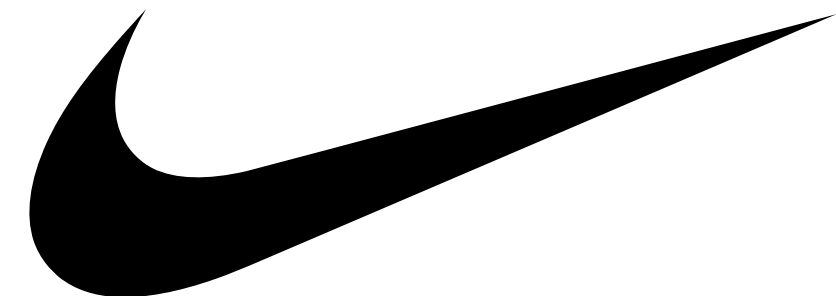
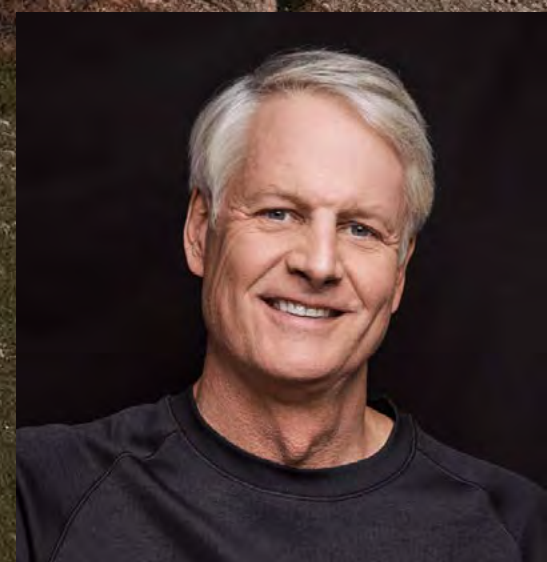


# MOVING TOGETHER



LETTER FROM OUR CEO

# SPORT BRINGS PEOPLE TOGETHER IN A WAY THAT FEW OTHER THINGS CAN



At NIKE, we embrace the power of sport to move the world forward.

Sport brings people together in a way that few other things can. One of our foundational missions is to invite more people – including the next generation of athletes – into sport. And we welcome them into sport by fueling connection, always inspiring deeper relationships for our athletes.

In other words: we believe in community. It's through community that we pursue our goal of creating a better world, one that's inclusive, equitable, diverse and sustainable.

This is work that's core to our DNA. We've always been focused on growing and supporting communities of athletes, from the advent of a running community by our co-founder Bill Bowerman in the 1960s, to our "If You Let Me Play" campaign in the 1990s advocating for women and girls in sport, to our commitments made to the Black community in the summer of 2020.

Our athletes' voices inspire us. For three years now, direct dialogue with our female athletes has helped us take action to build a better future through Athlete Think Tank. This platform is such a great demonstration of truly empowering community – working together with shared vision and purpose to improve NIKE and the broader world of sport.

As I write this, there's great anticipation building toward this summer's Olympic and Paralympic Games, in Paris. To deliver on these expectations, our teams around the world are working tirelessly. NIKE has a long history of using these global moments to bring our best, taking seriously our role in unifying the world around sport.

The Games have such a unique ability to bring people together, both within countries and across countries. As we look to this summer, we're excited to bring together our athletes, consumers, employees and more to advance NIKE's purpose through sports' biggest stage.

Our belief in bringing people together through sport elevates all that we do. It fuels our long-term growth, enabling value-guided decision-making and building the future we want to see in the world.

In FY23, we showed leadership across our Purpose focus areas. Through our commitments to equity, accessibility and sustainability, we created meaningful change and paved the way for future generations to be able to enjoy sport.

Whether it's getting more than one million kids active around the globe, spending a cumulative \$1.4 billion with diverse suppliers or reducing 69% of GHG emissions since 2020 in our owned and operated facilities, we choose to act with confidence in the face of today's most pressing challenges.

These successes, as well as many others outlined in this report, prove what can happen when your actions are always grounded in a greater purpose. Whether it's on the playing field or off it, we are setting new expectations for human potential in ways that impact our entire global community of athletes.

Across our three brands, we are resolute in creating a future where everyone has what they need to succeed. We don't wait for solutions; we create them. It's what the world expects of NIKE – and it's what we expect from ourselves.

We're excited by what we've achieved in FY23. But what excites us even more is the impact we'll continue to have – helping athletes dream big and then realize those dreams, as we connect the joy and optimism of sport to our community, today and for many years to come.

John Donahoe  
President and CEO  
NIKE, Inc.

LETTER FROM OUR BOARD COMMITTEE CHAIR

# AS A VALUES-LED COMPANY NIKE IS FUELED BY OUR PURPOSE

Our belief in doing the right thing motivates us, as we create value for shareholders and inspire our community of athletes all over the world. It's a focus that NIKE takes seriously as the global athletic market leader – we set bold, ambitious goals to show what's possible for the greater industry.

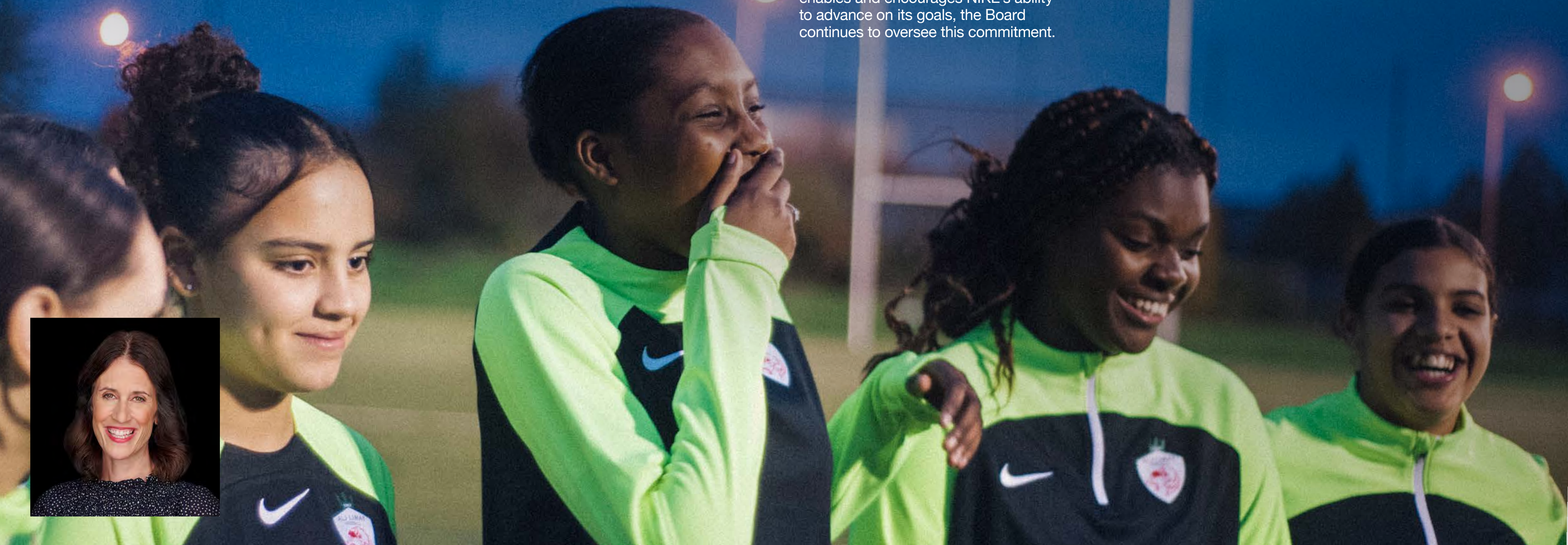
Nearly 25 years ago, the NIKE, Inc. Board of Directors established a Corporate Responsibility Committee to oversee areas related to the environment and sustainability, labor, community affairs and charitable activities, and diversity and equal opportunity. Soon thereafter, NIKE released its first-ever Corporate Responsibility Report, a demonstration of the company's commitment to transparency and accountability in these matters.

Our commitment to corporate purpose remains just as deeply felt today. And knowing as we do that strong governance enables and encourages NIKE's ability to advance on its goals, the Board continues to oversee this commitment.

Today, the Board's oversight of NIKE's purpose comes to life through the Corporate Responsibility, Sustainability & Governance Committee. The committee oversees both the risks and opportunities associated with NIKE's three purpose pillars: People, Planet and Play. As a committee, we have been particularly proud of the company's progress against its five-year purpose targets.

On behalf of the Board, we are pleased to share NIKE's progress in this FY23 Impact Report.

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



## ABOUT THIS REPORT

### OUR TARGETS

In 2005 NIKE published its first set of five-year targets and has stayed committed to this practice ever since.

Today we have a set of 29 ambitious corporate targets for FY20 to FY25 focused on our Purpose across People, Planet and Play. These targets represent a multi-year commitment to drive meaningful impact, meet stakeholder expectations, and align with NIKE's business priorities.

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

- Connect executive compensation to progress against our 2025 targets
- Leverage annual milestones and rigorous data governance to improve performance management
- Extend accountability of targets deeper into our value chain, specifically in the areas of waste, labor and supplier diversity
- Prepare this report in reference to the GRI standards aligned to the UN Sustainable Development Goals

### ABOUT THIS REPORT

This year's report represents the third year of performance against our 2025 targets. For each target our report provides context on our goal, approach and challenges, the initiatives underway to reach the target and updates on the results of our efforts for the fiscal year.

Throughout the report, we have included spotlights on the teams and programs helping drive this work around the world, to recognize 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 setbacks – we are proud to do so in our FY23 Impact Report.



# IMPACT SUMMARY

# OUR PROGRESS BY THE NUMBERS

In FY23 we continued moving the world forward, advancing against our corporate targets supporting our People, our Planet and the next generation of sport and Play. Our highlights include



## PEOPLE

# 41%

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



## PEOPLE

# \$1.4B

cumulative spend with diverse suppliers



## PLANET

# 69%

absolute reduction of greenhouse gas (GHG) emissions in owned and operated facilities



## PLANET

# 100%

waste diverted from landfill in Tier 1 manufacturing



## PLAY

# 1.1M

kids reached through investments in our community partners' diverse offering of play and sport programs



## PLAY

# 142K

coaches empowered with tools or training to make sport inclusive for all, especially girls

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# FY23 PERFORMANCE SUMMARY

 PEOPLE  PLANET  PLAY



# FY23 PERFORMANCE SUMMARY<sup>1</sup>

- Movement Toward Target
- ➡ Movement Away From Target

★ Target Level Achieved<sup>2</sup>

# PEOPLE

Corporate

METRIC	FY20 <sup>4</sup>	FY22	FY23	FY23 VS FY22	FY23 VS BASELINE	FY25 TARGET	FY23 PERFORMANCE
<b>REPRESENTATION OF WOMEN</b>							
50% representation of women in global corporate workforce and 45% in leadership positions <sup>3</sup>	% women in global workforce	50%	51%	51%	-0.3 P.P. <sup>5</sup>	0.5 P.P.	50% ★
	% women in leadership positions	39%	44%	44%	0.2 P.P.	4.9 P.P.	45% ➤

# U.S. RACIAL AND ETHNIC MINORITIES

35% representation of U.S. racial and ethnic minorities <sup>6</sup> in our U.S. corporate workforce <sup>7</sup>	% U.S. racial and ethnic minorities in U.S. corporate workforce	32%	39%	41%	1.7 P.P.	9.0 P.P.	35% ★
30% representation of U.S. racial and ethnic minorities <sup>6</sup> at director level and above <sup>8</sup>	% U.S. racial and ethnic minorities at director level and above	26%	33% <sup>9</sup>	34%	0.5 P.P.	7.6 P.P.	30% ★

# ENGAGEMENT AND INCLUSION

Top quartile of benchmarked companies for both engagement <sup>10</sup> and inclusion <sup>11</sup>	Average percentile ranking for engagement <sup>12</sup>	—	79%	80%	1.0 P.P.	—	TOP QUARTILE FY23: 84% ➤
	Average percentile ranking for inclusion <sup>12</sup>	—	77%	78%	1.0 P.P.	—	TOP QUARTILE FY23: 84% ➤





## FY23 PERFORMANCE SUMMARY

- Movement Toward Target
- Movement Away From Target

★ Target Level Achieved

### Engaging the Next Generation

## HBCUs AND HSIs

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

METRIC	FY20 <sup>4</sup>	FY22	FY23	FY23 VS FY22	FY23 VS BASELINE	FY25 TARGET	FY23 PERFORMANCE
\$ invested (cumulative)	–	\$1.8M	\$4.7M	\$2.9M	–	\$10M	➤

### Pay and Benefits

## PAY EQUITY

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

METRIC	FY20 <sup>4</sup>	FY22	FY23	FY23 VS FY22	FY23 VS BASELINE	FY25 TARGET	FY23 PERFORMANCE
\$ earned by men/women; \$ earned by white/U.S. racial and ethnic minorities	100%	100%	100%	–	–	100%	★



# FY23 PERFORMANCE SUMMARY

- Movement Toward Target
- Movement Away From Target

★ Target Level Achieved

## Career Growth and Development

### PROFESSIONAL DEVELOPMENT FOR MINORITIES

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

METRIC	FY20 <sup>4</sup>	FY22	FY23	FY23 VS FY22	FY23 VS BASELINE	FY25 TARGET	FY23 PERFORMANCE
\$ invested in professional development	\$76K	\$685K 9.0X	\$800K 10.5X	\$115K	\$724K	2x	★

### VICE PRESIDENTS INCLUSIVE LEADERSHIP EDUCATION

100% of vice presidents complete and be credentialed on Inclusive Leadership education

% VPs completing training	–	45%	41%	-4.0 P.P.	41 P.P.	100%	➤
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### BUSINESS DIVERSITY & INCLUSION

\$1 billion cumulative spend on diverse suppliers<sup>13</sup>

\$ spent on diverse suppliers (cumulative)	–	\$777M	\$1.4B	\$599M	–	\$1B	★
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## FY23 PERFORMANCE SUMMARY

- Movement Toward Target
- Movement Away From Target

★ Target Level Achieved

*Supplier<sup>14</sup>*

## HEALTH & SAFETY

100% of strategic suppliers are building healthy and safe workplaces<sup>15</sup>

METRIC

% suppliers with Level 3 health and safety maturity

FY20<sup>4</sup>

**22%**

FY22

**47%**

FY23

**76%**

FY23 VS FY22

**29 P.P.**

FY23 VS BASELINE

**54 P.P.**

FY25 TARGET

**100%**

FY23 PERFORMANCE

➤

## GENDER EQUITY

100% of strategic suppliers have gender equitable workplaces<sup>16</sup>

% strategic suppliers achieving mature gender equitable capability

—

**2%**

**23%**

**21 P.P.**

**23 P.P.**

**100%**

➤

## WORKER ENGAGEMENT

100% of strategic suppliers are measuring and improving worker engagement<sup>17</sup>

% strategic suppliers measuring and improving engagement

—

**22%**

**52%**

**31 P.P.**

**52 P.P.**

**100%**

➤

*Foundational Expectations<sup>18</sup>*

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

100% of facilities in our extended supply chain meet NIKE's foundational labor, health, safety and environmental standards

% compliance with Foundational Expectations

**94%**

**60%**

**70%**

**10 P.P.**

**-24 P.P.**

**100%**

➤

% of facilities measured for compliance of anticipated total scope

**66%**

**97%**

**99.9%**

**2.9 P.P.**

**34 P.P.**

**100%**

➤

# FY23 PERFORMANCE SUMMARY

- Movement Toward Target
- ➡ Movement Away From Target

★ Target Level Achieved

# PLANET

## CARBON

METRIC	FY20 <sup>4</sup>	FY22	FY23	FY23 VS FY22	FY23 VS BASELINE	FY25 TARGET	FY23 PERFORMANCE	
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)	<b>226K</b>	<b>88K</b>	<b>71K</b>	<b>-19%</b>	<b>-69%</b>	<b>-70%</b>	➤
	% renewable electricity	<b>48%</b>	<b>92%</b> <sup>23</sup>	<b>96%</b> <sup>22</sup>	<b>4.2 P.P.</b>	<b>48 P.P.</b>	<b>100%</b>	➤
0% emissions change in manufacturing and transportation <sup>24</sup>	Manufacturing and transportation GHG emissions (metric tons CO <sub>2</sub> e)	<b>3.7M</b>	<b>3.1M</b>	<b>3.0M</b>	<b>-3.9%</b>	<b>-19%</b>	<b>0%</b>	➤
0.5M metric tons emissions reduction through 50% environmentally preferred materials (EPMs) <sup>25, 26</sup>	Materials GHG emissions reduced (metric tons CO <sub>2</sub> e)	<b>96K</b>	<b>794K</b>	<b>832K</b>	<b>37K</b>	<b>736K</b>	<b>500K</b>	★
	% environmentally preferred materials (EPM)	<b>31%</b>	<b>48%</b>	<b>45%</b>	<b>-3.0 P.P.</b>	<b>14 P.P.</b>	<b>50%</b>	➤

## WASTE

10% waste reduction per unit in manufacturing, distribution centers (DCs) and headquarters (HQs) <sup>27</sup>	Waste/unit (g/unit)	<b>292.4</b>	<b>269.4</b>	<b>268.5</b>	<b>-0.3%</b>	<b>-8.2%</b>	<b>-10%</b>	➤
100% waste diverted; 80% recycled in manufacturing, packaging, DCs and HQs <sup>28</sup>	% waste diverted from landfill and incineration	<b>96%</b>	<b>97%</b>	<b>98%</b>	<b>0.2 P.P.</b>	<b>1.2 P.P.</b>	<b>100%</b>	➤
	% waste recycled	<b>68%</b>	<b>72%</b>	<b>75%</b>	<b>2.3 P.P.</b>	<b>6.9 P.P.</b>	<b>80%</b>	➤
10x finished product waste (FPW) refurbished, recycled or donated <sup>29</sup>	FPW collected and recycled or donated (units)	<b>1.3M</b>	<b>3.1M</b>	<b>17.9M</b>	<b>14.8M</b>	<b>14x</b>	<b>10x</b>	★

## FY23 PERFORMANCE SUMMARY

- Movement Toward Target
- Movement Away From Target

★ Target Level Achieved

## WATER

METRIC	FY20 <sup>4</sup>	FY22	FY23	FY23 VS FY22	FY23 VS BASELINE	FY25 TARGET	FY23 PERFORMANCE
25% reduction in freshwater usage per kg textile dyeing and finishing <sup>30</sup>	84.4	76.9	76.0	-1.1%	-10%	-25%	➤
13B liters water restored in our extended cotton supply chain <sup>31</sup>	0.7B	3.8B <sup>32</sup>	5.2B	1.4B	4.5B	13B	➤

## CHEMISTRY

Adopt clean chemistry alternatives for our 10 priority chemistries across our supply chain	0	0	2	2	2	10	➤
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## FY23 PERFORMANCE SUMMARY

- Movement Toward Target
- Movement Away From Target

★ Target Level Achieved



	METRIC	FY20 <sup>4</sup>	FY22	FY23	FY23 VS FY22	FY23 VS BASELINE	FY25 TARGET	FY23 PERFORMANCE
<b>ACTIVE KIDS</b>								
Drive sustained community impact by getting kids moving in our key cities and sourcing backyards with 50% girl participation	% girl participation	—	50%	48%	-2.0 P.P.		50%	➤
<b>INCLUSIVE COMMUNITY</b>								
Invest \$125 million to support organizations working to level playing field and addressing racial inequality	\$ invested (cumulative)	—	\$70M	\$111M	\$41M		\$125M	➤
<b>EMPLOYEE ENGAGEMENT</b>								
Increase the number of employees engaged in their communities to a minimum of 35%	% of employees engaged in their communities	37%	35%	30%	-5.0 P.P.	-7.0 P.P.	35%	➤
<b>COMMUNITY INVESTMENT</b>								
Invest 2% of prior-year, pre-tax income to drive positive impact in communities	% of prior-year, pre-tax income invested	1.9%	2.2%	2.1%	-0.1 P.P.	0.2 P.P.	2.0%	★

## FOOTNOTES

- 1 Note the numbers reflected in the performance summary and in reference to Nike's 2025 Targets have been rounded up to the nearest whole percent, nearest hundredth, thousandth, millionth where appropriate unless it leads to achieving the target level.
- 2 Target level achieved: This indicates that the quantitative value for this target has been met at the end of Q4 for FY23. This does not mean that NIKE will fully achieve this FY25 Target.
- 3 Leadership positions for this target include Vice Presidents and Senior Leadership Team.
- 4 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.
- 5 p.p. = percentage points.
- 6 U.S. racial and ethnic minorities as defined by EEO1 categories including African American Indian or Alaskan Native, Asian, Black or African American, Hispanic/Latino, Native Hawaiian or other Pacific Islander.
- 7 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).
- 8 Director level and above includes: Director, Senior Director, Vice President and Executive Leadership Team.
- 9 Historical data was adjusted because of the Job and Pay Architecture Modernization efforts completed before the end of FY23. The total number of 'Corporate' roles changed because some legacy 'Retail,' 'Air MI,' and 'DC' roles were reclassified as 'Corporate' to better reflect the nature of the work.
- 10 This index measures the emotional commitment our teammates have for NIKE, influenced by their day-to-day experiences.
- 11 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.
- 12 Due to a change in vendor, we are no longer able to measure our percentile versus peers. We are able to measure our average favorability and assess whether that puts NIKE in the top quartile relative to peers.
- 13 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/Latino, Asian American, Native American, Pacific Islander or other types of ethnic minorities in the U.S.
- 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.
- 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, not all have advanced to the next phase, which involves responding to and improving worker experience. 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 Supplier 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 and 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 office facilities and HQ fleet vehicles, retail stores, DCs, Air MI facilities 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, 2022 to May 31, 2023, as indicated in the Assurance Report.
- 23 NIKE has corrected our renewable electricity consumption and thus the related percentage reported, shifting FY22 renewable electricity consumption from 547,406 MWh to 542,540 MWh and the related percentage from 93% to 92%. We believe the facts and circumstances associated with these changes are immaterial both quantitatively and qualitatively; however, we have corrected the amounts reported to reflect the accounting for energy attribute certificates that were (i) purchased and retired but not applied to electricity consumed and (ii) purchased and retired but over-applied in relation to electricity consumed during our fiscal year ended May 31, 2022.
- 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 and leather that reduces NIKE's enterprise carbon impact vs. conventional leather based on defined criteria; currently includes synthetic leather, Flyleather, and Lower Carbon Impact Leather. Apparel EPMs – recycled polyester, organic cotton, recycled cotton, third-party certified cotton. Flyleather is a performance material that looks, feels and smells like leather, and is made with at least 50% recycled leather fiber, combined with synthetic materials, using an innovative water-powered process. NIKE Flyleather has a lower impact on climate change compared to traditional leather.
- 26 FY22 emissions savings via EPM and % EPM figures have been updated, resulting from revisions to underlying leather and third-party certified cotton data. Leather volume data was revised due to the integration of Lower Carbon Impact Leather. The reduced carbon impact associated with Lower Carbon Impact Leather materials resulted from enhancements in both data and operational changes such as the reduction of waste, incorporation of renewable energy and increased efficiencies in the material production process, reflected via individual vendor life cycle assessments (LCAs) specific to their operations and manufacturing and effective for FY22. Given there is judgment and estimation underlying LCAs, NIKE will continue to disclose historically reported target figures. Excluding leather, FY22 and FY23 respective emissions savings (metric tonnes of CO<sub>2</sub>e) and EPM % reported as 0.183M / 39% and 0.210 / 39%. Historical % EPM, and third-party certified volume data have been updated due to a methodology adjustment that recalibrated annual performance calculations by releasing a quarterly cap on the amount.
- 27 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 is not yet included in reporting scope as data sources for target tracking are under establishment.
- 28 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 recovery, recycled waste and composted waste. Recycled: Includes recycled and composted waste.
- 29 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.
- 30 Scope includes suppliers representing approximately 80% of total footwear upper materials and apparel textiles production.
- 31 Restored through a portfolio of projects that support long-term resilience for water-stressed ecosystems and communities within our extended cotton supply chain.
- 32 Total water savings estimates for FY20 and FY21 were revised as a result of irrigation efficiency estimate updates as NIKE's technical partner in water restoration provided NIKE with an updated assessment of the India project's water savings due to an error in the initial calculation. This shifted FY21 and FY22 estimated water savings from 2.06B and 3.72B to 2.1B and 3.8B respectively.

## 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 include but are not limited to (1) political, economic, regulatory and geopolitical conditions; (2) supply chain and labor issues and considerations; and (3) actions or inaction by governments, energy, technology and infrastructure providers, markets (including the carbon offset and renewable energy credit markets), suppliers and standard setters to further emissions reduction and/or address biodiversity and other natural capital concerns. These risks and uncertainties are further 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 or otherwise appropriate in our filings with the SEC.

In addition, 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 or restate information contained in this report. Furthermore, we may modify or discontinue reporting metrics and other information included in this report in future periods to align our metrics and other information with U.S. federal or state or foreign reporting requirements. 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.





# PUTTING PEOPLE FIRST

## PEOPLE

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## INTRODUCTION

# Our mission at NIKE is to bring inspiration and innovation to every athlete\* in the world. That's no small feat.

To accomplish our mission, we need the best and the brightest who share a commitment to moving the world forward through the power of sport. And we know the greatest ideas come from a variety of lived experiences, which is why we are committed to a workplace that is diverse, equitable and accessible. Where our teammates feel seen, heard and included. Where they belong and can become their very best selves.

Our corporate Diversity, Equity and Inclusion (DEI) strategy is built on the following four pillars:

- **Diversity:** Hiring, retaining and promoting top talent from globally diverse experiences, perspectives and backgrounds to build high-performing teams and accelerate innovation.
- **Equity:** Embedding DEI principles, policies and practices in what we do to break down systemic barriers and promote equal opportunities.
- **Inclusion:** Fostering a culture of belonging where teammates feel connected, supported and valued.
- **Accessibility:** Creating accessible, inclusive experiences for teammates, athletes and consumers with disabilities.

We approach this work across the full enterprise. Senior leaders set the tone and model the behavior, while our DEI organization develops tools, programs and best practices for the company. People managers are expected to practice inclusivity and our employee resource groups – led by passionate and hardworking teammates – unify members across levels, geographies and functions to promote cultural awareness and advance diversity and inclusion throughout our organization.

In holding ourselves accountable, we measure our progress through representation metrics, our employee listening strategy and external benchmarking. Our results tell a story of progress. Highlights include achieving 41% representation of U.S. racial and ethnic minorities in our corporate workforce – up nine percentage points from our 2020 baseline; earning a maximum score of 100 on the Disability:IN Equality Index for the second year in a row and recognition as a “Best Place to Work for Disability Inclusion;” receiving acknowledgment from the Human Rights Campaign as a “Best Place to Work for LGBTQ+ Equality” with a 100% score on its Corporate Equality Index for the 21st consecutive year.

**\*If you have a body, you are an athlete.**

REPRESENTATION OF WOMEN

# 50% representation of women in global corporate workforce

At NIKE, we believe women and girls aren't just the future of sport – they're already leading the way. Our ambition is to be her biggest champion, and we are focused more than ever on leveling the playing field for her – on the pitch or the court, and within our walls at NIKE.

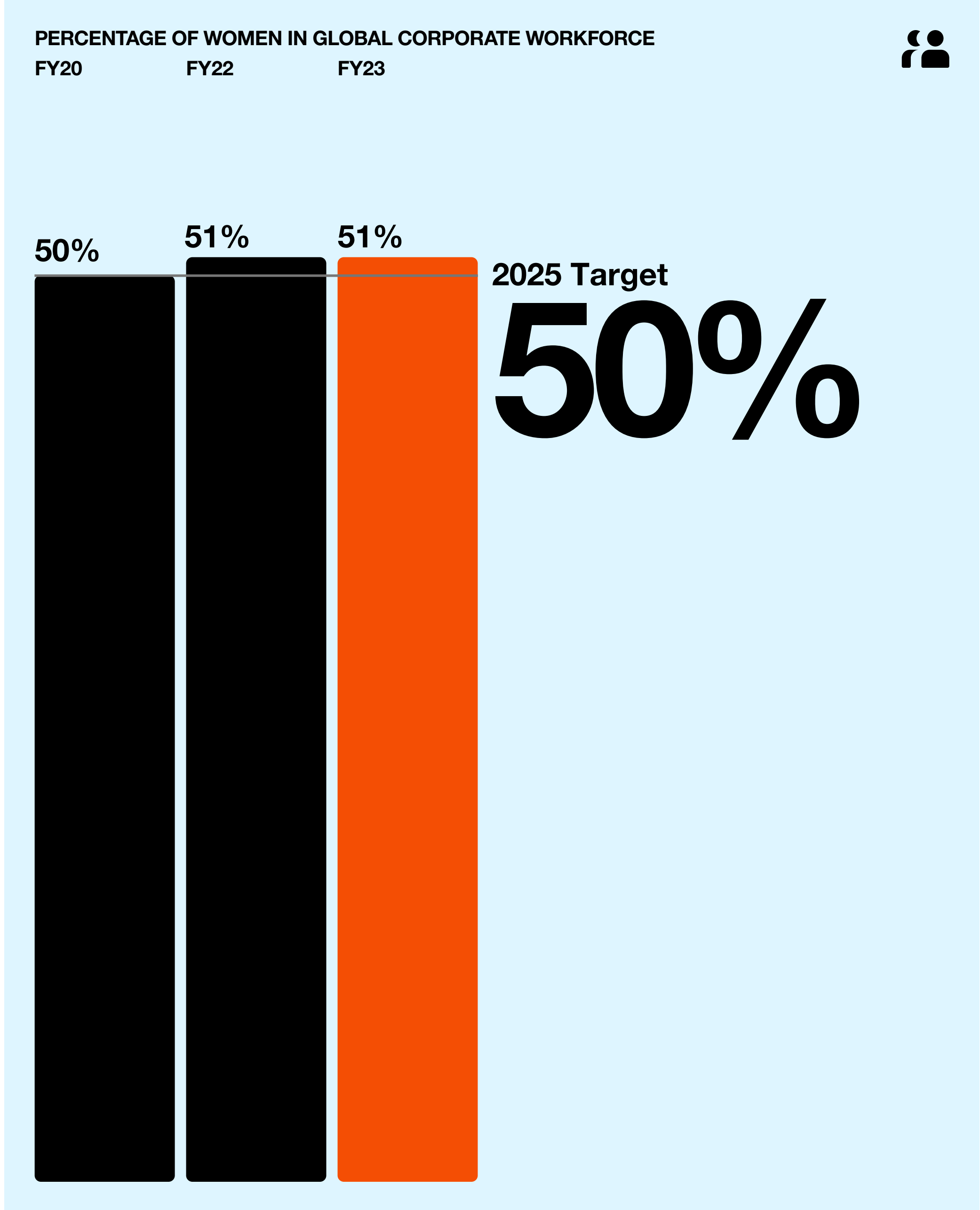
We are working to enable representation at all levels of the organization, with goals to hold ourselves accountable. Our FY23 representation of women in our global corporate workforce remained steady at 51%, allowing us to surpass our 50% target for a second year in a row (see graph on right). We also maintained 44% representation of women in leadership positions in FY23, remaining on track to meet our 2025 representation target of 45% (see graph on next page).

## WOMEN IN NIKE (WIN) PROGRAM

Enabling proportional growth and representation of women across our global enterprise requires intentionality. We work to make sure our programs attract, retain, develop and promote qualified women. Our Women in NIKE (WIN) program is a great example of this commitment.

Through the program, NIKE recruits retired and retiring professional female athletes to join our corporate workforce as full-time employees. Fellows are placed within Product Creation, Innovation, Merchandising and Marketing, bringing to NIKE the skills and insights they gleaned from the highest levels of sport – from teamwork and performance insights to problem-solving and leadership. In addition to their work, fellows participate in unique NIKE experiences and a range of professional development opportunities. The program helps build the next generation of women by matching their passions and experiences to opportunities at NIKE.

Building on the success of three previous cohorts, we expanded the 24-month program in FY23 to include women USA Track & Field athletes – in addition to Women's National Basketball Association (WNBA) players. Since the program's inception in FY20, WIN has brought more than 50 former athletes into careers at NIKE.



## REPRESENTATION OF WOMEN

# 45% representation of women in leadership positions

## WOMEN OF NIKE (WON) NETWORK

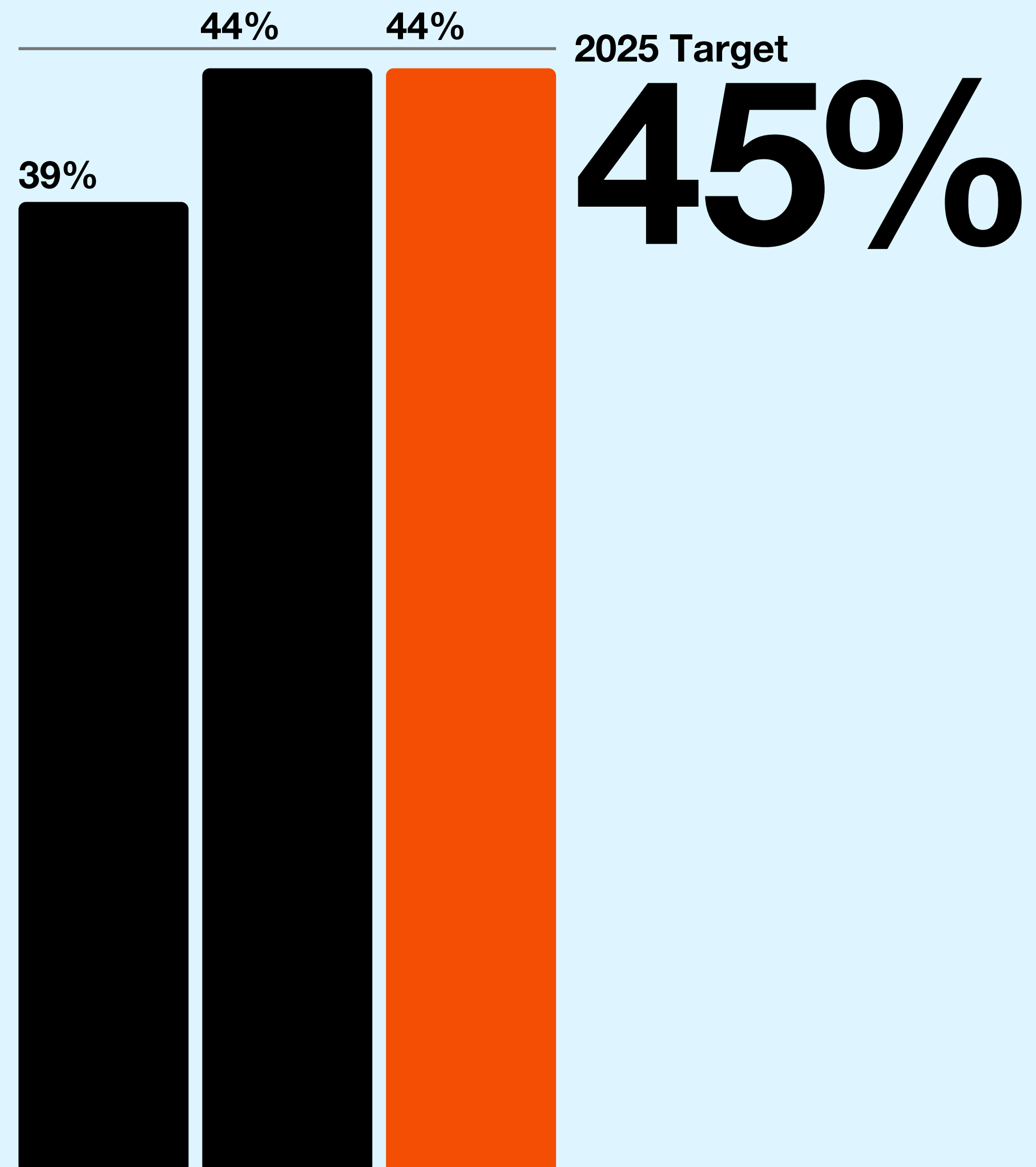
Championing women within our walls helps reinforce our commitment to increasing female representation in sport and the workplace. The Women of Nike (WON) network is our global employee resource group whose mission is to empower, inspire and invest in women at NIKE, which it does through regular programming and community engagement for its 10,000-plus employee members worldwide. The WON leadership team – made up entirely of employee volunteers – includes representation from a variety of business units, different levels of seniority and various locations, including our retail and Air MI facilities. (To learn more about NIKE's investments in professional development opportunities for women, and specifically the WON leadership team, refer to [page 49](#)).

### PERCENTAGE OF WOMEN IN LEADERSHIP POSITIONS

FY20

FY22

FY23



## REPRESENTATION OF WOMEN

### WOMEN'S HISTORY MONTH AND INTERNATIONAL WOMEN'S DAY

Each year, WON celebrates Women's History Month and International Women's Day (IWD). Their theme for Women's History Month 2023 was "Power and Purpose," which came to life through an all-day festival celebrating "HER Story" at Nike World Headquarters (WHQ) on IWD. Events during Women's History Month reached nearly 10,000 employees – 4,000 on IWD alone.

WON's marquee event for IWD was the Women of Nike Body Inclusivity Program Plus Size Fashion Show, which featured 15 employees from across the company modeling 30 of our newest looks "For Her." Bringing our brand ethos to life, the event showcased NIKE as a champion for bodies of all sizes through style, movement and innovation for an internal audience of approximately 500. A LinkedIn story highlighting the show garnered more than 394,000 impressions.

Women's History Month and IWD were also celebrated across our brand and our geographies:

- The Women of Converse – with the theme of "Power & Purpose: Women's Stories Change the World. Celebrating Women Who Share Their Stories" – nominated five women to tap into the Converse Concept Creation Center, a space for prototyping and engineering and a cultural hub for the Converse community. They used iconic Converse silhouettes as blank canvases to tell their story – stories that reflect who they are, their roots and their passions. In March, their stories and creations were shared during a panel discussion at Converse Headquarters.
- The Women of Europe, Middle East and Africa (EMEA) hosted events throughout the month of March – from an expert panel discussion on breaking taboos around menstruation to development workshops on building personal brands. The team was deliberate in creating space to come together, exploring the idea of rebalancing power dynamics and learning how to empower both members and the next generation of women.
- The Women of Greater China (GC) hosted a series of activities and giveaways that helped make their community members feel seen and heard, including sessions on women's health. In Shanghai, celebrations also featured a Family Day for employees and their families during which teammates were trained as coaches for youth sports.

### EXTERNAL PARTNERSHIPS

Increasing representation requires investments in talent attraction as much as retention. To that end, in FY23, we built deeper and stronger relationships with 10 STEM-focused, external partners – including Lesbians Who Tech, Girls in Tech, Society of Women Engineers, AfroTech and Society of Hispanic Professional Engineers – bringing awareness of technology opportunities at NIKE and building a strong pipeline of talent from diverse backgrounds.



NIKE Teammates in the Women of Nike Body Inclusivity Plus Size Fashion Show

# ATHLETE SPOTLIGHT



## ATHLETE THINK TANK

# INVESTING IN THE FUTURE OF SPORT

Rethinking Athlete Partnership to Catalyze an Equitable Future

## Every voice matters. Every voice has the power to change minds and hearts, to inspire new ways of seeing and being.



Clockwise, from top-left: Diljeet Taylor, Romane Dicko, Jenny Lang, Yulimar Roja, Sky Brown, Emma Hayes and Alice Dearing

“Athlete Think Tank is made up of some of the world’s best athletes and coaches. We have trailblazers, world-record holders, mothers, legends across all aspects of sport. Our goal is to understand and learn from their unique experiences in sport, their needs and hear their ideas for improving the experience of girls and women in sport. They have incredible perspectives that are creating bigger change. And we are committed to not only listening but putting our full weight into doing what we do best, turning belief into action.” – Tanya Hzvidak, VP Global Women’s Sports Marketing at Nike

Nothing is more powerful than the voice of a collective, because the voice of a collective can change the game – and the world. This is the promise behind our collective. Since 2021, we have gathered some of the world’s greatest athletes to share their vision for a more equitable future of sport, and worked with them toward turning that vision into reality as only Nike can. Athlete Think Tank now spans three cohorts and more than 40 athletes and coaches. Each cohort connects throughout the year at Nike World Headquarters, key sport moments and more. The collective has pushed us to question why there aren’t more options for performance wear for pregnant and post-partum athletes, how period leakproof performance wear might improve athlete confidence and performance and how we can serve athletes holistically through services supporting mental wellness. Athlete Think Tank is making our company, and the next generation of sport, better in real time.

“When you have a collective of like-minded women that are determined to change the world, there is nothing more powerful and empowering to be around.” – Oksana Masters, multisport Paralympic champion

This program connects athletes and coaches across different geographies, experiences and junctures of their lives. Together, we are redefining the model of athlete partnership as a two-way commitment that champions candor, deep listening and collaborative problem-solving. We are directly investing in the community organizations that matter to our athletes to help break barriers to access and achievement. We’re gathering athlete insights to create products that serve all bodies, in all phases of life. And we’re picking up pace.

Part of the Athlete Think Tank’s mission is helping athletes realize change in their backyards. Each athlete selects community organizations to fund that align with their passions. Since inception in 2022, in partnership with Charities Aid Foundation of America, the cumulative value of Nike’s investment in communities through the Athlete Think Tank totals \$2.7 million. Funds have been allocated to organizations such as Social Impact Fund, Marathon Kids and Laureus Sport for Good Foundation.

“Nike is not only helping athletes achieve their dreams in sport, but they are also giving us the opportunity to invest in communities that we deeply care about.” – Bebe Vio, Paralympic fencing champion

This measurable impact is amplified by the immeasurable ways the athletes inspire each other, catalyze new efforts, celebrate each other’s work and build community across advocacy in sport. This year, Athlete Think Tank evolved to harness this momentum. We are committing to concentrating on one area of sport as a collective, and have selected coaching as our first area of focus. And we added a Coaches Collective as part of this group to meet the unique needs of world-class coaches. Because to champion athletes, you must also champion coaches.



Clockwise, from top-left: Sabrina Ionescu, Dina Asher-Smith, Serena Williams, Shalane Flanagan, Angela Davis, Simone Manuel, Shelly-Ann Fraser-Pryce, Nafissatou Thiam, Ibitihaj Muhammad, Scout Bassett

“We all compete in different sports but we have the same feelings and the same experiences. Athlete Think Tank is a place where a lot of amazing, inspiring athletes come together. We can share our experiences and feelings that we typically don’t get to talk about with other athletes.” – Sky Brown, professional skateboarder and surfer

Evolving and innovating based on athlete insight is critical to Nike’s business. It’s part of our purpose – to move the world forward through the power of sport. Athlete Think Tank is moving Nike forward with insights and ideas that unlock new products, new markets and new sources of revenue. At this critical moment for Nike, Athlete Think Tank is the next step in our 50-year commitment to move the world forward for women through sport.

Previous page, from left to right: Rayssa Leal, Shelly-Ann Fraser Pryce, Anna Cockrell, Bebe Vio, Michelle Wie West, Faith Kipyegon, A’ja Wilson, Chloe Kim, Adia Barnes, Tatyana McFadden, Angela Manuel-Davis, Michaela Mabinty Prince

## U.S. RACIAL AND ETHNIC MINORITIES

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

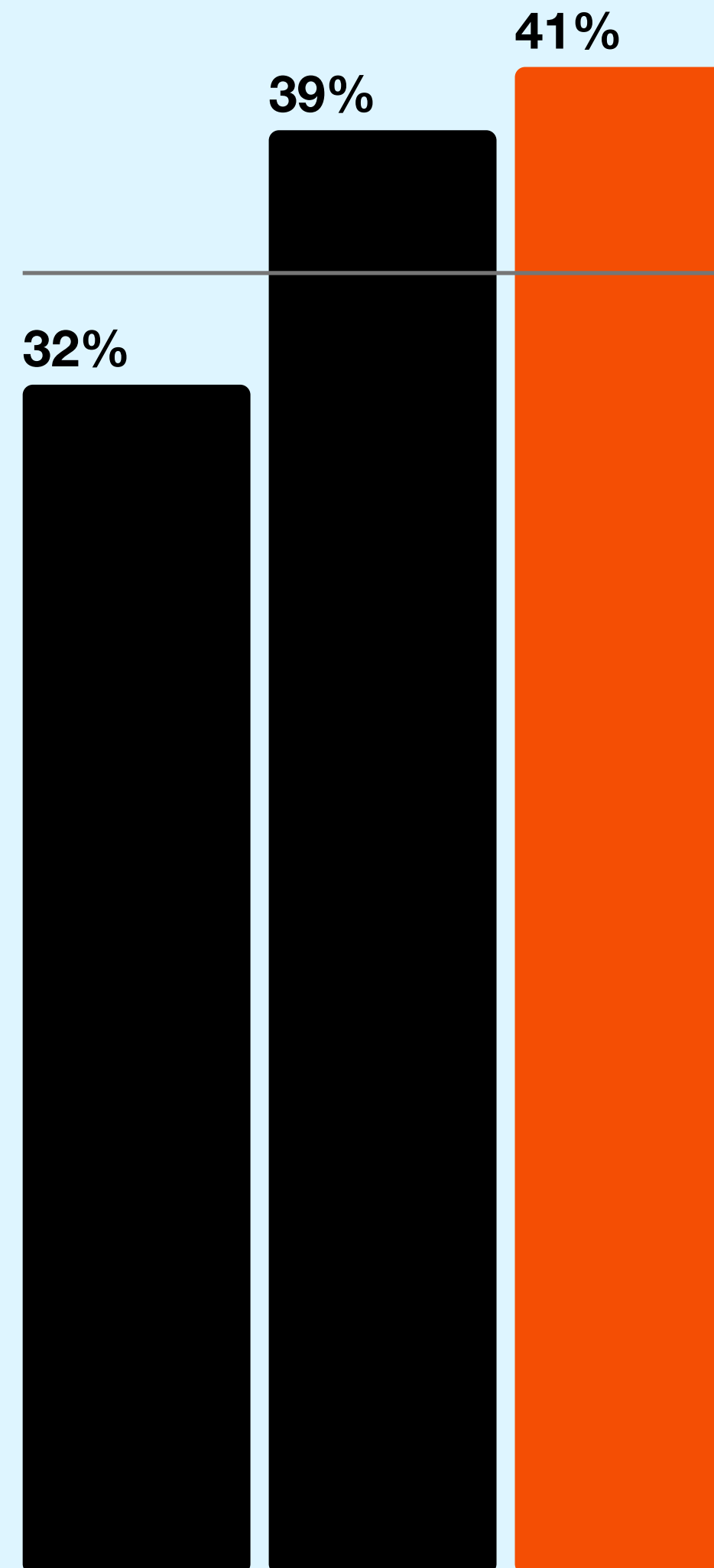
At NIKE, we believe diversity fosters creativity and accelerates innovation. For us to grow and evolve, we want our company to reflect the diversity of the people who love our products around the world.

Our efforts in fostering a more diverse and inclusive team are reflected in this year's increase in representation of U.S. racial and ethnic minorities, up almost two percentage points to 41%.

PERCENTAGE OF U.S. RACIAL AND ETHNIC MINORITIES IN U.S. CORPORATE WORKFORCE



FY20      FY22      FY23



2025 Target

# 35%



## U.S. RACIAL AND ETHNIC MINORITIES

We are proud of our continued investments in NIKE programs that support a diverse pipeline of talent, including:

### **Serena Williams Design Crew (SWDC)**

*A half-year fellowship to help build the next generation of design talent at NIKE and beyond*

Now in its fifth year, the SWDC program gives emerging designers – including those who identify as women and Black, Indigenous or people of color – an opportunity to be a part of NIKE by creating a signature line for one of the greatest athletes of all time.

Each SWDC cohort follows a structured design curriculum spanning Brand Creative, Footwear, Apparel, Accessories, Color and Materials. Through curated NIKE experiences, partnerships with leading design institutions and opportunities for full-time employment, the program helps increase diversity of thought and perspective, and empower rising talent across the design industry in a way that fuels the future of sport.

More than half of the designers who participated in the program since its inception are now full-time NIKE employees and others have gone on to diversify the field of design. This last year, we hired five of our nine SWDC fellows.



Member of the Serena Williams Design Crew

### **Converse All Star Design Team**

*An East Coast-based apprenticeship program that fosters a new wave of creativity in the Design organization at Converse*

The program invites young creatives from diverse cultural and educational backgrounds to be part of the Converse Design and Innovation community, with the twofold goal of converting apprentices to full-time employees and strengthening the Design community by adding more diverse talent and perspectives.

For Cohort 2 in FY23, we selected a final class of four apprentices who joined the Converse Design and Innovation community in roles across the function. After completion of the apprenticeship, three apprentices accepted full-time roles at Converse.



Members of the Converse All Star Design Team

## U.S. RACIAL AND ETHNIC MINORITIES

We know it's not enough to recruit great talent to NIKE – we need to invest in building and fostering a culture where that talent feels a sense of belonging when they are here.

### JUNETEENTH

We celebrate our diversity and promote our culture of belonging throughout the year. Notably, in FY23, NIKE honored Juneteenth by extending the newly recognized federal holiday to all Nike, Converse and Jordan teammates – including those in retail, distribution centers and Air MI. We also acknowledged the holiday by hosting 14 events across four key cities (Portland, Oregon; St. Louis, Missouri; Memphis, Tennessee; and New York, New York) for more than 5,000 teammates, their families and local community members.

As part of the activation, we invited Firstline teammates to submit inspirational videos about what Juneteenth means to them. Submitters were flown to WHQ to experience the Freedom Film Festival that took place on June 24.

Our first-ever Freedom Film Festival brought out more than 1,000 attendees and featured iconic and impactful films in Black culture, along with an action-packed day of games, self-care, educational activities, music and food. We also hosted dynamic conversations around elevating the Black experience with New York Times bestselling author and activist George M. Johnson; actor Dyllón Burnside; Juneteenth historian Sam L. Collins III; and this year's Miss Juneteenth, Aceia Spade.

### AFRICA DAY

Our culture of belonging was on full display as we celebrated the 60th anniversary of Africa Day in Europe. Festivities honored the continent's beauty and cross-culturalism, with an apparel customization workshop, yoga sessions and a basketball tournament. They also included a panel session that explored the Afro-diaspora's contributions to the worlds of sport and culture.

### HARLEM'S FASHION ROW PARTNERSHIP

In FY23, we celebrated the fifth year of partnership with Harlem's Fashion Row (HFR), an organization that has been at the forefront of championing diversity and inclusion in the fashion industry for the past 15 years. NIKE's partnership with HFR is centered on our shared values of promoting equity. Since 2019, NIKE has supported HFR events – including the Annual HFR x NIKE Designer Retreat, HFR Black History Month Summit and HFR Annual Fashion Show – to showcase, empower and elevate designers of color.

In December 2022, we partnered with HFR to celebrate its 15th anniversary and hosted a two-day event in Memphis, Tennessee, that included a celebration dinner, a NIKE retail experience and fashion show.

Building off energy from Memphis, we hosted the fifth Annual Designer Retreat in May 2023 at our New York Headquarters. More than 75 designers who are Black, Indigenous and people of color from across the U.S. and Canada came together to hear from industry experts and learn strategies for success in the fashion industry.



Trell Thomas, Founder of Black Excellence Brunch (left), interviewing Marcus Rashford (right)

## U.S. RACIAL AND ETHNIC MINORITIES

### L'ATTITUDE

As part of our commitment to the LatinX community, NIKE once again sponsored L'ATTITUDE in San Diego, California, the largest business event in the U.S. focused on helping business leaders better understand the LatinX population. This national platform showcases the economic leadership of U.S. Latinos and Latinas in business, media, politics, science and technology.

Our marquee event was a fireside chat with NIKE President and CEO John Donahoe, during which he highlighted the extraordinary contributions of Latinos and Latinas in sport and the company's long-term commitment to the community. As part of our sponsorship, we extended event invitations to members of our Latino & Friends Network, local retail athletes, local top talent and leaders of external DEI partner organizations.

These events, partnerships and programs help support a diverse workforce that is contributing to our culture of innovation and creating the future of sport.

#### NIKE, Inc. Totals by Racial and Ethnic Minority (REM) Group (U.S. Only, Corporate,<sup>33</sup> All Bands)

	FY20		FY22		FY23		CHANGE FROM FY22 – FY23 % PTS
	#	%	#	%	#	%	
<b>ALL EMPLOYEES</b>							
<b>Corporate – Racial category</b>							
American Indian or Alaskan Native (Not Hispanic/Latino)	58	0.4%	51	0.3%	51	0.3%	0.0 p.p.
Asian (Not Hispanic/Latino)	1,983	13.7%	2,561	17.0%	2,877	18.1%	1.1 p.p.
Black or African American (Not Hispanic/Latino)	682	4.7%	1,063	7.0%	1,190	7.5%	0.4 p.p.
Hispanic/Latino	1,011	7.0%	1,220	8.1%	1,365	8.6%	0.5 p.p.
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	53	0.4%	53	0.4%	65	0.4%	0.1 p.p.
Two or More Races (Not Hispanic/Latino)	791	5.5%	913	6.0%	912	5.7%	-0.3 p.p.
Unknown	122	0.8%	170	1.1%	273	1.7%	0.6 p.p.
White (Not Hispanic/Latino)	9,809	67.6%	9,067	60.1%	9,199	57.7%	-2.3 p.p.
<b>Total</b>	<b>14,509</b>	<b>100%</b>	<b>15,098</b>	<b>100%</b>	<b>15,932</b>	<b>100%</b>	<b>-</b>

<sup>33</sup> Corporate is associated with the workforce not directly involved in retail stores, distribution centers or Air Manufacturing Innovation (Air MI).

## U.S. RACIAL AND ETHNIC MINORITIES

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

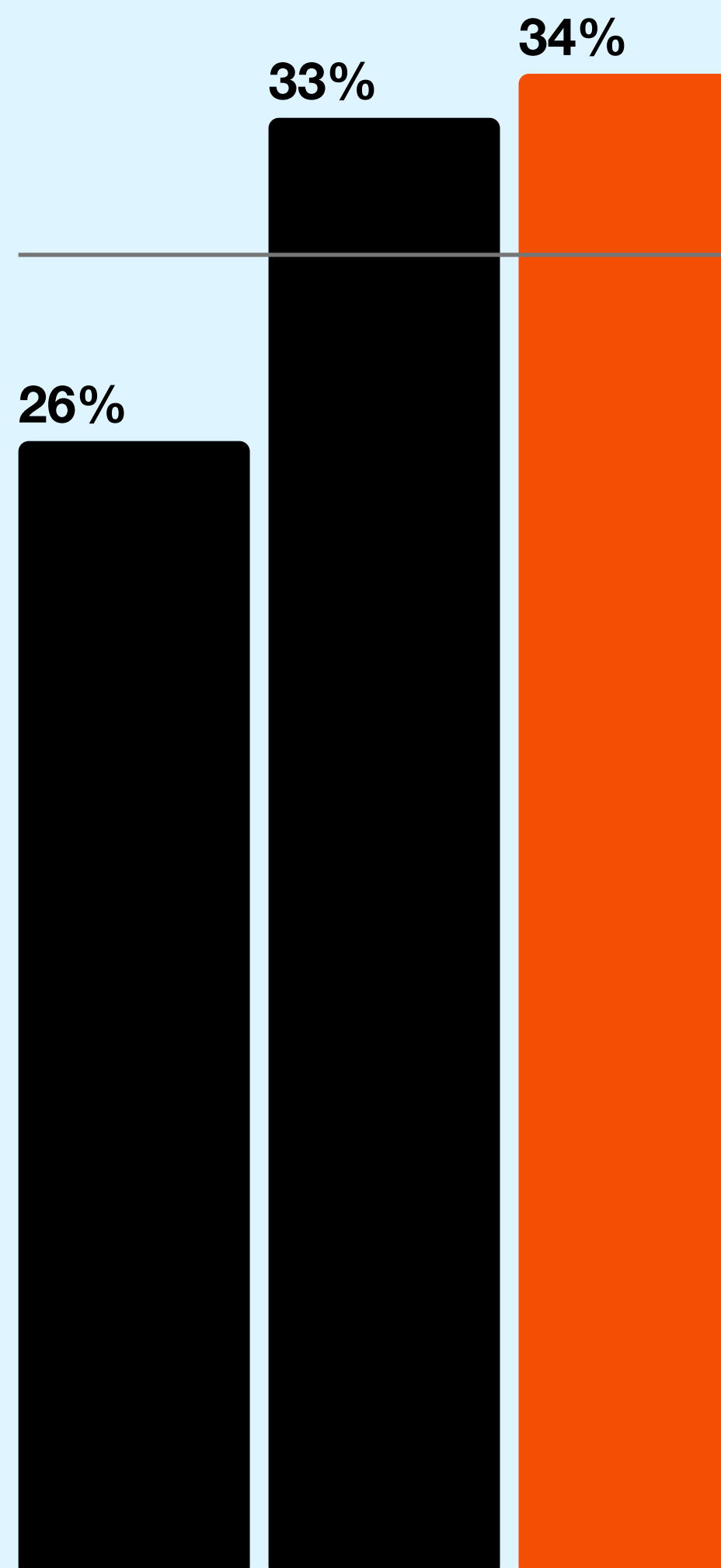
As we work to attract and hire qualified diverse talent, it's also critical we retain and develop our current NIKE teammates to help shape the future of sport.

We are proud to share that we have achieved 34% representation of U.S. racial and ethnic minorities at the director level or above – a half percentage increase from FY22 and eight percentage points higher than our FY20 baseline.

