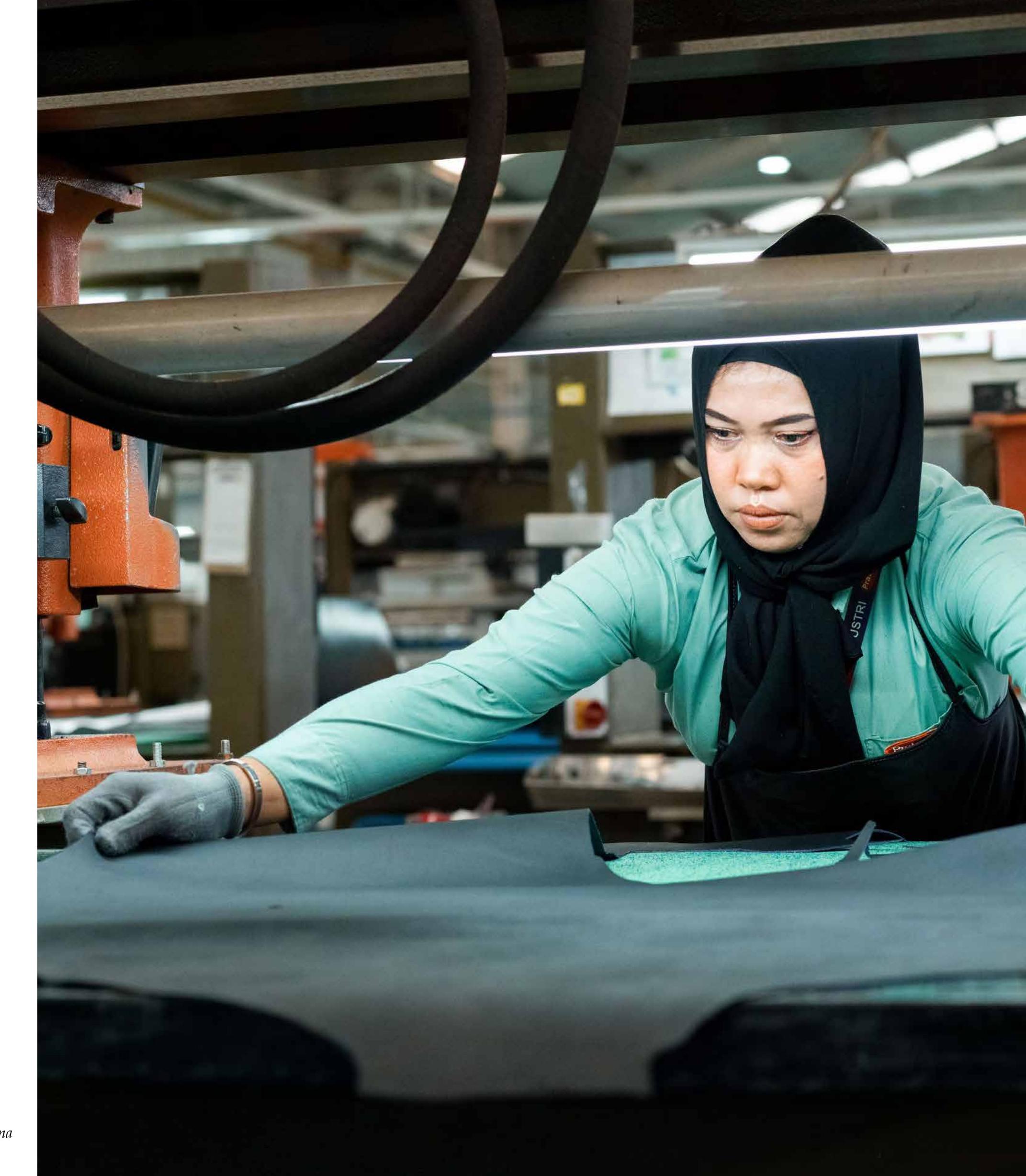
People Additional Priority Area: Supplier Compensation

Additional Priority Area:

## Supplier Compensation

Starting in 2015, we began working with strategic suppliers to develop compensation and benefit models as a part of their overall strategic HRM systems. These systems include integrated IT systems, benchmarking with the local labor market, aligning incentives and incorporating feedback from workers through worker voice platforms. Three of the 21 questions in our EWB Survey focus on workers' experiences around pay. Through our EWB program, we support our suppliers on building capabilities and converting insights from our EWB Survey into actions.

Aligning with the Fair Labor Association's (FLA) definition of a fair wage, we expect suppliers to pay a wage that progressively meets workers' basic needs, including some discretionary income. We share our standards and expectations with suppliers in our Code of Conduct and Code Leadership Standards (CLS). Strategic and fair compensation is a key priority for our responsible supply chain because it not only supports workers' livelihoods, but to also help suppliers remain a competitive employer of choice in local labor markets by attracting, retaining and developing talent.



*Operator Yanti prepares fabric for cutting at a Pratama footwear facility in Indonesia.*



*NIKE and Shenzhou teammates work together in a facility dedicated to manufacturing Flyknit, one of our most sustainable innovations.*

## GETTING BETTER VISIBILITY INTO WAGES

We have continued to build better wage visibility year-over-year, and we continue to partner with the FLA in this effort. This is our third year of collecting robust and standardized wage data across a representative sample of our supply chain based on the FLA's methodology and guidance. We collect this data alongside other key HR and workforce key performance indicators to allow us to have a complete and thorough picture. In addition, we compare this data to various benchmarks including minimum wages, national poverty lines and living wage benchmarks. It's important to us that we have a credible, robust and accurate methodology for measuring wages.

Having credible third-party benchmarks is critical to understanding wage gaps. With this in mind, we have provided support to Anker Research Institute (ARI) as they develop their next living wage benchmark in Indonesia, which will be published later this year on the [Global Living Wage Coalition \(GLWC\)](#) website. ARI also has a thorough and detailed methodology, including extensive on-the-ground research that assess cost of living to determine an accurate benchmark. We plan to use GLWC in other regions where it is available. This effort will help us have approximately 80% of strategic suppliers in all regions compare their wages against an updated and more credible living wage as part of their overall benchmarking. We plan to supplement this data with other benchmarks where there are gaps or when more localized, accurate or up-to-date data is available from other sources.

## People Supplier Compensation

# RESPONSIBLE PURCHASING PRACTICES

Another key element of our wage strategy is our responsible purchasing practices. We are not only driving compliance with the CLS with suppliers, but also looking internally at how our business practices impact those who make our product. We do this in several ways and continue to adapt as we learn more from suppliers and the industry to continue to steward and implement best practices.

We have long-standing partnerships with most of the Tier 1 finished goods suppliers. Over 90% of NIKE footwear and apparel is made by factory groups that we have worked with for over 15 years. To enable suppliers to have time to plan and act responsibly with workforce decisions, we meet with suppliers on at least a quarterly basis to discuss current and future business forecasts. Working across our Sourcing, Costing, and Government and Public Affairs teams, we help give suppliers visibility into areas for improvement and collectively work together to address the root cause of issues.

Better Buying also continues to be an important partner for us and provides critical, anonymized input from suppliers on our purchasing practices. We have been participating in the Better Buying survey since 2018 and just received our most recent results back, in which we improved our total score since last year, increased our participation rate to above 50% and scored above the industry average overall.

We regularly review our purchasing practices to make sure they both address marketplace demands and do not adversely impact compliance with our CLS. For example, during COVID-19 we paid 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 policy with suppliers is, and has been, that NIKE will pay the appropriate amount of the order, depending on the stage of production as communicated by supplier, to enable the supplier to recover costs associated with the canceled order.

## LOOKING AHEAD

As we look to the future, we will continue to improve our data governance in collecting meaningful and actionable wage data and identifying ways to use this information in capability building and program focus. We will also continue to work with GLWC and others on expanding and updating robust wage benchmarks (including living wage, where available), and we will continue to use this information where available to identify gaps and build capabilities by evolving our programs and policies.

Feng Tay teammate  
Pham Thi Thu  
Huyen on the Air  
Force 1 production  
line at a facility  
in Vietnam.





## People Code of Conduct

Quantitative Target

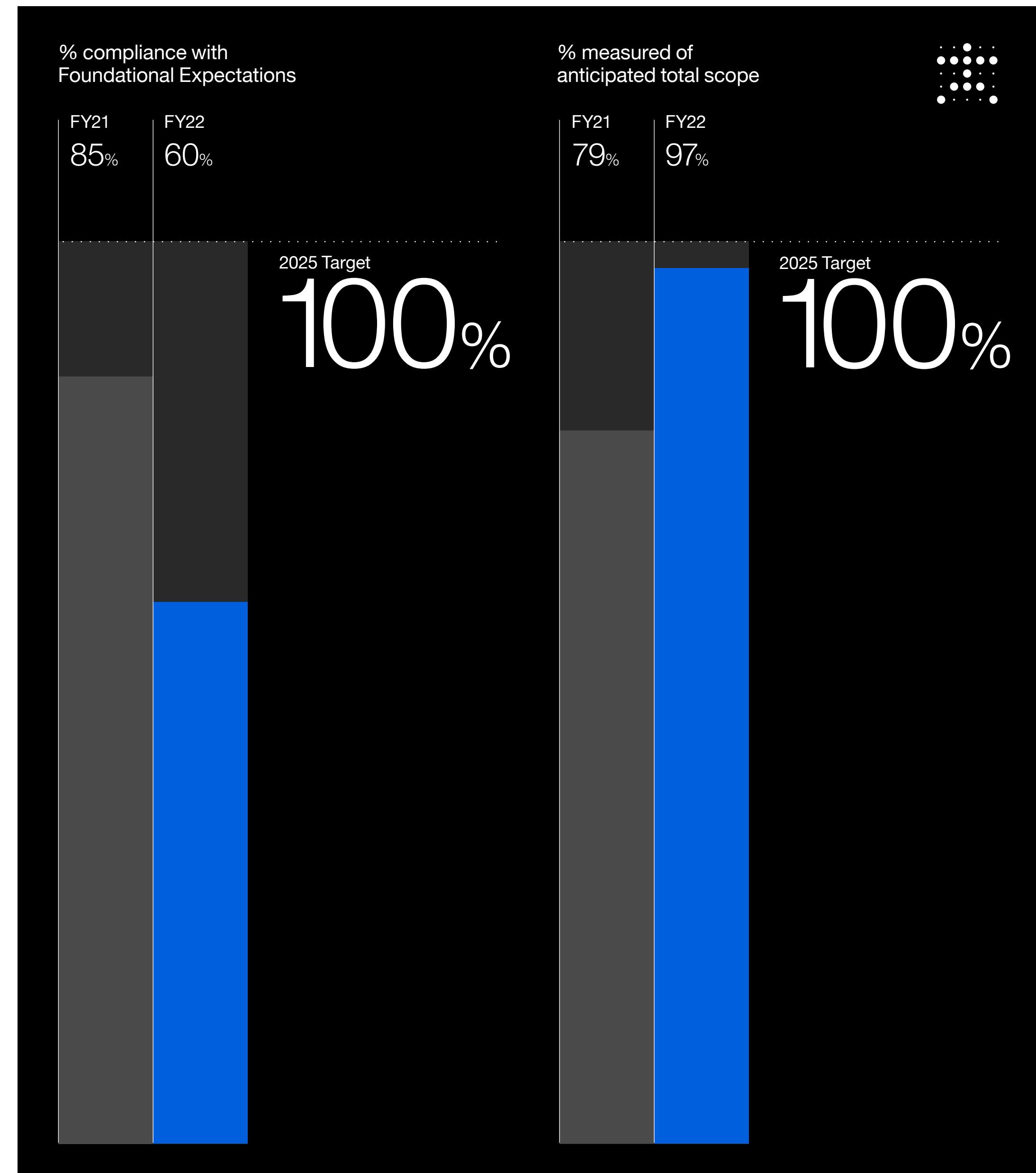
**100% of facilities in our extended supply chain meet NIKE's foundational labor, health, safety and environmental standards, demonstrating respect for the rights of their workers and communities where they operate**

At NIKE, we believe a world-class responsible supply chain is grounded in standards that demonstrate respect for the environment, the people who make and move our product, and the principles of a healthy and safe workplace. With that in mind, we build long-term relationships with suppliers who share our commitment to making products more responsibly.

We expect that all of the in-scope suppliers and third-party logistics providers we work with meet or exceed our foundational labor, health, safety and environmental expectations, which we share with them in our [Code of Conduct and Code Leadership Standards \(CLS\)](#).

When we set this target in FY20, we launched the most ambitious and accelerated expansion of our compliance program to date – updating our Code of Conduct and CLS in FY21 to continue to align with international standards, our strategic priorities and risk mitigation within our supply chain.

We also committed to transitioning from using proprietary tools to industry tools, enabling verified data sharing across the industry to increase transparency. This transition reduces repetitive audits, giving suppliers the opportunity to free up resources that they can, in turn, deploy toward programs that support workers and the environment.





## People Code of Conduct



A forklift operator at a Far Eastern textile facility in Vietnam, which is now in scope as a Tier 2 materials supplier for our foundational labor, health, safety, and environmental expectations target.

We assess Foundational Expectations through verified Social & Labor Convergence Program (SLCP) assessments, Higg Facility Environmental Module (Higg FEM) assessments and Zero Discharge of Hazardous Chemicals (ZDHC) wastewater testing. At the end of FY22, 97% of facilities have used at least one industry tool and the remaining facilities are currently scheduled to transition in FY23 based on industry tool availability.

In FY21, we also expanded the scope of this target. We added additional Tier 2 material suppliers representing approximately 90% of total footwear upper materials and apparel textile production, in-scope distribution centers representing at least 80% of volume and our NIKE owned and operated Air MI facilities. We publicly disclose Tier 1 finished goods and Tier 2 material supplier facilities on the [NIKE Manufacturing Map](#).

As a result of this expanded scope, we are seeing a dip in the compliance rate during this transition period. As expected, our finished goods and material suppliers who have been a part of our audit programs – some for more than 20 years – are adjusting to the switch of audit tool, assessment process and our elevated Code expectations.

### % compliance with Foundational Expectations

	FY20	FY22
FY20 target scope (T1 & high visibility <sup>39</sup> T2)	94%	77%
FY25 target scope expansion (additional T2, DCs & Air MI)	NA	12%

Our material suppliers, Air MI facilities and distribution centers who are being assessed for Foundational Expectations for the first time are just starting on their journey. We anticipate that as facilities adapt to the new tools and processes, they will learn quickly as they take advantage of targeted remediation and capability building programs described in more detail below. We are already seeing some improvement as facilities complete their second assessments.

<sup>39</sup> Suppliers manufacturing branded licensed products or branded footwear uppers and branded outsoles.



## DRIVING IMPROVEMENT

We are applying what we have learned over the last 50 years building long-term relationships with suppliers who share our commitment to making and moving products more responsibly. In FY22, we strengthened existing partnerships with third-party experts who help suppliers address the root causes of non-compliance through remediation and training programs. Our remediation strategy leverages a compliance management systems approach to diagnose problems, enable critical thinking and drive facility ownership.

As a part of this strategy, we created three third-party remediation programs targeting the unique needs of suppliers. The remediation programs are geared toward building knowledge and capabilities while recognizing that suppliers have different levels of experience with these types of assessments.

For Tier 1 finished goods suppliers' who are not meeting Foundational Expectations on any industry tool, the program focuses on capability building to help address the issues impacting the supplier rating. Since these suppliers are used to being assessed for compliance, the overall goal is to confirm that all non-compliances are remediated in a sustained manner. This program provides an opportunity for suppliers to meet our Foundational Expectations in between industry assessments. By the end of FY22, 37 facilities were enrolled in the program, and we expect them to successfully remediate findings in FY23.

For Tier 2 material suppliers, who are likely less used to being assessed for compliance, we worked with a third party to develop a program to provide trainings and dedicated coaching to build the capabilities unique to their needs. The program is designed to help set the foundation of suppliers' compliance management systems and enable issue remediation as the result. Many Tier 2 material suppliers have more than one non-compliance because they weren't accustomed to these assessments, and we expect them to take more than a year to build the capabilities to remediate their non-compliances and meet our Foundational Expectations. Our remediation program includes both trainings and

dedicated support to follow up on plans that aim to improve suppliers' compliance management systems. We expect to see more Tier 2 suppliers successfully meet our Foundational Expectation as they continue to set their foundations and build compliance management systems. As of the end of FY22, 63 facilities were enrolled in this remediation program.

We also created a third-party-facilitated remediation program targeting the needs of distribution centers. In-scope distribution centers take part in a third-party-facilitated, interactive remediation program that guides them through the process of root cause analysis and the development of sustainable improvement plans for each finding. Through this four-month engagement, distribution centers demonstrated improvements on or addressed 80% of the findings.

We are also going beyond these tailored remediation programs to find opportunities to build capabilities across the supply chain that cover areas where we see trends in non-compliance. For example, in chemical management, where we continue to raise the bar on our requirements suppliers are encouraged to engage with the ZDHC Foundation Supplier to Zero program, which brings to life the ZDHC ethos and supports our industry tool approach.

# 97%

of facilities have been measured  
(up from 79% in FY21 and 66%  
in FY20)



## People Code of Conduct

### Sustainable Manufacturing & Sourcing Index (SMSI) Factory Ratings

		FY20	FY21	FY22
Gold	World-leading manufacturing standards and innovation	0	0	0
Silver	Industry-leading manufacturing standards and innovation	15	14	14
Bronze	Baseline compliance with our Code of Conduct	432	424	370
Red	Serious issues or failure to return to compliance; remediation plans in place to address or under review to exit	16	61	186
No Rating	Enrollment in process	0	102	4
Zero Tolerance	Critical issues demanding immediate action; remediation steps to address the issue or under review to exit	0	5	38

### Target Performance

	FY20	FY21	FY22	Change from FY20-22
All NIKE	94	85	60	-34 p.p.
Tier 1	94	92	79	-25 p.p.
Tier 2	0	59	24	+24 p.p.
DC	0	0	0	N/A

### Worker Count Results

	Tier 1	Tier 2	DCs	FY22 Total	
	#	#	#	#	%
Americas	59,722	3,998	13,747	77,467	6
EMEA	32,428	846	3,066	36,340	3
N Asia	113,272	61,449	3,985	178,706	14
S Asia	380,730	31,079	394	412,203	32
SE Asia	541,811	57,260	49	599,120	46
Total	1,127,963	154,632	21,241	1,303,836	

### Audit Counts

	Tier 1	Tier 2	DCs	FY22 Total	
	#	#	#	#	%
NIKE	61	1	0	62	4
SLCP <sup>40</sup>	286	158	26	470	33
SAC's FEM <sup>40</sup>	379	185	0	564	40
ZDHC <sup>40</sup> Wastewater Guidelines	82	166	0	248	17
DECA	0	0	20	20	1
FLA	4	0	0	4	0.3
Better Work	50	3	0	53	4
Total	862	513	46	1,421	

<sup>40</sup> Number of reports received.



People Additional Priority Area: Foreign Migrant Workers

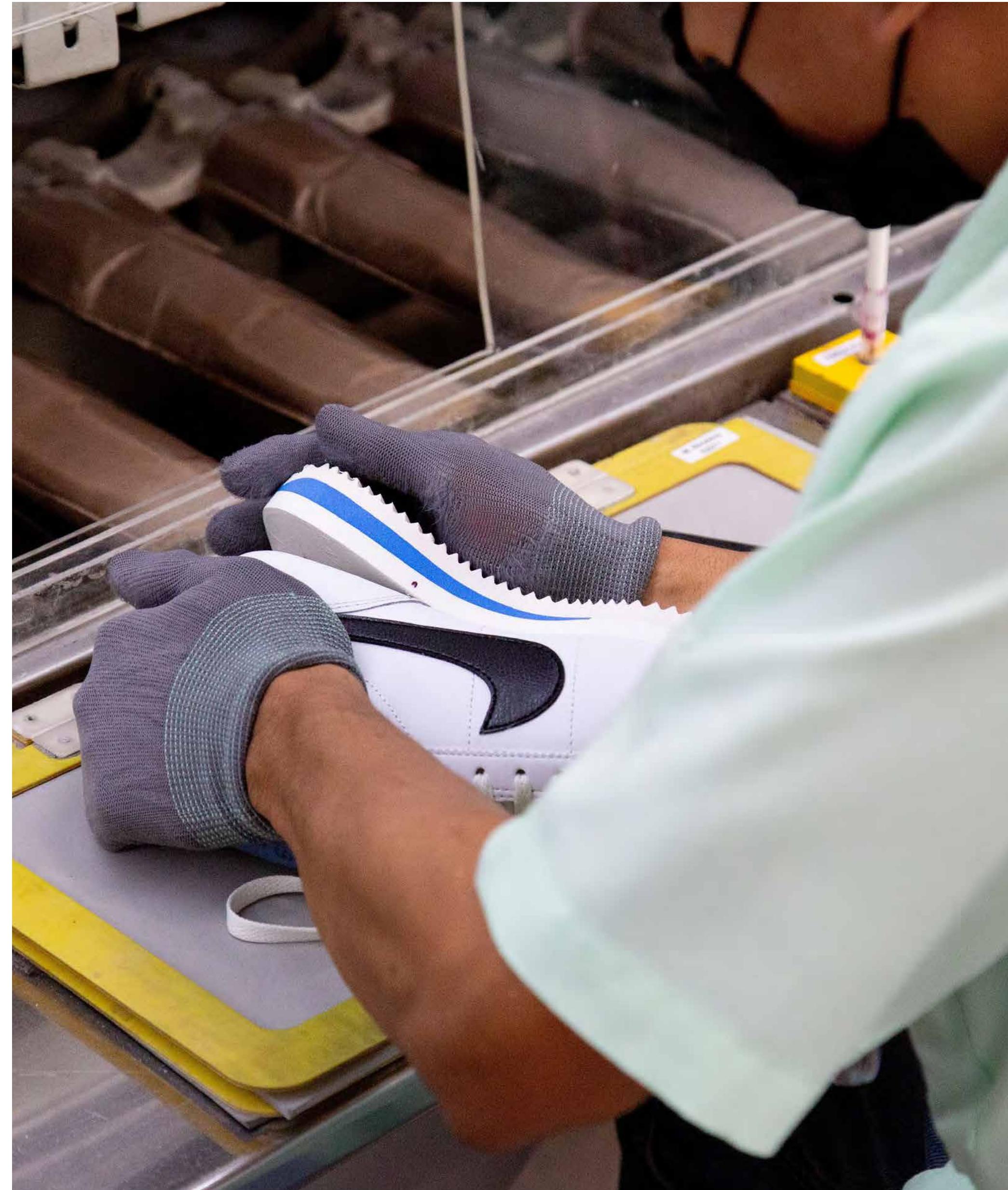
Additional Priority Area:

## Foreign Migrant Workers

The employment of foreign migrant workers specifically creates an increased risk of forced labor. At NIKE, we believe in the Employer Pays Principle – prohibiting workers from paying fees for their employment – which is a critical component of a responsible supply chain and in eliminating forced labor risks in the industry and beyond.

NIKE's approach to foreign migrant workers focuses on strengthening our standards and expectations, identifying risks, and working with global and local cross-industry, multi-stakeholder organizations.

Along with adopting the Employer Pays Principle, we are also a member of the Leadership Group for Responsible Recruitment (LGRR) – an initiative of the Institute for Human Rights and Business. We support them with their mission to drive positive change in the international recruitment industry by advocating that governments and organizations adopt the Employer Pays Principle. We also updated our Code of Conduct and CLS to help drive clarity on our expectations of suppliers and facilities and the types of prohibited fees.





## People Foreign Migrant Workers



*Leaders discuss priorities during a shift change at a Chang Shin footwear facility in Indonesia.*

We also work to provide robust resources for suppliers to identify risks in their operations and build capabilities to recruit workers more responsibly. This includes partnering with global and local experts to provide regional training to suppliers.

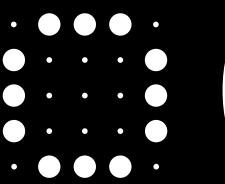
In FY22, NIKE worked with the Responsible Labor Initiative (RLI) to deliver a responsible recruitment post-training program to all strategic material suppliers in Taiwan. This six-month program built on prior trainings with a series of practical coaching and consultation sessions between RLI experts and suppliers. In the program, the suppliers developed a gap analysis of their own recruitment systems and practices and prioritized key areas of improvement. All suppliers worked to strengthen their systems and practices in recruitment fees and recruitment agent due diligence. They were then divided into three smaller working groups based on their other areas of focus: responsible recruitment compliance monitoring, labor contract and job advertisement. These groups work directly with an RLI expert weekly in root cause identification, improvement plan development and implementation deployment. The suppliers also gather monthly for learnings and best practice sharing with their top management, and suppliers are coached to conduct self-evaluation of the improvements, so they have the capability to continue their improvement journey.

Since FY19, NIKE has used CUMULUS Forced Labor Screen™ – a due diligence tool to help identify risks related to the recruitment of foreign migrant workers. In FY22, we also expanded the use of the tool to all Tier 1 finished goods and strategic Tier 2 materials suppliers hiring foreign migrant workers in countries and regions in our extended supply chain that we have identified at heightened risk for forced labor – including Malaysia, Thailand, Taiwan, Japan, Jordan, Egypt, South Korea, Mexico, Argentina, and Brazil. In FY22, a new feature was added to the tool for verification of recruitment fee payment and reimbursement to the foreign migrant workers. This process helps us identify risks and opportunities, with focus on more impactful risks such as recruitment fees, to further support suppliers and their recruiting agents in implementing best practices. It also helps us continue to evaluate and monitor the effectiveness of the programs put in place to address and minimize risks related to forced labor.

Addressing complex and critical human rights risks, like forced labor, often requires industry collaboration, which is why we continue to work with multi-stakeholder and external organizations such as the FLA and the ILO's Better Work program to address labor risks in our supply chain. Through these partnerships, we are able to address a wider range of human rights risks, including those related to forced labor. In FY22, we supported Better Work's delivery of trainings to workers at several suppliers in Jordan, focused on topics like mental well-being, sexual harassment prevention and workplace communication.

In FY21, NIKE began a Strategic Partnership Program with Issara Institute with the kick-off of Issara Worker Voice program at all Tier 1 finished goods and Tier 2 material suppliers operating in Thailand that employ foreign migrant workers. This work focuses on empowering suppliers to strengthen human resources systems to address issues and build trust with workers while focusing on issues impacting foreign migrant workers. In FY22, 243 calls were received through Issara Worker Voice's multilingual hotline channel. These calls focus on areas such as working conditions, employer–employee communications and relations, and labor recruitment. Issara works with the suppliers in sharing workers' concerns anonymously, providing support and follow-up throughout each supplier's improvement progress.

In FY22, NIKE expanded our partnership with Issara Institute by launching their Foreign Migrant Workers assessment survey in a factory in Thailand. This survey assesses gaps in the foreign migrant worker recruitment process, implementation of the Employer Pays Principle and working conditions. In FY23, we plan to expand the survey to other Thailand facilities employing foreign migrant workers.



03

# PLANET



90 Carbon  
111 Waste  
123 Water  
127 Chemistry



**Climate change is impacting athletes\* around the world. We see it in flooded football pitches and drought-parched fields, in the limited practice times of the young people we coach.**

**We are radically reimagining our materials, production methods and processes. We know we must commit to innovating solutions that help protect the planet, and with it, the future of sport.**

We believe that we, along with our industry, have a responsibility to reduce our impact on the planet. That's why we're reimagining how we make products through the lens of sustainability and circularity. We're focused on using recycled materials, creating more durable materials, using better chemistry and making products that are easier to refurbish or recycle.

We take the same innovative approach to reducing impact across our entire value chain – from the way we manufacture and distribute products to the way we operate our offices, stores and distribution centers. Reducing impact isn't enough though; we acknowledge the importance of creating positive impact through efforts such as water restoration.

Climate change takes collective action, so we're working across our industry and beyond to lower our shared impact.

We are not waiting for solutions – we are helping to create them.



# ADDRESSING THE FUTURE

*with*

*Ada Hegerberg*



As a professional footballer, the clearer it becomes that we have to open hearts and change minds. I think football is a great way to make people aware of what's going on now it as time that we're in. I think it's important to grow. If we get more people involved, especially, everyone else will follow. That's actually the reason why I started playing for the national team in 2017, because I wanted to show that women versus the men's national team is not the only thing that we can do. We can do something for our climate, we can do something for our planet. I think football matches are a great way of getting people to play. And extreme weather conditions increase the risk of injury. I think it's pretty simple: if you love football... if you love sport, you have to care about our planet. The more



Planet Future Address

*"I think it's pretty simple... if you love sport, you need to care about our collective playing field – our planet."*



The longer I am a professional footballer, the clearer it becomes that sport has the power to open hearts and change minds.

Even when I've chosen to sit out from international football to make a statement about gender disparity in football, I never saw it as time that I was giving up, but rather time I was investing for tomorrow. If we get equality right today, the future for women, girls and, frankly, everyone else is much better. That's actually the reason I opted out of playing for the Norwegian national team in 2017, over the clear unequal treatment of the women's team versus the men's.

Equality isn't the only thing that will ensure a better future for sport. I've begun to advocate for our climate, too.

When soaring temperatures force the cancellation of football matches, it's youth teams who are left with nowhere to play. And extreme weather creates dangerous playing conditions that increase likelihood of injury. I think it's pretty simple: If you love football... if you love sport, you need to care about our collective playing field – our planet.

The more people and brands we have standing up, wanting to move all parts of athletics in the right direction, the more impact we can have, this is why NIKE's commitment to social and environmental equity is so important to me.



Together, we need to ensure that the future is one where sport accounts for all genders in an equitable, affirming and environmentally responsible way.

To keep us on a path toward a better future, I promise to keep having meaningful conversations and to push my sport to lead by example.

*With hope,  
Ada*

A handwritten signature in black ink, appearing to read "Ada Hegerberg".



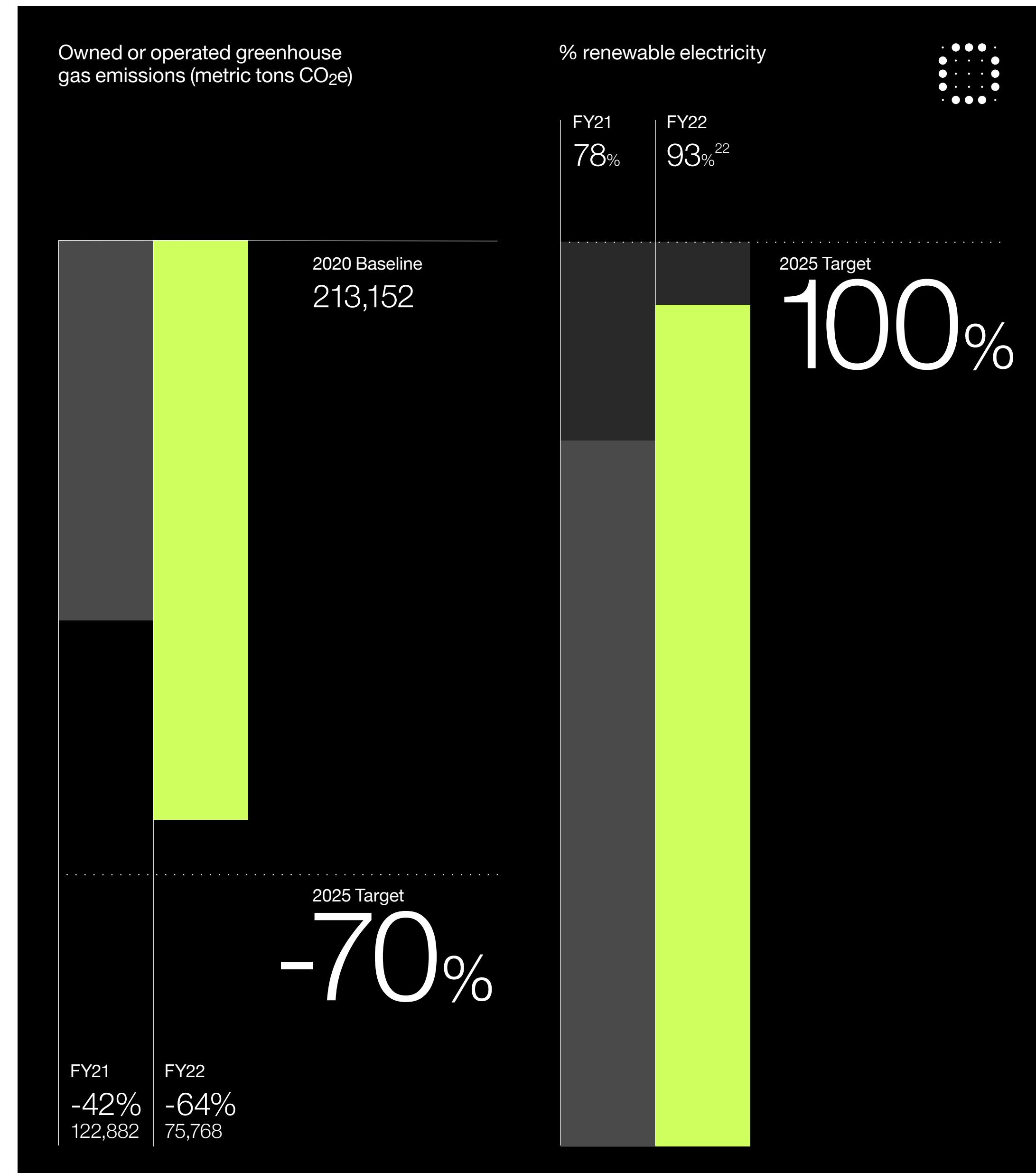
Planet Carbon

## Quantitative Target

70% absolute reduction of GHG emissions  
in owned or operated facilities through 100%  
renewable electricity and fleet electrification

Globally, our owned and operated facilities are an important part of managing our impact. While small compared to NIKE's overall footprint including supply chain and materials, we have direct (through ownership) or indirect (through lease) control of energy use in over 1,000 facilities. In FY15, we set our RE100 commitment to reach 100% renewable electricity by 2025 in NIKE corporate offices, distribution centers, Air Miler and retail locations. This has been a primary contributor to the emission reductions we've seen thus far.

We focus internal planning and resources toward supporting new renewable electricity project development. We continue to build our experience and expertise in the renewables space while supporting our supply chain and expanding into other forms of Scope 1 decarbonization.





## Planet Carbon



*Solar panels being  
installed NIKE  
Mexico DC*

Since our initial assessment of our overall energy footprint, NIKE has worked to improve energy efficiency of our operations. NIKE seeks a variety of energy-saving opportunities, but prioritizes projects at locations with high electricity consumption and opportunities for energy efficiency upgrades. NIKE has sizable onsite renewable electricity projects at large-scale distribution centers in Belgium and China, with onsite solar in the U.S., Vietnam and Mexico.

Renewable electricity use drives the majority of reductions of this target. We have secured renewable electricity globally through power purchase agreements (PPAs), virtual power purchase agreements (VPPAs), onsite projects at six distribution centers, green power purchasing contracts, and by securing unbundled Energy Attribute Certificates (EACs) in select markets as a bridge solution.

Due to our renewable electricity procurement, Scope 2 market-based emissions have dropped significantly. At baseline, Scope 2 emissions comprised 75% of this target; in FY22 for the first time ever, Scope 1 emissions exceed Scope 2 (now 33%). Office closures (due to COVID-19 and building construction) and energy-efficiency work also contributed to these reductions.

Natural gas use and related emissions increased in Air MI and distribution centers due to spikes in cold weather and increased ventilation due to COVID-19 operating requirements.



## PROCURING RENEWABLE ELECTRICITY

We continue to monitor our energy and carbon growth trajectories alongside business planning to develop more accurate forecasts for our energy needs and understand emerging solutions while balancing cost, risk and additio

In 2016 we entered a direct power purchase agreement (DPPA) for the electricity we use at our WHQ in Oregon, which is powered from wind farms in the nearby Columbia River Gorge, and have further expanded similar initiatives.

We have large-scale VPPAs at wind farms in Texas and Spain, which give us the renewable electricity for our consolidated loads in the U.S. and Canada, and across Europe.

In Japan, NIKE distribution centers secured 100% renewable electricity through green power purchasing contracts. In Greater China, we developed a project to expand renewable electricity coverage onsite with new wind turbines adding to the existing rooftop solar power at the Greater China Logistics Center for FY23. With estimated production of 14,000 MWh per year, the new wind project is expected to bring renewable electricity coverage at the facility to 100%.

We progressively adopt renewable electricity in locations where we have a large load and where marketplace solutions are available. In countries without feasible solutions, we pursue other options as bridge solutions while we continue to explore and advocate for better options for procuring renewable electricity.

Where we have a small, dispersed footprint, NIKE began purchasing unbundled EACs. We sourced such certificates in 15 countries, making up 22% of our overall renewable electricity footprint.

We also continue to collaborate with the U.S. Agency for International Development (USAID), U.S. Department of State, as well as other global brands to support the Vietnam government's launch of a new renewable electricity program. Toward the end of FY22, NIKE became a founding member of the Asia Clean Energy Coalition (ACEC), a collaboration of renewable energy buyers, developers, and financiers to strategically shift policy in key Asian national and regional markets<sup>41</sup>.

NIKE Greater China  
Logistics Center



41 <https://asiacleanenergycoalition.com>



# 31%

of NIKE-owned retail stores  
are LEED certified

## REDUCING ENERGY USE

We deliver energy management and efficiency projects by type of building and part of the business. Some highlights in FY22 that drove reductions include:

### Distribution Centers

We completed an LED light retrofit project at the North American Logistics Center facility in FY22.

### Retail

NIKE piloted energy management systems that allow stores to see actual energy use in real time and adjust operations to reduce energy use. In FY23, NIKE expects to scale implementation with European stores in Italy, the U.K., Germany, Poland and France among the first stores globally to enroll.

In addition to operating systems and controls, NIKE is addressing energy use through design, build and retrofitting with more energy-efficient choices. These include heating and ventilation systems and LED lighting.

NIKE has expanded its commitment to LEED standards for new and remodeled stores. To date, 31% of NIKE-owned retail stores are LEED certified.

### Offices

FY22 was a transition year for our HQ facilities globally. We began the year with low on-campus attendance as our workforce continued working from home. Building-efficiency programs assured that facilities were operating at the lowest energy possible, while meeting the needs of those who continued or returned onsite.

We conducted energy audits in FY22, with staff prepared to leverage efficiency findings as we welcomed athletes back to campus. While we observed upticks in carbon and waste compared to FY21, our impact metrics remain significantly below the FY20 baseline. Natural gas emissions at our HQ facilities increased 13% compared to FY21 but landed 24% below the FY20 baseline.

Across buildings and offices at WHQ, early FY22 energy and emissions reductions can be credited to the Building Turn Down programs. We deployed strategic energy management programs, achieving energy reduction through regular data analysis and controls optimization. Together, these measures led to 15% energy cost savings from reductions in electricity and natural gas usage.

### Air MI Facilities

Our facilities remained open through COVID-19, with enhanced operating procedures requiring increased ventilation. Heating, ventilation and air conditioning systems (HVAC) increased energy use as they pulled in additional external air.

### Corporate Jets

NIKE's fleet management program for aviation is pursuing the National Business Aviation Association's Sustainable Flight Department Accreditation to achieve sustainability practices across our operations. The home-base sustainable aviation fuel (SAF) program is well established and NIKE aims to begin purchasing fuel from the SAF program monthly in FY23.

### Fleet

We have made strides in fleet electrification, addressing the greatest concentration of fleet vehicles and planning for new solutions where fewer vehicles are needed. In EMEA, we're transitioning 300 fleet vehicles to electric at distribution centers. At our WHQ campus in Oregon, we launched the process to develop a dedicated EV-charging lot with 50 ports to serve our fleet vehicles, which will help us transition to a fully electric fleet. This builds on our existing 135 on-campus EV-charging locations for our fleet, and more than 1,500 registered employee users.



# SPEND A DAY WITH: NAMRATA AMIN

Senior Director, Material Innovation  
Beaverton, Oregon, USA



*“Because we’re working on future product innovations, we rely on data to guide us – and our intuition. If something shows promise, then we start testing and iterating. In that sense, both data and emotion are crucial to how we approach new technologies.”*



## Planet Coaching Diaries

"My job is to find and nurture ideas," Namrata Amin explains, "it's finding the seeds, nurturing them, making them into little saplings and then planting them into the industry as trees." She knows growth requires two things: a positive environment and consistent care. As Senior Director, Material Innovation, Namrata puts this ethos into practice as the leader of a team of apparel innovators at NIKE World Headquarters in Oregon.

Namrata started her career working with heritage handloom textiles in India. At the heart of her passion for textiles was a deep respect for our world, for what she calls "the higher level of creative unity of our planet." Namrata's role at NIKE connects to this ethos, as she is charged with innovating new and next-generation materials solutions in four areas of impact for NIKE: carbon, waste, water and chemistry.

Namrata is inspired by the belief that sustainability needs to evolve from a purely technical space to an emotional and behavioural one. At NIKE, Namrata has witnessed the impact of aligning values with action. When we "feel in our bodies that this is our planet to nurture, together," she tells us, "that's when we're empowered to act for our collective future."

### Planting seeds

Some of the most exciting mornings start with innovation meetings. This is when the whole team gets together to share new ideas. Everyone's invited because the next great innovation could come from anyone on the team. At every meeting, we remind each other that there will always be more failures than successes in our role. So much of my work is about building relationships and trust, listening to new ideas and giving feedback. Our challenge is to find those rare innovations that are really going to make athletes' lives better.

My team works on environmentally preferred materials. We're seeing a huge surge in demand for more responsible apparel, and that's exciting because there's a lot we can do.



### Nurturing and growing

After we meet on future innovation, there's important work to be done tending to our ongoing projects. NIKE Forward was my team's biggest launch in 2022. Our aim was to reduce our carbon and water footprint by completely rethinking the way we make textiles. We took an existing tool in the textile industry (needlepunch machines) and applied it to sportswear with a brand new approach to assembling fibers and creating apparel textiles. That game-changing non-woven textile was 5 years in the making because at every stage we had to make sure we were applying principles of sustainability, and that we weren't cutting corners when it came to water or carbon.

### Creating a nourishing environment

Creating a cohesive culture is key to successful innovation. Most afternoons, I'll meet one-on-one with my team to check in on their progress and discuss challenges. But I've learned that good leadership is more organic than scheduled meetings. It's the way I greet people in the morning or ask questions in a meeting. For me, showing up and supporting my team is being excited to meet people where they are.



### Working across the planet

Because I work with manufacturers all over the world, I spend a lot of time traveling. Most months I'll be on another continent. I might be visiting our team of innovators based in Greater China, who work with our partners overseas to bring ideas and concepts to life. In fact, I just got back from Sri Lanka, where I worked with our factory partners to align strategy for our next cycle.

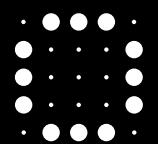
It can be hard to cut off completely during the week. I'm immersed in this experience of material iteration: being with experimenters and innovators, that's my happy place. But on weekends, I switch off completely – no phone calls, no emails, nothing. To relax, I like sketching, it brings me peace. And Bollywood movies, bad ones as much as the classics.



### Thinking time

At the end of every week, every Friday afternoon, I carve out time for reflection: How did we work as a team? Was there a moment someone felt they didn't belong that I could have done something differently as a leader? It's a dialogue with myself. I build a bank of observations, make notes and look back over longer periods. That shows me patterns and tells me a story of what's going on.

I also do a lot of reflection with other people, whether it's with my life coach or my NIKE mentor. As you grow in leadership, it can get lonely in a strange way. My coach and mentor are guides I can bounce ideas around. My mentor brings so much experience to our conversations. They've had some of the experiences I'm having now, so they are able to ask me questions that will help me grow as a leader. That kind of empathy is very nurturing: it's helping me to become a better version of myself, for me and for my team.



Quantitative Target

**Greenhouse gas emissions from key suppliers' manufacturing and transportation operations will be at or below 2020 levels through use of renewable energy, energy efficiency and alternative fuels**

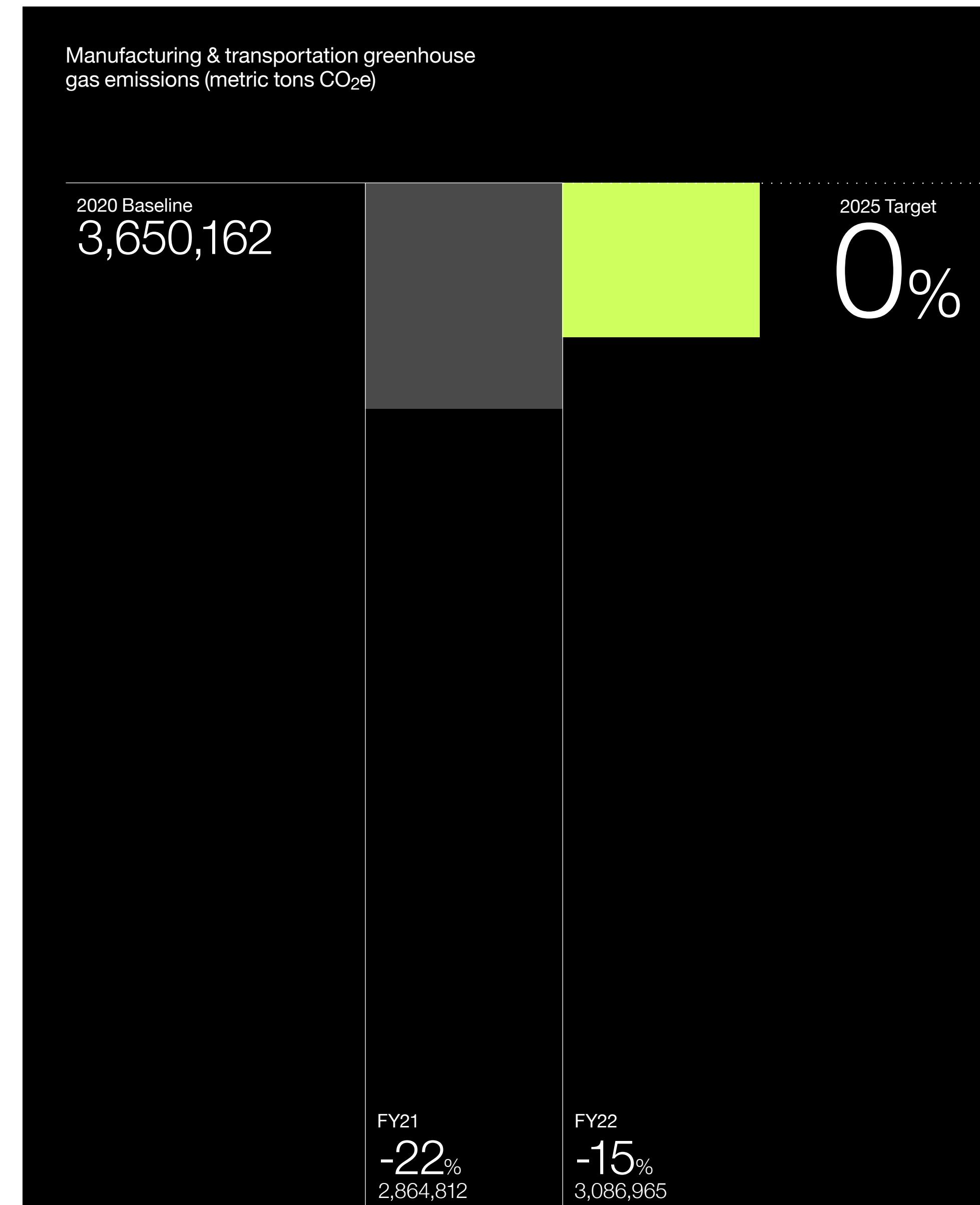
Reducing emissions from manufacturing and transportation is critical for NIKE to meet its 2030 Scope 3 science-based emission reduction target and its longer-term 2050 target. It's also critical to our vision of a responsible and resilient extended supply chain, which accounts for over 90% of the company's greenhouse gas footprint – with finished goods and materials manufacturing accounting for over 30% and logistics roughly 10%. Under business-as-usual scenarios, absolute emissions are anticipated to rise; therefore, we must push beyond incremental reductions and unlock transformative solutions in the supply chain.

*People Profile*



**Samantha Callas**  
Responsibility Director,  
APLA Operations and  
Logistics

*"In order to achieve our goals in this space, we have to accelerate the use of alternative fuels. I'm filled with optimism, humility and gratitude that the work I am doing directly drives change to create the best possible tomorrow."*





At NIKE, we have a long history of working toward shared sustainability targets across our supply chain. Our programs help drive operational efficiencies and energy savings among our owned and operated facilities, as well as with suppliers and transportation providers. This helps us build operational resilience across the value chain for a future where climate impacts will become more apparent.

Across the supply chain, our strategies are focused on the areas that offer the greatest near-term opportunities to reduce emissions. Our strategies include building engagement models and supplier capacity programs that enhance supplier ambition, action and resiliency over the long term. To amplify our impact, we are also leveraging industry groups across shared supply chains.

Our manufacturing emissions-reduction strategy with suppliers is built on the following pillars:

- ① Energy efficiency
- ② Onsite solar photovoltaics (PV) at factory sites
- ③ Procurement of offsite renewable electricity
- ④ Thermal decarbonization in dyeing and finishing facilities
- ⑤ Engagement and capability building
- ⑥ Climate risk assessment

## ENERGY EFFICIENCY

One of the foundations of NIKE's efficiency work with suppliers is the NIKE Energy Minimum Program, which brings organizational capabilities, data analytics and energy management activities to contract manufacturers. Additionally, NIKE works with suppliers to scale key opportunities that are likely to have the greatest impact on their unique energy and carbon footprint.

We are also working to create better methods to track the energy and emissions impact of specific activities in the value chain, which will empower NIKE to make better data-driven decisions for a future lower-carbon product supply chain.

A Shenzhou facility in Vietnam has replaced a centralized coal-fired boiler system with electric boilers, greatly reducing GHG emissions.





*In 2022,  
manufacturing  
supplier Shenzhou  
significantly grew  
their rooftop solar  
capacity in Vietnam.*

## ONSITE RENEWABLE ENERGY

Costs of onsite solar installations have fallen to the point where they are often less expensive than grid-purchased electricity, thus offering financial savings for suppliers while also reducing their carbon footprint. Onsite solar PV can typically cover up to 15% of electricity requirements at supplier facilities and can be scaled fairly quickly across sites, thus making it a major component of our renewable energy strategy with suppliers.

Since 2019, NIKE has offered an onsite solar PV consulting program to suppliers in key markets – including China, Vietnam and Indonesia. Through the program, NIKE has provided suppliers with technical advice and assistance, helping to reduce

risk for suppliers during the contracting process and make the business case for these investments. During FY22, suppliers signed contracts for 96 MW of new onsite solar. Since NIKE started the program, 190 MW of rooftop solar has been contracted at 64 facilities in NIKE's supply chain. Due to the onsite solar PV program, NIKE's manufacturing base avoided 16,400 MT of CO<sub>2</sub>e in FY22. Rooftop solar projects, which are concentrated in Vietnam, Greater China and Thailand, have helped suppliers grow their rooftop solar capacity<sup>42</sup> by 184% from FY20 to FY21 and 69% from FY21 to FY22.

Policy barriers have slowed the pace of adoption of renewable energy in FY22 in countries that don't have regulatory frameworks in place. NIKE is working with energy regulators to advocate for better policies that support additional onsite solar installations. We will expand our work with onsite solar programs in new geographies in FY23.

<sup>42</sup> Rooftop solar capacity increases based on signed contracts between suppliers and solar developers.



## OFFSITE RENEWABLE ENERGY

While suppliers are making significant emissions reductions through deployment of onsite solar PV, facilitating access to offsite renewable electricity will offer even greater opportunities for suppliers to reduce their emissions footprints. In FY22, NIKE began developing a Renewable Electricity Procurement Guide for suppliers to support their transition to cleaner electricity. NIKE is also working with a cross-industry group of multinationals to support capability building for suppliers across Asia. Additionally, NIKE is exploring policy frameworks to support offsite procurement across our sourcing regions and encouraging suppliers to take advantage of those opportunities where they exist.

In FY22, through collaboration with the Clean Energy Investment Accelerator (CEIA), NIKE helped facilitate a bundled Renewable Energy Certificate (REC) agreement between Indonesia's state-owned electricity company and local suppliers. The program enables suppliers to purchase a verified and traceable source of renewable electricity at a fixed, competitive price for 10–15 years. NIKE anticipates that a market-based solution, such as a corporate power purchase agreement mechanism, could take years to develop in this market. The

bundled REC program offers a good interim solution since buyers will be purchasing local energy, helping to encourage additional local development of renewable energy. This initiative will significantly reduce factories' carbon emissions from their electricity consumption. We anticipate supplier participation will result in over 55% reduction in carbon footprint from electricity in Indonesia and 10% across the manufacturing source base. The impact could grow as factories in Indonesia increase their volume of electricity purchased in the program.

In most of our major markets, NIKE suppliers do not have the ability to procure cleaner electricity through mechanisms that are considered most beneficial in terms of pricing, complexity and impact – such as direct power purchase agreements. We are continuing to advocate for government policy frameworks supporting offsite procurement mechanisms in these major markets.

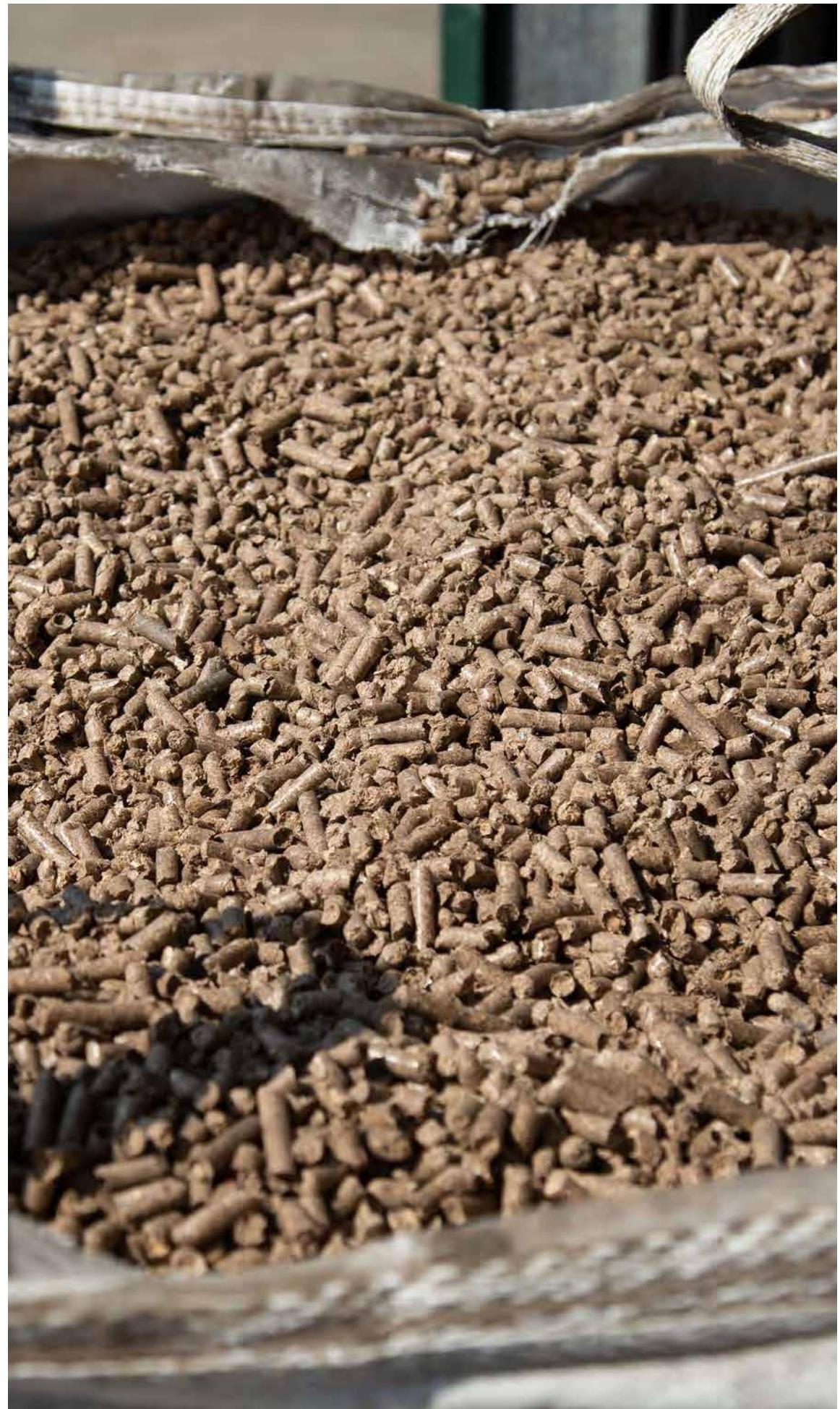
Along with a dozen other multinational companies, NIKE supported the launch of the [Asia Clean Energy Coalition](#) (ACEC) in FY22. The coalition seeks to align the world's leading cleaner energy buyers, project developers and financiers to help policy-makers, utilities and energy regulators innovate and deploy cost effective cleaner technologies across the Asia-Pacific region. Through the ACEC, NIKE representatives sat down with Indonesia's national utility at the B20 in Bali in November 2022 to share our priorities on corporate renewable electricity procurement in Indonesia.

In Vietnam, NIKE has collaborated with the USAID's Vietnam Low Emission Energy Program (V-LEEP) to advocate for policy supporting the government's renewable energy DPPA pilot since 2018. Although the launch of the DPPA pilot continues to be delayed, NIKE has actively engaged with the Vietnamese government to show multinational business support for the finalization of the program and continues to push for that engagement through the ACEC and other platforms.

NIKE also supports the U.S. State Department's Clean Energy Demand Initiative (CEDI), which encourages countries and companies to work together to advance shared clean energy goals by leveraging corporate clean energy commitments. NIKE signed letters of intent to procure renewable electricity in key sourcing countries and has engaged with CEDI leaders to highlight policy issues we would like to see raised with government officials.

NIKE has also shown leadership in policy engagement through USAID's Corporate Clean Energy Alliance, a coalition of businesses working with governments across Southeast Asia to facilitate the rapid deployment of cleaner energy.

Through a growing suite of renewable electricity solutions, NIKE hopes to continue accelerating supplier emissions reductions toward meeting long-term climate targets.



*At a Far Eastern textile facility in Vietnam, biomass is replacing coal in steam boiler systems.*

## COAL ELIMINATION

Prior to 2020, NIKE ran a program to eliminate and optimize centralized steam boiler systems across finished goods manufacturing. Coal-fired steam boilers typically were replaced with a more efficient electric heating process, contributing to a 10% reduction in energy consumption per pair of footwear manufactured between 2015 and 2020. By the end of FY21, all in-scope supplier coal use was eliminated across footwear and apparel finished goods manufacturing.

Through the UN Fashion Charter, NIKE and participating brands have a goal to eliminate coal from finished goods and material suppliers by 2030. In materials manufacturing, the transition from coal to other sources of energy is more challenging given the higher heat requirements in that segment of the supply chain. To encourage more sustainable fuel use in thermal processing of materials, NIKE joined seven other brands in our industry with the Apparel Impact Institute to explore options for coal elimination across the industry. Through this initiative, NIKE co-chaired a working group that developed coal phase-out plans for 48 boilers at 17 facilities across Vietnam – including five supplier facilities. Beyond Vietnam, nearly all suppliers have plans in place to meet this target.

NIKE continues to seek options to pilot new thermal technologies through our engagement in the Renewable Thermal Collaborative. Additionally, NIKE's Innovation teams are considering a whole suite of cross-cutting technology solutions that may deliver long-term emissions reductions in materials manufacturing.

## SUPPLIER ENGAGEMENT CLIMATE CAPABILITY BUILDING

At the beginning of every five-year target period, NIKE works with manufacturing suppliers to set both five-year and annual targets to help achieve longer-term goals. NIKE field teams regularly analyze supplier emission performance data and help suppliers meet their 2025 targets by identifying locations that are not keeping pace with their commitments. As suppliers' own climate programs have matured, their respective targets have evolved from energy intensity to carbon intensity, and many prioritize absolute carbon emissions reductions in alignment with NIKE's 2030 Science-Based Target.

The NIKE Supplier Climate Action Program (SCAP) is a critical component of supplier engagement work, supporting ambitious climate action for new layers of the supply chain. Eleven manufacturing suppliers belonging to the Supplier Sustainability Council (SSC) in FY22 accounted for up to 65% of strategic supplier emissions. These suppliers have set Scope 1 and Scope 2 science-aligned targets for 2030. In collaboration with the SSC, NIKE will create a joint climate action plan to serve as a roadmap for collective emissions-reduction pathway over the next 10 years. SSC members helped to pilot this program, which is expected to be rolled out to all strategic manufacturing suppliers.

Suppliers often face difficulty obtaining financing to invest in decarbonization solutions. NIKE is working with the International Finance Corporation's (IFC) Global Trade Supplier Finance (GTSF) program, to provide competitive financing rates to eligible suppliers based on their performance against our Foundational Expectations.



## CLIMATE RISK ASSESSMENT

NIKE is working to enhance its supply chain climate resilience by integrating considerations for climate risk into enterprise sourcing and planning. This includes considering risks to water scarcity, clean energy supply, grid stability and rising temperatures.

NIKE plans to assess key climate risks to the workforce in its extended supply chain over the next 10-15 years. We'll assess the impact of climate risks on individual workers' health and productivity, as well as how those risks impact our operations. This research will consider the disparities in exposure, and the sensitivity and adaptive capacity of workers based on location, gender, and other demographic factors – with gender as a crucial dimension to our assessment.

## TRANSPORTATION

Our transportation work focuses around a three-pronged strategy that includes:

- ① Minimization use of air freight use;
- ② Implementation of alternative fuels for ocean, air and road freight; and
- ③ Engagement with our logistics service providers and industry groups

### Air Freight

In FY22, we continued to see low inbound air freight usage (from manufacturing facilities to destination distribution centers). While there was a small increase in inbound air freight usage from FY21 to FY22, air freight was still well below our pre-pandemic levels. We continued to help ensure internal controls and best practices are in place. NIKE aims to keep inbound air freight usage low for future years.

In North America, we reduced our digital outbound air freight usage (from distribution centers to digital consumers) by 10 percentage points year-over-year. We achieved this through cross-functional initiatives like fulfillment optimization, expansion of our regional service centers, the implementation of our "No Rush" sustainable shipping option and the discontinuation of our free two-day shipping upgrade program. Together, these initiatives resulted in a 23% reduction of CO<sub>2</sub>e/unit for purchases made through [nike.com](#) in North America in FY22.

### Alternative Transportation Fuels

NIKE is working closely with our logistics transportation providers to expand the use of electric vehicles as well as lower-carbon fuels in ocean, air, and road freight. In FY22, approximately 6% of our inbound ocean shipments benefited from the use of sustainably-certified biofuels, reducing our inbound transportation emissions by approximately 15,000 MT CO<sub>2</sub>e. We engaged in ocean transportation biofuel pilots in FY22 and laid the foundation with an aim to scale up our ocean biofuel program in FY23.

In EMEA, we continued expanding the use of hydro-treated vegetable oil – a biofuel derived from vegetable oil oils in outbound logistics (from distribution centers to final destinations). Hydro-treated vegetable oil can deliver an 85-90% carbon savings compared to traditional fossil fuels and can be used in conventional diesel engines. In FY22, 100% of our outbound linehaul deliveries to the Netherlands, Norway, and Sweden were on trucks using hydro-treated vegetable oil.

While electric heavy-duty trucks are still a relatively new innovation in long-haul trucking, they are an important next step in reducing transportation emissions. In FY22, NIKE started piloting the use of electric heavy-duty trucks for long distance outbound deliveries in Belgium, helping to reduce carbon emissions by more than 45% compared to conventional fuel heavy-duty trucks.

### Transportation Industry Decarbonization

To engage our logistics service providers on decarbonization solutions in FY22, NIKE continued to be active in the industry groups Clean Cargo and the Sustainable Air Freight Alliance. Both groups are business-to-business leadership initiatives involving major brands, inbound air and ocean carriers, and freight forwarders dedicated to promoting responsible shipping practices. Additionally, NIKE continued driving positive change in the logistics industry with our Supply Chain Sustainability Index (SCSI), an evaluative framework that sets clear and consistent sustainability expectations for NIKE logistics service providers. FY22 was the sixth consecutive year that our inbound air and ocean providers have participated in the SCSI process.



## Planet Carbon

Quantitative Target

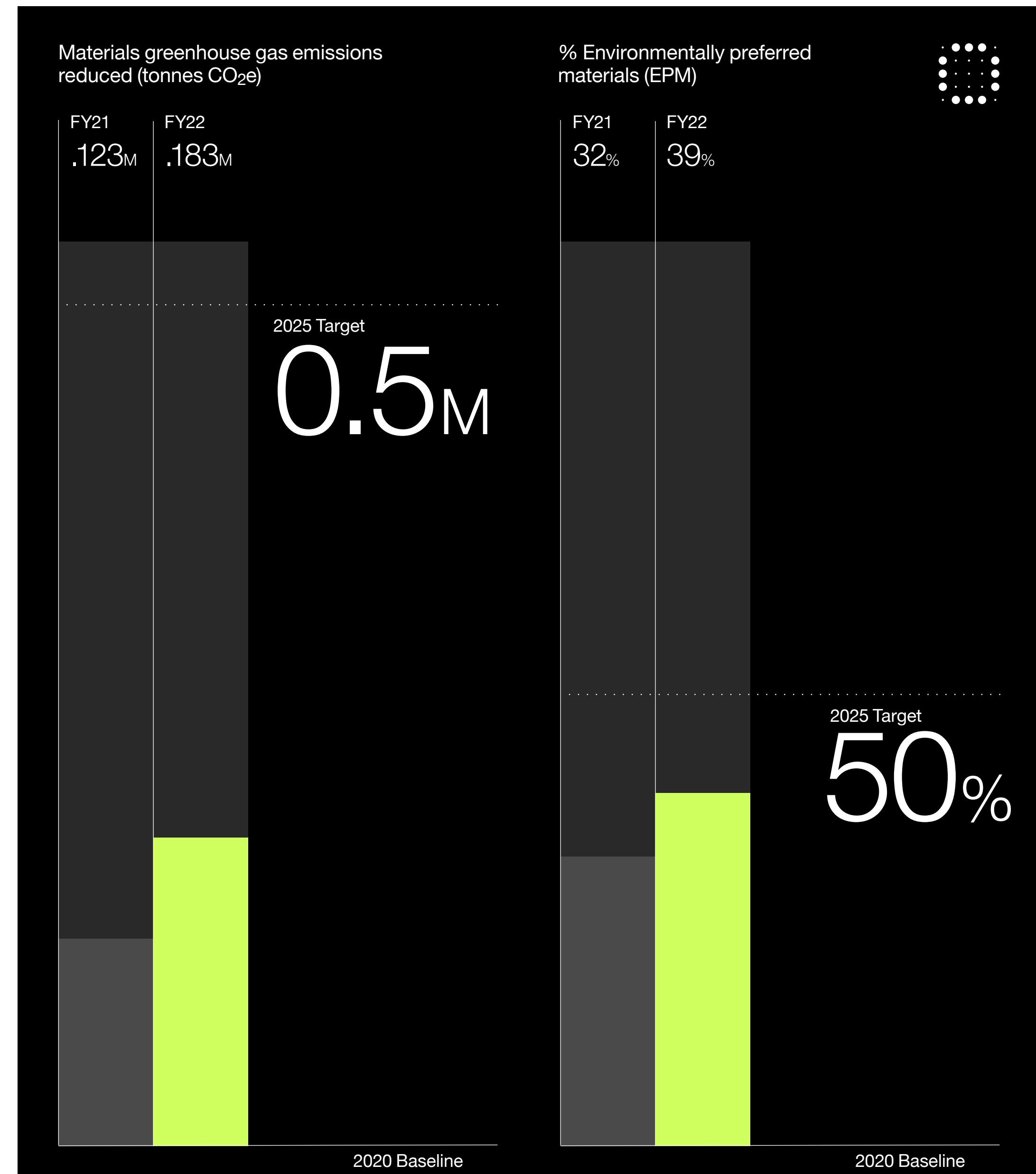
**0.5M metric tons of GHG emissions reduced through increasing our use of environmentally preferred materials to 50% of all key materials<sup>43</sup>**

By focusing on improving the environmental impact of materials within our products, we have the opportunity to implement sustainable innovations throughout our products and work toward our emissions-reduction target at scale.

Most of our efforts are placed on replacing materials with the largest impact. For footwear, we continue to focus on improving specific, high-volume materials (polyester, rubber and leather), through significant efforts to increase the use of recycled versions of these materials and developing the necessary business strategies to support their use at scale.

Additionally, we have continued to evolve how we think about our roadmap for new foams. Examples include bio-based replacements of traditional fossil-based foams, as well as new foams that utilize less energy-intensive methods of make.

Innovation will be increasingly important, focusing on circular and new recycling methods and material types that meet our product and consumer requirements. NIKE is well ahead of our recycled polyester plan in both footwear and apparel. We have made significant progress toward our leather target since last year's report but are still tracking behind our goal for rubber.



<sup>43</sup> Key materials – polyester, cotton, leather and rubber.



Polyester, cotton and a blend of the two are responsible for most of the material used by NIKE Apparel – and its carbon footprint. Our focus is to drive impact at scale in reducing our carbon footprint and selecting better materials. We are concentrating our efforts on material conversions to recycled polyester and recycled and organic cotton on our largest-volume materials and products, which requires cross-functional collaboration from Innovation and Supply Chain to Marketing and our consumers at retail.

Two years into our five-year journey to 2025, our focus on key materials with scalable options that can drive impact at scale has enabled NIKE to make tremendous progress toward our carbon-reduction targets. NIKE is ahead of its recycled polyester plan in apparel and continues to see excellent momentum through the teams to convert more materials and products. Apparel is on track for its organic cotton plan, but slightly behind in recycled cotton. NIKE continues to explore plans to increase recycled cotton usage and close this gap in future years.

## POLYESTER

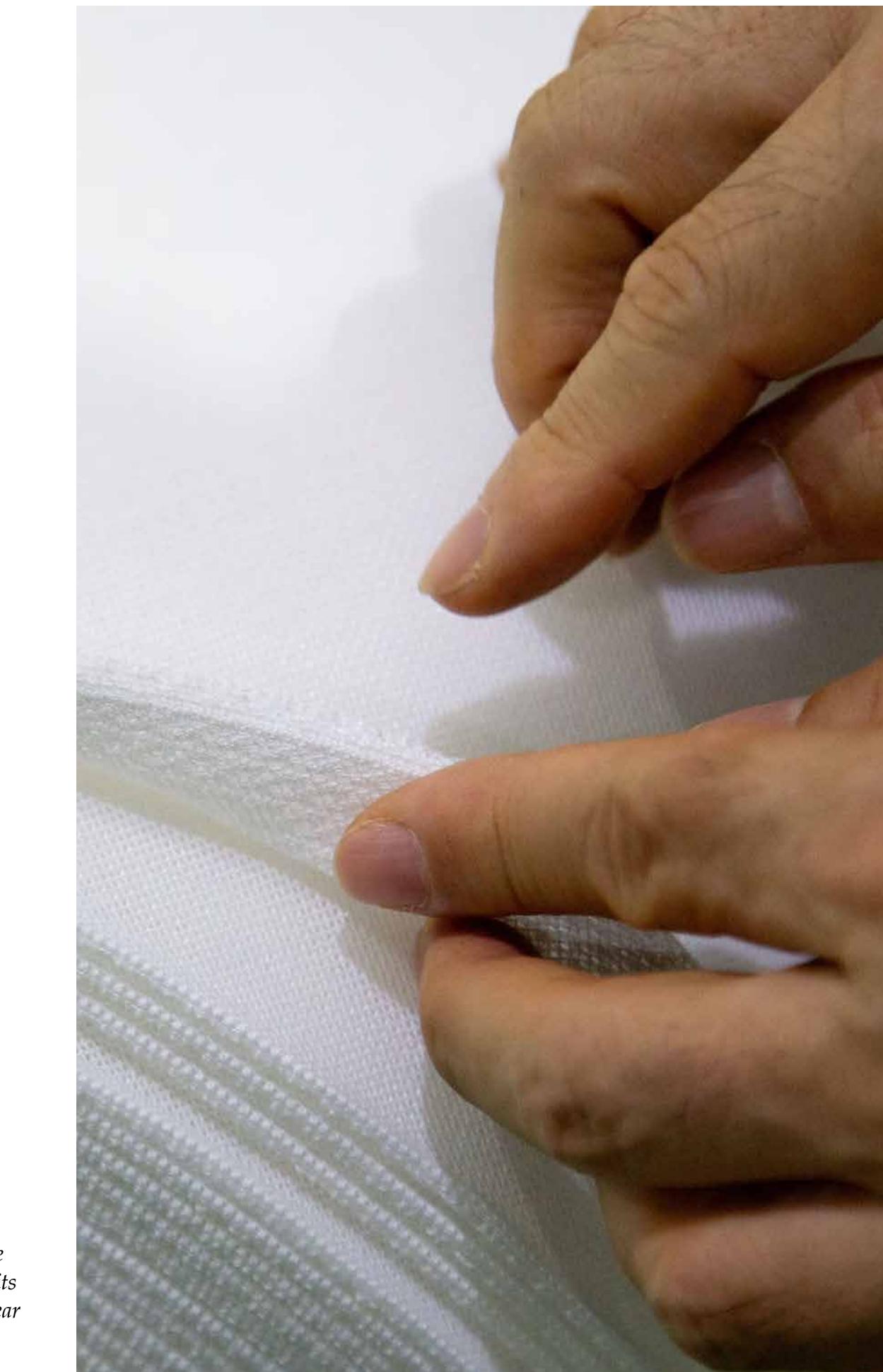
Polyester, found in nearly every pair of NIKE footwear, is a core material due to its performance and durability. Because polyester is such a versatile and widely used material in NIKE footwear, it is also the primary option to focus on transitioning to recycled polyester at scale, as it can be replaced with little to no compromise to material performance, aesthetic and hand feel.

In FY22, we saw a 10 percentage points increase for recycled polyester in apparel compared to 38% in FY21. NIKE continues to convert global sports kits that are showcased on the biggest stages around the world in federation kits for Global Football, including the kits for the Women's European Championship, and WNBA and NBA basketball uniforms. We are also driving tremendous scale with the conversion of most of our apparel icons the Legend Tee and Club Fleece to recycled polyester.

At the end of FY22, recycled polyester made up 46% of NIKE Footwear's total polyester usage, up from 28% the previous year. Progress was driven by our focus on foundational polyester-based materials that cut across our product portfolio, such as laces, linings and reinforcements. In addition, we have prioritized converting textiles and yarns to recycled polyester used in our business volume drivers (such as the Better Essentials collection and the Downshifter 12) and iconic silhouettes (such as Air Max).

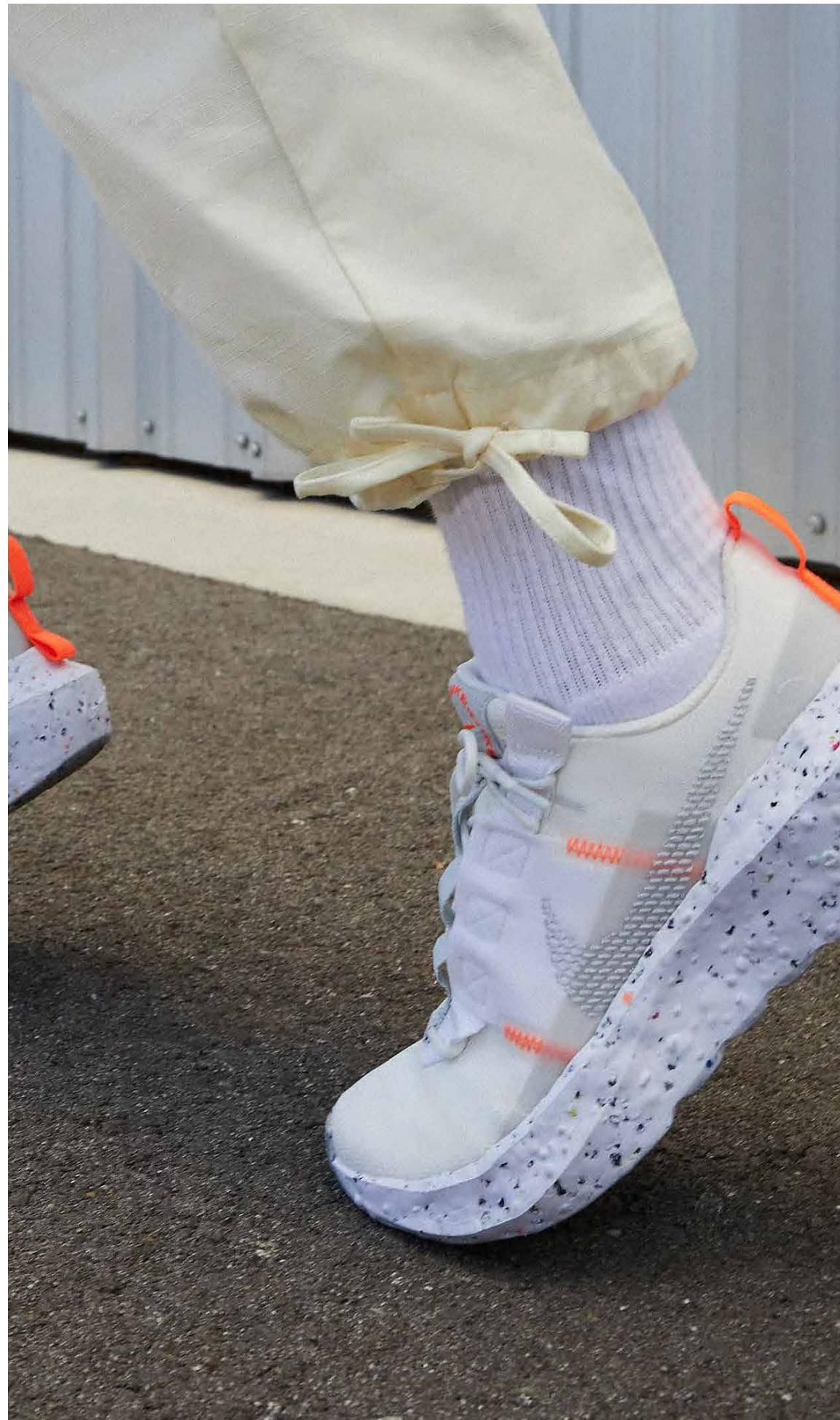
While we have made great progress in our journey toward recycled polyester, we still have more work to accomplish and have plans in place to continue to convert our top materials and products.

Our Innovation teams are researching closed-loop alternatives like feedstock or chemically recycled polyester<sup>44</sup>, as well as bio-based versions to further improve NIKE's polyester footprint and work toward a circular future.



Dong Jin Textile  
in Indonesia knits  
fabric for footwear  
from recycled  
polyester.

<sup>44</sup> Chemical recycling (feedstock recycling) refers to operations that aim to chemically degrade the collected plastics waste into its monomers or other basic chemicals. The output may be reused for polymerisation into new plastics for the production of other chemicals or as an alternative fuel.



NIKE  
*Crater Impact*

## COTTON

Cotton remains an important material for NIKE Apparel. Demand for cotton continues to grow due to our focus on sport lifestyle products and increased interest for both t-shirts and fleece. Our organic cotton usage is supported mainly through a 10% blending program across most of our cotton materials. This usage and strategy places NIKE among the top users of organic cotton globally.

FY22 was the beginning of our cross-functional recycled cotton strategy to establish priorities and build roadmaps and plans. We now have a strategic plan for conversions of major materials and products that will consist of blends of recycled cotton that should reach the consumer in the near future.

We are supplementing our cotton portfolio of organic and recycled cotton with third-party-certified cotton. We are planning even more adoption and capabilities in FY24 and beyond as we increase our recycled cotton usage and our closed-loop recycling rates, as well as reducing waste at Tier 1 suppliers.

## RUBBER

Rubber is the key outsole traction material used across NIKE footwear; as such, our goal is to reduce how much rubber we use. We aim to move to high-recycled-percentage formulations that maintain material benefits while lowering environmental impact. In parallel, we're innovating ways to reduce the amount of rubber used through additive design and manufacturing while also exploring other materials and methods to replicate the performance of rubber at a lower impact. NIKE Footwear aims to achieve our 2025 goal of 10% recycled rubber but broad use in lifestyle models has been limited. Progress to date has been driven by using recycled rubber formulations primarily on Running and Global Football models and Kids Performance products. In the future, we want to standardize those formulations across footwear including high-volume lifestyle products. We are working across our Innovation and Manufacturing teams and rubber compound suppliers to unlock high-recycled-content rubber options that meet our design and durability expectations.

### Regrind material in NIKE Footwear

FY22 Tiered Models	% of Nike Grind material in outsole
Revolution 6 NN	10%
Downshifter 12	13%
Star Runner GS	8.1%
Crater Impact	14%
Air Max 2021	13%



## CONVERSE GRIND

Converse is tracking toward 10% recycled rubber across all footwear by 2025. Converse has introduced several key programs in FY22 using its Grind process that depending on footwear style and rubber color is able to incorporate approximately 22%–40% reclaimed/reused rubber scraps from the manufacturing process back into select outsoles. Converse aims to incorporate the Grind process across additional product lines, while continuing to explore new processes that would allow for higher contents of non-virgin rubber<sup>45</sup>.

portfolio of leather materials by shifting our sourcing toward those materials that are measurably lower impact (for carbon emission and waste) than average. In FY22, we have partnered with key suppliers to measure their impacts across the full value chain, from farm to factory, to inform our sourcing and identify opportunities for additional impact reduction across the supply chain. We continue to explore other alternatives for leather from non-animal sources and scale the use of synthetic and recycled synthetic leather in our key essentials. We are also maintaining our standards, and require 100% of our leather suppliers to be members in good standing with Leather Working Group.

## LEATHER

Leather is one of the highest-impact materials for both carbon emissions and waste across the footwear and apparel industry. On the other hand, it also provides value in product durability and longevity. Due to the consumer preference for classic NIKE leather icons such as the triple-white Air Force 1, Air Jordan 1, Blazer and Court Vision, leather models continued to outpace the growth of the rest of NIKE Footwear. To meet consumer demand while reaching our 2025 target we want to use the lowest-impact materials available from the best-in-class suppliers.

Our plan for 2025 is to decarbonize our

<sup>45</sup> Non-virgin rubber is defined as rubber scrap from Converse factories or scrap from the NIKE supply chain.

### Top Five Materials<sup>46</sup> in Product by Volume<sup>47</sup>

		FY20		FY21		FY22	
		metric tons	%	metric tons	%	metric tons	%
Polyester	Recycled	44,387	23%	55,477	33%	82,317	46%
	Total Polyester Use	195,490		166,343		180,645	
Cotton	Organic	10,811	10%	13,680	12%	17,748	12%
	Recycled	503	0.4%	905	0.8%	867	0.6%
	Third-Party Certified	85,139	75%	66,776	58%	94,417	66%
	Total Cotton Use	113,615		115,543		142,113	
Rubber	Recycled	564	0.7%	689	0.9%	2,045	2%
	Total Rubber Use	76,141		78,896		94,494	
Ethylene-Vinyl Acetate (EVA) Foam	Recycled	978	2%	907	2%	26 <sup>48</sup>	0.1%
	Total EVA Foam Use	61,053		53,055		44,523	
Leather <sup>49</sup>	Flyleather	53	0.1%	57	0.1%	13	0.02%
	Synthetic Leather	18,623	36%	16,031	26%	18,117	28%
	Total Leather Use	51,646		60,502		65,870	

<sup>46</sup> Total material use rows reflect both EPM totals and conventional materials totals. Only EPMs are called out in table. As we have shifted data sources to enable more inclusive scope of measurement in our 2025 targets, our percentage has dropped. We continue to explore ways to help grow our sustainable cotton percentage in alignment with the expanded measurement scope. Cotton and polyester data includes NIKE Brand footwear, apparel and socks, and Converse footwear and apparel. Rubber, EVA foam and leather data includes NIKE Brand footwear only.

<sup>47</sup> Total material use reflects EPM and conventional materials. As we have shifted data sources to enable more inclusive scope of measurement in our 2025 targets, our percentage has dropped. We continue to explore ways to help grow our organic, recycled and third-party certified cotton percentage in alignment with the expanded measurement scope. Cotton and polyester data includes NIKE Brand footwear, apparel and socks, and Converse footwear and apparel. Rubber, EVA foam and leather data includes NIKE Brand footwear only.

<sup>48</sup> Recycled EVA foam dropped due to methodological shifts in underlying data, combined with key suppliers of recycled EVA being offline several months due to COVID.

<sup>49</sup> All leather is Leather Working Group certified.



# SPEND A DAY WITH: THUY VU

Global Leadership Development Program,  
Beaverton, Oregon, USA



*"We talk about the obstacles we've overcome and how we build strength from these experiences. Failure is such a scary word, but I think it's essential to growth. The beauty of the Global Leadership Development Program is that we're given space to learn from each other. If one of us solves a problem, we all benefit and can share that knowledge with our wider teams."*



## Planet Coaching Diaries

Thuy Vu is a connector by nature. “When we talk about supply chain,” she says, “we’re talking about people.” Thuy has been driving impact for NIKE for more than 16 years – starting in Vietnam.

Originally from Hanoi, for Thuy this work is personal. A majority of NIKE’s manufacturing footprint is in Vietnam. Whether she’s working on programs that help get kids active or advancing policy engagement to expand renewable energy, she’s driving impact for her community.

Thuy was invited to relocate to NIKE World Headquarters in 2020 and later joined a supply chain leadership development program. Now in her third rotation of four, she is focused on creating the 2030 vision for NIKE’s Supplier Sustainability Council, which advances programs around climate action and gender equity beyond NIKE’s footprint.

“NIKE’s extended supply chain, with over 1.2 million workers, is made up of mostly women. When we talk about our vision for the future of sustainability with suppliers, we’re talking about women.”

Thuy makes sure the team has one foot in the future with the other firmly grounded in community – because this work isn’t about supply chain; it’s about people.

## Mastering a global workday

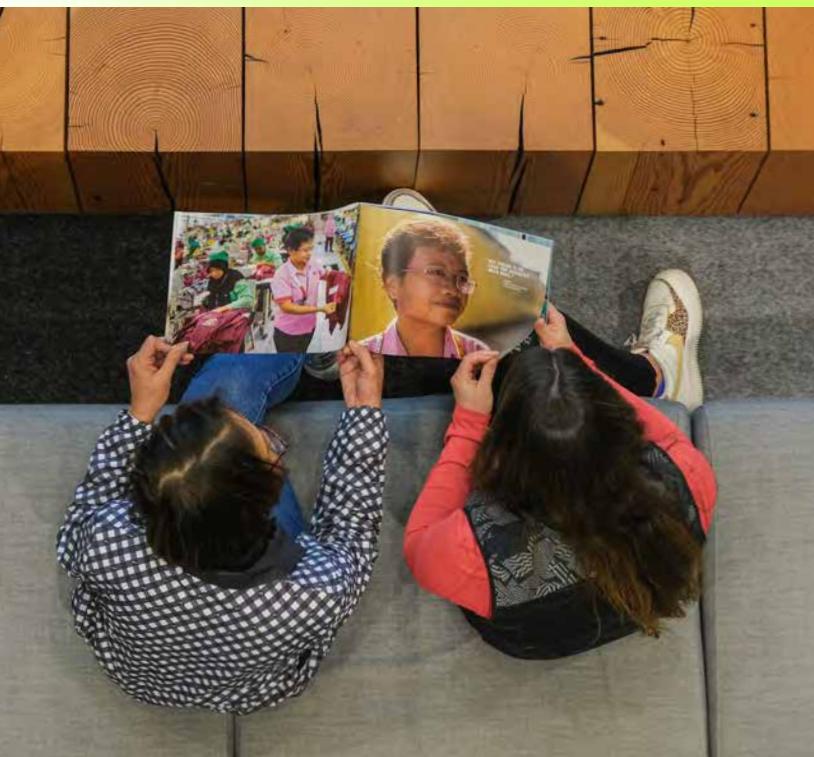
Communication between North America and Asia is essential to my role. I might start early for a breakfast meeting with my Global Leadership Development Program (GLDP) cohort here in Beaverton, but also have a late call to speak with one of our teammates in Asia. Because of the time difference, I need to be able to work flexibly: it’s not your typical 9 to 5.