PERCENTAGE OF U.S. RACIAL AND ETHNIC MINORITIES AT DIRECTOR LEVEL AND ABOVE



FY20      FY22      FY23



2025 Target

# 30%

## U.S. RACIAL AND ETHNIC MINORITIES

### NIKE Corporate Director Level and Above<sup>34</sup> by U.S. REM Group

ALL EMPLOYEES	FY20		FY22		FY23		CHANGE FROM FY22 – FY23 P.P.
	#	%	#	%	#	%	
American Indian or Alaskan Native (Not Hispanic/Latino)	8	0.2%	13	0.4%	13	0.3%	0.0 p.p.
Asian (Not Hispanic/Latino)	330	10.2%	511	14.5%	552	14.6%	0.1 p.p.
Black or African American (Not Hispanic/Latino)	156	4.8%	238	6.8%	253	6.7%	-0.1 p.p.
Hispanic/Latino	189	5.8%	242	6.9%	278	7.4%	0.5 p.p.
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	5	0.2%	5	0.1%	7	0.2%	0.0 p.p.
Two or More Races (Not Hispanic/Latino)	115	3.5%	162	4.6%	170	4.5%	-0.1 p.p.
Unknown	37	1.1%	43	1.2%	59	1.6%	0.3 p.p.
White (Not Hispanic/Latino)	2,401	74.1%	2,303	65.5%	2,437	64.7%	-0.8 p.p.
<b>Total</b>	<b>3,241</b>	<b>100%</b>	<b>3,517</b>	<b>100%</b>	<b>3,769</b>	<b>100%</b>	<b>0.0 p.p.</b>

## DEI MENTORSHIP PROGRAM

To accelerate the flow of talent and develop our leaders, our nine-month DEI Mentorship Program for all corporate employees in the U.S. empowers both mentors and mentees on topics like inclusive leadership, psychological safety and navigating difficult conversations. The program grew in FY23 across the enterprise with additional cohorts in our Global Supply Chain organization and Converse, where we currently have 65 mentors and mentees.

In total, more than 1,830 Nike and Converse employees have completed the DEI Mentorship Program through seven cohorts and counting, representing more than a dozen functions and 15 countries.

Looking ahead, our focus will be scaling mentorship globally. The DEI Mentorship Program will be expanding to EMEA teammates at our European Headquarters in FY24 – deploying sponsorship programming, creating communities of connectivity and practice, actioning tech integrations and providing deeper analysis of outcomes.

Also in FY24, we will focus on rolling out specific development programs for managers, knowing they play an important role – coaching, inspiring and leading our teams to success.

We invest in our teammates' growth because doing so helps them build long-lasting careers at NIKE and become their best selves. In addition to the DEI Mentorship Program, we also develop and advance talent through our engagement and inclusion efforts – specifically, our employee resource groups (refer to [page 30](#)) – and our professional opportunities, including invitations to attend and participate in external conferences, the Focused Leadership Development Program and our career development series (refer to [page 49](#)).

<sup>34</sup> Director level and above includes Director, Senior Director, Vice President and Executive Leadership Team.

ENGAGEMENT AND INCLUSION

# Top quartile in benchmarked companies for both engagement and inclusion

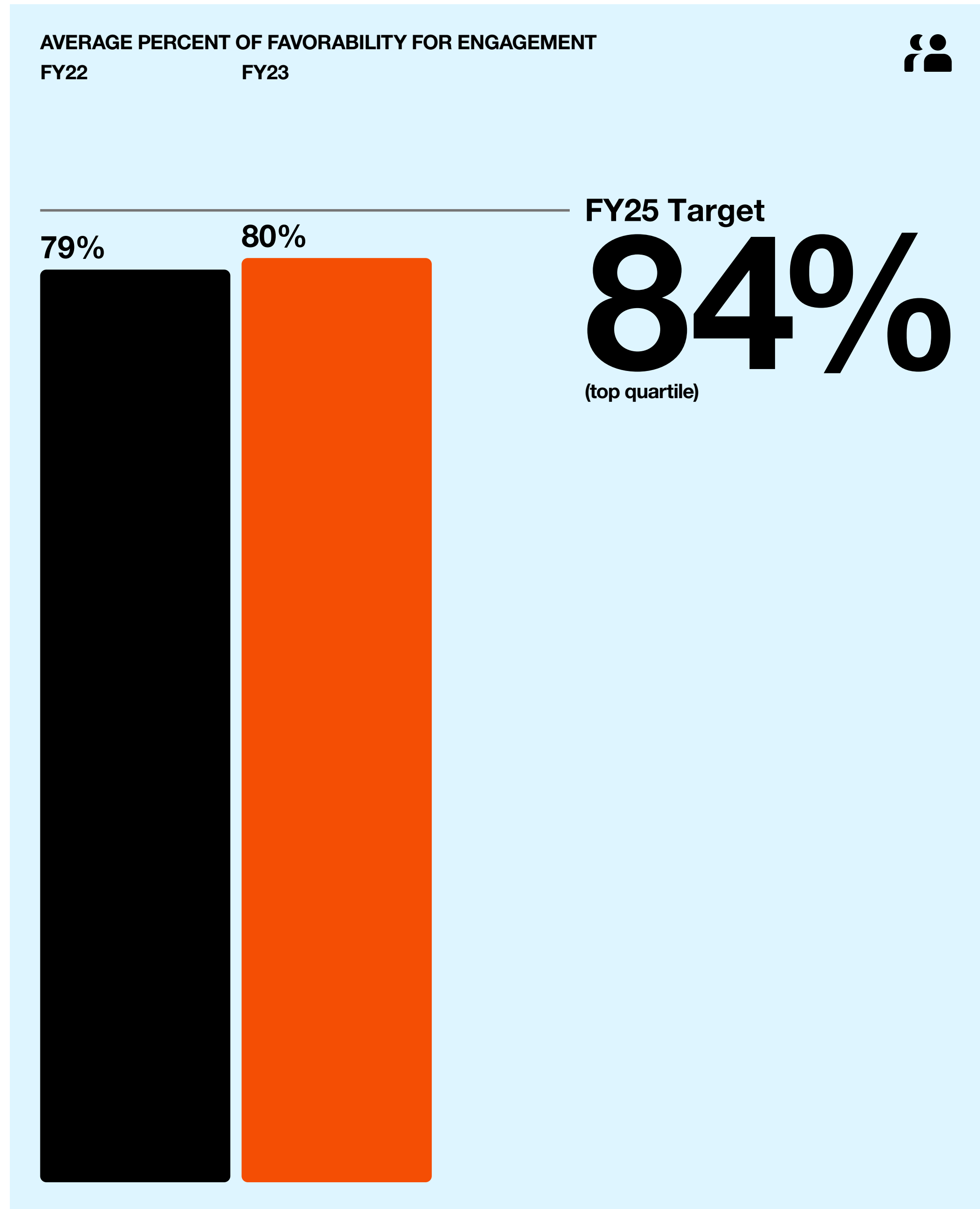
Every year, we measure employee engagement, inclusion and belonging across a variety of survey tools: our annual all-employee survey, corporate pulse surveys and listening sessions focused on what is important to our teammates – well-being, career progression and culture, among other topics.

In FY23, we saw an increase in average favorable scores across our four benchmarked “Inclusion” questions – from 77% to 78%. These questions highlight the extent to which employees feel valued, treated fairly, invited to be themselves and encouraged to share diverse perspectives. This increase of one percentage point takes us to six percentage points below the top quartile industry benchmark of 84%.

For our “Engagement” questions, we saw an increase in average favorable scores across our three benchmarked questions – from 79% to 80%. These questions gauge optimism about the future of NIKE, whether employees would recommend NIKE as a great place to work and if their work gives them a sense of personal accomplishment. This increase of one percentage point leaves us four percentage points below the top quartile industry benchmark of 84%.

The increases in these scores affirm our progress in building an inclusive and engaging culture at NIKE, but the gap to the top quartile benchmark reflects we have more work to do to reach our goal by 2025.

One of the ways in which we believe we can bridge that gap is to continue our investment – in and focus on – NIKE’s employee resource groups, which play an instrumental role in building employee engagement and inclusion.



## ENGAGEMENT AND INCLUSION

### AVERAGE PERCENT OF FAVORABILITY FOR INCLUSION

FY22

FY23



77%

78%

FY25 Target

84%

(top quartile)

## NikeUNITED and ConverseUNITED

NIKE’s employee resource groups, known collectively as NikeUNITED and ConverseUNITED, are global networks that bring together employees and allies who represent our diverse team’s unique experiences, perspectives and ideas. Led by passionate and hardworking teammates who volunteer their time, the networks are open to everyone and have representation across our key cities and geographies – the communities where our team members live and work. NikeUNITED and ConverseUNITED aim to advance their members’ development, promote cultural awareness and demonstrate our commitment to diversity, equity and inclusion.

To date, approximately one in five U.S. teammates participate in at least one UNITED Network. Data shows that employees who participate in networks are more engaged and report higher job satisfaction.

In FY23, NikeUNITED hosted more than 280 events globally, 150 of which were held in North America, and reached over 34,000 teammates.

### North America (NA)

- NikeUNITED (inclusive of Jordan Brand)
  - Ascend (for employees with roots in Asia, the Middle East and the Pacific Islands)
  - Black Employee Network (BEN)
  - Disability Network
  - Latino and Friends Network
  - Native American Network
  - NIKE Military Veterans Network
  - PRIDE Network (PRIDE)
  - Women of NIKE (WON)

### ConverseUNITED

- Converse Ability Network
- Converse Military Veterans Network
- Converse Mosaic Network
- Converse Pride Network
- Women of Converse Network

### Europe, Middle East and Africa (EMEA)

- PRIDE
- WON
- BEN
- Latino and Friends Network
- Disability Network

### Asia Pacific, Latin America (APLA)

- Ascend
- PRIDE
- WON

### Greater China (GC)

- PRIDE
- WON

## ENGAGEMENT AND INCLUSION

The following captures a few NikeUNITED and ConverseUNITED highlights from FY23.

### NATIVE AMERICAN NETWORK

The Native American Network (NAN) is committed to uplifting Native American and Indigenous talent at NIKE. In FY23, its Indigenous Peoples' Day programming helped promote awareness, education and celebration of Native and Indigenous communities across North America. The Network also partners with the Nike N7 Fund to help youth in Native American and Indigenous communities get moving so they can lead healthier, happier and more successful lives. Since its creation in 2009, the Nike N7 Fund has awarded more than \$9 million in grants, administered by the Charities Aid Foundation of America, to more than 280 communities and organizations.

### ASCEND AND CONVERSE MOSAIC NETWORK

In May 2023, Ascend Fest – a celebration of Asian American and Pacific Islander (AAPI) Heritage Month – helped bring our culture of belonging to life. The festival was organized by Ascend, whose name reflects its goal to uplift community members with roots in Asia, the Middle East and the Pacific Islands. Ascend Fest featured a fashion show, food, panel interviews, music and more – recognizing the ways NIKE is made better by its AAPI communities. It even included a special exhibition from the Department of NIKE Archives, featuring shoes and apparel that showcase the influence of the AAPI community on NIKE's product history.

These festivities served as the bridge from Arab American Heritage Month in April, during which we hosted events to celebrate and uplift Arab communities. Our Ascend MENA (Middle East and North Africa) chapter hosted a live show by DJ Habibeats, and the Mosaic Network at Converse – which supports employees who identify as people of color – hosted a performance and fireside chat with multidisciplinary artist and Converse All Star Neemz.



Live performance by Neemz at Converse HQ as part of the kickoff event for Arab American Heritage Month across NIKE, Inc.



## ENGAGEMENT AND INCLUSION

### NIKE PRIDE AND CONVERSE PRIDE NETWORKS

Efforts to increase engagement and inclusion extend to our LGBTQIA+ community.

To celebrate Pride Month in June 2022, NIKE's PRIDE Network hosted a series of in-person and hybrid events for employees worldwide. Programming included conversations with NIKE athletes focused on well-being, and discussions with climate leaders and NIKE executives about how sustainability impacts historically excluded

communities. The PRIDE Network also joined the Pride Parade in Portland, Oregon, marching together with allies from our other NikeUNITED Employee Networks and executives, including NIKE President and CEO John Donahoe.

The Converse Pride Network hosted the first-ever Lovejoy Pride Festival. Open to employees, their families and friends, this moment brought the Converse LGBTQIA+ community and allies together at Converse Headquarters in Boston, Massachusetts, for an event that included a live performance by a local LGBTQIA+ artist, local drag performers and raffles to support local LGBTQIA+ businesses.

NIKE was represented at WorldPride – a global celebration of the LGBTQIA+ community – held, for the first time, in the southern hemisphere in Sydney, Australia. A crew of teammates from across Australia and New Zealand – and one from Taipei – experienced the Sydney Mardi Gras as one team. It was a renewal of their commitment to greater LGBTQIA+ inclusion for all.

In March 2023, our PRIDE and WON Networks hosted employees, athletes and catalysts for an inspiring and impactful discussion honoring Transgender Day of Visibility with NIKE athlete and pro skateboarder Arin Lester. Held at our Nike World Headquarters in Beaverton, Oregon, the event highlighted the importance of protecting trans athletes, representation in sport and NIKE's commitment to the trans community.

In FY23, Nike EMEA participated in the Workplace Pride 2022 Benchmark Survey, designed to measure the LGBTQIA+ inclusion practices of international employers. In the area of "Employee Network," the EMEA PRIDE achieved a 100% score, reflecting our roster of year-round activations for all teammates. In the "Employee Awareness" category, a score of 82% was driven by more extensive and visible communication, as well as educational workshops for EMEA teammates.

Our commitment to the LGBTQIA+ community is further underpinned by signing the Declaration of Amsterdam, which provides Workplace Pride partners with guidelines to create a more inclusive workplace where everyone can truly be themselves.

NIKE is consistently recognized by the Human Rights Campaign as a "Best Place to Work for LGBTQ+ Equality." In fact, we are one of seven companies that has maintained a score of 100% each year since the launch of its Corporate Equality Index in 2002. And for the past five years, NIKE Mexico has also been recognized, thanks to regional efforts and initiatives implemented together with the PRIDE Network.

These program highlights and the progress we continue to make in representation speak to NIKE's holistic commitment to engagement and inclusion. (For more about how we enable our leaders to promote an inclusive environment for their team, refer to [page 52](#)).



The Converse Pride Network hosted the first-ever Lovejoy Pride Festival

## ENGAGEMENT AND INCLUSION

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

At NIKE, we believe that if you have a body, you are an athlete\* – and our mission is to bring inspiration and innovation to every athlete in the world. That includes athletes with disabilities. We champion those with disabilities as an important part of our commitment to diversity and inclusion.

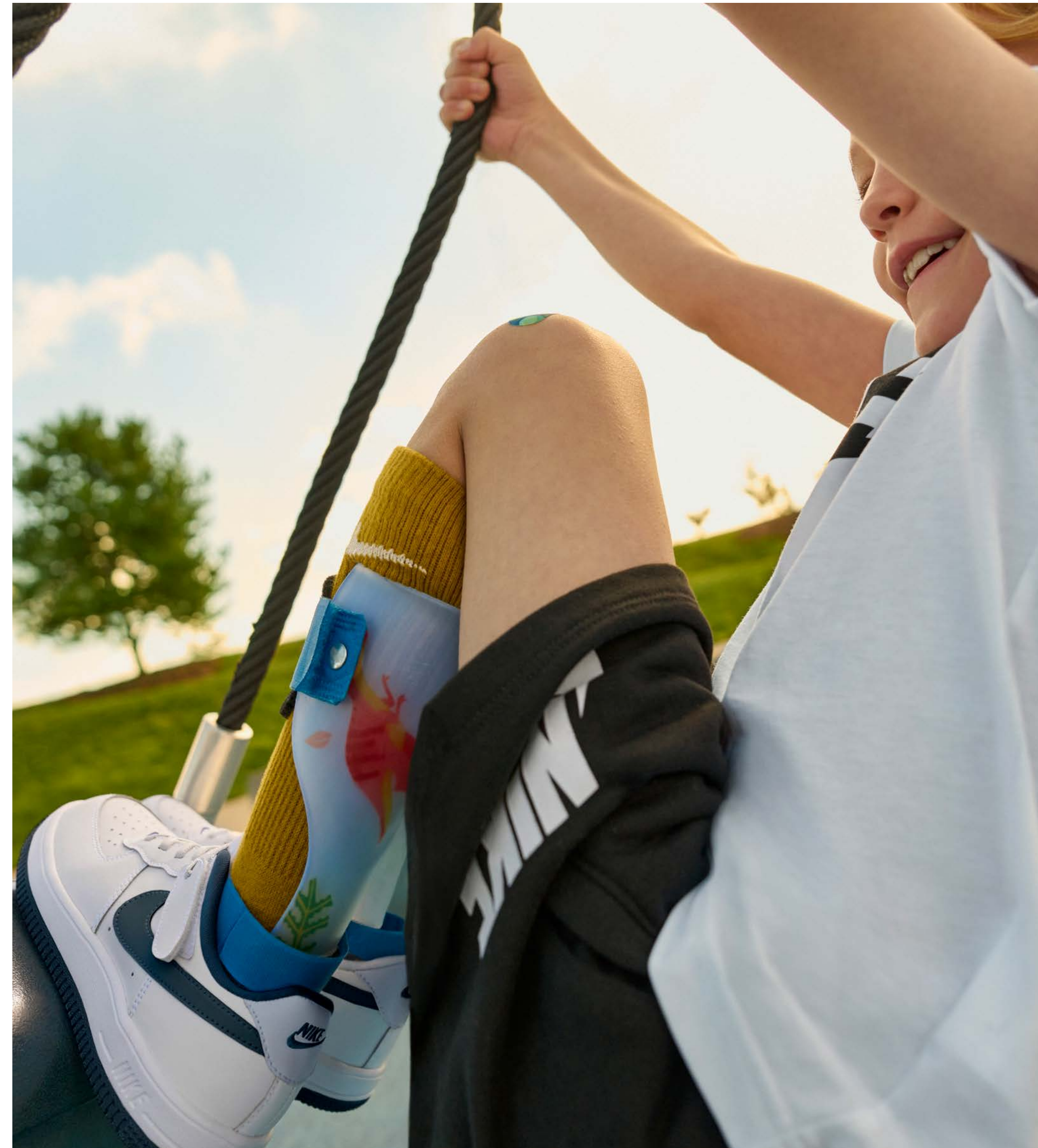
### Accessible Product

To best serve all athletes, we remain committed to creating accessible product at NIKE, like EasyOn (formerly FlyEase), that leverages the insights of people with disabilities and offers inclusive innovation to all. EasyOn footwear features a system that allows you to put on and take off your shoes without using your hands. The concept extends into apparel and features accessible details like secure pockets without zippers and pull tabs so you can adjust the fit one-handed. We are excited to grow our EasyOn product strategy – and showcase our commitment to accessible design and innovation – as we head into the 2024 Paralympics in Paris, France.

### Disability Network

On International Day of Persons with Disabilities, we strengthened NIKE's commitment to the disability community by changing the name of our employee resource group – the Ability\* Network – to the Disability Network. The name change reflects our efforts to destigmatize the word “disability” at NIKE and beyond. It's about reclaiming our truth and being proud to boldly speak to who we are.

To that end, the EMEA Disability Network created “I Speak,” an internal film featuring employees who share what it means to have a disability at NIKE and how it affects their work life. The aim was to create understanding by normalizing the conversation around disabilities, both visible and invisible.



Nike Force 1 Low EasyOn

## ENGAGEMENT AND INCLUSION

### Disability:IN

Commitment from NIKE leadership to recognize and include athletes with disabilities is critical. In FY23, we supported the impactful work of Disability:IN by signing its CEO Letter on Disability Inclusion. This global organization continues to lead the charge for disability inclusion and equity in business.

### Accessible Workplaces

We are committed to providing accessible workplaces and listening to the needs of our employees from the disability community. In FY23, we evaluated 95% of NIKE workspaces for accessibility performance to help ensure we were going above and beyond Americans with Disabilities Act Standards for Accessible Design. The goal was to create an environment where everyone feels like they belong. In recognition of our efforts, NIKE earned a maximum score of 100 on the Disability:IN Equality Index for the second year in a row and was recognized as a “Best Place to Work for Disability Inclusion.”

### Disability Hiring

NIKE is also working to hire people with disabilities to create a more diverse and innovative workforce. A noteworthy program leading these efforts is our disability hiring program in France. The team created a five-year disability hiring roadmap that focuses on increasing recruitment for disabled talent, retention of disabled teammates and building disability-confident teams through ongoing training and support. This collaborative effort has empowered NIKE employees to build strong relationships with the disability community in France.

### Disability Education

To engage our retail teams, we provide disability education to our more than 40,000 store employees through the Disability A15 training program. This program achieved the highest completion rate across all NIKE retail training programs in FY23, and through it, our retail employees received guidance on assisting consumers with disabilities and learned how they can help promote a culture of accessibility and inclusion at NIKE.

### Accessibility Summit

We hosted NIKE’s inaugural Accessibility Summit in FY23, which brought people together from across the company to share employee stories, learn about innovative accessible product and show how NIKE builds a disability-inclusive workplace. Chief Innovation Officer John Hoke kicked off the event by sharing how his dyslexia has been a strength in his work. Senior Director of Athlete\* Innovation Tobie Hatfield also discussed his three-decade-long career designing accessible sneakers with people with disabilities.

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These events and initiatives are all in an effort to promote accessibility, which we know creates more equitable experiences for our employees and consumers – and drives innovation so NIKE can serve every athlete.\*



Panel at Nike’s inaugural Accessibility Summit (left to right) Sarah Reinertsen, Alex Korchinski, Heather Fraser, Ryan Farrow

**HBCUs AND HSIs**

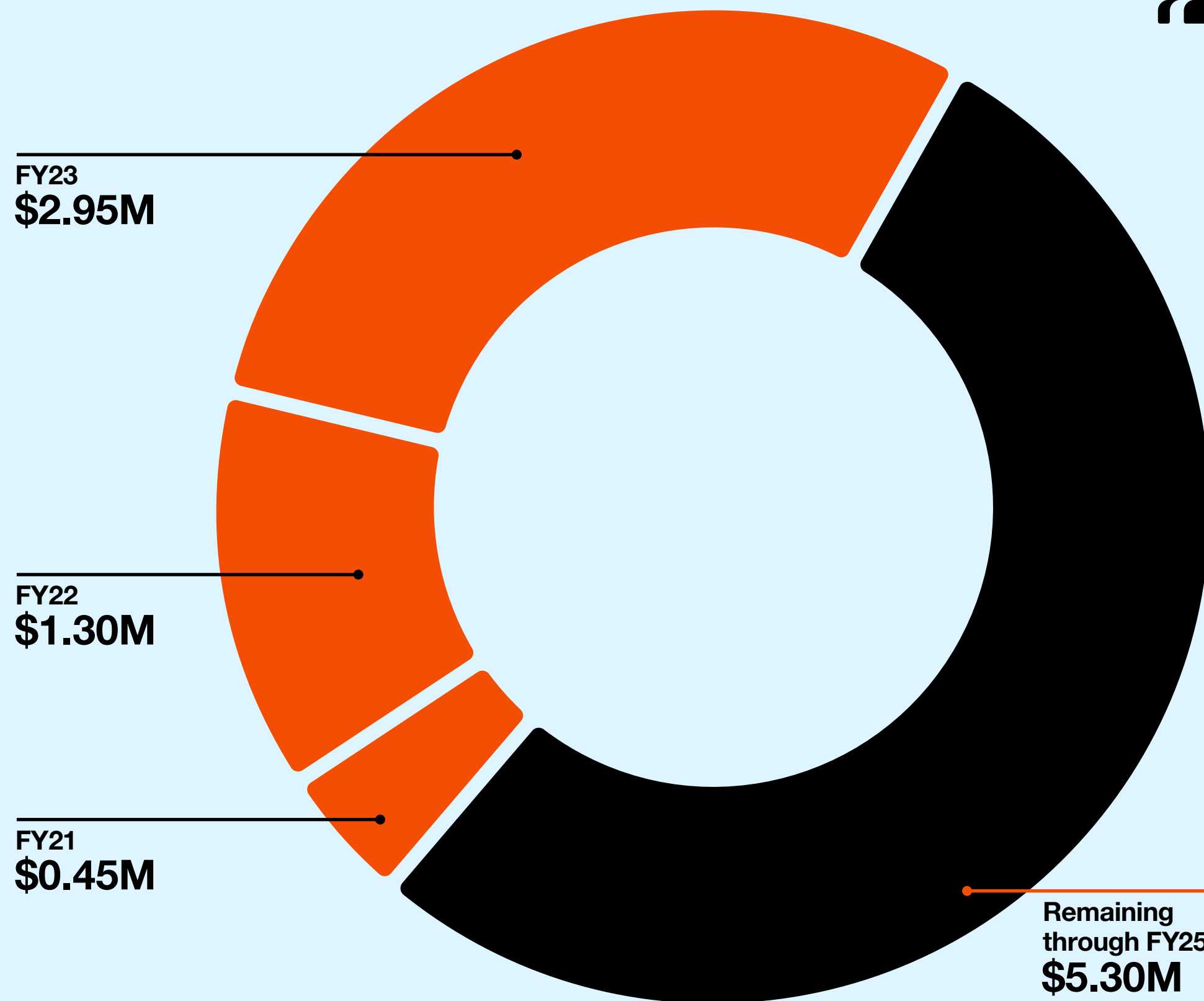
# \$10 million investment in Historically Black Colleges and Universities (HBCUs) and Hispanic-Serving Institutions (HSIs)

Talent is equally distributed; opportunity is not. That’s why we are intentional about investing in academic institutions that uplift people from historically excluded communities. Our collaborations with HBCUs, HSIs and Tribal Colleges and Universities (TCUs) promote pathways to college degrees and economic opportunity. They also help us attract talent to NIKE – helping to create a more diverse and inclusive team that reflects the unique communities and experiences of the athletes we honor and the people who love our products.

We continue making progress in achieving our target of investing \$10 million over five years in HBCUs and HSIs in the form of scholarships and academic partnerships. In FY23 – year three of this commitment – we delivered \$1.0 million to HBCUs via the Thurgood Marshall College Fund. We also delivered \$1.75 million to Hispanic Serving Institutions via the Hispanic Scholarship Fund. And we delivered \$200 thousand directly to the Florida A&M University Foundation, bringing our total FY23 investment to \$2.95 million.

Our HBCU and HSI strategy aims to create a representative pipeline of early-in-career talent. That strategy is reflected in year-round engagements with these institutions; in FY23, we hosted nearly 20 on-campus events – resume writing workshops, interview preparation sessions, informational meetings and more. We take pride in tailoring our support for HBCUs and HSIs and providing unique campus experiences. As one example, for Howard University, we created “Howard Design,” an event curated for student designers. Employees shared with them the ins and outs of design at NIKE, tips on creating a good design portfolio and information on internship opportunities.

DOLLAR INVESTMENT



Total 2025 Target

# \$10M

## HBCUs AND HSIs

Part of our support for HBCUs – in addition to our \$10 million investment – is our contribution to the Pensole Lewis College of Business and Design, provided through NIKE’s Black Community Commitment (for more on our Black Community Commitment, refer to [page 126](#)). Funds support this HBCU’s curriculum geared toward building a pipeline of diverse designers.

Within our walls, HBCU graduates who go on to have careers at NIKE can find support through a strong alumni community and get the opportunity to connect with and mentor students from their school.

Support for HBCUs is also reflected in the NIKE Yardrunners program, which was founded in 2020 by NIKE HBCU alumni. Through authentic storytelling and product creation, the program honors and spotlights the contributions of HBCUs and their alumni. The FY23 campaign featured HBCU student leaders and new colorways inspired by Morehouse College, Spelman College, Tuskegee University, Tennessee State University and Alabama A&M University.

Beyond our work with HBCUs and HSIs, we also hosted bespoke events like our first-ever Sophomore Summit. Held in April 2023, the virtual event specifically targeted sophomore talent in the fields of Science, Technology, Engineering, Arts and Mathematics (STEAM) and offered them an early opportunity to learn more about NIKE and network with current employees. In the fall, we saw several participants apply to our internship program – another important tactic in our strategy to invest in the next generation of talent.

In FY23, the Global University Relations (UR) team recruited and hired more than 310 undergraduate and graduate students as part of the U.S.-based NIKE Internship Program. During this nine-week experience, students from a variety of colleges and universities across the country worked in a variety of business areas across Nike, Jordan and Converse. They took on meaningful projects, got critical, hands-on professional experience and received mentorship from managers and our employee resource groups, who helped them apply their studies to a corporate environment. In turn, interns brought their unique skills to help NIKE better serve athletes and create the future of sport.



Individuals from the NIKE Intern Class of 2023

## HBCUs AND HSIs

Our FY23 U.S.-based intern class included interns from more than 110 universities around the country, including HBCUs, HSIs and TCUs. Within this class, 56% self-identified as U.S. racial and ethnic minorities, 58% as women and/or non-binary. Seventeen percent identified as Black or African American, 9% as Hispanic/LatinX and 0.3% as Indigenous. Former interns have landed full-time positions across several functions at NIKE – including Technology, Product Design, Human Resources, Footwear Manufacturing and Operations – bringing their unique experiences, insights and knowledge to support our teams and our consumers.

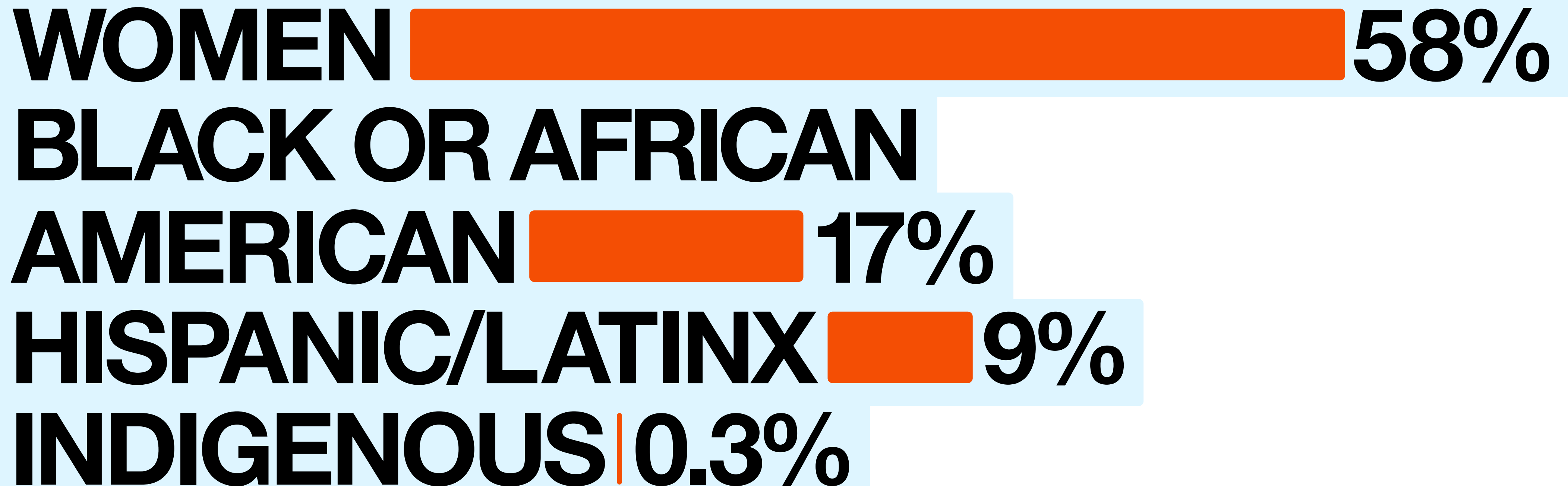
In FY23, UR teams in EMEA recruited and hired 196 interns across the region. This class of interns represented 59 different nationalities, with 51% self-identifying as female: 104 at our European Headquarters (EHQ); 20 at our European Logistics Center; and 72 in our key cities of London, Istanbul, Paris, Barcelona, Berlin and Milan. Two of the interns hired at EHQ came from our partnership with OMEK, a community-based organization for African diaspora talent in Europe.

The UR teams in APLA recruited and employed 23 interns in Mexico and 12 in Singapore. Fifty-seven percent of these 35 interns self-identified as women and represented five different nationalities. In Greater China, our UR team hired 47 interns for their summer internship program.

We credit the success of our internship program and “early-in-career” talent attraction strategy in part to key partnerships with organizations like Management Leadership for Tomorrow – a national nonprofit dedicated to transforming leadership pipelines of leading organizations – and The Consortium, the nation’s largest diversity network linking top-tier students to MBA programs and corporate programs. We also began our partnership with the Institute of American Indian Arts and will have students representing the institution as part our FY24 intern class.

These recruiting efforts geared to students from a diverse set of institutions, with diverse skill sets and backgrounds, will help us continue to attract and hire the best and the brightest – elevating our game to better serve athletes\* everywhere.

### OUR FY23 U.S.-BASED INTERN CLASS INCLUDED INTERNS WHO IDENTIFIED AS:



## PROGRAM SPOTLIGHT

## HBCUs

# A NEW FUTURE FOR BLACK PROFESSIONALS IN TECH



How NIKE's Partnerships with Historically Black Colleges and Universities (HBCUs) are Creating New Opportunities for Black Students in Technical Fields

## Historically Black Colleges and Universities (HBCUs), established in the 1800s to provide Black Americans access to higher education denied by segregation, are known for high-caliber academics, a rich heritage and deep, family-like communities.



Group of Howard University students

For many students, their HBCU experiences – specifically learning alongside diverse, creative and tenacious people – also provide a vision of what their careers can look like.

It is a powerful vision, especially for Black students in tech- and data-focused fields.

“I wanted to work in a space where others in the room looked like me.” – Lauryn McCray, a Digital Business Analyst in Supply Chain and Howard University alum

Troy Elbert, a Data Science Analyst in Commercial Analytics and North Carolina A&T State University alum, noted, “There aren’t too many African Americans in tech, much less in analytics.”

Since 2017, NIKE recruitment has worked to bring that vision to life by building “a representative pipeline of early-in-career HBCU talent,” shared Kizmet Mills, Senior Director of Global Talent Acquisition – University Relations & Recruiting Programs. “HBCU recruitment partnerships are an enterprise-wide commitment across Nike, Converse and Jordan. The University Relations team continues to deliver on that commitment year-over-year,” Mills explained.

NIKE supports the HBCU system as a whole through scholarships, HBCU-inspired product lines, like the Yardrunner collection, sneakers-on-the-ground recruiting and internships. Strategic partnerships with key universities create discipline-specific pipelines.



Howard University student Kayla Austin is a photographer, videographer, entrepreneur and activist, shown here in the Charter Day Collection

“We’re constantly evolving our strategy to build deep relationships with students and attract and engage those whose skill sets and potential align to NIKE business needs.” – Kizmet Mills, Senior Director of Global Talent Acquisition – University Relations & Recruiting Programs

Ahmed Ali, a Technical Program Manager and North Carolina A&T State University alum, was one such student. “After interning with Tesla, I thought I would work for a tech company. But I got an email from a NIKE recruiter saying, ‘Put on your best sneakers and show up’ to an info session.” The email also mentioned NIKE was done hiring, but Ali was curious and tenacious. Though a long shot, he thanked the recruiter with a LinkedIn message, brushed up on the industry, laced up his Air Force 1s and went to the session. “The recruiter knew my name. I spoke with every NIKE person there, sharing my resume and learning about what they needed. As I walked to my car after the session, I got an email saying they wanted to interview me for the internship.”

McCray had augmented her Supply Chain major with internships in aerospace and nonprofits. When a recruiter reached out about interning with Nike’s digital fulfillment team in Memphis, “I was thrilled. I’ve loved NIKE since I was a little kid, and appreciated that there is a pointed effort to recruit HBCU students for technical roles. Now that I’m here, I love the representation I see at NIKE and that I can contribute to building that culture.” Since joining NIKE, McCray has mentored two interns from North Carolina A&T and coached numerous interns throughout NIKE’s Mid-South community.

For Elbert, who majored in Applied Mathematics, an internship at NIKE and then, in late 2023, a full-time role was a dream come true.

“I grew up playing basketball in Winston-Salem where Chris Paul is from. His character and the values of the Swoosh – speaking up for equal rights, supporting Colin Kaepernick – resonated with me. Now I’m here, being supported in my career and excelling.” – Troy Elbert, a Data Science Analyst in Commercial Analytics and North Carolina A&T State University alum

Elbert, Ali and McCray, like many HBCU alumni, relocated for their roles with NIKE. For Elbert and Ali, the welcome from NIKE WHQ’s Aggie and HBCU communities eased their transitions from North Carolina to Portland, Oregon. McCray, who relocated from Washington, D.C., to Memphis, Tennessee, shared, “the community in Memphis reminds me of the community I had at Howard. My teammates are like a family.”



**PAY EQUITY**

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

## OUR BELIEF AND APPROACH

Since signing the White House Equal Pay Pledge in 2016, we conduct an annual review of our pay practices to achieve and maintain equity for all NIKE employees. 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.

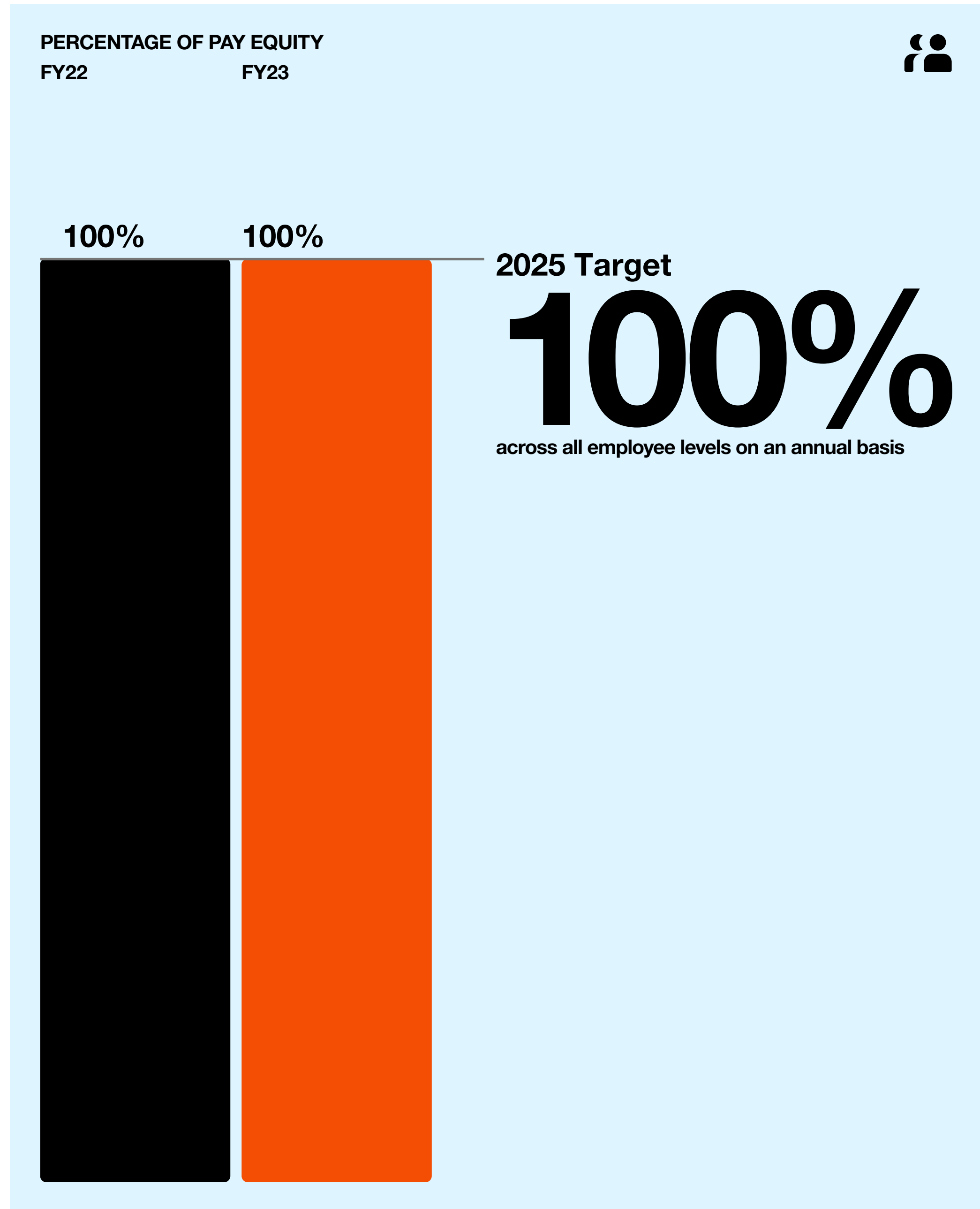
Competitive Pay Management (CPM) is NIKE's annual pay review that is focused on providing competitive and equitable pay. On an annual basis, through this centrally driven process, we consider constant employee movement – like new jobs, promotions, organizational changes, transfers and new hires. We also consider pay changes, the dynamic labor market and industry best practices to identify any statistical outliers and make pay adjustments where appropriate.

## FY23 ACHIEVEMENT

NIKE has maintained 100% pay equity across all employee levels on an annual basis. This includes a pay equity result of 1:1 achievement for women and U.S. racial and ethnic minorities from FY20 through FY23.

We will continue to drive pay equity with 1:1 as our goal and monitor pay data on an ongoing basis.

CPM is highly confidential and conducted by an independent third party to help ensure data integrity and protect employee data. NIKE maintains the program goals, which will continue to evolve them as legislation relating to pay equity, pay management and transparency changes around the world.



## COMPETITIVE, EQUITABLE BENEFITS

# Provide competitive and equitable benefits for all employees

To serve our team of more than 80,000 employees, we offer a variety of inclusive benefits so teammates can choose the best options for their lives and their families. Our programs and practices are grounded in our values, and anticipate and serve the needs of our teammates at all stages of life. The decisions we make in designing our offerings are guided by employee insights and market data.

A big part of supporting our teammates is listening to their feedback to inform what we offer. We are continually asking ourselves whether our programs and practices are having the desired impact and if they can be done better, more easily or more efficiently.

# 95%

of NIKE employees say they value the benefits available to them<sup>35</sup>

# 88%

of NIKE employees say their benefits meet the needs of their families<sup>35</sup>

<sup>35</sup> FY23 Open Enrollment Survey (U.S. employees only).



NIKE Teammates at a Team Appreciation Day

## COMPETITIVE, EQUITABLE BENEFITS

### CRISIS SUPPORT

We support employees in various ways during times of crisis:

- NIKE provides pay continuity when stores or operations need to close due to natural disasters and other unforeseen situations.
- We provide free mental health support to employees and their families through our Employee Assistance Program (EAP) with individual, group or on-site counseling.
- Through our Natural Disaster Assistance Program, we provide financial and lodging support to employees who have been severely impacted by natural disasters.
- NIKE matches employees' cash donations through Give Your Best, the company's employee giving platform.

In FY23, we hosted a number of listening sessions in response to cultural crises impacting our employees – antisemitism, violence toward the LGBTQIA+ community and racially motivated hate crimes. These included one-on-one and small group sessions with trained counselors for teammates seeking additional support and connection with the NIKE community.

We also continued to support our employees through challenges related to the COVID-19 pandemic. During FY23, we extended and updated our COVID-19 Sick Leave policy, which – in addition to existing paid time off benefits – provides a regularly scheduled work week of paid sick leave. Teammates can take COVID-19 Sick Leave when they experience symptoms associated with COVID-19, or when they need to take time off to care for a household family member or their children due to school or childcare closures.

### FAMILY PLANNING, FERTILITY AND CAREGIVING SUPPORT

NIKE offers comprehensive family planning benefits. No matter where our employees are on their family planning journey – from contraception and abortion coverage, to pregnancy and family-building support through fertility, surrogacy and adoption benefits – we support their family's decision.

NIKE provides U.S. employees with family-building benefits like fertility treatment (including unlimited "Smart Cycles" for fertility services like IVF, egg retrieval and more), adoption and surrogacy coverage. In FY23, we provided teammates in Canada and India with improved fertility and family planning support – and will continue to evaluate opportunities to enhance these benefits for other teammates outside of the U.S.

As part of our healthcare benefits in the U.S., NIKE covers travel and lodging expenses in situations where services are not available close to home. Travel is a part of our transgender care benefit, which we enhanced in FY20 to align to standards set by the World Professional Association for Transgender Health. In FY23, we added travel to our abortion coverage following recent laws limiting access to care. We will continue to make adjustments to our benefits to ensure our employees have access to the quality healthcare they need, regardless of where they live.

U.S. NIKE employees and their families also have 24/7 access to unlimited consultations and personalized support from dedicated learning and behavior experts with online tools and resources to help parents and children better communicate with each other. There are no age restrictions, and all associated fees are covered by NIKE.

And finally, U.S. employees are eligible for a suite of benefits to support caregiving needs, including child back-up care, adult back-up care and senior care solutions. When regular care for employees' children is not available during working hours, we subsidize the cost of back-up care for up to 25 days per calendar year.

## COMPETITIVE, EQUITABLE BENEFITS

### WELL-BEING BENEFITS

As part of our commitment to helping our teammates live a fulfilling life and inspiring them to become their best selves, we continue to prioritize and invest in their holistic well-being. We offer a range of benefits and programs to support the emotional, physical and financial well-being of our employees and their families.

- To support emotional well-being, NIKE offers 20 free therapy and coaching sessions to employees and their family members through Lyra Health (in the U.S.) and the Employee Assistance Program (offered globally), as well as a range of meditation, mindfulness and caregiving resources.
  - For leaders of NikeUNITED and ConverseUNITED in the U.S., we offer Lyra Health's Community Leads Program, led by a clinical expert who specializes in diversity, equity, inclusion and belonging issues. Included in the three-month program are monthly calls focusing on community dialogues, live workshops and clinician Q&As, an online forum, and toolkits and discussion guides.

- As champions of physical well-being, we encourage employees to incorporate sport into their daily habits by providing free access to NIKE Sports Centers and wide-ranging fitness discounts. We also offer comprehensive preventive programs, healthcare and family-building benefits. During FY23, we introduced a new healthcare benefit through 2nd.MD where employees can connect with board-certified specialists for a second opinion on a diagnosis or treatment plan at no cost. Eighty-five percent of the employees who used this benefit said it resulted in an improved treatment plan for their healthcare needs.
- To support the financial well-being of our teammates in the U.S., we offer unlimited free financial coaching through our partnership with 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, including the Four Week Flex program, which gives employees the opportunity to work remotely up to four weeks per calendar year. Employees also receive generous paid time off, including half-day Fridays throughout the summer and a dedicated Well-Being Week in August, where we take time off together as a global team to focus on our well-being, plus Well-Being Days for teammates in our retail stores and distribution centers.

Our employees are our top priority, and we are deeply committed to making sure they get the care they need – whether that's mental health support, family planning benefits or comprehensive transgender healthcare.



Skatepark at Nike European Headquarters in Hilversum, Netherlands

## FIRSTLINE OPPORTUNITIES

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

At NIKE, we realize that career growth is personal and influenced by a combination of factors – an individual’s goals, motivations, experiences and performance – weighed against the opportunities presented by the company. Every year, we offer a variety of career development programs designed to support Firstline teammates – those who work across our retail, distribution center and Air MI locations.

Nike Athlete Experience (NAX) exists to enhance the end-to-end experience of our retail teammates who make up approximately 50% of Nike’s employee population. The below programs that help them broaden their skills and competencies:



Nike North America  
Track Stretch  
participants

## FIRSTLINE OPPORTUNITIES

### PROGRAMS FOR RETAIL EMPLOYEES

#### TRACK STRETCH HQ

A six-month development experience, Track Stretch HQ exposes retail teammates to different career paths across various functions at our WHQ. These teammates bring invaluable knowledge of the marketplace, our product and consumers to the corporate environment, and return to their store roles with an opportunity to apply what they have learned.

After having extended the program to retail teammates in APLA and GC in FY22, we launched it to those in EMEA in FY23, creating a consistent and equitable experience for retail employees around the world.

In FY23, Track Stretch HQ had 144 participants worldwide, including 74 teammates from different functions within Nike. Since the program launched, more than 500 Firstline retail teammates around the world have completed this career experience.

#### CONVERSE KICKSTART HQ

A replica of Track Stretch HQ, Converse KickStart HQ is a six-month, remote career experience program for Converse Firstline teammates that allows them to gain exposure to different career paths and specializations across Converse in the U.S. At the end of the program, participants return to their previous roles and can apply new learnings from their experience as they continue to build their careers with Converse. The pilot program launched in February 2022 with three teammates as part of Cohort 1. Upon completion in August 2022, two of these teammates were promoted through a competitive process into corporate roles.

Cohort 2 launched in January 2023 with eight teammates. They completed the program in July 2023, with one teammate subsequently hired into a corporate role. Cohort 3 launched in December 2023 and will close in June 2024.

#### TRACK STRETCH RETAIL

Track Stretch Retail serves those interested in growing their career within retail. The program was piloted in FY22 and scaled to all retail teammates in Nike in FY23. To date, 400 NA retail athletes have participated in the program. Thanks to Track Stretch Retail, we are proud to have seen a 38% promotion rate to leadership roles within retail – and look forward to expanding the program to EMEA in FY24.

#### ACADEMY

The Academy is a one-year rotational program across NA that is open to U.S. retail store managers and assistant store managers. Participants rotate through three business functions within NA Nike Direct (for example, NA Retail Operations, NA Visual Merchandising and Styling and NA Connected Marketplace) and take advantage of learning and development opportunities in between their rotations. Since the program's inception in FY17, we have had five cohorts from which 30 retail employees were hired into corporate roles.

#### UNIFIED FIRSTLINE

Unified Firstline was designed to bridge the gap between physical and digital customer service, enabling our part-time retail teammates to expand their skills and capabilities developed in stores and serve customers digitally on our nike.com website and NIKE app channels. In FY22, the program was open to employees of all levels in EMEA and part-time employees in NA; it continued in FY23 for part-time employees in NA. Thanks to Unified Firstline, 20% of FY23 program participants were hired into corporate roles at WHQ; an additional 10% were promoted within retail.

Beyond these programs, the NAX team champions the learning and development journey of Nike retail teammates through Career Sessions, launched in FY23 in NA. In addition to resume-building workshops, these sessions have inspired, educated and helped develop our retail population by spotlighting business leaders, specific functions at Nike and today's consumer. The framework for Career Sessions has been used by teams outside of the U.S. to support Firstline retail employees in other parts of the world.

### FOR AIR MI AND DISTRIBUTION CENTERS

#### LANE FOUR

For the other segment of our Firstline population – teammates in our U.S. distribution centers and Air MI – we offer Lane Four, a program developed in partnership with the University of Memphis that helps teammates earn their college degrees.

As part of the program, teammates benefit from built-in support like direct tuition billing to NIKE to eliminate out-of-pocket expenses and 24/7 tutoring to match the schedule of this workforce. Since its inception in 2020, we have been able to celebrate 16 first-time college graduates.

Thanks to Lane Four, NIKE is actively reducing barriers to higher education while increasing the possibilities for teammates to reach their full potential.

PROGRAM SPOTLIGHT

LANE FOUR

# HOW NIKE IS MAKING DEGREE COMPLETION POSSIBLE

Through the Lane Four Program for Nike Distribution Centers and Air MI Employees in the U.S.



## One size has never fit all when it comes to pursuing higher education in the United States.



Clockwise, from top-left: Karen Miller, Dwayne McCray, Surina Conway and Wanda Katchens

An estimated 40% of current college undergraduates in the U.S. made their way into higher education as adults. Those who have completed some college but not earned a degree come in at 36 million. But, for many, pursuing higher education as an adult is a challenging prospect. The cost and structure of a traditional degree program can make earning a degree feel inaccessible. So NIKE is making the inaccessible accessible for employees at NIKE's U.S.-based distribution centers and Air MI manufacturing facilities through Lane Four, a unique degree-completion program.

NIKE established Lane Four in 2020, in partnership with the University of Memphis. The program is unusual because NIKE pays tuition up front. For Wanda Katchens, a recent Lane Four graduate and Director of Technology at two of Nike's Memphis distribution centers, this eliminated a significant barrier to completing her degree. "I needed at least two semesters' worth of money to make a traditional employer-provided degree-completion program work. That is a big expense, especially when you're married and have young kids."

Finances, parenting and other demands of life waylaid Katchens' pursuit of a bachelor's degree for almost 30 years. But she had always encouraged her children to pursue their degrees. When Lane Four was announced, her youngest son, who at the time also worked for NIKE, encouraged her to take advantage of the opportunity. "He was persistent, saying, 'Mom, you've always told us to get our bachelor's. You should finish yours,'" shared Katchens.

Lane Four is designed to fit easily into employees' lives and is built for efficiency. Coursework is entirely online, tutoring is available 24/7 and NIKE training is evaluated for credit.



"Online coursework was a godsend. I could fit it around being a wife, mother, grandma, working and the rest of my life." – Wanda Katchens, a recent Lane Four graduate and Director of Technology at two of Nike's Memphis distribution centers

Engaging with Lane Four felt near seamless for Surina Conway, a 2023 graduate and coordinator at a Nike distribution center in Memphis who, during her time in Lane Four, also served in the National Guard. "I fit my courses around night shifts at NIKE and commitments with the National Guard. But, if I needed help, it was easy to reach someone."

The support and community of Lane Four was foundational for Conway to complete her degree.



"Growing up, my family valued education, but really didn't know much about how to prepare for and pursue college. I doubted my abilities, felt like I was behind because I didn't go directly from high school to college and assumed I wouldn't be able to afford it. Now, I'm the first one in my family to graduate from college." – Surina Conway, a 2023 graduate and coordinator at a Nike distribution center in Memphis

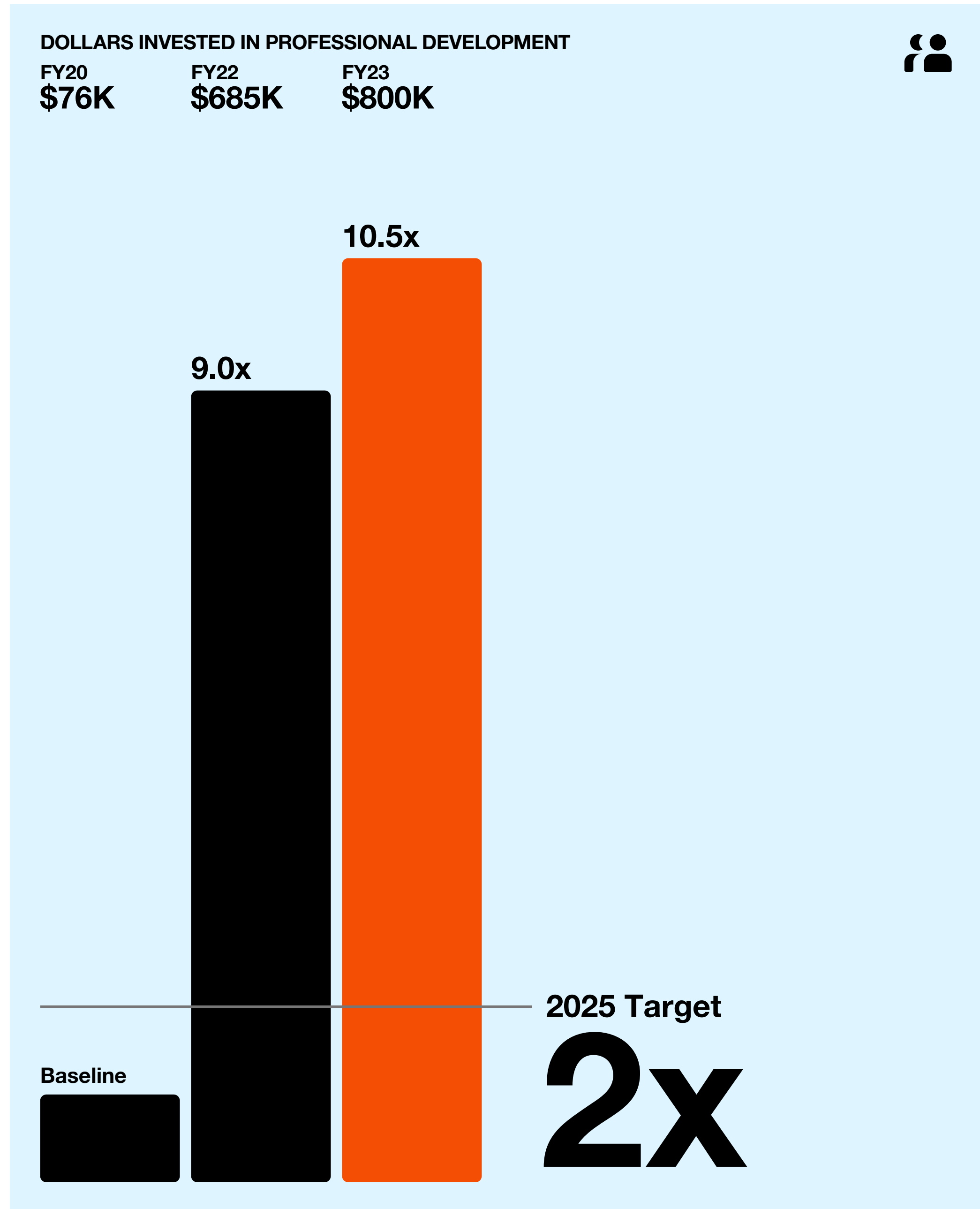


## PROFESSIONAL DEVELOPMENT FOR MINORITIES

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

To fuel our mission and continue advancing diverse and inclusive teams at NIKE, we must enable the career aspirations of all employees and help them become their best selves.

To achieve our target, we have curated leadership development opportunities with key partners to grow the future leaders of NIKE.