One of the ways I break up my day is with sport. I always start the day with yoga, to begin with a really fresh mind. If I can, I’ll run in the afternoon. For me, it’s as much about mental as physical health. If I’m struggling with an idea, I can take that with me on my run, refresh it and address it in a different way.

## Getting started with strategic thinking

A large part of what I do is strategy. In practice, that means lots of different things. Sometimes, I have a very specific problem to solve – like identifying external speakers who can bring inspiration and learnings to NIKE and our suppliers in the Supplier Sustainability Council (SSC). Other times, it’s much broader in scope, such as the 2030 Vision for the SSC.

I always start by listening. In this rotation, I’ve been investigating ways to scale impact across the supply chain by working with suppliers and industry associations. For example, I start by asking: What opportunities are there for us to accelerate this work? What programs are we currently implementing with suppliers? How can we collaborate pre-competitively with the industry to amplify impact? I will carry these questions through the rest of my day, whether I’m in a meeting with NIKE teammates or on my run.



## Building trust

When I begin a new six-month rotation, the most important thing is building trust and understanding the team I’m working with. To be a good leader, you have to be committed to learning all the time.

One person I’ve learned a lot from is Marine Graham, Vice President of Responsible Supply Chain. She was in the very first cohort of the GLDP, so her journey is a powerful example for me. It’s one of those full-circle moments that I’m on her team now.



## Sending it back

My time at NIKE World Headquarters has provided me with new ways to drive impact. NIKE has supported my ambition to create ties between Oregon and Vietnam by approving my board position on the Oregon-Vietnam Economic, Education and Cultural Association (OVEECA). The organization, which I co-founded, focuses on leveraging education, cultural and language exchange, and investing in young leaders.

## From Vietnam to the States

More than 50% of NIKE’s footwear manufacturing and 30% of apparel manufacturing takes place in Vietnam. One of my key responsibilities is to bring knowledge from working in the country to our global team. I can help the team see how policies actually come to life in-country within facilities and with our suppliers.

The GLDP is based on this idea. Each high-performing, high-potential cohort spends two years doing four six-month rotations across NIKE’s supply chain teams. Participants bring their diverse experience to each rotation. And, we learn from each other: from how to adjust our leadership style to different cultures to how to drive action and inspire NIKE teams all over the world.

## A perfect evening

My perfect evening is spent with my kids. We share what we did during the day, and just enjoy being together. Because of the time difference, after work is a good time to call family and friends in Vietnam. If I call my best friend in Ho Chi Minh City before I go to bed, that’s lunchtime for her.

Time away from the office is so important. Even if I work late during the week, my weekends are a time for rest and spending time with loved ones. When you prioritize rest, you have the capacity to be there for others. My resolution this year was to think about all the positive things I can do for other people to make them smile and laugh.



## Planet FY30 Science-Based Targets

# FY30 SCIENCE-BASED TARGETS (SBTs)

We have been working to reduce carbon emissions stemming from our business for decades, and in FY17 we committed to setting long-term carbon targets aligned with the emerging consensus on climate science. In line with the SBT initiative's commitment criteria, we used FY15 as our baseline, calibrating the start of our 15-year SBT tracking period with the Paris Agreement<sup>50</sup> as well as with our shorter-term five-year Purpose targets. We finalized defining our SBT reduction goal in FY19, at which time we galvanized coordination company-wide to start systemic changes across NIKE to advance our progress toward this ambitious goal.

Much bigger than any of NIKE's historical carbon targets in duration, scope and ambition, our SBTs represent the first full carbon footprint targets we have set as a company. Stretching from FY15 to FY30, they significantly exceed our standard five-year Purpose target cadence. Extending deeper into our supply chain than ever before, our SBTs address much more than our own operations under our direct influence, and goes beyond the parts of our supply chain we've targeted in the past; it requires nothing less than extensive, disruptive innovation. Similar to our FY25 carbon targets, our SBTs are absolute rather than relative, per-unit targets.

Together, these factors render our carbon targets more difficult to achieve the more our business grows. While our FY25 targets are designed to support our progress toward our SBTs, achieving our FY25 targets doesn't guarantee successfully achieving our FY30 SBTs. This highlights the criticality of deepening our work beyond the areas covered by our FY25 targets in order to accomplish our SBTs.

# PERFORMANCE

## Scope 1 and 2

We have met our Scope 1 and 2 SBT several years early. However, we know that maintaining these emissions reductions requires ongoing effort, and thus are actively focused on ensuring these reductions persist.

Our Scope 1 emissions continue to grow versus our FY15 baseline (+43%) and year-over-year (+9%) due to our expanding owned and operated facility portfolio combined with the limited availability of scalable, lower-carbon alternatives to replace natural gas and other carbon-intensive fuels. FY22 brought momentum through procurement of sustainable aviation fuel via a regular supply to our home aviation base, and we continue to explore sources of renewable natural gas, leveraging our internal sustainable fuels policy to enable consistency in decision-making.

At 93% renewable electricity adoption (+79 percentage points compared to our FY15 baseline) via onsite solar and wind, power purchase agreements and unbundled Renewable Energy Credits, we've seen an 89% decrease in Scope 2 emissions against our baseline (and a 67% decrease versus FY21). We continue to explore options to expand our renewable electricity portfolio to reach our goal of 100% renewable electricity by FY25.

## Scope 3

As a growth company, decoupling our total emissions footprint from unit growth remains a critical challenge to address as we strive to reach our absolute carbon targets. Another obstacle stems from the fact that given long product timelines, the products currently in market reflect decisions made several years ago, which creates a lag in realizing the carbon reductions due to strategies and investments made since the announcement of our SBT.

While we continue to see an increase in emissions against the FY15 baseline, this growth has slowed, as seen in our year-over-year reduction, indicating the impact of our long-term decarbonization efforts.

### Scope 1 and 2

FY22 vs. FY15 Baseline	FY22 vs. FY21	Target
-71%	-38%	-65%

### Scope 3

FY22 vs. FY15 Baseline	FY22 vs. FY21	Target
+8%	-8%	-30%

<sup>50</sup> The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. ([Source](#))



## Planet FY30 Science-Based Targets

### Scope 3 Performance vs. Baseline

Growth in our product offering (i.e., units) remains a primary driver in our emissions rising against the baseline, along with the continued popularity of higher-carbon-intensity materials in footwear (such as leather). Additionally, the soaring emissions intensity of the electricity grid in manufacturing regions (particularly Vietnam) against the baseline has contributed to growth in our emissions footprint.

In contrast to these factors, renewable energy adoption across our finished goods manufacturers and materials dyeing and finishing suppliers, and within some raw material source countries, has helped mitigate emissions in our supply chain. We've realized further reductions in apparel materials emissions due to increased efficiency and proactive management of manufacturing activities across our materials dyeing and finishing suppliers. This has resulted in the ability to leverage direct measurements of energy consumption in textile manufacturing operations (e.g., knitting, weaving, leather tanning and non-woven manufacturing) rather than solely relying on estimated data using general lifecycle assessment (LCA) emission factors. Additionally, we've seen emissions from logistics continue to drop as inbound air freight remains at near-historic lows for our company.

### Scope 3 Performance vs. Last Year

Along with these improvements in materials manufacturing driving year-over-year reductions, further advancements in materials used in product and packaging have also made an impact. Within raw materials, we have augmented our emissions factors (derived from LCAs) to better reflect the reality of our material supply chain. Some of our associated material emissions decreased due to operational and business improvements (e.g., among our primary leather suppliers), and some of our materials emissions have changed due to methodology revisions associated with more accurate materials process mapping (see Appendix for more information). Within packaging, material emissions-intensity reductions due to improvements in packaging-material emissions methodologies and more accurate packaging-material mapping led to a drop in overall packaging emissions.

## LOOKING AHEAD

To achieve our ambitious emissions-reduction goal, we will focus on increasing use of EPMs, helping factories convert to use of more renewable energy and working across industries to accelerate decarbonization of fuels, packaging and other components of the value chain necessary to produce, move and sell NIKE products.



Teammates at a Far Eastern facility in Vietnam load a dye machine with fabric made from recycled polyester.



Planet FY30 Science-Based Targets

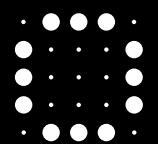
## SBT Footprint FY15-22 (Metric Tons CO<sub>2</sub>e)

● Scope 1   ● Scope 2   ● Scope 3





## Planet Waste



Quantitative Target

**10% waste reduction per unit in manufacturing, distribution, headquarters and packaging through improved design and operational efficiency**

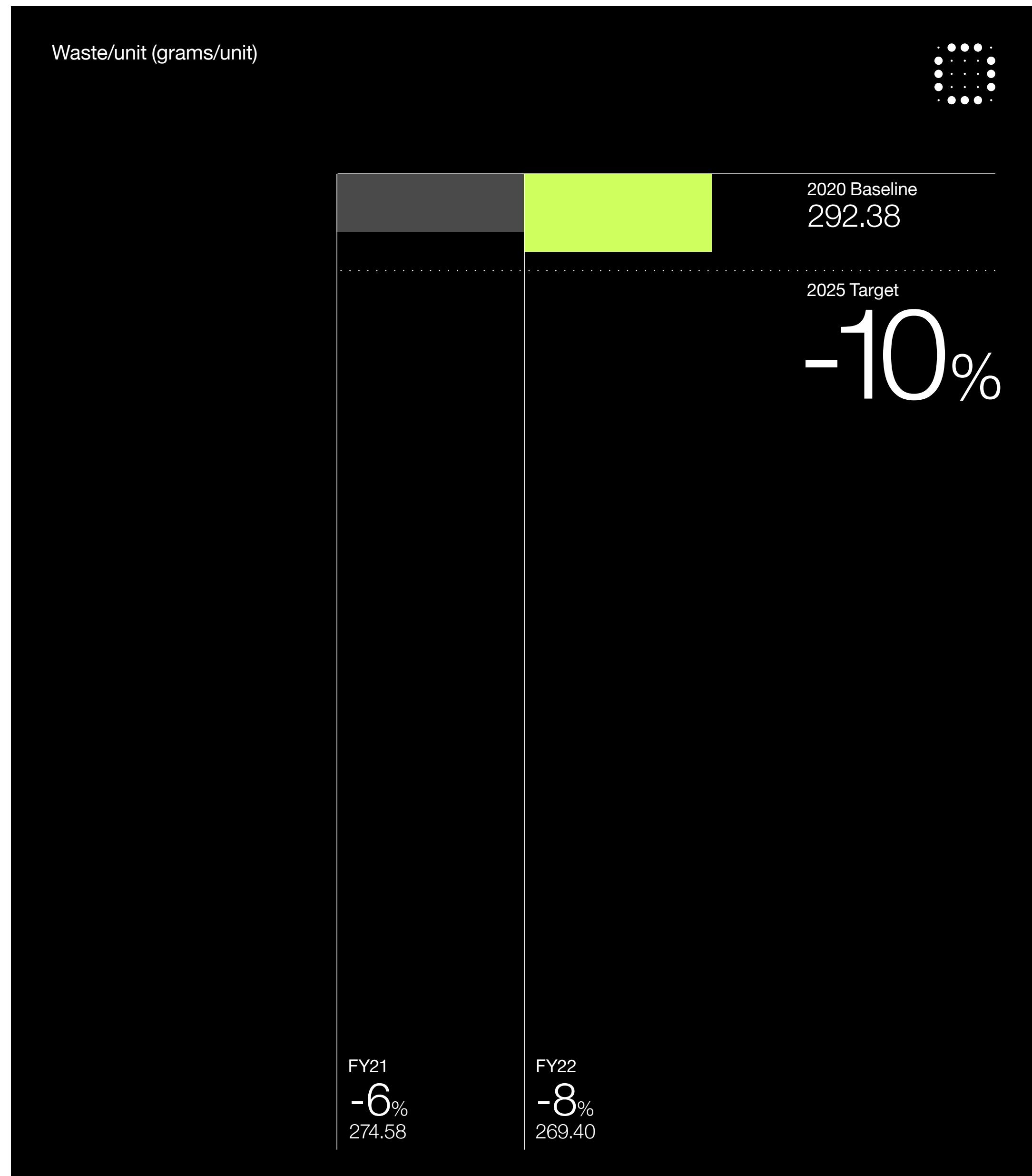
Reducing waste reduces carbon emissions, the consumption of natural resources, the strain on ecosystems and the full range of impacts associated with making and disposing of manufactured materials and products. Preventing waste typically provides at least twice the carbon reduction and economic benefit of recycling. At our size, scale and growth, reducing waste per unit will be essential to mitigate the total impact of our products.

### People Profile



**Sofie Rollier**  
Sustainability Manager,  
EMEA Logistics

*"I am proud of our work to reduce our carbon emissions and hungry to do more – I want everyone to feel like they are part of our journey. It is amazing to feel that at NIKE, we also influence and inspire our partners and those around us to do better, which makes the impact of our work go far beyond our own efforts."*





## Planet Waste

NIKE has a holistic strategy for achieving this target that focuses on the major drivers of waste. At its core, this strategy includes using less material and maximizing materials we use through manufacturing efficiencies and improvements, and reusing whatever we can. We do this by using lighter materials, increasing pattern efficiencies in our material cuts and using lean 2.0 principles for continual improvement.

We measure and report on waste across our full value chain – from product creation to manufacturing facilities and distribution centers. We then set goals for reducing it and implement plans to achieve those goals in partnership with thousands of teammates across the world who are working tirelessly to contribute toward these waste-reduction targets.

## MANUFACTURING WASTE

Eighty-two percent of finished goods manufacturing waste is from footwear. About 60% of that is from creating the upper part of shoes and 40% from making the midsole and outsole. Most of the materials used in footwear manufacturing use petroleum or leather, both of which are environmentally intensive to produce. We work with suppliers to minimize upper materials scrap by

optimizing the size, shape and layout of parts that are cut out of upper materials. This includes maximizing the use of leather hides, sheets of textile, synthetic leather and other materials. We also support suppliers' efforts to reduce midsole and outsole (bottom) defects, rubber waste and carton waste, which comprise more than 75% of the waste that suppliers can control or influence.

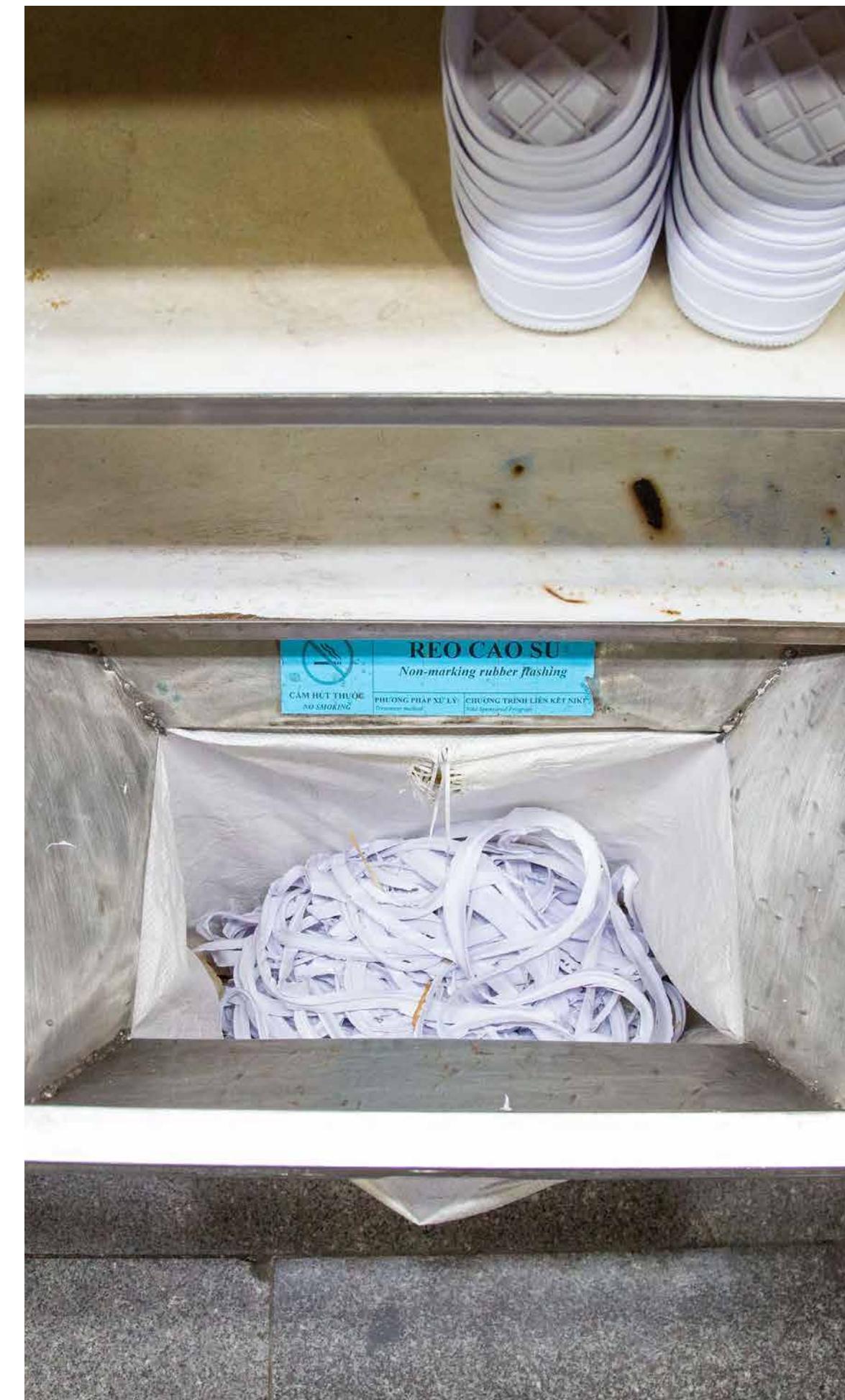
To reduce defects and rubber waste, we improved our lean 2.0 manufacturing systems and are scaling systems to track the sources and root causes of these waste types. In FY22, we scaled our bottom defect tracking system to factories responsible for 50% of bottom component defect waste. This reduced the midsole defect rate at targeted factories by 45% and prevented approximately 2.5 million kilograms of waste. We also started to track rubber flashing waste by model at 28 targeted factories that drive 80% of this waste stream, and are strategically focusing root cause analysis on the models that drive this waste stream the most.

To reduce carton waste, we are replacing single-use cardboard cartons with reusable boxes where possible. In FY22, we continued to scale our reusable carton initiative to 12 more suppliers and 34 finished goods factories in three countries, preventing an additional 500,000 kilograms of waste per year.

Within apparel, we consider the material efficiency of our designs early on in our product creation and development process, which reduces waste throughout the manufacturing process. This can be achieved through adjustments to patterns to optimize fabric yields, using lighter-weight materials where possible and increasing our reliance on inherently less wasteful methods of make, such as Flyknit. We are also working to reduce packaging both on and around our products, as well as in transportation.

In our FY21 report, we shared the challenges we had in using available data to estimate product waste. In FY22, significant progress has been made on both data quality and accessibility, which helps us implement baseline standards and reporting in the product creation process to build more efficient designs. We hope to share our results with suppliers in FY23.

*With suppliers like Feng Tay, we are tracking root causes to prevent and reduce rubber waste.*





## DISTRIBUTION CENTERS

NIKE's business growth and reach to consumers across the globe requires that we move our product throughout our supply chain with care for the product and the expectations of our consumer related to cost, convenience, service, quality, and sustainability. As a result, we constantly challenge ourselves on our waste streams to first reduce and then, once optimized, recycle. At over 90%, corrugated cardboard used for product packaging continues to be the primary waste driver at our distribution centers. While corrugate is a recyclable waste, its volume grows with our business. Reducing and reusing packaging where possible before recycling it enables us to reduce the extraction of finite natural resources and the carbon and cost associated with new corrugate production.

The key process to reducing corrugate waste in our distribution centers is addressing the master outer cartons (MOCs) used to ship products from manufacturing facilities to distribution centers. When stores order quantities that differ from the factory supplier case sizes, for example, distribution centers unpack inbound corrugated cardboard cartons and repack them in new cartons – that process creates more waste. About 45% of the outer cartons must be disposed and recycled to repack manufacturing cartons into smaller quantities for our customers.

In FY22, we cut the weight of footwear MOCs by 24%, for over 30% of our footwear MOC portfolio, and removed 770,000 kilograms of corrugate weight shipped from factory suppliers. We plan to continue scaling this effort in FY23 targeting apparel and accessory MOCs in addition to footwear MOCs.

## HEADQUARTERS

In FY22, NIKE completed a comprehensive waste audit of its WHQ in Oregon. We developed a targeted waste roadmap that will inform actions needed to achieve our waste reduction targets. We identified key levers, such as promoting employee behaviors and procurement guidelines. Then we acted on them, by enhancing centralized waste stations and introducing durable express containers in to-go dining areas to reduce disposable containers.

With the return to workplace at our headquarters (HQs) around the world, we were challenged to reintroduce and strengthen sustainable behaviors. We determined that the most effective way to achieve our waste goals was to produce and procure less waste. Key strategies to reduce waste at our HQs include:

- ① Fostering a culture of “right-sizing” – purchasing only what is required and refraining from ordering catering or product in excess
- ② Promoting durable over disposable products and materials – for example, incorporating reusable hot and cold cups and silverware in kitchen and dining areas



Serena Williams  
Building NIKE  
WHQ



## Planet Waste

Quantitative Target

**100% of waste diverted from landfill in our extended supply chain with at least 80% recycled back into NIKE products and other goods**

As NIKE's business grows, it's critical that we decouple this growth from a dependence on constrained natural resources by keeping materials circulating at their highest value. Our diversion and recycling targets represent our goal to operate a responsible supply chain and circular systems that maximize material reuse and recycling while minimizing value loss and diverting waste more responsibly in the communities where we work and make our products.

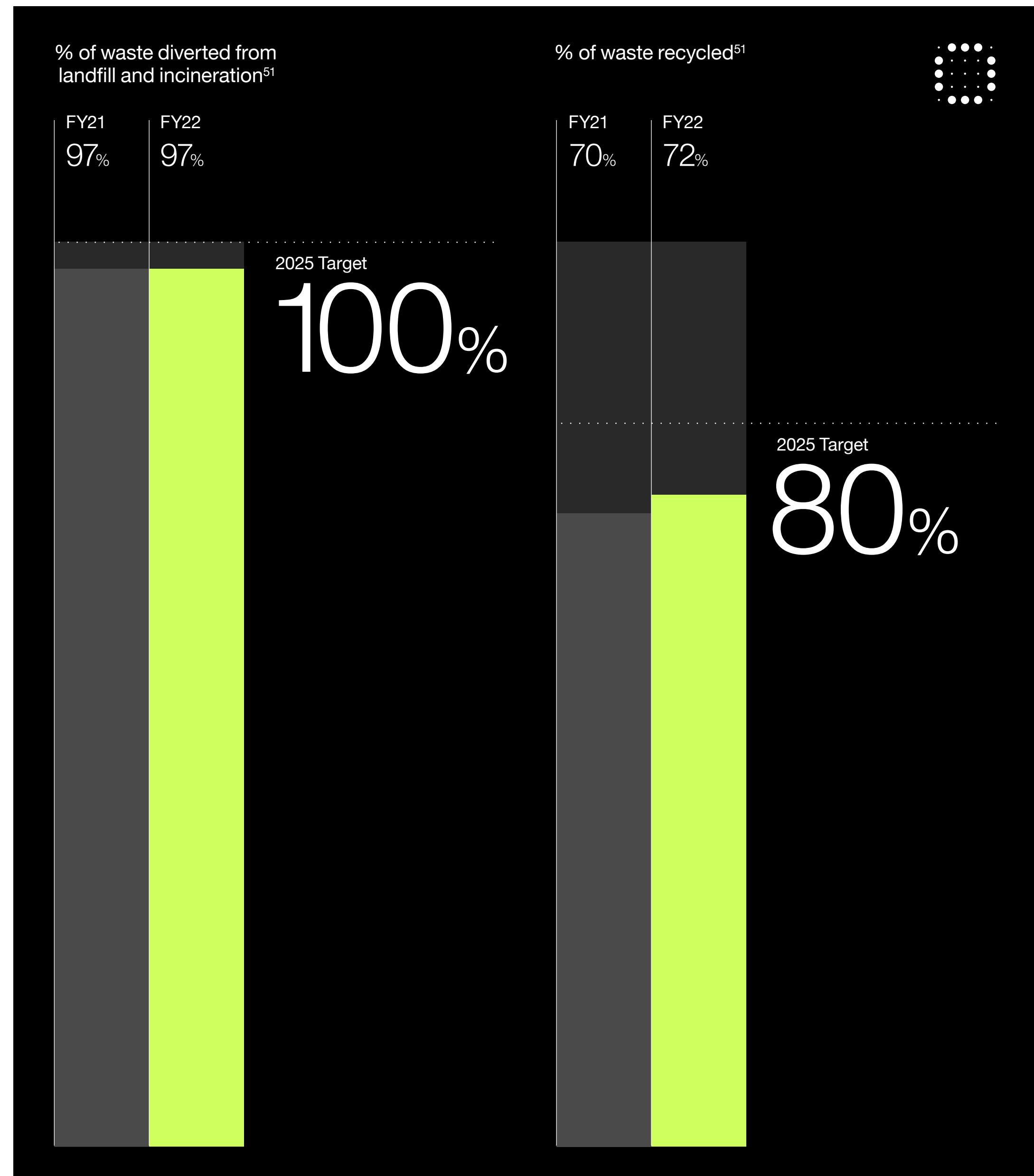
Our strategy for reaching this goal is focused on minimizing waste generation, increasing reuse and recycling, and recovering energy from waste that can't be prevented, reused or recycled at this time.

### People Profile



**Tina Wu**  
Partner Responsibility Manager, GC

*"I am happy to see we can change the way people look at waste together and influence their behavior by showing them how we turn waste into valuable material."*



<sup>51</sup> Diverted waste: Includes waste to energy incineration, recycled waste, and composted waste. Recycled waste: Includes recycled and composted waste.



## MANUFACTURING

In FY22, we achieved 100% diversion of waste to landfill in apparel and continued 100% diversion in footwear for the second year. Recycling rates increased to 54% in footwear and to 87% in apparel in FY22, helping us move one step closer to our ambition for full circularity.

Some materials are harder to recycle than others, with few scaled recycling options for mixed materials. Through our Foundation for Excellence Program with suppliers, we can help them segregate, handle and store their scrap materials according to our high standards to maximize their marketability. We have seen local markets emerge and evolve in response to the constant availability of these high-quality, sorted materials – particularly in the countries where most of our manufacturing scrap is generated.

We are also actively working with suppliers, along with third parties, to identify promising recycling innovations and operators for our highest-volume and highest-impact materials for the future. Globally, we face a critical lack of scaled, in-market recycling technologies and quality operators located near our manufacturing locations that can process the full range of waste materials our product supply chain generates into usable feedstock for new products. We know that creating a circular future for NIKE and the industry is going to require innovation and collaboration.

Year over year, we recycled 21% more kilograms of total manufacturing waste, which helped to drive up the overall manufacturing waste recycling rate by five percentage points despite increased waste generation in manufacturing.

## CLOSED-LOOP RECYCLING<sup>52</sup>

Closed-loop recycling is our highest aspiration and the goal we are continually working toward. By increasing closed-loop recycling we can maximize the recycling of our waste back into footwear and apparel or similar products.

### Apparel

Textile-to-textile recycling takes pressure off virgin material supply chains for cotton and polyester. In the near term, NIKE intends to focus on cotton and polyester supply chains to reduce our dependence on higher-impact versions of important fabrics.

Part of our strategy focuses on increasing NIKE's use of recycled cotton by increasing the amount of cotton manufacturing scrap that Tier 3 recyclers (yarn suppliers) and Tier 2 fabric suppliers source from Tier 1 finished goods factories. From there, Tier 2 and Tier 3 suppliers recycle the manufacturing

scrap into materials they supply back to Tier 1 factories to make new finished products. NIKE hopes these efforts will result in increases in closed-loop apparel fabric recycling from late FY23 and build into FY24 and FY25.

We are also targeting polyester fabric waste in key locations where feedstock or chemical recycling technologies<sup>44</sup> are available and encouraging scaling of these technologies in other areas where polyester product manufacturing is predominant.

In the years to come, additional solutions for blended textile materials, which are more challenging to recycle than materials made entirely from cotton or polyester, must be found. We are working to identify and scale promising technologies in our key manufacturing geographies as part of our long-term strategy.

### Footwear

Our strategy for closing the loop on footwear materials is two-pronged, with a near-term focus on reincorporating higher volumes of more readily recyclable materials while seeking innovations for more challenging materials. Our immediate focus is on closed-loop recycling of rubber and EVA foam scraps, which make up over 22% of our footwear waste.

*High quality, sorted materials help maximize the marketability of manufacturing scrap at facilities like Chang Shin's in Indonesia.*



<sup>52</sup> Closed-loop recycling refers to NIKE manufacturing or other waste material that is included in the manufacturing of NIKE finished goods.

<sup>44</sup> Chemical recycling (feedstock recycling) refers to operations that aim to chemically degrade the collected plastics waste into its monomers or other basic chemicals. The output may be reused for polymerisation into new plastics for the production of other chemicals or as an alternative fuel.



## Planet Waste

For example, we are working to find more efficient ways to color sort rubber waste to overcome the aesthetic challenges of using mixed recycled rubber. We are also focusing on expanding the usage of recycled EVA midsoles with standardized formulations that are available in all manufacturing countries. Some materials like leather and mixed materials provide more challenges when it comes to closed-loop recycling, but we are continually exploring and testing new innovations. We are also working with vendors to explore closed-loop polyester waste as a potential replacement for polyester from ground up plastic beverage containers.

In FY22, we increased recycled rubber usage across footwear to 2.2%. We also increased the creation of higher recycled content midsole foams by implementing incremental changes through chemical engineering.

## OPEN-LOOP RECYCLING<sup>53</sup>

When we face limitations on what can be reused in our own products, we drive higher recycling rates by segregating, consolidating and processing scrap materials for reuse in other industries. Our focus is on finding markets for our largest material waste types – blended textiles, rubber, foams, leather and synthetic leather.

Our Nike Grind program, which turned 30 this year, gives what was once considered waste a new life in Nike Grind partner products from flooring to furniture, skateboards to iPhone cases and playgrounds to Olympic training facilities. In FY22, we saw a 4% increase in open-loop recycling as demand from regional markets for NIKE manufacturing scrap materials grew faster than expected.

The Home Depot named Nike Grind and Future Foam as its 2021 Environmental Partner of the Year in recognition of NIKE's dedication to innovation and a circular future. The Home Depot is the largest distributor of products made with Nike Grind, representing over 4.5 million pounds of waste recycled every year. Over 10 years of collaboration with The Home Depot and Future Foam, we have collectively recycled 58 million pounds of waste.

We also made progress on solutions for harder-to-recycle materials like leather. DECODED, a premium lifestyle tech accessory brand, launched a new sustainability-minded collection, RE\_CODED, made with Nike Grind leather. NIKE's post-tannery leather scraps are historically challenging to reuse, and DECODED is the first brand to launch a product using this material stream. The RE\_CODED collection with Nike Grind launched sales through Apple, Verizon and other tech accessories distributors.

### Nike Grind Footwear Waste Volumes Recycled (Metric Tons)

Waste Source	Disposition Method	FY20	FY21	FY22
Post-Industrial (Factory Scrap)	Reused in NIKE Products and Recycled by Global Open Loop Customers	49,629	51,584	59,067
Post-Consumer + Unsellables <sup>54</sup> (Consumer Shoes + NIKE Samples and Defectives)	Reused by Global Open Loop Customers	79	170	556
<b>Total Footwear Materials Recycled</b>		<b>49,708</b>	<b>51,754</b>	<b>59,623<sup>55</sup></b>

<sup>53</sup> Open-Loop Recycling refers to recycling NIKE footwear waste by third-parties, who subsequently use it to manufacture other non-NIKE products.

<sup>54</sup> Unsellables refers to NIKE sample products, defective products and returned products that aren't fit for resale as NIKE products.

<sup>55</sup> In addition to the footwear data detailed in the table above, ~20,000 metric tons of post industrial apparel was open-loop recycled.



## DISTRIBUTION CENTERS

In FY22 NIKE recycled 85% of distribution center waste, cardboard accounted for 94% of that waste. We aim to drive higher and more consistent recycling across all distribution centers. We are focused on understanding the composition of waste that's not being recycled and improving waste sorting and training to maximize the percentage of recyclable material that is properly segregated and shipped to recyclers.

We are also working to increase landfill diversion within our distribution centers. In the EMEA and Greater China geographies, we have already achieved 100% diversion with operations. In North America and APLA, we are closing the gap and expect to engage additional energy recovery capacity to increase recycling in FY23<sup>56</sup>. For North America markets we are challenged by limited opportunities to increase recycling infrastructure. In North America we emphasized distribution center education and training on collecting and converting food waste to compost. That compost is used as nutrients for our own NIKE community gardens. These are volunteer-led gardens help facilitate landfill diversion, circularity and community engagement.

## NIKE HEADQUARTERS

In FY22, we completed a comprehensive waste audit of NIKE WHQ in Oregon and developed a targeted waste roadmap to our waste-reduction goals. The waste audit demonstrated that there were opportunities to reduce waste stream contamination rates by approximately 40%. We also identified food service as the largest waste source, contributing 30% of overall waste generation. Key reduction levers focused on encouraging employees to engage in more sustainable behaviors to achieve our waste-reduction goals.

Based on the audit, NIKE developed a comprehensive Zero Waste Roadmap leveraging our strongest asset – our people. One example is the TerraCycle glove-recycling program, which launched in our kitchens and custodial teams in FY22, helping divert 28 metric tons from landfill. By introducing programs that make recycling and landfill diversion easier, we tap into the potential of our NIKE employees.

Not surprisingly, returning to campus more than doubled the waste at WHQ on a quarter-over-quarter basis. The majority of the resulting waste, however, was recyclable cardboard packaging and furniture that was donated or reused between buildings as occupancy plans shifted. Despite the challenges created by returning to the workplace, the teams continued to drive progress toward the FY25 sustainability goals.

We educate and engage our athletes to foster a sustainable mindset and adopt sustainable practices and choices in their day-to-day lives through campus events, sustainability pop ups, lunch and learn sessions and internal communications.

## CONVERSE HEADQUARTERS AND NORTH AMERICA RETAIL

Our Converse HQ in Boston has made major strides toward waste diversion by upgrading to premium service with a local composting company, Bootstrap, to increase ease and frequency of compost pickup, saving approximately \$47,000 annually. This service includes compost accessibility to Converse teammates on every floor and the nearby Converse Concept Creation Center (C4) in Charlestown.

In FY22, Converse completed a transition to paper bags in all North America retail stores. Through this initiative, Converse eliminated the use of an estimated four million plastic bags by the end of 2021 and is continuing to extend the effort globally. The effort is part of NIKE's participation in the Fashion Pact – a global coalition of companies in the fashion and textile industry working toward a common set of environmental goals.

<sup>56</sup> Energy recovery is a process in which all or part of solid waste is processed to use the heat content, or other forms of energy, of or from the material.



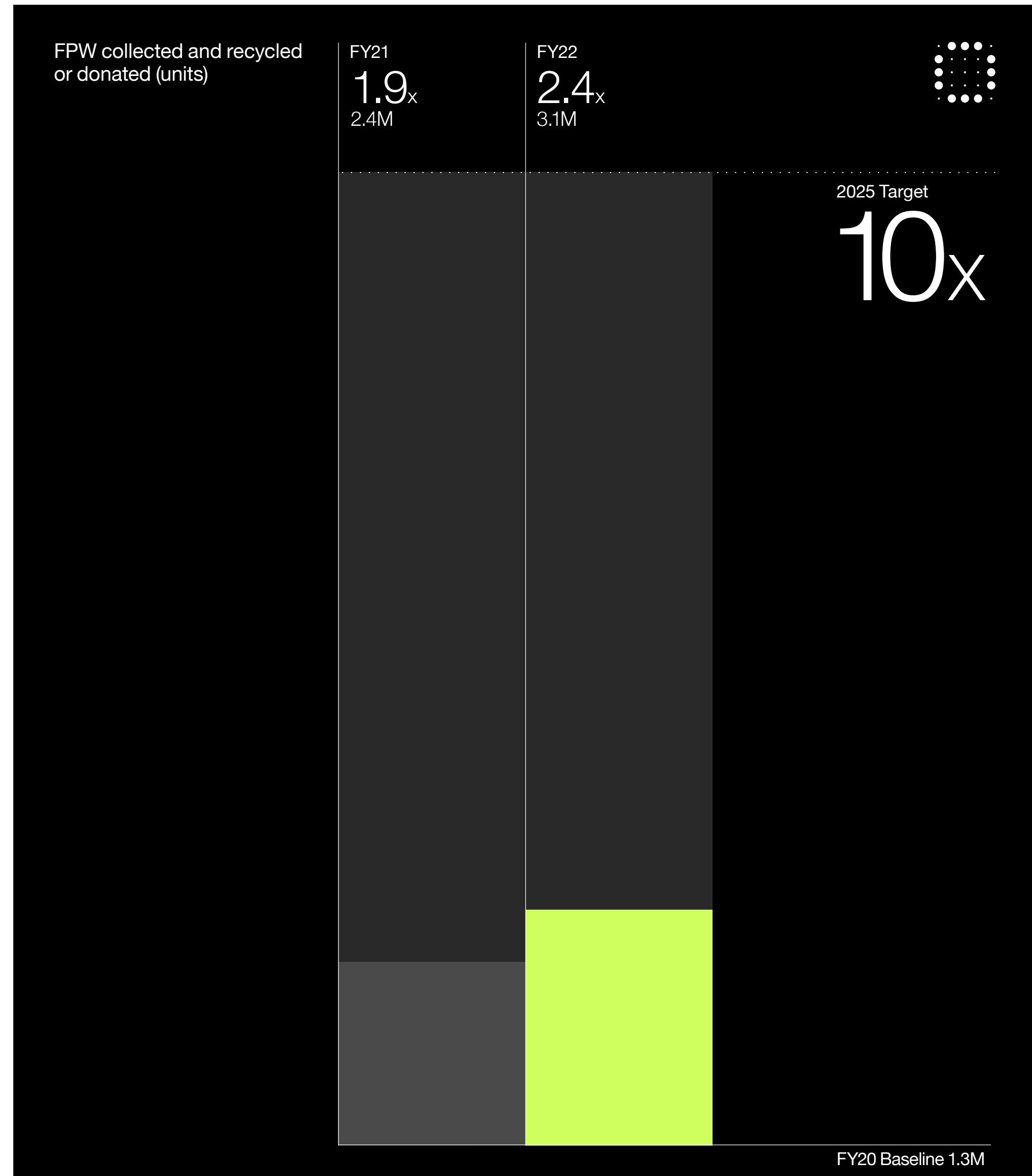
## Planet Waste

Quantitative Target

# 10x the amount of finished product waste (FPW) refurbished, recycled or donated

NIKE's FPW target is accelerating our journey toward product circularity. We know product waste is an industry challenge. Scaled progress will require the footwear and apparel industry to come together to develop pre-competitive solutions for the toughest barriers, including textile-to-textile recycling, cost-efficient reverse logistics and technology systems to unlock our ability to close the loop for a truly circular ecosystem. From setting up internal operations to enable circularity to learning how to offer compelling takeback services to consumers and working with marketplace partners to innovate how we recycle product back into new out-of-the-box solutions, our work continues to both excite and challenge us.

In FY22, we remained focused on learning how to create circular systems for FPW, which we define as product that is unsellable across our supply chain (e.g., worn digital returns) or taken back from consumers through our takeback programs. We also accelerated our capabilities to keep FPW out of landfill and incineration by refurbishing and reselling, donating or recycling 3.1 million units of finished product. Our goal is to continue this acceleration, maximizing product refurbishment to extend the life of products through resale and reuse, and increasing donation and recycling to keep units at their highest use for as long as possible.





To achieve this, we follow our Guiding Principles of FPW management:

- ① Keep product at its highest value for as long as possible
- ② Deliver innovative and creative solutions that drive long-term business value
- ③ Ensure a great consumer experience
- ④ Be authentic and transparent
- ⑤ Maximize local infrastructure

Using a systems approach, we are implementing circular operations (capabilities to enable extension of product life or reuse of materials) in key locations and working with strategic partners to receive, process and dispose of product in accordance with its highest value in alignment with our product waste hierarchy. Today, our product channels include Nike Refurbished (consumer sales), the vAn (internal employee sales), donation and recycling. Energy recovery is being utilized as a last resort. We recognize that managing our own FPW is just one side of the equation, and we seek to help consumers responsibly manage the product they are no longer using through consumer product takeback programs (i.e., Reuse-A-Shoe and Recycle and Donation).

## NIKE REFURBISHED

Nike Refurbished extends the life of unsellable products (i.e., worn returns, cosmetically flawed products, e.g., stains) by taking products that cannot be restocked, refurbishing them by hand and grading them as Like New, Gently Worn or Slightly Imperfect. This new reverse logistics operations process enables us to offer these products at discounted prices at select NIKE Factory, Unite and Community Stores. Product that is not eligible for Nike Refurbished still has a chance at a second life too, as we partner with donation consolidators, such as Good360, to donate gently worn footwear to local communities in need. Or, if it's truly at the end of wearable use, we recycle it through our proprietary Nike Grind system into materials, which are then sold to third parties for different uses.

When the time has come to say goodbye to a pair of Nike Refurbished shoes, customers can do their part to help keep them out of landfills by choosing to donate or responsibly recycle them through our takeback programs.

The Nike Refurbished footwear product line launched in select stores in the U.S. in March 2021. By the end of FY22, Nike Refurbished was live in 35 stores across the U.S. and six stores in EMEA. We are encouraged by feedback from our consumers, who are delighted to find unique styles at the right prices while knowing they are joining NIKE in its sustainability journey. We also celebrate the contributions from our Retail and Operations teams to make these new offerings possible. As such, we plan to continue scaling this program in FY23.



## TAKING BACK CONSUMER-WORN PRODUCT THROUGH TAKEBACK SERVICES

As consumers have limited options to donate or recycle worn products, for the past 25 years, NIKE has offered a service called Reuse-A-Shoe (RAS) for consumers to bring their end-of-life footwear product back to NIKE stores so that it can be recycled into something new. As apparel and footwear waste continues to grow, we are working to expand this offering and have introduced a new Recycle and Donation (RAD) service, which is an evolution of RAS that includes apparel and offers a donation pathway in addition to recycling. These consumer takeback programs empower consumers to drop off apparel and footwear at select NIKE stores, and based on the condition and level of wear, NIKE will either donate to nonprofit partners or recycle in a more responsible manner to divert end-of-life product waste from landfill.

In FY22, we expanded access to consumer product takeback services to most of our geographies, offering the service across 300 NIKE stores. While our expansion efforts have been successful, we're learning we need to improve awareness of this offering so more consumers can take advantage of this program, which gives consumers a better option than throwing product away and enables more people to partner with NIKE on our Move to Zero journey. Through consumer insights, we have found that close to 80% of NIKE consumers are interested in using our RAD service. Moving forward, we intend to expand access to such services, while also exploring ways to integrate information about these services into digital and marketing plans to improve utilization of these services and create seamless integration with the NIKE member experience.