## PROFESSIONAL DEVELOPMENT FOR MINORITIES

### OPPORTUNITIES FOR NikeUNITED AND ConverseUNITED MEMBERS

As part of our DEI strategy, we provided opportunities for 115 members of NikeUNITED and ConverseUNITED to engage with our external DEI partners and attend professional development conferences noted on the following list. We believe these are key experiences that contribute to overall organizational representation, development and retention initiatives.

- AfroTech World
- American Indian Scientists & Engineers Conference
- Executive Leadership Council Gala (ELC)
- Grace Hopper Celebration
- Hispanic Association on Corporate Responsibility (HACR) Empow(H)er
- L'ATTITUDE
- Leadership Education for Asian Pacifics (LEAP)
- Lesbians Who Tech
- MBA Veterans Conference
- National Black MBA Conference
- Reaching Out MBA Conference
- Service Academy Career Conference
- Society of Asian Scientists and Engineers Conference
- Society of Hispanic Professional Engineers
- Society of Women Engineers

To support our NikeUNITED teammates, NIKE sponsors external partners – like the Society of Women Engineers, National Black MBA Association and [AnitaB.org](#) – who offer professional memberships and opportunities for networking and career development.



NIKE Teammates at AfroTech

## PROFESSIONAL DEVELOPMENT FOR MINORITIES



NikeUNITED and ConverseUNITED leaders with partner, Hispanic Association on Corporate Responsibility

### FOCUSED LEADERSHIP DEVELOPMENT PROGRAM (FLDP)

Leadership team members of NikeUNITED and ConverseUNITED were invited to apply to the Focused Leadership Development Program (FLDP), created in partnership with world-class external leadership firms. FLDP deepens leadership skills and provides focused development opportunities specific to gender identity, race/ethnicity and sexual orientation. Participants are considered NIKE's future leaders, committed to advancing diversity, equity and inclusion in the workplace.

FLDP Partners:

- Advancing Women Executives, Manager Accelerator
- Center for Creative Leadership
- Executive Leadership Council
- Hispanic Association on Corporate Responsibility
- Leadership Education for Asian Pacifics
- leadHERship – Women's Leadership Program
- McKinsey & Company
- The cru – Women's Leadership Program

### NETWORK CAREER SERIES

For our NikeUNITED and ConverseUNITED members, we also offer a career development series that allows them to grow their skills. Each of the 10 sessions offered in 2022 was applicable to leaders' own careers – from discovering their individual purpose to the art of negotiating. Created in partnership with partner organizations like HACR, Out Leadership, Workplace Change, LEAP and Bleeker, the Network Career Series attracted up to 200 participants per session, with a satisfaction rating of 97%.

**VICE PRESIDENTS INCLUSIVE LEADERSHIP EDUCATION**

# 100% of vice presidents complete and be credentialed on Inclusive Leadership education

At NIKE, we believe every leader should promote an inclusive environment for their team. Our goal is to ensure all vice presidents (VPs) worldwide are credentialed in inclusive leadership by 2025.

In FY21, we ran two DEI educational programs for our VPs and NikeUNITED and ConverseUNITED network leaders – completed by 41% of our current VPs. We took the learnings from those programs and in FY23, began the process of identifying potential partners for creating a bespoke, NIKE-only program for our VP leadership team. Part of our broader DEI education portfolio, the DEI VP Certification program will be an immersive development experience for our executive leaders.

The aim of the program is to give our leaders the tools they need to contribute to NIKE’s future vision. Participants will learn what it means to be an inclusive leader – committed and accountable to fostering a culture of belonging at NIKE – and will benefit from session follow-ups to drive adoption.

Our goal is to launch the program to the full VP cohort by the end of FY25.

While anticipating the rollout of this new DEI VP Certification program, we launched “Leading NIKE” in FY23. This new leadership development program is designed specifically for our global VPs on what it means to be an enterprise leader at NIKE. While not exclusively focused on inclusivity (and thus not included in this target’s metric), the program includes a session on trust – and the need to build trust in order to increase inclusion. More than half of our VPs have participated in the program so far.

While these weren’t exclusive to our VPs, our DEI Learning Labs and DEI Workouts were held in FY23 for those leaders looking to create a more inclusive team environment. We facilitated more than 25 sessions for Nike, Jordan and Converse teams that focused on inclusive leadership, psychological safety and navigating difficult conversations. And, all NIKE employees are required to complete NIKE Fair Play, an enterprise program that includes Matter of Respect, anti-harassment and anti-discrimination training, and Unconscious Bias Awareness, a course that helps employees recognize various types of bias and where and when they may occur. NIKE Fair Play defines the foundational behaviors we demonstrate and policies we follow to help us make the right decisions on behalf of ourselves, our teammates and our company.

PERCENTAGE OF VPs CREDENTIALLED FOR INCLUSIVE LEADERSHIP

FY22

FY23



2025 Target

# 100%

45%



41%



**BUSINESS DIVERSITY AND INCLUSION**

# \$1B cumulative spend on diverse suppliers

At NIKE, we work with a diverse base of suppliers that are closely connected with the consumers we seek to serve. This comes to life through our Business Diversity and Inclusion (BDI) program, which works to mirror our procurement base with our consumer base. Our indirect suppliers – the companies with whom we contract to provide goods and services outside of our core product supply chain – are important players on our team who fuel our innovation and creativity.

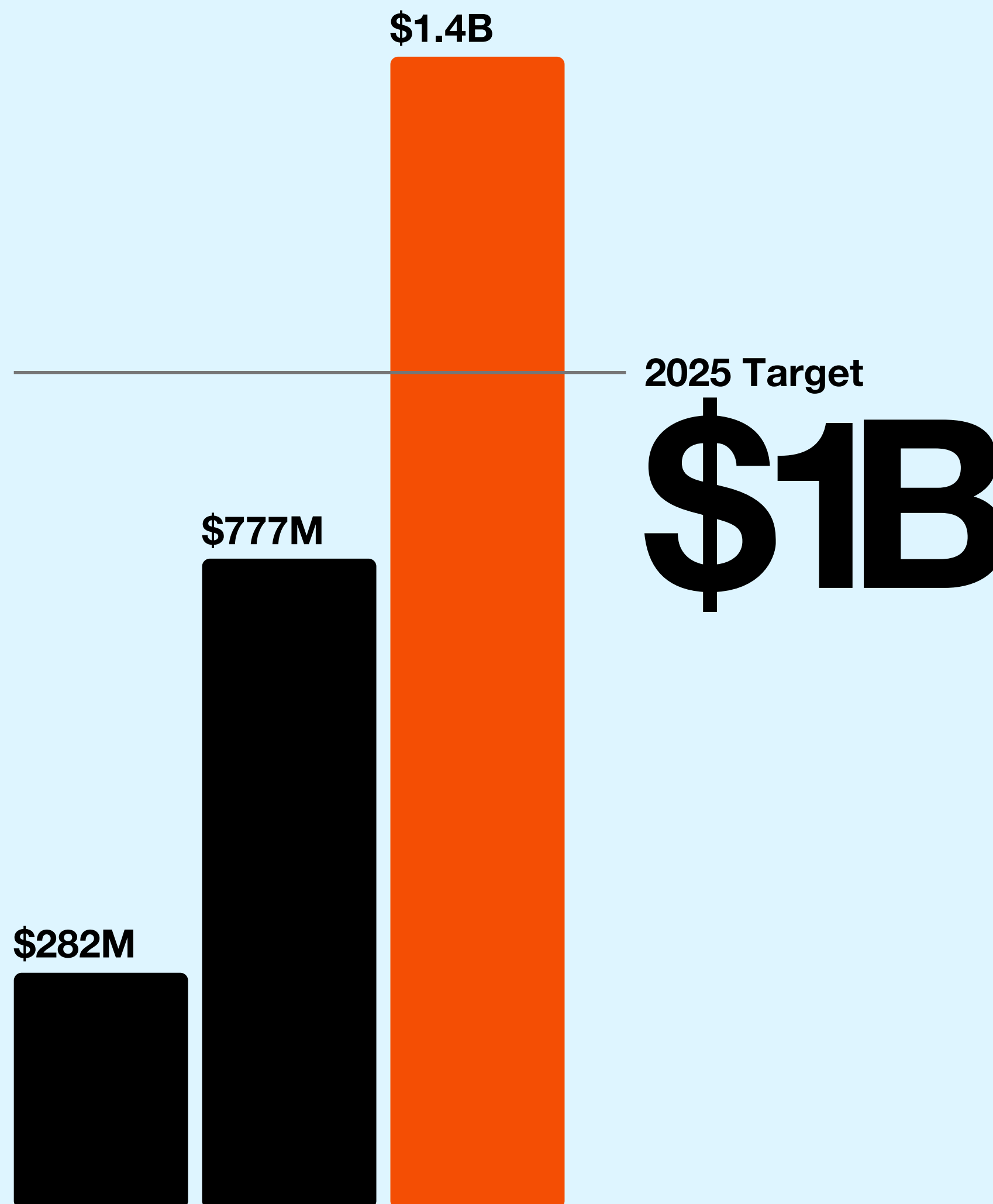
Our work with diverse-owned suppliers is paying off: we have surpassed our 2025 goal of spending \$1 billion with diverse-owned suppliers two years ahead of schedule. This achievement is largely due to expanding how we engage suppliers in all areas across NIKE – from Marketing to Security – as well as helping our suppliers in adopting some DEI best practices when they subcontract parts of their business that affect ours.

Our strategy is based on three equally important elements:

- 1 Drive accessibility and development: Expand visibility to diverse suppliers and build supplier capabilities through coaching and training.
- 2 Fuel demand: Engage and educate our leaders and buyers to proactively support BDI efforts.
- 3 Establish internal structures: Design processes, tools and metrics to embed BDI in procurement decisions.

DOLLARS SPENT ON DIVERSE SUPPLIERS

FY21	FY22	FY23
\$282M	\$495M	\$600M



## BUSINESS DIVERSITY AND INCLUSION



NIKE EMEA teammate attending the Minority Supplier Development UK (MSDUK) annual conference in London in September 2022

The following initiatives helped NIKE increase spend on diverse-owned suppliers and surpass our 2025 spend goal ahead of time:

- Launched the third cohort of the Business Diversity Academy consisting of 62 diverse-owned marketing and event companies. Since it launched in 2021, 145 companies have completed the Business Diversity Academy. Twenty-five percent of these participants have become suppliers for NIKE and another 33% have competed for business opportunities with NIKE.
- Integrated BDI practices into our procurement contract requirements to encourage that we have at least one diverse-owned supplier represented in NIKE's requests for proposal. This resulted in diverse suppliers both big and small winning opportunities with NIKE.
- Awarded our largest diverse-owned contract to date, to a Hispanic-owned physical security provider, as part of targeted matchmaking sessions facilitated by the National Minority Supplier Development Council (NMSDC).
- Expanded spend reporting of subcontracted and outsourced opportunities (Tier 2) by 157% and updated contract language to include consideration of minimum requirements for spend with diverse-owned subcontractors.

## SUPPORTING DIVERSE COMMUNITIES

NIKE believes when we invest in diverse communities, we help drive equity and diversity in sport. In FY23, NIKE partnered with The Consulting and Business Development Center at the University of Washington's Foster School of Business to assess and estimate our economic impact through an industry-best regional economic forecasting tool. The results estimated that for every \$1.00 NIKE spent on business with diverse-owned suppliers, \$1.41 of economic impact was created in the communities in which they are located in.

## BDI WITHIN NIKE EMEA

FY23 was our first full year operating BDI initiatives in EMEA, where we continued to make progress in expanding our supplier diversity efforts, including:

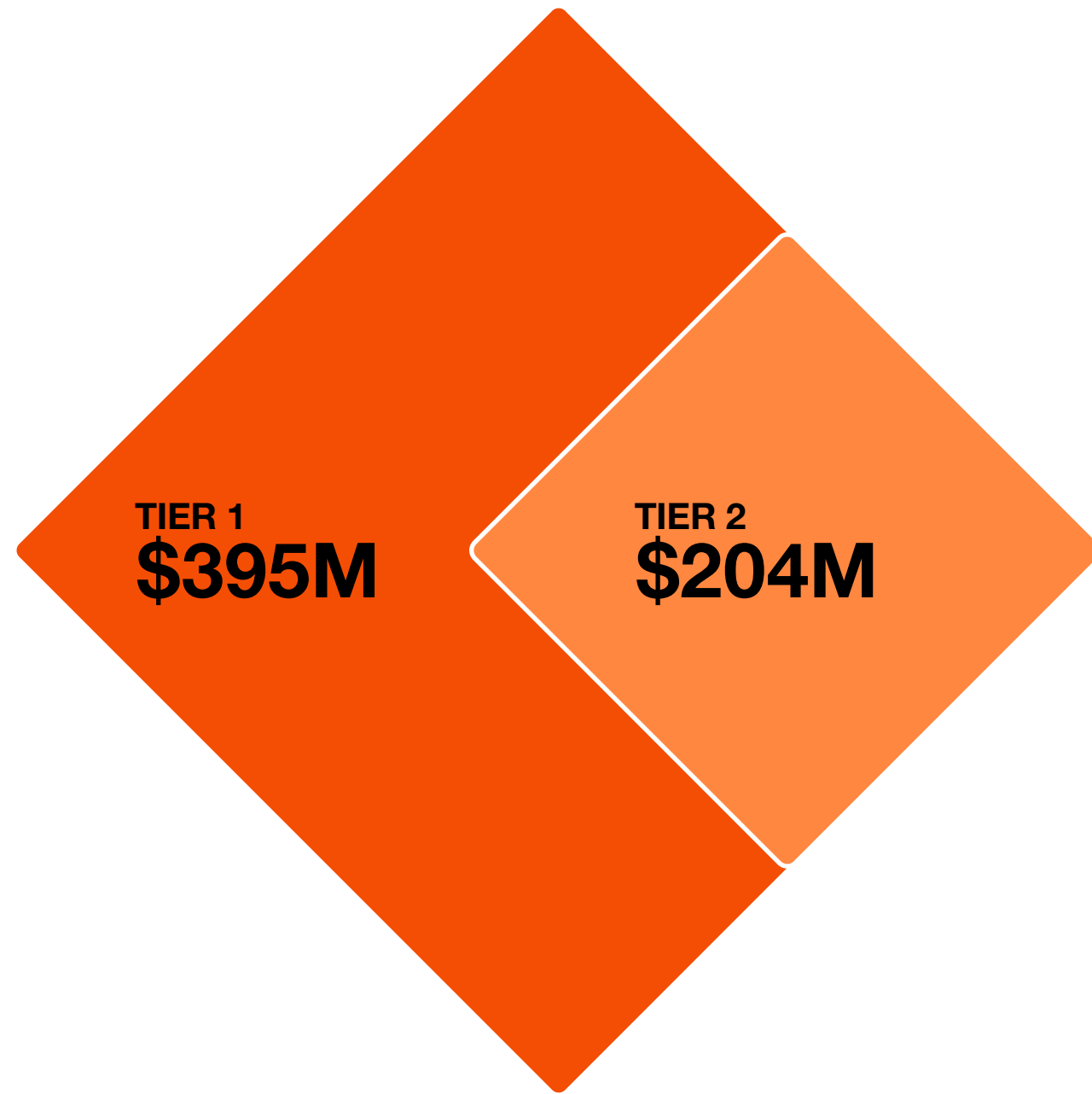
- Spending more than \$120 million with 126 diverse EMEA suppliers.
- Enabling diverse suppliers to self-attest their diversity status.
- Joining European LGBTIQ Chamber of Commerce in partnership with our EMEA Pride Network to identify LGBTQIA+-owned businesses in EMEA where supplier diversity is growing rapidly.
- Certifying two diverse-owned NIKE suppliers with Minority Supplier Development U.K. and WEConnect International, with two more in the certification process. These certifications will help enable these suppliers to access other global corporations that have a need for their services.

NIKE surpassed our goal to spend \$1 billion on diverse suppliers early, and we will continue this momentum through the global expansion of our BDI program. We remain committed to our plans to collaborate with external councils and partners, expand the Business Diversity Academy curriculum and integrate it into NIKE's business strategies, policies and processes. When historically underrepresented businesses are invested in through education and development, the community wins, and so does NIKE.

## BUSINESS DIVERSITY AND INCLUSION

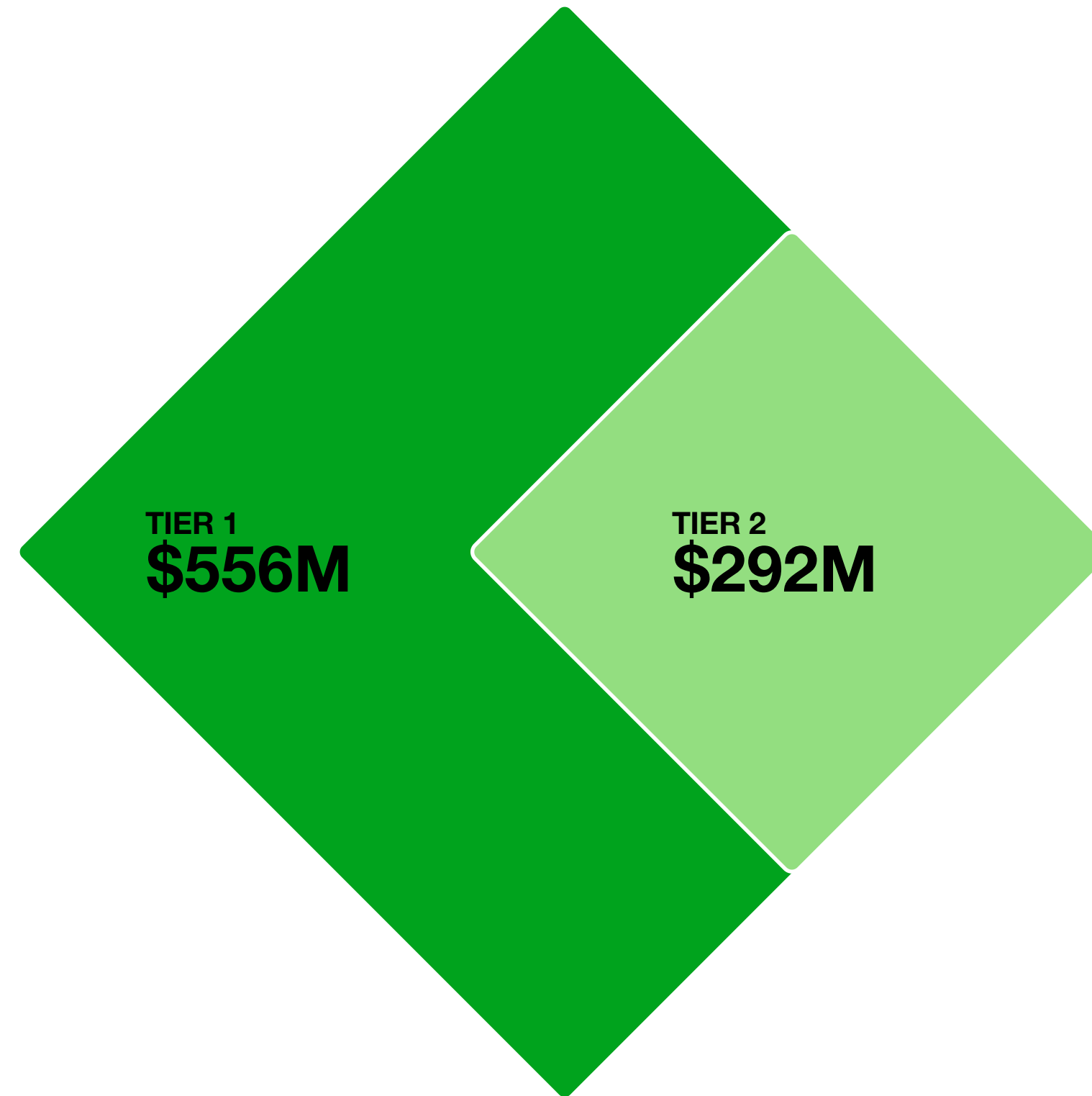
Economic Impact is the net effect of our spend with diverse-owned businesses and includes the jobs generated by those businesses as a result of our spending, the increase in wages for their employees and the additional tax revenues realized by their communities.<sup>36</sup>

### FY23 SPEND



Total Spend  
**\$599M**

### FY23 ECONOMIC IMPACT



Total Economic Impact  
**\$847M**

**1.41x**  
economic impact per dollar of spend

<sup>36</sup> Estimating the economic impact created within the U.S. only. Bureau of Economic Analysis. "RIMS II User Guide." Department of Commerce, 2013

# TEAM SPOTLIGHT

## BUSINESS DIVERSITY AND INCLUSION

# ELEVATING DIVERSITY

NIKE's Work to Engage Diverse Suppliers





**NIKE's commitment to diversity and inclusion is a cornerstone of our corporate ethos. When we established the ambitious goal of spending \$1 billion on diverse suppliers by 2025, we needed an equally ambitious team to make it a reality.**



Abigail Schleichkorn (left) and Emily Parker (right) attend the BDI Academy Graduation

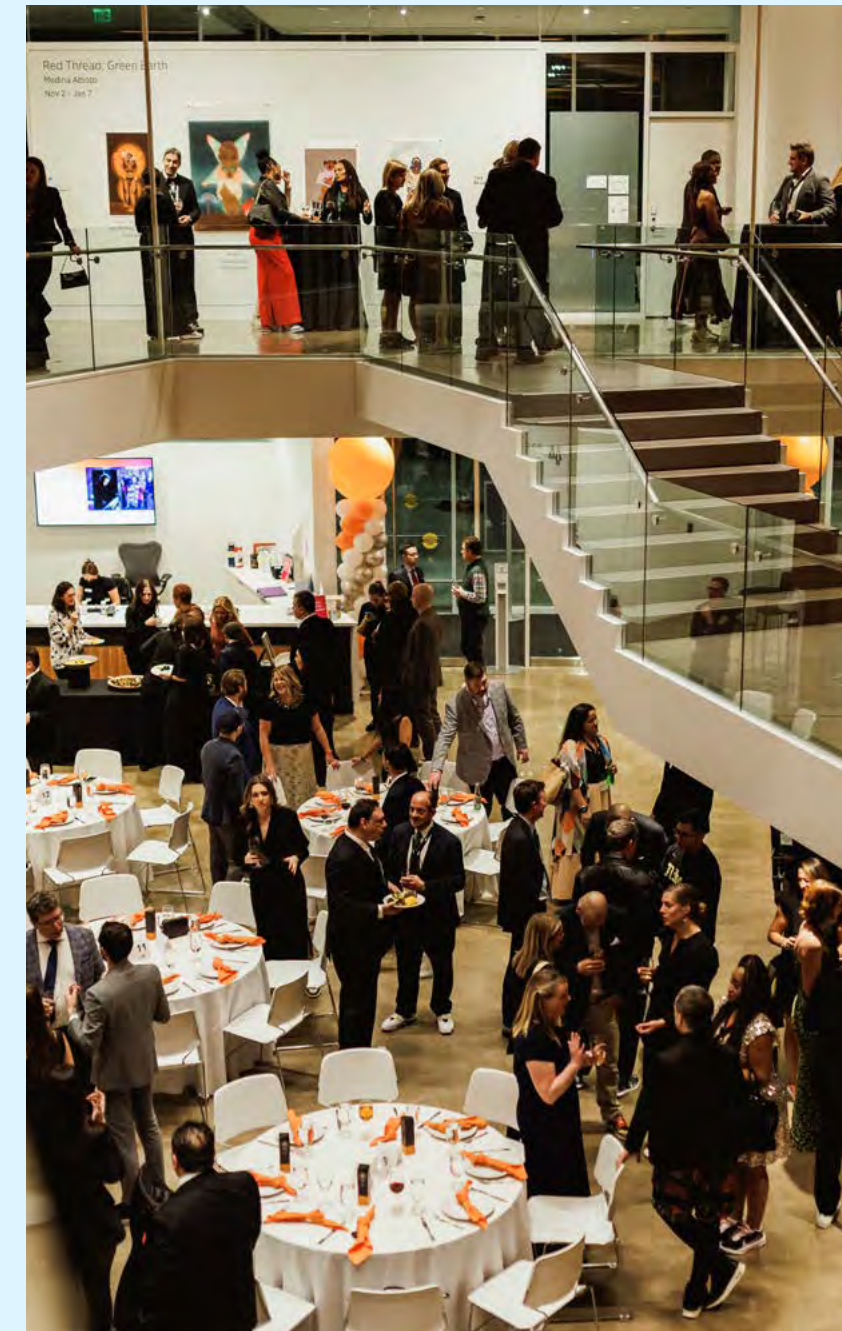
Enter the team behind NIKE's BDI program – a multifaceted initiative designed to catalyze a more diverse and inclusive value chain. Fundamentally, the BDI program exists on the belief that diverse suppliers can be great partners to NIKE. At NIKE, a “diverse supplier” is defined as a business that is owned, operated and controlled by individuals from historically excluded groups (minorities, women, veterans, LGBTQIA+ and disabled individuals).

The BDI program focuses on creating opportunities for diverse suppliers to grow and generate business for themselves through a three-pillar approach: The BDI Academy, Diversity Council Outreach, and Public Awareness.

#### THE BDI ACADEMY

We know diversity unlocks creativity and accelerates innovation across our enterprise. The BDI Academy puts this insight into action, training suppliers from historically excluded communities on how to compete for NIKE's business. The Academy curriculum includes deep dives on how to market their business, manage corporate accounts and better work with clients – including NIKE.

“Our goal is to make sure that diverse suppliers feel like they have the right tools necessary to compete.” – Abigail Schleichkorn, Lead, Global Business Diversity & Inclusion Program Operations Manager



BDI Academy Graduation Dinner in Beaverton, OR

#### DIVERSITY COUNCIL OUTREACH

The NIKE BDI Team collaborates with diverse councils both nationally (e.g., National Minority Supplier Development Council, National LGBT Chamber of Commerce, Women's Business Enterprise National Council) and internationally, in EMEA (e.g., WEConnect International, Minority Supplier Development U.K.).

“We're helping NIKE reach its goal of \$1 billion spent with diverse suppliers, but this work is so much bigger than NIKE. By hiring these organizations, we're making an impact in the communities where NIKE lives, works and serves – where our consumers live, work, and serve.” – Emily Parker, Business Diversity & Inclusion, Lead

#### PUBLIC AWARENESS

However, weaving this work into NIKE's fabric has its challenges, especially internationally.

“Every country has its unique history, demographics, legislation and cultural framework. We have to understand the context and spend time learning about each of these elements. Building this program in the EMEA region is raising awareness not only among diverse suppliers, but to other corporations that operate here.” – Bruna Braga, Principal, Procurement Programs EMEA

The awareness efforts of the BDI program, including collaboration with external supplier councils and internal communications to NIKE employees, are critical to its success. We do this not only to help generate awareness of the program to NIKE buyers, but to support participating suppliers in landing external business – diversifying our industry and creating ripple effects beyond NIKE.

“Incorporating diverse suppliers is beneficial for our company, our employees, our communities and our customers. Oftentimes, these businesses are smaller, and there are barriers to awareness, both internally and externally. We're breaking those barriers down.” – Dave Teves, Director, Business Diversity & Inclusion

While we surpassed our goal to spend \$1 billion on diverse suppliers early, we will build on our momentum through global expansion of the program.

“I want NIKE's BDI program to be the first thing people think about when they go to buy for NIKE – whether they're in Procurement or another part of the company. They have a job to be done, a need in their department, and they ask themselves, ‘I wonder if there's a diverse supplier in our ecosystem that can do this work for me?’ If we can get to the point where hiring diverse suppliers is one of the first things people think about, we really can have that broader impact.” – Jason Cipriano, Senior Director of Procurement Programs

**SUPPLIER HEALTH AND SAFETY**

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

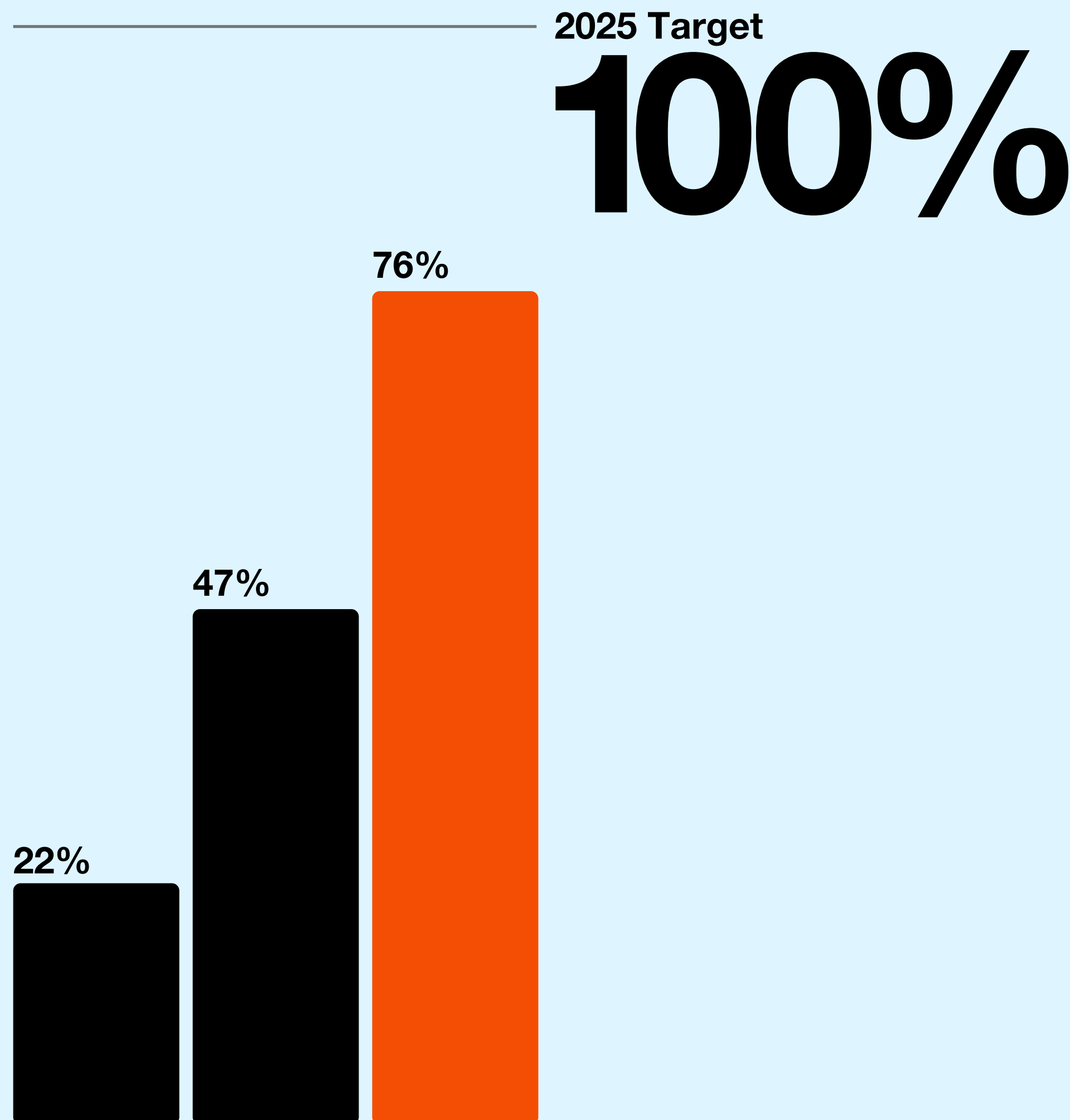
In line with the [International Labour Organization's \(ILO\) Declaration on Fundamental Principles and Rights at Work](#), NIKE believes in the fundamental right of protection of health and safety in the workplace for all people. As a key component of a resilient and responsible supply chain, we expect suppliers to provide safe and healthy workplaces. By supporting efforts to strengthen health and safety and increase worker engagement, suppliers are better able to attract, protect, develop and retain their workforces.

With this in mind, we help suppliers build industry-leading health and safety cultures that are grounded in leadership accountability and governance that focus on developing risk resilient capabilities. As a result, in-scope suppliers with mature health and safe workplaces grew significantly in FY23 (+29 p.p. vs. FY22; +54 p.p. vs. baseline).

PERCENTAGE OF SUPPLIERS WITH LEVEL 3 HEALTH AND SAFETY MATURITY



FY20      FY22      FY23



## SUPPLIER HEALTH AND SAFETY



### A CULTURE OF SAFETY

Our work focuses on enabling and empowering finished goods suppliers as they:

- 1 Engage Supplier Leadership: Setting up effective governance structures within supplier organizations at the facility and enterprise levels.
- 2 Develop Workers: Focusing on the development of individual competencies and organizational capabilities in risk-appropriate areas.
- 3 Implement Effective Safety Programs and Processes: Developing industry-leading health and safety management systems.

To measure the effectiveness inside a facility, strategic suppliers<sup>37</sup> self-diagnose and report the effectiveness of their health and safety program using our Culture of Safety Maturity Assessment (CoSMA) Tool. The results of the self-assessment are then validated through worker feedback or a worker voice platform and by a third-party administered safety perception survey.

A worker at the Pratama manufacturing supplier location in Indonesia

### DEVELOPING SAFETY LEADERSHIP

The foundation of a mature health and safety culture is effective leaders who hold themselves accountable for the organization's safety performance, drive better behaviors at work and motivate their colleagues to do the same. This starts with effective governance structures and safety leadership at the enterprise level.

In FY23, we continued offering our Transformational Leadership Program, administered by the Institution of Occupational Safety and Health (IOSH), to help suppliers evaluate the effectiveness of their corporate safety governance structures. Twelve finished goods supplier groups completed the IOSH program and two additional suppliers have started the program with plans to complete in FY24.

<sup>37</sup> Strategic suppliers are strategic finished goods suppliers representing approximately 80% of total footwear and apparel production.

## SUPPLIER HEALTH AND SAFETY

### EFFECTIVE SAFETY PROGRAMS AND PROCESSES

Focusing on the most salient health and safety risks within manufacturing facilities, we work with suppliers as they implement the following:

- 1 Health and safety program management
- 2 Fire and building safety
- 3 Machine safety
- 4 Occupational health and hygiene

#### HEALTH AND SAFETY PROGRAM MANAGEMENT

In FY22, we selected the Institution of Occupational Safety and Health (IOSH) competency framework as the standardized tool to develop our internal NIKE teammates and supplier staff. This standardized assessment process helps participants determine their current skill level in respect to technical, behavioral and core competencies in health and safety. In FY23, we began rolling this out to the NIKE team; we plan to scale to select strategic suppliers in FY24.

#### FIRE AND BUILDING SAFETY

Facility workers play a key part in creating a safe and healthy work environment. To elevate worker voice and facilitate peer-to-peer and peer-to-manager conversations, NIKE created the Workplace Safety Facilitator (WSF) program, an adaptation from the Fair Labor Association (FLA) Fire Safety program.

The program focuses on enhancing communication skills, fundamentals of teaching others, delivering meaningful presentations, organizing and managing group work and coaching peers on fire and building safety topics. Expanding on the success of the program, WSF is also adding other topics as a part of the learning framework, including building structural safety and women's health.

In FY23, all strategic finished goods supplier<sup>38</sup> personnel were trained on the WSF program by a NIKE FLA-certified Master Trainer to be facilitators; they are now implementing workplace safety programs in their own facilities. As of the end of FY23, over 13,000 active Workplace Safety Facilitators have trained over 480,000 of their co-workers on fire safety.

#### MACHINE SAFETY

Operating and maintaining modern or automated manufacturing machinery continues to be a top health and safety priority. We work closely with Pilz, an internationally recognized safety expert, on a program to provide advanced machine safety training and certification for suppliers who operate high-risk machinery. Since the program started in FY18, 291 machine safety practitioners have completed the Pilz training course, and of those, 98 workers have become Certified Machinery Safety Experts. As a result of these improved capabilities, over 64,000 machines have been assessed against international machine safety standards.

#### OCCUPATIONAL HEALTH AND HYGIENE

NIKE continues to innovate the manufacturing processes and materials used to make our product. When new materials or manufacturing processes are introduced, suppliers utilize NIKE's Industrial Hygiene Playbook to anticipate, recognize, evaluate and control potential workplace hazards. In FY23, we developed plans for additional training of high-risk suppliers<sup>39</sup> that aim to be completed in FY24.

Since the launch of the program at the end of FY22, 371 factory-based health and safety professionals have completed the Fundamentals of Industrial Hygiene training course and 25 have completed more advanced courses on industrial hygiene.

<sup>38</sup> Strategic suppliers are strategic finished goods suppliers representing approximately 80% of total footwear and apparel production.

<sup>39</sup> We identify high-risk suppliers using the American Industrial Hygiene Association's qualitative and quantitative risk assessment and priority setting guidelines.

## SUPPLIER HEALTH AND SAFETY



### INVESTING IN WOMEN IN SAFETY

In 2021, the Royal Society for the Prevention of Accidents launched the Leading Safely for Women initiative, designed to help women safety leaders become more visible, connected and empowered. Globally, women make up less than 30% of health and safety professionals, and the program seeks to create more balance across the manufacturing sector.

In FY23, NIKE sponsored two Leading Safety for Women training sessions and enrolled 16 NIKE and supplier delegates. After completing the training session, each delegate is assigned a mentor to help them continue their skill development and become more visible within their organization.

- 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 transportation 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 practices and is effectively enforced

In FY23, we partnered with VZF to pilot this framework at four supplier locations in Egypt, focusing specifically on reducing road and commuter accidents by empowering workers to make decisions and prioritize safety and providing safe transportation alternatives. In FY24, we will continue working with VZF to analyze the outcome and impacts of implementing the TOC before scaling the tool in additional countries.

### ROAD AND COMMUTER SAFETY

According to the ILO, apparel and footwear workers have disproportionately high involvement in road and commuter accidents. In FY22, NIKE and the ILO Vision Zero Fund (VZF), a G7-funded initiative focused on eliminating severe or fatal work-related accidents, injuries and diseases in global supply chains, developed a Theory of Change (TOC) framework on road safety focusing on the following four key outcomes:

### DRIVING PROGRESS

In FY23, we worked with the National Safety Council to analyze the societal and business impacts of NIKE's health and safety initiatives. The methodology and results of that study are available in [The New Value of Safety and Health in a Changing World: Activation Guide and Methodology](#).

Aerial photo of the Pratama manufacturing supplier in Indonesia

**SUPPLIER GENDER EQUITY**

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

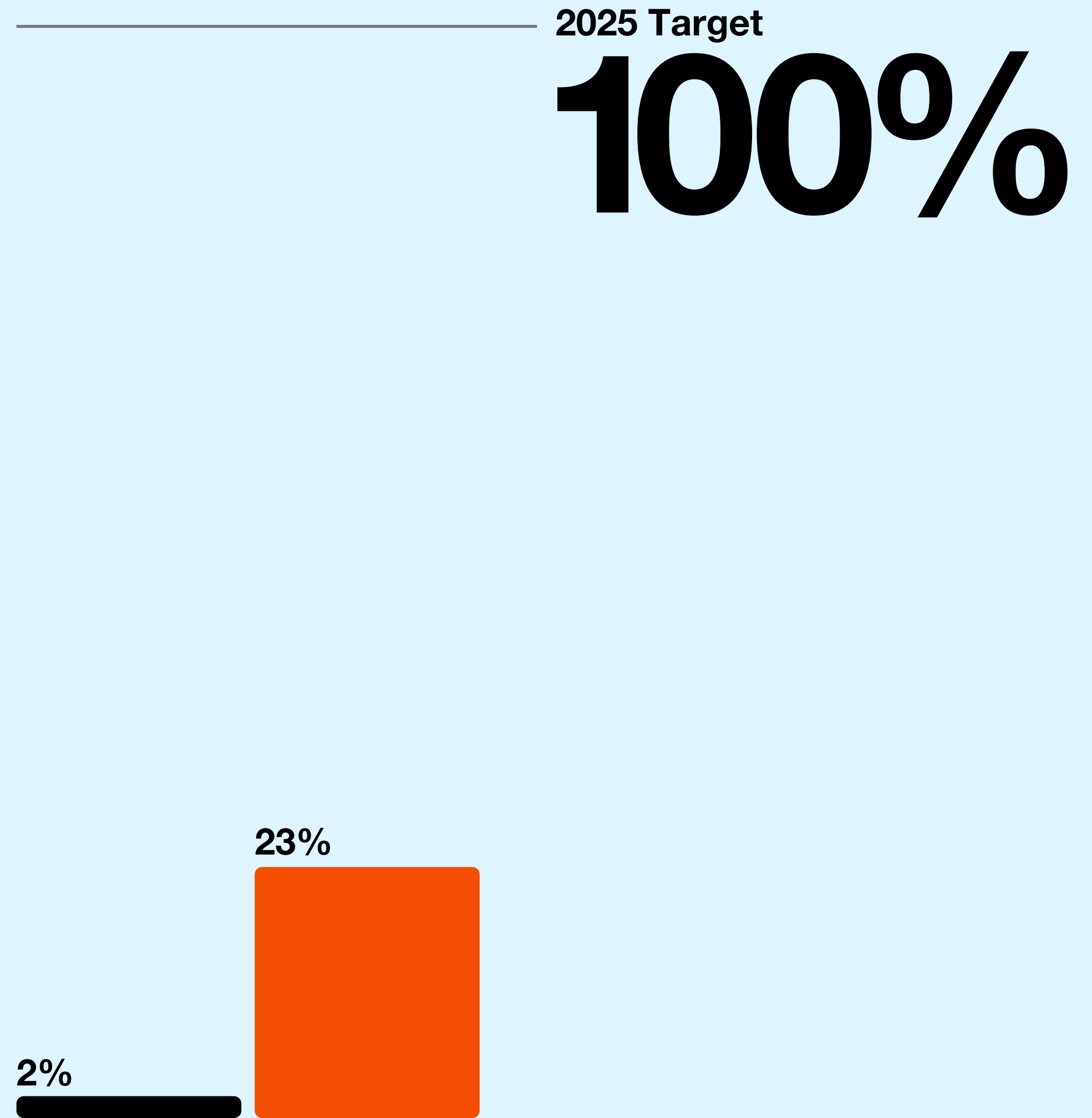
At NIKE, we are committed to fostering inclusive and equitable environments, including in the facilities where our products are made. For us, it's not just the right thing to do, but an essential part of a resilient and responsible supply chain. Research shows that gender diverse businesses are more resilient, financially out-perform their non-diverse peers and more effectively attract and retain talent. In FY23, building on their progress over the last three years, 24 additional facilities reached our gender equity target, further demonstrating mature gender equitable workplaces.

Within Tier 1 finished goods suppliers, women make up over 70% of the total workforce and around 80% of the finished goods production workforce. However, when looking at female representation in leadership and skilled roles, NIKE found that men were advancing to factory leadership roles at three times the rate of women. To help close the gap of women in leadership roles, we are committed to helping suppliers improve upward mobility for women in the facilities where our products are made. Over the past three years, we have been

collaborating with strategic suppliers to help them understand the importance and business benefits of advancing gender equity within their facilities and helping them strengthen their capabilities to create more equitable workplaces.

NIKE's approach began with encouraging suppliers to prioritize gender equity and sharing learnings on how workplace culture creates more inclusive environments. After working with suppliers to set a baseline, NIKE helped them build stronger capabilities to advance gender equity with a specific focus on representation of women in leadership roles. We continue to encourage suppliers as they measure their progress, and we provide support by leveraging our work with global gender experts such as International Finance Corporation (IFC).

PERCENTAGE OF STRATEGIC SUPPLIERS ACHIEVING MATURE GENDER-EQUITABLE CAPABILITY  
FY22                      FY23



## SUPPLIER GENDER EQUITY

### MEASURING EQUITY: THE 10 DOMAINS OF THE SELF-DIAGNOSTIC TOOL

To meet this target, suppliers must implement comprehensive policies and effective practices within their business operations that support increased gender equity, as well as setting custom representation targets for key positions in their workforce. We measure this performance with the Gender Equity Self-Diagnostic Tool (SDT), which analyzes 10 domains of gender equity in areas including how organizations embed an equity lens into their training and promotion processes to how they support working parents in their workforce.

Creating gender equitable cultures requires looking at many aspects of a workplace. The 10 domains below were identified with support from the International Center for Research on Women as having an outsized influence on creating gender equitable cultures in footwear and apparel manufacturing:

- Gender Equity Commitments and Policies
- Recruitment and Hiring
- Professional Development and Skill Building
- Employee Evaluation and Promotion
- Pay and Compensation
- Gender-Based Violence and Harassment
- Care and Support for Working Parents
- Employee Health, Safety and Wellbeing
- Transportation and Accommodation
- Measurement

In FY21 and FY22, the first two years of our target, suppliers built strong foundations and increased their SDT scores through better policy implementation, attending targeted trainings and designing long-term action plans to meet their goals. Completing the SDT assessment annually helps suppliers track their progress and identify areas of opportunity where NIKE and external gender experts can support targeted capability building. Additionally, NIKE completed deep dive reviews into all target-eligible facilities to verify that their gender equitable policies and practices are coming to life in the facilities and to hear directly from both management and workers on the impacts of this work.

In FY23, 24 additional facilities reached the gender equity target, joining the first two supplier facilities that achieved the target in FY22. Within these 26 facilities, we continue to see decreasing turnover and unplanned absenteeism rates. Regardless of a facility's gender maturity, every facility was given areas of improvement. This led to the number of strategic suppliers<sup>40</sup> with gender equitable workplaces jumping 21 percentage points vs. FY22 and 23 percentage points vs. the baseline. Additionally, 100% of our strategic suppliers have set NIKE-approved representation targets that are informed by best practice and meaningful for their business.

<sup>40</sup> Strategic suppliers: strategic finished goods suppliers; suppliers representing approximately 80% of total footwear and apparel production.

### CAPABILITY BUILDING

In FY23, we saw an increase from the prior year of 10 percentage points in overall SDT ratings globally, with suppliers noting large jumps in gender equity commitments and policies. We continued helping suppliers advance their gender equity capabilities by launching a second phase of our five-part training series with IFC – helping suppliers with targeted and actionable guidance in key areas including gender-inclusive recruitment and promotion, care and support for working parents, and creating harassment-free environments. These sessions have been attended by representatives from all strategic suppliers globally.

This year, four facilities went above and beyond our gender equity target by completing the EDGE Certification – a leading global assessment methodology and business certification standard for gender equity. The facilities completed a third-party deep dive assessment on their internal practices across equitable policies and workplace culture, pay parity and representation. All four facilities were granted the second level of EDGE status, EDGE Move.

### WOMEN'S LEADERSHIP ACCELERATOR PROGRAM

In FY23, we built on the success of our Women's Leadership Accelerator program in Vietnam. Last year's pilot program, created in partnership with IFC and local research development organization Mekong Development Research Institute, provided culturally and professionally relevant training for women working in supplier facilities over the six-month leadership course.

The goal of the course is to give participants the skills, confidence and support they need to move into factory leadership roles, helping close the representation gap. Managers nominate their direct reports for the program and are engaged throughout the course to help participants bring their new skills into their roles. From the pilot cohort, 21% of participants received promotions within three months of graduation from the program and 100% of participants rated it as relevant to their next position.

Given the success of the program, we have launched a second cohort in Vietnam. The new cohort saw increased registration, with 31 different facilities participating. At least one facility from each strategic supplier group in Vietnam was represented, as well as our NIKE owned and operated Air MI facility in Vietnam. We look forward to continuing to expand the scope of this training program in areas where it can have meaningful impact.

**SUPPLIER WORKER ENGAGEMENT**

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

A key component of a responsible and resilient supply chain is an engaged and valued workforce. Not only are engaged workers more likely to have a greater feeling of well-being, but they are also more likely to be more productive and have lower rates of absenteeism. Higher engagement leads to more efficient, agile and committed workers, which results in beneficial outcomes for both workers and the organization.

To help suppliers measure and improve engagement, NIKE created the Engagement and Wellbeing (EWB) program. The program started with the development of the EWB Survey, which helps suppliers measure engagement. After implementing the survey and establishing a baseline, suppliers work on developing and embedding capabilities that help improve worker experience. Over time, we have seen that improvement in the well-being of workers also leads to improvements in supplier facility performance through decreased turnover and increased productivity.

PERCENTAGE OF STRATEGIC SUPPLIERS MEASURING AND IMPROVING ENGAGEMENT

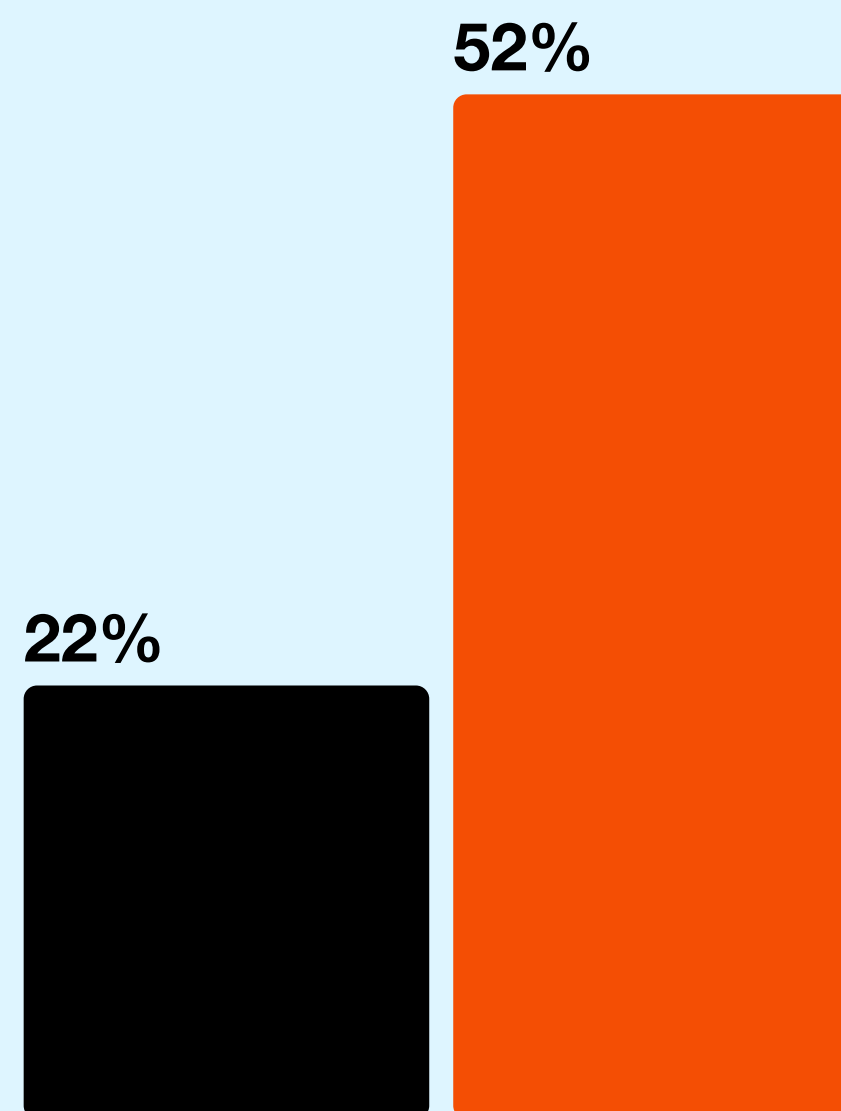


FY22

FY23

2025 Target

# 100%





## SUPPLIER WORKER ENGAGEMENT

### LISTENING TO THE WORKER

In 2017, we developed the EWB Survey to fill the need for a comprehensive, manufacturing-focused and actionable tool for suppliers to hear directly from workers about their experiences. The EWB Survey helps capture the voice of suppliers' production workforce across several experience categories and its structure and deployment process give NIKE and suppliers a data-driven method to anonymously capture the experience of workers at a moment in time and over time, contributing to both short- and long-term strategic initiatives.

We have a robust network of survey vendors that leverage mobile and tablet technology to deploy these surveys digitally and onsite. Several of these survey vendors have built their capabilities to enable not only digital deployment of the survey, but also a broader package of services connecting workers and management. These capabilities allow for better integration into suppliers' worker-management communication systems. Since 2017, we have been scaling the EWB Survey to reach more suppliers and the community of those implementing the program has grown, the EWB Survey has reached 128 unique supplier facilities representing around 700,000 workers across 17 countries.

In FY23, strategic suppliers measuring and improving worker engagement grew significantly both vs. FY22 and vs. the baseline (+31 p.p. and +52 p.p. respectively), with suppliers measuring engagement also growing in similar strides. All strategic suppliers have deployed the EWB Survey at least once by the end of FY23, a critical milestone enabling target achievement.

The community of suppliers deploying the EWB Survey continues to grow year-over-year. As use of the program has scaled within NIKE's extended supply chain and beyond, we have identified a need for accessible, standardized and effective digitized program trainings.

In FY23, NIKE launched a series of interactive trainings through an online learning management system that is available for suppliers and approved survey vendors. These trainings cover a variety of topics related to the EWB program history, the EWB Survey deployment process, the EWB Action Planning Guide (EWB Guide) and 2025 target expectations. This launch marked an important milestone in our goal to encourage supplier improvement of worker experience and drive accessibility of the program methodology.

### BUILDING CAPABILITIES

Once suppliers receive the EWB Survey results, NIKE provides a suite of tools such as the EWB Guide. The objective of the EWB Guide is to enable suppliers to own and manage the action planning needed to improve engagement and well-being, by unlocking capabilities to improve their human resource management system.

Suppliers have found this guide helpful, even sharing their experiences in global forums with others to support cross-cultural learnings. For example, through deployment of the EWB Survey, one facility's management team noticed a low response to supervisor responsiveness on production lines. Using the EWB Guide, they gathered data from additional resources, including insights from grievance mechanism reports, factory inspections and worker turnover data. With this additional information, they were able to identify the specific area in the facility where workers were experiencing issues with supervisor responsiveness.

Through root cause analysis, including focus group discussions with workers, they uncovered the main drivers of the issue and were able to address them through an action plan. After implementing the action plan, facility management saw increased performance and better workforce retention in the area targeted for improvement. They then cascaded these learnings to other parts of the facility, scaling their impact.

### IMPROVING WORKER EXPERIENCE

NIKE aims to meet suppliers where they are on their journey toward improved worker experience. This means we are continually monitoring supplier progress and engaging with supplier teams to encourage ongoing commitment to the work.

FY23 marked the second year that suppliers could move beyond baseline measurement and into improving engagement. With a consistent commitment, strategic suppliers leveraged the tools developed by NIKE, resulting in over half of strategic suppliers measuring and improving engagement in FY23.

We measure improvement by first validating that suppliers have implemented consistent, scalable capabilities. We then check that they are driving accountability in improving worker engagement by analyzing EWB Survey data to identify root causes, engaging in cross-functional communication to increase impact of their action plans, and confirming they have identified and tracked key performance indicators to understand progress over time.

**SUPPLIER CODE OF CONDUCT**

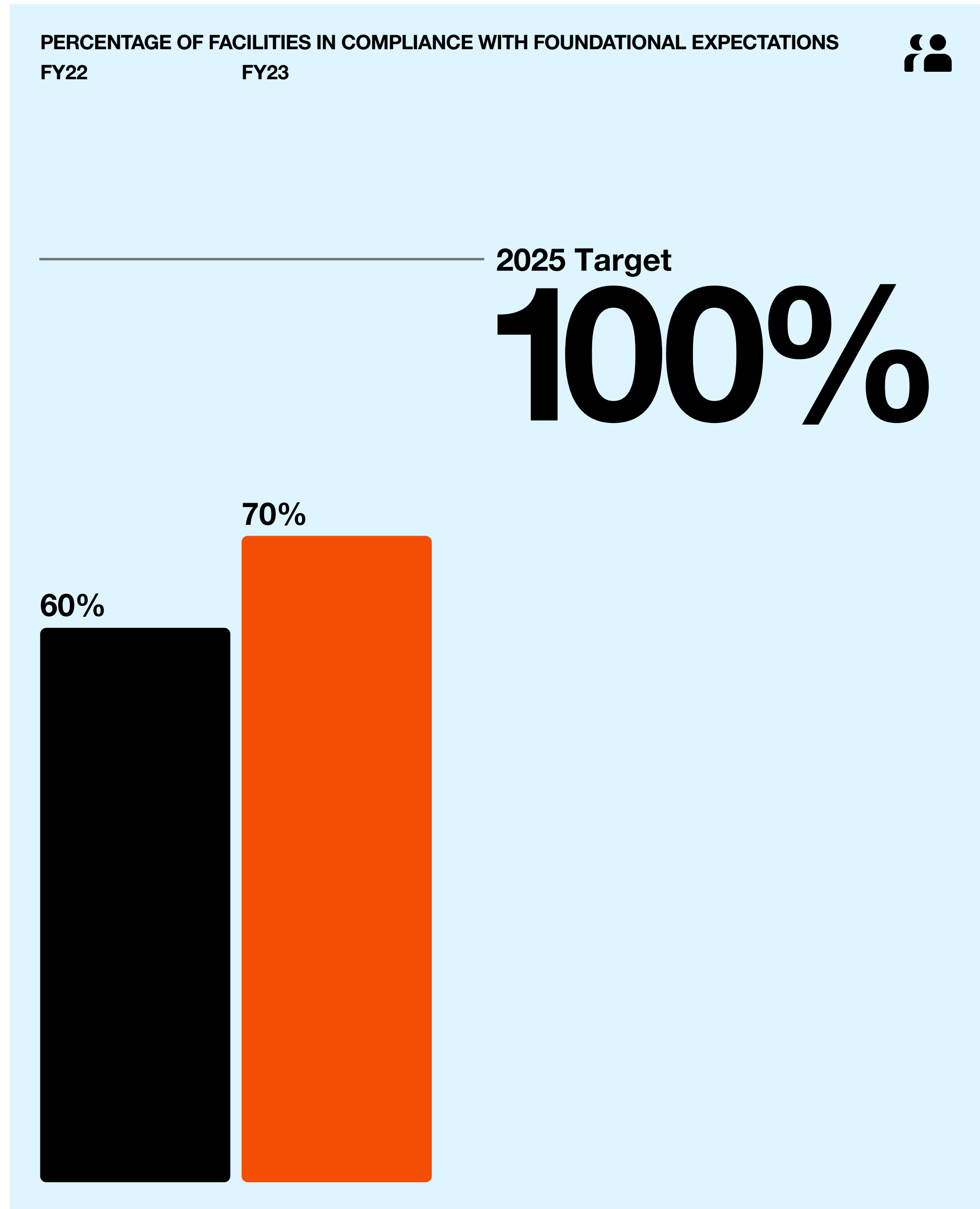
**100% of facilities in our extended supply chain meet NIKE’s foundational labor, health, safety and environmental standards, demonstrating respect for the rights of their workers and communities where they operate**

We believe that a world-class supply chain is responsible, resilient and responsive. It is built on standards that demonstrate respect for the environment and the people that make and move our product. That’s why we work to build long-term relationships with suppliers who share our commitment to making products responsibly, and why we set clear expectations in the areas of labor, health, safety and the environment through our supplier Code of Conduct and Code Leadership Standards (CLS).

We then work with suppliers to remediate the underlying issue causing the non-compliance. In situations where improvements are required, we take a collaborative approach and work with suppliers to verify corrective actions are taken and problems are remediated. Should a supplier fail to remediate issues identified by an audit, they will be subject to review and sanctions, including potential termination of their supplier relationship with NIKE.

To enable suppliers to continue to meet or exceed our Foundational Expectations,<sup>41</sup> we track their environmental and social performance through regular audits, both announced and unannounced. In the event that we are alerted to a non-compliance with our supplier Code of Conduct and CLS, we investigate.

<sup>41</sup> Foundational Expectations refers to Bronze or higher under our supplier Code of Conduct.



## SUPPLIER CODE OF CONDUCT

PERCENTAGE OF FACILITIES MEASURED FOR COMPLIANCE OF ANTICIPATED TOTAL SCOPE

FY22                      FY23

97%                      99.9%

2025 Target

100%



## PROGRAM EXPANSION AND INDUSTRY TOOLS

With the launch of our 2025 targets, we began an ambitious expansion of our compliance program, adding Tier 2 materials suppliers – including our owned and operated Air MI facilities – and distribution centers.<sup>42</sup> We also shifted from proprietary to industry assessment tools to help decrease audit fatigue and increase transparency across the industry through verified data.

We now assess our Foundational Expectations for suppliers through industry tools, including verified Social & Labor Convergence Program (SLCP) assessments, Higg Facility Environmental Module (Higg FEM) assessments and Zero Discharge of Hazardous Chemicals (ZDHC) wastewater testing. With this transition and expansion of scope, we began to see a dip in our compliance rate as Tier 1 finished goods suppliers adjusted to the new industry tools and Tier 2 materials suppliers and distribution centers adjusted to the new processes, tools and expectations.

In FY22, in response to the dip, we worked with third-party experts to create remediation programs tailored to the needs of each type of facility. For Tier 1 finished goods suppliers, who were familiar with our expectations, we focused on issue-specific programs that help them build the capabilities needed to remediate issues in a sustained manner.

For Tier 2 materials suppliers and distribution centers, who were not accustomed to assessments, our remediation programs were designed to help set a foundation for their compliance management systems, thus enabling issue remediation. By providing both trainings and dedicated support these third-party remediation programs guide suppliers through the process of root cause analysis and help them develop long-term improvement plans for each finding.

In FY23, NIKE completed the rollout of industry tools to 96% of in-scope facilities.<sup>43</sup> We also completed the rollout of remediation programs to all in-scope facilities not meeting Foundational Expectations. Through these programs, facilities improved capabilities in all areas of non-compliance and addressed areas requiring remediation as validated through a certified third party.

Due to remediation efforts and improved familiarity with the audit tool requirements, the overall compliance rate for all in-scope facilities improved by 10 percentage points since last year with improved ratings across all industry tools. Chemical management improved throughout the fiscal year by focusing on advancing worker protections with trainings on the management and handling of chemicals. In addition, through rollout of ZDHC’s Supplier to Zero program, many facilities took advantage of online training to build capabilities in chemical management, wastewater, waste and disposal.

For Tier 1 finished goods suppliers, who have a strong background in compliance assessments, remediation programs help them address non-compliance findings by focusing on greater rigor in documentation and management processes. Tier 2 materials suppliers focused on capability building as they continued to show commitment to industry assessments through high adoption rates and steady progress in improving adherence to CLS. In FY23, 100% of in-scope distribution centers were assessed on industry tools, and with additional assessment cycles and effective remediation programs, overall performance improved by 37 percentage points.

<sup>42</sup> Materials suppliers representing ~90% of total footwear upper materials and apparel textile production, focus distribution centers representing at least 80% of volume, and our NIKE owned and operated Air Manufacturing Innovation facilities.

<sup>43</sup> Suppliers manufacturing branded licensed products or branded footwear uppers and branded outsoles.

## SUPPLIER CODE OF CONDUCT

### ADVANCING THE INDUSTRY

NIKE continues to be an active collaborator in helping drive the industry to improve labor and environmental compliance by engaging with industry assessment vendors.

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

		FY20	FY21	FY22	FY23
Gold	World-leading manufacturing standards and innovation	0	0	0	0
Silver	Industry-leading manufacturing standards and innovation	15	14	14	11
Bronze	Baseline compliance with our supplier Code of Conduct	432	424	370	446
Red	Serious issues or failure to return to compliance; remediation plans in place to address or under review to exit	16	61	186	144
No Rating	Enrollment in process	0	102	4	1
Zero Tolerance	Critical issues demanding immediate action; remediation steps to address the issue or under review to exit	0	5	38	32

#### Audit Counts

	TIER 1	TIER 2	DCS	FY23 TOTAL	
	#	#	#	#	%
NIKE	15	1	0	16	1%
SLCP <sup>44</sup>	333	169	41	543	36%
SAC's FEM <sup>44</sup>	378	179	1	558	37%
ZDHC <sup>44</sup> Wastewater Guidelines	97	192	0	289	19%
DECA	–	–	40	40	3%
FLA	6	0	0	6	0%
Better Work	45	3	0	48	3%
<b>Total</b>	<b>874</b>	<b>544</b>	<b>82</b>	<b>1,500</b>	<b>100%</b> <sup>45</sup>

#### % Compliance with Foundational Expectations

	FY20	FY22	FY23
FY20 target scope (T1 & high-visibility T2)	94%	77%	85%
FY25 target scope expansion (additional T2, DCs & Air MI)	N/A	12%	31%

#### Foundational Expectations Target Performance by Value Chain Area

	FY20	FY21	FY22	FY23	FY23 VS BASELINE
	%	%	%	%	p.p.
All NIKE	94	85	60	70	-24 p.p.
Tier 1	94	92	79	86	-8 p.p.
Tier 2	0	59	24	38	+38 p.p.
DC	0	0	0	37	+37 p.p.
Air MI	0	0	0	75	+75 p.p.

#### Worker Count Results

	TIER 1	TIER 2	DCS	FY23 TOTAL	
	#	#	#	#	%
Americas	56,985	3,887	14,178	75,050	6%
EMEA	35,240	926	3,577	39,743	3%
N Asia	107,104	58,527	3,787	169,418	13%
S Asia	391,285	30,541	498	422,324	32%
SE Asia	542,660	50,933	47	593,640	46%
<b>Total</b>	<b>1,133,274</b>	<b>144,814</b>	<b>22,087</b>	<b>1,300,175</b>	<b>100%</b>

<sup>44</sup> Number of reports received.

<sup>45</sup> Totals might not reflect summation of numbers due to rounding of numbers and only showing of whole numbers rather than decimals.

## ADDITIONAL PRIORITY AREA: FOREIGN MIGRANT WORKERS

According to the International Labour Organization (ILO), Walk Free and the International Organization for Migration (IOM), there are approximately 27.6 million people in situations of forced labor globally. Since foreign migrant workers are three times more likely to be at risk for forced labor than non-foreign migrant workers, mitigating these risks is a key component of a resilient and responsible supply chain.

One of the main reasons foreign migrant workers are at increased risk of forced labor is the difference in their recruitment and employment processes compared to non-foreign migrant workers. With this in mind, we have created a holistic approach to address the risks of forced labor, focused on the following four pillars:

- 1 Strengthening Standards
- 2 Identifying and Mitigating Risk
- 3 Building Capabilities
- 4 Engaging Partners and Advocating for Change

### STRENGTHENING STANDARDS

When it comes to the employment of foreign migrant workers, NIKE continues to evaluate and update our standards and expectations with suppliers, identify risks and work with a community of global and local cross-industry, multi-stakeholder organizations to prevent and remediate issues of concern.

We follow the Employer Pays Principle, which prohibits workers from paying fees for their employment. This principle is a critical component of a more responsible supply chain, and with further industry adoption is a key step in reducing forced labor risks within the footwear and apparel industry and beyond.

In FY21, we updated our supplier Code of Conduct and Code Leadership Standards to better reflect priorities across labor, health and safety, and the environment. These updates drove stronger clarity for suppliers in the NIKE supply chain. To address risks specific to the employment of foreign migrant workers, these updates included more explicit definitions of employment fees suppliers are responsible for, and they strengthened the requirements and oversight of both labor recruiting agents and the processes used to hire foreign migrant workers.

### IDENTIFYING AND MITIGATING RISK

#### FOUNDATIONAL AND GLOBAL RISK SCREENING: CUMULUS FORCED LABOR SCREEN

Since FY19, NIKE has used CUMULUS Forced Labor Screen™ – a due diligence tool that maps cross-border labor supply chains and recruitment agents back to foreign migrant workers' countries of origin and proactively screens for the presence of the ILO's forced labor indicators. In FY22, we expanded 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.

In FY22, a new CUMULUS Forced Labor Screen™ feature allowed for verification that the employer paid for all fees and related costs associated with the recruitment of foreign migrant workers. The tool and verification feature help NIKE identify risks and opportunities. By focusing on recruitment fees, we can further encourage suppliers and their recruiting agents to implement best practices.

#### ENHANCED DUE DILIGENCE ASSESSMENTS

In FY23, NIKE launched a Foreign Migrant Worker Enhanced Due Diligence program adding a specialized approach to identify issues related to foreign migrant workers and forced labor beyond traditional labor, health, safety and environment assessments. We worked with the Responsible Business Alliance and Verité, Inc. to deploy specialized assessment tools like the Specialty Validated Assessment Program – a tool focused on identifying the risk of forced labor at a specific supplier facility or labor provider, including recruitment agents.

By the end of FY23, enhanced due diligence assessments were conducted at suppliers in countries and regions including Malaysia, Jordan and Taiwan. These assessments identified various non-compliances with NIKE's Code Leadership Standards related to fees paid by workers and the recruitment process that are being addressed by suppliers and fully validated by an independent, third-party, on-site assessment.

## ADDITIONAL PRIORITY AREA: FOREIGN MIGRANT WORKERS

### REGIONAL SPECIFIC RISK SCREENING: ISSARA INSTITUTE TOOLS IN THAILAND

In FY21, NIKE started working with the [Issara Institute](#) on a Strategic Partnership Program that includes the Issara Worker Voice program. Helping empower suppliers to strengthen their own human resource management systems to address issues and build trust with workers, this program was implemented at all Tier 1 finished goods and Tier 2 materials suppliers employing foreign migrant workers in Thailand.

The Issara Worker Voice multilingual hotline received 792 calls from workers asking for information or raising concerns in FY23. These calls elevated 20 issues in need of supplier engagement. The top issues included requests for improved communication on the document renewal process and implementation, clarifications on production target setting and overtime policy, supervisor demeanor, workload assignments and working environments. Issara shares workers' concerns with suppliers anonymously while providing support throughout each supplier's improvement process. This direct engagement helps suppliers quickly investigate and address issues. Nineteen out of the 20 issues that were elevated have been addressed and verified with workers. The remaining open issue is related to sick leave payment. An investigation has already been conducted by the supplier, and the issue is on track to be remediated and closed.

In FY22, NIKE expanded its relationship with the Issara Institute in Thailand with the launch of the Foreign Migrant Workers Ethical Recruitment and Satisfaction survey for suppliers. This survey assesses gaps in the foreign migrant worker recruitment process, implementation of the Employer Pays Principle and working conditions. As of FY23, the survey has been implemented with three suppliers employing foreign migrant workers. At one facility, the survey identified a gap in recruitment fees reimbursement. As a result, NIKE met with both the supplier and Issara to re-emphasize NIKE standards and expectations on recruitment fees and reimbursement, and then aligned on a plan for the supplier to address the issue with Issara's support. The supplier investigated the issue and, as confirmed by Issara with the workers directly, provided full reimbursement to impacted workers.

## BUILDING CAPABILITIES

NIKE aims to provide suppliers with robust resources that help them build capabilities to recruit workers more responsibly and identify risks in their operations. This includes working with global and local experts to provide regional training to suppliers.

In FY23, NIKE worked with Verité to deliver training for suppliers employing foreign migrant workers in Jordan. The training addressed commonly identified risk areas for foreign migrant workers, including how best to determine recruitment fees and other related costs, as well as selection of ethical recruitment agents.

NIKE also encourages supplier ownership in addressing risks related to foreign migrant workers. In Thailand, all NIKE suppliers employing foreign migrant workers organized learning community activities where they aligned on best practices around the employment of foreign migrant workers – including creating and updating an employer handbook on foreign migrant worker recruitment and employment.

In FY23, NIKE expanded work with the Responsible Labor Initiative (RLI) on a two-phase responsible recruitment capability building program in Taiwan, originally focused on suppliers, to include foreign migrant worker recruitment agents. Foundational training was completed by 49 of the 54 recruitment agents identified, and the agents were then offered a second round of training, with 40 of the 54 completing the Responsible Recruitment Due Diligence Toolkit training. Upon completion of both training sessions, the agents were invited to participate in a post-training coaching and consultation program. Through the consultation program, 33 of the 40 eligible recruitment agents developed a gap analysis of their own recruitment system and practices and prioritized key areas for improvement, thereby completing Phase 1 of the program.

## ENGAGING PARTNERS AND ADVOCATING FOR CHANGE

Working with international and local organizations is key to helping NIKE advance its work and advocate for change across the industry. Alongside the work with the Issara Institute and RLI, NIKE is a member of the Leadership Group for Responsible Recruitment – an initiative of the Institute for Human Rights and Business with the mission to drive positive change in the international recruitment industry by advocating that governments and organizations adopt the Employer Pays Principle.

NIKE also continues to work with multi-stakeholder organizations including the Fair Labor Association (FLA) and the ILO/IFC Better Work program to address labor risks in its supply chain. The Better Work program, in particular, has a history of effectively advocating for national and international policy change. In FY23, we reaffirmed our support for the [Commitment to Responsible Recruitment](#) after it was jointly relaunched and enhanced by the American Apparel & Footwear Association and the FLA.



# PROTECTING OUR PLAYING FIELDS



🌱 PLANET

73 Carbon 94 Waste 106 Water 110 Chemistry

## INTRODUCTION

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# 69%

**absolute reduction of greenhouse gas (GHG) emissions in owned or operated facilities**

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# 100%

**waste diverted from landfills in Tier 1 manufacturing**

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# 5.2B

**liters of water restored in our extended cotton supply chain**

Climate change impacts athletes\* around the world. We see it in flooded football pitches, drought-parched fields, and in limited practice times for athletes of all levels. To address the urgency of climate change and its impact on sport and our business, NIKE is committed to innovating and partnering to find solutions that help protect the planet, and with it, the future of sport.

NIKE's goal is to reduce our environmental footprint, and – to do this – we focus on our areas of greatest impact. We are innovating and scaling sustainable product solutions and focusing on using environmentally preferred materials. We are prioritizing better chemistry and making products that are easier to refurbish or recycle. And NIKE takes the same innovative approach to reducing impact across our entire value chain. From the way we operate our own facilities to how we use our influence to improve the footprint of the places where our product is manufactured and how it's distributed. While we reduce our impact, we also work to create positive change through efforts such as water restoration and by bringing athletes\* around the world along with us on our journey.

In FY23, NIKE made progress across carbon, waste, water and chemistry. Highlights include the achievement of a 69% absolute reduction in greenhouse gases (GHGs) from our owned and operated facilities as well as 100% waste diverted from landfills in Tier 1 manufacturing. Challenges have also emerged as we saw an upturn in unsold goods<sup>46</sup> (left over from COVID impacts) that created an increase in recycling and donations. NIKE is optimistic about the progress in FY23 and already working to tackle the challenges as we cross the midpoint of the target reporting cycle.

<sup>46</sup> Unsold Goods refers to NIKE sample products, defective products and returned products that aren't fit for resale as NIKE products.



## CARBON

To help protect the planet for athletes,\* NIKE is committed to doing its part to keep global warming below 1.5°C. That means collectively cutting the world's GHG emissions in half this decade and reaching net zero by at least 2050.

At NIKE's size, these aims are ambitious, but we're approaching this work across the entire business, from what we make, to how we make it, and how we operate.

In a rapidly changing environment, we are constantly monitoring our carbon footprint and revisiting our business practices based on the most current scientific data available. In FY19, we set an ambitious Science-Based Target (SBT)<sup>47</sup> to reduce our carbon footprint by 2030, including a 65% absolute reduction across Scope 1 and 2 emissions and 30% across Scope 3 emissions from a 2015 baseline.

In addition to these 2030 targets aligned to the Science Based Targets initiative (SBTi), NIKE has also set a series of 2025 carbon targets to further accelerate our efforts (with an FY20 baseline and aligned to the timeframe of our other corporate targets).

Our efforts to decarbonize NIKE's value chain and meet these targets include work to innovate and scale low-carbon materials; support suppliers' transition to renewable energy; reduce air freight; leadership on clean energy and efficiency investments in NIKE's owned and operated spaces; and collaborate across industries to advance our efforts beyond our direct reach.

<sup>47</sup> Consistent with our commitment, NIKE currently is in the process of a mandatory SBT restatement as required by SBTi criteria 26. We expect to complete our restatement by the end of this year and issue restated SBTs thereafter.



## CARBON

### IN FY23, KEY PROGRESS AGAINST OUR CARBON TARGETS INCLUDED:

#### OWNED AND OPERATED

NIKE is ahead of our SBT-aligned 1.5-degree reduction target for owned and operated and achieved a 69% reduction in emissions from our owned and operated facilities (from a 2020 baseline). Renewable electricity usage drove most of the reductions across Scope 2 emissions (-93% vs. baseline). NIKE sources renewable electricity equivalent to our global facilities' use, with 96% sourced in the markets where it is used. Solutions differ based on location, type of structure, and market options, with the bulk coming from direct and virtual power purchase agreements in North America and Europe, onsite wind and solar power at distribution centers, and green premium options together making up nearly 80% of our purchases. Our ongoing energy efficiency work also helped contribute to Scope 1 emissions reductions, even as we see weather-related increases in energy use.

Ongoing efforts will be required to maintain and increase emissions reductions, including availability, access and affordability for renewable electricity and fuels, through advocacy.

#### MANUFACTURING AND TRANSPORT

In FY23, NIKE's goal was to keep emissions from manufacturing and transport flat over our 2020 baseline, despite continued business growth. To date, we have reduced these emissions 19%. Key workstreams addressing emissions in this space include:

##### Air Freight

Average inbound air freight emissions per product are 40 times that of ocean shipping, which is why it's a critical lever to reduce transportation emissions. Inbound emissions remained low in FY23 due to a sustained reduction in inbound air freight rates from FY20 levels. FY23 inbound air freight was 0.9% of units, down from 1% in FY22. Total outbound emissions were also down, with a 21% reduction compared to FY22 (and down 27% vs. FY20). These reductions were driven by a continued decrease in the use of outbound air freight for digital orders (-11 p.p. vs. FY22), expansion of regional service centers that are closer to customers, increased order processing speed and our "no rush" shipping option for digital orders in North America.

##### Renewable Energy

A second key driver in NIKE's carbon reduction efforts came from the growth of renewable energy by manufacturing suppliers in FY23. Renewable energy use grew by 50% in FY23 vs FY22, with renewables accounting for approximately 20% of energy sourced across Tier 1 and Tier 2 manufacturing. In Indonesia, for example, NIKE supported strategic suppliers in signing commitments to purchase nearly 100% of renewable electricity by 2025, which NIKE expects will reduce overall in-scope

manufacturing emissions by approximately 20%. While NIKE's strategic finished goods suppliers have transitioned out of direct coal use, transitioning textile dyeing suppliers to cleaner energy alternatives remains a challenge. Despite gaps existing in viable renewable solutions for onsite thermal energy, NIKE will continue to work with Tier 2 suppliers to shift from coal to sustainably sourced, lower carbon options as pricing allows and – in the longer term – to new low-carbon thermal innovation once unlocked.

##### Sustainable Shipping Fuels

Finally, in FY23, NIKE continued to scale the ocean freight alternative fuel program with our logistics service providers, using certified sustainable biodiesel fuels to cover approximately 13% of NIKE's inbound ocean shipping volume, and avoiding more than 21,000 metric tons of GHG emissions. NIKE will continue to work with logistics service providers to scale this program through increased investments in sustainable alternative fuels and new vessels capable of using renewable fuels such as green methanol and green ammonia. In the short-term, NIKE is helping to address challenges such as higher costs for sustainable fuels by participating in collaborative procurement initiatives, such as the Zero Emission Maritime Buyers Alliance, to send a clear demand signal for sustainable ocean shipping.

# 96%

market-matched renewable electricity for owned and operated facilities

# 50%

growth from previous year in renewable energy sourcing across Tier 1 and Tier 2 manufacturing

# 13%

of NIKE's inbound ocean shipping volume covered by certified sustainable biodiesel fuels

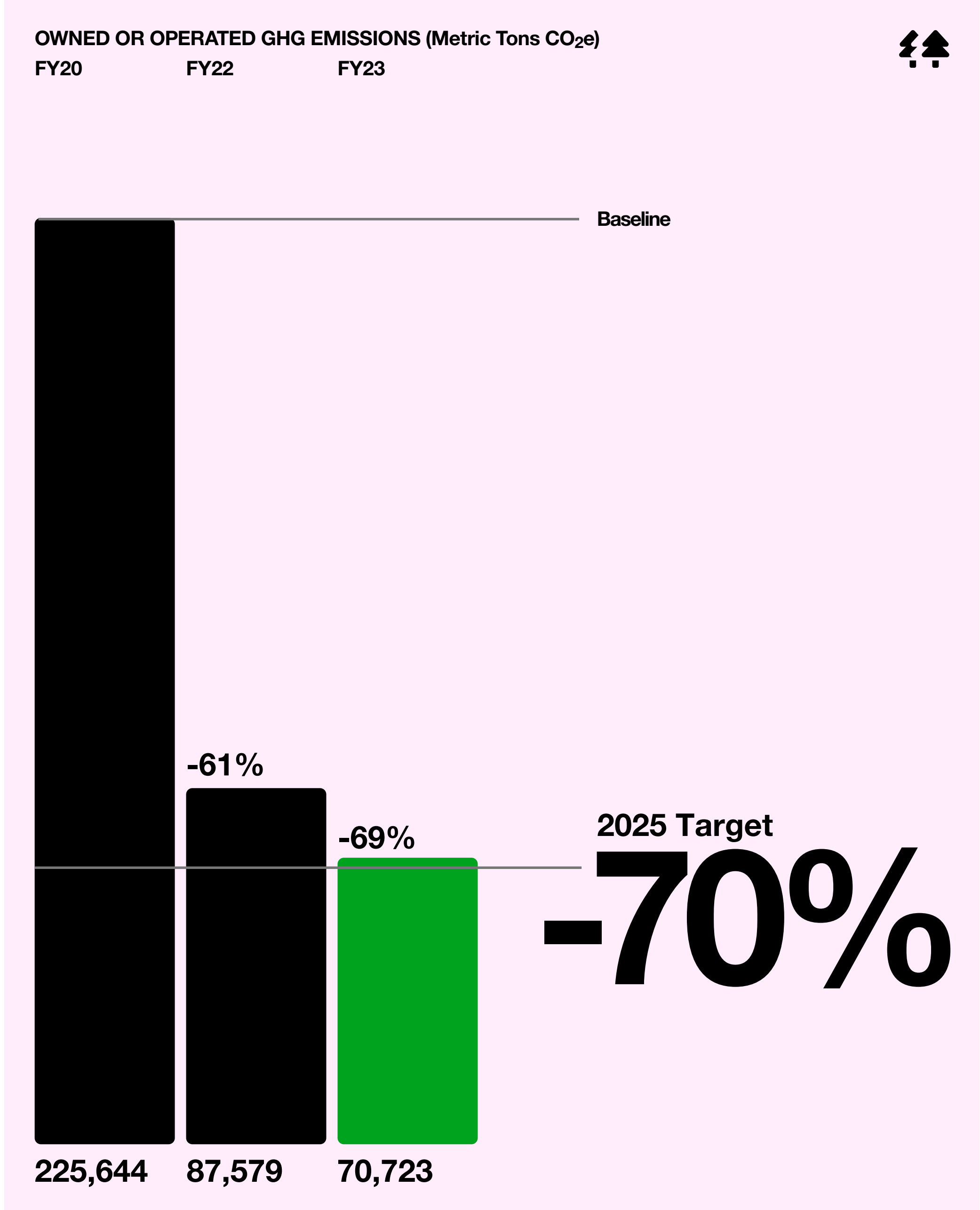
**CARBON**

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

Although the footprint of NIKE’s global owned or operated facilities is small as compared to our full supply chain, we have direct or indirect control (through ownership or lease, respectively) of the energy consumed in more than 1,000 facilities. In FY15, we set out to achieve 100% renewable electricity across our owned and operated sites globally – offices, distribution centers, retail facilities and Air MI locations. This commitment drove our greatest efforts in absolute GHG emissions reductions.

Japan green power purchases; unbundled energy attribute certificates (EACs) in EMEA, APLA and GC; and onsite renewable electricity across 10 distribution centers, WHQ and the Air MI Vietnam facility. Other efforts driving reductions include energy efficiency initiatives across our owned or operated building portfolio, and the phasing out of natural gas in certain building types and regions (e.g., retail locations in EMEA).

NIKE continues to expand upon the reductions we have achieved. Renewable electricity use drives the majority of reductions across Scope 2 emissions (-93% vs. baseline). We have achieved this through U.S. & EU virtual power purchase agreements (vPPAs); Oregon Direct PPA,

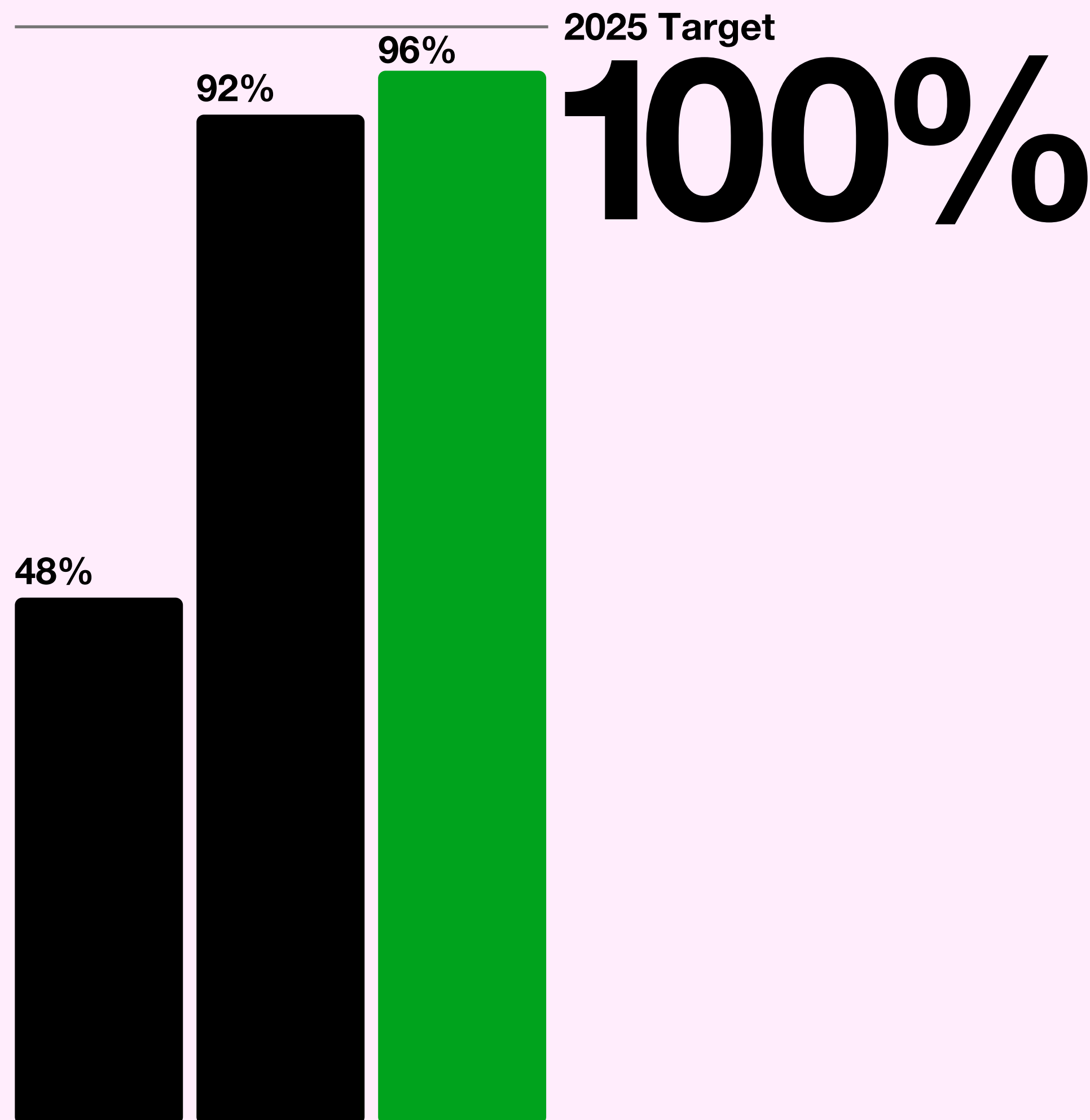




# CARBON

## PERCENTAGE OF RENEWABLE ELECTRICITY

FY20      FY22      FY23



## RENEWABLE ELECTRICITY IN OWNED OR OPERATED FACILITIES

In FY23, NIKE reached the milestone of purchasing renewable energy equivalent to our total electricity use globally, with 96% meeting RE100’s market boundary criteria.

In FY23, NIKE added three onsite renewable electricity projects to our portfolio. The Greater China Logistics Center added 6 MW of onsite wind power, delivering 100% of the facility’s annual electricity consumption. Air MI Vietnam and Korea Customer Service Center both implemented onsite solar, delivering 13% and 11% of annual electricity consumption respectively. In September 2022, Air MI Vietnam turned on a rooftop solar array and consumed nearly 600,000 kWh produced by the array in FY23. These projects add to an already robust portfolio that includes direct and virtual PPAs, subscriptions through local utilities and other onsite solutions.

We continue to advocate for renewable energy development in markets where solutions are limited through our participation in the Asia Clean Energy Coalition (ACEC), Clean Energy Demand Initiative and, Corporate Clean Energy Alliance, and directly with government ministries and national utilities. We know development of new solutions and opening markets is a team sport and we cannot do it alone. NIKE also works with other companies, nongovernmental organizations (NGOs) and government bodies to work toward solutions that deliver on sustainability, reliability and affordability in building a more carbon-free future.

As we explore more sustainable fuel solutions, however, we are challenged by market-based accounting limitations and high price premiums. But we are continuing our work to advance sustainable fuel markets by demonstrating our supply demands and interest in working with others.

## CARBON

### BUILDINGS

FY23 Scope 1 emissions from HQs and other offices increased 7% since FY22, yet remain 16% below the 2020 baseline. While actual emissions in HQs and key offices increased, NIKE's energy efficiency increased as well. FY23 was the first full year since COVID-19 that we had our broad range of campus-based employees return for hybrid work. NIKE energy managers investigated the building energy loads and use patterns, and a kitchen electrification study discovered Scope 1 GHG reduction opportunities in the food services, catering, and meetings/events arenas. These discoveries, paired with the WHQ Zero Waste audits, were leveraged in the strategy of the Global Places and Services (GPS) Sustainability Roadmap created in FY23.

Further, renovations of buildings such as WHQ's Ken Griffey Jr. and Jerry Rice were completed in FY23. Upon going live, these buildings were immediately folded into the supervision of energy managers. Notably at WHQ, long-standing program Strategic Energy Management (SEM) expanded to service the 13 largest buildings on campus. SEM's years of strategic groundwork paved the way for WHQ's SMART buildings program. This program will optimize the Building Automatic Systems (BAS) of key buildings with state-of-the-art technology to customize building modes to occupant presence and true needs of the space.

### VEHICLES AND AIRCRAFT

FY23 Scope 1 emissions from HQ fleet vehicles have increased 26% since FY22 yet remain 77% below baseline thanks to the cross-functional vehicle electrification push on campuses.

The electric vehicle (EV) fleet transition curbed emissions from the increased global fleet usage. In FY23, NIKE divested of 21 fossil fuel vehicles and invested in 25 EVs. Additionally, in FY23, the WHQ EV Charging Hub plan was developed. This project will provide additional charging capacity on campus to serve as an expanded charging station for fleet vehicles and enable future growth of the EV program.

Further transition to EVs will slow due to long lead times in ordering EVs, end of life and fleet leasing phase cycles, and supply chain delays. The WHQ EV Charging Hub will provide relief to many of the EV fleets that need a reliable space to charge their vehicles. This project also has a multi-year lead time. The EV transition will move in tandem with this project to enable reliable charging availability for campus vehicles.

Several initiatives contribute to the corporate jets' sustainability program, including management of the fleet to more efficiency aircraft technology, as well as our procurement of sustainable aviation fuel (SAF). Because SAF availability for business aviation continues to be limited at our destinations, NIKE is focused on its home base, Hillsboro Airport's SAF purchase program, which is approximately 7,500 gallons per month.



All electric Nike WHQ shuttle

## CARBON



### DISTRIBUTION CENTERS

NIKE continues to invest in onsite wind energy at distribution centers across the globe in FY23. The European Logistics Center (ELC) in Belgium added two new wind turbines for a total of eight with a combined capacity of 13 MW, providing approximately 22 GWh of generation annually. The China Logistics Center (CLC) completed construction of two onsite distributed wind turbines with total capacity of 6 MW, generating approximately 14 GWh per year. Currently, the CLC is powered by onsite wind and solar which enables 100% renewable electricity coverage at the facility. The CLC also implemented an Energy Management System to monitor real-time energy generation and utilization during daily operations. This system tracks CLC greenhouse gas emissions and its contribution toward reduction goals.

In addition to onsite wind investments, NIKE also installed an onsite solar array at our Korea Customer Service Center, covering an estimated 11% of total energy consumption for the building, and added an additional 5,060 solar panels to our ELC in Belgium. In Australia, NIKE opened its brand-new ImpACt distribution center, complete with a 1 MW onsite solar array. At our Tepana distribution center in Mexico, a newly installed onsite solar array covers 35% of electricity use.

Wind turbine and solar array at the NIKE Greater China Distribution Center

In FY23, we continued retrofitting our North American distribution centers with LED lighting, completing a full retrofit of our Centerpointe distribution center in Memphis, Tennessee, that will deliver annual energy savings of 60%. At our DASH distribution center in Texas, we installed a fully electric HVAC, which heats the facility using electricity rather than natural gas and has the potential to reduce emissions by more than 40% compared to the previous gas-fired heating system.

NIKE also expanded its portfolio of environmentally certified distribution centers in FY23, with ConnECt, our North American East Coast Regional Service Center, receiving Leadership in Energy and Environmental Design (LEED) Gold certification.

## CARBON

### RETAIL

An aligned approach to invest in LEED certification helped certify 46 stores across all geographies in FY23.

With more than 1,000 NIKE stores, changes to reduce Scope 1 emissions work are a long-term strategy. Making a direct impact is a slower process as projects need to meet NIKE's refit prioritization and financial guardrails. Location availability to energy loads or existing units owned by landlords in some cases require NIKE to use a gas-supplied system. HVAC supply chain challenges require NIKE to use available systems or temporary units, which can be gas units.

To support NIKE's goals of reducing our carbon impact, we aim to reduce operational carbon in our NIKE stores. Our strategy includes decarbonizing retail spaces through electrification and the elimination of gas use where the space and local markets allow. Efforts we use to support this aim include:

- 1 NIKE's commitment to LEED certification in all new retail spaces or refits where feasible
- 2 Pilot smart meters in locations where information is not readily available
- 3 An aligned Nike Direct build standard

Jordan World of Flight  
Shibuya: The door  
features best-in-class  
Jordan Brand footwear  
and apparel products for  
men, women and kids



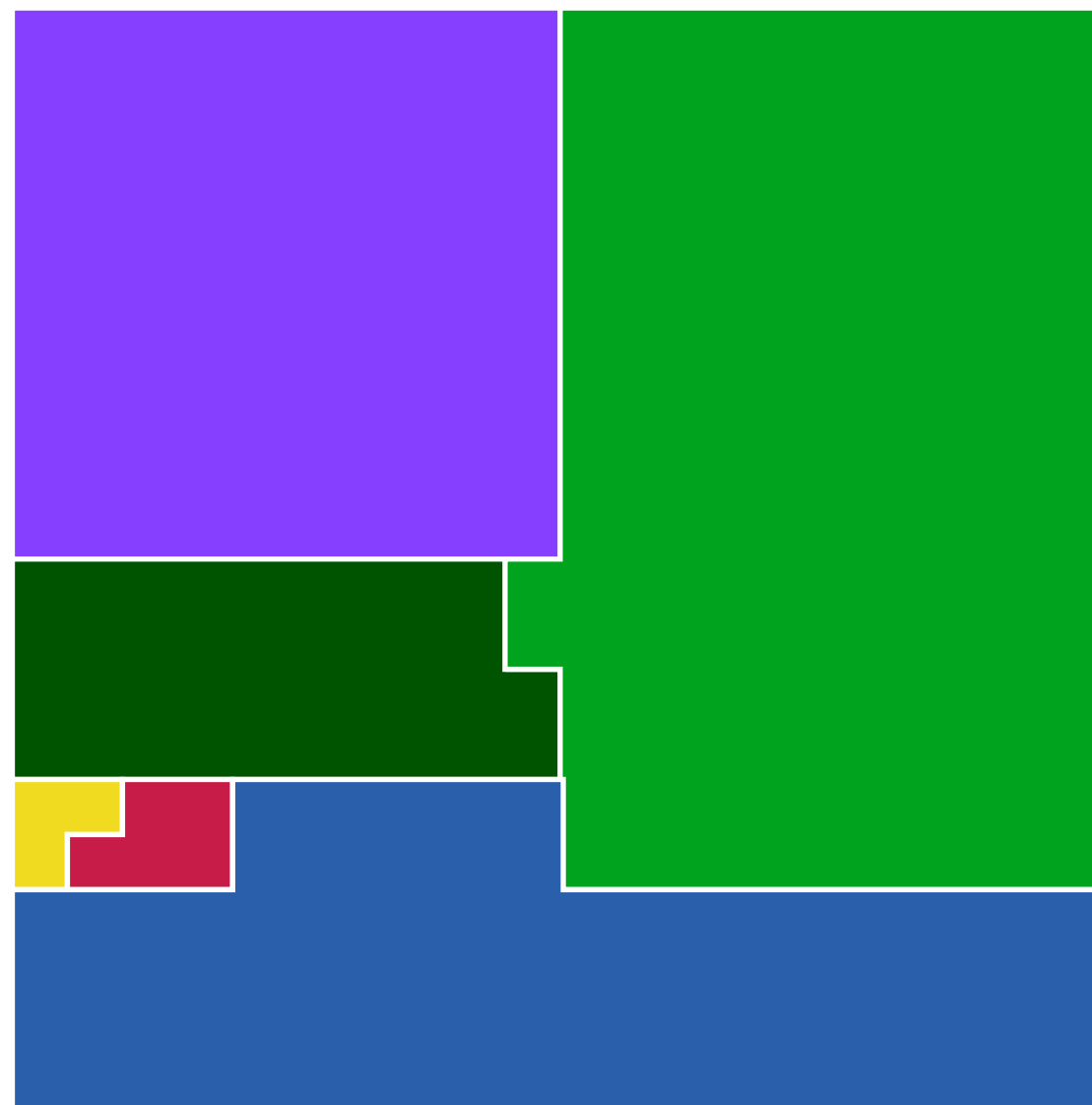
## SCOPE 1 AND 2 EMISSIONS (Metric Tons CO<sub>2</sub>e)<sup>48</sup>

NIKE is ahead of our SBT-aligned 1.5-degree reduction target for owned and operated and achieved a 69% absolute reduction in emissions from our owned and operated facilities (from a 2020 baseline). Despite almost reaching this target in FY23, ongoing efforts will be needed to maintain and increase our RE portfolio and Scope 1 reductions.

# 69%

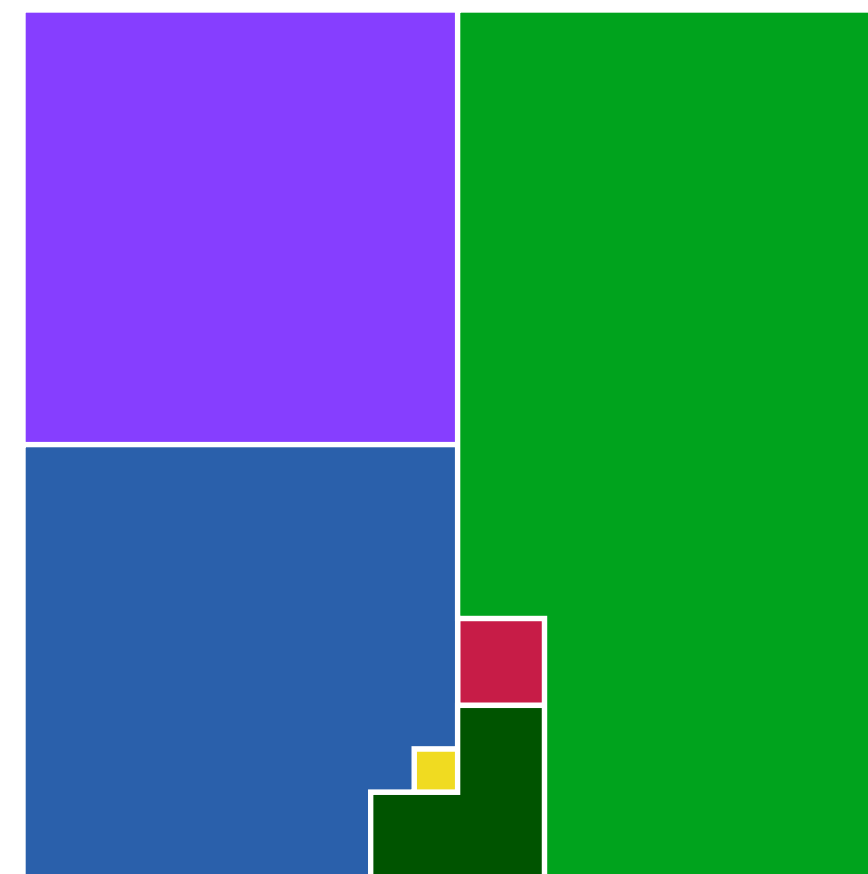
absolute reduction in Scope 1 and 2 emissions since FY20

Metric Tons CO<sub>2</sub>e  
**225,644**



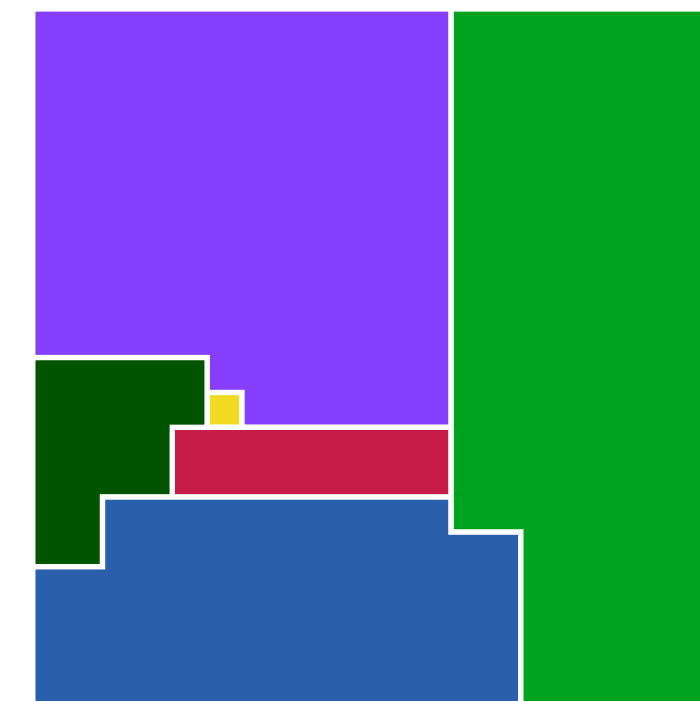
FY20

Metric Tons CO<sub>2</sub>e  
**135,950**



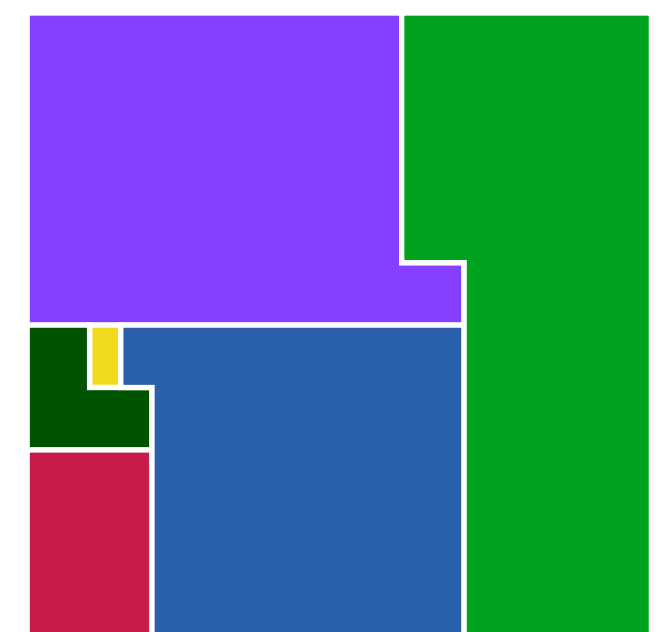
FY21

Metric Tons CO<sub>2</sub>e  
**87,579**



FY22

Metric Tons CO<sub>2</sub>e  
**70,723**



FY23

- Corporate Jets (Scope 1)
- HQ Fleet Vehicles (Scope 1)
- Air Manufacturing Innovation (Scope 1 and 2)
- Distribution Centers (Scope 1 and 2)
- Headquarters and Offices (Scope 1 and 2)
- Retail (Scope 1 and 2)

<sup>48</sup> See page 160 for further breakdown of Scope 1 and 2 emissions by business function (Metric Tons CO<sub>2</sub>e)



# TEAM SPOTLIGHT

## DECARBONIZING THE VALUE CHAIN

# INNOVATION AND EFFICIENCY

How NIKE is Decarbonizing its Value Chain



# We have a responsibility to help create a world where all athletes can train, play and thrive for generations to come.



Basketball court at the China Logistics Center renovated utilizing Nike Grind

We have set ambitious Science-Based Targets to help us reduce our overall environmental impact, and specifically our carbon footprint. There are three primary ways we approach reducing carbon emissions:

- Scaling usage of recycled materials and innovating new lower-carbon impact options
- Driving energy efficiency within our supply chain
- Advancing renewable energy in owned or operated facilities and across our supply chain

There is no one team at NIKE responsible for meeting our environmental targets – rather, there are many teams dedicated to advancing sustainability across the company. While they each drive different solutions, collectively their work helps NIKE decarbonize its value chain, one project at a time.

### NIKE'S JOURNEY TO 100% RENEWABLE ENERGY

One such group that made remarkable progress in FY23 was the Responsible Supply Chain and Global Procurement teams expanding renewable energy access.

“We are working in line with our science-based target commitments to deliver significant emission reductions throughout our value chain. We have to look at every aspect of our business and figure out how we can partner together.”  
– Nancy Meyer, Director, Climate & Energy

Last year, the teams achieved 100% renewable electricity coverage for most owned or operated NIKE facilities worldwide – well ahead of schedule – and they're not stopping there. Their future work will be focused on enhancing renewable energy coverage and exploring even better solutions.

“It's exciting to use NIKE's purchasing power and position to drive transformative work for the environment.” – Shannon Shoul, Director, Procurement Sustainability

### PAVING THE WAY TO RENEWABLE ENERGY IN CHINA

In addition to our efforts to expand renewable energy across NIKE's owned and operated facilities worldwide, we are also building better facilities to help decarbonize our value chain. In 2023, we unveiled NIKE's Zero Carbon Smart Logistics Center in Taicang, China. The state-of-the-art, zero-carbon smart logistics center runs on clean energy and has intelligent automation that makes things faster and easier. Facilities like this help us grow our business while keeping on track to reach our 2025 goal of using only renewable electricity in all our NIKE operations in China.

“The passion, spirit, innovation and entrepreneurship mindset that inhabit our team are what got us here.” – Fan Li, Sustainability Director, Greater China



Fan Li, Sustainability Director, Greater China, practicing yoga in Yunnan Province

### SUPPLIER ENGAGEMENT

Decarbonizing our supply chain takes more than NIKE acting alone. That's why we work with over 150 third-party manufacturing locations worldwide to help them understand their impact, as well as find and implement more sustainable solutions, including transitioning to renewable energy. A testament to that work in FY23 was the achievement of renewable electricity contracts covering nearly all manufacturing in Indonesia – five years ahead of schedule.

“We help suppliers build strategies that tackle challenges and overcome obstacles; together, we are making great progress.” – Sasank Goli, Renewable Energy Deployment Director

We do this work to not only meet the ambitious targets we set for ourselves, but also support decarbonization efforts important to the suppliers we work with. Together, our efforts help create a more efficient and sustainable value chain.

Meyer concludes, “Innovation is one of the key things that makes NIKE stand apart from its competitors. We know that the future of our business – and the future of our planet and sport – depends on us getting this right.”

CARBON

# GHG 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

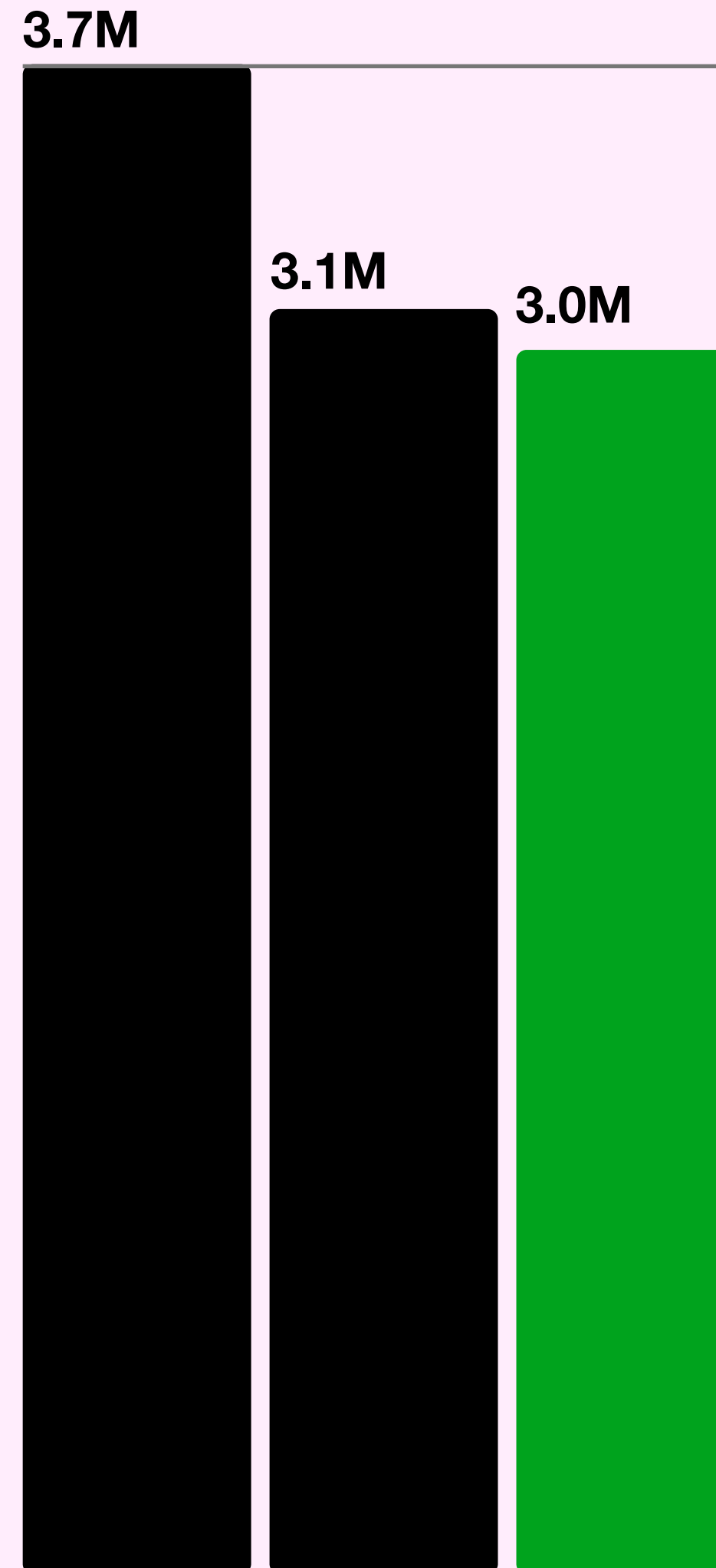
At NIKE, we have a long history of working toward shared sustainability targets across our supply chain. We build engagement models and supplier capability programs that enhance supplier ambition, action and resilience over the long term. To accelerate the impact of our programs, we also leverage relationships within our industry, as well as across broader sectors of the economy where we share supply chains.

Under business-as-usual scenarios, absolute emissions across manufacturing and transportation grow with the business. Reducing these emissions is critical to meeting our current and longer-term targets and fundamental to our vision of a more responsible and resilient supply chain. NIKE emissions in these areas have declined significantly over the past two years. This progress is primarily attributed to the continued growth of renewable energy in manufacturing, the reduction of inbound air freight, and the decrease in air freight for digital orders with the expansion of regional service centers and "no rush" shipping options.

GHG EMISSIONS FROM FROM KEY SUPPLIERS' MANUFACTURING AND TRANSPORTATION (Metric Tons CO<sub>2</sub>e)



FY20	FY22	FY23
—	-15%	-19%



2025 Target  
**At or Below  
2020 Levels**

# CARBON



## MANUFACTURING

NIKE is working with suppliers to reduce GHG emissions at scale. Our manufacturing emissions-reduction strategy with suppliers is focused on onsite and offsite renewable energy, energy efficiency and thermal decarbonization in dyeing and finishing facilities. We encourage suppliers to build climate capabilities such as emissions tracking, target setting and climate risk assessment to support business resilience.

### ONSITE RENEWABLE ENERGY

In many places, onsite solar photovoltaic (PV) panels are now less expensive than purchasing electricity through the grid. Onsite solar PV offers an opportunity for cost savings as well as GHG emissions reductions, making it a key component of suppliers' renewable energy strategies and an important step toward facility decarbonization.

In 2019, we began working with suppliers to accelerate uptake of onsite solar PV by reducing barriers to entry. Through the program, suppliers receive technical assistance such as engineering consultations that help them decide how much onsite solar PV to install and financial reviews that assist them in assessing the financial return on their investments.

To date, the program has focused on Vietnam, Indonesia and China, and will continue to expand. After increasing onsite solar PV capacity 133% from FY20 to FY21 and 79% from FY21 to FY22, suppliers increase onsite solar PV by another 71% from FY22 to FY23.

### OFFSITE RENEWABLE ELECTRICITY

In addition to rooftop solar PV, acquiring renewable electricity through purchasing decisions is one of the major decarbonization levers for suppliers. While onsite renewable electricity might cover up to 15% of a facility's electricity consumption, procurement-based emission reductions have the potential to eliminate any remaining GHG emissions from electricity.

In many markets where suppliers operate, sourcing renewable electricity faces many barriers, including regulatory hurdles, lack of available projects and contracting instruments, and pricing challenges. Where renewable electricity is not available, suppliers can only purchase grid electricity. In some key markets like Vietnam, the carbon intensity of the grid has increased more than 30% over the past few years.

# 71%

**increase in onsite solar PV for our suppliers from FY22 to FY23**

Rooftop solar array at the manufacturing supplier Shenzhou in Vietnam

## CARBON

To address these obstacles, NIKE is working with policy-makers to help develop regulations that are more conducive to building and sourcing renewable electricity. NIKE is a founding member of the Asia Clean Energy Coalition (ACEC), which launched in FY22 to bring together clean energy buyers, project developers and financiers to influence policy that mobilizes the expansion of clean energy options across the Asia Pacific Region including in Vietnam, Indonesia and Korea.

In FY23, NIKE also became a founding member of the Clean Energy Procurement Academy, a new cross-industry collaboration that is equipping companies to leverage clean energy opportunities in Asia. Through this initiative, suppliers will have the opportunity to attend trainings, access educational content and develop communities of sustainability practitioners who are also sourcing renewable energy. By investing in such initiatives, NIKE is helping build capacity for sourcing renewable electricity beyond our supply chain, which will help catalyze broader decarbonization efforts.

In Vietnam, NIKE has collaborated with various stakeholders to advocate for policy supporting the government's renewable energy direct power purchase agreement (DPPA) since 2018. 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 ACEC and other platforms.