A photograph showing a woman in a black jacket and white mask handing a pair of black Nike sneakers to a store employee in a grey hoodie and black mask. They are standing behind a counter in a modern NIKE store. In the background, there are displays of clothing and a digital sign showing the number '4'. The store has a clean, minimalist design with large windows.  
NIKE Hongdae



## THE VAN

Product not fit for consumer sale (i.e., samples or products with quality issues) is sold at a discount through our internal employee website, The vAn. Our goal is to reduce volumes through this channel as we continue improving manufacturing quality and reduce the need for physical samples.

## DONATION

At NIKE, we continually look for opportunities to bridge our work across People, Planet and Play. Our product donation program is a perfect example of this intersection. Not only are we able to extend the life of products, but we are also able to deliver them to those who need them most. When product is no longer deemed sellable but still has a functional life – or when unforeseen events impact our communities – we work with consolidator nonprofit organizations like Good360, Soles4Souls, Good Sports and Delivering Good to help deliver product where it's needed, in a responsible manner.

In FY22, we were able to donate nearly 1.02 million units to schools and community organizations. An additional 45,000 units were donated to nonprofit organizations around the globe through the product donation disposition channel. This product, which would have otherwise been recycled or destroyed, benefits the community by serving the highest need, closest to source.

## RECYCLING

When product is truly at its end-of-life and cannot be used again through resale or donation, our goal is to recycle the product through responsible end-of-life processes. For footwear, recycling means sending product through our state-of-the-art Nike Grind machines in the U.S. and EMEA. After grinding up this product, materials are separated by type (rubber, foam and textile fluff) so that they can be incorporated into new items. In our other locations, where we don't have Nike Grind technology, we work with providers to manage our end-of-life process.

We have been incorporating Nike Grind into products, retail spaces, workplace environments, athletic facilities, skateboards and more for nearly 30 years. That means fewer materials in landfills, and more in the hands (and under the feet) of athletes.

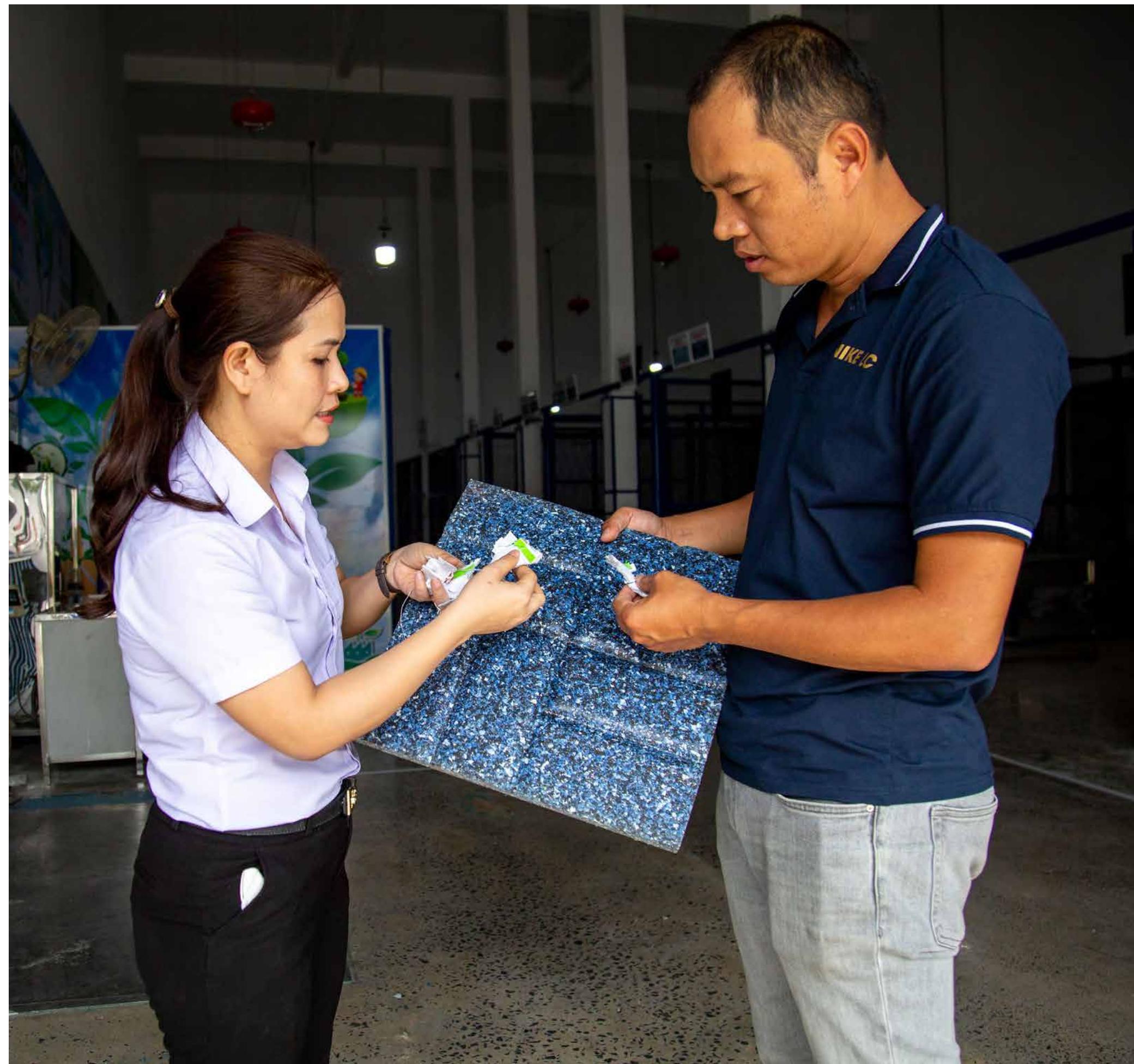
In FY22, we collaborated with Kirei, an acoustic solutions company in California, to recycle our upper textile fluff material from finished product waste into their Air Baffle product. The Air Baffle is an acoustic element filled with Nike Grind fluff to help absorb sound in open spaces. We continued to work with Playtop and Hero Flooring, among others, to recycle rubber from ground-up shoes into play surfaces and flooring, respectively.

Additionally, in EMEA, Hooks Creative designed a clothes hanger with 50% fluff content and 50% non-NIKE recycled material that has been introduced to the entire European Logistics Center campus and will start to roll out in other EMEA offices. We have pursued multiple other destinations for recycled footwear FPW, specifically mixed foam and additional fluff grind. With a focus on sport surfaces and flooring, we work closely with external companies to research and develop product offerings that can utilize these waste streams as feedstock.

For apparel in geographies outside of the U.S., we work with third-party pre-processors and recyclers to maximize recycling solutions. In FY23, we plan to expand apparel-recycling capabilities to the U.S. as well. We choose third parties based, in part, on the level of transparency of their processes and their ability to help us achieve our sustainability goals.

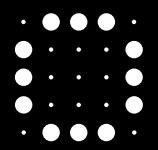
Recycling technologies today may not be the recycling technologies of the future. Greater China is working with the Circular Economy Research Institute of Tongji University to study advanced shoe- and apparel-recycling technologies to improve overall recycling efficiency through heat separation and artificial intelligence sorting systems. This will help us reduce inefficient manual processes and improve overall recycling capacity. As we continue the search for true, structural and sustainable recycling solutions at scale for harder-to-recycle materials, we also work with waste-to-energy vendors to responsibly dispose of remaining materials.

*Cuong Luong (right), a member of NIKE's Responsible Supply Chain team in Vietnam, talks footwear recycling options with Feng Tay leadership.*





## Planet Water

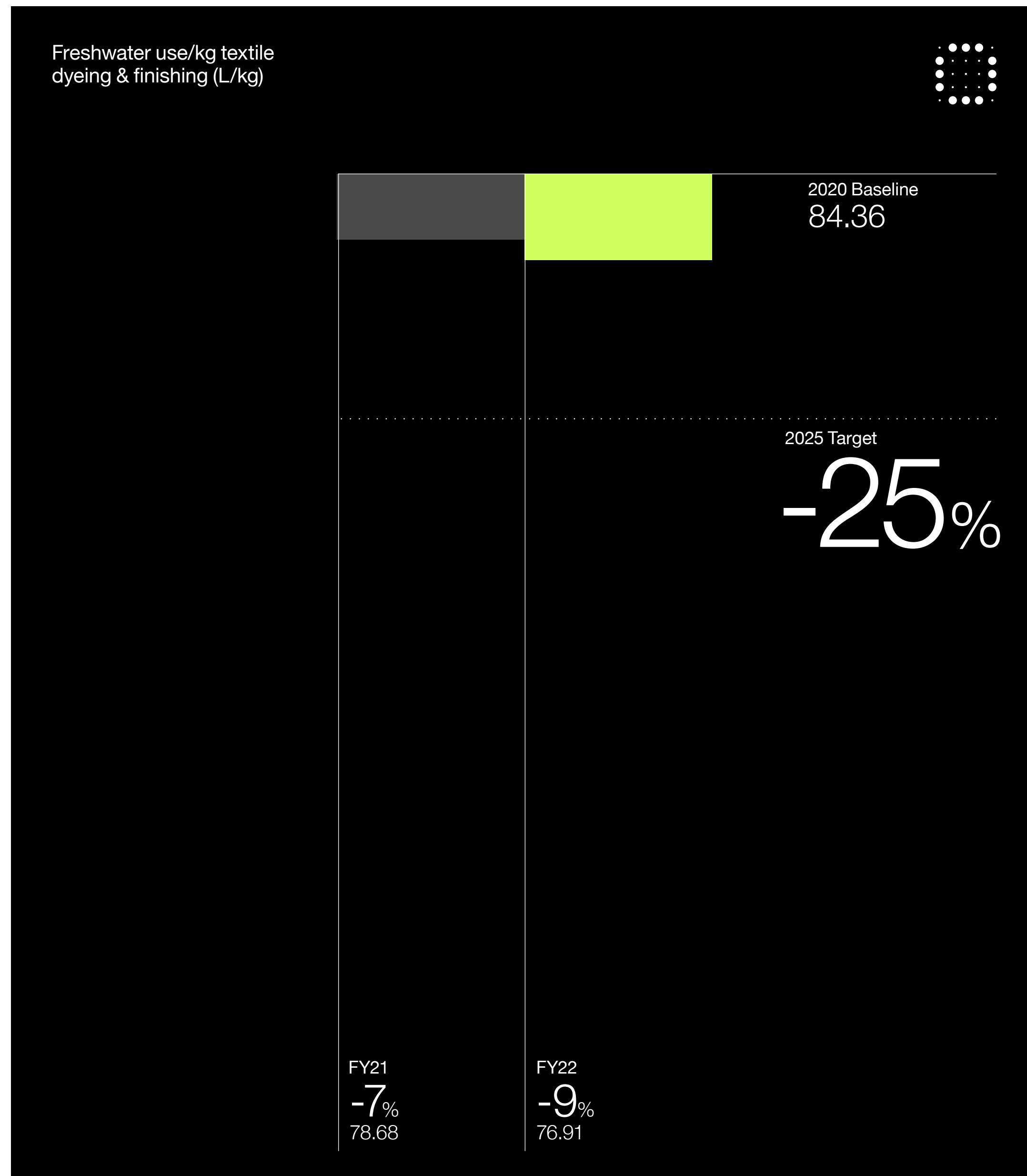


Quantitative Target

# 25% reduction in freshwater usage (L per kg) in textile dyeing and finishing

For the past decade, the World Economic Forum (WEF) has listed water crises as one of the top five global risks that negatively impact economies and societies. Historically, water has been available in the driest areas, and flooding patterns were predictable across the globe. As the climate warms, the world is beginning to see more extremes – which often means too little or too much water. An increase in population, industrial and socio-economic growth will add more stress to existing water resources, resulting in scarcity and competition. Increasing droughts contribute to wildfires and other problems. A decrease in the water table can degrade water quality, often leading to increasing concentrations of minerals and salts that are expensive to treat, resulting in increased cost. On the other extreme, more violent storms are already making flooding a new risk in areas that didn't worry about it before. Experiences around the world – water rationing in Taiwan; droughts in Brazil, California and India – demonstrate the WEF's concerns are real.

Without a robust water sustainability program, textile industry suppliers will face tough and costly decisions related to their businesses. NIKE is working to decouple business growth from constrained resources by minimizing our overall environmental footprint. We can't do this without the commitment of suppliers, and encourage every facility to pursue – in terms of business growth, productivity and social responsibility – a more sustainable and water-efficient future.





## Planet Water

We are making progress toward achieving our 2025 freshwater-reduction target through our strategy, which has three components:

- ① Create Awareness among suppliers that water crises are real, and it's necessary to reduce our dependence on freshwater.
- ② Drive Commitment from suppliers to do their part to reduce their freshwater use. We collaborated with suppliers to establish freshwater reduction-targets that will help us reach our 2025 target.
- ③ Build Capability among suppliers so they are executing their freshwater-reduction targets using generally accepted best practices for water management and wastewater treatment. The indications are that training and adoption of best practices are consistent and robust.

In FY22, we reduced freshwater usage per kilogram by 9% from our FY20 baseline by implementing process improvements and investments in recycling technologies, with the support of seven of our supply chain's top 10 water users. Among them, we saw notable reductions from their respective FY20 baselines achieved from facilities.

The Tong Hong Tannery in China reduced its freshwater use in FY22 by 12.4% from its FY20 baseline through several process-improvement strategies. The Tong Hong site consolidated its product order category and used higher-manufacturing-efficiency equipment to achieve the exact product specification, which resulted in reduction of water and energy usage. Also, the facility optimized the wastewater treatment system to produce higher wastewater-reuse quality, which helped the site reduce its overall freshwater consumption by increasing the recycling rate.

The Sadesa facility reduced its water intensity by 20.8% in FY22 from its FY20 baseline with investments in advanced oxidation and recycling technologies in the wastewater treatment plant. Since FY15, the number of wastewater-recycling installations has continued to increase to the point where wastewater recycling is a standard feature of any new construction by suppliers.

In FY22, our in-scope facilities faced headwinds largely brought on by impacts of COVID-19, resulting in the stalling of certain water-reduction projects as well as staffing issues. Nevertheless, suppliers displayed continued commitment to their sustainability targets and were able to rise above these difficulties to still achieve the overall collective water reduction target of 9% from the FY20 baseline for FY22.

### Water (Million Liters)

Textile Dyeing and Finishing <sup>57</sup>	FY20	FY21	FY22
Municipal/City Water to Facility	13,277.6	13,067.5	13,386.7
Ground Water	4,804.5	4,391.4	5,795.4
Surface Water	2,102.4	1,466.9	1,733.3
Rainwater Collection	34.5	16.5	12.8
Condensate Use	390.6	395.7	305.3
<b>Total Freshwater Use</b>	<b>20,609.5</b>	<b>19,338.0</b>	<b>21,233.4</b>



Responsible water management at Chang Shin's footwear facility in Indonesia includes wastewater treatment and recycling.

<sup>57</sup> Includes focus suppliers only. Focus suppliers represent key suppliers involved in the dyeing and/or finishing of materials, which directly support footwear and apparel finished product assembly.



## Planet Water

Quantitative Target

**13 billion liters restored through a portfolio of projects that support long-term resilience for water-stressed ecosystems and communities within our extended cotton supply chain**

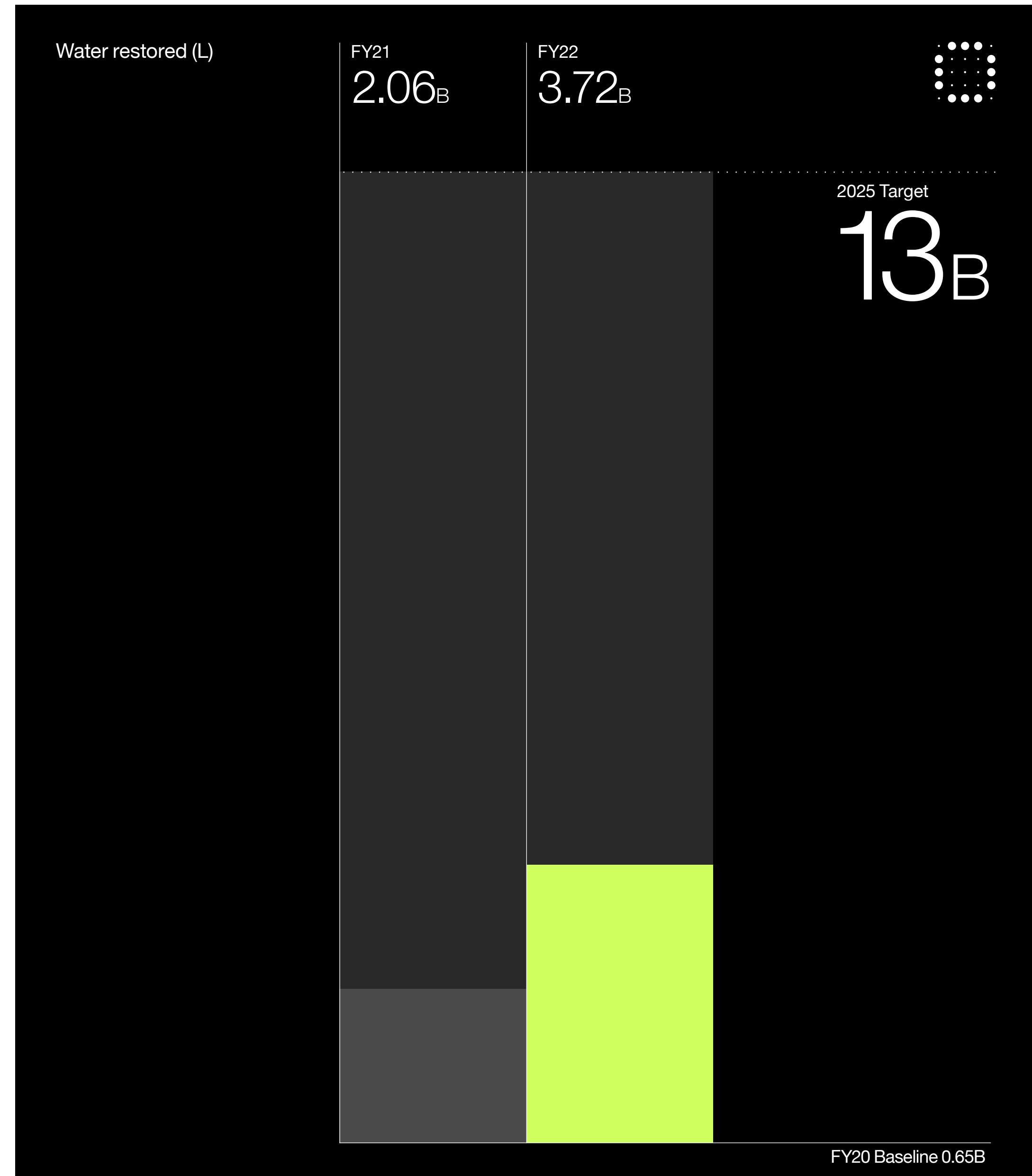
Cotton accounts for 69% of NIKE's water footprint and is directly impacted by water stressors such as drought, water scarcity, floods and pollution. In addition to effects on the cotton supply, local communities – including those within water basins that support cotton farming – and ecosystems are disproportionately affected by these water stressors. We continue to adapt to uncertainty as global climate patterns shift, geopolitical issues emerge and other natural phenomena arise leading to shifts in project scope and impact. Creating water resilience in our cotton sourcing is critical to helping NIKE continue to produce products in a way that protects the workers and ecosystems that make up our supply chain.

We aim to restore 13 billion liters by 2025 in water-stressed regions within our extended cotton supply chain – including Australia, India and Pakistan.

Our strategy to reach our target is driven by collaboration with conservation leaders. We work in partnership with globally recognized environmental nongovernmental organizations (NGOs), including The Nature Conservancy (TNC) and World Wildlife Fund (WWF), who help us define project scope and strategy, implement interventions in priority basins, and monitor and report on the social and environmental impacts generated from restoration activities.

Through these partnerships, we are prioritizing multi-year projects that focus on three primary objectives:

- ① Water restoration and protection
- ② Water for productive use
- ③ Water access





## Planet Water

In Australia, NIKE supported the second phase of a two-phase project aimed at adding 5,000 hectares of wetland to a conservation covenant in the Murray–Darling Basin in partnership with TNC. The combined phases of the project assisted in returning the land from commercial use back to its natural state, restoring 3.71 billion liters of water in FY22, through three major interventions:

- ① Low-impact grazing: converting land previously used for growing by moving grazing animals to areas based on vegetative maturity to reduce runoff and increase average vegetative cover
- ② Conservation covenant: protecting the property from being used for commercial agricultural practices, allowing for the regeneration of more natural conditions, enhancement of existing forested areas and improvement of both water quality and water quantity
- ③ Wetland restoration: rehydration of the floodplain in areas previously designed for commercial production, contributing to the creation of a new wildlife habitat and increased infiltration to local groundwater sources

From FY20-22, NIKE's support contributed to the inundation of 47,277 hectares in the region, a much larger area than expected. This in turn supported a massive colonial bird breeding event and a second breeding event for many pelicans in the region.

In addition, the project facilitated enhanced wetland fringe vegetation growth and improved habitat for a range of species, resulting in feral animal control and increased sightings of critically endangered fauna, such as the plains-wanderer, a vulnerable ground-dwelling bird.

The project also supported ongoing efforts to enable a return of land management to the Nari Nari Tribal Council – the Aboriginal landowners in the region. This included the finalization and launch of “Gayini: Our Home,” a guidebook of native plant and animal species found on the land by the Nari Nari Tribal Council.

In Pakistan, NIKE also laid the groundwork in FY22 for additional water restoration projects in the Indus River basin with WWF. This work included implementing integrated watershed management strategies to improve overall water quantity and quality, educate and support farmers with water-efficient agricultural practices and help protect endangered species native to the region.

### Water restored (L)

	FY20	FY21	FY22
Australia	650M	2.05B	3.71B
India	0	11.7M	11.7M
Total	650M	2.06B	3.72B



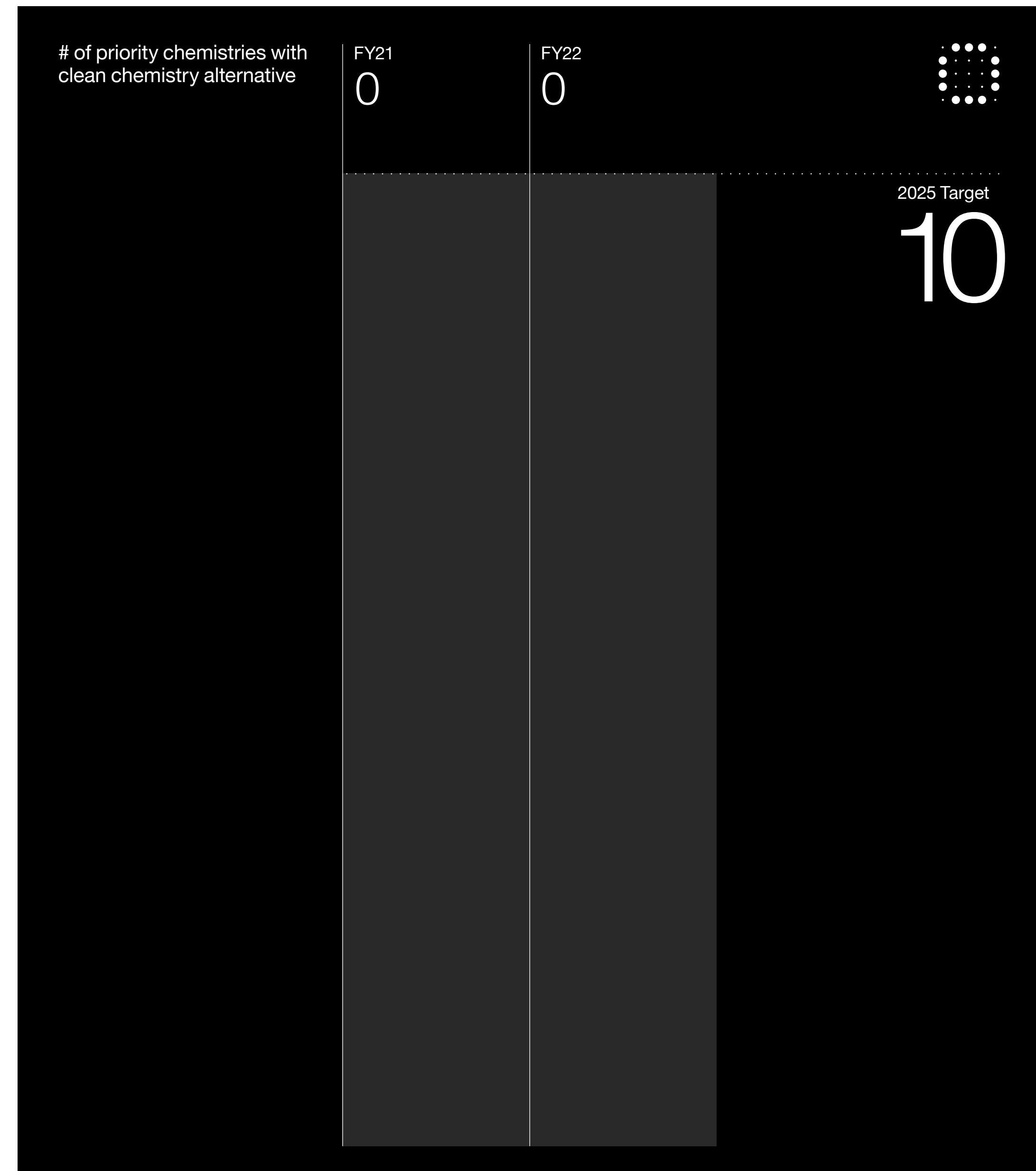
## Planet Chemistry

Quantitative Target

# Adopt clean chemistry alternatives for our 10 priority chemistries across our supply chain

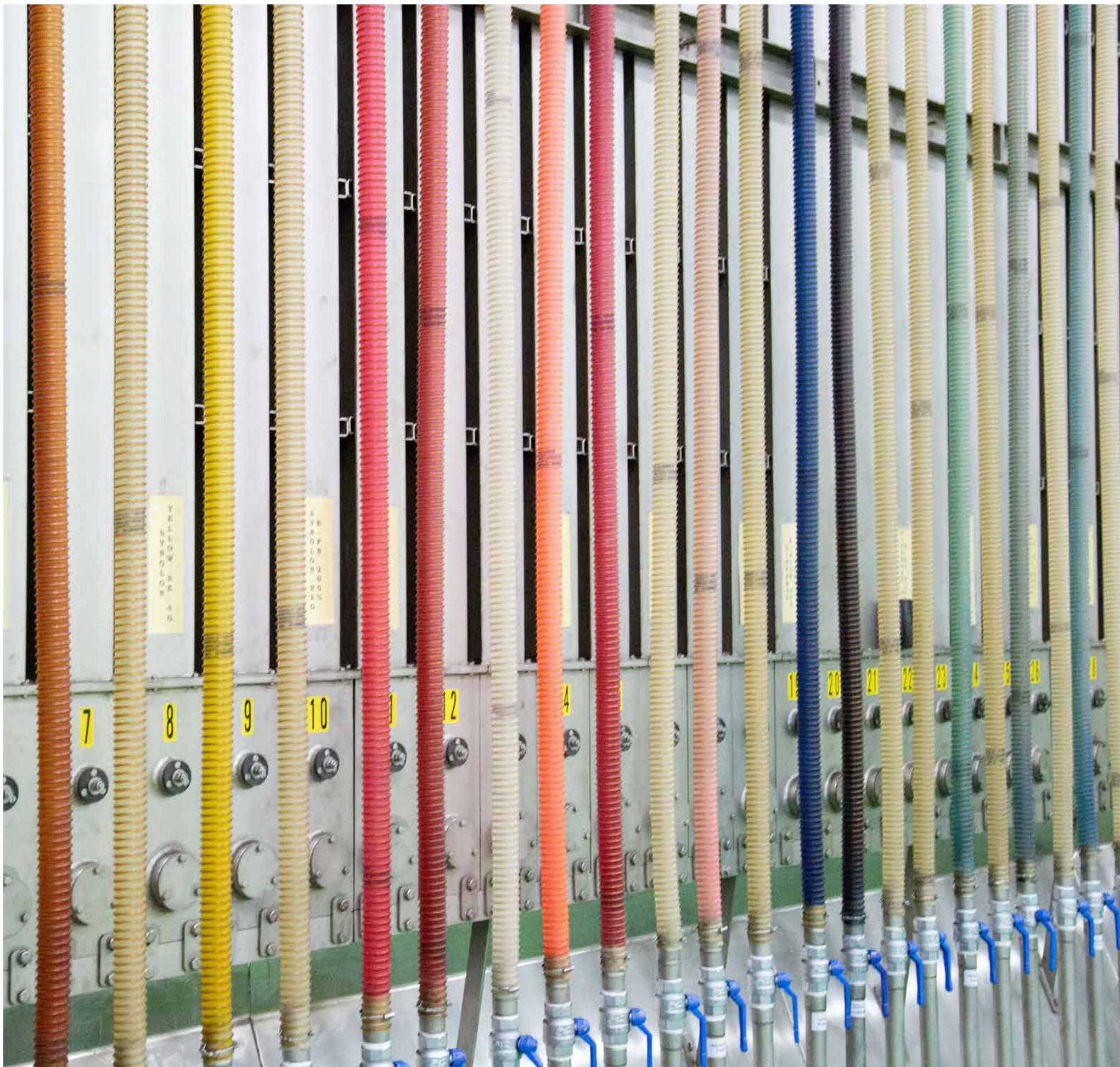
Every NIKE product leverages chemistry to drive innovation, influence design, improve performance and achieve our sustainability ambitions. While the essential role of chemistry within our business is clear, we recognize that it must be well managed to maximize its value and minimize possible risks. To accomplish this, we have developed a chemical prioritization strategy that integrates our approach to global regulatory compliance with proactive efforts to scale and integrate cleaner chemistry seamlessly into our business.

To develop NIKE's chemical prioritization strategy, we consider the health and environmental impacts of the individual chemicals as well as chemistry mixtures used to make our products. We closely track the continually evolving regulatory landscape and review the latest scientific findings to help us to proactively influence chemistry decisions in our supply chain. Finally, we assess how chemicals are used, including the volumes, types of application and availability of safe alternatives, to help us set realistic targets for the future.





## Planet Chemistry



*Materials suppliers like Dong Jin Textile in Indonesia manage color and chemistry with automated precision.*

The foundational requirements in NIKE's Code of Conduct set the basis for our chemistry strategy. Based on this policy, all suppliers must properly manage chemistry and create approaches that help meet our Restricted Substances List (RSL) and ZDHC Manufacturing Restricted Substances List (MRSList) requirements. We continue to support development of transparent guidelines, tools and training programs within our industry through work in groups such as Apparel and Footwear International RSL Management and the ZDHC Foundation. Together, these programs continue to accelerate us toward realizing the vision of zero discharge of hazardous chemicals.

Our facility compliance program includes significant requirements on chemicals management and measurement that are elevated through tools such as the FEM and SLCP. Members of our supply chain are on a journey to continually improve their ability to manage chemistry safely and effectively, and we continue to raise the bar on our foundational requirements. By creating

training and effective remediation programs as well as driving engagement with industry groups, we will continue to elevate these capabilities and monitor implementation across our supply chain.

In addition to our facility compliance program focusing on chemicals management, use and disposal, we continue more than 20 years of chemistry engagement and implementation with suppliers through our [Chemistry Playbook](#) and RSL program. The NIKE Chemistry Playbook & RSL represents our approach to managing chemicals throughout the supply chain, from procurement of input chemistries that meet ZDHC MRSList requirements all the way to testing thousands of materials and finished goods annually.

We will continually strive to create innovations that support helping athletes perform their best while we move toward cleaner chemistry inputs and proactively steward resources.

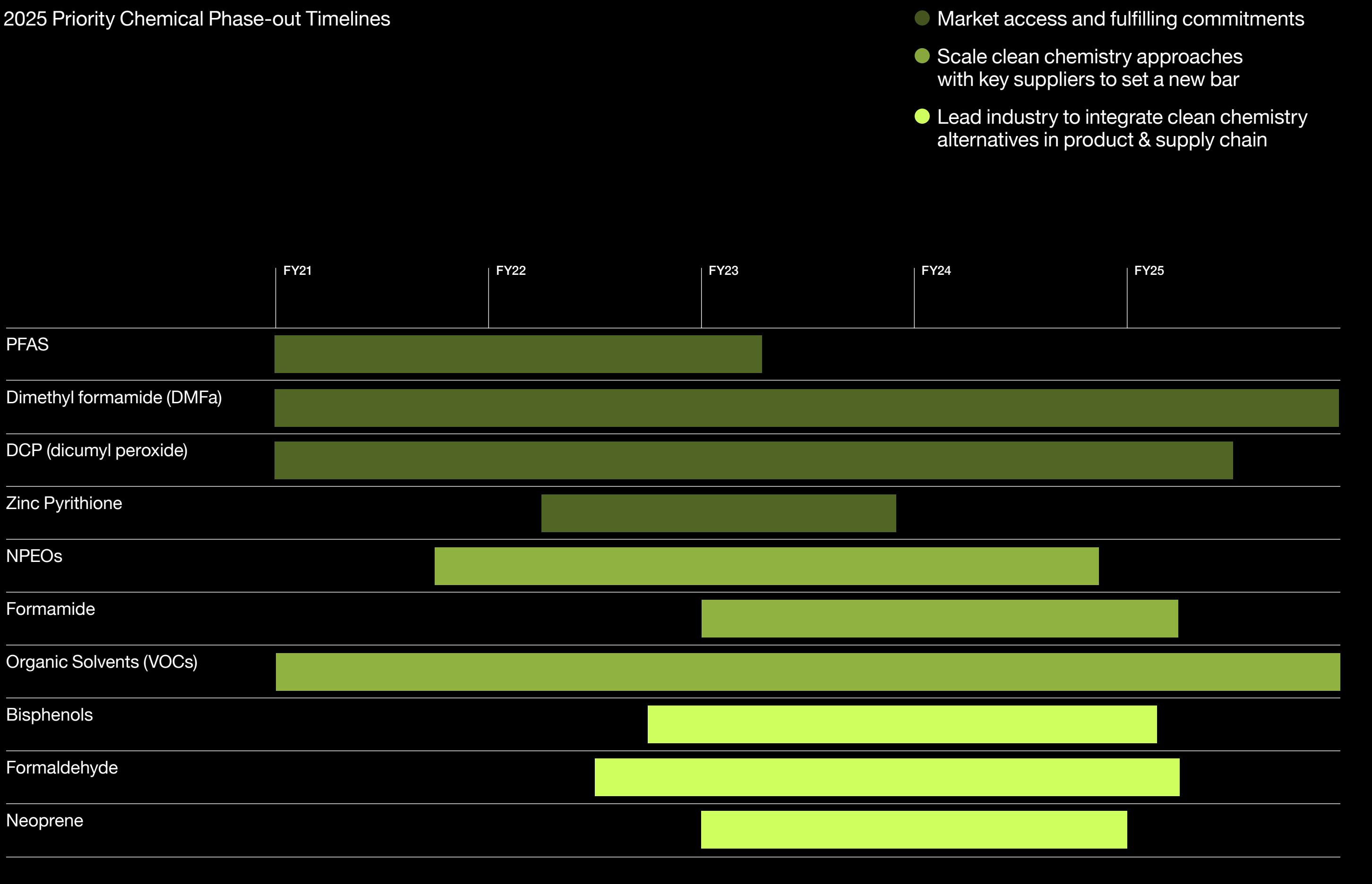


## 10 PRIORITY CHEMISTRIES

We created a list of 10 priority chemistries where we have a target to go above and beyond our list of more than 400 substances that are tightly controlled within our RSL. These priority chemistries solve specific challenges that we have uncovered and help us advance safer materials flowing into and through a circular economy. Adopting these cleaner chemistry alternatives is NIKE's 2025 chemistry target.

Another critical part of our work to scale cleaner chemistry is our chemical assessment process. This embedded process is used on new chemistries coming into our supply chain and provides a consistent measure for compliance that can be used across a variety of chemistry types.

### 2025 Priority Chemical Phase-out Timelines





## FY22 PROGRESS

In FY22, we made significant progress toward our per- and polyfluoroalkyl substances (PFAS) phaseout in water-repellent finishes in all product engines. In 2017, we set a target to eliminate all Perfluorochemical-based finishes from our product line. We have achieved our PFAS phaseout goal without sacrificing our high durability and performance standards or aesthetics. Throughout this phaseout, we completed thorough chemistry assessments on all PFAS alternatives to help us scale only better chemistry across the supply chain. We continue to track toward our goal of 100% PFAS-free durable water repellents through close collaboration with material and chemical suppliers.

The final phase of our work to eliminate PFAS from our supply chain is phasing out of polytetrafluoroethylene (PTFE) membranes, commonly found in waterproof apparel and footwear. PTFE membranes use PFAS chemicals in their production and may release PFAS at end-of-life under extreme conditions. We currently anticipate we will be able to phase out PTFE membranes by the end of the 2024 calendar year.

NIKE is also working to push suppliers in the supply chain to reduce the use of Dimethylformamide (DMFa). DMFa is a common industrial solvent for chemical reactions used in the production of synthetic and coated leather. We have worked with material and chemical suppliers to trial DMFa alternatives, and are impressed by the amount of innovation in this space. We have achieved 100% DMFa-free coated natural leathers, and we have seen strong adoption of DMFa-free synthetic suedes.

However, we anticipate challenges meeting our overall goal of being 100% DMFa-free by 2025. COVID-19-related slowdowns delayed essential research and development needed to validate safe DMFa alternatives. Further, we expect pricing and scaling challenges as suppliers work to build up scale for DMFa-free materials. We are working cross-functionally to overcome these challenges and eventually phase out the use of DMFa in all NIKE materials.

We have transitioned more than 70% of our total EVA foam usage in footwear dicumyl peroxide (DCP)-free. DCP is a crosslinking agent for polymers, including in EVA foam manufacturing, that can be problematic in some environments.

Our goal is to reach over 80% DCP-free across all our footwear EVA foam in FY23, putting us in a good position to achieve our 100% DCP-free EVA foam target by 2025.

Neoprene<sup>58</sup> (aka polychloroprene) is a family of synthetic foam rubbers that are produced by polymerization of chloroprene. Neoprene materials can be manufactured using substances that are skin sensitizers, and in addition, the production of neoprene can have negative impacts on the climate. For our neoprene target, we identified several alternatives that are aligned with our sustainable chemistry requirements. To slow continued proliferation of neoprene, we have implemented a policy that styles introduced after 2023 will only use alternatives approved through our chemistry assessments.

We are also scaling industry tools to capture and assess chemical inventory conformity to the MRSI. While this will not give us complete information on every substance in use at this time, it helps make sure that any MRSI-listed substance is prohibited from intentional use. Future efforts to push for an industry approach that enables capture of all chemical details are a key area of focus.

The presence of contaminant chemicals in recycled material streams is an ongoing challenge that will be amplified as we diversify our recycled content streams (an example of this is PFAS). The introduction of new material streams that haven't traditionally been used in our industry can be challenging from a sustainable chemistry perspective.

<sup>58</sup> Chemicals used in neoprene are also known carcinogens. In addition, the production of neoprene can contribute to climate change and volatile organic compounds emitted in the chemical processing plants can be harmful to human health and the environment.

04

# PLAY



<sup>136</sup> Active Kids

<sup>143</sup> Inclusive Community

<sup>147</sup> Employee Engagement

<sup>153</sup> Community Investment



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Play Introduction

All athletes\* should benefit from the joy and movement of play. But we know that not every child and not every community have access to the same opportunities.

Girls are dropping out of sport at twice the rate of boys, and systemic inequities leave some communities in greater need. That's why we continue to focus our investments on leveling the playing field for all athletes\*, now and for future generations to come. Because when everyone's included, that's a win.

\* *If you have a body, you are an athlete. - Bill Bowerman, Co-Founder NIKE*



## Play Introduction



At NIKE, we believe in the transformative power of sport to move the world forward. Creating a more active and healthier world requires an inclusive approach.

We're tackling systemic inequality through our commitment to getting kids active and building inclusive communities through these three key strategies:

- ① Increasing girls' participation in play and sport
- ② Recruiting and training more representative coaches
- ③ Supporting diverse leaders who reflect the communities they serve

With more barriers to sport than ever before, the world is moving less – leaving girls and kids from marginalized communities, who are disproportionately impacted, on the sidelines. As a brand guided by our values, we are uniquely positioned to see the intersectional opportunities and leverage our resources to take action and create greater access to sport for all.

We know by driving inclusivity in spaces off the field, we can continue to elevate equal participation on the field. That's why in addition to supporting partnerships and programs that get kids moving, we also invest in organizations that advance equality through economic empowerment, education innovation and social justice reform.

With our strategic focus, we will continue to influence the future of sport so that it can be a place where everyone belongs. Our ambition is to remove barriers to positively change the culture of sport, with a lens toward tomorrow.



Play Future Address

# ADDRESSING THE FUTURE

*with  
Shelly-Ann  
Fraser-Pryce*





## Play Future Address



*"May you learn from the wisdom I've been lucky enough to experience first-hand: that success neither begins nor ends with you."*

Throughout my life, I've learned that there's power in play.

From my first childhood races with friends in my hometown of Kingston, Jamaica, to winning my fifth 100 meters title at the World Athletics Championships last summer in Eugene, Oregon (and yes, Olympic gold medals in between), I can confidently say that sport has made me stronger, both on and off the track. It's made me a better athlete, a better teammate, a better member of my community, and most meaningfully, a better mother. And I hope it will do the same for you, too.

When I was in high school, there was a woman who saw something in me that I didn't see in myself. She invested in me and believed in my future. Her kindness lit a fire, allowing me to dream bigger and inspiring me to make a similar impact on other kids' lives. That initial kindness eventually inspired me to launch the Pocket Rocket Foundation to help young athletes in Jamaica who also hope to reach the top of their sport. I went back to where my journey began, now with the support of all of those who believe in me, including NIKE. It matters to me that I'm able to make a difference and show up my best self in all forms.

My wish for you is to find the strength in play... to find somewhere that will support you as an athlete, and all that you are and will be. And may you learn from the wisdom I've been lucky enough to



experience first-hand: that success neither begins nor ends with you. Whose kindness has moved you to action? Who has inspired you to dream bigger and achieve more, not just for yourself, but for others?

This much I know: we go faster, together. I'm not slowing down anytime soon, and neither can you. We've still got plenty of barriers left to break.