In Indonesia, one of NIKE's largest manufacturing countries, we anticipate that a market-based solution, such as a corporate PPA mechanism, could take years to develop. To address this, NIKE worked in collaboration with the Clean Energy Investment Accelerator in FY22, to help facilitate a bundled Renewable Energy Certificate agreement between Indonesia's state-owned electricity company and local manufacturing suppliers. The program enables suppliers to purchase a verified and traceable source of renewable electricity at a fixed, competitive price for 10 to 15 years. As a result of this program, 60% of electricity in finished goods factories in Indonesia in FY23 was renewable and suppliers are targeting to source 100% renewable electricity by 2025, which will result in a 16% GHG reduction across the strategic manufacturing source base.

### 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 finished goods and materials suppliers. Additionally, we work with suppliers to scale key opportunities that will have the greatest impact on their unique energy and carbon footprint. By focusing on suppliers with the most opportunity to improve, NIKE helped Tier 2 materials suppliers reduce their FY23 energy per unit by 9% vs. FY20.

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

### THERMAL DECARBONIZATION IN DYEING AND FINISHING FACILITIES

NIKE is committed to eliminating coal from finished goods and materials manufacturing by 2030, which is required under the UN Fashion Industry Charter for Climate Action. For Tier 2 material suppliers, thermal processes, such as heating water for dyeing fabric and generating steam that is used in textile manufacturing, require much more energy than thermal processes in finished goods manufacturing. Coal is typically used to generate the energy for those processes at materials manufacturing locations.

We have worked with materials suppliers to set multi-year plans to achieve their coal elimination commitments. Over the past three years, manufacturing suppliers have decreased the proportion of energy coming from coal by 20% by switching to alternatives such as natural gas and sustainable biomass as transitional fuels, with around 20 facilities still using coal in FY23.

To address these thermal decarbonization challenges, we work within and across industries through groups like the Apparel Impact Institute and the Renewable Thermal Collaborative. We have worked with suppliers to develop plans to adopt biomass, which can replace coal in boilers and nearly eliminate direct emissions from thermal energy. Through this program, we have developed a sustainable biomass sourcing policy to encourage a reliable supply of biomass while minimizing environmental and social impacts.

## CARBON

### ENGAGEMENT AND CAPABILITY BUILDING

Through NIKE's history of working with suppliers to reduce their energy use and GHG emissions, we have helped them gather data, improve data quality and set meaningful carbon reduction targets. Suppliers accounting for the majority of our manufacturing production volume now have targets that align with NIKE's 2030 SBT.

Since 2020, NIKE's Supplier Climate Action Program (SCAP) has brought together some of our largest suppliers to set ambitious climate targets and share challenges and best practices. In FY23, SCAP expanded to include suppliers that now account for more than 65% of strategic supplier emissions.

These suppliers have science-aligned targets for their Scope 1 and Scope 2 emissions and are leading the industry to decarbonize through their GHG reduction commitments. During FY23, we led stakeholder workshops with SCAP members culminating in a 10-year action plan, which outlines the priorities for achieving NIKE and suppliers' shared climate ambitions.

During FY23, SCAP members reported through CDP, the leading sustainability disclosure platform. We supported suppliers with detailed analysis of their responses and workshops to reflect upon previous year results as well as opportunities for improvement in future disclosure cycles. In the second year of reporting for most suppliers, nearly a third of suppliers increased their scores, which reflects better understanding of the questions as well as an improved ability to respond in meaningful ways to the expectations of global stakeholders around their energy and climate initiatives.

As we look to expand SCAP within our supply chain and across the industry, NIKE is working with the Sustainable Apparel Coalition to evolve SCAP into their own program, the Manufacturer Climate Action Program. This expansion will allow manufacturers across the fashion industry to measure their emissions consistently against a single standard, set targets aligned with science, report their progress annually and collaborate on climate risk.

### PROMOTING CLIMATE RESILIENCE

Fostering resilience in the face of evolving climate risks is another key pillar of NIKE's climate program. Over the past few years, we have done this through a country-level risk index that informs sourcing decisions based on local climate risk factors and researching climate risks in key sourcing countries.

As the impacts of climate change are felt, we will continue working with suppliers to assess risks, reduce the impacts on the workforce and increase supply chain and community resilience. During FY23, we commissioned a study on the cross-cutting risks that climate change presents to the supply chain workforce, with a focus on gender disparities in risk and outcomes. These risks range from heat exposure to community food shortages to migration.

NIKE is now working on plans to better understand these risks at the individual, facility and community levels. We also shared this report with suppliers and presented the findings at a summit of the Supplier Sustainability Council, which provided a forum for suppliers to share first-hand experiences on how climate change is affecting their communities as well as their approaches to mitigating risk and adapting to a changing climate.

## TRANSPORTATION

In FY23, we continued executing our transportation decarbonization strategy focused on 1) minimizing air freight for our finished products, 2) investing in alternative fuels for ocean and road freight, and 3) engaging across the industry to catalyze change.

### AIR FREIGHT

Inbound air freight (from supplier to distribution center) on average produces 40 times more GHG emissions per unit than ocean freight. We continue to reduce inbound air freight by aligning product launch dates and production schedules with ocean freight transit times. Despite returning to pre-pandemic supply chain activity in FY23, we were able to maintain an exceedingly low global inbound air freight rate (<1%) compared to pre-pandemic levels around 5%.

Outbound digital air freight (from distribution center to online consumer) continues to be a focus for reduction. Absolute GHG emissions decreased by 40% from FY22 to FY23, while total outbound digital shipped volume increased by 11% in the same period. In North America, we invested in additional regional service centers to bring product closer to consumers, as well as greater ground transportation capacity. Together with consumer options like "no rush" shipping, these initiatives reduced outbound digital units shipped via air freight in North America by more than 20 percentage points from the previous year. In Greater China, we reduced outbound digital air freight usage by 74% from FY22 to FY23, saving more than 14,000 metric tons of GHG emissions for orders on nike.com and Tmall.

## CARBON

### ALTERNATIVE FUELS IN INBOUND AND OUTBOUND LOGISTICS

In FY23, we continued to scale our ocean freight alternative fuel program, working with carriers to procure biofuels to cover approximately 13% of our inbound ocean volume, up from 7% of inbound ocean volume covered in FY22. As a part of NIKE's sustainable fuels policy, biofuel purchases are third-party certified, not derived from palm oil and made from non-food biomass. NIKE's FY23 investments in biofuel resulted in savings of 21,426 metric tons of carbon dioxide – or the equivalent of removing 4,500 gasoline-powered passenger vehicles in the U.S. from the roads for a year.

Throughout the course of the year, we also continued expanding the use of alternative fuels for outbound transportation. In FY23, NIKE partnered with Future Proof Shipping, BCTN and Air Liquide to launch the H<sub>2</sub> Barge 1, the world's first hydrogen-powered inland container ship. The H<sub>2</sub> Barge 1, a zero-emissions vessel, will transport product between Rotterdam in the Netherlands and the European Logistics Campus in Belgium, and is expected to reduce GHG emissions by 2,000 metric tons annually.

Across Europe, approximately 45% of our land transportation volume used low-carbon fuels by working with logistics vendors to implement NIKE-dedicated electric and hydrogen trucks in Germany and France. In Mexico, we launched an EV program at our Tepana distribution center, going live with 21 electric trucks for shipments to NIKE retail stores in Mexico City. The program saved approximately 90 metric tons of CO<sub>2</sub>e in FY23. In Greater China, approximately 43% of all deliveries from NIKE distribution centers to consumers were made via electric vans across 52 cities.

### INDUSTRY ENGAGEMENT

We continued engaging logistics service providers and industry vendors on transportation decarbonization in FY23. In addition to participating in Clean Cargo/ Smart Freight Centre and the Sustainable Air Freight Alliance, we also became a founding member of the newly launched Electric Freight Consortium, a cross-functional industry group with a shared desire to push the boundaries of electric medium- and heavy-duty road freight in North America.



The H<sub>2</sub> Barge 1, a zero-carbon-dioxide-emissions inland vessel

CARBON

# 0.5M metric tons of GHG emissions reduced through increasing our use of environmentally preferred materials to 50% of all key materials<sup>49</sup>

Materials and the energy needed to create them and turn them into our products make up approximately 70% of NIKE’s total carbon footprint, which is why they present an important opportunity for NIKE to reduce its environmental impact. Our goal is to continue to deliver high-performance innovation while reducing our products’ environmental impact by adopting and scaling environmentally preferred materials (EPMs).

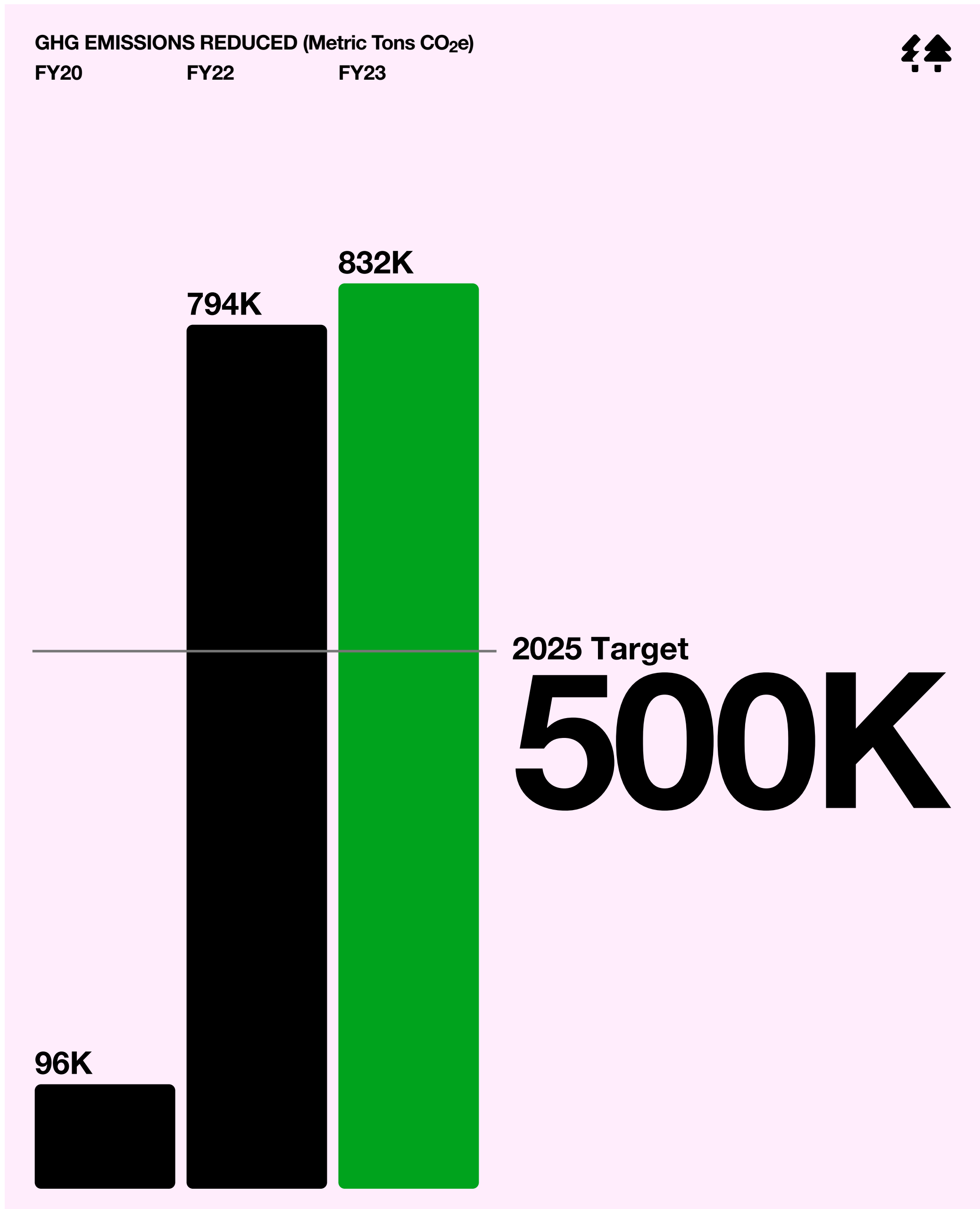
In FY23, NIKE made progress toward our 2025 target through increased adoption of lower impact materials, with increased adoption of recycled polyester in footwear driving significant progress. NIKE also benefited from enhancements in both data and operational changes associated with

lower carbon impact leather materials, which created favorable emissions reductions for this target.<sup>50</sup>

As we move forward, innovation will continue to play an important role in helping NIKE develop new materials that are created to lower our carbon footprint. An example of this work is NIKE Forward, which launched in fall of 2022. The collection was comprised of 70% recycled content by weight and made with an average of 75% less carbon compared to NIKE’s traditional knit fleece. It’s a futuristic material made from ultra-thin, needle-punched layers, and the process to create it requires fewer steps than traditional NIKE knits or wovens, using less process energy and water.

<sup>49</sup> Key materials – polyester, cotton, leather and rubber.

<sup>50</sup> FY22 emissions savings via EPM and % EPM figures have been updated, resulting from revisions to underlying leather and third-party certified cotton data. Leather volume data was revised due to the integration of Lower Carbon Impact Leather. The reduced carbon impact associated with Lower Carbon Impact Leather materials resulted from enhancements in both data and operational changes such as the reduction of waste, incorporation of renewable energy and increased efficiencies in the material production process, reflected via individual vendor life cycle assessments (LCAs) specific to their operations and manufacturing and effective for FY22. Given there is judgment and estimation underlying LCAs, NIKE will continue to disclose historically reported target figures. Excluding leather, FY22 and FY23 respective emissions savings (metric tonnes of CO2e) and EPM % reported as 0.183M / 39% and 0.210 / 39%. Historical % EPM, and third-party certified volume data have been updated due to a methodology adjustment that recalibrated annual performance calculations by releasing a quarterly cap on the amount.

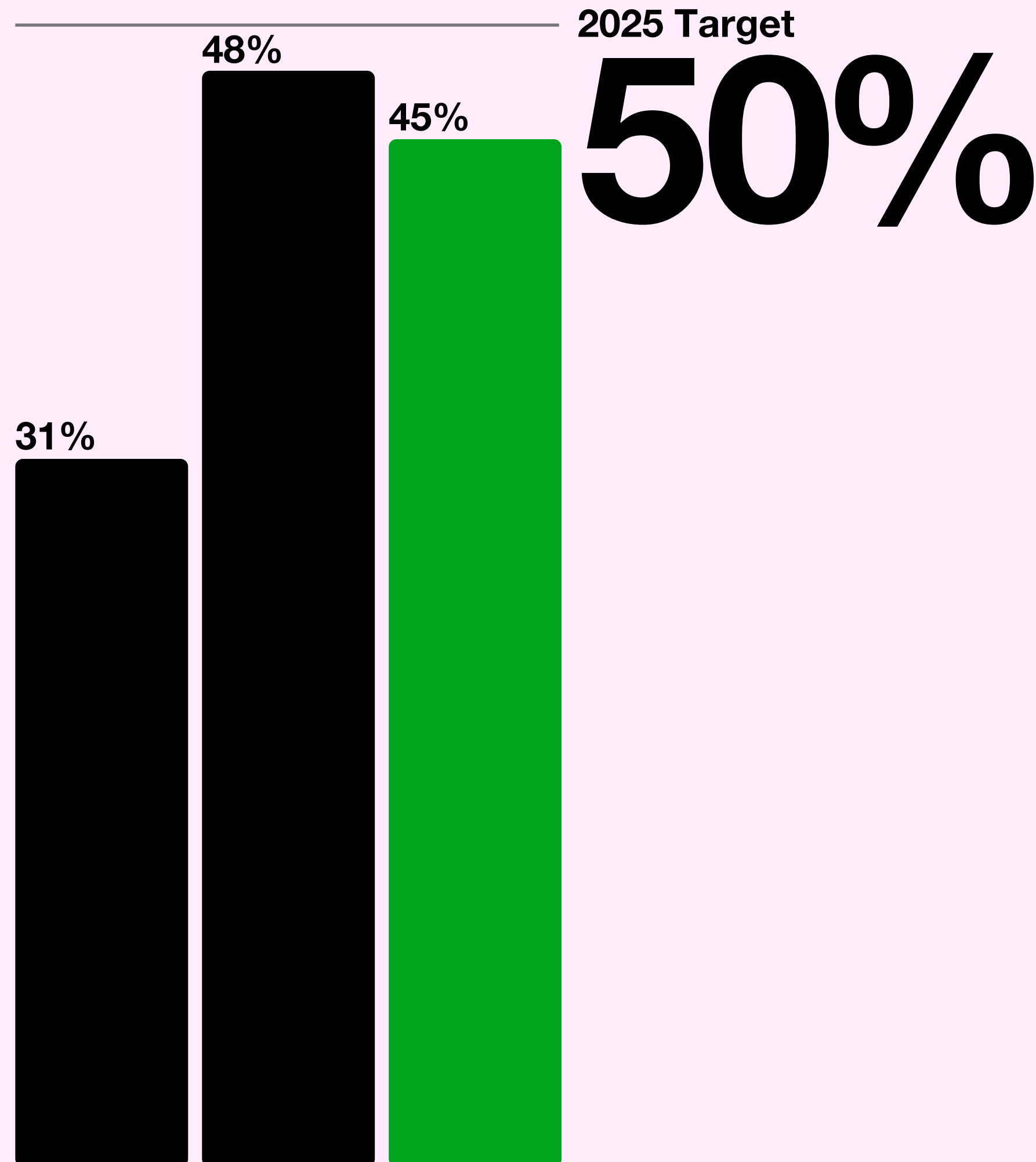




# CARBON

## PERCENTAGE OF ENVIRONMENTALLY PREFERRED MATERIALS

FY20 FY22<sup>51</sup> FY23



### Polyester

Polyester is a core material due to its performance and durability and is found in nearly every pair of NIKE footwear. Because polyester is such a versatile and widely used material, 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 FY23, NIKE footwear continued to focus on conversion of foundational polyester-based materials in elements such as laces and linings across our product portfolio.

Converse has also been increasing its amount of recycled polyester, changing from virgin polyester materials to recycled polyester wherever possible across footwear models. In FY23, the brand increased the use of recycled polyester by 91% as compared to FY22.

In apparel, NIKE increased the use of recycled polyester across footwear and apparel by 11 percentage points from FY22, using 60% polyester by volume in apparel product in FY23. Cross-functional partnerships across the enterprise enabled this increased adoption as did a focus on implementing recycled polyester into NIKE's largest volume apparel products, which drove greater impact at scale.

While seasonal variation may cause usage to fluctuate over the next year, NIKE is ahead of planned progress and will continue to scale work in this space.

### Rubber

Rubber is the key material used to provide outsole traction across NIKE footwear, and we aim to move to high-recycled-percentage formulations that maintain this critical material benefit 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 elements of rubber at a lower impact.

In FY23 we saw progress in the adoption of recycled rubber, particularly in performance product. The Running Product Creation team was able to partner with the Chemical Engineering team to develop a new formulation of regrind rubber for sub-\$100 products, which is a key market segment for scale. Kids, Global Football and Basketball product creation teams have also seen success in adopting other regrind rubber formulations better suited to their specific consumers.

<sup>51</sup> FY22 emissions savings via EPM and % EPM figures have been updated, resulting from revisions to underlying leather and third-party certified cotton data. Leather volume data was revised due to the integration of Lower Carbon Impact Leather. The reduced carbon impact associated with Lower Carbon Impact Leather materials resulted from enhancements in both data and operational changes such as the reduction of waste, incorporation of renewable energy and increased efficiencies in the material production process, reflected via individual vendor life cycle assessments (LCAs) specific to their operations and manufacturing and effective for FY22. Given there is judgment and estimation underlying LCAs, NIKE will continue to disclose historically reported target figures. Excluding leather, FY22 and FY23 respective emissions savings (metric tonnes of CO2e) and EPM % reported as 0.183M / 39% and 0.210 / 39%. Historical % EPM, and third-party certified volume data have been updated due to a methodology adjustment that recalibrated annual performance calculations by releasing a quarterly cap on the amount.

## CARBON

### Rubber continued

In FY23, Converse increased the use of Max Grind 40 to 4% (up from 3.5% in FY22) by incorporating the Grind process into additional product lines. Additionally, the team continues to explore new processes that would allow for higher contents of non-virgin rubber.

Color sorting challenges with recycled material and the aesthetic of recycled outsoles in lifestyle models have both created ongoing headwinds against this target. Despite increased adoption of regrind rubber by performance dimensions, broader adoption is still limited due to aesthetic impacts on lifestyle and Jordan Brand product and challenges with converting carryover models.

### Foam

NIKE continues to evolve how we think about foams as an opportunity to further scale environmentally preferred materials. Examples include bio-based replacements of traditional fossil-based foams as well as new foams that utilize less energy-intensive methods of make. For example, NIKE ReactX foam finds a key middle ground between performance and environmental impact. In putting the material through an injection process, rather than compression molding, this new foam that launched in fall 2023 delivers better performance through higher energy return without creating a higher carbon footprint. Compared to NIKE's original React foam, ReactX reduces the carbon footprint of a pair of midsoles by at least 43% from reduced energy in the manufacturing process, all while increasing energy return for runners by 13%.

### Cotton

Cotton remains an important material for NIKE apparel. Demand for cotton continues to grow due to increase of consumer demand for lifestyle products. 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. In FY23, NIKE maintained relatively similar percentages of cotton types across its portfolio, compared to FY22, and we continued our steady usage of organic cotton, tracking three

percentage points ahead of the 2025 target volume. Additionally, NIKE built upon its cross-functional recycled cotton strategy, continuing to explore use cases for the material with roadmaps in place to expand usage in future years.

NIKE supplements its cotton portfolio with third-party certified cotton, and we are planning even more adoption and capabilities in FY24 and beyond as we plan to increase our recycled cotton usage and our closed-loop recycling rates.

Despite this progress, we continue to face headwinds in recycled cotton given the fiber's mechanical limitations, high costs and sourcing complexities.

### Leather

Work continues to prioritize the use of the lowest impact materials, sourced from best-in-class suppliers. In addition to selecting the best leather available, NIKE is also scaling synthetic and recycled synthetic leather versions of key high-volume models in both Women's and Men's Lifestyle footwear such as the Next Nature versions of the Dunk, Air Force 1, and Court Vision and Court Legacy. For more information on how NIKE also benefited from enhancements in both data and operational changes associated with lower carbon impact leather materials, which created favorable emissions reductions for this target, see the table on the next page.



Nike InfinityRN 4 made with Nike ReactX foam

# CARBON

## Top Five Materials<sup>52</sup> in Product by Volume<sup>53</sup>

			FY20	FY21	FY22	FY23
<b>Polyester</b>	Recycled	metric tons	44,387	55,477	82,317	97,148
		%	23%	33%	46%	56%
	<b>Total Polyester Use</b>	<b>metric tons</b>	<b>195,490</b>	<b>166,343</b>	<b>180,645</b>	<b>172,412</b>
<b>Cotton<sup>54</sup></b>	Organic	metric tons	10,811	13,680	17,748	14,288
		%	10%	12%	12%	12%
	Recycled	metric tons	503	905	867	2,108
		%	0.4%	0.8%	0.6%	2%
	Third-Party Certified	metric tons	86,152	67,152	111,168	74,334
		%	76%	58%	78%	64%
<b>Total Cotton Use</b>	<b>metric tons</b>	<b>113,615</b>	<b>115,543</b>	<b>142,113</b>	<b>116,913</b>	
<b>Rubber</b>	Recycled	metric tons	564	689	2,045	2,944
		%	0.7%	0.9%	2%	3%
	<b>Total Rubber Use</b>	<b>metric tons</b>	<b>76,141</b>	<b>78,896</b>	<b>94,494</b>	<b>98,169</b>
<b>Ethylene-Vinyl Acetate (EVA) Foam<sup>55</sup></b>	Recycled	metric tons	978	907	26	184
		%	2%	2%	0.1%	0.5%
	<b>Total EVA Foam Use</b>	<b>metric tons</b>	<b>61,053</b>	<b>53,055</b>	<b>44,523</b>	<b>38,493</b>
<b>Leather<sup>56, 57</sup></b>	Flyleather	metric tons	53	57	13	4
		%	0.1%	0.1%	0.02%	0.00%
	Synthetic Leather	metric tons	18,623	16,031	18,117	19,053
		%	36%	26%	28%	29%
	Lower Carbon Impact Leather <sup>58</sup>	metric tons	0	0	24,381	23,615
		%	0%	0%	37%	36%
<b>Total Leather Use</b>	<b>metric tons</b>	<b>51,646</b>	<b>60,502</b>	<b>65,870</b>	<b>66,468</b>	

52 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.

53 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.

54 Historical % EPM and third-party certified volume data have been updated due to a methodology adjustment that recalibrated annual performance calculations by releasing a quarterly cap on the amount of third-party credits that can be claimed, which is applied for internal quarterly reporting to prevent over claiming credits, and instead applying an annual cap. This cap ensures that the volume of third-party credits claimed within a fiscal year does not exceed the volume of conventional cotton used and acknowledges the lag that exists between producing cotton and procuring credits.

55 Recycled EVA foam dropped in FY22 due to methodological shifts in underlying data, combined with key suppliers of recycled EVA being offline several months due to COVID-19. Recycled EVA volume rose in FY23 due to NIKE's recycled EVA sources being brought back online after the COVID shutdowns. Total EVA foam is declining due to reduced footwear demand.

56 All leather is Leather Working Group certified.

57 FY22 emissions savings via EPM and % EPM figures have been updated, resulting from revisions to underlying leather and third-party certified cotton data. Leather volume data was revised due to the integration of Lower Carbon Impact Leather, which now appears as a new line item on the Top Five Materials in Product by Volume data table. The reduced carbon impact associated with Lower Carbon Impact Leather materials resulted from enhancements in both data and operational changes such as the reduction of waste, incorporation of renewable energy and increased efficiencies in the material production process, reflected via individual vendor life cycle assessments (LCAs) specific to their operations and manufacturing and effective for FY22. Given there is judgment and estimation underlying LCAs, NIKE will continue to disclose historically reported target figures. Excluding leather, FY22 and FY23 respective emissions savings (metric tons of CO<sub>2</sub>e) and EPM % reported as 0.183M / 39% and 0.210 / 39%.

58 Lower Carbon Impact Leather materials – Leather materials supplied by vendors that has undergone third-party peer reviewed lifecycle assessments (LCAs) that indicate that the emissions intensity meets the criteria for leather EPM inclusion.



# CARBON

## FY30 SCIENCE-BASED TARGET

### SCOPE 1 AND 2

We know that achieving emissions reductions involves significant efforts, and while we have already met our Scope 1 and 2 SBT, we remain actively focused on the ongoing diligence required to ensure these reductions persist.

Our Scope 1 emissions continue to grow versus our FY15 baseline (+68%) due to continued headwinds from our expanding owned and operated facility portfolio combined with the limited availability of scalable, lower-carbon alternatives. However, we have seen a decrease year-over-year (-9%) due to declining fuel usage in distribution centers (increased use of thermal energy systems) and retail (scaling back on natural gas usage), which drove company fuel usage down by 15%.

At 96% renewable electricity adoption (+82 percentage points compared to our FY15 baseline), we've seen a 95% decrease in Scope 2 emissions against our baseline (and a 52% decrease versus FY22). We continue to explore options to expand our renewable electricity portfolio to reach our goal of 100% market-matched renewable electricity by FY25.

### SCOPE 3

As a growth company, decoupling our total emissions footprint from unit growth remains a critical challenge as we strive to reach our absolute carbon targets. And while current performance is still increasing versus the baseline, we have improved on previous years (FY23 brings year-on-year declines in total Scope 3 emissions) and are much closer to hitting flat emissions compared to the baseline than we have been since FY16.

The increase in emissions versus the baseline is primarily due to business growth, continued popularity of higher-carbon-intensity materials in footwear (such as leather), and the rising emissions intensity of the electricity grid in primary manufacturing regions (particularly Vietnam). Efforts to compensate for inevitable emissions increases associated with growth include adoption of renewable energy by suppliers in the supply chain, transition to recycled materials, reduction in waste sent to landfill and decreases in inbound air freight.

Data quality enhancements have also played a role in tracking SBT performance, as since the baseline period, we've obtained more primary data, more accurate and up-to-date emission factors and other data improvements that we have incorporated into our calculations.

### 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.

### Scope 1 and 2

FY23 VS FY15 BASELINE	FY23 VS FY22	TARGET
-73%	-19%	-65%

### Scope 3

FY23 VS FY15 BASELINE	FY23 VS FY22	TARGET
3%	-5%	-30%



CARBON

# SBT FOOTPRINT FY15–FY23 (METRIC TONS CO<sub>2</sub>E)



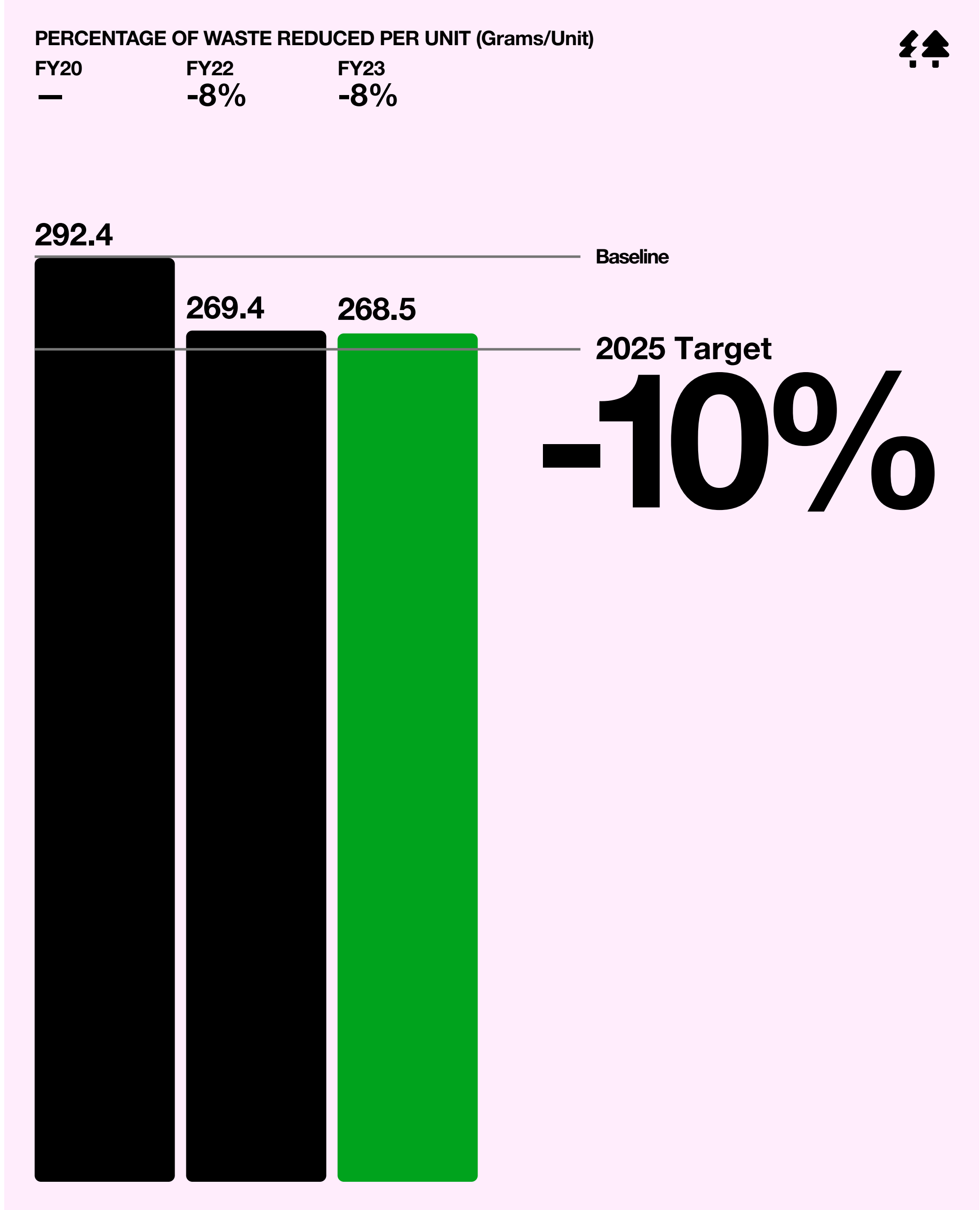
● SCOPE 1 ● SCOPE 2 ● SCOPE 3



WASTE

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

Preventing waste is our first priority because this generally has greater environmental and economic benefits than recycling. In FY23, waste reduction initiatives across our value chain, collectively, prevented more than 13 million kilograms of waste. We continue to find ways to use less material, maximize efficiency of the materials we do use and reuse whatever we can. We are collaborating across our teams and the industry to enable the measurement and management of waste across our supply chain – from the packaging we apply to our products to the waste generated by manufacturing, distribution centers and our headquarters.



**WASTE**



Extra material, called flashing, at the Pratama manufacturing supplier in Indonesia

**DESIGNING OUT WASTE**

Designing out waste is our first step. Selecting lower waste materials, improving pattern efficiency and minimizing high-waste processes helps us mitigate waste creation from the beginning. Although we have made great strides, many of our most popular models are classics that use higher waste materials, such as leather and heavier rubber, and have made this target more challenging.

**MANUFACTURING**

Most manufacturing waste that factories have an opportunity to prevent comes from making the bottom components of a shoe. This waste is created by defective components and extra material, called flashing, needed to fully fill molds.

We expanded our system for tracking bottom component defects to cover facilities responsible for 80% of this waste type, up from 50% in FY22. We also improved defect data quality control and worked with suppliers to drive manufacturing process excellence using this information. The overall midsole defect rate decreased by 38% since this program started, preventing approximately 3 million kilograms of waste in FY23 and more than 10 million kilograms since FY20.

**DISTRIBUTION CENTERS**

At NIKE distribution centers, 80% of waste is corrugated packaging. 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 to reducing corrugate waste in our distribution centers is to focus on reducing one of our biggest packaging types by volume, master outer cartons (MOCs), used to ship products from manufacturing facilities to distribution centers and retail stores.

We are reducing MOCs, making the corrugate 22% lighter. In FY23, we scaled this light-weighting project from 30% to 50% of all footwear MOCs. This lighter corrugate design reduces waste in our distribution centers and retail stores where these boxes are eventually recycled. In FY23, we saved over 7.5 million kilograms of corrugate waste in our supply chain alone due to the scaling of this initiative.

In FY23, we also piloted the Infinity Box program in all geographies. Infinity Box is a reusable carton solution for MOCs that can be reused many times for shipments between distribution centers and/or NIKE stores. With promising results from the pilot, we are working to perfect a standard box design that we can leverage across the globe.

## WASTE

### CONSUMER PACKAGING

Shoebboxes are another high-volume packaging item that eventually becomes waste that we aim to reduce. In FY23, we developed two new sizes for shoeboxes to help use more right-sized boxes for our footwear. NIKE also reduced the number of specialty shoeboxes used. Specialty box designs are inherently less sustainable as they are often heavier, designed with more dyes and fewer recyclable materials. Although there are shoes that require special packaging, we want to make sure that this packaging is used only in specific instances to enhance the consumer experience.

Finally, when looking inside the shoebox, we have made a conscious effort to remove toe stuffing. Although it is used to maintain the shape of some of our shoes, not all models require it. In FY23, we eliminated toe stuffing from 42% of footwear, reducing packaging waste by over 2 million kilograms.

### HEADQUARTERS (HQ)

Waste reduction initiatives including reusable dishware investments and employee education allowed NIKE to decouple growth in HQ occupancy globally from growth in total waste in FY23. Total occupancy grew by 12% in FY23, while total waste grew only by 6%, meaning NIKE reduced the amount of waste per employee on campus.

At NIKE WHQ, we continued the rollout of durable dishware in FY23 to include durable hot/cold cups at fuel stations, coffee bars and NIKE food service venues. This program eliminated paper and plastic cups from standard food service operations. Since food services are highly visible and seen by employees every day, they act as a daily reminder of sustainability targets, reinforcing the culture shifts and behavioral change needed to achieve our sustainability goals.



Wings Coffee located in the newly renovated Joan Benoit Samuelson Building at WHQ



## WASTE

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

From textile to rubber to carton waste, NIKE's first priority is to prevent waste. When this can't be done, our ambition is to reuse or recycle waste materials back into our supply chain. This reduces our dependence on virgin resources and reduces related environmental impact. We have also seen demand for NIKE's waste materials from other industries continue

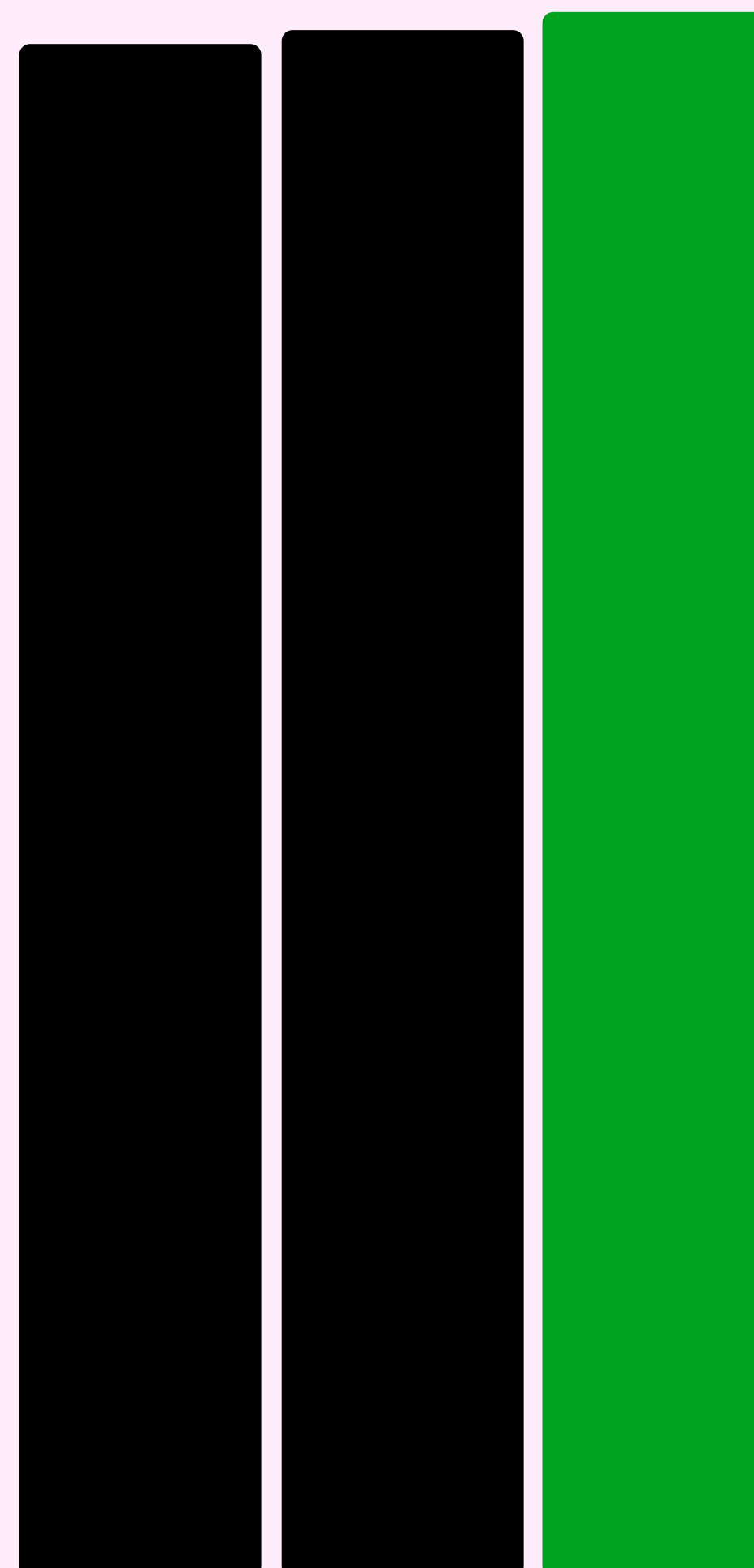
to grow as markets for recycled-content products expand. In FY23, we achieved 98% waste diversion from landfill across the extended supply chain and increased our recycling rate in manufacturing, packaging, distribution centers and headquarters to 75%.

PERCENTAGE WASTE DIVERTED FROM LANDFILL AND INCINERATION



FY20      FY22      FY23

96%      97%      98%

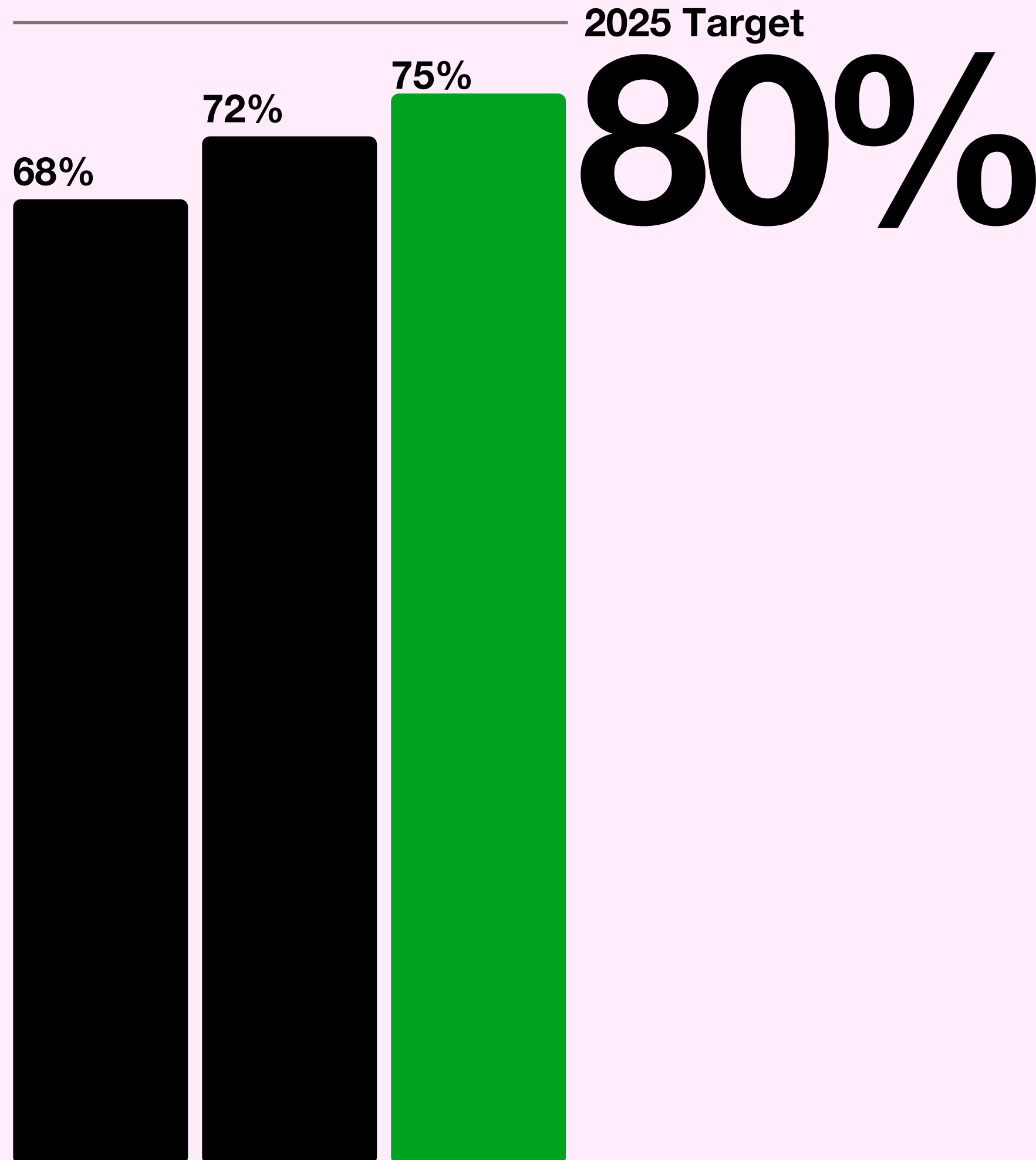


2025 Target

# 100%

WASTE

PERCENTAGE OF WASTE RECYCLED  
FY20 FY22 FY23



MANUFACTURING

WASTE DIVERSION FROM LANDFILL

In FY23, we sustained 100% diversion of footwear waste from landfill for the third year and achieved 100% diversion of apparel waste from landfill. We also increased the overall recycling rate of footwear and apparel manufacturing from 60% to 64%.

A key enabler of our progress is NIKE’s Foundation for Excellence Program, which establishes best practices for suppliers to reduce waste and maximize the usability of scrap materials. As a part of the program, we encourage suppliers to set waste program goals and create systems processes for waste material segregation, tracking handling and storing. Over the last few years, we have seen local markets respond positively to the availability of high-quality, sorted scrap materials. We also share best practices for organizing and running facility waste management programs and accounting practices. In apparel, we were able to reach our goal of diverting 100% of waste from landfill with two new factories in Vietnam by completing the Foundation for Excellence Program, enabling their ability to downcycle waste. As of the end of FY23, 94% of in-scope suppliers had implemented this program.

CLOSED-LOOP RECYCLING<sup>59</sup>

Polyester is a core material for NIKE footwear and apparel due to its performance and durability. Because it is versatile, widely used, and can be replaced with recycled polyester with little to no compromise to material performance, aesthetic or texture, it is an ideal material for transitioning to recycled content at scale.

While recycled polyethylene terephthalate (rPET) from recycled beverage containers or bottle flake is NIKE’s largest source of recycled polyester, we are also targeting polyester fabric waste in key locations where feedstock or advanced recycling<sup>60</sup> technologies are available. Closed-loop recycling of manufacturing scrap back into footwear and apparel or similar products is our highest aspiration as it takes pressure off virgin material supply chains and reduces reliance on bottle flake.

In FY23, three suppliers started shipping polyester textile scraps to a new vendor for recycling into PET chips, which are used to make yarns and fabrics, some of which are then used in new NIKE products. The flow of textile scrap through these new channels will continue to scale, and this business model will be a template for scaling closed-loop recycling of textiles in NIKE’s source base.

In the years to come, solutions for blended textile materials, which are more challenging to recycle than materials made entirely from cotton or polyester, will need to be developed in order to continue our progress. We continue to work to identify and scale promising technologies in key manufacturing regions as part of a long-term strategy.

In FY23, Converse expanded the use of a reduced waste sock liner to kids’ styles, recycling 100% of the waste generated from the manufacturing process back into the product. As a result, overall manufacturing waste was reduced by 20%.

<sup>59</sup> Closed-loop recycling refers to NIKE manufacturing or other waste material that is included in the manufacturing of NIKE finished goods.

<sup>60</sup> Advanced 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 polymerization into new plastics for the production of other chemicals or as an alternative fuel.

WASTE



Unveiling a new basketball court made with Nike Grind at Linfeng'e Elementary School in Guangzhou with Giannis Antetokounmpo

**OPEN-LOOP RECYCLING<sup>61</sup>**

Seven waste types drive 75% of total footwear waste – rubber, mixed textiles, leather, synthetic leather, laminated foam, ethylene-vinyl acetate (EVA) foam or phylon foam, and cardboard cartons. Cultivating and creating new markets for these types of waste to be processed into recycled materials is key to our zero-waste ambition.

To address this, we focus on the following:

- 1 Empowering and supporting suppliers to cultivate and oversee local recyclers
- 2 Marketing directly to targeted users in other industries through our Nike Grind program
- 3 Working with innovation vendors to develop or demonstrate new or better technologies for creating value from scrap materials

In FY23, footwear open-loop recycling increased from 47.2% to 50.4%, driven by increased demand from existing local recycling markets, adding new recyclers in Vietnam and rebuilding the demand for recycled rubber used in sport surface applications post-COVID-19. One new recycler in Vietnam is using a mix of leather, synthetic leather, rubber and foams to make a pressed board product that can be cut, painted and assembled for use in a variety of applications. As a result, the finished goods supplier producing the largest volume of Air Force 1 shoes was able to increase recycling rates from 54% to 93% in FY23.

**NIKE GRIND**

Thirty years ago, Nike Grind started with a few employees looking to find ways to give old shoes a new life. Through trial and error involving microwaves, water jets and the destruction of a perfectly good family clothes dryer, they built a sneaker recycling machine and established the Nike Grind program. Soon after, a basketball court made with Nike Grind was installed at our facility in Wilsonville, Oregon – marking the first of many real-world uses of these recycled materials.

Since then, the Nike Grind program has expanded its scope to include manufacturing scraps from NIKE footwear, enabling NIKE to recycle materials at a much larger scale across the globe. By collaborating with external companies to transform NIKE's unused materials into feedstock for new products, well over 140 million pounds of Nike Grind has been recycled to date.

In FY23, the Nike Grind program continued to pioneer the use of NIKE waste materials in sport and play surfaces, driving significant rubber usage in playgrounds, turf fields and indoor flooring. For example, a Nike Grind licensee, Playtop, uses Nike Grind rubber in its outdoor play installations. In FY23, Playtop increased its use of this Nike Grind material by 34%. In China, Milwaukee Bucks star forward Giannis Antetokounmpo was on hand to unveil a new basketball court made with Nike Grind at Linfeng'e Elementary School in Guangzhou. The bright, beautifully designed court was created with end-of-life shoes collected through Nike's Greater China Recycle-A-Shoe program and finished product waste from distribution centers. By 2030, NIKE Greater China has a goal to build 100 Nike Grind courts across Greater China, empowering more children to keep moving and to make sport a daily habit.

61 Open-loop recycling refers to the recycling of NIKE footwear waste by third parties, who subsequently use it to manufacture other non-NIKE products.



# WASTE

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

WASTE SOURCE	DISPOSITION METHOD	FY20	FY21	FY22	FY23
Post-Industrial (Factory Scrap)	Recycled into NIKE products and other industry products	49,629	51,584	59,067	68,242
Post-Consumer + Unsold Goods <sup>62</sup> (Consumer Shoes + NIKE Samples and Defectives)	Recycled into other industry products	79	170	556	1,108 <sup>63</sup>
<b>Total Footwear Materials Recycled</b>		<b>49,708</b>	<b>51,754</b>	<b>59,623<sup>64</sup></b>	<b>69,350</b>

## AIR MANUFACTURING INNOVATION (AIR MI)

At our Air MI facility in Vietnam, we went beyond reducing scrap rates in the production of NIKE React foam by engineering the ability to reuse our own foam scrap without compromising product performance, quality or aesthetics. With this innovation, black NIKE React foam now contains up to 80% reclaimed content from waste.

Within manufacturing facilities, using proper personal protective equipment (PPE) is an important aspect of work safety. While PPE, such as safety glasses, hearing protection and cut-resistant gloves, can be used multiple times, it is eventually disposed of once it is no longer fit for use. In FY23, Air MI implemented PPE recycling in our Oregon and Missouri facilities focused on safety glasses, earplugs and single-use laboratory safety gloves. This program allows all of our employees to play a part in our recycling targets and responsibly disposing of PPE.

## DISTRIBUTION CENTERS

### WASTE DIVERTED

In FY23, we diverted 92% of distribution center waste from landfill. Our in-scope distribution centers in EMEA and Greater China geographies led the way, diverting 100% of their distribution center waste from landfill, leveraging both recycling and waste to energy solutions. Looking ahead, we will continue to make progress on increasing recycling and enabling practical and responsible energy recovery options for the remaining waste that is landfilled in our APLA and North America geographies today.

### WASTE RECYCLED

In FY23, the percentage of waste recycled in our distribution centers remained close to 85%. Corrugate continues to be the largest portion of distribution center waste at 80%, but fortunately is widely recyclable across the globe. We also continue to make progress on recycling and composting of non-corrugate and non-product waste. For example, Rebound, a reverse logistics facility in North America, launched their first composting program. This program was designed to provide compost to local farms, reducing the reliance on waste-to-energy for food waste generated at the distribution center.

## HEADQUARTERS

At NIKE WHQ and Converse HQ, we piloted dumpster cameras to detect waste stream contamination. Findings from this program, along with waste audits, have allowed us to sharpen our HQ Sustainability Strategy Roadmap. We also developed zero waste guidelines to address NIKE’s largest waste streams including food services, meetings and events, and operational waste.

<sup>62</sup> Unsold Goods refers to NIKE sample products, defective products and returned products that aren’t fit for resale as NIKE products.

<sup>63</sup> Footwear recycling in post-consumer and unsold goods nearly doubled in FY23 vs. FY22 due to new recycling partnerships established across geographies, resulting in the ability to recycle more footwear materials (and fewer materials and units going to waste to energy).

<sup>64</sup> In addition to the footwear data detailed in the table above, ~25,000 metric tons of post-industrial apparel was recycled into other industry products (open-loop recycled).

WASTE

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

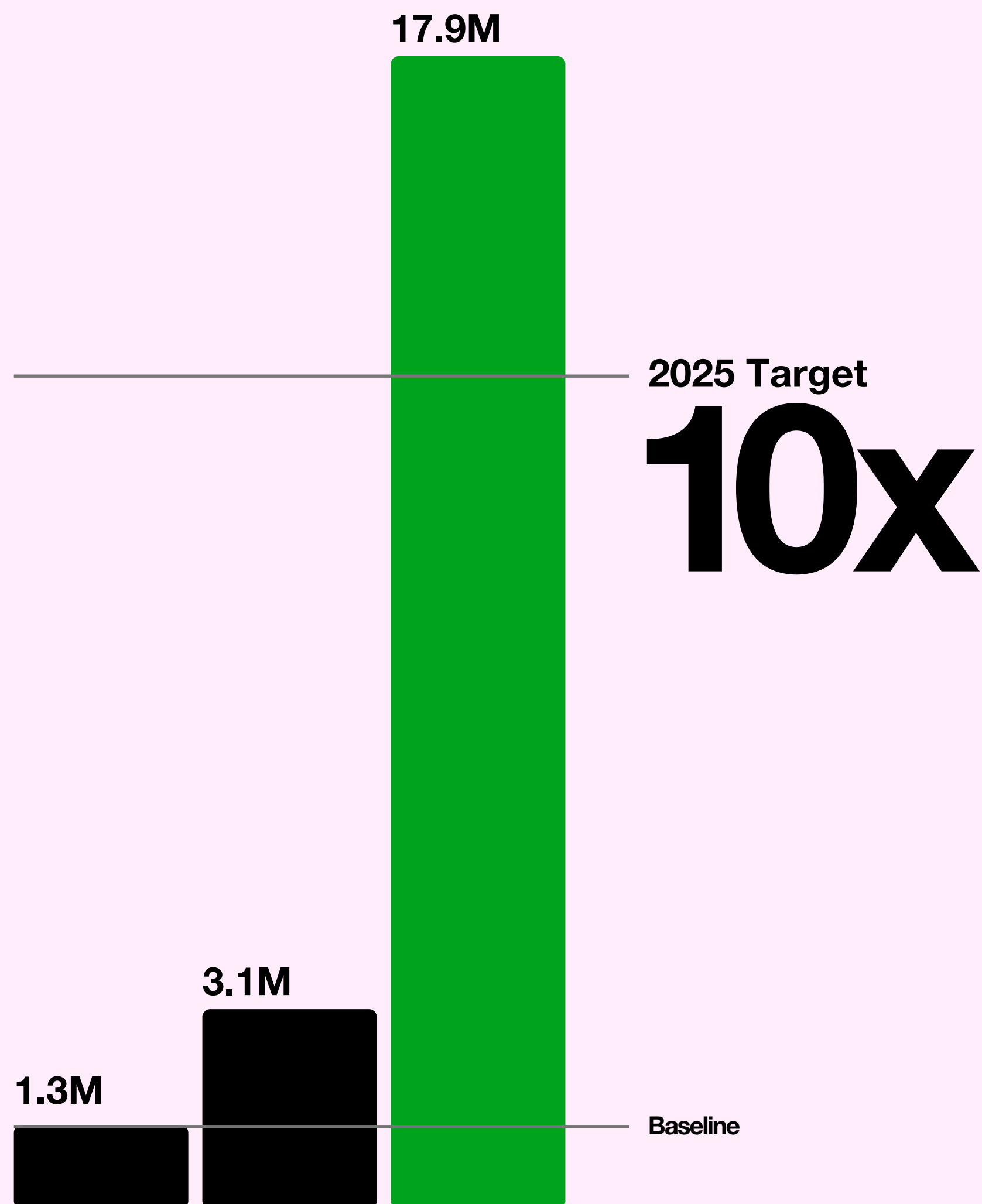
At NIKE’s scale, our goal is to rethink how products are sourced, made, used, returned, reused and ultimately reimaged as something new. NIKE’s ultimate vision is a future where we extend the life of our products as long as possible. Circular business models can help NIKE to achieve this vision by maximizing refurbishment, donation and recycling for finished product waste (any product that can no longer be sold or used as intended, including products consumers no longer use).

In FY23, NIKE processed more than 18 million units from consumer takeback programs and NIKE’s unsellable product (cosmetically flawed, aged or unsold inventory, samples or damaged returns) with 1.1 million units resold at a discount, 4.8 million units donated and 12.1 million units recycled.

When we set this 2025 target, our goal was – and remains – to expand consumer product takeback programs to divert waste from landfill and give products a new life. In FY23, we expanded our takeback programs across all geographies and achieved our target through the collection of post-consumer waste and unsellable inventory, which was refurbished, donated or recycled.

FINISHED PRODUCT WASTE COLLECTED AND RECYCLED OR DONATED (Units)

FY20	FY22	FY23
—	2.4x	14x



2025 Target  
**10x**

## WASTE

### NIKE REFURBISHED

Extending the life of gently used footwear and apparel is a key, lower-impact way to reduce waste.

Nike Refurbished extends the life of like-new, gently worn or slightly imperfect NIKE footwear – primarily from online returns that cannot be restocked – using an in-house refurbishment process. It allows consumers to access a diverse lineup of footwear at reduced prices.

NIKE refurbished more than 680,000 pairs of footwear and resold them across 96 stores in FY23. Nike Refurbished drives increased foot traffic to stores, and consumers appreciate the potential of finding a sold-out or otherwise limited product offering.

In FY23, NIKE added apparel to our in-house refurbishment process, and sold refurbished apparel within three North American retail stores. The pilot resonated with consumers, and we are scaling Nike Refurbished apparel to additional stores in North America and Europe in FY24.

Long term, we are working to scale Nike Refurbished across all of our marketplaces through technology improvements, expanding to more retail stores, and offering a digital marketplace for refurbished footwear and apparel.

### RE-CREATION

NIKE's Re-Creation Program moves us closer to our vision of a circular economy by testing new formats that use both pre-consumer and post-consumer product waste. Leveraging circular design principles, the new trial program combines creativity and innovation by locally sourcing vintage and obsolete NIKE fabrics to create new locally designed and manufactured products, which are then exclusively sold to local consumers.

In FY23, the program launched limited-quantity capsule collections in Los Angeles, London and Paris that highlighted the potential of transforming NIKE vintage and deadstock fabrics into wearable condition.

Each collection included ready-to-wear products available for sale in specific local NIKE stores and Neighborhood doors. With plans to expand into new markets in FY25, we look forward to furthering NIKE's innovative work toward creating a more circular future.

### PRODUCT TAKEBACK

NIKE has been committed to collecting consumers' end-of-life products for over 30 years. In FY23, NIKE expanded our product takeback services, across Recycling + Donate, Reuse-A-Shoe and Recycle-A-Shoe, to 435 stores globally and digital channels with over 450,000 units of end-of-life consumer products collected.

In FY23, Greater China (GC) launched a first of its kind Recycle-A-Shoe (RAS) service online and in-store. Through a partnership with Alipay Ant Forest via NIKE's RAS application, we were able to launch a new digital takeback program that makes product drop-off easier for consumers. We also launched the Recycle-A-Shoe service across 30 university campuses and 13 GC NIKE stores, a new initiative we are working to scale further in 2024.

### THE vAn

Product not fit for consumer sale, such as samples, is sold at a discount through our internal employee website, The vAn. In FY23, The vAn sold more than 366,000 units of footwear and apparel – a growth of 10% compared to the year prior.

To reduce the number of units not fit for consumer sale, we continue to invest in manufacturing quality improvements and leverage digital design technology to limit reliance on physical samples. Digital design tools enable NIKE to create and iterate product designs at unprecedented rates and reduce the number of physical samples that need to be made before a product design is finalized.



The vAn Store located at WHQ

## WASTE

### DONATIONS

NIKE reduces product waste by donating unsellable or well-loved footwear, apparel and equipment, including units collected from our “Recycle and Donate” (RAD) program, to community organizations. In FY23, NIKE donated 4.7 million units of footwear, apparel and equipment to community organizations through consolidators such as Good360 and Soles4Souls or directly to nonprofit organizations that support youth sports, disaster relief and other community-based projects across the globe.

### RECYCLING

When a product is at the end of its functional life and cannot be refurbished or donated, our goal is to recycle it and give its apparel and footwear materials a new life. In North America, we introduced a fiber reclamation process to repurpose mixed textile waste into cushioning for products across the sports equipment, automotive and building industries, recycling more than 16 tons of fiber. In Korea, we worked with TerraCycle to recycle apparel waste into fiber panels for NIKE retail stores. And in Greater China, we launched an apparel waste recycling program in partnership with Tongji University to develop textile-to-textile recycling technologies which will return fiber back to its original use state.

Whether the waste source is finished products or manufacturing scrap, our aspiration is to scale textile-to-textile recycling. By maintaining the inherent value of the material, we can ideally recover and recapture it as a feedstock source for new products.

We made progress recycling footwear as well, with finished product footwear waste recycling rates increasing to 37% in FY23. This means more than a third of each shoe is recycled into something new. Footwear is one of the most challenging consumer items for the industry to recycle due to the number and complexity of materials within it. Over the past three decades, we’ve built footwear recycling machines in North America and Europe and contracted with others with similar technologies. These machines process and separate shoe materials by type (rubber, foam and mixed textile “fluff”) to then be reincorporated into consumer products, retail spaces, workplace environments, athletic facilities and more.

One of the latest examples of a new product developed from Nike Grind is for soundproofing floor underlayment. To create this, a Nike Grind customer uses two of our hardest-to-recycle materials, mixed textile materials or “textile fluff” and foam. These materials had previously not been recycled at scale. By identifying and signing this new customer we have increased our footwear recycling rate in North America from 13% in FY22 to 53% in FY23.

### PLAYGROUND FOR ALL

In FY23, NIKE, in partnership with Seoul Lifelong Education Institute and ChildFund Korea, built a “Playground for All” in Seoul, South Korea – an inclusive playground based on the notion that your place in sport isn’t defined by your gender, experience or perceived skill set. The playground leveraged end-of-life footwear and apparel units collected from Recycle and Donate and then recycled. Footwear units were recycled via Nike Grind and turned into base materials for the playing surface, and apparel units were recycled into fiber panels and turned into storage bins.



“Playground for All”  
in Seoul, South Korea

PROGRAM SPOTLIGHT

NIKE RE-CREATION

# A YOUTH CULTURE-INSPIRED RE-CREATION CAPSULE

Launches in Paris,  
the Fashion Capital of the World





## To create the clothes of tomorrow, we have to think through the whole life of the garment today.



The Paris Re-Creation collection by Sarah Mohssni

In January 2023, boxes of deadstock product began arriving at Sarah Mohssni's studio in Paris' Montparnasse district. As the business and arts district bustled, she examined used or damaged leggings, jackets and other Nike apparel with an eye to how she could transform old into new and coveted for Nike's first Paris-based Re-Creation capsule.

Re-Creation is experimenting with a unique, hyper-local circular business model. A capsule is designed by local creative partners for local athletes\* and made with locally sourced vintage and obsolete materials. The result is a collection made with less impact on the planet and positioned to serve local consumers.

Sarah, an up-and-coming Parisian fashion designer, grew up in the city and specializes in upcycling. The city's youth culture was her muse as she reimagined form and fit. "Paris youth culture is bold and curious and the city is also classy and elegant. I wanted to capture those qualities in the capsule."

She sees a bright future for upcycled fashion, especially in Parisian fashion culture. "Parisians are after strong, unique looks. They are also aware of their impact. When upcycled garments are well made, they achieve the look and help reduce fast fashion." From Sarah's perspective, programs like Re-Creation are critical for normalizing upcycled fashion.

"Today, many upcycling brands are niche – they serve an aware and educated but small consumer base. But influence can inspire people to be curious about upcycling and make it more accessible."



Sarah Mohssni in her studio in Paris' Montparnasse district

Once Sarah's designs were complete, LeLab+, a Paris-based textile manufacturer specializing in circular approaches, produced the collection. LeLab+ was founded in 2020 by Myriam Chikh-Mentfahk, who, after 25 years in the textile industry, saw a need for new, sustainability-minded creation methods at industrial scale. "To create the clothes of tomorrow, we have to think through the whole life of the garment today. How will it be repaired, cleaned, refurbished and disassembled?"

In addition to creating processes for revaluation, upcycling and repair, LeLab+ gives special attention to traceability, in part to ensure client projects are aligned to EU standards like revaluing deadstock. "To some, LeLab+ is niche," shared Chikh-Mentfahk, "but in reality, we are pioneers and trendsetters with a field expertise that is necessary, now. Paying attention to what happens to secondhand garments and scaling good processes is part of the solution for a more sustainable industry."



The latest Paris Re-Creation collection was released in collaboration with Starcow in December 2023. It is the sixth Re-Creation capsule, building on the success of previous Los Angeles- and London-based capsules. "We're rapidly learning as we go and building and refining design processes," shared Christine La, Design Director, Sustainability, at Nike.

"At Nike's scale, there's a responsibility to consider the complete solution to how product is sourced, made, used, returned, reused and ultimately reimagined as something new. Re-Creation provides a unique opportunity to co-create product inspired by hyper-local sport culture together with like-minded collaborators, and to build best practices for more circular product creation."

**WATER**

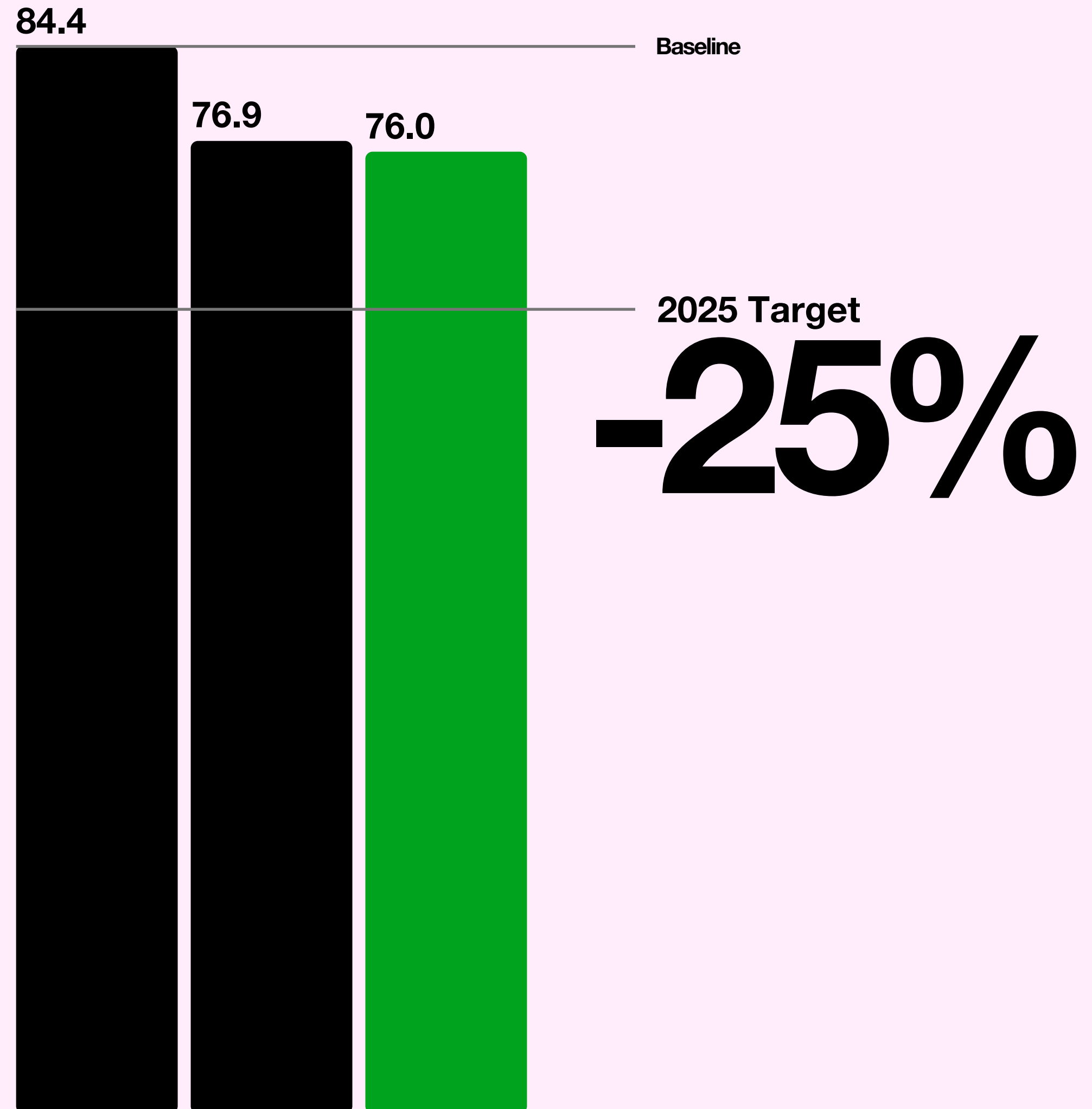
# 25% reduction in freshwater usage (L per kg) in textile dyeing and finishing

Water is essential for life, but today, many parts of the world face a serious water crisis created by overuse, pollution and changing weather patterns. According to the [World Resources Institute's Aqueduct data](#), 31% of global GDP (\$70 trillion) will be exposed to high water stress by 2050. Even areas that were once considered water-rich are now experiencing water scarcity, significantly impacting individuals, communities, agriculture and industries. Without a comprehensive water program, textile suppliers may face challenging and costly business decisions.

With this in mind, we are working to minimize NIKE's environmental footprint by reducing our reliance on constrained resources like water. Because our success relies on the commitment of suppliers, we strive to build strong relationships with suppliers who share our values and to support those suppliers in their endeavor to create more sustainable and water-efficient processes and programs.

PERCENTAGE OF FRESHWATER USE (L/kg)

FY20	FY22	FY23
—	-9%	-10%



# WATER

As a part of this work, we continue to make progress toward our 2025 water reduction target with our three fold strategy.

- 1 **Create Awareness:** By informing suppliers about water scarcity challenges, emphasizing issues within our operations and the broader community to drive operational and community resilience
- 2 **Capability Building:** empowers teams and suppliers to develop and implement the necessary tools, hands-on training and knowledge to manage water resources more efficiently
- 3 **Drive Commitment:** Collaborating with suppliers to implement water-efficient technologies and working with NGOs to address community water challenges

In FY23, we achieved a 10% freshwater reduction in dyeing and finishing, thanks to the unwavering commitment of suppliers. Notably, a textile facility<sup>65</sup> based in Mexico showcased outstanding dedication to water conservation by achieving an impressive 52.3% improvement in water efficiency since FY20. They accomplished this through innovative measures, including software-driven liquor ratio optimization, heat recovery and installing a state-of-the-art advanced wastewater treatment technologies such as membrane bioreactors. These efforts enabled them to consistently recycle 85% of water back into their processes.

Additionally, select suppliers<sup>66</sup> optimized their wastewater recycling through Reverse Osmosis Systems, resulting in a 25% reduction in freshwater usage compared to FY20 baselines.

## LOOKING AHEAD: A COMMUNITY-FOCUSED APPROACH

As we look to the future of our water program, we are expanding our efforts beyond the manufacturing facility to focus more broadly on community resilience, including access to water, sanitation and hygiene. These efforts build on our existing work across water reduction and restoration and focus on the intersectionality between water, climate, and community health and engagement.

In FY23, NIKE granted \$350,000 to Water.org, a global nonprofit organization working to bring water and sanitation to the world by providing safe, accessible and cost-effective provision of water and sanitation through affordable financing, such as small loans.

The project aims to help reach 50,000 people in Karnataka, Tamil Nadu, Madhya Pradesh and Telangana in India with lasting access to improved water and sanitation solutions and help empower people with water access, providing an estimated 108 million liters of volumetric water benefit per year.

The program works with financial institutions to offer household water and sanitation lending for solutions such as taps, toilets, piped connections, rainwater harvesting, water storage, borewells, pit latrines, community water purification systems, septic systems, pumps, filtration, composting toilets and infrastructure to communities.

### Water (Million Liters)

	FY20	FY21	FY22	FY23
<b>Textile Dyeing and Finishing<sup>67</sup></b>				
Municipal/City Water to Facility	13,278	13,067	13,387	11,937
Ground Water	4,804	4,391	5,795	4,599
Surface Water	2,102	1,467	1,733	1,698
Rainwater Collection	34	17	13	12
Condensate Use	391	396	305	323
<b>Total Freshwater Use</b>	<b>20,609</b>	<b>19,338</b>	<b>21,233</b>	<b>18,569</b>

65 Vertical Knits.

66 Gold Long John and Formosa Groups.

67 Suppliers represented in this table are key suppliers involved in dyeing and/or finishing of materials that directly support footwear and apparel finished product assembly.

**WATER**

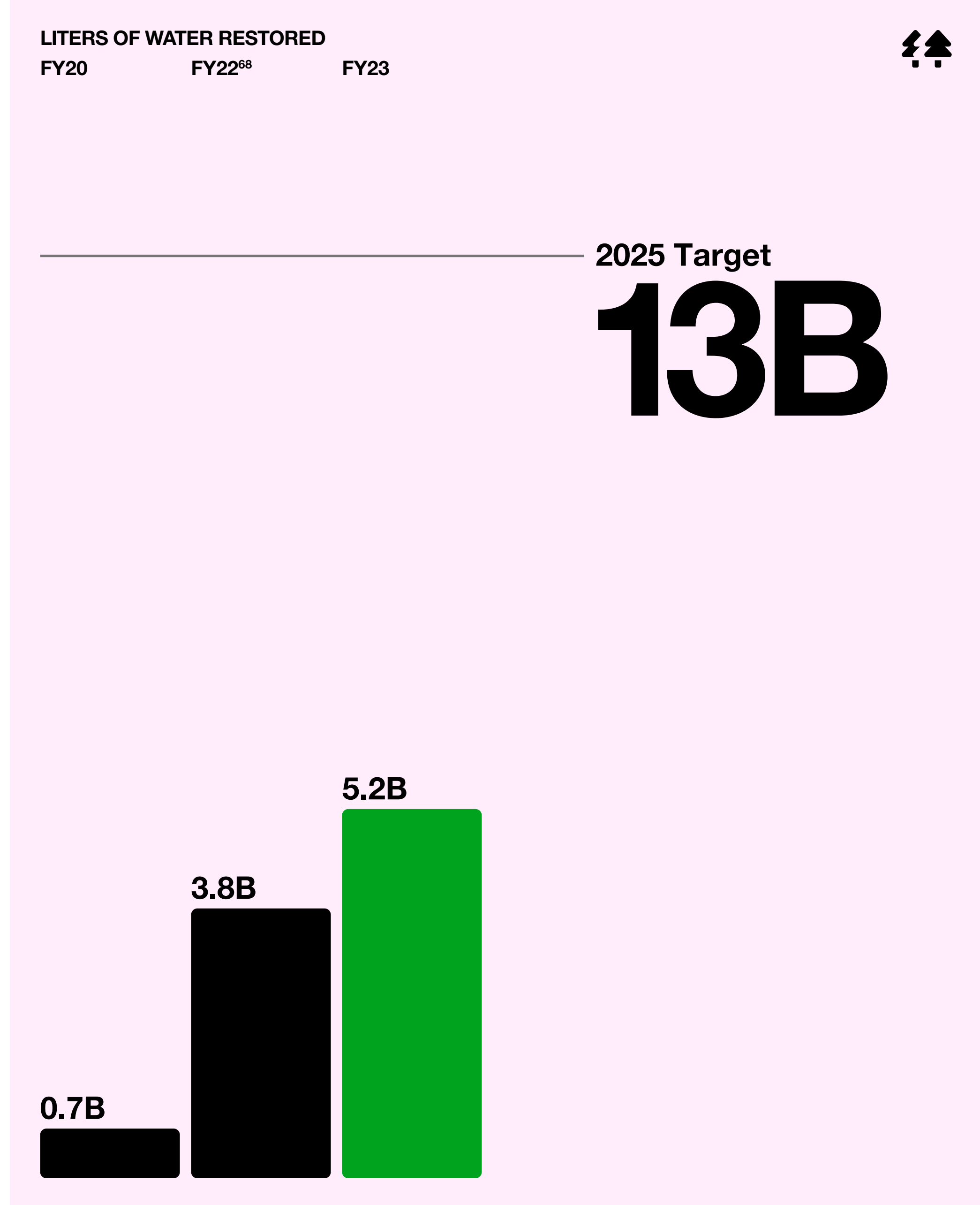
# 13 billion liters restored through a portfolio of projects that support long-term resilience for water-stressed ecosystems and communities within our extended cotton supply chain

2022 was one of the most volatile years for water security on record. According to the most recent Global Water Monitor report, 2022 saw the third consecutive La Niña year, indicating that the entire global water cycle may be changing. Devastating floods in Pakistan, intense droughts in several parts of the world and warmer than average global ocean waters saw weather conditions resulting in increased heat stress and water requirements for people, crops and ecosystems.

Our efforts to improve water security are critical to contributing to a more resilient and responsible supply chain and protecting the future of our business. This is particularly important when we consider cotton sourcing – our highest volume and most water-intensive raw material – which accounts for around 80% of NIKE’s water footprint. NIKE’s water restoration target contributes to the protection of our extended cotton supply chain, including the communities and ecosystems located in key water-stressed sourcing regions.

As a part of our work to restore 13 billion liters of water by 2025 in these regions, we work with environmental organizations such as The Nature Conservancy (TNC) and World Wildlife Fund (WWF). They help us implement projects in priority basins and drive social and environmental outcomes aligned with our project goals in our five largest cotton sourcing countries: Australia, Brazil, India, Pakistan and the U.S. Our work with these organizations focuses on three primary objectives: 1) water restoration and protection, 2) water for productive use and 3) water access.

<sup>68</sup> Total water savings estimates for FY20 and FY21 were revised resulting from irrigation efficiency estimate updates as NIKE’s technical partner in water restoration provided NIKE with an updated assessment of the India project’s water savings due to an error in the initial calculation. This shifted FY21 and FY22 estimated water savings from 2.06 billion and 3.72 billion liters to 2.1 billion and 3.8 billion liters respectively.



# WATER

## AUSTRALIA

From FY20-FY22, NIKE supported a two-phase project in Australia’s Murray–Darling basin, in collaboration with TNC Australia, that helped to legally establish and register a conservation covenant, contributing to gains in local biodiversity and ecological health. In FY23, the project interventions continued to contribute to the health of the basin, restoring 5.1 billion liters of water. The project also supported the signing of an agreement between the Nari Nari Tribal Council and the New South Wales Government, securing the permanent protection and long-term funding of more than 55,000 hectares of land basin, which the Indigenous peoples to the land call Gayini.

## PAKISTAN

In addition, NIKE kicked off a three-year collaboration with WWF Pakistan in FY23 to implement integrated watershed management strategies in Pakistan’s Indus River basin. This project will support improved water quantity and quality, education of farmers with water-efficient agricultural practices and protection of endangered species native to the region.

Shortly after kicking off, work on the Pakistan project was halted in several regions due to monsoon season and its resulting heavy flooding and catastrophic loss of housing, crops and livestock. Despite widespread damage, WWF Pakistan continued to work in the region taking on an expanded project scope, including helping local communities with water decontamination interventions and management of water-borne diseases, as well as providing water stewardship education and training.

In the first year, the project focused on installing water stewardship and replenishment interventions, including rainwater harvesting systems, groundwater recharge wells, floating treatment wetlands, water storage tanks and ablution water reuse systems in the Ucchali Complex, Ayubia National Park and South Punjab regions. These interventions have facilitated 38.3 million liters of water being restored in FY23.

In preparation for the second year, the WWF team also conducted hydrological surveys and baseline investigations for future intervention sites, convening community consultations for site selection and engaging in community awareness sessions.

## BRAZIL AND THE UNITED STATES

In FY23, we worked to lay the groundwork for two new projects with TNC. These are a floodplain reconnection project in Louisiana’s Atchafalaya Basin and a reforestation and municipal water governance project in Brazil’s Tiete basin.

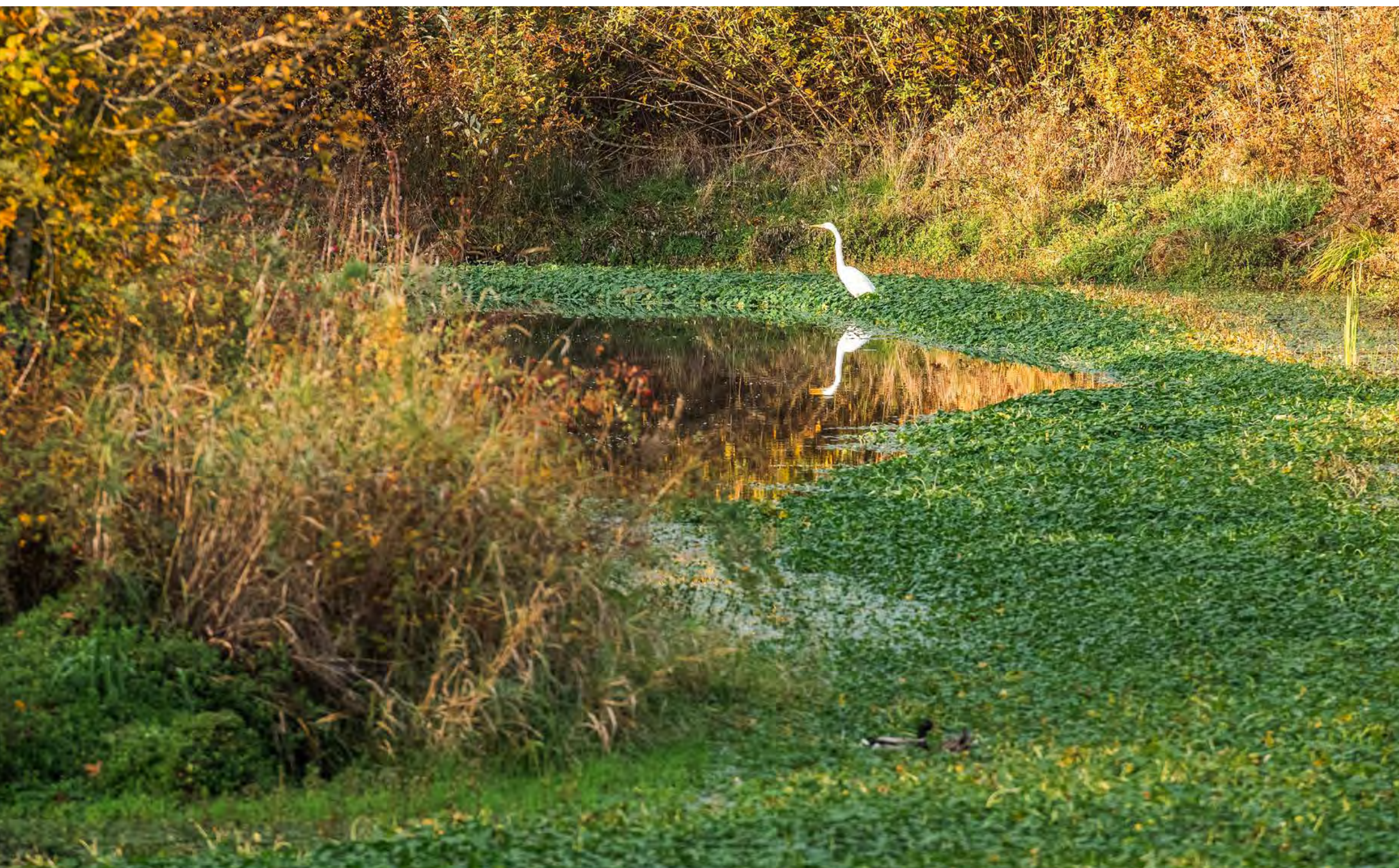
Total water restoration figures (in liters) through FY23 are as follows:

### Water Restored (Liters)

	FY20	FY21	FY22	FY23
Australia	650M	2.1B	3.7B	5.1B
India <sup>69</sup>	0	43.2M	43.2M	43.2M
Pakistan	0	0	0	38.3M
<b>Total</b>	<b>650M</b>	<b>2.1B</b>	<b>3.8B<sup>70</sup></b>	<b>5.2B</b>

<sup>69</sup> Total water savings estimates for FY20 and FY21 were revised resulting from irrigation efficiency estimate updates as NIKE’s technical partner in water restoration provided NIKE with an updated assessment of the India project’s water savings due to an error in the initial calculation. This shifted FY21 and FY22 estimated water savings from the India project from 11.7 million liters each year to 43.2 million liters each year.

<sup>70</sup> Total water savings estimates for FY20 and FY21 were revised resulting from irrigation efficiency estimate updates as NIKE’s technical partner in water restoration provided NIKE with an updated assessment of the India project’s water savings due to an error in the initial calculation. This shifted FY21 and FY22 estimated water savings from 2.06 billion and 3.72 billion liters to 2.1 billion and 3.8 billion liters respectively.



Wetlands located on the NIKE WHQ Campus in Beaverton, OR

## CHEMISTRY

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

All NIKE products leverage chemistry to influence design, improve performance and achieve our ambitions for sustainability. Chemistry choices can impact the recyclability of our materials, and a cleaner chemistry approach helps us identify and replace substances over time that could prohibit future material reuse in a circular economy.

Our cleaner chemistry program drives more responsible and proactive decisions on chemical substances, allowing us to continually innovate new and lower impact solutions from a chemistry lens.

NIKE's cleaner chemistry strategy takes into account the health and environmental impacts of chemicals and chemical mixtures used to make our products. By closely tracking the ever-changing regulatory landscape and reviewing the latest scientific findings, we are able to proactively influence chemistry decisions within our supply chain. To help us set ambitious but realistic targets for the future, we then assess how chemicals are currently being used, including the volumes, types of application and availability of better alternatives.

### PRIORITY CHEMISTRIES WITH CLEAN CHEMISTRY ALTERNATIVE

FY23  
2



2025 Target

# 10

## CHEMISTRY

### SETTING THE FOUNDATION

Our cleaner chemistry approach begins with our Code of Conduct, which requires chemicals to be properly managed across all facilities. This also includes strict compliance with our Restricted Substances List (RSL) and the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List (MRSL). For more than 20 years, we have continually developed and refined the list of chemicals that are restricted from use, and we now monitor and control over 400 substances. Our 2025 target to find alternatives for our top 10 priority chemistries represents defined areas where we have identified specific chemistry challenges and where new scientific information has indicated the need to find cleaner chemistry alternatives, typically well ahead of any legislated requirement.

Our approach has not been developed alone. Pre-competitive collaboration within different industry groups is crucial for compliance across a shared supply base and for advancing cleaner chemistry within the industry. We actively participate in chemistry focused groups such as the Apparel and Footwear International RSL Management (AFIRM) Group and the ZDHC Foundation, supporting the development of transparent guidelines, tools and training programs. These initiatives have reduced conflicting requirements for the global supply chain and provided capability improvement pathways for chemical management and compliance alike.

We see chemistry as a differentiator in our industry and a key to our circular future. We can make intelligent choices to reduce potential impacts on health, safety and environment, while continuing to elevate product performance.

### FY23 PERFORMANCE

Our 2025 target includes 10 priority substances that we identified using the latest scientific data. We prioritized these through our chemical assessment approach, which considers human, environmental and other factors. We established goals around these 10 chemicals that go above and beyond the baseline requirements of our RSL. Our targets are designed to advance safer materials and help enable a more robust circular economy.

Our chemistry targets are intentionally ambitious. We won't compromise on NIKE's leading performance standards even when there isn't necessarily a clear solution. In many cases, our approach to setting ambitious targets has led to us to work across our supply chain accelerating new innovative materials or new manufacturing processes that utilize cleaner chemistries when traditionally, scaling up new technology with better chemistry can take years.



## CHEMISTRY

In FY23, we made significant progress on all 10 of our priority chemistries and achieved two of our 10 priority chemistry targets.

- 1 Per- and poly-fluorinated chemicals (PFAS/PFCs): PFAS chemicals are a broad class of fluorine containing substances that can be used as durable water repellents. We achieved our target of transitioning to PFAS-free durable water repellents (DWRs). Since then, our focus has shifted to collaborating with other brands and supply chain suppliers to identify more sustainable alternatives to PFAS across the industry. To that end, we've shared an extensive list of PFAS-free DWRs that meet NIKE's toxicology requirements, and we regularly share lessons learned at industry events. To help NIKE stay in compliance, we've updated our RSL testing policies to expand PFAS testing requirements. We will continue to collaborate with others in our industry to manage the unintentional presence of PFAS chemicals as contaminants in input streams.
- 2 Dimethylformamide (DMFa): DMFa is an industrial solvent widely used in the manufacturing of synthetic leather and polyurethane-coated leather. We have made strong progress in our efforts to reduce its use in NIKE materials. Specifically, we completed our conversion to DMFa-free polyurethane coating-coated leathers, and we have strong adoption of DMFa-free synthetic suede materials. We have worked closely with suppliers to develop DMFa-free synthetic leather, and many NIKE vendors now have them available. We expect adoption to grow in the next fiscal year.

- 3 Dicumyl Peroxide (DCP): DCP is a crosslinking agent for polymers that can be problematic in some environments when it breaks down. In FY23, we achieved 81% DCP free production for EVA foams used in footwear production. We are on track to exceed 90% DCP free by the end of FY24 and expect to reach 100% DCP free by the end of FY25.
- 4 Zinc Pyrithione (ZP): ZP is an antimicrobial treatment often used as an anti-odor finish. We reduced our ZP use by 91% in FY23 and have a goal to completely eliminate the chemical from NIKE materials in FY24.
- 5 NPEO Free Recycling (NPEO): NPEOs are a detergent once used in our industry and still used in some adjacent industries. We remain on track for enabling no new use of NPEOs through additional testing. Our work aims to prevent it from re-entering our supply chain in recycled content streams. Recycled content streams continue to present chemistry opportunities and must be carefully considered.
- 6 Formamide: Formamide is a byproduct in the manufacturing of some foams. Our target focuses on residual formamide in foam materials. We have worked with suppliers to develop a foam that reduces formamide even further, which we expect to scale in FY24.

- 7 Organic Solvents (VOCs): Organic solvents is a broad class of chemicals that can be used as additives in applications such as adhesives, paint thinners, primers and surface cleaners. Since 1996, we have already achieved more than a 90% reduction in VOCs from footwear production. Our 2025 solvents reduction target continues that effort to focus on the small amount of remaining solvent use. In FY23, our chemical engineering team continued to scale new water-based inks projects and continue scaling additional water-based applications year-on-year through 2025.
- 8 Bisphenols: Bisphenols are a group of chemicals that often can be used as a building block of some plastics or adhesives and as a thermal printing additive. In addition to tightly controlled limits in product, NIKE aims to convert to bisphenol-free receipt paper across NIKE owned and operated stores across geographies. In FY23, we completed the transition in North American stores and are nearly complete in EMEA. Adoption of bisphenol-free receipt paper will continue to increase in FY24.

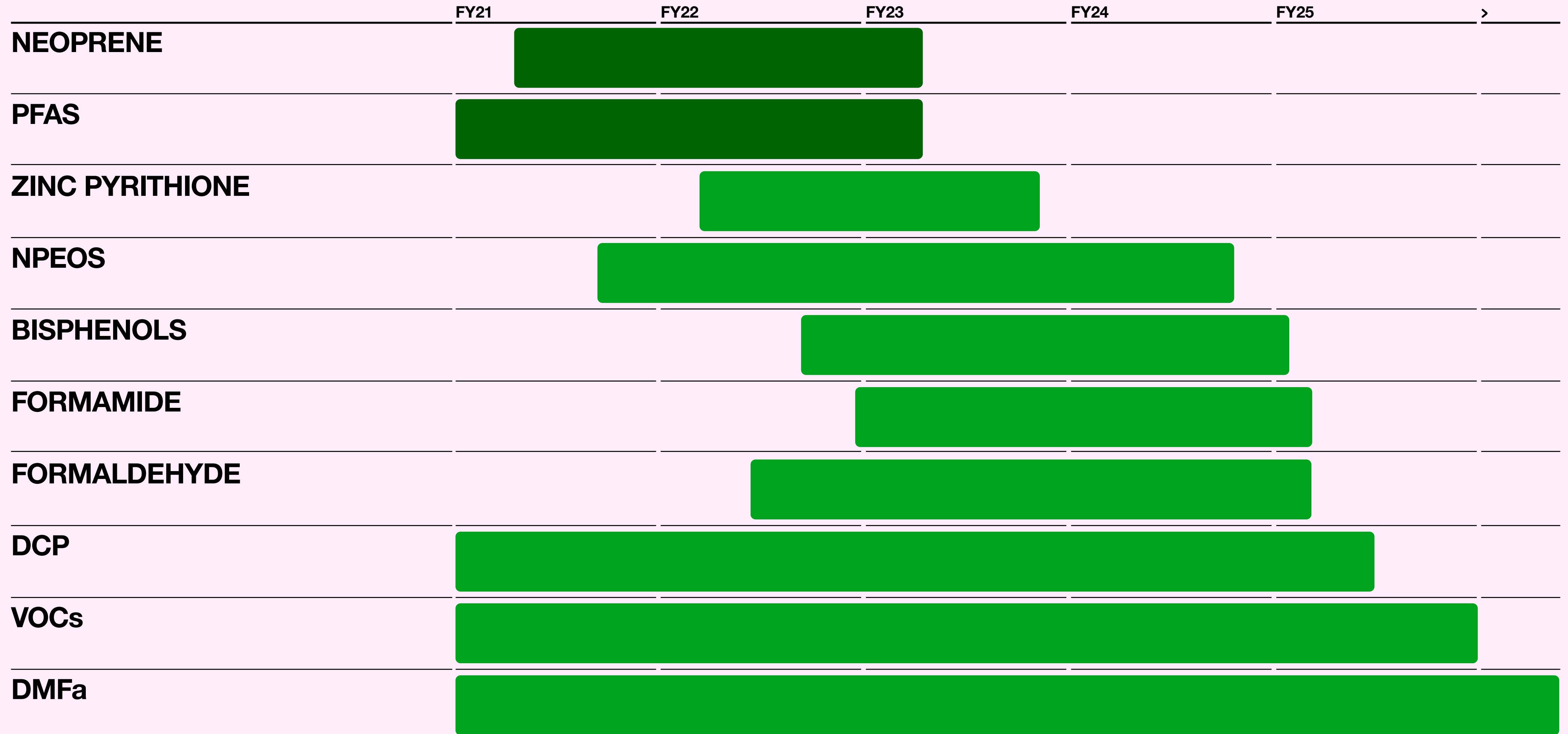
- 9 Formaldehyde: Formaldehyde is a solvent that has many uses across many industries, including use in adhesives, polymers and preservatives and as a stabilizer in some inks/paints. To support our many years of driving formaldehyde out of the supply chain, the target for formaldehyde currently focuses in particular on specific inks and paints for which it has been difficult to fully eliminate very low levels of formaldehyde. We have collaborated with suppliers and ink and paint vendors to conduct performance tests of innovative, formaldehyde-free inks in both apparel and footwear. We're encouraged by the innovation we have seen and expect to scale the highest performing systems.
- 10 Neoprene: Neoprene is a material used in applications needing rubber and foam properties, but it can contain substances that are problematic to some users. We have achieved our neoprene goal after successfully scaling multiple alternative foams that we evaluated and confirmed are more sustainable than neoprene.



# CHEMISTRY

## 2025 PRIORITY CHEMICAL PHASE-OUT TIMELINES

● COMPLETE    ● IN PROCESS



PROGRAM SPOTLIGHT

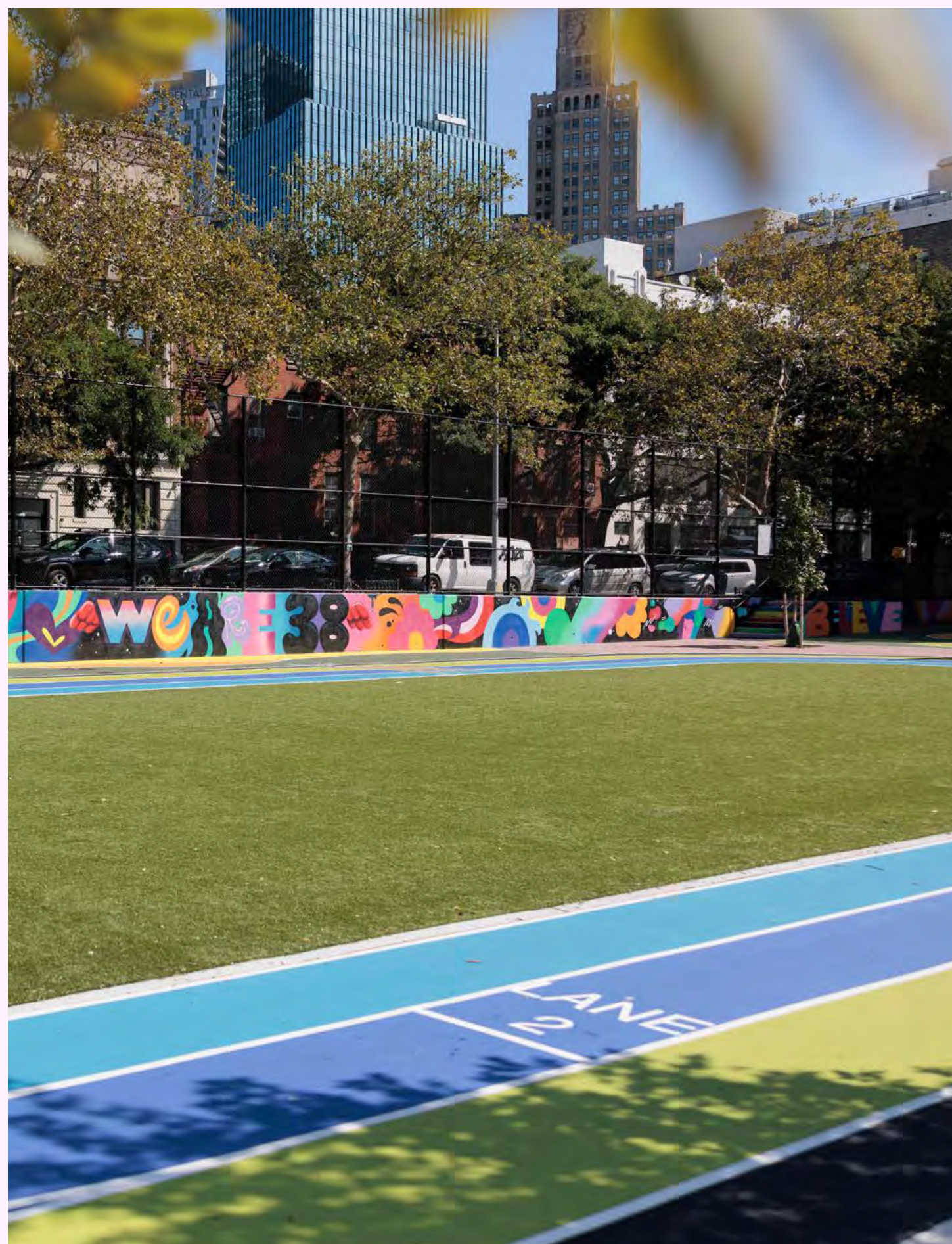


CCRP

# GREENER SPACES, STRONGER COMMUNITIES

Assessing the Impact of Nike's Community Climate Resilience Program (CCRP)

## By investing in green spaces, Nike is combating climate change and nurturing healthier, happier, more inclusive communities.



The program's revitalized urban green spaces are impacting the livelihood of nearly 100,000 people in the surrounding communities

"We just want kids to be the best they can be." This is what Mike Doyle, Principal of Orchard Collegiate Academy in New York City, says when discussing the importance of Nike's CCRP. "Look around us. I mean, here we're sitting on a massive concrete slab. This is not good enough."

Nike's CCRP aims to change this by focusing on two pressing issues: climate resilience and inequitable access to public green spaces. This approach is not just good for the planet, it's also good for the people who gain access to green space for sport, making it uniquely Nike.

According to data from the Trust for Public Land (TPL), there are 100 million people in the U.S. – including 28 million children – who don't have a park within a 10-minute walk of home. By investing in the creation and revitalization of parks and schoolyards in underserved communities, Nike is building spaces that support physical and environmental health. Launched in September 2022, the program's initial impact demonstrates a promising path toward an equitable and sustainable future.

The program drives impact through partnerships with organizations like TPL and local community partners. Leveraging Nike's initial \$2 million grant, TPL has helped revitalize over 117,000 square feet of green space in New York, Chicago and Los Angeles, incorporating rain gardens, permeable paving and native plant landscaping to manage stormwater runoff and reduce heat island effects.



A concrete laden schoolyard awaiting its transformation



Students are actively involved in the design process for their new green schoolyard

"Trust for Public Land and Nike are uniquely positioned to shift the paradigm around climate resiliency and parks. We both believe that access to the outdoors for sport and play is a fundamental human need and essential to our health and wellbeing, and we know that revitalizing these spaces can help address the effects of climate change. We're working together to transform asphalt-laden schoolyards into places where kids can thrive." – Ronda Lee Chapman, Associate Vice President of Equity and Belonging, Trust for Public Land

Studies have shown that access to nature can improve mental health, particularly for kids. The spaces developed through the program provide opportunities for physical activity, play and community gathering opportunities, fostering social cohesion and reducing stress. In revitalized parks, kids can engage in sports and games, and build connections with their peers in a relaxing and peaceful setting.

By partnering with local groups, CCRP's impact extends beyond immediate benefits and enables communities to have a say in the design and use of their spaces, empowering residents to be stewards of their environment. Additionally, the program prioritizes projects that promote access to sport, aligning with Nike's core mission and providing opportunities for physical development with positive role models.

While the program's long-term impact is still being realized, its initial successes are noteworthy. The revitalized spaces have already seen increased usage, impacting the livelihood of nearly 100,000 people in the surrounding communities. The feedback has been positive, highlighting the program's ability to address local needs and improve quality of life.

Ultimately, CCRP is more than a corporate initiative; it's a testament to the power of community and collaboration and the potent combination of environmental and social responsibility. By investing in green spaces, Nike is combating climate change and nurturing healthier, happier, more inclusive communities. This approach is charting a path to a future where environmental and social progress go hand in hand.



Kids gain access to green space for sport and play



# THE FUTURE OF YOUTH SPORT



118 Active Kids    126 Inclusive Community  
131 Employee Engagement    137 Community Investment

## INTRODUCTION

# 1.1M

kids were given greater access to sport in FY23 thanks to NIKE

# 48%

of those kids were girls

# 2.1%

of the prior year's pre-tax income went to driving positive impact in communities

At NIKE, we believe that sport has the power to move the world forward. As the biggest champion for athletes and sport, we're taking action to help create a better world – one that is more equitable for everyone. We do this by getting kids moving and building inclusive communities across the globe.

In partnership with our employees, athletes, experts and community organizations, we are removing barriers to participation for kids – especially girls; training more diverse coaches to become game-changing mentors who encourage all kids to play; and investing in organizations and communities that advance equality through education innovation, economic empowerment and social justice reform.

With more barriers to sport than ever before, the world is moving less – leaving girls and kids in underrepresented communities on the sidelines. As a brand guided by our values, we are uniquely positioned to create greater access to sport for all. In FY23, Nike directly helped over 1.1 million kids to move – 48% of whom were girls – through our community partners' diverse offering of play and sport programs. We aimed to reach more kids by prioritizing diverse coaches and training, because we know that with the right tools, a coach can change a kid's life. We expanded coaching access for women and continued to share our coaching strategies and tools, reaching more than 142,000 coaches and training more than 14,000 through in-person and virtual sport coach training, with an emphasis on strategies to get and keep girls active.

It is our belief that by tackling systemic inequity and driving inclusivity off the field, we can continue to elevate equal participation on the field, so everyone has an opportunity to win.

Uniting the power of sport and the passion of our employees to drive transformative change – and create a more active, equitable future for the next generation of athletes – starts in the cities where we live, work and operate. Across the globe, our employees are coaching kids, donating to important causes and volunteering with local nonprofits, and we are proud to fuel a culture of giving and community. In FY23 we invested \$142.7 million, which represented 2.1% of the prior year's pre-tax income, in the communities that we support.

As we drive toward NIKE's 2025 targets, we will continue to inspire future athletes through play, access to sport and investing in communities and organizations across Nike, Jordan and Converse.

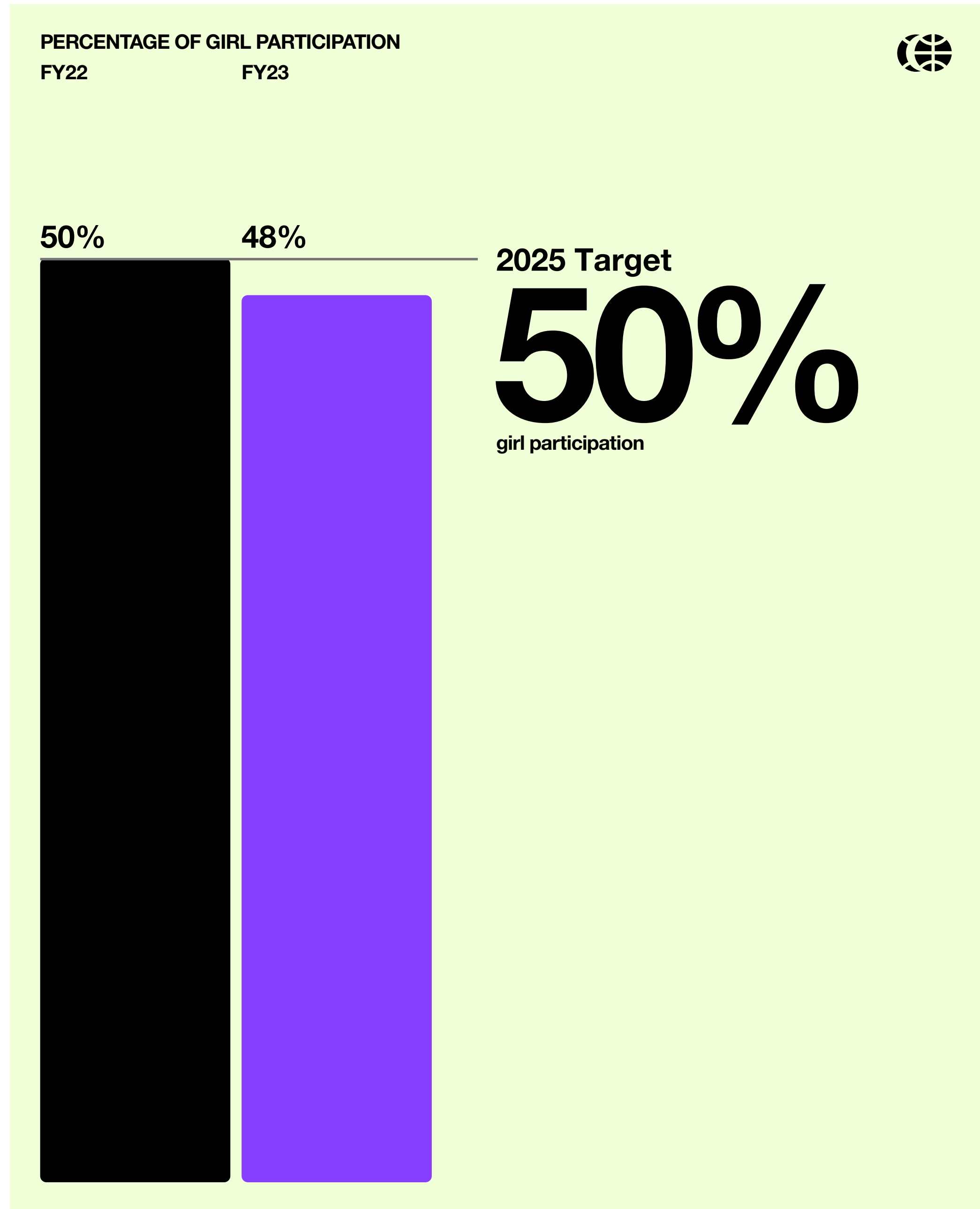
ACTIVE KIDS

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

Nike believes all kids should have an opportunity to play. But some kids, like girls and kids from underrepresented communities, still face more challenges to getting and staying active than others. That’s why – with more than 100 community partners and their grassroots programs – we’re taking action to remove barriers to play and create a culture of belonging within sport that welcomes all kids, leading with girls.

In FY23, we directly helped more than 1.1 million kids around the world – 48% of whom were girls – discover the joy of movement through our community partners’ diverse play and sport-based program offerings. We also shared our best practices and training tools with more than 142,000 coaches and trained over 14,000 of them to deliver fun, inclusive experiences to all kids.

We know that having a caring, well-trained coach is critical to helping kids achieve their potential – both on and off the field. We are committed to increasing the quality, quantity and diversity of youth coaches around the world, because if kids can see it, they can be it. And as part of this commitment, we are teaming up with renowned institutions to create industry-leading digital tools and training materials that support inclusive, kid-centered play, with a focus on expanding sport and coaching for women and girls.



## ACTIVE KIDS

With our ambition to be the biggest champion for women and girls in sport, we shifted our approach to focus not only on how to get 7- to 12-year-old girls moving, but also on how to keep them playing so they can reach their full potential in the game and in life. Data shows girls enter sport later and drop out earlier – at twice the rate of boys – with low body confidence as the biggest reason why. To help bridge that activity gap between girls’ adolescent and teenage

years, the culmination of nearly three years in-the-making came to life through Nike’s groundbreaking partnership with Dove, the world’s biggest provider of self-esteem and body confidence education, and the creation of Body Confident Sport, which will officially launch in FY24. Body Confident Sport is a first-of-its-kind, evidence-based set of coaching tools to help boost body confidence, body image and self-esteem in 11- to 17-year-old girls (available at [bodyconfidentsport.com](https://bodyconfidentsport.com)).

Co-developed by both brands in partnership with world-renowned experts – including the Centre for Appearance Research (CAR) and the Tucker Center for Research on Girls & Women in Sport – Body Confident Sport gives coaches the tools to help girls shift the conversation from what their bodies look like to what their bodies can do, empowering them with a lifetime of confidence. The program was designed using input from girls and coaches in six countries (France, India, Japan, Mexico, the U.K. and the U.S.).

In cities around the world, we invested in new initiatives and existing programs to continue creating opportunities to access play, sport and the benefits they offer.

In Chicago, as part of our Swoosh Summer Academy, Nike partnered with The Center for Healing & Justice Through Sport (CHJS) to upskill full-time Chicago Park District (CPD) staff to be Swoosh Ambassadors who act as coach training leaders and facilitators. These ambassadors now lead ongoing, year-round training for other CPD staff members and coaches in all programs. They partnered with CHJS trainers and co-led the Swoosh Summer Academy recreation leader training in June 2023. Professional development and capacity building of internal CPD staff is a huge win and sets the organization and partnership up to make a sustained, lasting impact.

With our partners, we are taking action to remove barriers to play and creating a culture of belonging within sport for all, leading with girls



## ACTIVE KIDS

Taking our neighborhood insights-based approach to the next level, we expanded Nike's Made to Play Neighborhood initiative, which launched in Los Angeles, in FY22, to include New York, Chicago and Toronto in FY23. This innovative, place-based approach – grounded in local data and insights – focuses on investing in community organizations in specific neighborhoods where girls lack access to sport. In each of these cities, we are partnering with local organizations to break barriers to participation, with the shared goal of recruiting and retaining more female coaches to better serve the girls they reflect, and empowering them to go further, faster by sharing resources, coach training and collective support.

As part of our Well Through Sport initiative, we are teaming up with partner organizations, coaches and other experts to prioritize mental health and wellness within the youth sport community. By meeting kids where they are and finding ways to incorporate wellness practices into sport and play programming, we can help them realize the connection between mindfulness and movement and experience the mind-body benefits that come from prioritizing both, such as reduced stress and anxiety, improved self-esteem and better sleep. In FY23, we launched Well Through Sport experiences in Toronto, Chicago, Los Angeles, St. Louis and New York.

In Paris, to grow sport participation for girls at scale, Nike signed a cross-sector partnership with the Agence nationale du Sport (ANS), the national agency for sport and athletes in France. This partnership is a critical component of our impact heading into the Paris 2024 Olympics to increase sport participation for all – especially girls from underrepresented communities. In Pantin, we kicked off Team Go Girls, an innovative program designed for and with thousands of young girls to help cities across France inspire her to move and play. Through our partnerships with ANS, Sport dans la Ville and Futebol dá força, we are creating an Academy of Female Coaches to empower girls and accelerate their future coaching career opportunities.

Nike believes that sport can help displaced people find community and a sense of belonging, and is collaborating with the Olympic Refugee Foundation (ORF) to help support them. Together, Nike and ORF are providing access to more inclusive play and sport environments that support greater confidence and overall mental health, particularly for more than 3,000 women and girls, through ORF's Terrains d'Avenir program in Paris. Through this collaboration, Nike is providing uniform support to the Refugee Olympic team and the Refugee Athlete Scholarship Program, managed by the ORF.