*With love,  
Shelly-Ann Fraser-Pryce  
Bar*

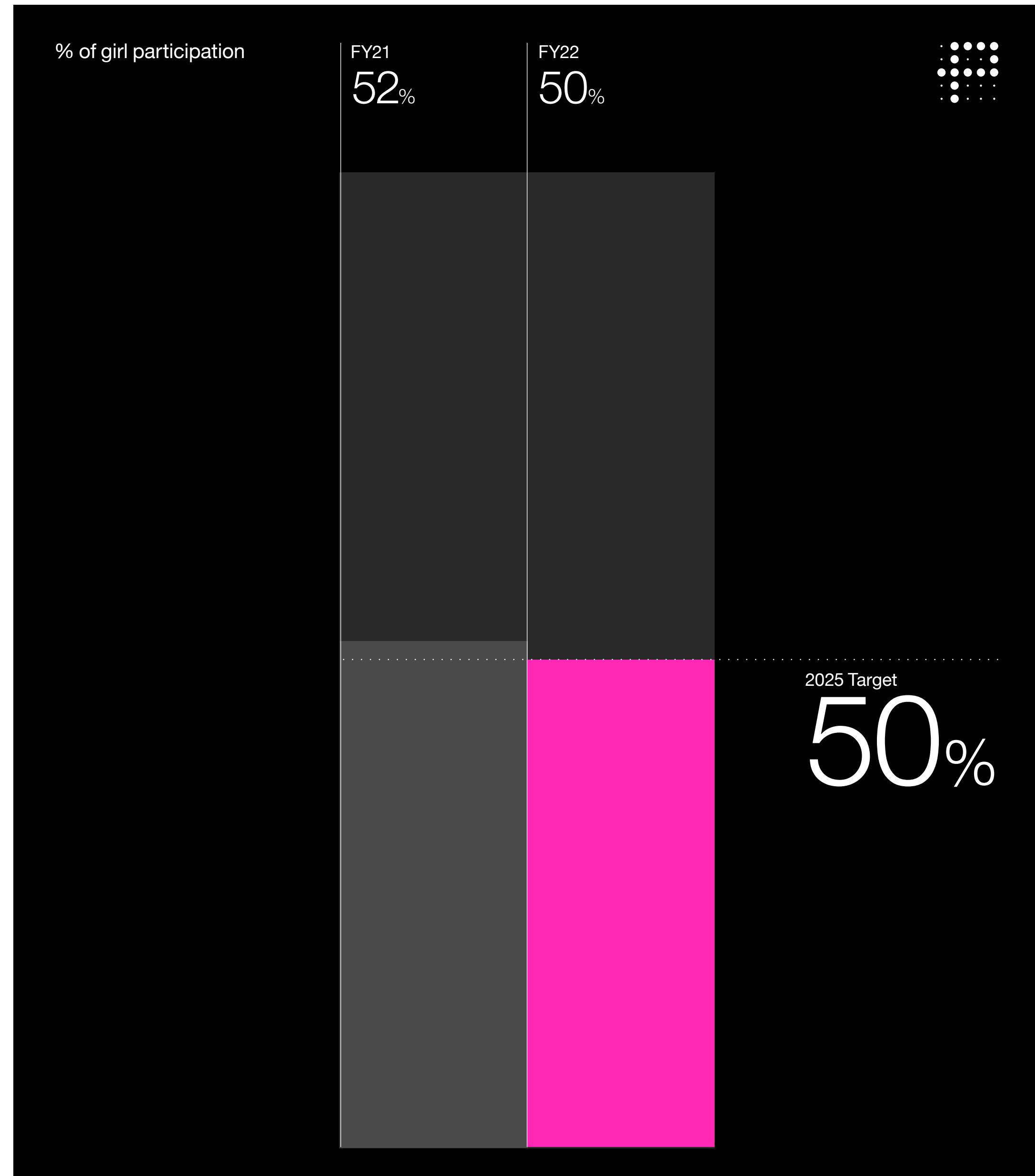


## Play Active Kids

Quantitative Target

**Drive sustained community impact by getting kids moving in our key cities and sourcing backyards with 50% girl participation**

In FY22, we focused on our key strategies to accelerate greater change for girls – at scale. First, to help increase girls' participation in sport in our key cities and employee backyards, we continued to invest in new play- and sport-based programs through our partnerships with local community organizations. Second, to create a global and cultural shift, we collaborated with some of the most influential female athletes from around the world to amplify girls' voices and the need to improve their sport experience. We also partnered with renowned institutions in the coaching space to create industry-leading tools and training materials that help coaches everywhere be more inclusive and responsive to girls' needs.





# 375K

*girls engaged in local play and sport programs this year*

As a result of these efforts, we directly helped nearly 760,000 kids to move – 50% of whom were girls – through our community partners' diverse offering of play and sport programs. Knowing the critical role coaches play, we also shared our best practices and tools with more than 17,000 coaches and helped train nearly 9,000 of them in delivering fun, inclusive experiences to all kids.

Around the world, NIKE is helping to increase girls' participation in sport locally – in our key cities and employee backyards – by investing in partnerships with more than 120 grassroots community organizations that deliver play- and sport-based programs.

In Los Angeles, we teamed up with the Play Equity Fund to launch LA Made to Play Neighborhoods. The three-year, \$1.5 million program empowers 13 grassroots youth play and sport organizations through an innovative, place-based approach that focuses on neighborhoods and brings together local partners to leverage resources and tackle root causes that prevent girls from participating in play and sport. To create the most transformative change, the programs focus on LA youth who are the least able

to access play and sport – Latina girls – in two of the neighborhoods with the greatest opportunity to close the gap in play equity: Boyle Heights and Watts.

In Mexico City, we launched Jugamos Juntas, an initiative designed to give girls access to safe, inclusive and fun experiences in play and sport, in collaboration with Laureus Sport for Good. The three-year investment provides funds to strengthen five community organizations so they can expand opportunities for girls to play. Jugamos Juntas also emphasizes the important role that coaches play in inspiring girls on and off the field. The program will recruit and train coaches, with a focus on women, to help them create positive environments where girls and boys play and thrive together.

In Paris, we extended our partnership with sport-based community organization Sport dans la Ville, maintaining our commitment to increasing girls' access to play and sport. Through our support, Sport dans la Ville provides sport activities, cultural events and workshops to more than 2,000 girls locally.

#### People Profile



**Miki Morimoto**  
Director, Asia Pacific  
Social & Community  
Impact

*"I feel empowered when I think about the opportunities to help girls get active because of the incredible impact we can have on their lives as they find their own power through sport and play. Together, we're addressing barriers to sport for girls in Japan and beyond and making movement more accessible to girls."*

## Play Active Kids

NIKE also supports Paris-based PLAY International, which uses sport as a vehicle for education and social change to help drive their commitment toward equality and empowerment for girls. Over the past four years, NIKE's support of the Active Schools program has helped train hundreds of primary school teachers to inspire thousands of children to play. And by pioneering innovative solutions like their Playlab program, their experts are helping level the playing field by creating games and activities that encourage boys and girls to play together.

NIKE is welcoming all kids to play through our continued support of mixed-gender programs. NIKE's new partnership and program in Seoul is a good example of this. In FY22, we launched Active Modoo in partnership with ChildFund Korea and We Meet Up Sports. The program's name is inspired by its aim to help "modoo" – meaning "everyone" in Korean – get active by providing equal access to play and sport.

Active Modoo takes a child-centered approach and offers fun, physical activities to children ages 7–12 by providing positive coaching skills to professional coaches and teachers as well as parents and NIKE employees. The program also tackles a common misperception among parents – that increasing a child's amount of physical activities leads to lower academic achievement. The program offers workshops and physical activity sessions to educate parents on the benefits of physical activity and demonstrate the proven link to increased concentration and kids' overall well-being.

Since launching in China in 2019, Boundless Girls, our innovative program that unleashes the potential of girls through the power of sport, has reached over 90,000 girls across more than 500 schools. Through a partnership with the China Foundation for Rural Development (CFRD), the program has scaled to include 12 grassroots organizations across China. And together with China Children and Teenagers' Fund and Enjoy Volunteering, we kicked off our Boundless Girls Summer Camp in nine locations, which brought nearly 120 university student volunteers to serve as coaches and role models. The university students and NIKE employees collectively dedicated more than 10,000 hours to inclusive play and sport sessions with the girls, ensuring that everyone felt empowered, supported and inspired.





## Play Active Kids



*NIKE established the Athlete Think Tank to hear directly from our female athletes with the goal of improving the experience of girls and women in sport.*

FY22 also marked our China team's ninth year in driving Active Schools, a program developed in collaboration with China's Ministry of Education and China Education Development Foundation. The initiative enables physical education (PE) teachers and staff to transform children's sport experiences through innovative PE classes. Nationally, the program has reached more than 5.4 million kids and 12,000 PE teachers across 10,500 schools. Despite community lockdowns due to the ongoing COVID-19 pandemic, Active Schools still increased the number of primary school PE teachers reached by generating digital capacity-building content and by empowering teachers who were awarded the prestigious Active Schools Innovation Award to develop their own social media content showcasing fun coaching tips, inspiring other teachers and coaches and garnering nearly seven million views.

To continue to help remove barriers for girls and women in sport, we partnered with some of the world's most influential, community-oriented athletes.

In FY22, NIKE created a first-of-its-kind Nike Athlete Think Tank to hear directly from our elite women athletes and global catalysts — representing different parts of the world, sport experiences and varying stages of their careers and lives. Our goals were to learn from their unique experiences in sport, better understand their needs and hear their ideas to improve the experience of girls and women in sport. In response to athlete desire to directly impact the communities and causes they care about, NIKE invested \$1.3 million through Charities Aid Foundation America in order to support organizations identified by Nike Athlete Think Tank members. Collectively, this powerful group of organizations champion a sense of belonging for women, girls and other marginalized community members — on and off the playing field.

Additionally, in our EMEA region, we partnered with more elite athletes to create positive impact in our communities. With a shared vision to inspire the next generation and give kids more access to sport, we worked closely with Bebe Vio, Ebrar Karakurt, Ramla Ali, Giannis Antetokounmpo, John McAvoy and Rudy Gobert to develop and support seven programs directly impacting the lives of 6,000 kids from marginalized communities.

## Play Active Kids

Research shows that how a girl feels about her coach is one of the most important factors determining whether she keeps playing sports. That's why we're helping to recruit and train more representative coaches, and it's why we're investing in coaching tools that help coaches create positive, inclusive environments for all kids, especially girls.

A recent survey focused on girls' attitudes found that 67% of girls and young women ages 7–21 felt more sad, anxious or worried because of the pandemic<sup>59</sup>. Because we know the need to focus on mental health is so important NIKE became the founding partner of The Center for Healing and Justice through Sport (CHJS), a nonprofit organization fueling a movement to bring research-backed, healing-centered sport training to youth coaches across North America. With help from CHJS, NIKE is training many of its retail store employees who serve as NIKE Community Ambassadors to coach and inspire kids in their communities. We also offered trainings to our corporate employees, North America Made to Play partners and consumers through our NIKE Brand channels.

The Tucker Center for Research on Girls & Women in Sport at the University of Minnesota is a preeminent interdisciplinary research center leading a global effort to accelerate change for girls and women in sport. The Tucker Center's research consistently informs coaching across the U.S. and around the world, making it a key partner for NIKE in fulfilling what is a critical need for coaches: coaching tools that address gender biases and stereotypes and keep 11–17-year-old girls from dropping out of sport. Together with the Tucker Center, we began the development of an industry-first online coaching tool called "Coaching HER" – our most comprehensive, evidence-based and pilot-tested resource on coaching girls. Coaching HER, now available online, is designed to help keep girls in sport. It expands on NIKE's robust collection of free, downloadable coaching resources available on [nike.com/madetoplay](https://nike.com/madetoplay): the Made to Play Coaching Girls Guide, Coaching for Belonging, Sports Bra Playbook and Hijab Playbook.

NYC NIKE  
Coaching Summit



59 <https://www.girlguiding.org.uk/globalassets/docs-and-resources/research-and-campaigns/girls-attitudes-survey-2021-report.pdf>



# ADDRESSING THE FUTURE

*with*  
***Li Na***





## Play Future Address

*"I believe we are collectively moving in the right direction. What's key is that we never let up. We can't. You can't."*



Fifteen years ago, multiple professional women's tennis events in China seemed impossible. Today there are more than 10. This rapid expansion of not only tennis, but also the rise of women's sport in my country gives me more hope for the next generation than I ever could have imagined.

When I hear people say that I am part of the rise of tennis in China, I am humbled and I don't take it for granted. That's why I've committed to continuing my work off the court, building training programs for the next generation of Chinese tennis players. I may be the first Grand Slam singles champion from Asia but I certainly won't be the last, if I have anything to do with it.

Since announcing my retirement in 2014, I've had a lot of time to think about what I can do to push the conversation about women in sports further. I've spent my career alongside greats like Serena, endlessly inspired by her courage, talent and strength.

Women like Serena have taught me the power of using your voice to level the playing field for female athletes of all ages. While every country is in a different place on that journey, I believe we are collectively moving in the right direction. What's key is that we never let up. We can't. You can't. There are too many opportunities for our youth – especially the next generation of girls – still to come.



I am proud of the work I do with NIKE and the role the company has played to recruit and keep girls in sport, and I know the momentum will only grow. A truly meaningful experience for me has been supporting Boundless Girls, a program dedicated to helping girls unlock barriers to sport participation and embrace their love of the game, regardless of their backgrounds.

When you're old enough to look back 15 years and see the way that China and our world have changed for women in sports, I hope you see the continued progress I have been lucky to witness, so that you may understand how fast things can progress when there is a shared vision for making the world a better place.

*With love,  
Li Na*

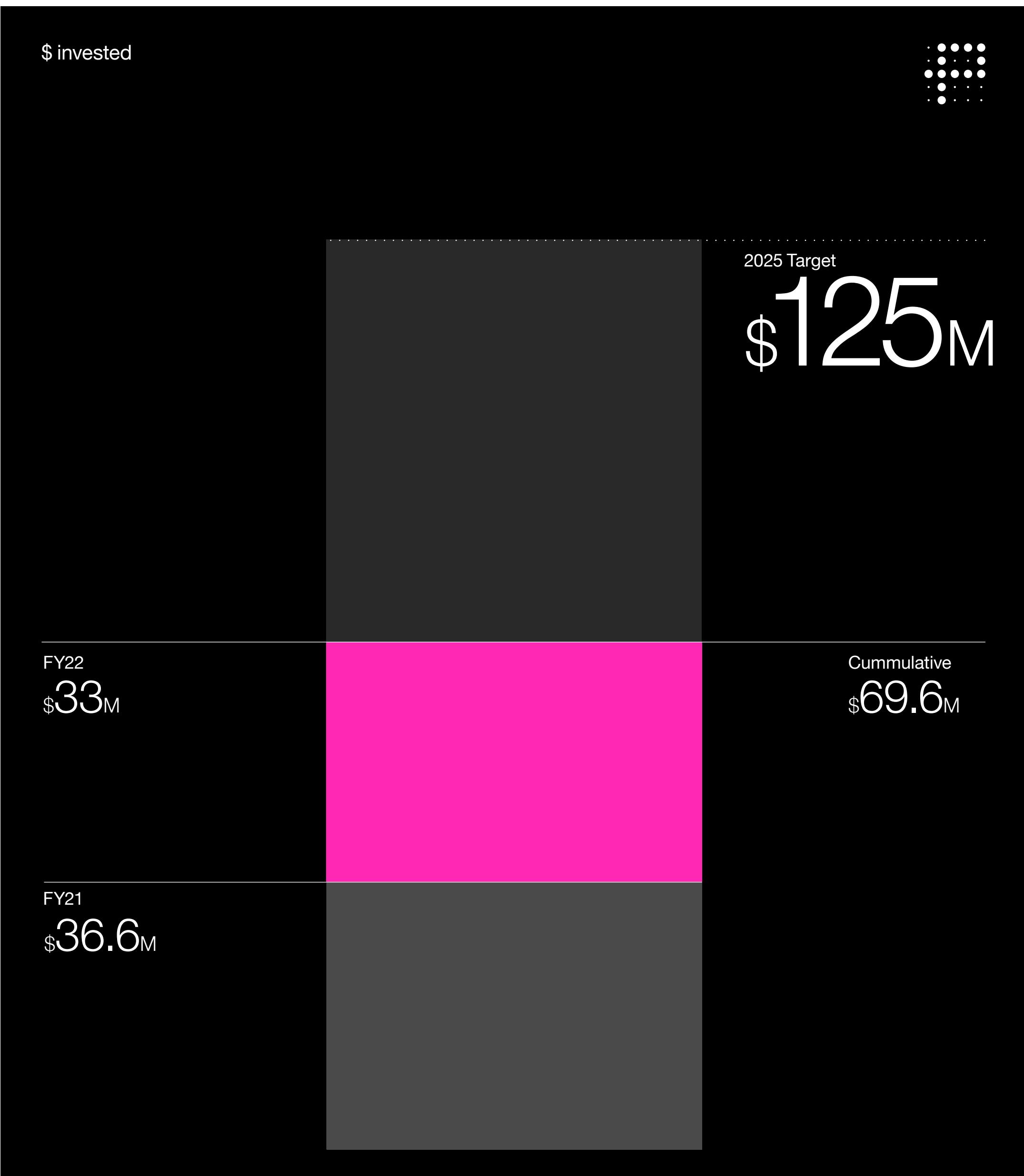


## Play Inclusive Community

Quantitative Target

**Invest \$125 million to support organizations working to level the playing field and address racial inequality**

We are working to help create a world where equal opportunity exists both on and off the field. In FY22, we expanded our efforts to address systemic barriers by deepening our partnerships with organizations that focus on addressing inequality. These efforts are reflected in our total investment of \$33 million in the fiscal year. That investment includes \$15 million toward our Black Community Commitment (BCC) from NIKE, Inc. and Jordan Brand in North America, which was amplified by another \$5 million from Michael Jordan personally (not included in the total for this target). We also invested a further \$18 million to advance inclusivity and equality.





## Play Inclusive Community

# OUR BLACK COMMUNITY COMMITMENT

In 2020, NIKE, Converse, Jordan Brand and Michael Jordan committed a combined \$140 million over 10 years for investment in and support of organizations addressing racial inequity for Black Americans. As part of this commitment, NIKE, Inc. will invest \$40 million over four years with a focus on economic empowerment, education innovation and social justice reform. Jordan Brand and Michael Jordan will invest \$100 million over 10 years supporting the pillars of economic justice, education, narrative change, and social justice.

This unique commitment taps into the power of three iconic brands within the NIKE, Inc. portfolio to address systemic racism in distinct approaches designed to drive greater collective impact.

For FY22, as part of the \$15 million total contribution to the Black Community Commitment, NIKE invested \$10 million to support 11 national organizations, including new grantees: four in the education innovation space (namely, Pensole Lewis College of Business and Design, Son of a Saint, All Star Code and Big Brothers Big Sisters of America) and the Equal Justice Initiative, which prioritizes social justice reform.

Further investment was made in an additional 50 local organizations in seven U.S. cities where NIKE employees live and work – Boston; Chicago; Los Angeles; Memphis; New York City; Portland, OR; and St. Louis. An additional seven grantees were based in Atlanta, Houston, Miami, Philadelphia and Washington, D.C..

### Partner Highlight: Pensole Lewis College of Business and Design

A BCC grantee uniquely positioned at the intersection of diversity and design is Pensole Lewis College of Business and Design. In 2013, Lewis College of Business (its original name), based in Detroit, closed its doors. Former NIKE footwear designer Dr. D'Wayne Edwards reopened the school under its new name and established Pensole as a pipeline Historically Black College and University (HBCU) for career education and professional development in the product creation industry. The college is Michigan's first and only HBCU and is the first design-focused HBCU in the U.S.

### City Highlight: Memphis

Memphis is home to NIKE's North America Logistics Campus and represents our second-largest employee population in the U.S., after NIKE's WHQ. In FY22, we proudly made investments that supported nonprofit organizations serving kids and communities across the city. These efforts benefited local schools, youth sport organizations and the National Civil Rights Museum.

### Jordan BCC

In FY22, within the \$15M BCC investment, Jordan Brand granted \$5 million to community organizations. These investments were amplified by a personal donation of \$5 million by Michael Jordan (not included in the total for this target) to deliver \$10M collectively between Jordan Brand and Michael Jordan.

These FY22 investments reach across the spaces of Institutional Grants (macro-level organizations with national reach), Community Grants at the grassroots level, and Jordan Family Grants (in partnership with Jordan Family athletes and influencers)

New Jordan BCC Institutional Grant partners were welcomed into the initiative such as:

- Next Gen Personal Finance expanded its financial literacy curriculum to 498,000 students and 639 high schools across the U.S.
- The YWCA of Metropolitan Chicago TechGYRLS program provided access to opportunities in STEM for 200 girls in local communities.
- The Hidden Genius Project trains and mentors Black male youth with technology education, entrepreneurship and leadership skills.

- Management Leadership for Tomorrow accelerates career pathways to excellence and changes employer practices.

- The Center for Black Educator Development increases the number of Black educators and creates healthy, supportive public school environments for Black students who need it most.

Rounding out the Jordan BCC investments were 24 new community grantees in FY22 across nearly 20 U.S. cities, in addition to a number of new Jordan Family Grant organizations. From the Jayson Tatum Foundation, 100 Black Men of Metropolitan St. Louis, the Nigel Sylvester Foundation and Black Mother's Forum (nominated by WNBA athlete, Kia Nurse) – Jordan Community and Family Grants continued to drive sustainable change at the local level.



WNBA athlete,  
Kia Nurse



## Play Inclusive Community

### Converse

Converse is proud to make inclusive progress in its headquarters city of Boston, donating nearly \$1 million in FY22 to serve Black communities through a robust community partner portfolio focused on positive youth development. We partner with the American Civil Liberties Union of Massachusetts, Citizens for Juvenile Justice, Roca Inc., Youth Guidance and InnerCity Weightlifting (ICW). Our efforts help to reimagine youth justice in Massachusetts and increase access to opportunity for youth from historically excluded communities.

Converse drives grassroots impact by working together with employee resource groups and employees to develop authentic strategies that are informed by local needs.

In FY22, Converse began to co-create development programs alongside community partners, such as The Possible Zone's Apparel Intensive, a tuition-free program that brings high school students from under-resourced communities through Converse's apparel process – from design to development to marketing – to drive awareness and real-life experience around the types of careers that are possible within the industry. The program was facilitated by 18 Converse employees who worked with passion and pride to deliver a bespoke experience for these students.

### Partner Highlight: InnerCity Weightlifting

Our partnership with ICW demonstrates how these efforts help to drive meaningful change. ICW is a non-profit on a mission to amplify the voice and agency of people who have been most impacted by systemic racism and mass incarceration. In FY22, NIKE provided funding through our Black Community Commitment for ICW's core programming as well as content-creation classes and equipment for their staff. In addition to the grant funding, Converse incorporated ICW into our return-to-work fitness activations. This programming allowed for ICW trainers to directly interact with Converse employees and build social capital, a proven model for disrupting current systems of segregation, isolation and racism.

"It [the Black Community Commitment grant] and our partnership with NIKE and Converse not only bring in resources and opportunity to our organization, they broaden our community. They broaden what is possible, all while helping to remove the blame of an individual, and instead putting an appropriate focus on the environment," says Jon Feinman, Executive Director and Founder at ICW. "The financial support and brand support amplify the community at ICW. They energize and motivate us. They make us know that we are in this together. That we have partners to lean on, who expand the impact that happens at ICW beyond our immediate reach."

*"Our partnership with NIKE and Converse not only brings in resources and opportunity to our organization, it broadens our community."*

*—Jon Feinman  
Executive Director and Founder  
at InnerCity Weightlifting*





## Play Inclusive Community

# INCLUSIVE COMMUNITY INVESTMENTS

Alongside BCC, NIKE is proud to invest \$18 million in grants that drive an inclusive community for all. In FY22, our support expanded to include nonprofits outside the U.S., dedicated to creating a better and more equitable future for historically marginalized communities across EMEA and APLA.

In EMEA, we're supporting organizations that are advancing equality through four dimensions of diversity: race and ethnicity, LGBTQIA+, gender and disability. As an example of the many organizations driving unparalleled work in creating a more inclusive community, we support London-based organizations Disability Sports Coach, Not A Phase and Sporting Equals.

In FY22, NIKE also provided platforms for partners to have solution-based conversations with one another and direct access to leaders across the NIKE business. Through two virtual summits – Black & Boundless and Heritage Heroes – we gathered a total of more than 50 partners for inspiring conversations and innovative workshops, and provided new tools and resources designed to empower and celebrate NIKE's community of change-makers, partners and NIKE employees.

### People Profile



**Felicia Wasson**  
Director of Social & Community Impact,  
Inclusive Community Portfolio

*"I view it as a responsibility to myself and my community to contribute to a more equal and just society, and this includes my role at NIKE. I have the honor of working with nonprofit partners to remove barriers to economic empowerment, create access to education, and elevate opportunities to create the next generation of leaders and build capacity to fight social injustice."*

*London-based organization, Not A Phase helps uplift the trans community.*





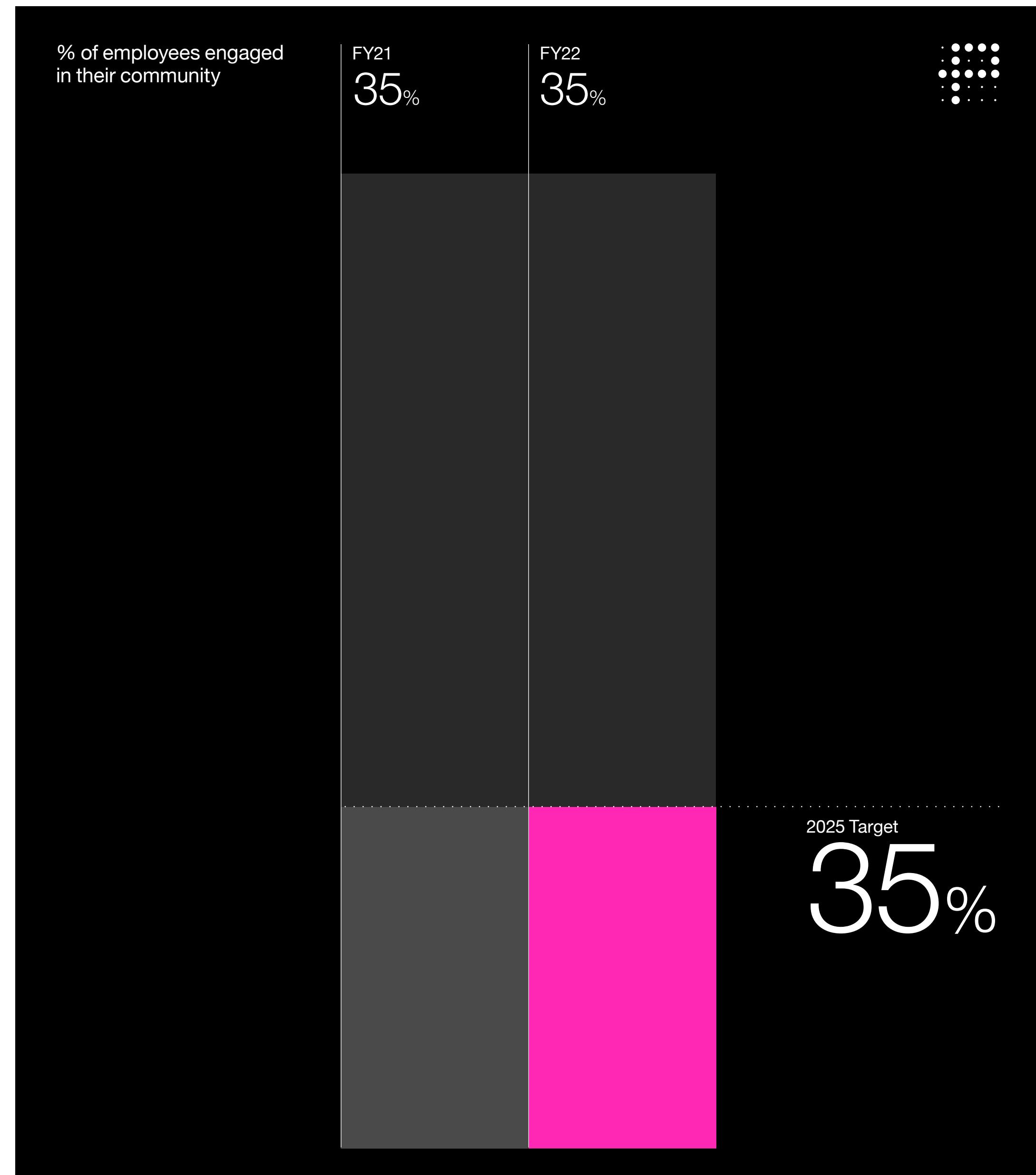
## Play Employee Engagement

Quantitative Target

### Increase the number of employees engaged in their communities to a minimum of 35%

50 years ago, NIKE was founded by a coach and an athlete. That legacy has shaped our company today and inspires the future we're creating. There's a coach in all of us – and throughout the year, we gave our employees around the world the opportunity to tap into the power of coaching and share their passion for sport with the next generation. As employees returned to the workplace at the end of the fiscal year, giving them opportunities to impact their communities was the perfect way to welcome them back and celebrate NIKE's culture of community.

We hosted an Appreciation Day in our offices around the world to inspire employees to give back to their communities through coaching. At our WHQ in Oregon, four-time Olympic gold medalist Sanya Richards-Ross and Coaching Peace founder Diana Cutaia co-hosted a day full of coaching conversations with NIKE and Jordan Brand athletes and fun and inclusive play and sport activities. We invited more than 35 nonprofit partners from the Portland metro area to connect with employees about volunteer and coaching opportunities. Around the world, we provided thousands of employees with coach trainings as well as virtual and in-person volunteer opportunities to put their learnings into practice with community partner organizations.





## Play Employee Engagement



*Appreciation Day  
at NIKE WHQ*

Our employee giving platform, Give Your Best, continues to serve as the strongest measure of our employees' engagement in their communities. In FY22, amid the COVID-19 pandemic and community lockdowns, 35% of our global employee population engaged with Give Your Best to help deliver NIKE's Purpose. More than 7,000 NIKE employees gave to nearly 4,000 organizations around the world. Employees directed \$20 million with the Nike Foundation's employee-matching gift program to support the causes, nonprofits and schools they care about most. More than 2,200 employees from 28 different countries volunteered, largely through virtual programming, over 62,000 hours in their communities, earning reward dollars that employees can give to the nonprofit of their choice. Employees in Laakdal, Belgium, home to our European Logistics Campus, were among our most active volunteers, committing nearly 6,000 hours to their communities.

For the fifth year in a row, we celebrated Giving Tuesday by encouraging employees around the world to give – with the Nike Foundation offering a double match for all employee donations made on the Give Your Best platform. More than 2,600 employees directed \$10 million to 2,275 organizations, which was a 43% increase in giving from the previous year.

To help employees across China donate on Giving Tuesday – and beyond – our NIKE Greater China team launched an industry-leading, China-specific extension of our global Give Your Best platform to help activate the annual day of giving for employees there. As a unique offering by a global company, this NIKE platform created by, and for, our local Greater China teammates, with special consideration to local regulations, enables mainland China employees to donate and connect with volunteer opportunities in their local communities.

## Play Employee Engagement

A key enabler of our commitment to coaching and helping all kids achieve their full potential, the NIKE Community Ambassador (NCA) program empowers NIKE retail store employees to volunteer with kids on a consistent basis as coaches in their local communities. NCAs bring to life fun and informed coaching strategies to create an inclusive environment for all kids, inspiring them to be active for life, because an active generation means a more equitable and better future. Since FY16, more than 14,500 NCAs from nearly 900 different stores in 648 cities around the world have volunteered to coach kids in their communities, resulting in more than 270,000 volunteer hours.

The NCA program also serves as a pathway for leadership development and career growth. By becoming an NCA, retail store employees learn critical and transferable in-store and out-of-store skills, including communicating with vision and purpose, fostering effective teamwork, valuing differences, thinking strategically and building trust across teammates, leaders and partners. The leadership skills they acquire through the program better prepare them for elevated roles within our stores or offices.

In FY22, as the COVID-19 pandemic persisted and school and community programs remained closed, NCA in-person volunteer opportunities were also suspended to focus on the health of our employees and community members. To continue a spirit of volunteering, the NCA program pivoted to enhanced virtual training offerings and placed an emphasis on NCA leadership development. Plans were made to expand the number of Elevated Community Champions in FY23, a role created in FY20 that is responsible for building relationships with community partners and store leadership and leading program communication.

The NIKE Community Impact Fund (NCIF) is our employee-led grant-making program that supports organizations creating active communities and providing access to play and sport. NCIF empowers employees in the U.S., Canada, Europe and Japan to bring their purposes to life in their communities by involving them in the grant-selection process. This employee-led, neighborhood-focused approach allows us to support local, grassroots organizations that are driving positive, lasting change and to make play possible for all kids and the community. In FY22, the NCIF program included store

athletes in the grant selection process, inviting them to vote on the organizations selected, with more than 241 retail store employees across the U.S. engaged. Additionally, the program expanded to Berlin and Tokyo. In FY22, we provided \$1.5 million in grants to support active, inclusive, community-based initiatives with more than 160 local organizations.

Launched in 2015, the Jordan Wings program provides access to opportunity to global youth, serving communities across the U.S., China, and France in FY22. In China, youth in undeveloped areas were supported by pairing them with employees who served as program mentors. In total, the program has supported more than 2,800 high school youth through 511 employee mentors – 65% of whom were female – dedicating more than 110,000 volunteer hours to the program. In FY22, as we celebrated the 25th anniversary of the Jordan Brand in China, the Jordan Wings program innovated to new heights, launching the Jordan Wings summer internship program, which provides outstanding graduates with internship opportunities within the Jordan Brand team.

NIKE Community Ambassador Coaches



## Play Employee Engagement

Converse's youth engagement model is designed to encourage meaningful engagement between employees and our community partners through skills-based volunteering, team volunteering and networking. In FY22, Converse employees volunteered more than 950 hours, including one-of-a-kind creative opportunities for youth, like the design and development of the 2022 All-Star Weekend Celebrity Game jerseys.

Young creatives like Sofia Liashcheva and Andre Weiss were invited from the Las Fotos Project and Boston's Institute of Contemporary Art to capture the entire creative process. To help design the East team uniforms, self-taught artist Abel Teclemariam, an 18-year-old member of Converse community partner The Possible Zone, drew inspiration from street art and murals all around the East Coast. Thirteen year-old Boyle Heights Arts Conservatory member Nestor "Lil Nes" Hernandez created the West team jersey's design, which paid homage to the 1990s, basketball and the NBA's 75th anniversary.

*"Lil Nes"*  
Hernandez  
designing the  
2022 All-Star  
Weekend Celebrity  
Game jersey for  
the West team.





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Appendix

Play Coaching Diaries

# SPEND A DAY WITH: JESSICA SANTIAGO

Athlete Services Coach and NIKE Community Ambassador,  
San Jose, California, USA



*"You can use your own personal experience to engage with kids. You don't have to put on a facade. If you can be your true self with confidence, it shows kids they can, too."*



## Play Coaching Diaries

Jessica Santiago knows the importance of showing up as a coach.

"You know the girl who's too scared to play? She'll notice that you keep coming back, that you remember her name and that you know how far she jumped last week. When kids feel seen, they thrive."

Before joining NIKE, Jessica worked as a childcare director at her local YMCA. Putting her background in developmental psychology to practical use, she brought play, movement and creativity to kids. In the nine years since joining NIKE, Jessica has worked her way up from a seasonal employee to her role today as an Athlete Services Coach at her store in Milpitas, California. Her leadership is grounded in understanding her team's needs because she's been in their shoes.

In 2015, Jessica became a NIKE Community Ambassador (NCA). NCAs like Jessica volunteer as a coach in their local community – globally, more than 6,700 store employees have served as volunteer youth coaches.

For Jessica, the NCA program is a full-circle experience. She's back to volunteering at the YMCA, where she and other NCAs spend five hours a week coaching kids. When she coaches, she brings her personal experience and knowledge, helping to level the playing field for all.

## Getting going

Routine is really important for me because it impacts the rest of your day. Every morning, I start with a small walk around the block with my puppy, "Little Guy," followed by a cup of coffee and a breakfast sandwich. This helps to center me as I commute to work.

I always arrive to work 10–15 minutes prior to my start time to get myself ready for the business day. By showing up early, I can spend time with my team and check in with everyone on a personal level. Acknowledging everyone by name and building connections is a part of my job that I thoroughly enjoy. I've been told you can hear my laugh from the other side of the building.



## Always growing

Once I've checked in with my team and ensured everyone knows their priorities for the day, I work on creating a daily and weekly checklist. The checklist may range from scheduling a community practice, onboarding new hires, completing a sales forecast or individual conversations with athletes. I make sure to set time aside with my assistant head coach(es), too.

## Coaching

The East Valley YMCA where our NCA team volunteers is a local organization we have partnered with for three sport seasons. As a NCA District Champion, I participate in trainings with NIKE's Social & Community Impact team and the Center for Healing and Justice through Sport. These trainings have helped me to share with our athletes the importance of proper volunteer etiquette through digital training modules, and also help guide them during bi-monthly district calls. All of this helps us to form long-term relationships with the kids we coach.

A standout experience for me was coaching the flag football team with The Boys & Girls Club. There were 12 girls in the team, all super excited to compete. We went onto the field confident and united as a team. And we won! It taught these girls that they're fully capable of anything they put their minds to. That girls are winners. That's something I'll pass on to every athlete I talk to.



## Face to face

When we return from a volunteering experience we're always excited to share the energy with teammates back at the store. It's just one way we are so much more than "just a retail store." In my time working at NIKE, I've come to know customers as friends. A father and his daughter have been visiting NIKE since she was 12. She's now 18 and I have loved hearing about her successes over the years, in school and softball. I've also become close with a Physical Education teacher. As a coach, I love hearing about her programs and how she helps keep kids engaged with sports, and that also helps me find what she needs as a customer.



## Time to talk

Whether I'm working on the floor or in the office, my team knows they can always pull me aside for a chat. A good leader has to start from a place of empathy and understanding, and I work hard to demonstrate to my team the ways I can support them. I can ask, "Are you feeling overwhelmed?" and offer to cover their zone so they can take a break. Or "Do you need to pick up your kids from school?" and schedule a touchbase to discuss an accommodation we can work into the system. We also have NIKE resources we can utilize such as Lyra, which provides mental health support for employees. That was especially useful during the first years of the pandemic, when so many people were feeling overwhelmed.

## After hours

As a NIKE Community Ambassador, we communicate the importance of consistency and celebration every day. I take this mindset into my daily life. I used to compete on several urban hip hop teams in the Bay Area. Now I have a strong habit of daily movement by going to the gym. Exercising doesn't just better my state of mind, it makes me happy. Even if it's just 10 minutes, it keeps me accountable. As a NIKE Community Ambassador, we tell the kids we coach the same thing: consistency is everything.



## Play Community Investment

### Quantitative Target

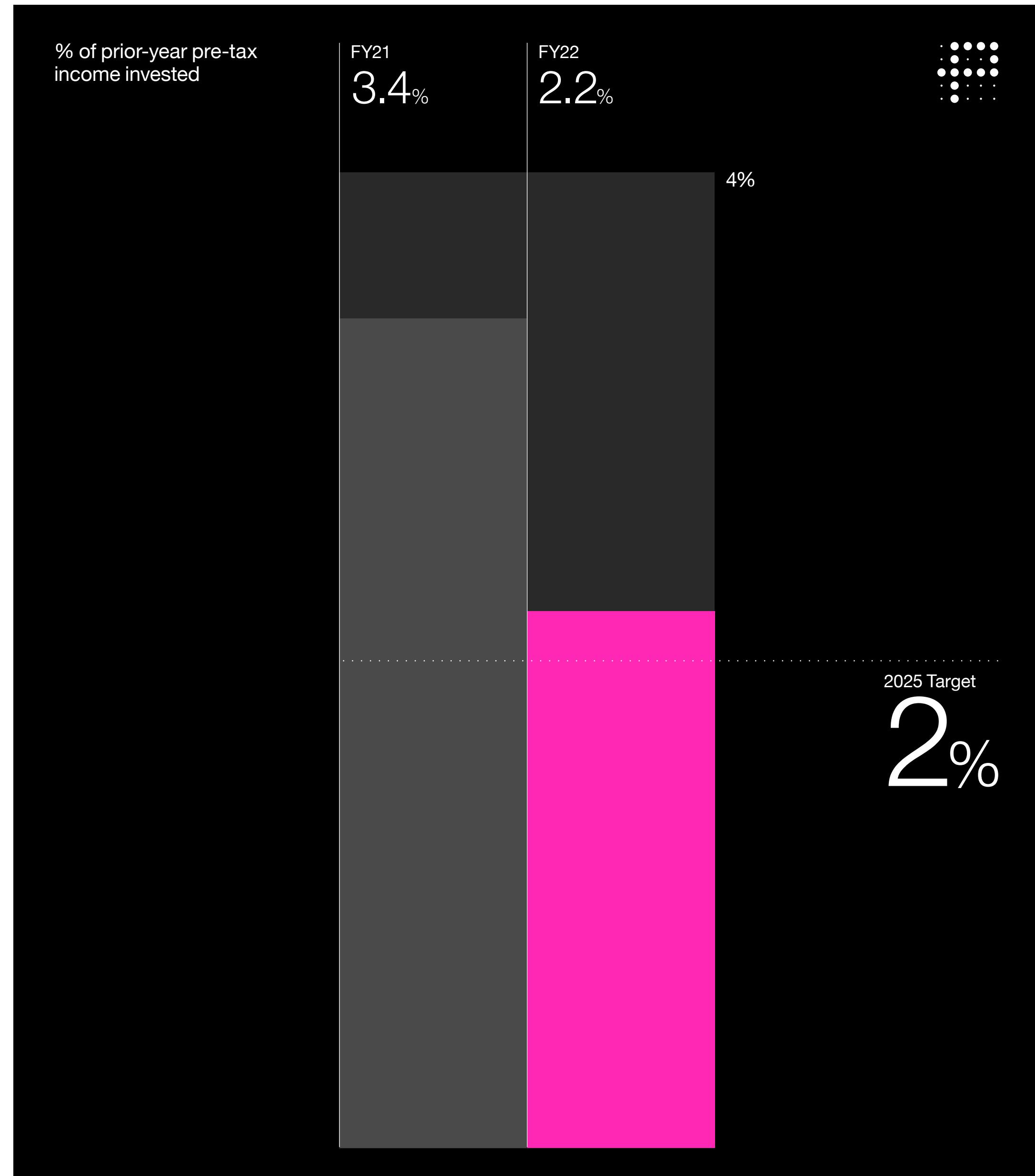
**Invest 2% of prior-year pre-tax income to drive positive impact in communities**

In FY22, Nike invested \$149.4 million, which represented 2.24% of the prior year's pre-tax income – exceeding our 2025 target of 2% investment. Given the long impact of COVID-19 and increasing needs from communities around the world, this represented NIKE's largest annual community investment to date.

At NIKE, our commitment to women and girls runs deep. It encompasses our global key cities and employee backyards. Since 2008, the Nike Foundation has supported the Girl Effect – and FY22 was no exception. The Girl Effect is a movement that continues to enable the unique potential of adolescent girls to end poverty for themselves, their families, their communities, their countries and the world. It aims to make girls visible and change their social and economic environment by equipping them with specific, powerful and relevant resources.

In FY22, NIKE supported more diverse communities than ever before, through partnerships committed to supporting girls and women from Black and brown communities beginning in North America and across our EMEA and APLA geographies. We brought the full breadth of NIKE's support to the communities most in need. A few examples that underscore our commitment include NIKE's \$4 million investment in The Asian American Foundation and our ongoing support of HBCUs.

To help us create long-term, strategic impact, we evolved our grant-making process by providing more multi-year grants to leading organizations. Our aim is to increase the number of larger multi-year grants in the future, as we know that sustained social and community impact extends beyond 12-month horizons.



## Play Community Investment

NIKE also responds to unforeseen events that significantly impact communities around the world. In FY22, NIKE and the Nike Foundation provided more than \$4.6 million toward disaster response efforts. This included wildfire and hurricane relief in the U.S., flooding in the Henan province of China and our response efforts to support displaced citizens of Ukraine.

To further support our communities, NIKE donated 276,000 units of product to schools and community organizations. These products benefit the community and help remove barriers to product that youth face when it comes to accessing play and sport opportunities.

For Jordan Brand, FY22 was defined by continuing to create pathways to excellence and equity through its signature Jordan Wings program, and its ongoing commitment to the Black community. In addition to the deepened investments made through these spaces, through the growth of the Jordan Wings program, Jordan Brand also ushered in a new era for access in design education within key homes for basketball culture.

In Paris, the Jordan Wings Design Program started its work with three key community partners – Prométhée Education, Le BAL's / Fabrique du Regard and Casa93, while the U.S.-based end of the program paired Fuel Up to Play 60 students with NFL athletes to give them the opportunity to design custom performance footwear for players.

For FY22 – and across its Purpose-led investments – this resulted in Jordan Brand serving communities through a network of more than 80 global community partners and nearly \$13 million in total program support.