Girls in Toronto experience Well Through Sport in a session facilitated by the Center for Healing and Justice Through Sport



# KIDS REACHED

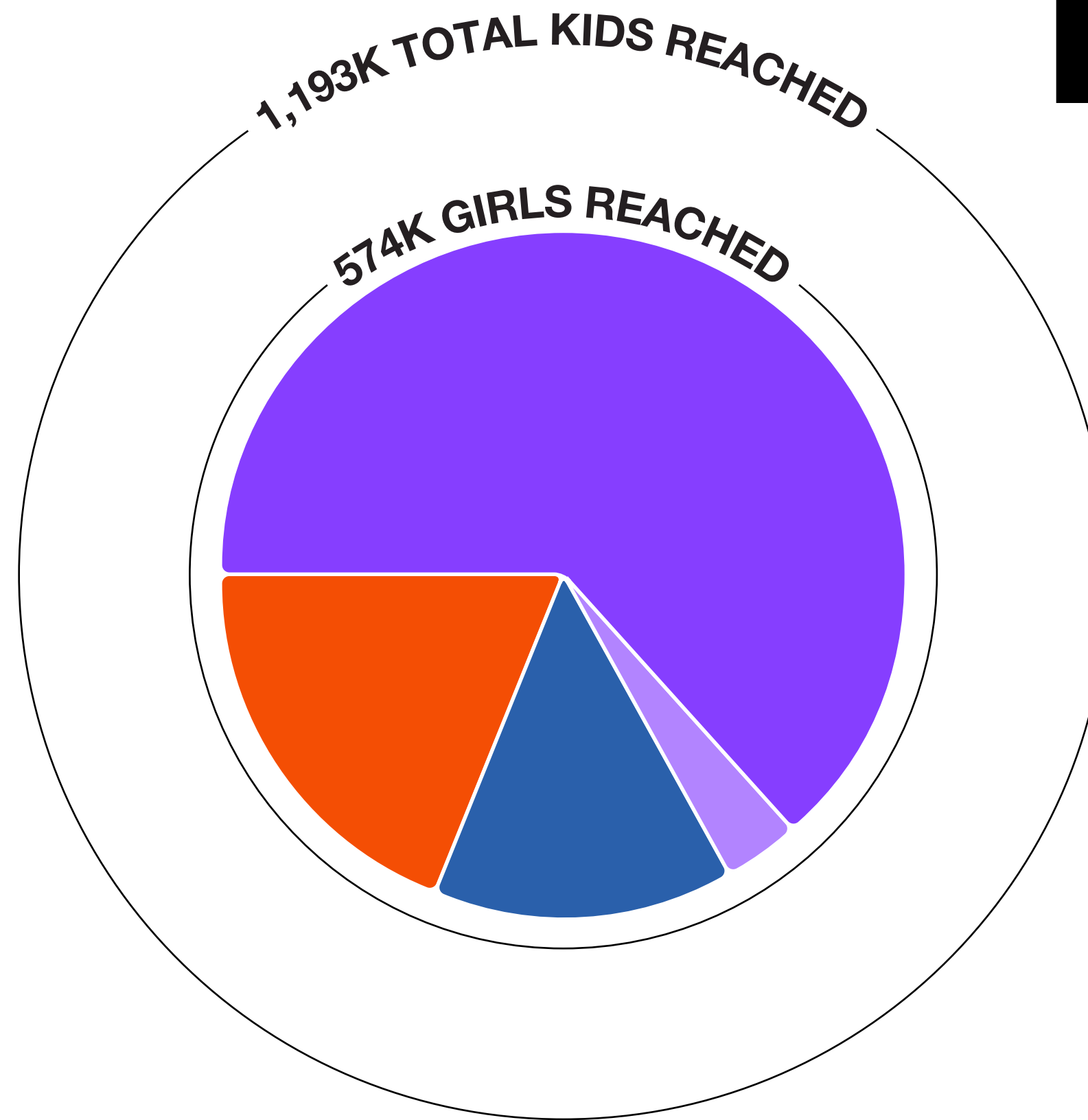
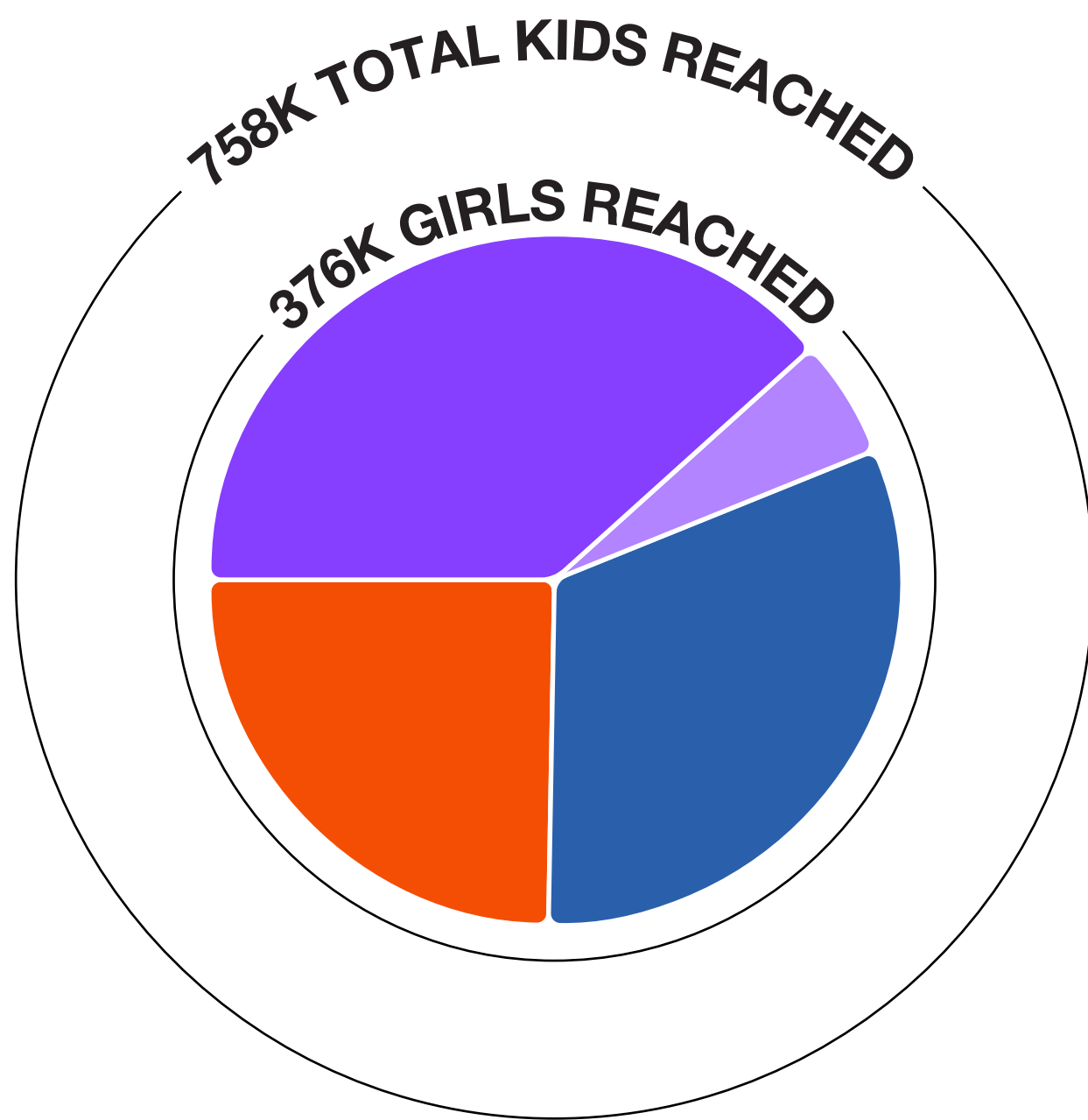
In FY23, we directly helped more than 1.1 million kids around the world – 570,000+ of whom were girls – discover the joy of movement through our community partners’ diverse play and sport-based program offerings. From FY22 to FY23 we grew our reach by 198,000, showing our continued investment to expanding access to play and sport for girls.

FY22

FY23

# 198K

Increase in Girls Reached in FY23



Asia Pacific and Latin America (APLA)

Europe, Middle East and Africa (EMEA)

Greater China (GC)

North America (NA)

## ACTIVE KIDS

Through Project Fearless in Amsterdam, Nike's providing a safe space and an empowering, supportive environment for girls (and their mothers) from underrepresented communities – to try new activities and build their confidence through sports like football, kickboxing and skateboarding.

The Premier League Primary Stars' Kit Scheme gives primary school teachers an opportunity to apply for free Nike football kits for their girls' team. The Kit Scheme aims to encourage more young girls across England and Wales to participate in football, building on the 7,000 free team football kits that have been donated (since 2017) via the Premier League Primary Stars school program. Through Premier League Primary Stars, the Premier League, with Nike's support, are creating a network of Active Allies in more than 18,000 primary schools across England and Wales. Active Allies aims to build self-belief in girls and help tackle gender stereotypes around girls playing football. It also looks to inspire boys to be allies who help champion girls to play football at school and beyond.



Coaches at Project Fearless support girls to reach their goals by creating a fearless atmosphere for growth

Also in the United Kingdom, Nike partnered with Spotify in FY23 to create the Make Moves Fund, which will officially launch in FY24 and uses the power of music to get girls moving and help improve their mental well-being. The Make Moves Fund awards grants, co-funded by Nike and Spotify, to U.K.-based community organizations who propose pioneering, creative, girl-first program ideas that combine music and dance to inspire girls aged 10 to 17 to move on their terms. Grantee programming will run through the end of FY24.

In Mexico City, we selected five community partners to lead Jugamos Juntas, Nike's girls' initiative, delivered in partnership with Laureus Sport for Good Foundation. The five organizations kicked off their programs by providing both girls-only and mixed gender activities – including football, ultimate frisbee, boccia and adapted basketball – in 10 locations across Mexico City. In FY23, our weekly programming allowed us to reach more than 300 7 to 17-year-old girls.

In its sixth year, the Juega Más program expanded across Mexico City. During the school year in FY23, Juega Más trained 112 Physical Education (PE) teachers. In that time, the program improved experiences in PE for nearly 15,000 kids, 50.1% of whom were girls. We also hosted the Juega Más Festival for the first time in-person since the pandemic, during which more than 600 primary school kids and their families celebrated a day of play and sport together – along with Nike employee volunteers, Olympic softball player Steffy Aradillas, and Paralympic swimmer Ángel de Jesús Camacho Ramírez.



All smiles as a primary school-aged girl enjoys fun and inclusive sport and play experiences at the Jugamos Juntas Girls Play Day in Mexico

## ACTIVE KIDS



In Greater China, the Active Schools program, developed in partnership with China's Ministry of Education and the China Education Development Foundation, celebrated its 10th anniversary in FY23. The initiative trains PE teachers and staff to transform children's sport experiences through innovative PE classes in-person and on digital platforms. Nationally, Active Schools has reached more than 5.5 million kids and 13,000 PE teachers across 11,000 schools. Nike hosted an online ceremony for the prestigious Active Schools Innovation Awards, honoring teachers making a positive impact through play and sport. We will return to an in-person awards ceremony in FY24, with an unprecedented number of attendees.

Since launching in Greater China in 2019, Boundless Girls, Nike's innovative program to unleash the potential of girls through the power of sport, has reached more than 160,000 girls across 700 schools. In FY23, through the partnership with the China Foundation for Rural Development, the program scaled up to include 15 nonprofit organizations across China. And together with the organizations China Children and Teenagers' Fund and Enjoy Volunteering, we recruited and trained more than 320 volunteers (university students, Nike employees and elite athletes) to serve as coaches and role models. In FY24, Nike will provide inclusive, empowering play and sport sessions for girls through the Boundless Girls Summer Camp in 21 locations across China.

Across the globe, we are looking for opportunities to expand access to sport for the next generation and build a strong community for girls. Recognizing that skateboarding has historically been viewed as a racially homogenous, male-dominated sport, our Converse team has partnered with two organizations dedicated to creating more inclusive skate communities – Skate Like a Girl and The Skatepark Project. Both Nike and Converse have invested in Skate Like a Girl, which has been empowering women and trans skaters by promoting confidence, leadership and social justice through skateboarding since 2021. Converse's investment in Skate Like a Girl's Skateboarding Inclusivity Cooperative has reached more than 100 participants through mentorships and virtual workshops. In FY23, Converse also funded The Skatepark Project's Fellowship Program. By empowering participants to become change agents in their communities, the program provides BIPOC skate advocates with the necessary tools, knowledge and support to effectively advocate for equitable access to public outdoor spaces for youth and other community members.

The Active Schools program empowers physical education teachers in China to get kids moving

ATHLETE SPOTLIGHT

COACHING

# THE LASTING IMPACT OF COACHING

Gender-Responsive Coaching Changes the Game for Women and Girls



## If sport can change one life like it changed mine, it can change many. And if it can change many, it can change the planet.



Gold medal Olympic gymnast Laurie Hernandez talks about the important role coaches have played in her life at the launch of Body Confident Sport in New York City

These are the words of Angela Manuel-Davis, a Nike athlete, motivational coach and speaker who has dedicated her life to sport and finding purpose through movement. Like us, she believes that coaches are uniquely positioned to impact positive change.

Based on this belief, Nike is committed to harnessing the power of high-quality coaching to get kids moving and keep them moving for life.

Working together with experts, we've created industry-leading digital trainings, resources and tools such as the [Coaching Girls Guide](#), [How to Coach Kids](#) and the [Coaching for Belonging Playbook](#) – and in doing so, helped make sport more inclusive, approachable and fun for kids, bringing more athletes into sport.

This year Nike introduced two new resources focused on those at greatest risk of missing out on the benefits of movement: teenage girls. Globally, 45% of teenage girls – twice the rate of boys – are dropping out of sport.<sup>71</sup> [Coaching HER](#) and [Body Confident Sport](#) are first-of-their-kind initiatives that meet athletes on the field in the critical moment when coaches can change their life trajectory.

“Women and girls are not hearing ‘trust yourself to live in your truth’ as much as we need to,” says Megan Bartlett, founder of the Center for Healing and Justice Through Sport. “We teach girls to be brave, not perfect.”



Coaching HER is Nike's most comprehensive evidence-based digital resource on coaching athletes who identify as girls. Created in partnership with the Tucker Center for Research on Girls and Women in Sport, the tool helps coaches to recognize ways that unconscious gender biases and stereotypes negatively affect girls' engagement, performance, self-perception, sport choices and experiences, and uses practical tips, such as how to use inclusive and gender-neutral language, to create a safer, more gender-responsive environment.

By providing coaches the necessary education and training to examine their own biases, Coaching HER recognizes the relational dynamic between a coach and athlete is the key factor in girls' feelings of inclusion and belonging.

“Coaches are an important influence for why kids stay in sport. A positive experience with a coach can set a kid on a lifelong path of play, fitness and movement. Yet coaches bring their own implicit bias to the work, and may unconsciously and unintentionally perpetuate the stereotypes that drive girls out of sport,” says Dr. Nicole M. LaVoi, Director of the Tucker Center for Research on Girls & Women in Sport.

Body Confident Sport furthers gender-responsive coaching practices by directly addressing the biggest drivers for girls leaving sport – body confidence and self-esteem. Co-developed with the Tucker Center for Research on Girls and Women in Sport, the Centre for Appearance Research, and Dove, this resource provides coaches tools to help teenage girls to feel better about their bodies, on and off the field. This includes a training for coaches and a curriculum for them to use with their players.

“By shifting the conversation from what their bodies look like to what their bodies can do, we believe we're creating the next generation of female leaders and changemakers.” – Vanessa Garcia-Brito, Nike's VPImpact Officer

In addition to our free, digital tools, we have trained more than 14,000 coaches through in-person or virtual sport coach training, with an emphasis on strategies to get and keep girls active.

“We know that sports offer girls enormous benefits,” says Laurie Hernandez, gold medal Olympic gymnast. “Coaches and athletes alike have a collective responsibility to create inclusive spaces and positive experiences that give all girls an opportunity to discover the power of sports. Sports fuels confidence, which in turn enables girls to enjoy a lifetime of moving.”

<sup>71</sup> Tucker Center for Research on Girls & Women in Sport. (September 2018). The 2018 Tucker Center Research Report, Developing Physically Active Girls: An Evidence-based Multidisciplinary Approach

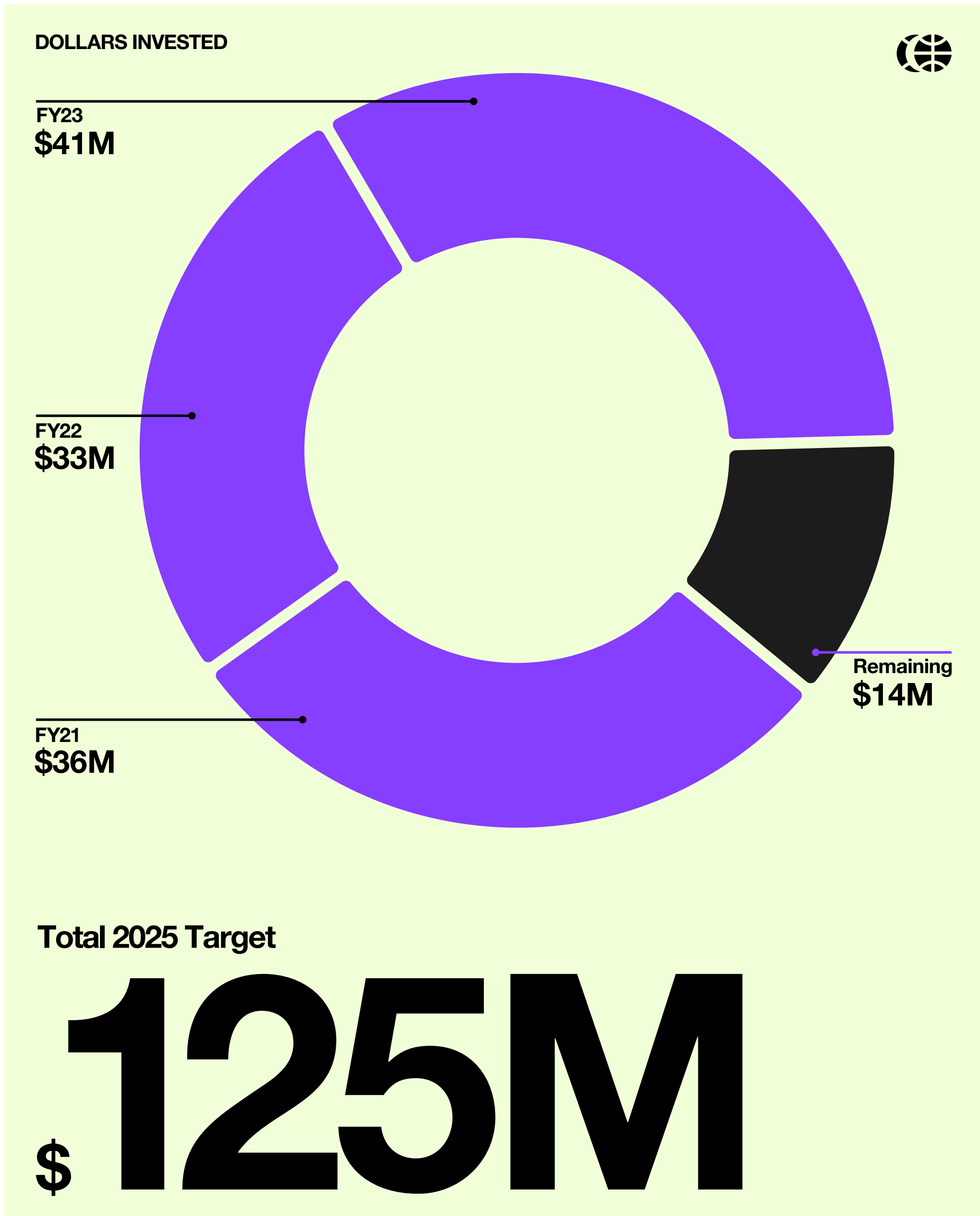
## INCLUSIVE COMMUNITY

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

We invest in historically underrepresented communities to advance equality and build a future where everyone can win – both on and off the field. In FY23, NIKE deepened this commitment through its continued support of our Black Community Commitment (BCC), the expansion of our Inclusive Community Portfolio (ICP) and Jordan Brand Wings initiative globally, and first-of-its-kind creative impact through Converse.

Our BCC and ICP efforts totaled \$40.8 million in FY23. That investment includes \$15.2 million toward our BCC from Nike and Jordan Brand, which was amplified by another \$5 million from Michael Jordan personally (not included in the total for this target); an investment of \$25.6 million to further advance inclusivity and equality in our communities.

As part of NIKE’s FY23 \$15.2 million contribution to the Black Community Commitment, Nike directed \$10.1 million to BCC national and local grantees in the U.S. that are focused on addressing racial inequality for Black Americans through economic empowerment, education innovation and social justice reform. Since announcing our BCC in 2020, Nike’s investment totals more than \$30 million (part of its four-year \$40 million commitment).



## INCLUSIVE COMMUNITY

A pinnacle expression of NIKE's BCC is a multi-year grant to the NAACP Legal Defense Fund (LDF). LDF is both a Nike and a Jordan BCC grantee and exemplifies our enterprise commitment. In May 2023, NIKE was honored at LDF's annual gala with the National Equal Justice Award for our ongoing investment in their work to secure voting rights and other equal protections under the law for our most underrepresented communities. Janai Nelson, LDF's President and Director-Counsel, also visited Nike's WHQ and met with employees, including Nike's two Office of the General Counsel Legal Fellows, who were the first attorneys in a program that offers opportunities for Historically Black Colleges and Universities (HBCUs) within Nike's Legal team (see more on our commitment to HBCUs in the People section on [page 36](#)). And in the North Lawndale neighborhood on the West Side of Chicago, multi-year BCC Chicago grantee Lawndale Christian Development Corporation has been instrumental in the preservation and revitalization of the neighborhood; through its organizing work, it is helping residents become homeowners – purchasing and rehabilitating distressed properties and selling them to local residents at affordable rates, as well as building new properties for residents to purchase.

In FY23, also within the \$15.2 million BCC investment, Jordan Brand invested \$5.1 million which was amplified by a personal donation of \$5 million by Michael Jordan (not included in the total for this target) to deliver \$10.1 million collectively between Jordan Brand and Michael Jordan. This brings total investments in support of the 10-year shared commitment between Michael Jordan and the Jordan Brand to nearly \$30 million.

In FY23, this investment included grants to new organizations Profound Gentlemen and Black Fem, and nearly \$5 million of focused investments in one of the initiative's key focus areas of Narrative Change. As part of this, the Jordan BCC seeks to drive coordinated impact through a new collective of grantees (ColorCreative, The Opportunity Agenda, The Blackhouse Foundation and StoryCorps) spanning diverse cultural touchpoints across media, sport and culture.

In February 2023, in celebration of Michael Jordan's 60th birthday, the Jordan BCC also awarded \$2.3 million in grants to 48 grassroots organizations (including re-grants to five previously awarded organizations). Also, in 2021 the Jordan Brand BCC made a \$1 million grant to fund the Journalism in Sports, Culture and Social Justice program at Morehouse College – taking the expanded curriculum from a minor to a major, and resulting in the first graduates of the program in May 2023.



ColorCreative Co-Founder Issa Rae (pictured center). Jordan BCC investments support the organization's Find Your People program, working to place more diverse talent in roles across the film and entertainment industries

## INCLUSIVE COMMUNITY



At the intersection of Jordan Brand's mission to grow the future of basketball culture and its commitment to elevating the voices of the communities it serves – Jordan Brand in EMEA continued to show love in key homes to the game (including Paris and London) through community investments totaling nearly \$1 million in FY23. This includes investments across the spaces of sport and culture, as well as furthering our commitment to the Black community through ongoing partnerships with nonprofit organizations such as: Paris Basket 18 (an all-female basketball collective), All Parisian Games, Brixton Topcats, Black Prince Trust, You Make It, BLAM U.K., Black Girl Fest, Coding Black Females and Promothee. Design and education connection points also continued to grow through the Paris-based, free fashion institute, Casa93 (committed to transforming the fashion industry into a more sustainable and inclusive place), as well as Le Bal – a cultural hub enabling self-expression and belief for young creatives in Paris' 18th district.

Lastly, Jordan Brand Wings scaled globally to all four Nike geographies with the launch of the Wings Scholars program in Manila in December 2022 and continued investments of \$3 million into the youth mentoring and education initiative.

Casa93 students bring vision to life during Jordan Wings Design Program 4, partnering with the Nike Geo Express Lane team from EHQ

In addition to Nike, and Jordan BCC investments, Converse also proudly supported the Black community through its Black Joy investments. In FY23, these investments supported organizations who were reimagining youth justice and increasing access to opportunity for youth from historically excluded communities. Converse donated \$225,000 to five organizations in its Black Joy portfolio: American Civil Liberties Union of Massachusetts, Hyde Square Task Force, OrigNation Cultural Arts Center, The Theater Offensive and The Museum of Fine Arts, Boston. Additionally, to help cultivate a generation of social justice leaders and dismantle structural racism in its headquartered city of Boston, Converse invested \$425,000 in Embrace Boston and the New Commonwealth Racial Equity and Social Justice Fund. To honor the incredible achievements of Dr. Martin Luther King, Jr. and Coretta Scott King, Converse also partnered with Embrace Boston to support the unveiling of its new memorial in the historic Boston Common during MLK weekend.

Through our Inclusive Community Portfolio (ICP), Nike expanded our organizational investments in London, Berlin and Seoul. These organizations promote empowerment and inclusion that serve the disability community and girls and women. We also evolved the portfolio to allow for multi-year grants that provide longer-term support for our nonprofit partners, including the Hispanic Heritage Foundation and Foot Soldiers Park.

In Seoul, we made our first ICP grant to the Seoul Council on Social Welfare (SSN) – to help economically vulnerable single mothers provide safe, weekly access to play for their children at six local children's centers, led by We Meet Up sports coaches who are retired elite female football and basketball players. In London, Nike partnered with Disability Sports Coach to launch the Inclusive Activity Leaders program, which allows aspiring coaches – including those who identify as disabled – to gain coaching qualifications with support from Disability Sports Coach staff. Disability Sports Coach leaders spoke at the Special Olympics Summit in Berlin about how learnings from the program are being used to influence the sports sector on how to become more accessible for people with disabilities.

Also in Berlin, Nike partnered up with the Special Olympics World Games 2023 culminating in June, the world's largest inclusive sports event where thousands of athletes with intellectual disabilities compete. Our donation to the World Games' Unified Generation program helped bring young people with and without disabilities together to try out new sports and educational adventures. Nike employees from across EMEA gathered in Berlin to volunteer at the World Games supporting the athletes and delegations on the ground.



PROGRAM SPOTLIGHT

JORDAN BCC

# WHY NARRATIVE CHANGE MATTERS

and How Michael Jordan and the Jordan Brand Are Amplifying It



## Jordan Brand knows the intersection of sport and culture can create new opportunities and forms of expression across the storytelling landscape.



At Breaking Bread, Jordan BCC Family Grantee Carmelo Anthony speaks with Miles Johnson, Morehouse College Class of 2023

As part of the Jordan Black Community Commitment (BCC) – a joint and equal 10-year, \$100 million commitment from Michael Jordan and the Jordan Brand – the initiative continues to make focused investments in the narrative change movement. A movement that brings power to the belief that storytelling can change the way people see the world and the systems that brought us to this place.

Jordan Brand brought together a collective of new BCC grantees (including those highlighted here), existing partners, BCC-connected Jordan Brand Family members and award-winning storytellers and scholars for Breaking Bread, a two-day convening in New York. Through discussion, shared experiences and a final family dinner – a generational home to the celebration of Black stories and history – attendees built deep connection through their common purpose to shift narratives of the Black experience in America.

Attendees highlighted that the opportunity to strengthen their work through cross-industry collaboration is rare but critical because of the role narrative plays in shaping access to information and the policies that impact all Americans. Adam Luna, Acting President at The Opportunity Agenda, shared more on the intersectionality of this work, saying: “The battle lines for the future are narrative and culture. The goal has to be changing how we treat one another, irrespective of if there are institutions who can protect us, because those who are against full, equal rights are working to normalize violence and indifference toward the experiences of women, Black, brown and queer people.”

The attendees also shared a deep optimism for what lies ahead, particularly when it comes to how the Black community is able to have autonomy and power in how their stories are told.



Attendees (including Executive Director, Jenean Glover) at the Blackhouse Foundation Sundance Festival activation, a collaboration space for Black creatives in the film industry

“The first-person narrative is truly the antithesis of misinformation, and younger generations are now using it to define themselves and what they believe in – not what’s being projected on them,” said Lisa Nelson-Hayes, Chief Program Officer at StoryCorps. “We’re excited to partner with the Jordan BCC to open us up to new platforms and audiences, and to foster humanity in each other, one story at a time.” StoryCorps, is using their grant to launch “Brightness in Black,” an opportunity for Black Americans to record and celebrate their stories. The collection will be archived through the Library of Congress.

The BCC grant supports each organization in furthering its work in narrative change. “At Blackhouse, we constantly ask ourselves, ‘Who is going to tell your story?’ because narrative change is key to building legacy so that we don’t repeat the same ills of the past,” shared Jenean Glover, Executive Director at The Blackhouse Foundation. Blackhouse is also using their grant to build legacy through new marquee event experiences and career pipelines for their 100-plus fellows.

For Morehouse College, the Jordan BCC investment means expanding their already highly regarded education opportunities, specifically in their Journalism in Sports, Culture, and Social Justice program.



Students at Jordan Brand partner, Howard University, participating in programming via BCC grantee, the Ida B. Wells Society for Investigative Reporting

“We teach our students that they’re responsible for the first draft of history, so it better be accurate. Because without the Black press, we have an incomplete narrative of the American experience,” shared Nicole Carr, adjunct professor in Morehouse’s Journalism program, whose position was made possible by BCC funding. It is an exponential investment in Black journalists because Carr’s newly introduced courses and other grant-backed resources at Morehouse are accessible to students at 17 other universities in the Atlanta region, including HBCUs, thanks to the Atlanta Regional Council for Higher Education cross-enrollment agreement.

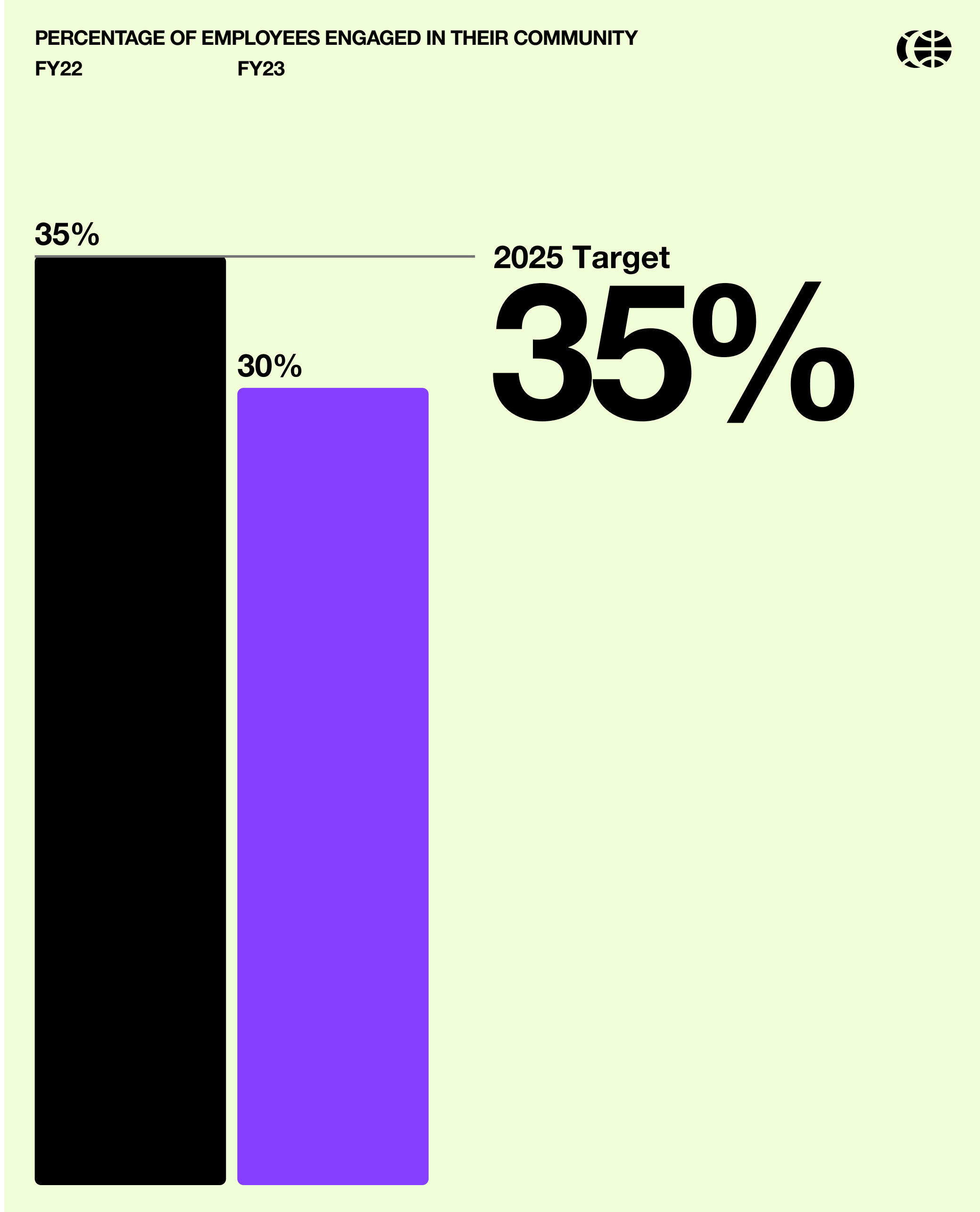
From the perspective of Sarah Mensah, Jordan Brand President, “The Black community has been the guardian of its own history for centuries in America, so the event was an important moment for us to honor the tradition of storytelling that has protected this heritage and celebrate the spirit of family that continues to advance the mission of the Jordan Black Community Commitment.”

EMPLOYEE ENGAGEMENT

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

At NIKE, we are uniting the power of sport and the passion of our employees to drive transformative change – and create a more active, equitable future – starting in the cities where we live, work and operate. Across the globe, our employees are coaching kids, donating to causes they care about and volunteering with local nonprofits, and we’re proud to support their efforts. They are the heart of our impact, which is why we are committed to fueling a culture of giving that provides ample opportunities for all our employees to bring their purpose to life in their communities.

Our employee giving platform, Give Your Best (GYB), is one way we measure our employees’ engagement in communities across North America, Greater China, Asia Pacific, Latin America, Europe, Middle East and Africa. When employees donate to schools, causes and nonprofits – or log volunteer hours – through GYB, the Nike Foundation matches those donations dollar-for-dollar – and with a 2x match for sport-related organizations – up to \$25,000 per year (per employee), and provides volunteer rewards of up to \$2,500 per year, at a rate of \$10 per hour, for employees to donate to the charitable organization of their choice. In FY23, 30% of our global employee community engaged with GYB. While we saw a decrease (-20.7%) in employees’ total donations, we also saw a 35% increase in hours volunteered – nearly 84,000, serving more than 800 organizations – reflecting an ongoing commitment to support our communities.



## EMPLOYEE ENGAGEMENT

Employees at Nike World Headquarters (WHQ) consistently log the most volunteer hours, and our community impact was also felt across the globe, with employees in Laakdal, Belgium and Memphis, Tennessee logging the second and third highest number of hours, respectively, and employees across the world volunteering in their communities. Almost 7,000 Nike employees directed more than \$16 million (including matching gifts and volunteer reward dollars) to over 4,200 community organizations around the world. Education-based causes drew the most monetary and volunteer support.

On Giving Tuesday (the last Tuesday of November), we once again encouraged employees around the world to double their impact in the communities they care about the most – by offering a 2x match from the Nike Foundation for all donations made on GYB throughout the day. As a result of the match, more than \$7.8 million was directed to over 2,400 organizations – the equivalent of about 50% of the total dollars raised through GYB all year long. And in Greater China, where they launched an extension of our global GYB platform in 2022, 380 Nike employees participated in the geography’s first-ever locally implemented Giving Tuesday activation, directing \$24,352 (including matching gifts) to 21 local community organizations.

In January 2023, we amplified our employee engagement efforts around MLK Day of Service, with a focus on social justice and equity. We collaborated with teammates to highlight the teachings of Dr. King, engage in learning, and provide opportunities to act in service – which were then eligible to be logged in GYB. We hosted a fireside chat at Nike WHQ with Civil Rights Activist Joanne Bland, co-founder and former director of the National Voting Rights Museum in Selma, Alabama, and activated service engagements for employees in Portland, St. Louis, Memphis, Chicago and New York.

Our Nike Retail Athletes (how we refer to retail store employees) are our direct connection to communities around the world – and they play an integral part in our ability to help kids achieve their potential through play and sport. The Nike Community Ambassador (NCA) program trains Nike store athletes to serve as youth coaches in their local communities and provide fun and inclusive sport experiences that welcome all kids to play. FY23 saw the return to in-person NCA coaching after a long pause due to the COVID-19 pandemic, and we had 2,345 NCAs – from 384 stores in 23 countries – volunteer a total of 19,940 hours. We also hosted in-person training summits in Mexico, South Korea and China.



We are proud to support employees’ efforts through donation matching and volunteer rewards on our global employee giving platform

## EMPLOYEE ENGAGEMENT



Nike Community Ambassadors in Mexico City lead boxing activities at our community partner, TRASO

As the return to in-person coaching continues to ramp up, the NCA program made incredible strides globally in FY23. Mexico had a 45% increase in participation, while NCAs in the U.K. logged the most coaching hours across Europe. From Greater China to South Africa, we saw growth in the number of active NCAs, with Nike Factory Store – Niagara-on-the-Lake in Ontario, Canada, sitting as our global top performing Nike store with 1,404 coaching hours attributed to its NCAs.

In addition to serving as game-changing mentors to kids in their communities, these NCAs are also learning critical leadership skills, such as how to communicate with vision and purpose, foster effective teamwork, value differences, think strategically, and build trust across teammates, leaders and partners, that will better prepare them for elevated roles within our Nike stores or offices.

In the U.S., Canada, Europe and Japan, we're empowering employees to implement change in their communities by getting involved in the Nike Community Impact Fund (NCIF) grant selection process. First, we invite community organizations, schools and nonprofits to apply to be considered for a grant. Then we train a team of Nike employees (from our stores, offices, distribution centers and Air M1 facilities) to review those applications, share their local insights and help us determine who should receive funding (with a priority given to programs that make play possible for all kids) – because no one knows what their neighborhood needs better than the people who live and work there.

## EMPLOYEE ENGAGEMENT



Nike employees volunteer at the Black Girls CODE Hackathon in Atlanta

This employee-led, neighborhood-focused approach allows us to direct our support to local, grassroots organizations that are driving lasting change. In FY23, the NCIF program expanded to include Paris and Toronto, extending our impact to a total of 15 cities around the world. Since 2009, NCIF has awarded more than \$13 million through 1,379 grants and engaged 2,572 employees. And this year, with the support of 1,479 employees, we provided nearly \$1.8 million in grants to support 184 organizations in Nike's key cities and backyards around the world.

We are continuing to find ways for Nike employees to connect their passion to their purpose through community engagement opportunities. In FY23, we celebrated the 15th anniversary of the Special Olympics Oregon Youth Games at Nike WHQ, where Nike employees volunteered to share their passion for sport with young athletes with intellectual disabilities. We also rung in our 18th year of the Doernbecher Freestyle Program, once again pairing Nike Design team volunteers with patients at Oregon Health & Science University Doernbecher Children's Hospital to empower kids to design their own shoes and apparel. And in Georgia, employees from Nike's Atlanta Technology Center served as STEM mentors for young girls at our second annual Black Girls CODE Hackathon.

Another prime example of how employees are connecting their passion to their purpose is through the Jordan Brand Wings initiative, launched in 2015, which allows Jordan Brand and Nike teammates (including designers and product creation teams connected to the Jordan Brand Wings Design Program) around the world to serve as professional mentors – providing access to opportunity, inspiration and guidance to youth in places where basketball culture thrives (North America, Greater China, Paris and Manila). In FY23, the program saw continued growth, with employees volunteering a total of 5,570 hours – across the Jordan Brand Wings Scholars, Design and Intern programs – in North America and Greater China alone. More employees participated as volunteers on the North America Wings Scholarship Committee than ever before as well, with teammates representing from Global Jordan Brand leadership, across Women's, Kids and Design.

In Greater China, the Jordan Brand Wings initiative has supported 2,840 high school students and engaged 527 Nike employees, who have volunteered a total of 124,000 hours (through FY23) since its inception more than eight years ago. In FY23, the Greater China team extended its Jordan Brand Wings Scholars program to include students with a basketball specialty and launched an internship program within Jordan Brand, providing career opportunities for Jordan Brand Wings Scholars.

Converse introduced a new strategic community goal in FY23 – to fuel youth leadership and creativity through positive youth development – and we mobilized employees, tapping into their energy, interests and expertise, to amplify our impact. In FY23, Converse employees logged 1,951 volunteer hours through GYB and reached more than 80,000 kids through community partnerships. In collaboration with a cross-functional team of more than 40 Converse employees and community partner The Possible Zone (TPZ), we hosted TPZ x Converse Summer Deep Dives in Boston, engaging 31 high-school students in a robust educational experience that provided them with more than four weeks of programming to learn about marketing, product design and product development – empowering the next generation of creatives and increasing their exposure to creative careers.

Strengthening connections between Converse teammates and their communities remained a pivotal focus in FY23. We hosted our first in-person Converse Community Conversations in Los Angeles (in September) and Boston (in March), bringing together employees and nonprofit leaders from partner organizations for discussions and workshops around topics like how to better support local youth and fuel social change through creativity. Converse employees and youth from the organizations represented joined the events and their respective after-parties.

# TEAM SPOTLIGHT

NCA

# EXPANDING ACCESS TO PLAY AND SPORT

Through the Nike Community Ambassador (NCA) Program in Mexico and South Korea



**All kids should have an opportunity to play. Yet, globally, only one in five kids gets the physical activity they need, with girls and kids from underrepresented communities facing even more challenges.**



Nike Community Ambassadors receive coach training and learn new games, enabling them to help kids in their communities have positives experiences with sport and play



HyunJi Yoo and DongJoon Hwang, pictured with two girls at a Nike Community Ambassador session in Seoul

At Nike, we are expanding access to sport and play for kids by increasing the quality, quantity and diversity of coaches who help young athletes fall in love with sport now and stay active for life. And our Nike Community Ambassadors are leading the way.

The Nike Community Ambassador (NCA) program empowers Nike store teammates globally to share their love of sport by serving as youth coaches in their communities. Building on the foundation that a caring, well-trained coach is critical to helping kids achieve their potential – both on and off the field – NCAs receive training on how to deliver inclusive and fun play experiences. In FY23, more than 2,300 NCAs in 25 countries around the world have coached kids, resulting in nearly 20,000 coaching hours.

“Kids are more likely to stay active for life when they have early positive experiences in sport and play. And when it comes to getting kids active, the best way to ensure that they do is by providing quality coaches.”  
– Mary Bernardo, Employee Community Engagement Coordinator, Social & Community Impact

**LEADING THE WAY IN MEXICO**

In FY23, the NCA program resumed following a pause due to the global pandemic. In Mexico, the team prioritized recruitment, leading to a surge of new NCAs, ultimately reaching more kids than pre-pandemic. They hosted training sessions, emphasizing how the program not only impacts kids, but also helps the store athletes develop leadership skills. As a result, in FY23 Mexico led the way with one of the highest NCA store (88%) and athlete engagements (20%) globally. They also saw an incredible 45% growth in athlete engagement compared to pre-pandemic.

“This new generation of store athletes is looking to work at a place where they believe in the purpose of the company. The NCA program provides that. Nike is doing great things for the consumer and the community, and they want to be part of it.” – Antonio Lopez, Senior Manager, Nike Athlete Experience Team, Mexico

“Our store teammates are an integral part of our mission to get more kids active. In Mexico, the partnership between the Social & Community Impact (SCI) and Nike Athlete Experience (NAX) teams engaged many new NCAs, training them to positively impact kids and integrating the NCA experience into their athlete journey.” – Annemarie Elsom, Director, Social & Community Impact Latin America



Annemarie Elsom and Mary Bernardo join NCAs in Mexico for a training session on inclusive, kid-centered coaching

“We learned so much from our global teammates, drawing on wins from other cities when bringing the NCA program to Seoul. We hosted multiple NCA training sessions and are seeing a great sense of pride among participating teammates.” – HyunJi Yoo, Senior Manager, Social & Community Impact, South Korea

**EXPANSION IN SOUTH KOREA**

In FY23, the NCA program expanded to Seoul, South Korea. HyunJi Yoo led the way in Seoul, hosting in-person training sessions to grow our community of coaches. HyunJi partnered with DongJoon Hwang, Coach at Nike Unite Namyangju, to ensure that the retail employees’ perspective was included in the program development. As a result, South Korea achieved an impressive 50% store engagement in their first year. They also trained nearly 100 NCAs to lead the program across their fleet of stores in South Korea.

“The NCA program is not about making kids into elite athletes – it’s about helping them fall in love with play.” – DongJoon Hwang, Coach, Nike Unite Namyangju, South Korea



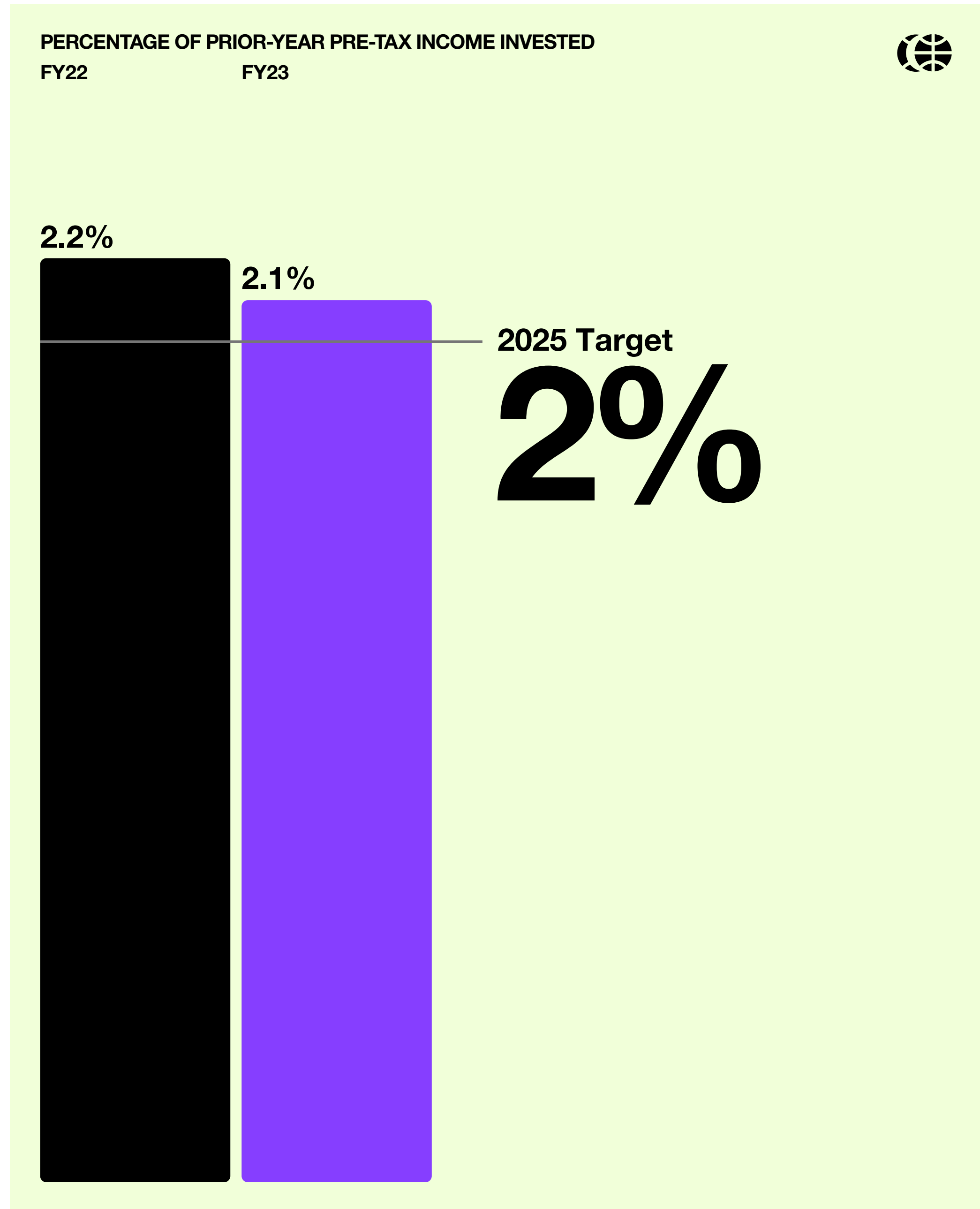
COMMUNITY INVESTMENT

# Invest 2% of prior-year, pre-tax income to drive positive impact in communities

Social & Community Impact is central to NIKE, Inc. As the biggest champion of athletes and sport, we understand our role in the community and the importance of investing in the areas where we live, work and play.

In FY23, we once again exceeded our target of 2% of previous year pre-tax income investment. This was done through strategic investments, our response to unplanned crises and disasters, and product donations. Our investment for FY23 totaled \$142.7 million, representing 2.1% of Nike's FY22 pre-tax income. Our investment encompassed supporting organizations representative of our priority portfolios across Nike, Jordan and Converse.

At Nike, we believe there is no finish line. To help organizations we support solve needs for today, and also well into the future, multi-year grant-giving is part of our giving approach. This allows us to continue creating long-term, strategic impact alongside our trusted community partners and provides them with additional certainty beyond a typical 12-month span of funding. In FY23, we invested \$17.9 million in multi-year grants. This represents a 48% increase over the number of multi-year awards we executed in FY22.





# COMMUNITY INVESTMENT

We know it's critical to be able to step up and support communities in times of need, while also proactively making strategic investments to fuel our greater purpose. In FY23, Nike and the Nike Foundation provided more than \$1.6 million toward disaster relief efforts across the globe. This included donations in response to hurricanes and tornadoes in the U.S., flooding in Pakistan and devastating earthquakes in Turkey and Syria.

With our product donations, we're helping to removing barriers to participation for kids around the world. In FY23, Nike donated 69,000 units of product solely for philanthropic reasons to community organizations – as part of our ongoing efforts

to increase access to play and expand sport for the next generation. This represents just a portion of our overall product donation in response to business needs, as referenced in our Planet section. Having access to the right apparel and equipment provides the best opportunity for all kids to play with comfort and confidence.

Our community investments reflect Nike's ambition to be the biggest champion for women and girls. The Nike Foundation is proud of our ongoing support of Girl Effect, which aims to make girls visible and change their social and economic environment by equipping them with specific, powerful and relevant resources. Our support included enabling Girl Effect's 2023 Girls & Mobile

Report, a global research study featuring the voices of over 10,000 young people and their parents from Ethiopia, India, Jordan, Kenya, Nigeria, Rwanda and Tanzania to update understanding of how and why adolescents – with a focus on girls – are accessing and using mobile and digital technologies and the challenges they face in doing so. Girl Effect leveraged its network of girls and trained its Technology Enabled Girl Ambassadors to go into communities and gather new insights, stories and experiences from youths to better understand the barriers they face when coming online. The study's goal was to articulate the key attitudes, trends and behaviors influencing youths' mobile access and usage.

## INVESTMENTS IN MULTI-YEAR GRANTS

**FY23**



**\$17.9M**

**FY22**



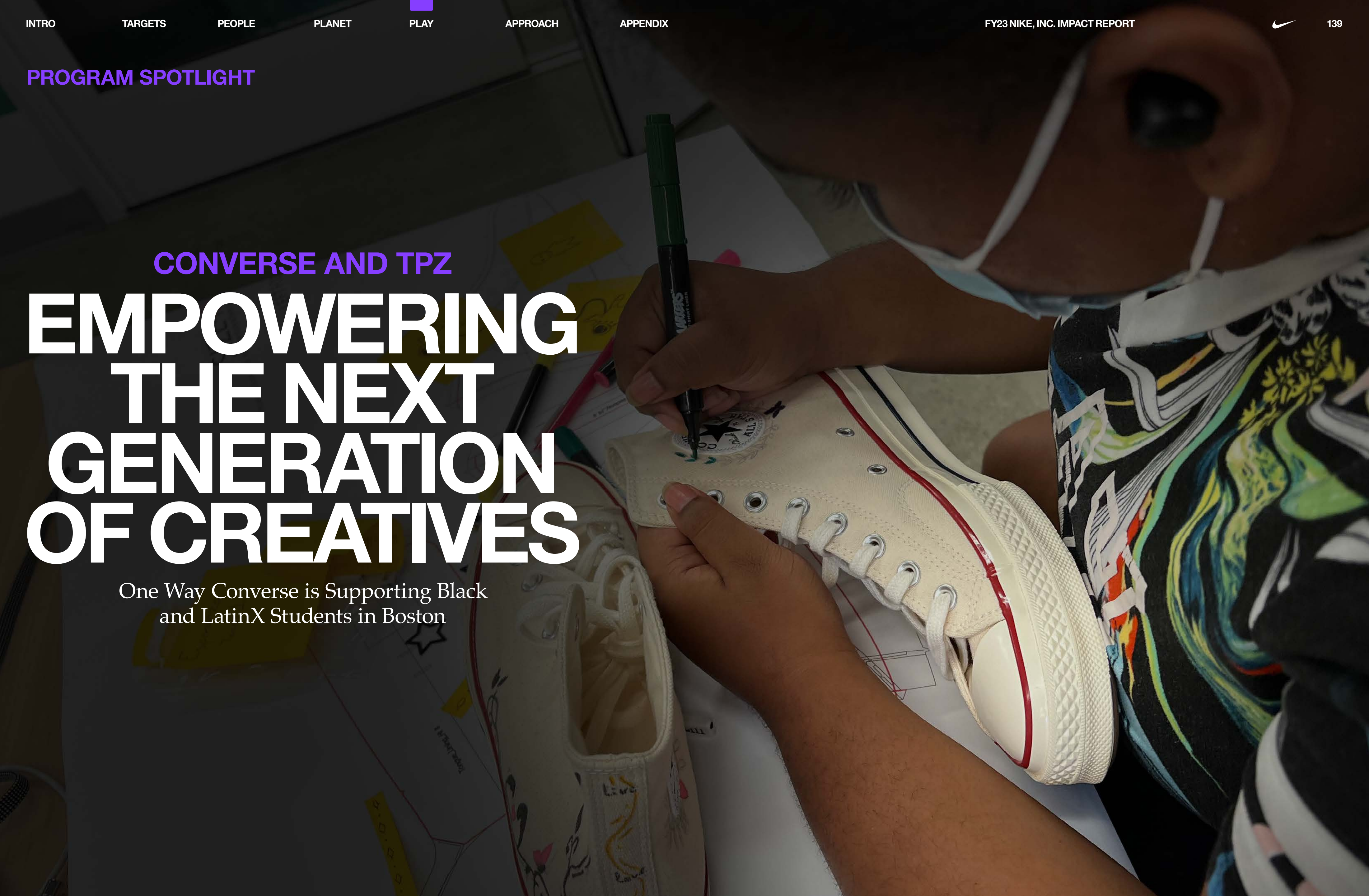
**\$13.2M**

PROGRAM SPOTLIGHT

CONVERSE AND TPZ

# EMPOWERING THE NEXT GENERATION OF CREATIVES

One Way Converse is Supporting Black  
and LatinX Students in Boston



## Converse and TPZ have partnered since 2020 to help Black and LatinX high school students.



In the final days of the July 2022 Summer Deep Dive, an educational experience provided by Converse and The Possible Zone (TPZ), the STEAM Innovation Center at TPZ headquarters in Boston's Jackson Square was buzzing with energy. Thirty-one high school students were putting the finishing touches on their custom Chuck Taylor sneakers while Converse employees helped resolve design dilemmas.

Over four weeks, a team of 44 Converse employees along with TPZ teammates led students through a series of marketing, product design and product development workshops. Converse and TPZ have partnered since 2020 to help Black and LatinX high school students develop the entrepreneurial mindsets, skills and networks that prepare them for innovative careers. Converse employees representing 15 disciplines coach students through group sessions and one-on-one design reviews while the workshops – Marketing Fundamentals, Sneakers 101 and Apparel 101 – provide students with transferrable skills that they can apply to their current work and future creative endeavors.

This summer, students developed digital marketing plans to help improve TPZ recruitment and designed t-shirts and sneakers based on their hometown heroes – namely the Celtics, their friends and their moms. “The experience really opened my eyes to the opportunities available to me,” one student shared, while another added, “Also, if you have major fears of public speaking, participating in a Deep Dive would be a good way to get over that.”

During Marketing Fundamentals, a deep dive participant (center) is working with her Converse mentors to build a marketing plan that will better engage her target consumer



A participant of Sneakers 101, the pictured youth is creating a prototype of her design, sketching ideas on paper and selecting materials to embellish her product

Converse employees nimbly iterate as they get to know the students.

“We have very real conversations with them to understand their hopes and dreams but also the challenges they face in their lives. The team thinks deeply about how we can engineer this experience to be as rewarding as possible for them,” – Matt Sleep, Design Footwear Director and a lead for the Sneaker Deep Dive

The program has a two-fold aim. In the near term, the goal is to empower today's youth and increase their exposure to creative careers because, in the long term the team is out to shift the industry, particularly the stubborn statistic that only 30%<sup>72</sup> of creative jobs today are held by workers of color. Gus Halwani, Chief STEAM & Innovation Officer at TPZ, puts it this way, “If we are going to work on economic mobility and equity, we need to be where students are and really investing. This program gives students access to networks and professional mentors – it is a very real investment in them and their futures.”

Converse is committed to being the canvas for youth progress through long-term investments in organizations that fuel youth leadership and creativity. In FY23, we partnered with nonprofits in our Social & Community Impact program to reach more than 80,000 teens and young adults in our key markets.

<sup>72</sup> Zippia the Career Expert (January 2021) Graphic Designer Demographics and Statistics in the U.S 2021, <https://www.zippia.com/graphic-designer-jobs/demographics/>

# OUR REPORTING APPROACH



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## APPROACH

### 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 FY23 SASB Summary document and all NIKE's historical Impact Reports are available at [about.nike.com/en/impact](https://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 2023 (June 1, 2022 through May 31, 2023). We will refer to the fiscal year as FY23 and the calendar year as CY23 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 Purpose targets.

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; and cumulative water restoration funding. More information can be found in the Appendix.

### 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, the Audit & Finance Committee and Full Board.

## ISSUE PRIORITIZATION

Each year, we update 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 assess priority issues in two ways:

- 1 By assessing the issues where NIKE has the potential to impact the environment and society (outward impacts) and
- 2 By assessing issues that could impact NIKE's business and financial success (inward impacts).

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 (see next page) are considered important to NIKE. 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.

We worked with Datamaran, an organization that identifies and monitors environmental, social and governance (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.