FY22 for Converse signified serving more than 7,000 youth – 60% of whom identified as female or gender non-conforming. In addition, Converse's charitable contributions grew by 77% over the prior fiscal year and contributed to the expansion of its portfolio of community impact partners leveraging creativity and arts programming to drive positive youth development in Boston and Los Angeles. Throughout the year, Converse invested in programs supporting youth through art exploration and development. These programs included Artists for Humanity, Boyle Heights Arts Conservatory, Inner-City Arts, Las Fotos Project, Origination, Zumix and the teen programs at the Institute of Contemporary Art Boston and Museum of Fine Arts Boston.

Nigel Sylvester  
Foundation





05

# OUR REPORTING APPROACH

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- <sup>157</sup> Issue Prioritization
- <sup>161</sup> Governance
- <sup>162</sup> Risk Management



## Our Reporting Approach *Reporting Methodology*

# REPORTING METHODOLOGY

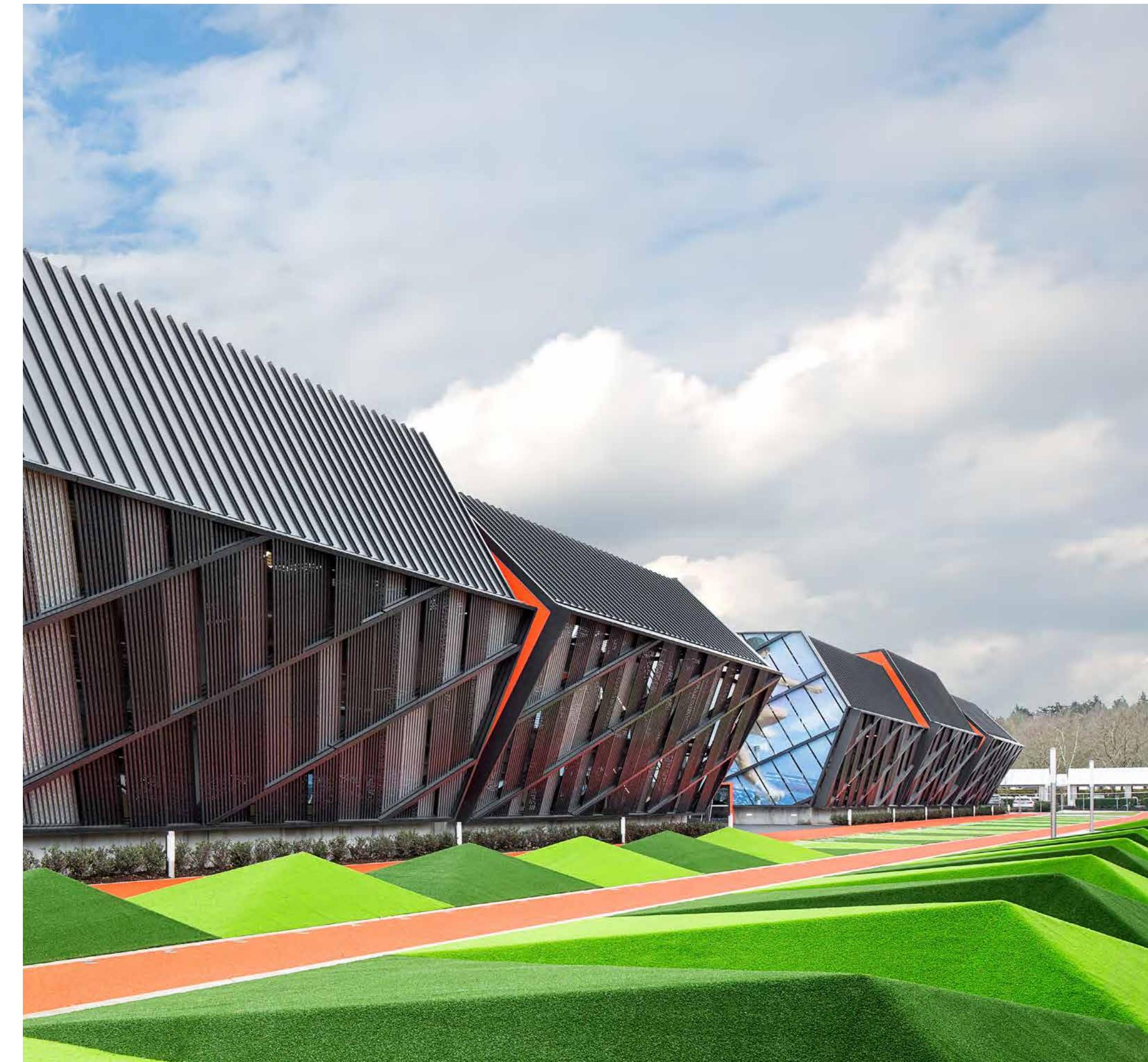
This report has been prepared by NIKE management under the oversight of the Corporate Responsibility, Sustainability & Governance Committee of the NIKE, Inc. Board of Directors. This report, our FY22 SASB Summary document and all NIKE's historical Impact Reports are available at [about.nike.com/en/impact](http://about.nike.com/en/impact). This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards.

When we reference NIKE, Inc., unless otherwise stated, we are referencing our portfolio of brands including the NIKE Brand, Jordan Brand and Converse. This report covers NIKE's fiscal year 2022 (June 1, 2021 through May 31, 2022).

We will refer to the fiscal year as FY22 and the calendar year as CY22 in the report. Unless otherwise stated, the baseline for our 2025 targets is FY20. Building on NIKE's reporting tradition since 2002, we expect to continue reporting annual progress toward our social and environmental targets and priority issues.

We have obtained external assurance on select reported metrics, including energy consumption and renewable electricity use in owned or operated facilities; Scope 1 and 2 greenhouse gas (GHG) emissions; a subset of Scope 3 GHG emissions including commercial air travel, inbound logistics and outbound logistics; and cumulative water restoration funding. More information can be found in the Appendix.

LA Garage  
NIKE WHQ





Our Reporting Approach *Issue Prioritization*



Reflecting Pool at  
NIKE WHQ

**At NIKE, we'll never stop striving for better – whether it's understanding the issues we impact, the change we can lead or the future we shape – together.**

Each year, we update the results of our issue prioritization by gathering direct and indirect insights from key stakeholders, integrating internal metrics, benchmarking key companies, monitoring regulations and performing news and media scans to determine the most relevant issues for our company and the impacts most directly linked to those issues.

We worked with Datamaran, an organization that identifies and monitors ESG risks and opportunities on an ongoing basis – by scanning regulatory, media and corporate disclosure environments. As in the previous assessment, we commissioned GlobeScan – an independent insights and advisory company – to conduct the overall analysis of our issue prioritization.

We assess priority issues in two ways:

- ① By assessing the issues where NIKE has the potential to impact the environment and society (outward impacts), seen on the Y axis
- ② By assessing issues that could impact NIKE's business and financial success (inward impacts), seen on the X axis.

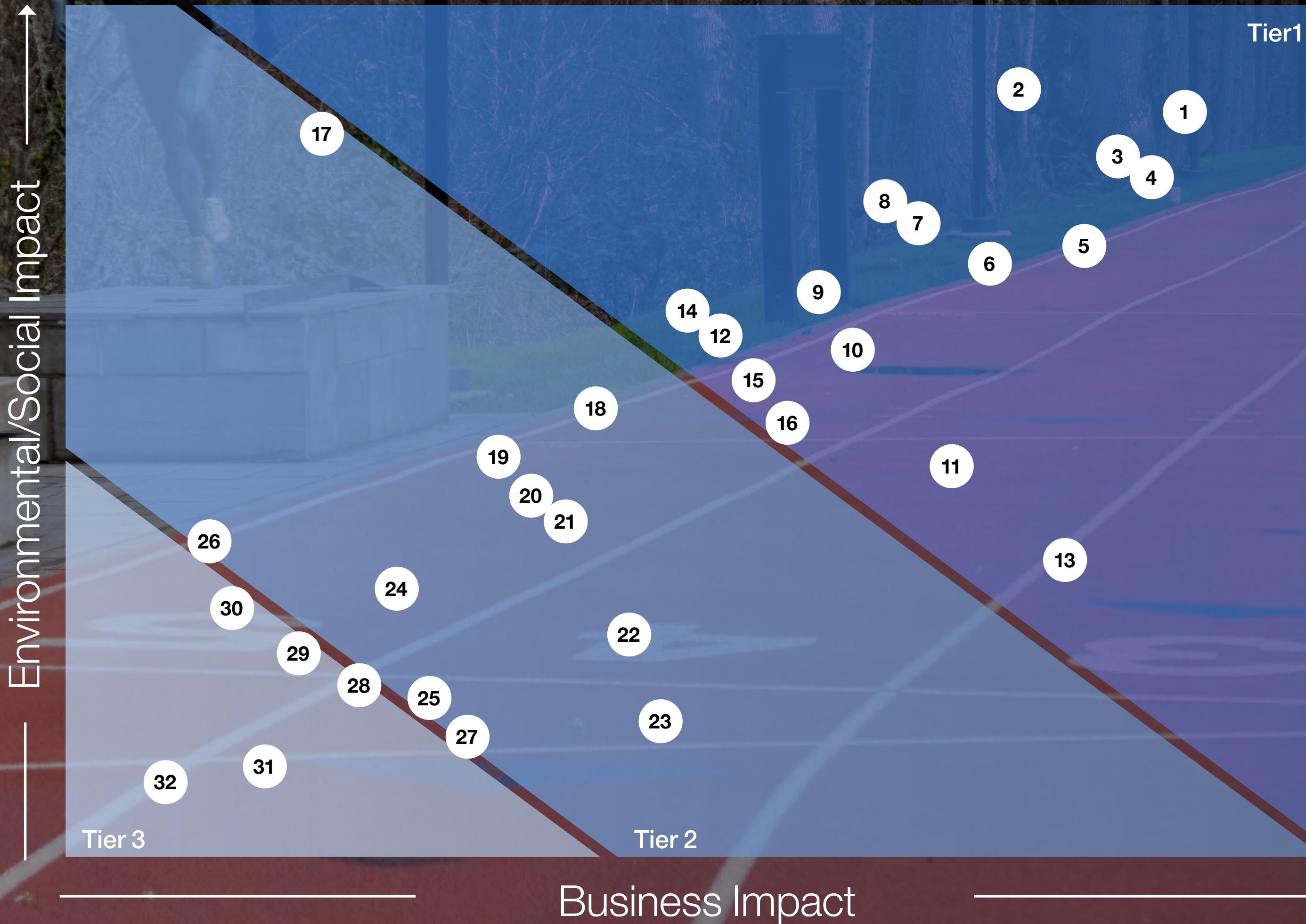
Together, these views help determine which issues are essential for NIKE to address and strategize around in order to minimize risk and make the most progress toward positive change. Note that all of the issues identified on the matrix are considered important to NIKE. The top 16 issues in the upper right of the matrix are considered essential priorities. We know that many, if not all, of these issues are interconnected, with management of our top issues being dependent on how we manage other issues identified on the matrix.

Changes in FY22 from FY21 include one new issue in Transparency and Reporting, and an updated definition for Business Resilience. Please see the table below for our 32 Priority Issues and corresponding definitions.



Our Reporting Approach *Issue Prioritization*

# Overall Issues Prioritization Matrix 2022



## Tier 1

1. Forced Labor
2. GHG Emissions
3. Labor Rights in the Supply Chain
4. Supply Chain Management and Transparency
5. Employee Health and Safety
6. Employee Diversity, Equity and Inclusion
7. Health and Safety in the Supply Chain
8. Product Design and Circularity
9. Water Use and Replenishment
10. Transparency and Reporting
11. Business Resilience
12. Employee Engagement and Well-being
13. Ethical Business Practices
14. Renewable Energy and Use
15. Materials Sourcing
16. Data Privacy and Protection

## Tier 2

17. Promotion of Social Inclusion
18. Material Waste
19. Air and Water Pollution
20. Workforce Development in the Supply Chain
21. Biodiversity and Land Use
22. Employee Development
23. Consumer Transparency and Safety
24. Responsible Use of Innovation and Technology
25. Brand Value Alignment
26. Healthy Lifestyles
27. Chemicals Management

## Tier 3

28. Inclusive Products and Services
29. Advocacy and Public Policy Practices
30. Community Impact
31. Indirect Supplier Diversity
32. Environmentally Friendly Workplaces and Practices



Our Reporting Approach *Priority Issues and Definitions*

Issue Name	Issue Definition
Advocacy & public policy practices	Support or advance public policy that aligns with NIKE's commitments on environmental, social, and economic issues.
Air & water pollution	Pollutants to air and water from NIKE's operations, products and services, and supply chain.
Biodiversity & land use	Impacts to biodiversity and ecosystems, through transformation of habitats, land use, and other business activities.
Brand value alignment	Corporate activities, including sponsorship and partnerships, that align to NIKE's values on environmental, social and economic issues.
Business Resilience	Promoting solutions and managing disruptions and impacts on the value chain associated with climate change, public health, natural disasters, conflict, political impacts, and other impacts.
Chemicals management	Chemicals used in making materials, products and substances released to the environment (air and water) that may be harmful or toxic to humans and ecosystems.
Community impact	Sustained community impact in primary markets and sourcing backyards; philanthropic efforts; employee involvement and volunteering in communities.
Consumer transparency & safety	Disclosures to customers and users about products and services; including safeguarding consumer health and safety when using products and reducing risk of injury.
Data privacy & protection	Safeguard privacy & personal data of customers, employees, and business partners.
Employee development	Attracting and retaining talent; offering training and development for employees to build capability and career opportunities.
Employee diversity, equity & inclusion	Fairness of treatment and compensation across all levels of the business; representation of female and minority employees in workforce, management & board.
Employee engagement & well-being	The ability for NIKE employees to be heard, present, focused, and energized, while feeling connected to NIKE's Purpose; workplace wellness and engagement initiatives; ensuring a positive workplace culture.
Employee health & safety	NIKE employee health and safety practices in its' operations.

Our Reporting Approach *Priority Issues and Definitions*

Issue Name	Issue Definition
<b>Environmentally friendly workplaces &amp; practices</b>	Impacts on the environment and local communities of Nike's buildings and workplace practices.
<b>Ethical business practices</b>	Ethical and transparent corporate behavior by combatting dishonest or fraudulent conduct by those in power, typically involving bribery, corruption and intellectual property infringement.
<b>Forced labor</b>	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor.
<b>GHG emissions</b>	Greenhouse gas emissions in material sourcing, manufacturing, transportation and other business activities.
<b>Health and safety in the supply chain</b>	Worker health and safety practices throughout the supply chain.
<b>Healthy lifestyles</b>	Promoting healthy habits, play and sport in kids and adults; risks to consumer base associated with the spread of obesity and inactive lifestyles.
<b>Inclusive products &amp; services</b>	Design products, services and marketing that are widely inclusive of and reflect the wide diversity of the consumer base.
<b>Indirect supplier diversity</b>	Focus on sourcing goods and services that enable NIKE to maintain and develop its corporate/non-manufacturing operations with diverse (i.e. ethnic/racial minority, women, disabled, LGBTQ, and veteran) suppliers – ones that are majority owned, operated, managed, and controlled by a person or persons from diverse backgrounds.
<b>Labor rights in the supply chain</b>	Protection and monitoring of the labor rights of workers in NIKE's supply chain (operations and manufacturing), including the right to freedom of association and collective bargaining, child labor, and other labor rights.

Issue Name	Issue Definition
<b>Material waste</b>	Waste generated throughout NIKE's value chain; activities to reduce, reuse or recycle and responsibly manage/dispose of waste.
<b>Materials sourcing</b>	Choice of non-renewable and renewable materials; consideration of social and environmental impacts associated with the types of materials used and the source; prioritizing less impactful options and third-party certifications.
<b>Product design &amp; circularity</b>	Designing products, packaging, and processes for durability, reuse, recycling and circularity.
<b>Promotion of social inclusion</b>	Creating equitable playing fields and breaking down societal barriers for all athletes; diverse athlete endorsements; increase access to sport.
<b>Renewables &amp; energy use</b>	Energy used for electricity; use of fossil fuels and renewable energy sources.
<b>Responsible use of innovation &amp; technology</b>	Promoting responsible and safe use of technology to create new and modified products, packaging and ways of conducting business; considering the impacts of automation.
<b>Supply chain management &amp; transparency</b>	Transparent processes and systems to help ensure suppliers uphold standards on environmental, social, and ethical business practice issues.
<b>Transparency and Reporting</b>	Implementing policies and practices to manage and measure environmental and social impacts; Oversight and accountability for managing ESG risk; Publicly reporting on sustainability/ESG-related issues, risks, opportunities, and outcomes as well as how they are managed and addressed by the business.
<b>Water use &amp; replenishment</b>	Water consumed throughout NIKE's value chain; monitoring and/or mitigating our impacts in water scarce regions.
<b>Workforce development in the supply chain</b>	Building the capacity throughout NIKE's supply chain for workers to receive training and development to build capability and career opportunities.



## Our Reporting Approach *Governance*

# GOVERNANCE

NIKE's commitment to Purpose begins at the highest level with our Board of Directors (Board). The Board oversees our Purpose work primarily through the Corporate Responsibility, Sustainability & Governance Committee (CRS&G Committee). As specified in its charter, the CRS&G Committee reviews and provides guidance with respect to NIKE's corporate Purpose, including corporate responsibility, sustainability, human rights, global community and social impact, and diversity, equity and inclusion.

The CRS&G Committee oversees both the risks and the opportunities associated with Purpose. Specifically, this includes reviewing significant Purpose strategies, activities, policies, investments and programs; monitoring the development of, and progress toward, our Purpose targets; and providing guidance regarding Purpose reporting.

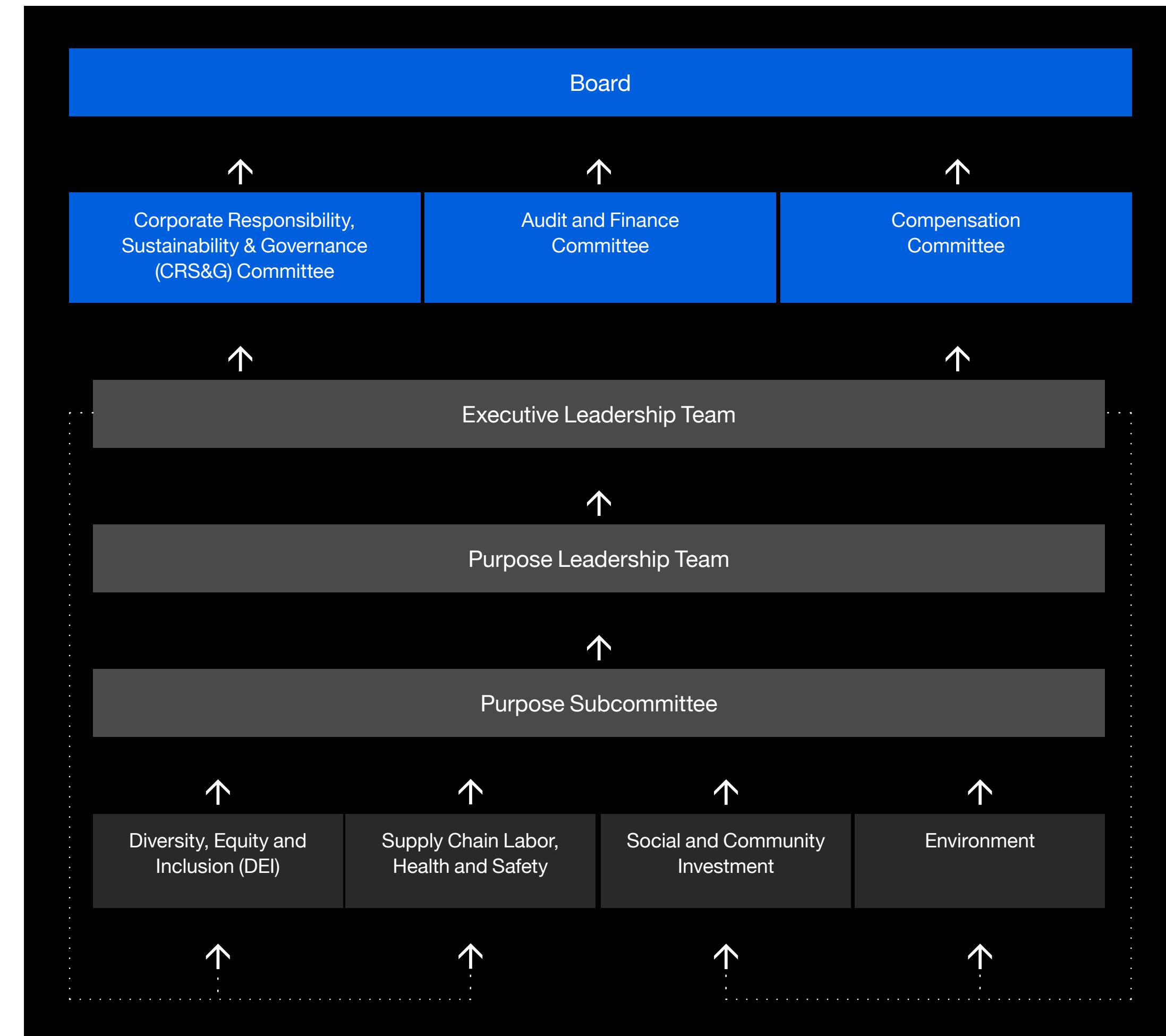
To carry out its responsibilities, the CRS&G Committee receives regular updates from management regarding our Purpose work, including:

- At each regularly scheduled CRS&G Committee meeting, progress reports regarding the 2025 targets
- Regular presentations on each of the three Purpose pillars – People, Planet and Play – from the respective management leader
- Annual presentations on Purpose strategy and reporting

At each Board meeting, the CRS&G Committee reports to the Board on Purpose highlights and key developments. The Compensation Committee also plays a significant role in the People pillar by overseeing talent management and development for executive officers and senior management, including with respect to employee engagement and workplace diversity and inclusion.

### Purpose Management

Purpose leadership begins with our Chief Executive Officer and Executive Leadership Team, who set the tone and ensure it is integrated into NIKE's business strategy. Cross-functional teams support this integrated approach while dedicated functional leadership drives the day-to-day work.





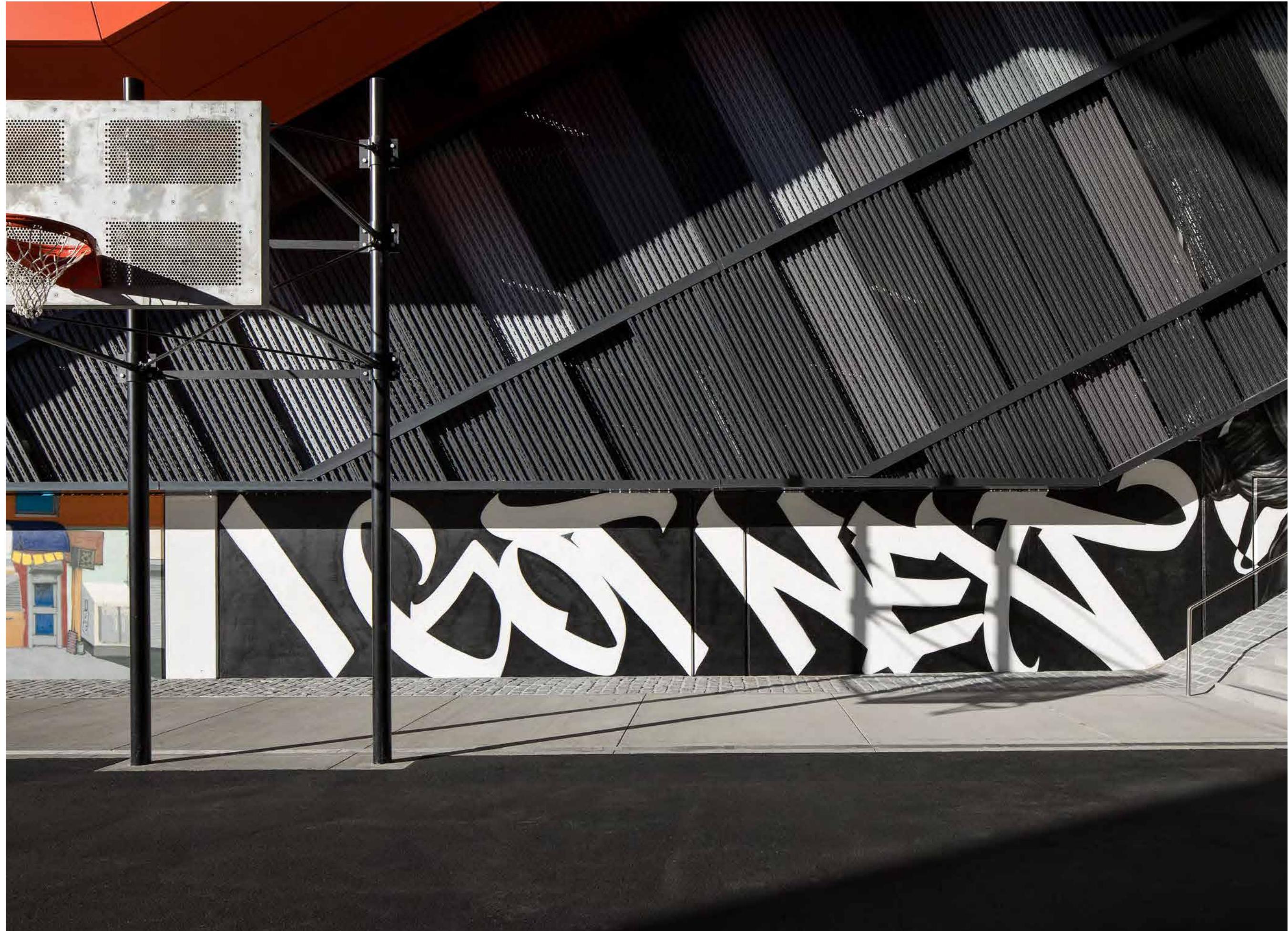
Our Reporting Approach *Risk Management*

## RISK MANAGEMENT

NIKE Global Risk Management (GRM) is an independent and objective internal audit and risk organization that is guided by a philosophy of enhancing and protecting NIKE, Inc.'s value and brand through world-class risk management capabilities.

It assists NIKE, Inc. in accomplishing its objectives by partnering with management to build and maintain effective risk management, control and governance processes. GRM reports to the Chief Financial Officer and is overseen by the Audit & Finance Committee.

GRM identifies and evaluates risks to NIKE, Inc., including those related to Purpose, as part of its risk assessment process. This process then informs GRM's audit and risk plan and how GRM deploys risk management services across NIKE, Inc. Regular risk updates and insights are provided to management and the Audit & Finance Committee.



NYC Garage  
NIKE WHQ



# 06

- <sup>164</sup> Data Tables
- <sup>195</sup> Global Reporting Initiative (GRI) Index
- <sup>215</sup> Assurance Report
- <sup>216</sup> NIKE, Inc.  
Management Assertion

# APPENDIX



Appendix Data Tables

# PEOPLE<sup>60</sup>

Target

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

## NIKE, Inc. Totals By Gender (global/corporate)

Gender	FY21	FY22	Change FY21–FY22	FY25 Target			
	#	%	#	%	#	% points	%
<b>All employees</b>							
Female	11,606	50.4%	12,833	51.1%	1,227	0.6%	50%
Male	11,409	49.6%	12,305	48.9%	896	-0.6%	
Total	23,015	100%	25,138	100%	2,123	0%	
<b>Leadership positions</b>							
Female	166	43.0%	189	44.1%	23	1.1%	45%
Male	220	57.0%	240	55.9%	20	-1.1%	
Total	386	100%	429	100%	43	0%	

## NIKE, Inc. Women Totals (global/all lines of business)

All Bands	FY21	FY22	Change FY21–FY22			
	#	%	#	%	#	% points
<b>NIKE, Inc.</b>						
NIKE, Inc.	32,584	49.9%	35,574	49.8%	2,990	-0.1%
VPLT	166	42.8%	190	43.9%	24	1.1%
Sr. Director	551	42.9%	628	44.1%	77	1.3%
Director	2,066	43.5%	2,267	43.9%	201	0.5%
Managers	5,244	45.9%	6,064	47.1%	820	1.2%
Entry Level	24,557	51.8%	26,425	51.3%	1,868	-0.5%

<sup>60</sup> Employee representation metrics in this report regarding race/ethnicity characteristics are based on voluntary employee self-identification or, in conformance with EEO-1 data collection guidance, these employees have been identified using commonly accepted HR practices as "Not Hispanic/Latino," "Two or More Races," or Unknown."



Appendix Data Tables

Target

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

**NIKE, Inc. Totals by REM Group (U.S. Only, corporate, E+)**

	FY21		FY22		Change FY21-FY22	% points	FY25 Target
Director+	#	%	#	%	#	% points	%
Non-REM	3,108	69.5%	3,213	65.5%	105	-4.0%	
REM	1,365	30.5%	1,691	34.5%	326	4.0%	30%
<b>Total</b>	<b>4,473</b>	<b>100%</b>	<b>4,904</b>	<b>100%</b>	<b>431</b>	<b>0%</b>	
American Indian or Alaskan Native (Not Hispanic/Latino)	9	0.2%	14	0.3%	5	0.1%	
Asian (Not Hispanic/Latino)	610	13.6%	760	15.5%	150	1.9%	
Black or African American (Not Hispanic/Latino)	256	5.7%	333	6.8%	77	1.1%	
Hispanic/Latino	285	6.4%	340	6.9%	55	0.6%	
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	9	0.2%	8	0.2%	-1	0.0%	
Two or More Races (Not Hispanic/Latino)	196	4.4%	236	4.8%	40	0.4%	
Unknown	35	0.8%	49	1.0%	14	0.2%	
White (Not Hispanic/Latino)	3,073	68.7%	3,164	64.5%	91	-4.2%	
<b>Total</b>	<b>4,473</b>	<b>100%</b>	<b>4,904</b>	<b>100%</b>	<b>431</b>	<b>0%</b>	



## Appendix Data Tables

## NIKE, Inc. Totals by REM (U.S./Corporate)

	FY21		FY22		Change FY21-FY22	
	#	%	#	%	#	% points
VP+						
Non-REM	221	69.7%	231	65.4%	10	-4.3%
REM	96	30.3%	122	34.6%	26	4.3%
<b>Total</b>	<b>317</b>	<b>100%</b>	<b>353</b>	<b>100%</b>	<b>36</b>	<b>0%</b>
American Indian or Alaskan Native (Not Hispanic/Latino)	0	0.0%	0	0.0%	0	0.0%
Asian (Not Hispanic/Latino)	27	8.5%	39	11.0%	12	2.5%
Black or African American (Not Hispanic/Latino)	45	14.2%	50	14.2%	5	0.0%
Hispanic/Latino	15	4.7%	17	4.8%	2	0.1%
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	0	0.0%	0	0.0%	0	0.0%
Two or More Races (Not Hispanic/Latino)	9	2.8%	16	4.5%	7	1.7%
Unknown	2	0.6%	6	1.7%	4	1.1%
White (Not Hispanic/Latino)	219	69.1%	225	63.7%	6	-5.3%
<b>Total</b>	<b>317</b>	<b>100%</b>	<b>353</b>	<b>100%</b>	<b>36</b>	<b>0%</b>



Appendix Data Tables

**NIKE, Inc. Totals by REM Group (U.S. Only, All lines of Business, All Bands)**

	FY21		FY22		Change FY21–FY22	
	#	%	#	%	#	% points
All Bands						
Non-REM	13,098	40.3%	13,738	37.0%	640	-3.3%
REM	19,441	59.7%	23,416	63.0%	3,975	3.3%
<b>Total</b>	<b>32,539</b>	<b>100%</b>	<b>37,154</b>	<b>100%</b>	<b>4,615</b>	<b>0%</b>
American Indian or Alaskan Native (Not Hispanic/Latino)	123	0.4%	152	0.4%	29	0.0%
Asian (Not Hispanic/Latino)	3,230	9.9%	3,939	10.6%	709	0.7%
Black or African American (Not Hispanic/Latino)	7,905	24.3%	9,487	25.5%	1,582	1.2%
Hispanic/Latino	6,092	18.7%	7,427	20.0%	1,335	1.3%
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	211	0.6%	259	0.7%	48	0.0%
Two or More Races (Not Hispanic/Latino)	1,880	5.8%	2,152	5.8%	272	0.0%
Unknown	126	0.4%	437	1.2%	311	0.8%
White (Not Hispanic/Latino)	12,972	39.9%	13,301	35.8%	329	-4.1%
<b>Total</b>	<b>32,539</b>	<b>100%</b>	<b>37,154</b>	<b>100%</b>	<b>4,615</b>	<b>0%</b>



## Appendix Data Tables

## NIKE, Inc. Totals by REM Group (U.S. Only, All Lines of Business, All Bands) by Band

	FY21		FY22		Change	
	#	%	#	%	#	FY21–FY22
All Bands						% points
NIKE, Inc.	19,441	59.7%	23,416	63.0%	3,975	3.3%
VPLT	96	30.2%	122	34.3%	26	4.1%
Sr. Director	310	32.2%	368	34.1%	58	1.9%
Director	1,004	30.3%	1,249	34.7%	245	4.4%
Managers	2,509	36.7%	3,087	40.3%	578	3.6%
Entry Level	15,522	73.5%	18,590	76.0%	3,068	2.5%



Appendix Data Tables

Target

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

**NIKE, Inc. Totals by REM Group (U.S. Only, Corporate, All Bands)**

	FY21		FY22		Change FY21-FY22		FY25 Target
	#	%	#	%	#	% points	%
All Bands							
Non-REM	8,983	65.5%	9,237	61.2%	254	-4.3%	
REM	4,728	34.5%	5,861	38.8%	1,133	4.3%	35%
Total	13,711	100%	15,098	100%	1,387	0%	
American Indian or Alaskan Native (Not Hispanic/Latino)	48	0.4%	50	0.3%	2	0.0%	
Asian (Not Hispanic/Latino)	2,073	15.1%	2,561	17.0%	488	1.8%	
Black or African American (Not Hispanic/Latino)	763	5.6%	1,062	7.0%	299	1.5%	
Hispanic/Latino	976	7.1%	1,221	8.1%	245	1.0%	
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	48	0.4%	53	0.4%	5	0.0%	
Two or More Races (Not Hispanic/Latino)	820	6.0%	914	6.1%	94	0.1%	
Unknown	77	0.6%	166	1.1%	89	0.5%	
White (Not Hispanic/Latino)	8,906	65.0%	9,071	60.1%	165	-4.9%	
Total	13,711	100%	15,098	100%	1,387	0%	



## Appendix Data Tables

## Board of Directors

	FY20		FY21		FY22	
	#	%	#	%	#	%
<b>Gender</b>						
Female	4	30.8	4	33.3	4	36.4
Male	9	69.2	8	66.7	7	63.6
<b>Total</b>	<b>13</b>	<b>100</b>	<b>12</b>	<b>100</b>	<b>11</b>	<b>100</b>
<b>Race/Ethnicity</b>						
American Indian or Alaskan Native	0	0	0	0	0	0
Black or African American	4	30.8	3	25	3	27.3
Asian	0	0	0	0	0	0
Hispanic/Latino	0	0	0	0	0	0
Native Hawaiian or Other Pacific Islander	0	0	0	0	0	0
Two or More Races	0	0	0	0	0	0
Unknown	0	0	0	0	0	0
White	9	69.2	9	75	8	72.7
<b>Total</b>	<b>13</b>	<b>100</b>	<b>12</b>	<b>100</b>	<b>11</b>	<b>100</b>



## Appendix Data Tables

Target

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

### OH&S Data<sup>61</sup> For NIKE Employees<sup>62</sup> and Tier 1 Focus Factories<sup>63</sup>

#### NIKE Employees

		CY20	CY21 <sup>64</sup>	CY22
<b>Distribution (Industry Code: 493110)</b>				
Total Case Incident Rate (TCIR)	NIKE	1.17	0.96	1.05
	Industry <sup>65</sup>	4.90	5.00	5.60
<b>Lost Time Injury Rate (LTIR)</b>				
NIKE	0.78	0.33	0.32	
Industry	3.70	2.10	2.30	
<b>Air MI (Industry Code: 326113)<sup>66</sup></b>				
TCIR	NIKE	4.81 <sup>67</sup>	4.70	3.17
	Industry	4.70	2.70	3.30
<b>LTIR</b>				
NIKE	1.93 <sup>67</sup>	1.71	1.58	
Industry	3.20	1.10	1.20	
<b>Offices (Industry Code: 551114)</b>				
TCIR	NIKE	0.35	0.01	0.04
	Industry	0.70	0.70	0.60
<b>LTIR</b>				
NIKE	0.15	0.00	0.00	
Industry	0.30	0.30	0.20	

<sup>61</sup> OH&S data is reported using calendar year (CY) instead of fiscal year (FY) to align data with regulatory reporting requirements, including Occupational Safety and Health Administration (OSHA) and Bureau of Labor Statistics (BLS), both of which are used as an industry standard. The industry average comes from the United States Department of Labor; BLS. Each industry classification, such as DCs and Air MI, offices, footwear manufacturing, apparel manufacturing, reports a separate average for recordable injuries and lost time rates each of which are captured and recorded separately.

<sup>62</sup> The reported injury rates reflect a combination of NIKE full-time and certain external temporary workers. Data is collected based on U.S. legal reporting requirements, reporting on all NIKE's operations except retail, which is excluded from OSHA record keeping requirements. Retail injury rates will be included in future reports.

<sup>63</sup> Focus factories are key strategic contract factories within our supply chain that represent the majority of finished goods production of NIKE footwear, apparel and Converse footwear.

<sup>64</sup> Using CY21 BLS rates as BLS rates for CY22 were not published at the time of the FY22 NIKE, Inc. Impact Report publication.

<sup>65</sup> The industry average comes from the United States Department of Labor; Bureau of Labor Statistics. Each industry classification (such as DC, Air Manufacturing Innovation (Air MI), Offices, Footwear Manufacturing, Apparel Manufacturing) reports a separate average for recordable injuries and lost time rates (which are captured).

<sup>66</sup> The Air MI industry code has been updated as of CY22 reporting. After implementation of a manufacturing expansion and site diversification plan, the broader "All other plastics product manufacturing" category is now a more accurate description for Air MI's business. Both "Unlaminated Plastics Film & Sheet Manufacturing" and "Unlaminated Plastics Profile Shape Manufacturing" occur at Air MI facilities.

<sup>67</sup> FY20 Air MI injury rate was uniquely influenced by COVID-19 with interruptions in work, adjustments to manufacturing process and the addition of hundreds of temporary workers to augment the workforce



*Appendix Data Tables*

**Tier 1 Focus Factories<sup>68</sup>**

		CY20	CY21 <sup>64</sup>	CY22
<b>Footwear (Industry Code: 3162)</b>				
TCIR	Supplier	0.28	0.15	0.11
	Industry	3.20	3.40	6.50
<b>LTIR</b>				
	Supplier	0.15	0.08	0.06
	Industry	1.00	1.30	3.10
<b>Apparel (Industry Code: 3152)</b>				
TCIR	Supplier	0.50	0.52	0.25
	Industry	1.90	1.60	1.80
LTIR	Supplier	0.27	0.21	0.13
	Industry	0.70	0.60	1.00

		CY20	CY21 <sup>64</sup>	CY22
<b>Equipment</b>				
TCIR	Supplier	0.37	–	–
	Industry	N/A	N/A	N/A
<b>LTIR</b>				
	Supplier	0.37	–	–
	Industry	N/A	N/A	N/A

<sup>68</sup> Tier 1 focus factory data is self-reported by factories and may be incomplete. At the time of the FY22 NIKE, Inc. Impact Report publication, December 2021 data was estimated for factories where actual data was unavailable. The BLS does not calculate manufacturing rates for equipment/accessories. From CY21 onwards through the FY25 target cycle, there are no accessories focus factories.

<sup>64</sup> Using CY21 BLS rates as BLS rates for CY22 were not published at the time of the FY22 NIKE, Inc. Impact Report publication.



Appendix Data Tables

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**

**Audit, Non-Compliance**

	% of Tier 1 Total	% of Tier 2 Total	% of DCs Total
Age Standards	0	0.2	0.5
Air Emissions	0	0.1	0
Building Is Safe	4.2	5.6	10
Chemical Management	30.4	20.1	7.2
Code is Fully Implemented	6.7	5.6	8.6
Discrimination	0.4	1.3	5.7
Dorms, Canteen and Childcare	2.1	2.1	1.4
Fire and Emergency Action	16.7	10.0	12
Forced or Compulsory Labor <sup>69</sup>	1.3	0.7	0.5
Freedom of Association and Collective Bargaining	1.7	1.4	6.7
Harassment and Abuse	0.8	0.0	0.0
Hazardous Waste	1.3	1.9	0.0
Occupational Health and Hygiene	9.2	13.3	11.5
Regular Employment	1.3	0.8	1.0
Solid Waste (Non-Hazardous Waste)	0	0.4	2.4
Wages and Benefits	3.3	5.4	2.9
Wastewater	3.8	2.7	0.0
Working Hours	4.6	10.6	17.2
Workplace Is Safe	12.5	17.7	12.4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

<sup>69</sup> "All work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily." – International Labour Organization



## Appendix Data Tables

### Worker Count Results

	Tier 1	Tier 2	DC's	FY22 Total	%
	#	#	#	#	%
Americas	59,722	3,998	13,747	77,467	6
EMEA	32,428	846	3,066	36,340	3
N Asia	113,272	61,449	3,985	178,706	14
S Asia	380,730	31,079	394	412,203	32
SE Asia	541,811	57,260	49	599,120	46
<b>Total</b>	<b>1,127,963</b>	<b>154,632</b>	<b>21,241</b>	<b>1,303,836</b>	

### Audit Counts

	Tier 1	Tier 2	DC's	FY22 Total	%
	#	#	#	#	%
NIKE	61	1	0	62	4
SLCP <sup>40</sup>	286	158	26	470	33
SAC's FEM <sup>40</sup>	379	185	0	564	40
ZDHC <sup>40</sup> Wastewater Guidelines	82	166	0	248	17
DECA	0	0	20	20	1
FLA	4	0	0	4	0.3
Better Work	50	3	0	53	4
<b>Total</b>	<b>862</b>	<b>513</b>	<b>46</b>	<b>1,421</b>	

<sup>40</sup> Number of reports received.



Appendix Data Tables

# PLANET

Target<sup>70</sup>

70% absolute reduction of GHG emissions  
in owned or operated facilities through 100%  
renewable electricity and fleet electrification

Greenhouse gas emissions from key suppliers'  
manufacturing and transportation operations  
will be at or below 2020 levels through use  
of renewable energy, energy efficiency and  
alternative fuels

0.5M metric tons of GHG emissions reduced  
through increasing our use of environmentally  
preferred materials to 50% of all key materials

## FY22 Emissions Summary (Metric Tons CO<sub>2</sub>e) Scope 1, 2, And 3<sup>71</sup>

	Emissions	Emissions (%)
Scope 1	50,868 <sup>22</sup>	0.5%
Scope 2 (market-based emissions)	24,900 <sup>22</sup>	0.3%
Scope 3	9,953,491	99.2%
Total	10,029,259	

<sup>70</sup> These targets comprehensively cover our Scope 1 and 2 emissions, and cover part of our Scope 3 emissions.

<sup>71</sup> NIKE converts all energy consumption to kWhe using net calorific value of the direct fuels consumption, including transportation fuels. Emissions data for HFCs, PFCs and SF<sub>6</sub> are not reported. NIKE has phased out SF<sub>6</sub> and therefore doesn't have SF<sub>6</sub> emissions. Emissions for other greenhouse gases are either not relevant, immaterial, or data is not available.

<sup>22</sup> This metric is part of Management's Assertion on select sustainability metrics, which PwC has performed limited assurance over for the period from June 1, 2021, to May 31, 2022, as indicated in the Report of Independent Accountants.



## Appendix Data Tables

### Energy and Emissions by Business Function (Scope 1 and Scope 2 (Market-based))

	Emissions (Metric Tons CO <sub>2</sub> e)						Energy (MWh)					
	Scope 1 FY20	Scope 1 FY21	Scope 1 FY22	Scope 2 FY20	Scope 2 FY21	Scope 2 FY22	Fuel consumption FY20	Fuel consumption FY21	Fuel consumption FY22	Electricity consumption FY20	Electricity consumption FY21	Electricity consumption FY22
Retail	18,210	17,761	<b>18,611</b>	68,748	41,391	<b>10,178</b>	89,898	87,682	<b>91,880</b>	204,033	186,654	<b>196,685</b>
HQs & Offices	18,488	13,934	<b>14,530</b>	33,769	18,352	<b>4,062</b>	73,028	49,966	<b>53,522</b>	152,909	121,015	<b>115,051</b>
HQ Fleet Vehicles	1,407	227	<b>253</b>	—	—	—	5,582	904	<b>1,004</b>	—	—	—
Distribution Centers	9,676	11,224	<b>12,149</b>	38,829	14,523	<b>7,708</b>	47,244	54,852	<b>59,802</b>	191,711	197,657	<b>194,685</b>
Corporate Jets	2,912	1,432	<b>3,515</b>	—	—	—	11,257	5,534	<b>13,356</b>	—	—	—
Air Manufacturing Innovation	1,620	1,884	<b>1,809</b>	19,494	2,155	<b>2,952</b>	6,311	7,604	<b>7,219</b>	94,290	86,885	<b>82,116</b>
NIKE, Inc.	52,312	46,462	<b>50,868<sup>22</sup></b>	160,840	76,420	<b>24,900<sup>22</sup></b>	233,320	206,541	<b>226,783</b>	642,943	592,211	<b>588,537</b>

<sup>22</sup> This metric is part of Management's Assertion on select sustainability metrics, which PwC has performed limited assurance over for the period from June 1, 2021, to May 31, 2022, as indicated in the Report of Independent Accountants.



*Appendix Data Tables*

**Fuel Consumption (MWh) and Scope 1 Emissions (Metric Tons CO<sub>2</sub>e)**

	FY20	FY21	FY22
<b>Air MI</b>			
Fuel Consumption (MWh)	6,311	7,604	<b>7,219</b>
Emissions (Metric Tons CO <sub>2</sub> e)	1,620	1,884	<b>1,809</b>
<b>HQ Fleet Vehicles</b>			
Fuel Consumption (MWh)	5,582	904	<b>1,004</b>
Emissions (Metric Tons CO <sub>2</sub> e)	1,407	227	<b>253</b>
<b>Corporate Jets</b>			
Fuel Consumption (MWh)	11,257	5,534	<b>13,356</b>
Emissions (Metric Tons CO <sub>2</sub> e)	2,912	1,432	<b>3,515</b>
<b>Distribution Centers</b>			
Fuel Consumption (MWh)	47,244	54,852	<b>59,802</b>
Emissions (Metric Tons CO <sub>2</sub> e)	9,676	11,224	<b>12,149</b>

	FY20	FY21	FY22
<b>HQs &amp; Offices</b>			
Fuel Consumption (MWh)	73,028	49,966	<b>53,522</b>
Emissions (Metric Tons CO <sub>2</sub> e)	18,488	13,934	<b>14,530</b>
<b>Retail</b>			
Fuel Consumption (MWh)	89,898	87,682	<b>91,880</b>
Emissions (Metric Tons CO <sub>2</sub> e)	18,210	17,761	<b>18,611</b>
<b>NIKE, Inc.</b>			
Fuel Consumption (MWh)	233,320	206,541	<b>226,783</b>
Emissions (Metric Tons CO <sub>2</sub> e)	52,312	46,462	<b>50,868<sup>22</sup></b>

<sup>22</sup> This metric is part of Management's Assertion on select sustainability metrics, which PwC has performed limited assurance over for the period from June 1, 2021, to May 31, 2022, as indicated in the Report of Independent Accountants.



Appendix Data Tables

**Electricity Consumption (MWh) and Scope 2 Emissions (Metric Tons CO<sub>2</sub>e)**

	FY20	FY21	FY22
<b>Air MI</b>			
Grid Electricity (MWh)	94,290	86,885	<b>82,116</b>
Location-Based (Metric Tons CO <sub>2</sub> e)	46,059	42,151	<b>38,531</b>
Market-Based (Metric Tons CO <sub>2</sub> e)	19,494	2,155	<b>2,952</b>
<b>Distribution Centers</b>			
Total Electricity (MWh)	191,711	197,657	<b>194,685</b>
Grid Electricity (MWh)	173,775	174,388	<b>174,851</b>
Onsite Solar (MWh)	6,805	8,150	<b>10,294</b>
Onsite Wind (MWh)	11,131	15,120	<b>9,540</b>
Location-Based (Metric Tons CO <sub>2</sub> e)	79,178	81,550	<b>62,811</b>
Market-Based (Metric Tons CO <sub>2</sub> e)	38,829	14,523	<b>7,708</b>
<b>HQs and Offices</b>			
Total Electricity (MWh)	152,909	121,015	<b>115,051</b>
Grid Electricity	152,281	120,608	<b>113,766</b>
Onsite Solar	628	407	<b>1,285</b>
Location-Based (Metric Tons CO <sub>2</sub> e)	56,446	46,956	<b>41,620</b>
Market-Based (Metric Tons CO <sub>2</sub> e)	33,769	18,352	<b>4,062</b>

	FY20	FY21	FY22
<b>Retail</b>			
Total Electricity (MWh)	204,033	186,654	<b>196,685</b>
Grid Electricity	204,033	186,654	<b>196,685</b>
Location-Based (Metric Tons CO <sub>2</sub> e)	89,493	80,922	<b>81,073</b>
Market-Based (Metric Tons CO <sub>2</sub> e)	68,748	41,391	<b>10,178</b>
<b>NIKE, Inc.</b>			
Total Electricity (MWh)	642,943	592,211	<b>588,537</b>
Grid Electricity	624,379	568,535	<b>567,418</b>
Onsite Solar	7,433	8,557	<b>11,579</b>
Onsite Wind	11,131	15,120	<b>9,540</b>
Location-Based (Metric Tons CO <sub>2</sub> e)	271,176	251,579	<b>224,035<sup>22</sup></b>
Market-Based (Metric Tons CO <sub>2</sub> e)	160,840	76,420	<b>24,900<sup>22</sup></b>

<sup>22</sup> This metric is part of Management's Assertion on select sustainability metrics, which PwC has performed limited assurance over for the period from June 1, 2021, to May 31, 2022, as indicated in the Report of Independent Accountants.



## Appendix Data Tables

Scope 3 Emissions: Manufacturing & Logistics (Metric Tons CO<sub>2</sub>e)

	FY20	FY21	FY22
Tier 1 – Footwear Manufacturing	1,388,826	1,411,754	<b>1,469,481</b>
Tier 1 – Apparel Manufacturing	89,865	72,601	<b>87,753</b>
Tier 2 – Footwear Textile Dyeing and Finishing	207,713	193,463	<b>194,364</b>
Tier 2 – Apparel Textile Dyeing and Finishing	785,487	727,076	<b>767,499</b>
Logistics – Inbound Transportation	1,013,581	275,199	<b>413,998<sup>22</sup></b>
Logistics – Outbound Transportation	164,690	184,719	<b>152,869<sup>22</sup></b>

<sup>22</sup> This metric is part of Management's Assertion on select sustainability metrics, which PwC has performed limited assurance over for the period from June 1, 2021, to May 31, 2022, as indicated in the Report of Independent Accountants.



*Appendix Data Tables*

**Science-Based Targets (SBT) Footprint FY15–21 (Metric Tons CO<sub>2</sub>e)**

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
<b>Scope 1</b>								
Air Manufacturing Innovation	126	114	145	496	1,229	1,620	1,884	1,809
HQ Fleet Vehicles	406	535	666	627	555	1,407	227	253
Corporate Jets	3,576	4,392	3,391	3,773	3,162	2,912	1,432	3,515
Distribution Centers	8,084	6,698	7,861	10,048	10,408	9,676	11,224	12,149
HQs & Offices	10,009	11,623	13,168	10,975	13,612	18,488	13,934	14,530
Retail	13,423	13,963	14,907	16,022	17,747	18,210	17,761	18,611
<b>Total</b>	<b>35,624</b>	<b>37,325</b>	<b>40,138</b>	<b>41,941</b>	<b>46,713</b>	<b>52,312</b>	<b>46,462</b>	<b>50,868<sup>22</sup></b>
<b>Scope 2 (market-based emissions)</b>								
Air Manufacturing Innovation	18,099	14,873	18,156	29,237	33,849	19,494	2,155	2,952
Distribution Centers	58,241	67,832	61,142	55,304	60,603	38,829	14,523	7,708
HQs & Offices	54,276	43,189	41,820	33,802	10,938	33,769	18,352	4,062
Retail	98,154	99,959	103,393	91,978	92,107	68,748	41,391	10,178
<b>Total</b>	<b>228,770</b>	<b>225,853</b>	<b>224,511</b>	<b>210,321</b>	<b>209,065</b>	<b>160,840</b>	<b>76,420</b>	<b>24,900<sup>22</sup></b>

<sup>22</sup> This metric is part of Management's Assertion on select sustainability metrics, which PwC has performed limited assurance over for the period from June 1, 2021, to May 31, 2022, as indicated in the Report of Independent Accountants.



Appendix Data Tables

**Science-Based Targets (SBT) Footprint FY15–21 (Metric Tons CO<sub>2</sub>e)**

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
<b>Scope 3</b>								
Waste Generated in Operations	1,738	1,973	2,031	2,245	1,951	2,322	1,810	1,999
Downstream Transportation and Distribution	63,787	71,510	67,753	70,403	64,979	91,862	78,184	85,146
Energy-Related Activities Excluded in S1/S2	11,163	12,151	13,140	14,128	15,117	15,289	13,025	15,062
End-of-Life	375,270	393,776	404,768	417,717	439,028	452,856	418,080	618,851
Logistics	1,064,313	880,326	1,146,359	1,104,695	1,192,920	1,304,489	544,099	644,305
Packaging	539,198	560,225	582,072	604,771	628,355	652,859	954,955	683,365
Business Travel (Corporate Air Travel)	112,355	110,523	81,913	75,645	89,464	81,340	3,395	13,297 <sup>22</sup>
Employee Commuting	98,546	106,755	114,964	123,173	131,382	107,314	85,746	98,473
T2-T4 ACC	722,333	723,829	620,552	653,580	669,971	642,926	568,895	685,694
T1 Waste	44	43	42	41	40	42	20	26
T1 FW	1,007,402	1,018,623	1,086,039	1,182,089	1,176,709	1,415,163	1,444,915	1,504,501
T1 ACC	114,074	114,310	98,000	103,216	105,805	97,785	89,842	113,286
T1 AP	175,719	181,408	193,409	204,659	215,796	200,266	170,779	177,402
T2 AP	589,308	712,818	809,594	839,357	873,069	1,008,183	963,898	1,030,009
T2 FW	216,662	220,386	208,238	190,208	201,344	282,439	328,634	338,264
T3 AP	1,097,424	1,132,893	1,207,583	1,277,571	1,346,980	1,267,251	1,179,185	558,004
T3 FW	357,005	378,591	389,155	396,536	416,934	458,388	430,053	523,463
T4 AP	764,803	789,522	841,574	890,349	938,721	893,826	778,623	682,022
T4 FW	1,908,139	2,023,515	2,079,979	2,119,428	2,228,453	2,629,520	2,773,094	2,163,316
RTFKT – Primary Transactions	0	0	0	0	0	0	0	16,590
RTFKT – Secondary Transactions	0	0	0	0	0	0	0	417
<b>Total</b>	<b>9,219,282</b>	<b>9,433,177</b>	<b>9,947,164</b>	<b>10,269,811</b>	<b>10,737,016</b>	<b>11,604,118</b>	<b>10,827,234</b>	<b>9,953,491</b>

<sup>22</sup> This metric is part of Management's Assertion on select sustainability metrics, which PwC has performed limited assurance over for the period from June 1, 2021, to May 31, 2022, as indicated in the Report of Independent Accountants.



## Appendix Data Tables

### NIKE's Carbon Targets Landscape

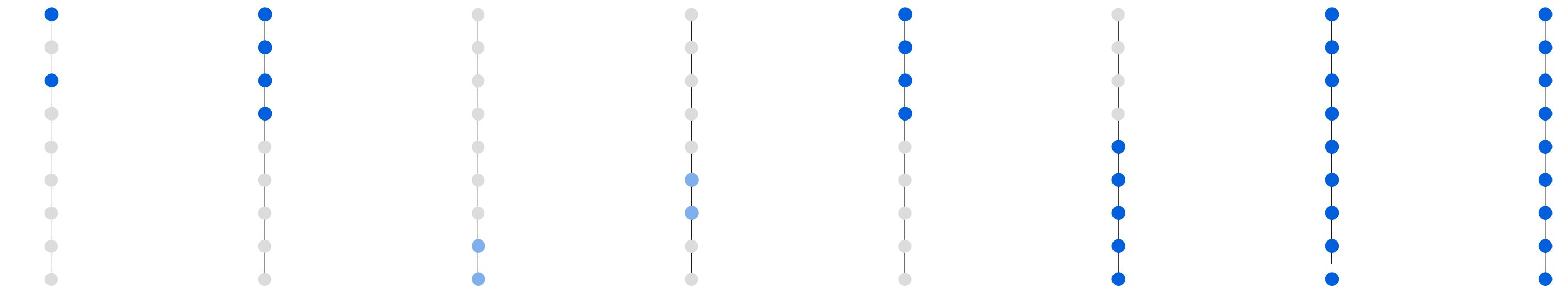
● Not in Scope   ● Partial Scope included   ● Full Scope included

	RE100: 100% Renewable Electricity in Owned or Operated Facilities	-70% Owned or Operated Facility GHG Emissions	0% Change in Manufacturing & Transportation GHG Emissions <sup>72</sup>	0.5M Metric Tons Materials GHG Emissions Reduced via Use of Environmentally Preferred Materials (EPMs)	Scope 1 and 2 SBT	Scope 3 SBT	Net Zero	Full Corporate Carbon Footprint
Energy or Emissions	Energy	Emissions	Emissions	Emissions	Emissions	Emissions	Emissions	Emissions
Emissions Scope	2	1 & 2	3	3	1 & 2	3	1, 2 & 3	1, 2 & 3
Target Period	FY15–25	FY20–25	FY20–25	FY20–25	FY15–30	FY15–30	FY15–50	N/A
Target	100%	-70%	0%	-0.5M metric tons 50% EPMs	-65%	-30%	-90%	N/A

### Scope: NIKE Value Chain Terminology

#### Corporate Services

- HQs & Other Offices
- HQ Fleet
- Air MI
- Corporate Jets
- Commercial Air Business Travel
- Raw Materials Production
- Materials Manufacturing
- Materials Finishing (Textile Dyeing and Finishing)
- Finished Goods Manufacturing



#### Logistics

- Inbound Logistics
- Outbound Logistics
- Distribution Centers
- Retail (NIKE Direct)
- Consumer Use
- End of Life



<sup>72</sup> Scope includes suppliers representing approximately 80% of total footwear and apparel production; suppliers representing approximately 80% of total footwear upper materials and apparel textiles production; and about 95% of both inbound and outbound transportation.



## Appendix Data Tables

### Scope 3 Emissions by Category and Operational Boundaries

● Not in SBT Scope   ● In SBT Scope

Emissions Sources	FY22 Metric Tons CO <sub>2</sub> e and/or Evaluation Status	Scope of Reported Emissions	Emissions Calculation Methodology	% of Emissions Calculated Using Data Obtained From Suppliers or Value Chain Partners
<b>Upstream</b>				
1 Purchased Goods and Services	● 8,476,358	<p>Includes emissions across NIKE brands and product engines, including from raw materials production, materials manufacturing, materials finishing, finished goods manufacturing, packaging materials, and transactions via RTFKT (since acquisition in FY22).</p> <p>Starting with FY22 data, end of life emissions from packaging have been migrated from Category 1 to Category 12 (End-of-Life Treatment of Sold Products) as more granular data has become available.</p>	<p>Emissions data is calculated using primary activity data and extrapolations. CO<sub>2</sub>e emissions include CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. NIKE Brand and Converse footwear finished goods manufacturing emissions data is derived from 97% primary data; apparel from 63% primary data. For this subset, vendors provide monthly energy consumption: from the local utility grid, onsite generators, other fuels, and purchased steam. For electricity: kWh values are multiplied by CO<sub>2</sub>e emissions factors for electricity purchased from the local utility grid by the country/region in which the factory resides. For onsite generation and other fuels: CO<sub>2</sub>e emissions are calculated using the IPCC bottoms up calculation methodology. CO<sub>2</sub>e methodologies are used for emissions estimates outside of footwear finished goods manufacturing based on lifecycle analysis data applied to product creation data, and employ conservative assumptions to avoid understating NIKE's footprint. To evaluate NIKE's value chain footprint, we identified and quantified CO<sub>2</sub>e emissions created at each stage of the value chain. The impact of each individual product differs considerably, based on its profile, materials used, size and weight, method of manufacture, and location of production, use, and disposal. Several internal and external tools were used to develop this estimation including NIKE's Materials Sustainability Index, Enablon, and COMPASS (life cycle packaging tool).</p> <p>As of FY22, we've aligned with the latest version of updated Sustainable Apparel Coalition's Higg MSI (Higg MSI) lifecycle emission factors. See GRI 305-3: Other indirect (Scope 3) GHG emissions section for details.</p>	31%
2 Capital Goods	● Not relevant	NIKE does not have significant investment in capital goods as most manufacturing equipment is owned and operated by contracted factories.	N/A	N/A



## Appendix Data Tables

Emissions Sources	FY22 Metric Tons CO <sub>2</sub> e and/or Evaluation Status	Scope of Reported Emissions	Emissions Calculation Methodology	% of Emissions Calculated Using Data Obtained From Suppliers or Value Chain Partners
3 Fuel and Energy-Related Activities Not Included in Scope 1 or 2	● 15,062	Includes emissions associated with the extraction, production, and transportation of fuels and energy purchased and reported in NIKE's Scope 1 footprint. Does not include upstream electricity emissions, T&D losses, or other onsite fuels besides natural gas (propane, diesel, biogas, hi-sene).	Emissions data is calculated using primary activity data, extrapolated consumption, and publicly available CO <sub>2</sub> e emissions factors. Consumption is multiplied by the emissions factor, using an identical global factor across all countries and regions.	58%
4 Upstream Transportation and Distribution	● 644,305	Includes ~95% of global inbound transportation and ~95% of global outbound transportation via the following modes of transportation: air, ocean, truck and rail. Excludes non-NIKE paid freight. Also included is the shipment via air freight of NIKE AirBags produced in North America and shipped as components for footwear manufacturing to manufacturing partners in Asia.	Transactional data is applied to a third-party transportation carbon calculator against industry standard emissions factors (distance travelled x cargo weight or volume x emission factor). Upstream emissions from air transport of airbag components is calculated using industry standard air freight emission factors per ton-mile and production volume.	100%
5 Waste Generated in Operations	● 1,999	Emissions relative to the fate of the waste generated in our own operations including HQs, DCs, and Air MI.	Total HQs, DCs, and Air MI waste not diverted from landfill multiplied by a lifecycle assessment-based emission factor for municipal waste sent to landfill.	100%
6 Business Travel	● 13,297	Includes emissions from commercial air travel.	Air CO <sub>2</sub> emissions are estimated based on number and distance of trips. Short haul trips are less fuel efficient per mile flown. Longer-haul flights become less efficient due to the need to carry more fuel.	100%
7 Employee Commuting	● 98,473	Emissions associated with the transportation of employees between their homes and work locations. Represents regular and temporary employees.	Internal employee commuting survey data is used to inform the allocation of methods/modes that NIKE applies to its global employee base. Each mode is assigned an emission factor relative to fuel type. Assumptions are made about the average number of working days per year, average number of commuting days per year (given introduction of the flex work week), and the average distance between an employee's home and worksite.	18%
8 Upstream Leased Assets	● Not relevant	NIKE does not have significant emissions from upstream leased assets.	N/A	N/A



## Appendix Data Tables

Emissions Sources	FY22 Metric Tons CO <sub>2</sub> e and/or Evaluation Status	Scope of Reported Emissions	Emissions Calculation Methodology	% of Emissions Calculated Using Data Obtained From Suppliers or Value Chain Partners
<b>Downstream</b>				
9 Downstream Transportation and Distribution	● 85,146	Includes emissions from non-NIKE paid freight. Excludes emissions from consumers traveling to stores.	Transactional data is applied to a third-party transportation carbon calculator against industry standard emissions factors (distance travelled x cargo weight or volume x emission factor). Non-NIKE paid freight is determined calculating the difference between Inbound and Outbound freight and using the outbound freight emissions factor to determine total emissions.	0%
10 Processing of Sold Products	● Not relevant	NIKE's products are finished consumer goods and do not undergo any additional processing once sold.	N/A	N/A
11 Use of Sold Products	● 7,968,735	These emissions are associated with washing and drying NIKE's sold apparel and starting with FY22 data, socks. Footwear and equipment were assumed to not be washed. Emissions from use of sold products are excluded from SBT scope.	There is no primary emissions data available from use of NIKE's products. Consumer energy usage was estimated based on the following assumptions: only apparel units and socks are washed and dried. Each item was assumed to be washed 52 times in one year. The washing assumptions were based on regional consumer washing practices and estimates of washing machine types by region. CO <sub>2</sub> e was based on regional conversion factors applied to the estimated energy usage.	0%



## Appendix Data Tables

Emissions Sources	FY22 Metric Tons CO <sub>2</sub> e and/or Evaluation Status	Scope of Reported Emissions	Emissions Calculation Methodology	% of Emissions Calculated Using Data Obtained From Suppliers or Value Chain Partners
12 End-of-Life Treatment of Sold Products	● 618,851	These emissions are associated with the disposal of products including landfill and incineration.	<p>There is no primary emissions data available for end-of-life treatment of NIKE's products. To evaluate NIKE's value chain footprint, we identified and quantified CO<sub>2</sub>e emissions created at each stage of the value chain. The impact of each individual product differs considerably, based on its profile, materials used, size and weight, method of manufacture, and location of production, use and disposal. Several internal and external tools were used to develop this estimation including NIKE's Materials Sustainability Index, EPA's Waste Reduction Model (WARM), and COMPASS (life cycle packaging tool). Finished goods were assumed to be disposed of at the end of one year.</p> <p>Based on waste treatment data from the COMPASS software database, end-of-life (EOL) carbon impacts from packaging are calculated using country and material-specific packaging waste treatment data and emissions factors. This includes assumptions from COMPASS on waste treatment pathways for specific geographies and material type pairings as well as emissions factors for each type of treatment (e.g. recycling, landfilling, etc.). Prior to FY22, NIKE included the EOL impacts of Packaging in the "Purchased Goods and Services" category.</p>	0%
13 Downstream Leased Assets	● Not relevant	NIKE does not have significant emissions from downstream leased assets.	N/A	N/A
14 Franchises	● Not relevant	NIKE does not have significant emissions from franchises.	N/A	N/A
15 Investments	● Not relevant	NIKE does not have significant emissions from investments.	N/A	N/A
<b>Total SBT S3 Emissions</b>	<b>● 9,953,491</b>			
<b>Total Full Footprint S3 Emissions</b>	<b>● 17,922,226</b>			



Appendix Data Tables

**Waste (Metric Tons)**

	FY20	FY21	FY22
<b>Distribution Centers (DCs)</b>			
Recycled	36,713	33,856	33,795
Composted	117	86	138
Waste to Energy	1,637	2,214	3,001
Landfilled	3,664	3,663	3,148
<b>Total</b>	<b>42,131</b>	<b>39,820</b>	<b>40,082</b>
<b>HQs</b>			
Recycled	1,661	1,157	1,946
Composted	1,043	697	1,003
Waste to Energy	0	2	111
Landfilled	2,142	790	882
<b>Total</b>	<b>4,846</b>	<b>2,646</b>	<b>3,942</b>
<b>FW Manufacturing<sup>73</sup></b>			
Recycled	49,629	51,584	59,067
Energy Recovery	60,675	50,968	50,078
Landfilled and Incinerated	429	–	–
<b>Total</b>	<b>110,733</b>	<b>102,553</b>	<b>109,144</b>

	FY20	FY21	FY22
<b>AP Manufacturing<sup>73</sup></b>			
Recycled	20,076	14,557	21,309
Waste to Energy	2,371	2,540	2,827
Landfilled and Incinerated	924	387	409
<b>Total</b>	<b>23,371</b>	<b>17,484</b>	<b>24,545</b>
<b>Air MI</b>			
Recycled	44,339	32,780	28,458
Waste to Energy	182	169	11
Landfilled and Incinerated	1,284	957	817
<b>Total</b>	<b>45,805</b>	<b>33,906</b>	<b>29,286</b>

**Total Weight of Hazardous Waste (Metric Tons) Generated in Footwear Manufacturing<sup>74</sup>**

	FY22
<b>Total Weight</b>	<b>12,398</b>

<sup>73</sup> Strategic Finished Goods Suppliers: Suppliers representing approximately 80% of total footwear and apparel production.

<sup>74</sup> Annual compliance assessments verify that suppliers are meeting the requirements in the NIKE Code of Conduct and Code Leadership Standards (CLS). Verifiers confirm that partners have obtained all required permits with safety, health and environmental control programs including proper management of hazardous waste and hazardous waste vendors selected by the supplier being properly qualified and licensed.



Appendix Data Tables

**FY22 Fuel & Electricity Consumption (MWh) & Scope 1 & 2 Emissions (Metric Tons CO<sub>2</sub>e) by Country**

Country/Region	Fuel Consumption (MWh)	Scope 1 (Metric Tons CO <sub>2</sub> e)	Grid Electricity (MWh)	Onsite Solar (MWh)	Onsite Wind (MWh)	Location-Based Scope 2 (Metric Tons CO <sub>2</sub> e)	Market-Based Scope 2 (Metric Tons CO <sub>2</sub> e)
Argentina	1,190	255	3,257	0	0	938	0
Australia	989	218	2,369	0	0	1,629	1,629
Austria	579	117	745	0	0	102	0
Belgium	11,147	1,744	35,516	5,916	9,540	5,899	165
Brazil	86	24	137	0	0	14	0
Canada	10,865	2,217	6,542	0	0	849	0
Chile	680	146	2,460	0	0	1,091	0
China	37,995	8,391	68,236	3,026	0	42,695	498
Croatia	36	7	86	0	0	15	0
Czech Republic	216	44	236	0	0	104	0
Denmark	319	68	305	0	0	30	0
France	3,595	736	8,513	0	0	458	0
Germany	6,924	1,482	5,428	0	0	1,880	0
Greece	0	5	938	0	0	467	0
Hong Kong	578	149	1,369	0	0	1,126	1,126
Hungary	297	60	407	0	0	93	0
India	511	144	859	0	0	624	0
Indonesia	126	35	465	0	0	356	0
Ireland	303	64	790	0	0	233	0
Israel	0	7	1,172	0	0	562	0



Appendix Data Tables

**FY22 Fuel & Electricity Consumption (MWh) & Scope 1 & 2 Emissions (Metric Tons CO<sub>2</sub>e) by Country**

Country/Region	Fuel Consumption (MWh)	Scope 1 (Metric Tons CO <sub>2</sub> e)	Grid Electricity (MWh)	Onsite Solar (MWh)	Onsite Wind (MWh)	Location-Based Scope 2 (Metric Tons CO <sub>2</sub> e)	Market-Based Scope 2 (Metric Tons CO <sub>2</sub> e)
Italy	2,359	521	5,539	0	0	1,585	0
Japan	6,215	1,291	15,533	0	0	7,593	7,593
Malaysia	525	112	1,229	0	0	817	0
Mexico	3,266	686	7,491	762	0	2,985	2,985
Netherlands	3,515	1,004	8,948	0	0	3,305	0
New Zealand	73	15	489	0	0	60	60
Norway	212	46	250	0	0	3	0
Philippines	62	17	699	0	0	472	0
Poland	1,089	223	1,384	0	0	925	0
Portugal	0	0	714	0	0	170	0
Russia	2,084	446	2,516	0	0	944	1,116
Singapore	692	178	1,746	0	0	675	675
South Africa	674	146	1,642	0	0	1,538	0
South Korea	6,199	1,458	8,066	0	0	4,173	4,173
Spain	3,400	717	8,360	0	0	1,665	0
Sweden	369	86	232	0	0	3	0
Switzerland	287	58	386	0	0	9	0



Appendix Data Tables

**FY22 Fuel & Electricity Consumption (MWh) & Scope 1 & 2 Emissions (Metric Tons CO<sub>2</sub>e) by Country**

Country/Region	Fuel Consumption (MWh)	Scope 1 (Metric Tons CO <sub>2</sub> e)	Grid Electricity (MWh)	Onsite Solar (MWh)	Onsite Wind (MWh)	Location-Based Scope 2 (Metric Tons CO <sub>2</sub> e)	Market-Based Scope 2 (Metric Tons CO <sub>2</sub> e)
Taiwan	1,046	252	2,573	0	0	1,431	1,431
Thailand	449	98	827	0	0	385	0
Turkey	1,011	216	1,990	0	0	862	0
United Arab Emirates	7	2	8	0	0	4	0
United Kingdom	6,540	1,392	8,802	0	0	1,852	0
United States of America	109,891	25,878	342,950	2,144	0	130,290	327
Uruguay	198	41	432	0	0	5	5
Vietnam	184	71	4,780	0	0	3,118	3,118
<b>Total</b>	<b>226,783</b>	<b>50,868<sup>22</sup></b>	<b>567,419</b>	<b>11,849</b>	<b>9,540</b>	<b>224,035<sup>22</sup></b>	<b>24,900<sup>22</sup></b>

<sup>22</sup> This metric is part of Management's Assertion on select sustainability metrics, which PwC has performed limited assurance over for the period from June 1, 2021, to May 31, 2022, as indicated in the Report of Independent Accountants.



## Appendix Data Tables

## FY22 Total Energy Consumption (MWh)

Energy Type	Heating Value	MWh from Renewable Sources	MWh from Non-Renewable Sources	Total MWh
Fuel	LHV (lower heating value)	2,550	224,074	226,783
Purchased or Acquired Electricity		547,405	41,132	588,537
Sustainable Aviation Fuel		159	0	159
<b>Total</b>		<b>550,114</b>	<b>265,206</b>	<b>815,320</b>



Appendix Data Tables

FY22 Renewable Energy (MWh) by Country and Type

Country	RE Type	Onsite RE		Power Purchase Agreements			Unbundled Renewable Energy Credits (RECs)					Alternative Fuels		
	Onsite Solar	Onsite Wind	VPPA: PPA: Oregon Avangrid	North America Avangrid	VPPA: Europe Avangrid	RECs: Biomass	RECs: Hydroelectric	RECs: Solar	RECs: Wind	RECs: Wind & Solar	Biogas	Sustainable Aviation Fuel	Total	
Argentina	-	-	-	-	-	-	-	-	3,257	-	-	-	3,257	
Austria	-	-	-	-	745	-	-	-	-	-	-	-	745	
Belgium	5,916	9,540	-	-	541	12,944	835	7,951	17,223	-	2,550	-	57,500	
Brazil	-	-	-	-	-	-	-	-	137	-	-	-	137	
Canada	-	-	-	6,542	-	-	-	-	-	-	-	-	6,542	
Chile	-	-	-	-	-	-	-	2,460	-	-	-	-	2,460	
China	3,026	-	-	-	-	-	-	386	-	67,440	-	-	70,853	
Croatia	-	-	-	-	86	-	-	-	-	-	-	-	86	
Czech Republic	-	-	-	-	236	-	-	-	-	-	-	-	236	
Denmark	-	-	-	-	305	-	-	-	-	-	-	-	305	
France	-	-	-	-	8,513	-	-	-	-	-	-	-	8,513	
Germany	-	-	-	-	5,428	-	-	-	-	-	-	-	5,428	
Greece	-	-	-	-	938	-	-	-	-	-	-	-	938	
Hungary	-	-	-	-	407	-	-	-	-	-	-	-	407	
India	-	-	-	-	-	-	-	-	-	859	-	-	859	
Indonesia	-	-	-	-	-	-	-	465	-	-	-	-	465	
Ireland	-	-	-	-	790	-	-	-	-	-	-	-	790	



## Appendix Data Tables

Country	RE Type	Onsite RE		Power Purchase Agreements			Unbundled Renewable Energy Credits (RECs)					Alternative Fuels		
		Onsite Solar	Onsite Wind	VPPA: PPA: Oregon Avangrid	North America Avangrid	VPPA: Europe Avangrid	RECs: Biomass	RECs: Hydroelectric	RECs: Solar	RECs: Wind	RECs: Wind & Solar	Biogas	Sustainable Aviation Fuel	Total
Israel	-	-	-	-	-	-	-	-	1,172	-	-	-	-	1,172
Italy	-	-	-	-	5,539	-	-	-	-	-	-	-	-	5,539
Malaysia	-	-	-	-	-	-	-	-	1,229	-	-	-	-	1,229
Mexico	762	-	-	-	-	-	-	-	-	-	-	-	-	762
Netherlands	-	-	-	-	8,948	-	-	-	-	-	-	-	-	8,948
Norway	-	-	-	-	250	-	-	-	-	-	-	-	-	250
Philippines	-	-	-	-	-	-	-	-	699	-	-	-	-	699
Poland	-	-	-	-	1,384	-	-	-	-	-	-	-	-	1,384
Portugal	-	-	-	-	714	-	-	-	-	-	-	-	-	714
South Africa	-	-	-	-	-	-	-	-	1,642	-	-	-	-	1,642
Spain	-	-	-	-	8,360	-	-	-	-	-	-	-	-	8,360
Sweden	-	-	-	-	232	-	-	-	-	-	-	-	-	232
Switzerland	-	-	-	-	386	-	-	-	-	-	-	-	-	386
Thailand	-	-	-	-	-	-	-	-	-	827	-	-	-	827
Turkey	-	-	-	-	-	-	-	-	-	1,990	-	-	-	1,990
United Arab Emirates	-	-	-	-	-	-	-	-	8	-	-	-	-	8
United Kingdom	-	-	-	-	8,802	-	-	-	-	-	-	-	-	8,802
United States of America	1,875	-	110,221	231,851	-	-	-	-	3,543	-	-	-	159	347,648
<b>Total</b>	<b>11,579</b>	<b>9,540</b>	<b>110,221</b>	<b>238,393</b>	<b>52,606</b>	<b>12,944</b>	<b>835</b>	<b>19,555</b>	<b>22,607</b>	<b>69,127</b>	<b>2,550</b>	<b>159</b>	<b>550,114</b>	



## Appendix Data Tables

### Renewable Energy (MWh)

Manufacturing (Tier 1) and Textile Dyeing and Finishing (Tier 2) <sup>75</sup>	FY20	FY21	FY22
Renewable Direct Fuel Consumption	487,754	443,212	543,689
% of Total	20%	19%	22%
Renewable Electricity Consumption	13,402	29,897	232,256
% of Total	0.4%	1%	7%
Renewable Energy Consumption	531,010	479,774	798,393
% of Total	8%	8%	13%
<b>Owned or Operated</b>			
Renewable Direct Fuel Consumption	365	2,171	2,709
% of Total	0.2%	1%	1%
Renewable Electricity Consumption	310,798	459,127	547,405 <sup>22</sup>
% of Total	48%	78%	93% <sup>22</sup>
Renewable Energy Consumption	311,163	461,298	550,114 <sup>22</sup>
% of Total	36%	58%	67% <sup>22</sup>

### Fuel Consumption by Fuel Type (MWh)

	FY22
Natural Gas	207,938
Jet Fuel	13,197
Hi-Sene	159
Gasoline	2,960
Diesel	804
Propane	1,715
Sustainable Aviation Fuel	10
<b>Total</b>	<b>226,783</b>

### Steam, Heat, Cooling Consumption (MWh)

	FY22
Steam	0
Heat	0
Cooling	0

### Biogenic Emissions (Metric Tons CO<sub>2</sub>e)

	FY22
Biomass Renewable Energy Credits	4,660
Biogenic Emissions from SAF	0.0000000017
<b>Total</b>	<b>4,660</b>

### Scope 1 Emissions by Gas (Metric Tons CO<sub>2</sub>e)

	FY22
CH <sub>4</sub>	111
CO <sub>2</sub>	46,299
N <sub>2</sub> O	42
Refrigerant CO <sub>2</sub> e	4,415
<b>Total</b>	<b>50,868</b>

<sup>22</sup> This metric is part of Management's Assertion on select sustainability metrics, which PwC has performed limited assurance over for the period from June 1, 2021, to May 31, 2022, as indicated in the Report of Independent Accountants.

<sup>75</sup> Tier 1 and 2 data includes renewable energy use across footwear only up to FY20, at which point apparel has been added to reporting scope. Owned or operated data includes electricity only; full energy view for FY22 can be seen on the previous pages.



This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards.

## GENERAL DISCLOSURES

GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
2-1	Organizational details	FY22 Form 10-K: Item 1. Business: page 1-2 FY22 Form 10-K: Item 2. Properties: page 24		
2-2	Entities included in the organization's sustainability reporting	Reporting Methodology: page 156 FY22 Form 10-K: Item 1. Business: page 1		
2-3	Reporting period, frequency and contact point	Reporting Methodology: page 156 Nike reports on an annual reporting cycle		



## Appendix GRI

GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
2-4	Restatements of information	<p>In cases where shifts in scope, methodology and/or data quality have led to changes in previously reported performance results, we've restated historically reported results.</p> <p>Sustainability data is shaped by a landscape of evolving methodologies, advancing standards, and expansions in data accessibility over time. Adapting to these changes while maintaining comparability in our data is critical to instilling integrity and confidence in the validity of the insights the data provides. We understand that we must adapt and be nimble to keep pace with new innovations, broadening data sets, and emerging standards. We continue to focus on the internal controls in our sustainability data processes and systems.</p> <p>We have obtained external assurance on select reported metrics (Scope 1 and 2 energy consumption and emissions, renewable energy including direct fuel use and electricity, Scope 3 commercial air travel emissions, and inbound and outbound logistics emissions; and cumulative water restoration funding). More information can be found in the Appendix.</p> <p><b>COVID-19 Methodology</b></p> <p>Estimation methodology for FY20 Q4 COVID-19 slowdown adjustments are as follows:</p> <ul style="list-style-type: none"><li>– Carbon Scope 1 and 2 Emissions (except for HQ security vehicles); Transportation Emissions – Activity Data: FY20 Q3 trailing 12 months ((TTM); FY20 Q4 = FY19 Q4). Emissions Factors, Scope: unadjusted FY20.</li><li>– Carbon Manufacturing Emissions – Activity Data: FY20 Q4 = percent of FY observed historically. Emissions Factors, Scope: unadjusted FY20.</li><li>– Waste Manufacturing and Packaging – FY20 Q4 = average of Q1–3.</li><li>– Waste DCs, HQs, Air MI – FY20 Q3 TTM.</li><li>– Water – FY20 Q4 = average of Q1–3.</li></ul>		

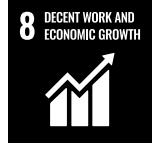


## Appendix GRI

GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
	Restatements of information	<p>Due to the effects of COVID-19, the fourth quarter of FY20 (March 2020–May 2020) resulted in lower than normal production, impacting the final measurement year of our FY20 targets and baseline measurement year of our FY25 targets. To help enable measurement consistency and avoid the inevitable artificial reductions in performance metrics during this unprecedented time, continuing our approach from our FY20 NIKE Impact Report, we have adjusted Q4 performance figures for the targets that were most impacted (carbon, waste and water). These Q4 adjustments generally reflect an FY20 Q3 trailing 12-month view of performance and provided a more conservative view of where we landed on FY20 targets than would be rendered using actual performance figures during the global shutdown. These adjustments had the effect of inflating our footprint to resemble business as usual and were only applied to targets where we were aiming for a reduction in impact vs. baseline (“reduction targets”) and to targets where we were aiming to reach a certain percentage (“reach targets”) that share underlying data with reduction targets. None of the adjustments resulting in meeting targets that we would not have met if we didn’t normalize our performance to minimize the impact of the COVID-19 slowdown on our FY20 targets target year and FY25 targets baseline year. We carried this approach through to measuring performance toward our FY25 targets to ensure consistency in how we accounted for the pandemic across target periods.”</p> <p><a href="#">See more details here.</a></p>		
2-5	External assurance	<p>Reporting Methodology: page 156</p> <p>Assurance Report: page 195</p>		
2-6	Activities, value chain and other business relationships	<p>FY22 Form 10-K: Item 1. Business: pages 1–7</p> <p>FY22 Form 10-K: Item 1A. Risk factors: page 15</p> <p>FY22 Form 10-K: Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations: page 28</p> <p>Code of Conduct: page 83</p> <p>Data Tables: page 182</p>		



Appendix GRI

GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
2-7	Employees	<p>Data Tables: pages 164–170</p> <p>NIKE, Inc. Management Assertion: page 197</p> <p>FY22 Form 10-K: Item 7. Management's discussion and analysis of financial condition and results of operations: page 28</p> <p>FY22 Form 10-K: Note 21 - Restructuring: page 92</p>		
<b>Additional Information</b>				
	FY22 Total employees by employment type and gender*		Unknown HC      Female HC      Female % of total      Male HC      Male % of total	
	Full-Time		0      27,259      77%      27,607      77%	
	Part-Time		0      8,315      23%      8,226      23%	
	Total Regular		0      35,574      100%      35,833      100%	
	FY22 Nike, Inc. employee totals by ethnicity (U.S.)**		All employees      Directors+      VPs	
	U.S. Racial and Ethnic Minorities		63.0%      34.6%      34.3%	
	Unknown		1.2%      1.0%      1.7%	
	White (Not Hispanic/Latino)		35.8%      64.4%      64.0%	
2-8	Workers who are not employees	We do not have a significant portion of the organization's activities performed by people who are not employees.		
2-9	Governance structure and composition	<p>Governance: page 161</p> <p>Data Tables: page 170</p> <p>FY22 Proxy Statement: page 8</p> <p>FY22 Proxy Statement: page 21–23</p>		 

\* This is Corp, Retail, AirMi, and DC and Global

\*\* This is Corp, Retail, AirMi, and DC and US-Only



Appendix GRI

GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
2-10	Nomination and selection of the highest governance body	<a href="#">Nominating &amp; Corporate Governance Committee</a> 2022 Proxy Statement: page 20		
2-11	Chair of the highest governance body	<a href="#">Welcome to NIKE, Inc.</a>		
2-12	Role of the highest governance body in overseeing the management of impacts	Governance: page 161 <a href="#">FY22 Proxy Statement: page 23</a> <a href="#">Corporate Responsibility &amp; Sustainability Committee</a> <a href="#">Nominating &amp; Corporate Governance Committee</a>		
2-13	Delegation of responsibility for managing impacts	Governance: page 161		
2-14	Role of the highest governance body in sustainability reporting	Reporting Methodology: page 156		
2-15	Conflicts of interest	Code of Conduct: page 13		
2-16	Communication of critical concerns	Code of Conduct <a href="#">Human Rights and Labor Compliance Standards</a> <a href="#">Speak UP Portal</a> <a href="#">Statement on Forced Labor</a>		
2-17	Collective knowledge of the highest governance body	<a href="#">Corporate Responsibility &amp; Sustainability Committee</a>		
2-18	Evaluation of the performance of the highest governance body	<a href="#">Corporate Responsibility &amp; Sustainability Committee</a> FY22 Proxy Statement: page 23		
2-19	Remuneration policies	FY22 Proxy Statement: pages 25–26 FY22 Proxy Statement: pages 42		



## Appendix GRI

GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
2-20	Process to determine remuneration	<a href="#">Compensation Committee</a>  FY22 Proxy Statement: pages 29–34  FY22 Proxy Statement: pages 39		
2-21	Annual total compensation ratio	FY22 Proxy Statement: page 50  Pay & Benefits: pages 40–41		
2-22	Statement on sustainable development strategy	Letter from John: page 3		
2-23	Policy commitments	<a href="#">Sustainability Commitments</a> <a href="#">Sustainability Policies</a> <a href="#">Human Rights and Labor Compliance Standards (2018)</a> Code of Conduct: page 83 <a href="#">NIKE Code of Conduct</a> <a href="#">NIKE Code Leadership Standards</a> <a href="#">NIKE Inside the Lines Code of Conduct</a>		
2-24	Embedding policy commitments	<a href="#">Sustainability Commitments</a> <a href="#">Sustainability Policies</a> <a href="#">Human Rights and Labor Compliance Standards (2018)</a> Code of Conduct: page 83 <a href="#">NIKE Code of Conduct</a> <a href="#">NIKE Code Leadership Standards</a> <a href="#">NIKE Inside the Lines Code of Conduct</a>		
2-25	Processes to remediate negative impacts	Code of Conduct: pages 83–84  <a href="#">Human Rights and Labor Compliance Standards (2018)</a>		



Appendix GRI

GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
2-26	Mechanisms for seeking advice and raising concerns	Code of Conduct: page 8 <a href="#">NIKE Inside the Lines Code of Conduct</a> <a href="#">Speak UP Portal</a> <a href="#">Human Rights and Labor Compliance Standards (2018)</a>		
2-27	Compliance with laws and regulations	Data Tables: page 173		
2-28	Membership associations	<a href="#">Impact Partnerships and Collaborations</a>		
2-29	Approach to stakeholder engagement	Issue Prioritization: page 157 <a href="#">Impact Partnerships and Collaborations</a>		
2-30	Collective bargaining agreements	FY22 Form 10-K: page 6		UNGC Principle 3
3-1	Process to determine material topics	Issue Prioritization: page 157		
3-2	List of material topics	Issue Prioritization: pages 158–160		
3-3	Management of material topics	2022 Form 10-K: page 12		



Appendix GRI

GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
201-1	Direct economic value generated and distributed	2022 Form 10-K: page 29		
201-2	Financial implications and other risks and opportunities due to climate change	2022 Form 10-K: page 9		 13 CLIMATE ACTION
201-3	Defined benefit plan obligations and other retirement plans	Pay & Benefits: pages 40–50 <a href="#">Jobs at NIKE</a>		
3-3	Management of material topics	Carbon: pages 102–105 <a href="#">Sustainability Commitments</a>		
301-1	Materials used by weight or volume	Carbon: page 105  NIKE reports its top material volumes, which include renewable materials: cotton and leather; and non-renewable materials: polyester, rubber and EVA foam. All material types reported are purchased from external suppliers except for EVA foam, which is sourced internally. Data reported consists of both direct measurements and estimates. While many materials are measured directly for a wide variety of products, some volumes are estimated. The majority of cotton and polyester volume data is sourced using direct measurements, though product creation data is used to estimate material volumes for certain parts of the business.		 8 DECENT WORK AND ECONOMIC GROWTH   12 RESPONSIBLE CONSUMPTION AND PRODUCTION
301-2	Recycled input materials used	Carbon: page 105		UNGCG Principle 8
301-3	Reclaimed products and their packaging materials	Waste: page 120		



Appendix GRI

GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
3-3	Management of material topics	Carbon: page 90–110 <u>Sustainability Commitments</u> <u>Nike Code Leadership Standards: pages 22–23</u>		
302-1	Energy consumption within the organization	Data Tables: pages 176–178, 186–192 GRI: page 194 <u>2022 NIKE CDP</u>		 UNGC Principle 8
302-2	Energy consumption outside of the organization	Carbon: pages 90–101 Data Tables: pages 179–181		
302-3	Energy intensity	GRI: page 194 Data Tables: page 194		
302-4	Reduction of energy consumption	Data Tables: pages 176–178, 186–188 Carbon: pages 90–101 GRI: page 194		
302-5	Reductions in energy requirements of products and services	Nike does not currently measure reductions in energy requirements of products and services.		



Appendix GRI

GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
3-3	Management of material topics	Water: pages 123–127 <u>Sustainability Commitments</u> <u>Nike Code Leadership Standards: pages 32-37</u>		
303-1	Interactions with water as a shared resource	Water: pages 123–127 Additional Information Contract manufacturers report their freshwater withdrawal volumes and source to NIKE in accordance with NIKE's Water Program, which outlines measurement practices and defines freshwater sources. The facility boundary is equivalent to the property boundary, and freshwater is inclusive of domestic and manufacturing use.		
303-2	Management of water discharge-related impacts	Water: pages 123–127		
303-3	Water withdrawal	Water: pages 123–127 Additional Information Contract manufacturers report their freshwater withdrawal volumes and source to NIKE in accordance with NIKE's Water Program, which outlines measurement practices and defines freshwater sources. The facility boundary is equivalent to the property boundary, and freshwater is inclusive of domestic and manufacturing use.		
303-4	Water discharge	Nike does not currently report on water discharge.		
303-5	Water consumption	Water: pages 123–127		
3-3	Management of material topics	Carbon: pages 90–111 <u>Sustainability Commitments</u> <u>Nike Code Leadership Standards: pages 23-25</u>		



Appendix GRI

GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
305-1	Direct (Scope 1) GHG emissions	<p>Data Tables: pages 175–177, 186–188, 192</p> <p>NIKE, Inc. Management Assertion: pages 198–203</p> <p>GRI: page 193–194</p> <p>Additional Information</p> <p>NIKE converts all energy consumption to kWh<sub>e</sub> using net calorific value of the direct fuel consumption, including transportation fuels. Emissions data for HFCs, PFCs and SF<sub>6</sub> are not reported. NIKE has phased out SF<sub>6</sub> and therefore doesn't have SF<sub>6</sub> emissions. Emissions for other greenhouse gases are either not relevant, immaterial or data is not available.</p> <p>For information on direct and indirect energy consumption, Scope 1 and 2 emissions and the Scope 3 emissions accounting standard used, see the Management Assertion letter.</p> <p>Additional breakdowns of Scope 1 and 2 emissions are shown below.</p>		 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION ∞</p> <p>13 CLIMATE ACTION Earth</p> <p>14 LIFE BELOW WATER Fish</p> <p>15 LIFE ON LAND Cloud</p>
305-2	Energy indirect (Scope 2) GHG emissions	<p>Data Tables: pages 178, 186–188</p> <p>NIKE, Inc. Management Assertion: pages 198–203</p>		 <p>3 GOOD HEALTH AND WELL-BEING Heart</p>
305-3	Other indirect (Scope 3) GHG emissions	<p>Data Tables: pages 179–181</p> <p>NIKE, Inc. Management Assertion: pages 198–203</p> <p>GRI: pages 193–194</p> <p>Scope 3 Emissions:</p> <p>Since the FY21 NIKE Impact Report publication in March 2022, NIKE updated the methodology used to calculate a subset of Scope 3 emissions, starting with FY22 data. These updates were not deployed to prior years. More information on these methodological changes is below.</p> <p>The Sustainable Apparel Coalition's Higg MSI (Higg MSI) is a database of environmental impact information specific for the footwear and apparel industry and is among many data sources used to construct NIKE's Scope 3 GHG emissions footprint. As the primary data source for quantifying NIKE's upstream materials emissions (inclusive of raw materials and materials production), NIKE leverages Higg MSI in a programmatic way to systematically calculate the carbon impact of all of its materials used to make product.</p>		 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION ∞</p> <p>13 CLIMATE ACTION Earth</p> <p>14 LIFE BELOW WATER Fish</p> <p>15 LIFE ON LAND Cloud</p>



Appendix GRI

GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
		<p>Category 1 – Purchased Goods And Services</p> <p>Materials used in Product</p> <p>In FY22, NIKE used Higg MSI version 3.5 as the raw process data source and mapped Higg processes to NIKE material attributes to calculate impacts on a per kilogram basis, specific to a Nike material. The material-level carbon impact emission factors are multiplied by the volume of those respective materials used in product based on produced units in any given year. Prior to FY22, NIKE used an earlier version of the Higg MSI database to estimate the impact of all NIKE materials. Further, the ability to map NIKE materials processes to Higg data was not as detailed as today. We're now able to more accurately align materials attributes (by process) to individual Higg process-level data.</p> <p>Materials used in Packaging</p> <p>Nike uses COMPASS – a third-party packaging life-cycle assessment (LCA) software – to calculate upstream materials and manufacturing carbon emission factors, to then estimate the impact of various packaging items including shoeboxes, polybags and hangtags. The packaging emission factors represent the carbon impact of the production and transport of materials and the manufacturing emissions associated with each packaging item.</p> <p>Prior to FY22, all emissions from packaging (e.g. materials and end-of-life) were included in Category 1 – Purchased Goods &amp; Services. As more granular data has become available, end-of-life emissions from packaging have been migrated to Category 12 (End-of-Life Treatment of Sold Products), starting with FY22 data.</p>		



## Appendix GRI

GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
		<p>Scope 3 emissions: Category 12 – End-Of-Life (EOL)</p> <p>Materials used in Product</p> <p>NIKE calculated EOL impacts of NIKE product based on derived material types and amounts used to manufacture product. Each material is classified as a specific category of material-type including:</p> <ul style="list-style-type: none"><li>– Non-Biodegradable Fossil Plastic</li><li>– Biodegradable Biogenic Plastic</li><li>– Biodegradable Fossil Plastic</li><li>– Non-Biodegradable Biogenic Plastic</li><li>– Biodegradable Biogenic Non-Plastics</li><li>– Inorganics</li></ul> <p>For each of these material-type categories, specific EOL carbon impact emission factors are derived based on the EPA's Waste Reduction Model (WARM) and derived biogenic carbon content. The EOL emission factor utilized was specific to each material type, and based on a weighted average breakdown of 67% landfill and 33% incineration, leveraging the global average waste treatment pathway for footwear and apparel products. For materials with biogenic carbon content, the fraction of biogenic and fossil carbon was taken into account when characterizing emissions. Before FY22, NIKE calculated EOL impacts of NIKE product based on the number of units produced, regardless of material type, and utilized an aggregated EOL carbon impact emission factor from the EPA's Waste Reduction Model (WARM). The proxy material used from WARM was the "mixed MSW" waste type. Assumptions on global average waste treatment pathways remain unchanged.</p> <p>Packaging</p> <p>Based on waste treatment data from the COMPASS software database, EOL carbon impacts are calculated using country and material-specific packaging waste treatment data and emissions factors. This includes assumptions from COMPASS on waste treatment pathways for specific geographies and material type pairings as well as emissions factors for each type of treatment (e.g. recycling, landfilling). Prior to FY22, NIKE included the EOL impacts of Packaging in the "Purchased Goods and Services" category.</p>		
305-4	GHG emissions intensity	NIKE, Inc. Management Assertion: page 201 Nike reports intensity as kWh per square foot.		



Appendix GRI

GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
305-5	Reduction of GHG emissions	Carbon: pages 90–111 NIKE, Inc. Management Assertion: pages 198–203		 UNGC Principle 8
305-6	Emissions of ozone-depleting substances (ODS)	Nike does not track emissions of ozone-depleting substances.		
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Nike does not track NOx, SOx, and other air emissions.		



Appendix GRI

GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
3-3	Management of material topics	Waste: pages 111–122 <u>Sustainability Commitments</u> <u>Nike Code Leadership Standards: pages 25–31</u>		
306-1	Waste generation and significant waste-related impacts	Waste: pages 111–122		
306-2	Management of significant waste-related impacts	Waste: pages 111–122		
				UNGC Principle 8



Appendix GRI

GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
306-3	Waste generated	Data Tables: page 185  GRI: pages 193–194		
306-4	Waste diverted from disposal	Waste: pages 111–122  Data Tables: page 185		
306-5	Waste directed to disposal	Data Tables: page 185		
3-3	Management of material topics	Health & Safety: pages 64–68  <u>Nike Code Leadership Standards: pages 38-71, 75-105</u>		
403-1	Occupational health and safety management system	Health & Safety: pages 64–68  <u>Nike Code Leadership Standards: pages 17-20</u>		



## Appendix GRI

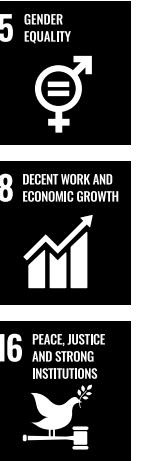
GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
403-2	Hazard identification, risk assessment, and incident investigation	Health & Safety: pages 64–68		 8 DECENT WORK AND ECONOMIC GROWTH
403-3	Occupational health services	Health & Safety: pages 64–68 <u>Nike Code Leadership Standards: pages 17–20</u>		
403-4	Worker participation, consultation, and communication on occupational health and safety	Health & Safety: pages 64–68 <u>Nike Code Leadership Standards: page 20</u>		  8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
403-5	Worker training on occupational health and safety	Health & Safety: pages 64–68 Occupational Health and Safety: pages 58–59 <u>Supply Chain Health and Safety</u>		 8 DECENT WORK AND ECONOMIC GROWTH
403-6	Promotion of worker health	Health & Safety: pages 64–68 Occupational Health and Safety: pages 58–59 <u>Supply Chain Health and Safety</u>		 3 GOOD HEALTH AND WELL-BEING
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health & Safety: pages 64–68 Occupational Health and Safety: pages 58–59 <u>Supply Chain Health and Safety</u>		 8 DECENT WORK AND ECONOMIC GROWTH
403-8	Workers covered by an occupational health and safety management system	Health & Safety: pages 64–68 Occupational Health and Safety: pages 58–59 <u>Supply Chain Health and Safety</u>		



GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
403-9	Work-related injuries	Data Tables: page 171 Health and Safety: pages 64–68		 <b>3</b> GOOD HEALTH AND WELL-BEING
403-10	Work-related ill health	Data Tables: pages 171 Occupational Health and Safety: pages 58–59 <u>Supply Chain Health and Safety</u> Pay and Benefits: pages 47–48		 <b>8</b> DECENT WORK AND ECONOMIC GROWTH  <b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS
3-3	Management of material topics	Representation & Hiring: pages 20–40 Pay & Benefits: pages 40–50 Inclusive Culture & Engagement: pages 50–59 <u>Sustainability Commitments</u> <u>Nike Code Leadership Standards</u> : pages 112–114		
405-1	Diversity of governance bodies and employees	Data Tables: pages 164–170 Representation and Hiring: pages 20–40		
405-2	Ratio of basic salary and remuneration of women to men	Pay & Benefits: pages 40–41		 

UNGC Principle 6



GRI Number	Disclosure	Location and notes	Omission	UNGC Principle / SDG Mapping
3-3	Management of material topics	<a href="#">Code of Conduct: pages 83–84</a> <a href="#">Sustainability Commitments</a> <a href="#">Nike Code Leadership Standards: pages 106–112</a>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">Data Tables: page 173</a> <a href="#">Code of Conduct: pages 83–84</a>		 UNGC Principle 4
3-3	Management of material topics	<a href="#">Health &amp; Safety: pages 64–69</a> <a href="#">Nike Code Leadership Standards: pages 63-71</a>		
414-1	New suppliers that were screened using social criteria	<a href="#">Code of Conduct: page 79</a>		
414-2	Negative social impacts in the supply chain and actions taken	<a href="#">Data Tables: page 173</a>		



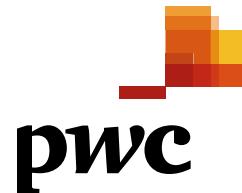
## Appendix Notes

### Reference GRI 2-4: Restatements of information

Dataset	Page	Reason
Scope 1 Emissions; Direct Fuel Use	49, 110, 180, 182	The factors described below contributed to historical revisions of Scope 1 emissions data. With the updates, scope 1 emissions are +9% historically reported values, for both FY20 and 21. 1. Distribution Centers – Minor formulaic error discovered and corrected in biogas calculations. 2. Offices and Air MI – Expanded the reporting scope to include refrigerants as an emissions source. 3. Headquarter Fleet Vehicles – Gaps in historical diesel fuel and EHQ and Converse HQ fleet were addressed.
Target: 70% Emissions Reduction in Owned or Operated Facilities		
Data tables: Numerous		
Carbon Target: 0% Emissions Change in Manufacturing & Transportation	13, 49, 110, 181	Outbound Transportation Emissions Internal reporting restructuring shifted treatment of Global Store to further consistency in geography reporting. During the shift, minor shipping adjustments that were made post-data lockdown were absorbed in the transportation emissions calculation system. Historical outbound emissions increased <0.01% as a result.
Data Tables: Scope 3 Emissions: Manufacturing & Logistics (Metric Tons CO <sub>2</sub> e)		
Sbt Footprint FY15-22 (Metric Tons CO <sub>2</sub> e)		
Waste Target: 10% Waste Reduction per Unit in Manufacturing, DCs, and HQs	14, 187	Various changes across NIKE's waste footprint required revisions to historical waste data. These include: <ol style="list-style-type: none"><li>1. Finished goods manufacturing footwear waste – Internal waste scrap material guide was updated to reflect evolution in waste tracking capabilities and materials used, establishing more granularity than was previously available. Material reused in the factory that isn't considered waste was scoped out of historical waste values as a result. The difference in updated footwear finished goods manufacturing waste per unit compared to historically reported values of the same scope (FY20, 21) is -&lt;0.5% per year. The revisions impact historically reported enterprise waste diversion by reducing diverted waste by &lt;0.01%.</li><li>2. Finished goods manufacturing apparel waste – Fabric previously reported as downcycled/open loop is now reproduced for another brand in the same factory, enabling the shift to being classified as closed loop. Changes were made in tandem with the footwear revisions described above, deployed back to FY20 when the process shift initiated. These changes, together with those from the footwear scrap material guide updates described above, impacted FY20 and 21 enterprise waste recycling by lowering it &lt;0.5%.</li><li>3. Packaging – Formulaic errors in baseline source data transformations were discovered and resolved across footwear, apparel, and accessories packaging, increasing overall FY20 packaging waste by 1% compared to historically reported values.</li></ol>
Waste Target: 100% Waste Diverted; 80% Recycled in Manufacturing, Packaging, DCs, and HQs		
Data table: waste (Metric Tons)		



## Appendix Assurance Report



Report of  
Independent  
Accountants

# PwC Assurance Report

## To the Board of Directors of NIKE, Inc.

We have reviewed the accompanying NIKE, Inc. (NIKE) management assertion that the energy & emissions metrics for the year ended May 31, 2022 and the cumulative water restoration funding metric as of May 31, 2022 (collectively the "sustainability metrics") in management's assertion are presented in accordance with the assessment criteria set forth in management's assertion. NIKE's management is responsible for its assertion and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the sustainability metrics. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, Concepts Common to All Attestation Engagements, and AT-C section 210, Review Engagements. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made

to management's assertion in order for it to be fairly stated. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

Our firm applies the Statements on Quality Control Standards established by the AICPA and, accordingly, maintains a comprehensive system of quality control.

The procedures we performed were based on our professional judgment. In performing our review, we performed inquiries, performed tests of mathematical accuracy of computations on a sample basis, read relevant policies to understand terms related to relevant information

about the sustainability metrics, reviewed supporting documentation in regard to the completeness and accuracy of the data in the sustainability metrics, and performed analytical procedures.

Greenhouse gas (GHG) emissions quantification is subject to significant inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

The preparation of the energy consumption metrics require management to establish the criteria, make determinations as to the relevancy of information to be included, and make assumptions that affect reported information. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported. As discussed in management's assertion,

NIKE has (i) estimated GHG emissions for certain sources and consumption for energy metrics for which no primary usage data is available and (ii) in fiscal year 2022, changed its reporting boundary to include fugitive emissions from refrigerant gas loss in reporting its Scope 1 emissions for certain facilities.

Based on our review, we are not aware of any material modifications that should be made to NIKE's management assertion in order for it to be fairly stated.

Portland, Oregon  
March 23, 2023



## Appendix NIKE, Inc. Management Assertion

# NIKE, Inc.'s Management Assertion

Fiscal Year ended or as of May 31, 2022

## Energy and Emissions

For the Fiscal Year ended May 31, 2022 (FY22)	
Total Energy <sup>76</sup> Consumption (MWh)	815,320
Renewable Electricity Consumption (MWh / %)	547,405 / 93%
Renewable Energy Consumption (MWh / %)	550,114 / 67%
Scope 1 (Direct) Emissions (Metric tons CO <sub>2</sub> e)	50,868
Scope 2 (Indirect) Location-Based Emissions (Metric tons CO <sub>2</sub> e)	224,035
Scope 2 (Indirect) Market-Based Emissions (Metric tons CO <sub>2</sub> e)	24,900
Scope 3 (Category 6) Emissions from Commercial Air Travel (Metric tons CO <sub>2</sub> e)	13,297
Scope 3 (Category 4) Emissions from logistics (inbound) (Metric tons CO <sub>2</sub> e)	413,998
Scope 3 (Category 4) Emissions from logistics (outbound) (Metric tons CO <sub>2</sub> e)	152,869

## Overview

NIKE, Inc. (“NIKE”) management is responsible for the selection of the assessment criteria, which management believes provide an objective basis for measuring and reporting on the energy and emissions and the cumulative water restoration funding metrics (collectively the “sustainability metrics”) presented in the tables above. NIKE management is also responsible for the completeness, accuracy, and validity of the sustainability metrics.

## Water Restoration Funding

Cumulative since 2019 program inception, as of May 31, 2022	
Water Restoration project funding (Australia, India, and Pakistan) in NIKE's Extended Cotton Supply Chain (USD)	\$975,000

<sup>76</sup> Includes direct fuel use and purchased or acquired electricity consumption.



## Appendix NIKE, Inc. Management Assertion

# ENERGY AND EMISSIONS

### Standards

NIKE captures, calculates, and reports direct and indirect greenhouse gas (GHG) emissions data with consideration of the principles and guidance of the World Resources Institute (WRI) and the World Business Council for Sustainable Development's (WBCSD) *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)* ("GHG Protocol") and the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard: Supplement to the GHG Protocol Corporate Accounting and Reporting Standard*, which are recognized external standards.

### Organizational Boundary

NIKE uses the operational control approach in conformance with the GHG Protocol to report its energy and emissions for 100% of the facilities where NIKE has operational control.

### Scope

NIKE's Scope 1, 2, a subset of Scope 3 emissions (commercial air travel and outbound and inbound logistics), total energy consumption, renewable energy consumption and renewable electricity consumption reporting coverage is outlined in the chart on pages 218 and 219.

Emissions Source	Scope Description
Renewable Electricity Consumption	<ul style="list-style-type: none"><li>- Percentage of global electricity sourced from renewable electricity is calculated as follows: (Renewable Electricity in MWh)/(Total Electricity Consumption in MWh) X 100.</li><li>- Renewable electricity includes onsite solar and wind consumed, electricity purchased via Energy Attribute Certificates and Electricity Contracts as described in NIKE's market-based emissions table below.</li><li>- Total electricity consumption includes electricity, onsite solar and onsite wind consumption.</li><li>- Actual activity data is sourced from direct measurement or third-party invoices when possible. Where actual data is not available, consumption is estimated. Our estimation methodology for electricity is described below.</li></ul>
Renewable Energy Consumption	<ul style="list-style-type: none"><li>- Percentage of global energy sourced from renewable energy is calculated as follows: (Renewable Direct Fuel Use in MWh + Renewable Electricity in MWh) / (Total Direct Fuel Use in MWh + Total Electricity Consumption in MWh) X 100.</li><li>- Renewable direct fuel includes sustainable aviation fuel (SAF) and biogas.</li><li>- Total direct fuel use includes natural gas, hi-sene, diesel, propane, gasoline, jet fuel, sustainable aviation fuel and biogas. Refer above for total electricity consumption.</li><li>- Actual activity data is sourced from direct measurement or third-party invoices when possible. Where actual data is not available, consumption is estimated. Our estimation methodology for natural gas and electricity are described below.</li></ul>
Retail	<ul style="list-style-type: none"><li>- Includes NIKE owned or operated NIKE Brand and Converse stores globally.</li><li>- Energy consumption includes natural gas and electricity. Natural gas usage outside of the U.S. and Canada (and for landlord-managed facilities in the U.S. and Canada), and electricity usage outside of the U.S., Canada, and EU (and for landlord-managed facilities in the U.S., Canada, and EU), is estimated. Our estimation methodology is described below.</li><li>- Refrigerant leakage from HVAC units are not included in reporting at this time.</li></ul>
Distribution Centers (DCs)	<ul style="list-style-type: none"><li>- Includes top 37 NIKE owned or operated DCs globally as of May 31, 2022, which represent approximately 87% of shipped units.</li><li>- Energy consumption includes natural gas, hi-sene, diesel, propane, electricity, onsite solar, and onsite wind.</li><li>- Diesel is used in backup generators.</li><li>- Propane is used in at least two DCs for scrubbers/ floor sweepers. A portion of propane usage is estimated leveraging known propane usage. Our estimation methodology is described below.</li><li>- In addition, emissions include fugitive emissions from refrigerant gas loss. Our estimation methodology is described below.</li></ul>



Appendix NIKE, Inc. Management Assertion

Emissions Source	Scope Description
Offices	<ul style="list-style-type: none"><li>- Includes emissions from building facilities at 4 Headquarter (“HQ”) locations: World Headquarters U.S. (“WHQ”), European HQ, Greater China HQ (“GCHQ”), and Converse HQ (together covering nearly 11 million ft<sup>2</sup>). Also includes emissions from non-HQ office facilities (such as regional sales offices).</li><li>- Energy consumption within HQs includes natural gas, diesel, propane, electricity, and onsite solar; within non-HQ offices, energy consumption includes natural gas and electricity only. Natural gas usage within non-HQ offices outside of the U.S. and Canada (and for landlord-managed facilities in the U.S. and Canada), and electricity usage within non-HQ offices outside of the U.S., Canada, and EU (as well as for landlord-managed facilities in the U.S., Canada, and EU), is estimated. Our estimation methodology is described below.</li><li>- Diesel is used in backup generators.</li><li>- Propane is used in food services, vendor landscaping services, and some forklifts.</li><li>- FY22 represents our first year including fugitive emissions from refrigerant gas loss for our HQ and non-HQ office facilities. Our estimation methodology is described below. In prior years, this source was reported as a known exclusion in NIKE’s office data.</li></ul>
Air Manufacturing Innovation (Air MI)	<ul style="list-style-type: none"><li>- Includes NIKE-owned manufacturing facilities and related facilities that are the primary producers of NIKE air units.</li><li>- Energy consumption includes natural gas, diesel, propane, and electricity.</li><li>- Diesel is used in backup generators.</li><li>- Propane is used in a single limited application in one Air MI facility.</li><li>- FY22 represents our first year including fugitive emissions from refrigerant gas loss. Our estimation methodology is described below. In prior years, this source was reported as a known exclusion in NIKE’s Air MI data.</li></ul>
Vehicles	<ul style="list-style-type: none"><li>- Vehicles include service vehicles at WHQ and GCHQ.</li><li>- Fuel consumption includes gasoline.</li><li>- Company-leased fleet vehicles for use by employees in other geographies are not included in reporting at this time.</li></ul>
Jets	<ul style="list-style-type: none"><li>- Includes jet and sustainable aviation fuel from our business travel using NIKE’s corporate jets, operated from the U.S., presented in Scope 1 emissions.</li><li>- FY22 represents our first year including sustainable aviation fuel.</li></ul>
Commercial Travel	<ul style="list-style-type: none"><li>- Data represents commercial business air travel for all employees across 40 countries.</li><li>- Commercial air travel emissions are estimated based on mileage calculated from number and route distance of trips, presented in Scope 3 emissions.</li></ul>
Outbound Logistics	<ul style="list-style-type: none"><li>- Data represents approximately 95% of global outbound transportation and distribution of products sold via the following modes of transportation: air, ocean, truck, and rail. Reported figures reflect well to wheel emissions.</li><li>- Emissions from transportation of Converse products outside of North America and transportation of NikeID products are excluded.</li></ul>
Inbound Logistics	<ul style="list-style-type: none"><li>- Data represents approximately 95% of global inbound transportation and distribution of finished goods via the following modes of transportation: air, ocean, truck, and rail. Reported figures reflect well to wheel emissions.</li><li>- Emissions from transportation of Converse products outside of North America and transportation of NikeID products are excluded.</li></ul>



## Appendix NIKE, Inc. Management Assertion

### GHG Base Data

Activity data used to calculate Scope 1 (direct) emissions is sourced from direct measurements or third-party invoices (e.g., hi-sene, diesel, propane, gasoline, jet fuel, sustainable aviation fuel, and natural gas). Activity data used to calculate Scope 2 (indirect) emissions is sourced from third-party invoices (e.g., electricity) wherever possible and is collected across the business via a variety of internal processes and systems. Scope 3 (commercial air travel) data used to report GHG emissions from transporting our employees is obtained from reports provided by third parties which includes number of flights and distance data. Activity data used to calculate Scope 3 inbound and outbound emissions are sourced from third-party invoices (e.g., supplier expenditure including weight, transportation type, distance, and weight/volume) and is collected across the business via a variety of internal processes and systems.

As described in this assertion, activity data for Scope 1 and Scope 2 is sourced from estimates where actual consumption data is not available. NIKE continues to work on obtaining systematic access to more actual consumption data. Estimates are described in more detail below. Reported data has been rounded to the nearest whole number.

### Estimation Methodology

Estimation methodologies employ reasonable assumptions to avoid understating NIKE's emissions footprint and are described below.

Emissions Source	Scope Description
Natural Gas (retail and non-HQ offices outside of the U.S. and Canada, and landlord-managed facilities in the U.S. and Canada)	Where actual data is not available, natural gas usage is estimated for non-HQ offices outside of the U.S. and Canada, and for landlord-managed facilities in the U.S. and Canada. Square footage of retail and non-HQ offices per country is used, along with country-level climate assumptions and 2012 Commercial Buildings Energy Consumption Survey (CBECS) energy use intensity (kWh per square foot) based on climate region. In the U.S. and Canada, where some facilities are landlord-managed and visibility related to energy consumption is low, our internal known average country-level energy use intensity is used instead of the external CBECS benchmark. In FY22, approximately 89% of retail natural gas consumption, and approximately 50% of office natural gas consumption, were estimated. Approximately 89% of reported retail Scope 1 emissions in FY22 were estimated, and approximately 37% of reported office Scope 1 emissions in FY22 were estimated.
Electricity (retail and non-HQ offices outside of the U.S., Canada, and EU, and landlord-managed facilities in the U.S., Canada, and the EU)	Where actual data is not available, electricity usage is estimated for non-HQ offices outside of the U.S., Canada, and EU and for landlord-managed facilities in the U.S., Canada, and EU. Square footage of retail and non-HQ offices per country is used, leveraging actual FY22 square footage data, along with electricity intensity (kWh per square foot of known FY22 NIKE electricity usage in retail or non-HQ offices). In FY22, approximately 54% of retail electricity consumption, and approximately 24% of office electricity consumption, were estimated. Almost 100% of reported retail Scope 2 market-based emissions and approximately 68% of reported retail Scope 2 location-based emissions in FY22 were estimated. Almost 80% of reported office Scope 2 market-based emissions and approximately 36% of reported office Scope 2 location-based emissions in FY22 were estimated.
Propane (DC)	Propane usage at two DCs is estimated leveraging propane consumption intensity at a comparable DC based on relative square footage.



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Emissions Source	Scope Description
Fugitive emissions from refrigerant gas loss (DCs, HQ and non-HQ offices, Air MI)	<p>DCs: Calculated by applying a default emissions leak rate of 10% (sourced from Table 3 of the U.S. EPA's <i>Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases published in December 2020</i>) to the total system capacity across all units. The assumed refrigerant is R-410A.</p> <p>Air MI &amp; World Headquarters (WHQ): Calculated using material balance<sup>77</sup> where possible. When total recharge amount<sup>78</sup> is not available to calculate emissions by material balance, equipment-specific charge capacities and default emissions leak rates from Table 3 of the U.S. EPA's <i>Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases published in December 2020</i> are used. Default emissions leak rates range from 10% to 35% depending upon equipment type. Unless otherwise known, the assumed refrigerant is R-410A.</p> <p>Non-WHQ Offices: Refrigerant use intensity (<math>2.0 \times 10^{-7}</math> metric tons refrigerant lost per square foot per year) from The World Bank Group <i>Greenhouse Gas Emissions Inventory Management Plan for Internal Business Operations</i>, 2019, was applied to total office square footage to calculate total office refrigerant emissions. To calculate refrigerant use intensity, one ton of cooling per 500 ft<sup>2</sup> is multiplied by a conversion factor of one ton of cooling per one kg of refrigerant charge and then by an assumed leakage rate of 10%. The assumed refrigerant is R-410A.</p> <p>Global warming potentials for all refrigerant gases come from the <i>Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (Assessment Report 5 - 100 year)</i> published in 2014.</p>

<sup>77</sup> The Material Balance Method uses a mass balance analysis to calculate releases of refrigerants from equipment and associated emissions, based on: inventory (in storage, not in operating equipment), purchases and sales of refrigerants, and changes in total refrigerant capacity of equipment during the emissions reporting period. In NIKE's case: refrigerant emissions from material balance method =  $(P_N - C_N) + P_S + (C_D - R_D)$

–  $P_N$  = purchases of refrigerant used to charge new equipment (omitted if the equipment has been pre-charged by the manufacturer)  
–  $C_N$  = total refrigerant capacity of the new equipment (omitted if the equipment has been pre-charged by the manufacturer)  
–  $P_S$  = purchases of refrigerant used to service equipment  
–  $C_D$  = total refrigerant capacity of retiring equipment  
–  $R_D$  = refrigerant recovered from retiring equipment

<sup>78</sup> Net sum of charge capacities across equipment types for NIKE operations, where charge capacity is the amount of refrigerant needed to run a refrigeration cycle.



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### Emission Factors

Emissions are reported in metric tons of carbon dioxide equivalent and include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and refrigerant R-410A.

Exceptions to reporting CH<sub>4</sub> and N<sub>2</sub>O are as follows:

- Facilities' emissions are reported in CO<sub>2</sub>e, however, within a limited subset of consumption data, emission factors for other gases (CH<sub>4</sub>, N<sub>2</sub>O) are not provided. These exceptions include AIB/EU Residual Mix Emissions factors, and Green-e/US Residual Mix. In these cases, CH<sub>4</sub> and N<sub>2</sub>O emissions are sourced from the next available source in the market-based emission factors hierarchy.
- Commercial Travel emissions are in CO<sub>2</sub> due to data availability.

Carbon dioxide emissions and equivalents resulting from the activities and business units described above have been determined on the basis of measured or estimated fuel and electricity usage, multiplied by relevant, published carbon emission factors, which are updated annually according to an internal policy to use the most recent emission factors available before the annual

internal cutoff date, which is 15 days after the fiscal year end. Carbon dioxide equivalent emissions utilize GWPs sourced from the *Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (Assessment Report 5–100 year)*.

Prior to conversion to CO<sub>2</sub>e, metric tons of GHG emissions by gas are 79,962, 8, 0.62, and 2.29 of CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, and R-410A, respectively. The other GHGs of sulfur hexafluoride (SF<sub>6</sub>), perfluorocarbons (PFCs) and nitrogen trifluoride (NF<sub>3</sub>) are not emitted by NIKE facilities.

In quantifying market-based electricity GHG emissions, *GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard* defines a hierarchy of factors for quantifying market-based emissions, in order from highest to lowest precision. The table to the right describes the hierarchy and the relevance to NIKE for the current year reporting<sup>79</sup>.

Emission Source Type	Emission Factor Employed
Direct Line Connection	Not applicable
Energy Attribute Certificates	Where NIKE purchases Renewable Energy Credits (RECs) and retains environmental attributes, NIKE applies these RECs to electricity consumption across owned or operated facilities, reflecting market boundary considerations. Remaining consumption is converted to CO <sub>2</sub> e using the respective emission factors. Emissions from biofuel renewable energy credits are calculated using biofuel source-specific emission factors applied to CO <sub>2</sub> and to fugitive emissions for CH <sub>4</sub> and N <sub>2</sub> O.
Electricity Contracts	Where Renewable Energy Credits (RECs, or Guarantees of Origin (GOs)) generated via (virtual) power purchase agreements are retained by NIKE, NIKE applies these RECs to electricity consumption across owned or operated facilities, reflecting market boundary considerations. Remaining consumption is converted to CO <sub>2</sub> e using the respective emission factors.
Residual Mix	U.S. & Canada: NIKE applies residual mix emission factors from Green-e Energy U.S. Residual Mix Emissions Rates. EU: NIKE applies country emission factors from Association of Issuing Bodies (AIB).
Location-Based Factors	If none of the above options are available, NIKE uses location-based factors as described in the table on the following page.

<sup>79</sup> In the absence of a contractual instrument (or electricity consumption that exceeds onsite renewables and contractual instruments), NIKE historically applied energy supplier-specific emission factors when available and met a third-party quality criteria review. Supplier-specific emission factors are not used in FY22 reported data as Power Purchase Agreements initiated in FY20 and FY21 are used instead.



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This table outlines the emission factor sources used in FY22 emissions calculations.

Emissions Source	Emission Source Type	Emission Factor Employed
Scope 1	Natural Gas	GHG Protocol Emission Factors from Cross-Sector Tools March 2017
Scope 1	Hi-sene	GHG Protocol Emission Factors from Cross-Sector Tools March 2017
Scope 1	Diesel	GHG Protocol Emission Factors from Cross-Sector Tools March 2017
Scope 1	Propane	GHG Protocol Emission Factors from Cross-Sector Tools March 2017
Scope 1	Gasoline	GHG Protocol Emission Factors from Cross-Sector Tools March 2017
Scope 1	Jet Fuel	GHG Protocol Emission Factors from Cross-Sector Tools March 2017
Scope 1	Sustainable Aviation Fuel	GHG Protocol Emissions Factors from Cross-Sector Tools March 2017
Scope 2	Electricity	Contractual instruments: (Virtual) Power Purchase Agreements (vPPA); energy attribute certificates (EAC). In FY22, NIKE applied PPAs/vPPAs and EACs for: <ul style="list-style-type: none"><li>- Facilities in Oregon, U.S. that are in scope of NIKE's PPA with Avangrid</li><li>- Facilities in the U.S. and Canada that are in scope of NIKE's U.S. vPPA</li><li>- Facilities in the European Economic Area that are in scope of NIKE's EU vPPA</li><li>- Facilities in the EU, Greater China (GC), and Asia, Pacific and Latin America (APLA) that purchase solar and/or wind, biomass, or smallscale hydro unbundled Guarantees of Origin (GOs)/Energy Attribute Certificates (EACs)</li></ul>
Scope 2	Electricity (U.S. and Canada)	Green-e Energy US Residual Mix Emissions Rates <i>For facilities in the U.S. and Canada that do not have contractual instruments, NIKE uses residual mix factors.</i>
Scope 2	Electricity (U.S.)	eGRID (location-based) <i>In the absence of contractual instruments and residual mix factors, NIKE applies a regional/national grid mix factor. This only applies to landlord-managed facilities in the U.S.</i>
Scope 2	Electricity (EU)	AIB European Residual Mixes <i>For facilities in the EU that do not have contractual instruments available, NIKE uses residual mix factors.</i>
Scope 2	Electricity (Global, excluding U.S.)	IEA World Electricity CO <sub>2</sub> Emissions Factors (location-based) <i>In the absence of contractual instruments, residual mix factors, and a regional/national grid mix factor, NIKE applies a protocol that covers all countries globally. This global protocol serves as a catch-all for any facilities that haven't obtained an emission factor from a more granular source in the market-based hierarchy.</i>



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### Uncertainty

GHG emissions quantification is subject to significant inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

The preparation of the energy consumption metrics requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make assumptions that affect reported information. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

NIKE recognizes that commercial air travel and logistics remain an estimate since unforeseen circumstances can occur (e.g., different routes due to adverse weather or unforeseen aircraft fleet changes), however the figures presented are considered to be a reasonable estimate of NIKE's commercial air travel and logistics emissions.

Emissions Source	Emission Source Type	Emission Factor Employed
Scope 3 (Commercial Travel only)	Air travel	GHG Protocol Emission Factors from Cross-Sector Tools March 2017
Scope 3 (Outbound Logistics)	Air, Ocean, Truck and Rail Shipping	Outbound logistics emission factors are sourced in compliance with the European Standards Methodology for calculations and declaration of energy consumption and GHG emissions of transport services (freight and passengers) DIN EN 16258 standard (March 2013).
Scope 3 (Inbound Logistics)	Air, Ocean, Truck and Rail Shipping	Inbound logistics emission factors are sourced in compliance with the European Standards Methodology for calculations and declaration of energy consumption and GHG emissions of transport services (freight and passengers) DIN EN 16258 standard (March 2013).



## Appendix NIKE, Inc. Management Assertion

# WATER

### Background

In support of its Water Restoration target, NIKE funds project work aimed at supporting the long-term resilience of the water basins within its extended cotton supply chain. Thus far, NIKE has not implemented water restoration project activities itself, but instead supports project activities and implementation conducted by third-party NGOs. Additionally, NIKE partners with third-party engineering firms to calculate approximate restoration volumes and tracks the volume of water restored through these projects. Since the inception of NIKE's Water Restoration projects in India, Australia, and Pakistan (new in FY22), NIKE has funded \$975,000 for the three projects.

### Scope

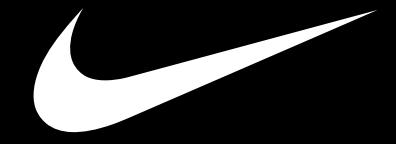
NIKE's water restoration efforts focus on regions in Tier 4 of its extended cotton supply chain. NIKE only considers water restored through this portfolio of projects when calculating progress towards the water restoration target. Additional water restoration that occurs incidentally in or through unrelated NIKE activities is not included.

### Estimation Methodology

NIKE works with project implementation partners and third-party engineering firms to quantify volumetric benefits from the water restoration projects. This quantification approach aligns with the World Resources Institute's Volumetric Water Benefit Accounting Methodology and uses version 8.0 of the United Nations Food and Agricultural Organization (FAO) CROPWAT program and version 1.2.1 (QSWAT+) of the Soil and Water Assessment Tool (SWAT) model. Data inputs for quantification are provided by the project implementation partners and estimated volumetric benefits are discussed and confirmed with project partners and third-party engineering firms.

The project types included in this volume of water restored include:

- 1 Agricultural water demand reduction measures (Beed District, Maharashtra State, India)
  - a. VWB Indicator: Annual average volume of water provided
  - b. Calculation Method: Volume Provided method
- 2 Land conservation (Nimmie-Caira Wetlands, New South Wales (NSW), Australia)
  - a. VWB Indicator: Avoided runoff
  - b. Calculation Method: Curve Number method
- 3 Wetland restoration and creation (Nimmie-Caira Wetlands, NSW, Australia)
  - a. VWB Indicator: Increased recharge
  - b. Calculation Method: Recharge method
- 4 Forest rehabilitation (Ayubia National Park, Pakistan)
  - a. VWB Indicator: Avoided runoff
  - b. Calculation Method: Curve Number method
- 5 Rainwater harvesting (Ayubia National Park and Uchhali Complex, Pakistan)
  - a. VWB Indicator: Increased recharge, volume captured, and available supply
  - b. Calculation Method: Volume Provided and Capture and Infiltration Method
- 6 Drinking water storage and ablution water system creation (Ayubia National Park and Uchhali Complex, Pakistan)
  - a. VWB Indicator: Annual average volume of water provided
  - b. Calculation Method: Volume Provided method
- 7 Wetland treatment system construction (Uchhali Complex and South Punjab, Pakistan)
  - a. VWB Indicator: Treatment efficiency
  - b. Calculation Method: Volume Treated method
- 8 Agricultural and irrigation efficiency improvements (South Punjab, Pakistan)
  - a. VWB Indicator: Agricultural water demand reduction
  - b. Calculation Method: Withdrawal and Consumption method



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