Changes in FY23 from FY22 include an updated title for the issue Cybersecurity, data privacy and protection. Please see the table on the following page for our 32 Priority Issues and corresponding definitions.

# ISSUE PRIORITIZATION

# OVERALL ISSUE PRIORITIZATION MATRIX 2023



## Business Impact

### TIER 1

- 1 Forced Labor
- 2 Health and Safety in the Supply Chain
- 3 Employee Health and Safety
- 4 Supply Chain Management and Transparency
- 5 Labor Rights in the Supply Chain
- 6 Product Design and Circularity

- 7 GHG Emissions
- 8 Water Use and Replenishment
- 9 Material Waste
- 10 Employee Diversity, Equity and Inclusion
- 11 Renewables and Energy Use
- 12 Transparency and Reporting
- 13 Ethical Business Practices
- 14 Business Resilience

### TIER 2

- 15 Employee Engagement and Well-being
- 16 Biodiversity and Land Use
- 17 Materials Sourcing
- 18 Workforce Development in the Supply Chain
- 19 Air and Water Pollution
- 20 Promotion of Social Inclusion
- 21 Cybersecurity, Data Privacy and Protection

- 22 Consumer Transparency and Safety
- 23 Healthy Lifestyles
- 24 Indirect Supplier Diversity
- 25 Brand Value Alignment
- 26 Employee Development
- 27 Chemicals Management
- 28 Responsible Use of Innovation and Technology

### TIER 3

- 29 Inclusive Products and Services
- 30 Community Impact
- 31 Advocacy and Public Policy Practices
- 32 Environmentally Friendly Workplaces and Practices

Environmental/Social Impact





## PRIORITY ISSUES AND DEFINITIONS

ISSUE NAME	ISSUE DEFINITION
<b>Advocacy and Public Policy Practices</b>	Support or advance public policy that aligns with NIKE's commitments on environmental, social and economic issues.
<b>Air and Water Pollution</b>	Pollutants to air and water from NIKE's operations, products and services, and supply chain.
<b>Biodiversity and Land Use</b>	Impacts to biodiversity and ecosystems, through transformation of habitats, land use and other business activities.
<b>Brand Value Alignment</b>	Corporate activities, including sponsorship and partnerships, that align to NIKE's values on environmental, social and economic issues.
<b>Business Resilience</b>	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.
<b>Chemicals Management</b>	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.
<b>Community Impact</b>	Sustained community impact in primary markets and sourcing backyards; philanthropic efforts; employee involvement and volunteering in communities.
<b>Consumer Transparency and Safety</b>	Disclosures to customers and users about products and services; including safeguarding consumer health and safety when using products and reducing risk of injury.
<b>Cybersecurity, Data Privacy and Protection</b>	Safeguard privacy and personal data of customers, employees and business partners.
<b>Employee Development</b>	Attracting and retaining talent; offering training and development for employees to build capability and career opportunities.

ISSUE NAME	ISSUE DEFINITION
<b>Employee Diversity, Equity and Inclusion</b>	Fairness of treatment and compensation across all levels of the business; representation of female and minority employees in workforce, management and board.
<b>Employee Engagement and Well-being</b>	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.
<b>Employee Health and Safety</b>	NIKE employee health and safety practices in our operations.
<b>Environmentally Friendly Workplaces and 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 combating 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 and Services</b>	Design products, services and marketing that are widely inclusive of and reflect the wide diversity of the consumer base.

## PRIORITY ISSUES AND DEFINITIONS

ISSUE NAME	ISSUE DEFINITION
<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, LGBTQIA+ 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 issues.
<b>Material Waste</b>	Waste generated throughout NIKE's value chain; activities to reduce, reuse or recycle and more 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 and 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; increasing access to sport.
<b>Renewables and Energy Use</b>	Energy used for electricity; use of fossil fuels and renewable energy sources.
<b>Responsible Use of Innovation and 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.

ISSUE NAME	ISSUE DEFINITION
<b>Supply Chain Management and 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 and 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.



# 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 social and community 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:

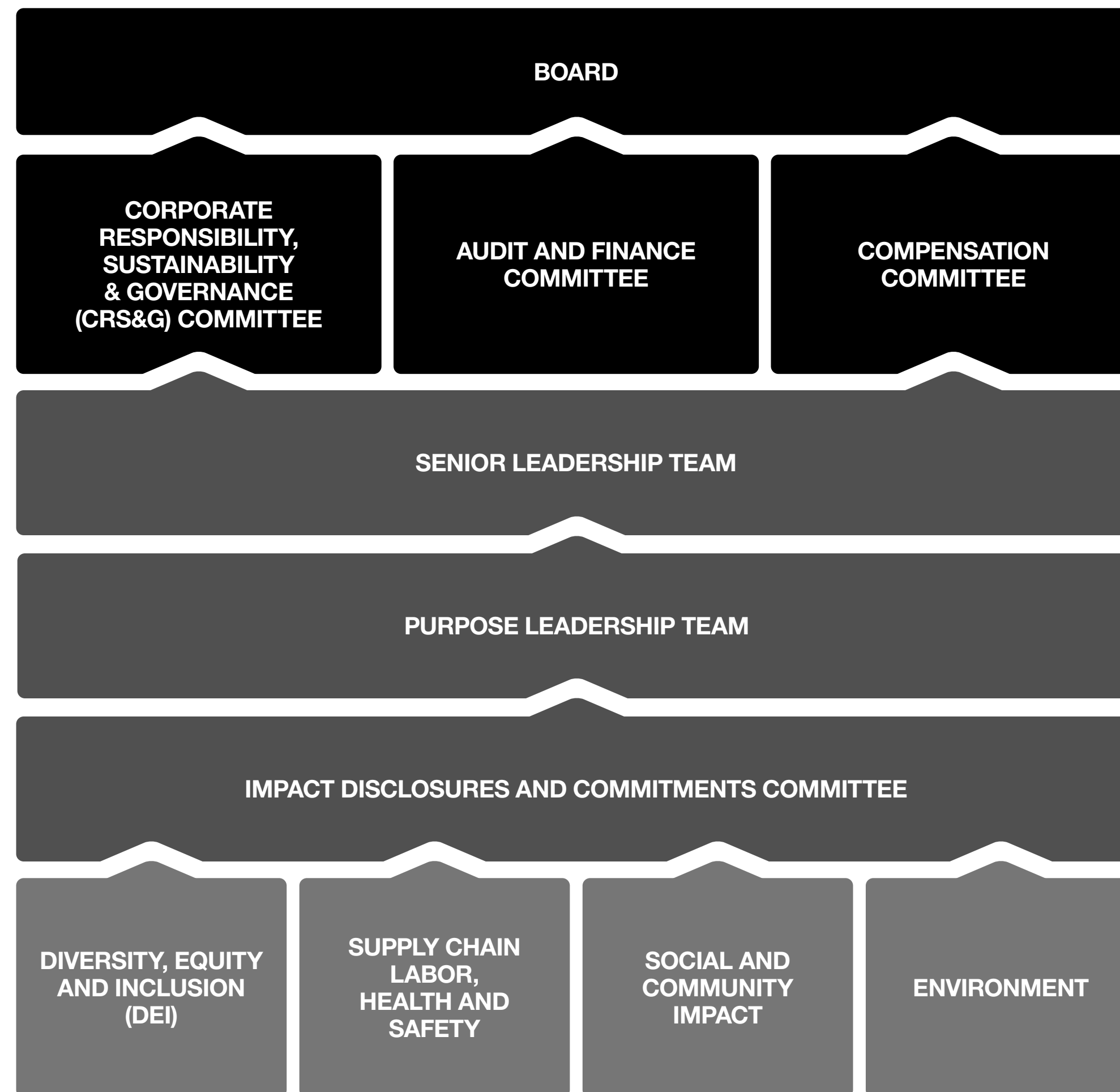
- At each regularly scheduled CRS&G Committee meeting, progress reports regarding the 2025 targets
- Regular presentations on each of the three purpose pillars – People, Planet and Play – from the respective management leader
- Annual presentations on purpose strategy and reporting

At each Board meeting, the CRS&G Committee reports to the Board on purpose highlights and key developments.

The Compensation Committee also plays a 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.





# APPENDIX

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209 Assurance Report

DATA TABLES<sup>73</sup> PEOPLE<sup>74</sup>

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

## NIKE, Inc. Totals by Gender (Global, Corporate)

GENDER	FY20		FY21		FY22 <sup>75</sup>		FY23		CHANGE FROM FY22-FY23		FY25 TARGET
	#	%	#	%	#	%	#	%	#	P.P.	%
<b>All employees</b>											
Female	12,286	50.2%	11,606	50.4%	12,833	51.1%	13,282	50.7%	449	-0.3 p.p	50.0%
Male	12,205	49.8%	11,409	49.6%	12,305	48.9%	12,905	49.3%	601	0.3 p.p	
<b>Total</b>	<b>24,491</b>	<b>100%</b>	<b>23,015</b>	<b>100%</b>	<b>25,138</b>	<b>100%</b>	<b>26,187</b>	<b>100%</b>	<b>1,050</b>	<b>0.0 p.p</b>	

## Leadership Positions (VP and Above)

Female	163	39.3%	166	43.0%	186	44.1%	187	44.2%	1	0.2 p.p	45.0%
Male	252	60.7%	220	57.0%	237	55.9%	236	55.8%	-1	-0.2 p.p	
<b>Total</b>	<b>415</b>	<b>100%</b>	<b>386</b>	<b>100%</b>	<b>423</b>	<b>100%</b>	<b>423</b>	<b>100%</b>	<b>0</b>	<b>0.0 p.p</b>	

<sup>73</sup> Totals might not reflect summation of numbers due to rounding of numbers and only showing of whole numbers rather than decimals.

<sup>74</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."

<sup>75</sup> Historical data was adjusted because of the Job and Pay Architecture Modernization efforts completed before the end of FY23. The total number of "Corporate" roles changed because some legacy "Retail," "Air Manufacturing Innovation (Air MI)" and "Distribution Center (DC)" roles were reclassified as "Corporate" to better reflect the nature of the work.

## DATA TABLES

## 30% representation of U.S. racial and ethnic minorities (REM) at Director level and above; increase pipeline of Black and LatinX talent at Director level and above

### NIKE, Inc. Totals by REM Group (U.S. Only, Corporate, Director and Above)

DIRECTOR+	FY22		FY23		CHANGE FROM FY22-FY23		FY25 TARGET
	#	%	#	%	#	P.P.	%
Non-REM	2,346	66.7%	2,496	66.2%	150	-0.5 p.p.	
REM	1,171	33.3%	1,273	33.8%	102	0.5 p.p.	30.0%
<b>Total</b>	<b>3,517</b>	<b>100%</b>	<b>3,769</b>	<b>100%</b>	<b>252</b>		
American Indian or Alaskan Native (Not Hispanic/Latino)	13	0.4%	13	0.3%	0	0.0 p.p.	
Asian (Not Hispanic/Latino)	511	14.5%	552	14.6%	41	0.1 p.p.	
Black or African American (Not Hispanic/Latino)	238	6.8%	253	6.7%	15	-0.1 p.p.	
Hispanic/Latino	242	6.9%	278	7.4%	36	0.5 p.p.	
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	5	0.1%	7	0.2%	2	0.0 p.p.	
Two or More Races (Not Hispanic/Latino)	162	4.6%	170	4.5%	8	-0.1 p.p.	
Unknown	43	1.2%	59	1.6%	16	0.3 p.p.	
White (Not Hispanic/Latino)	2,303	65.5%	2,437	64.7%	134	-0.8 p.p.	
<b>Total</b>	<b>3,517</b>	<b>100%</b>	<b>3,769</b>	<b>100%</b>	<b>252</b>	<b>0.0 p.p.</b>	

## DATA TABLES

### NIKE, Inc. Totals by REM (Global, Corporate, VP and Above)

VP+	FY22		FY23		CHANGE FROM FY22-FY23	
	#	%	#	%	#	P.P.
Non-REM	228	65.1%	223	64.5%	-5	-0.7 p.p.
REM	122	34.9%	123	35.5%	1	0.7 p.p.
<b>Total</b>	<b>350</b>	<b>100%</b>	<b>346</b>	<b>100%</b>	<b>-4</b>	<b>0.0 p.p.</b>
American Indian or Alaskan Native (Not Hispanic/Latino)	0	0.0%	2	0.6%	2	0.6 p.p.
Asian (Not Hispanic/Latino)	39	11.1%	41	11.8%	2	0.7 p.p.
Black or African American (Not Hispanic/Latino)	50	14.3%	50	14.5%	0	0.2 p.p.
Hispanic/Latino	17	4.9%	17	4.9%	0	0.1 p.p.
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	0	0.0%	0	0.0%	0	0.0 p.p.
Two or More Races (Not Hispanic/Latino)	16	4.6%	13	3.8%	-3	-0.8 p.p.
Unknown	6	1.7%	6	1.7%	0	0.0 p.p.
White (Not Hispanic/Latino)	222	63.4%	217	62.7%	-5	-0.7 p.p.
<b>Total</b>	<b>350</b>	<b>100%</b>	<b>346</b>	<b>100%</b>	<b>-4</b>	<b>0.0 p.p.</b>

## DATA TABLES

**NIKE, Inc. Totals by REM Group (U.S. Only, All Lines of Business, All Grades)**

ALL GRADES	FY22		FY23		CHANGE FROM FY22-FY23	
	#	%	#	%	#	P.P.
Non-REM	13,749	37.0%	14,468	35.8%	719	-1.2 p.p.
REM	23,405	63.0%	25,968	64.2%	2,563	1.2 p.p.
<b>Total</b>	<b>37,154</b>	<b>100%</b>	<b>40,436</b>	<b>100%</b>	<b>3,282</b>	<b>0.0 p.p.</b>
American Indian or Alaskan Native (Not Hispanic/Latino)	153	0.4%	145	0.4%	-8	-0.1 p.p.
Asian (Not Hispanic/Latino)	3,938	10.6%	4,339	10.7%	401	0.1 p.p.
Black or African American (Not Hispanic/Latino)	9,484	25.5%	10,286	25.4%	802	-0.1 p.p.
Hispanic/Latino	7,426	20.0%	8,795	21.8%	1,369	1.8 p.p.
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	260	0.7%	267	0.7%	7	0.0 p.p.
Two or More Races (Not Hispanic/Latino)	2,144	5.8%	2,136	5.3%	-8	-0.5 p.p.
Unknown	460	1.2%	811	2.0%	351	0.8 p.p.
White (Not Hispanic/Latino)	13,289	35.8%	13,657	33.8%	368	-2.0 p.p.
<b>Total</b>	<b>37,154</b>	<b>100%</b>	<b>40,436</b>	<b>100%</b>	<b>3,282</b>	<b>0.0 p.p.</b>

**NIKE, Inc. Totals by REM Group (U.S. Only, All Lines of Business, All Grades) by Grade**

ALL GRADES	FY22		FY23		CHANGE FROM FY22-FY23	
	#	%	#	%	#	P.P.
<b>NIKE, Inc.</b>	<b>23,405</b>	<b>63.0%</b>	<b>25,968</b>	<b>64.2%</b>	<b>2,563</b>	<b>1.2 p.p.</b>
VPLT	122	34.6%	123	35.3%	1	0.8 p.p.
Sr. Director	348	34.2%	349	33.0%	1	-1.1 p.p.
Director	743	32.9%	853	34.2%	110	1.3 p.p.
Manager	2,177	39.2%	2,467	40.5%	290	1.3 p.p.
Mid Level <sup>76</sup>	3,538	47.9%	3,988	51.4%	450	3.5 p.p.
Entry Level	16,477	80.0%	18,188	80.2%	1,711	0.1 p.p.

<sup>76</sup> As part of NIKE's new Job and Pay Architecture Modernization efforts pay bands were replaced with pay grades. As a result, the legacy "Manager" pay band was broken into two grades: "Manager" and "Mid Level."



## DATA TABLES

## 35% representation of REM in our U.S. corporate workforce

### NIKE, Inc. Totals by REM Group (U.S. Only, Corporate, All Grades)

ALL GRADES	FY22		FY23		CHANGE FROM FY22-FY23		FY25 TARGET
	#	%	#	%	#	P.P.	%
Non-REM	9,237	61.2%	9,472	59.5%	235	-1.7 p.p.	
REM	5,861	38.8%	6,460	40.5%	599	1.7 p.p.	35%
<b>Total</b>	<b>15,098</b>	<b>100%</b>	<b>15,932</b>	<b>100%</b>	<b>834</b>	<b>0.0 p.p.</b>	
American Indian or Alaskan Native (Not Hispanic/Latino)	51	0.3%	51	0.3%	0	0.0 p.p.	
Asian (Not Hispanic/Latino)	2,561	17.0%	2,877	18.1%	316	1.1 p.p.	
Black or African American (Not Hispanic/Latino)	1,063	7.0%	1,190	7.5%	127	0.4 p.p.	
Hispanic/Latino	1,220	8.1%	1,365	8.6%	145	0.5 p.p.	
Native Hawaiian or Other Pacific Islander (Not Hispanic/Latino)	53	0.4%	65	0.4%	12	0.1 p.p.	
Two or More Races (Not Hispanic/Latino)	913	6.0%	912	5.7%	-1	-0.3 p.p.	
Unknown	170	1.1%	273	1.7%	103	0.6 p.p.	
White (Not Hispanic/Latino)	9,067	60.1%	9,199	57.7%	132	-2.3 p.p.	
<b>Total</b>	<b>15,098</b>	<b>100%</b>	<b>15,932</b>	<b>100%</b>	<b>834</b>	<b>0.0 p.p.</b>	

## DATA TABLES

### Board of Directors

	FY22		FY23	
	#	%	#	%
<b>Gender</b>				
Female	4	36.4%	4	33.3%
Male	7	63.6%	8	66.7%
<b>Total</b>	<b>11</b>	<b>100%</b>	<b>12</b>	<b>100%</b>
<b>Race/Ethnicity</b>				
American Indian or Alaskan Native	0	0.0%	0	0.0%
Black or African American	3	27.3%	3	25.0%
Asian	0	0.0%	0	0.0%
Hispanic/Latino	0	0.0%	1	8.3%
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	8	72.7%	8	66.7%
<b>Total</b>	<b>11</b>	<b>100</b>	<b>12</b>	<b>100</b>



## DATA TABLES

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

### OH&S Data<sup>77</sup> for NIKE Employees<sup>78</sup> and Tier 1 Focus Factories<sup>79</sup>

NIKE EMPLOYEES		CY20 #	CY21 #	CY22 #	FY23 #
<b>Distribution (Industry Code: 493110)</b>					
Total Case Incident Rate (TCIR)	NIKE	1.17	0.96	1.05	2.10
	Industry <sup>80</sup>	4.90	5.00	5.60	5.70
Lost Time Injury Rate (LTIR) <sup>81</sup>	NIKE	0.78	0.33	0.32	1.44
	Industry	3.70	2.10	2.30	2.20
<b>Air MI (Industry Code: 326199)</b>					
TCIR	NIKE	4.81	4.70	3.17	2.83
	Industry	4.70	2.70	3.30	3.60
LTIR	NIKE	1.93	1.71	1.58	1.32
	Industry	3.20	1.10	1.20	1.20
<b>Offices (Industry Code: 551114)</b>					
TCIR	NIKE	0.35	0.01	0.04	0.07
	Industry	0.70	0.70	0.60	0.80
LTIR	NIKE	0.15	0.00	0.00	0.01
	Industry	0.30	0.30	0.20	0.30

<sup>77</sup> Starting with FY23, OH&S data is now reported using fiscal year (FY) metrics. Due to challenges disaggregating historical data, years prior to FY23 are represented by calendar year figures. Additionally, industry data remains CY-based.

<sup>78</sup> NIKE Employee injury data is collected based on U.S. legal reporting requirements, reporting on all NIKE's operations except retail, which is excluded from OSHA recordkeeping requirements. Retail will be included in future reports.

<sup>79</sup> Tier 1 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>80</sup> The industry average comes from the U.S. Department of Labor; Bureau of Labor Statistics (BLS). 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). BLS industry rates are based upon most recently available Calendar Year data (2022).

<sup>81</sup> Recommended days off for similar injuries varies outside of the U.S., impacting upward the average rates shown here. When isolated by geography, many operating units report below-average rates.

## DATA TABLES

### Tier 1 Focus Factories<sup>82, 83</sup>

		CY20 #	CY21 #	CY22 #	FY23 #
<b>Footwear (Industry Code: 3162)</b>					
TCIR	Supplier	0.28	0.15	1.05	0.11
	Industry	3.20	3.40	5.60	2.70
LTIR	Supplier	0.15	0.08	0.32	0.06
	Industry	1.00	1.30	2.30	1.20
<b>Apparel (Industry Code: 3152)</b>					
TCIR	Supplier	0.50	0.52	3.17	0.29
	Industry	1.90	1.60	3.30	2.00
LTIR	Supplier	0.27	0.21	1.58	0.13
	Industry	0.70	0.60	1.20	0.70

<sup>82</sup> Starting with FY23, OH&S data is now reported using fiscal year (FY) metrics. Due to challenges disaggregating historical data, years prior to FY23 are represented by calendar year figures. Additionally, industry data remains CY-based.

<sup>83</sup> Tier 1 focus factory data is self-reported by factories and may be incomplete. At the time of the FY23 NIKE, Inc. Impact Report publication, December 2023 data was estimated for factories where actual data was unavailable. The BLS does not calculate manufacturing rates for equipment/accessories. As of CY23, there are no accessories focus factories.

## DATA TABLES

**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-Compliances

	% OF TIER 1 TOTAL	% OF TIER 2 TOTAL	% OF DCS TOTAL
Age Standards	0.1%	0.0%	0.9%
Air Emissions	0.1%	0.0%	0.0%
Building Is Safe	2.7%	5.9%	4.3%
Chemical Management	26.5%	20.0%	1.7%
Code is Fully Implemented	9.1%	8.8%	3.4%
Discrimination	1.6%	1.2%	8.5%
Dorms, Canteen and Childcare	3.1%	2.2%	3.4%
Fire and Emergency Action	11.1%	10.9%	8.5%
Forced or Compulsory Labor <sup>84</sup>	1.2%	0.9%	5.1%
Freedom of Association and Collective Bargaining	4.1%	2.0%	6.0%
Harassment and Abuse	0.1%	0.0%	0.0%
Hazardous Waste	1.1%	1.6%	3.4%
Occupational Health and Hygiene	9.5%	11.1%	6.8%
Regular Employment	0.8%	0.7%	0.0%
Solid Waste (Non-Hazardous Waste)	0.4%	0.2%	3.4%
Wages and Benefits	7.3%	3.8%	6.8%
Wastewater	5.6%	6.5%	0.9%
Working Hours	3.4%	9.6%	21.4%
Workplace Is Safe	12.2%	14.9%	15.4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

84 "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.

## DATA TABLES

### Worker Count Results

	TIER 1 #	TIER 2 #	DCS #	FY23 TOTAL #	FY23 TOTAL %
Americas	56,985	3,887	14,178	75,050	6%
EMEA	35,240	926	3,577	39,743	3%
N Asia	107,104	58,527	3,787	169,418	13%
S Asia	391,285	30,541	498	422,324	32%
SE Asia	542,660	50,933	47	593,640	46%
<b>Total</b>	<b>1,133,274</b>	<b>144,814</b>	<b>22,087</b>	<b>1,300,175</b>	<b>100%</b>

### Audit Counts

	TIER 1 #	TIER 2 #	DCS #	FY23 TOTAL #	FY23 TOTAL %
NIKE	15	1	0	16	1%
SLCP <sup>85</sup>	333	169	41	543	36%
SAC's FEM <sup>85</sup>	378	179	1	558	37%
ZDHC <sup>85</sup> Wastewater Guidelines	97	192	0	289	19%
DECA	0	0	40	40	3%
FLA	6	0	0	6	0%
Better Work	45	3	0	48	3%
<b>Total</b>	<b>874</b>	<b>544</b>	<b>82</b>	<b>1,500</b>	<b>100%</b>

<sup>85</sup> Number of reports received.

## DATA TABLES

 PLANET

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

**GHG 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<sup>86</sup>**

FY23 Emissions Summary (Metric Tons CO<sub>2</sub>e) Scope 1, 2, and 3<sup>87</sup>

	EMISSIONS	EMISSIONS (%)
Scope 1	59,672	0.63%
Scope 2 (market-based emissions)	11,051	0.12%
Scope 3	9,466,520	99.26%
<b>Total</b>	<b>9,537,244</b>	<b>100%</b>

<sup>86</sup> These targets comprehensively cover our Scope 1 and 2 emissions, and cover part of our Scope 3 emissions.

<sup>87</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 GHGs are either not relevant, immaterial, or data is not available.

## DATA TABLES

### Energy and Emissions by Business Function (Scope 1 and Scope 2 (Market-based))

EMISSIONS (METRIC TONS CO <sub>2</sub> e)	SCOPE 1	FY21	FY22	FY23	SCOPE 2	FY21	FY22	FY23
	FY20				FY20			
Retail	22,800 <sup>88</sup>	22,363 <sup>88</sup>	23,182 <sup>88</sup>	17,757	68,748	41,391	9,639 <sup>89</sup>	6,048
HQs & Offices	18,488	13,934	14,530	15,532	33,769	18,352	2,650 <sup>90</sup>	2,237
HQ Fleet Vehicles	1,407	227	253	318	–	–	–	–
Distribution Centers	17,577 <sup>91</sup>	19,689 <sup>91</sup>	21,347 <sup>91</sup>	19,696	38,829	14,523	7,703 <sup>92</sup>	2,767
Corporate Jets	2,912	1,432	3,515	4,263	–	–	–	–
Air Manufacturing Innovation	1,620	1,884	1,809	2,106	19,494	2,155	2,952	0
NIKE, Inc.	64,804 <sup>93</sup>	59,530 <sup>93</sup>	64,636 <sup>93</sup>	59,672	160,840	76,420	22,944 <sup>94</sup>	11,051
<b>ENERGY CONSUMPTION (MWh)</b>								
	FUEL	FY21	FY22	FY23	ELECTRICITY	FY21	FY22	FY23
	FY20				FY20			
Retail	89,898	87,682	91,880	64,677	204,033	186,654	196,685	195,887
HQs & Offices	73,028	49,966	53,522	58,427	152,909	121,015	115,051	125,000
HQ Fleet Vehicles	5,582	904	1,004	1,262	–	–	–	–
Distribution Centers	47,244	54,852	59,802	49,331	191,711	197,657	194,685	186,625
Corporate Jets	11,257	5,534	13,356	16,440	–	–	–	–
Air Manufacturing Innovation	6,311	7,604	7,219	8,708	94,290	86,885	82,116	73,029
NIKE, Inc.	233,320	206,541	226,783	198,845	642,943	592,211	588,537	580,541

88 NIKE has updated our Scope 1 emissions for FY20-22 to reflect a boundary expansion to include emissions from refrigerants used in retail. These changes resulted in FY20-22 retail Scope 1 emissions (Metric tons CO<sub>2</sub>e) shifting from 18,210 in FY20, 17,761 in FY21, and 18,611 MT CO<sub>2</sub>e in FY22 to 22,800, 22,363, and 23,182 MT CO<sub>2</sub>e, respectively.

89 NIKE has updated the previously reported Retail: Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) metric to account for energy attribute certificates (EACs) that were purchased and retired but not previously applied to electricity consumed during our fiscal year ended May 31, 2022. The inclusion of the EACs resulted in a reduction of our Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) from 10,178 MT CO<sub>2</sub>e to 9,639 MT CO<sub>2</sub>e.

90 NIKE has updated the previously reported Offices: Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) metric to account for energy attribute certificates (EACs) that were purchased and retired but not previously applied to electricity consumed during our fiscal year ended May 31, 2022. The inclusion of the EACs resulted in a reduction of our Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) from 4,062 MT CO<sub>2</sub>e to 2,650 MT CO<sub>2</sub>e.

91 NIKE has updated our Scope 1 emissions for FY20-22 to reflect a boundary expansion to include emissions from refrigerants used in distribution centers. These changes resulted in FY20-22 Scope 1 emissions (Metric tons CO<sub>2</sub>e) shifting from 9,676 in FY20, 11,224 in FY21, and 12,149 MT CO<sub>2</sub>e in FY22 to 17,577, 19,689, and 21,347 MT CO<sub>2</sub>e, respectively.

92 NIKE has updated the previously reported DCs: Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) metric to account for energy attribute certificates (EACs) that were purchased and retired but not previously applied to electricity consumed during our fiscal year ended May 31, 2022. The inclusion of the EACs resulted in a reduction of our Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) from 7,708 MT CO<sub>2</sub>e to 7,703 MT CO<sub>2</sub>e.

93 NIKE has updated our Scope 1 emissions for FY20-22 to reflect a boundary expansion to include emissions from refrigerants used in retail and distribution centers. These changes resulted in FY20-22 Scope 1 emissions (Metric tons CO<sub>2</sub>e) shifting from 52,312 in FY20, 46,462 in FY21, and 50,868 MT CO<sub>2</sub>e in FY22 to 64,804, 59,530, and 64,636 MT CO<sub>2</sub>e, respectively.

94 NIKE has updated the previously reported Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) metric to account for energy attribute certificates (EACs) that were purchased and retired but not previously applied to electricity consumed during our fiscal year ended May 31, 2022. The inclusion of the EACs resulted in a reduction of our Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) from 24,900 MT CO<sub>2</sub>e to 22,944 MT CO<sub>2</sub>e.





## DATA TABLES

### Fuel Consumption (MWh) and Scope 1 Emissions (Metric Tons CO<sub>2</sub>e)

	FY20	FY21	FY22	FY23
<b>Air MI</b>				
Fuel Consumption (MWh)	6,311	7,604	7,219	8,708
Emissions (Metric Tons CO <sub>2</sub> e)	1,620	1,884	1,809	2,106
<b>HQ Fleet Vehicles</b>				
Fuel Consumption (MWh)	5,582	904	1,004	1,262
Emissions (Metric Tons CO <sub>2</sub> e)	1,407	227	253	318
<b>Corporate Jets</b>				
Fuel Consumption (MWh)	11,257	5,534	13,356	16,440
Emissions (Metric Tons CO <sub>2</sub> e)	2,912	1,432	3,515	4,263
<b>Distribution Centers</b>				
Fuel Consumption (MWh)	47,244	54,852	59,802	49,331
Emissions (Metric Tons CO <sub>2</sub> e)	17,577	19,689	21,347 <sup>95</sup>	19,696

	FY20	FY21	FY22	FY23
<b>HQs &amp; Offices</b>				
Fuel Consumption (MWh)	73,028	49,966	53,522	58,427
Emissions (Metric Tons CO <sub>2</sub> e)	18,488	13,934	14,530	15,532
<b>Retail</b>				
Fuel Consumption (MWh)	89,898	87,682	91,880	64,677
Emissions (Metric Tons CO <sub>2</sub> e)	22,800	22,363	23,182 <sup>96</sup>	17,757
<b>NIKE, Inc.</b>				
Fuel Consumption (MWh)	233,320	206,541 <sup>97</sup>	226,783 <sup>97</sup>	198,845
Emissions (Metric Tons CO <sub>2</sub> e)	64,804	59,530	64,636 <sup>98</sup>	59,672

<sup>95</sup> NIKE has updated our Scope 1 emissions for FY20-22 to reflect a boundary expansion to include emissions from refrigerants used in distribution centers. These changes resulted in FY20-22 Scope 1 emissions (Metric tons CO<sub>2</sub>e) shifting from 9,676 in FY20, 11,224 in FY21, and 12,149 MT CO<sub>2</sub>e in FY22 to 17,577, 19,689, and 21,347 MT CO<sub>2</sub>e, respectively.

<sup>96</sup> NIKE has updated our Scope 1 emissions for FY20-22 to reflect a boundary expansion to include emissions from refrigerants used in retail. These changes resulted in FY20-22 retail Scope 1 emissions (Metric tons CO<sub>2</sub>e) shifting from 18,210 in FY20, 17,761 in FY21, and 18,611 MT CO<sub>2</sub>e in FY22 to 22,800, 22,363, and 23,182 MT CO<sub>2</sub>e, respectively.

<sup>97</sup> Totals for NIKE, Inc. level might not reflect manual summation of granular numbers above, due to rounding of granular numbers and only showing of whole numbers rather than decimals. The NIKE, Inc. level number reflects sums of non-rounded data.

<sup>98</sup> NIKE has updated our Scope 1 emissions for FY20-22 to reflect a boundary expansion to include emissions from refrigerants used in retail and distribution centers. These changes resulted in FY20-22 Scope 1 emissions (Metric tons CO<sub>2</sub>e) shifting from 52,312 in FY20, 46,462 in FY21, and 50,868 MT CO<sub>2</sub>e in FY22 to 64,804, 59,530, and 64,636 MT CO<sub>2</sub>e, respectively.

## DATA TABLES

### Electricity Consumption (MWh) and Scope 2 Emissions (Metric Tons CO<sub>2</sub>e)

	FY20	FY21	FY22	FY23
<b>Air MI</b>				
Total Electricity (MWh)	94,290	86,885	82,116	73,029
Grid Electricity (MWh)	94,290	86,885	82,116	72,435
Onsite Solar (MWh)	0	0	0	594
Location-Based (Metric Tons CO <sub>2</sub> e)	46,059	42,151	38,531	34,896
Market-Based (Metric Tons CO <sub>2</sub> e)	19,494	2,155	2,952	0

### Distribution Centers

Total Electricity (MWh)	191,711	197,657	194,685	186,625
Grid Electricity (MWh)	173,775	174,388	174,851	167,170
Onsite Solar (MWh)	6,805	8,150	10,294	12,244
Onsite Wind (MWh)	11,131	15,120	9,540	4,417
Direct Line PPA - Wind (MWh)	0	0	0	2,794
Location-Based (Metric Tons CO <sub>2</sub> e)	79,178	81,550	62,811	62,540
Market-Based (Metric Tons CO <sub>2</sub> e)	38,829	14,523	7,703 <sup>99</sup>	2,767

### HQs and Offices

Total Electricity (MWh)	152,909	121,015	115,051	125,000
Grid Electricity (MWh)	152,281	120,608	113,766	123,338
Onsite Solar (MWh)	628	407	1,285	1,662
Location-Based (Metric Tons CO <sub>2</sub> e)	56,446	46,956	41,620	44,685
Market-Based (Metric Tons CO <sub>2</sub> e)	33,769	18,352	2,650 <sup>100</sup>	2,237

<sup>99</sup> NIKE has updated the previously reported DCs: Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) metric to account for energy attribute certificates (EACs) that were purchased and retired but not previously applied to electricity consumed during our fiscal year ended May 31, 2022. The inclusion of the EACs resulted in a reduction of our Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) from 7,708 MT CO<sub>2</sub>e to 7,703 MT CO<sub>2</sub>e.

<sup>100</sup> NIKE has updated the previously reported Offices: Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) metric to account for energy attribute certificates (EACs) that were purchased and retired but not previously applied to electricity consumed during our fiscal year ended May 31, 2022. The inclusion of the EACs resulted in a reduction of our Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) from 4,062 MT CO<sub>2</sub>e to 2,650 MT CO<sub>2</sub>e.

	FY20	FY21	FY22	FY23
<b>Retail</b>				
Total Electricity (MWh)	204,033	186,654	196,685	195,887
Grid Electricity (MWh)	204,033	186,654	196,685	195,887
Location-Based (Metric Tons CO <sub>2</sub> e)	89,493	80,922	81,073	80,526
Market-Based (Metric Tons CO <sub>2</sub> e)	68,748	41,391	9,639 <sup>101</sup>	6,048

### NIKE, Inc.

Total Electricity (MWh)	642,943	592,211	588,537	580,541
Grid Electricity (MWh)	624,379	568,535	567,418	558,830
Onsite Solar (MWh)	7,433	8,557	11,579	14,499
Onsite Wind (MWh)	11,131	15,120	9,540	4,417
Direct Line PPA - Wind (MWh)	0	0	0	2,794
Location-Based (Metric Tons CO <sub>2</sub> e)	271,176	251,579	224,035	222,647
Market-Based (Metric Tons CO <sub>2</sub> e)	160,840	76,420	22,944 <sup>99, 100, 101</sup>	11,051 <sup>102</sup>

<sup>101</sup> NIKE has updated the previously reported Retail: Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) metric to account for energy attribute certificates (EACs) that were purchased and retired but not previously applied to electricity consumed during our fiscal year ended May 31, 2022. The inclusion of the EACs resulted in a reduction of our Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) from 10,178 MT CO<sub>2</sub>e to 9,639 MT CO<sub>2</sub>e.

<sup>102</sup> Totals for NIKE, Inc. level might not reflect manual summation of granular numbers above, due to rounding of granular numbers and only showing of whole numbers rather than decimals. The NIKE, Inc. level number reflects sums of non-rounded data.

## DATA TABLES

### Scope 3 Emissions: Manufacturing & Logistics (Metric Tons CO<sub>2</sub>e)

	FY20	FY21	FY22	FY23
Tier 1 – Footwear Manufacturing	1,388,826	1,411,754	1,469,481	1,397,345
Tier 1 – Apparel Manufacturing	89,865	72,601	87,753	83,851
Tier 2 – Footwear Textile Dyeing and Finishing	207,713	193,463	194,364	189,520
Tier 2 – Apparel Textile Dyeing and Finishing	785,487	727,076	767,499	731,058
Logistics – Inbound Transportation	1,013,581	275,199	413,998	443,381
Logistics – Outbound Transportation	164,690	184,719	152,869	120,153

## DATA TABLES

### Science-Based Targets (SBT) Footprint FY15–23 (Metric Tons CO<sub>2</sub>e)

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
<b>Scope 1</b>									
Air Manufacturing Innovation	126	114	145	496	1,229	1,620	1,884	1,809	2,106
HQ Fleet Vehicles	406	535	666	627	555	1,407	227	253	318
Corporate Jets	3,576	4,392	3,391	3,773	3,162	2,912	1,432	3,515	4,263
Distribution Centers	8,084	6,698	7,861	10,048	10,408	17,577	19,689	21,347 <sup>103</sup>	19,696
HQs & Offices	10,009	11,623	13,168	10,975	13,612	18,488	13,934	14,530	15,532
Retail	13,423	13,963	14,907	16,022	17,747	22,800	22,363	23,182 <sup>104</sup>	17,757
<b>Total</b>	<b>35,624</b>	<b>37,325</b>	<b>40,138</b>	<b>41,941</b>	<b>46,713</b>	<b>64,804</b>	<b>59,530</b>	<b>64,636<sup>105</sup></b>	<b>59,672</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	0
Distribution Centers	58,241	67,832	61,142	55,304	60,603	38,829	14,523	7,703 <sup>106</sup>	2,767
HQs & Offices	54,276	43,189	41,820	33,802	10,938	33,769	18,352	2,650 <sup>107</sup>	2,237
Retail	98,154	99,959	103,393	91,978	92,107	68,748	41,391	9,639 <sup>108</sup>	6,048
<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>22,944<sup>109</sup></b>	<b>11,051<sup>110</sup></b>

<sup>103</sup> NIKE has updated our Scope 1 emissions for FY20-22 to reflect a boundary expansion to include emissions from refrigerants used in distribution centers. These changes resulted in FY20-22 Scope 1 emissions (Metric tons CO<sub>2</sub>e) shifting from 9,676 in FY20, 11,224 in FY21, and 12,149 MT CO<sub>2</sub>e in FY22 to 17,577, 19,689, and 21,347 MT CO<sub>2</sub>e, respectively.

<sup>104</sup> NIKE has updated our Scope 1 emissions for FY20-22 to reflect a boundary expansion to include emissions from refrigerants used in retail. These changes resulted in FY20-22 retail Scope 1 emissions (Metric tons CO<sub>2</sub>e) shifting from 18,210 in FY20, 17,761 in FY21, and 18,611 MT CO<sub>2</sub>e in FY22 to 22,800, 22,363, and 23,182 MT CO<sub>2</sub>e, respectively.

<sup>105</sup> NIKE has updated our Scope 1 emissions for FY20-22 to reflect a boundary expansion to include emissions from refrigerants used in retail and distribution centers. These changes resulted in FY20-22 Scope 1 emissions (Metric tons CO<sub>2</sub>e) shifting from 52,312 in FY20, 46,462 in FY21, and 50,868 MT CO<sub>2</sub>e in FY22 to 64,804, 59,530, and 64,636 MT CO<sub>2</sub>e, respectively.

<sup>106</sup> NIKE has updated the previously reported DCs: Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) metric to account for energy attribute certificates (EACs) that were purchased and retired but not previously applied to electricity consumed during our fiscal year ended May 31, 2022. The inclusion of the EACs resulted in a reduction of our Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) from 7,708 MT CO<sub>2</sub>e to 7,703 MT CO<sub>2</sub>e.

<sup>107</sup> NIKE has updated the previously reported Offices: Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) metric to account for energy attribute certificates (EACs) that were purchased and retired but not previously applied to electricity consumed during our fiscal year ended May 31, 2022. The inclusion of the EACs resulted in a reduction of our Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) from 4,062 MT CO<sub>2</sub>e to 2,650 MT CO<sub>2</sub>e.

<sup>108</sup> NIKE has updated the previously reported Retail: Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) metric to account for energy attribute certificates (EACs) that were purchased and retired but not previously applied to electricity consumed during our fiscal year ended May 31, 2022. The inclusion of the EACs resulted in a reduction of our Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) from 10,178 MT CO<sub>2</sub>e to 9,639 MT CO<sub>2</sub>e.

<sup>109</sup> NIKE has updated the previously reported Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) metric to account for energy attribute certificates (EACs) that were purchased and retired but not previously applied to electricity consumed during our fiscal year ended May 31, 2022. The inclusion of the EACs resulted in a reduction of our Scope 2 (Indirect) Market-Based Emissions (Metric tons CO<sub>2</sub>e) from 24,900 MT CO<sub>2</sub>e to 22,944 MT CO<sub>2</sub>e.

<sup>110</sup> Totals for NIKE, Inc. level might not reflect manual summation of granular numbers above, due to rounding of granular numbers and only showing of whole numbers rather than decimals. The NIKE, Inc. level number reflects sums of non-rounded data.

## DATA TABLES

### Science-Based Targets (SBT) Footprint FY15–23 (Metric Tons CO<sub>2e</sub>)

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
<b>Scope 3</b>									
Waste Generated in Operations	1,738	1,973	2,031	2,245	1,951	2,322	1,810	1,999	5,229
Downstream Transportation and Distribution	63,787	71,510	67,753	70,403	64,979	91,862	78,184	85,146	67,159
Energy-Related Activities Excluded in S1/S2	11,163	12,151	13,140	14,128	15,117	15,289	13,025	15,062	13,392
End-of-Life	375,270	393,776	404,768	417,717	439,028	452,856	418,080	618,851	442,767
Logistics	1,064,313	880,326	1,146,359	1,104,695	1,192,920	1,304,489	544,099	644,305	624,267
Packaging	539,198	560,225	582,072	604,771	628,355	652,859	954,955	683,365	626,078
Business Travel (Corporate Air Travel)	112,355	110,523	81,913	75,645	89,464	81,340	3,395	13,297	38,887
Employee Commuting	98,546	106,755	114,964	123,173	131,382	107,314	85,746	98,473	120,864
T2–T4 ACC	722,333	723,829	620,552	653,580	669,971	642,926	568,895	685,694	547,986
T1 Waste	44	43	42	41	40	42	20	26	0
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	1,476,617
T1 ACC	114,074	114,310	98,000	103,216	105,805	97,785	89,842	113,286	36,583
T1 AP	175,719	181,408	193,409	204,659	215,796	200,266	170,779	177,402	176,805
T2 AP	589,308	712,818	809,594	839,357	873,069	1,008,183	963,898	1,030,009	854,830
T2 FW	216,662	220,386	208,238	190,208	201,344	282,439	328,634	338,264	428,013
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	658,556
T3 FW	357,005	378,591	389,155	396,536	416,934	458,388	430,053	523,463	556,467
T4 AP	764,803	789,522	841,574	890,349	938,721	893,826	778,623	682,022	592,076
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	2,197,117
RTFKT – Primary Transactions	0	0	0	0	0	0	0	16,590	2,673
RTFKT – Secondary Transactions	0	0	0	0	0	0	0	417	157
<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>	<b>9,466,520</b>



# 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	% CHANGE IN MANUFACTURING & TRANSPORTATION GHG EMISSIONS <sup>111</sup>	0.5M METRIC TONS MATERIALS GHG EMISSIONS REDUCED VIA USE OF ENVIRONMENTALLY PREFERRED MATERIALS (EPMS)	SCOPE 1 AND 2 SBT	SCOPE 3 SBT	FULL CORPORATE CARBON FOOTPRINT
Energy or Emissions	Energy	Emissions	Emissions	Emissions	Emissions	Emissions	Emissions
Emissions Scope	2	1 & 2	3	3	1 & 2	3	1, 2 & 3
Target Period	FY15–25	FY20–25	FY20–25	FY20–25	FY15–30	FY15–30	N/A
Target	100%	-70%	0%	-0.5M metric tons 50% EPMS	-65%	-30%	N/A

## Scope: NIKE Value Chain Terminology

Corporate Services	●	●	●	●	●	●	●
HQs & Other Offices	●	●	●	●	●	●	●
HQ Fleet	●	●	●	●	●	●	●
Corporate Jets	●	●	●	●	●	●	●
Commercial Air Business Travel	●	●	●	●	●	●	●
Raw Materials Production	●	●	●	○	●	●	●
Materials Manufacturing	●	●	●	○	●	●	●
Materials Finishing (Textile Construction, Dyeing and Finishing)	●	●	○	●	●	●	●
Finished Goods Manufacturing	●	●	○	●	●	●	●
Logistics							
Inbound Logistics	●	●	○	●	●	●	●
Outbound Logistics	●	●	○	●	●	●	●
Distribution Centers	●	●	●	●	●	●	●
Air MI	●	●	○	●	○	○	○
Retail (NIKE Direct)	●	●	●	●	●	●	●
Consumer Use	●	●	●	●	●	●	●
End of Life	●	●	●	●	●	●	●

<sup>111</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; about 95% of both inbound and outbound transportation; and majority of Air MI transportation.

## DATA TABLES

### Scope 3 Emissions by Category and Operational Boundaries

● NOT IN SBT SCOPE ● IN SBT SCOPE

EMISSIONS SOURCES	FY23 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	● 8,093,308	<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>	30%
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

## DATA TABLES

### Scope 3 Emissions by Category and Operational Boundaries

EMISSIONS SOURCES	FY23 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	● 13,392	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, renewable natural gas, 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.	54%
4 Upstream Transportation and Distribution	● 624,267	Includes ~95% of global inbound transportation and ~95% of global outbound transportation via the following modes of transportation: air, ocean (barge and ship), truck and rail. Excludes most non-NIKE paid freight except for call for routing in North America (or, factory paid air freight, where a wholesale customer pays the carrier and NIKE coordinates the scheduling of the carrier). 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, as well as foam pellets manufactured by NIKE (in Vietnam) and shipped by road, air or sea to midsole converters; and some intermediate materials used by Airbag manufacturing partners that are made by NIKE in North America and shipped by sea.	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). Distance travelled is determined through a hierarchy of options based on data availability, going from most to least granular: latitude/longitude coordinates, zip code, or estimated based on country center default. Upstream emissions from transport of airbag components, intermediate materials and foam pellets are calculated using data from individual shipments, via a model that applies the GLEC framework and relevant assumptions per shipment type.	100%
5 Waste Generated in Operations	● 5,229	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	● 38,887	Includes emissions from commercial air travel.	Air CO <sub>2</sub> e 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%



## DATA TABLES

### Scope 3 Emissions by Category and Operational Boundaries

EMISSIONS SOURCES	FY23 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
7 Employee Commuting	● 120,864	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.	1%
8 Upstream Leased Assets	● Not relevant	NIKE does not have significant emissions from upstream leased assets.	N/A	N/A
<b>Downstream</b>				
9 Downstream Transportation and Distribution	● 67,159	Includes emissions from non-NIKE paid freight (except call for routing in North America, which is included in Category 4, Upstream Transportation and Distribution). 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). Distance travelled is determined through a hierarchy of options based on data availability, going from most to least granular: latitude/longitude coordinates, zip code, or estimated based on country center default. 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	● 7,079,694	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.	N/A

## DATA TABLES

### Scope 3 Emissions by Category and Operational Boundaries

EMISSIONS SOURCES	FY23 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	● 503,416	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>9,466,520</b>			
<b>Total Full Footprint S3 Emissions</b>	● <b>16,546,214</b>			

## DATA TABLES

### FY23 Fuel & Electricity Consumption (MWh) & Scope 1 & 2 Emissions (Metric Tons CO<sub>2</sub>e) by Country

COUNTRY/REGION	FUEL CONSUMED (MWh)	SCOPE 1 (METRIC TONS CO <sub>2</sub> e)	GRID ELECTRICITY	LOCATION-BASED SCOPE 2 (METRIC TONS CO <sub>2</sub> e)	MARKET-BASED SCOPE 2 (METRIC TONS CO <sub>2</sub> e)	ONSITE SOLAR (MWh)	ONSITE WIND (MWh)	DIRECT LINE PPA – WIND (MWh)
Argentina	272	206	639	175	–	–	–	–
Australia	1,001	339	2,398	1,634	1,634	135	–	–
Austria	115	48	748	90	–	–	–	–
Belgium	7,640	3,989	40,337	6,656	466	6,059	4,417	2,794
Brazil	86	42	139	13	–	–	–	–
Canada	10,008	2,363	6,799	817	–	–	–	–
Chile	58	21	97	41	–	–	–	–
China	36,940	10,525	69,276	42,785	–	4,202	–	–
Czech Republic	–	9	291	120	–	–	–	–
Denmark	–	14	282	27	–	–	–	–
France	118	300	8,683	446	–	–	–	–
Germany	3,336	904	5,723	1,791	–	–	–	–
Greece	–	19	667	249	–	–	–	–
Hong Kong	400	127	605	388	–	–	–	–
Hungary	–	10	380	84	–	–	–	–
India	539	179	970	672	–	–	–	–
Indonesia	126	49	502	390	–	–	–	–
Ireland	41	26	633	178	–	–	–	–
Israel	–	33	1,144	528	–	–	–	–



## DATA TABLES

COUNTRY/REGION	FUEL CONSUMED (MWh)	SCOPE 1 (METRIC TONS CO <sub>2</sub> e)	GRID ELECTRICITY	LOCATION-BASED SCOPE 2 (METRIC TONS CO <sub>2</sub> e)	MARKET-BASED SCOPE 2 (METRIC TONS CO <sub>2</sub> e)	ONSITE SOLAR (MWh)	ONSITE WIND (MWh)	DIRECT LINE PPA – WIND (MWh)
Italy	601	277	5,359	1,424	–	–	–	–
Japan	5,627	1,969	15,192	7,265	2,776	–	–	–
Malaysia	504	183	1,294	846	–	–	–	–
Mexico	3,140	992	7,349	2,937	–	845	–	–
Netherlands	2,604	879	8,457	2,678	–	–	–	–
New Zealand	73	50	481	62	62	–	–	–
Norway	–	8	140	1	–	–	–	–
Panama	–	1	–	–	–	–	–	–
Philippines	62	88	807	574	41	–	–	–
Poland	201	81	1,474	923	–	–	–	–
Portugal	–	24	728	135	–	–	–	–
Russia	231	73	145	52	77	–	–	–
Singapore	728	257	2,038	786	786	–	–	–
South Africa	110	178	1,511	1,403	–	–	–	–
South Korea	6,723	1,824	8,117	3,792	3,792	78	–	–
Spain	175	191	6,618	1,020	–	–	–	–
Sweden	181	51	177	2	–	–	–	–
Switzerland	–	13	351	9	–	–	–	–
Taiwan	922	261	2,579	1,413	1,413	–	–	–
Thailand	489	154	863	411	–	–	–	–
Turkey	204	95	1,864	771	–	–	–	–

## DATA TABLES

COUNTRY/REGION	FUEL CONSUMED (MWh)	SCOPE 1 (METRIC TONS CO <sub>2</sub> e)	GRID ELECTRICITY	LOCATION-BASED SCOPE 2 (METRIC TONS CO <sub>2</sub> e)	MARKET-BASED SCOPE 2 (METRIC TONS CO <sub>2</sub> e)	ONSITE SOLAR (MWh)	ONSITE WIND (MWh)	DIRECT LINE PPA – WIND (MWh)
United Arab Emirates	7	2	9	5	–	–	–	–
United Kingdom	681	415	10,050	1,963	–	–	–	–
United States of America	114,666	32,303	338,737	134,519	–	2,586	–	–
Uruguay	50	25	108	4	4	–	–	–
Vietnam	189	74	4,070	2,570	–	594	–	–
<b>Total</b>	<b>198,845</b>	<b>59,672</b>	<b>558,830</b>	<b>222,647</b>	<b>11,051</b>	<b>14,499</b>	<b>4,417</b>	<b>2,794</b>

### FY23 Total Energy Consumption (MWh)

ENERGY TYPE	HEATING VALUE	MWh FROM RENEWABLE SOURCES	MWh FROM NON-RENEWABLE SOURCES	TOTAL MWh
Fuel	LHV (lower heating value)	3,755	192,625	196,380
Purchased or Acquired Electricity		559,426	21,115	580,541
Sustainable Aviation Fuel		2,465	0	2,465
<b>Total</b>		<b>565,646</b>	<b>213,740</b>	<b>779,386</b>

## DATA TABLES

### FY23 Renewable Energy (MWh) by Country and Type

COUNTRY/REGION	RENEWABLE ELECTRICITY									ALTERNATIVE FUELS		
	UNBUNDLED ENERGY ATTRIBUTE CERTIFICATES (EACS)	VPPA (US, EU) - WIND	ONSITE - SOLAR	ONSITE - WIND	DIRECT LINE PPA - WIND	GREEN POWER PURCHASE - RETAIL SUPPLY	GREEN POWER PURCHASE (PROJECT SPECIFIC) - SOLAR	OFFSITE PPA (OREGON) - WIND	TOTAL	RENEWABLE NATURAL GAS	SUSTAINABLE AVIATION FUEL	TOTAL
Argentina	639	-	-	-	-	-	-	-	639	-	-	-
Australia	-	-	135	-	-	-	-	-	135	-	-	-
Austria	-	748	-	-	-	-	-	-	748	3,755	-	3,755
Belgium	38,518	1,819	6,059	4,417	2,794	-	-	-	53,607	-	-	-
Brazil	139	-	-	-	-	-	-	-	139	-	-	-
Canada	-	6,799	-	-	-	-	-	-	6,799	-	-	-
Chile	97	-	-	-	-	-	-	-	97	-	-	-
China	69,276	-	4,202	-	-	-	-	-	73,478	-	-	-
Czech Republic	-	291	-	-	-	-	-	-	291	-	-	-
Denmark	-	282	-	-	-	-	-	-	282	-	-	-
France	-	8,683	-	-	-	-	-	-	8,683	-	-	-
Germany	-	5,723	-	-	-	-	-	-	5,723	-	-	-
Greece	-	667	-	-	-	-	-	-	667	-	-	-
Hong Kong	605	-	-	-	-	-	-	-	605	-	-	-
Hungary	-	380	-	-	-	-	-	-	380	-	-	-
India	970	-	-	-	-	-	-	-	970	-	-	-
Indonesia	502	-	-	-	-	-	-	-	502	-	-	-
Ireland	-	633	-	-	-	-	-	-	633	-	-	-
Israel	1,144	-	-	-	-	-	-	-	1,144	-	-	-
Italy	-	5,359	-	-	-	-	-	-	5,359	-	-	-

## DATA TABLES

COUNTRY/REGION	RENEWABLE ELECTRICITY									ALTERNATIVE FUELS		
	UNBUNDLED ENERGY ATTRIBUTE CERTIFICATES (EACS)	VPPA (US, EU) - WIND	ONSITE - SOLAR	ONSITE - WIND	DIRECT LINE PPA - WIND	GREEN POWER PURCHASE - RETAIL SUPPLY	GREEN POWER PURCHASE (PROJECT SPECIFIC) - SOLAR	OFFSITE PPA (OREGON) - WIND	TOTAL	RENEWABLE NATURAL GAS	SUSTAINABLE AVIATION FUEL	TOTAL
Japan	-	-	-	-	-	10,001	-	-	10,001	-	-	-
Malaysia	1,294	-	-	-	-	-	-	-	1,294	-	-	-
Mexico	7,349	-	845	-	-	-	-	-	8,194	-	-	-
Netherlands	-	8,457	-	-	-	-	-	-	8,457	-	-	-
Norway	-	140	-	-	-	-	-	-	140	-	-	-
Philippines	749	-	-	-	-	-	-	-	749	-	-	-
Poland	-	1,474	-	-	-	-	-	-	1,474	-	-	-
Portugal	-	728	-	-	-	-	-	-	728	-	-	-
South Africa	1,511	-	-	-	-	-	-	-	1,511	-	-	-
South Korea	-	-	78	-	-	-	-	-	78	-	-	-
Spain	-	6,618	-	-	-	-	-	-	6,618	-	-	-
Sweden	-	177	-	-	-	-	-	-	177	-	-	-
Switzerland	-	351	-	-	-	-	-	-	351	-	-	-
Thailand	863	-	-	-	-	-	-	-	863	-	-	-
Turkey	1,864	-	-	-	-	-	-	-	1,864	-	-	-
United Arab Emirates	9	-	-	-	-	-	-	-	9	-	-	-
United Kingdom	-	10,050	-	-	-	-	-	-	10,050	-	-	-
United States of America	-	217,785	2,586	-	-	-	3,599	117,353	341,323	-	2,465	2,465
Vietnam	4,070	-	594	-	-	-	-	-	4,664	-	-	-
<b>Grand Total</b>	<b>129,600</b>	<b>277,163</b>	<b>14,499</b>	<b>4,417</b>	<b>2,794</b>	<b>10,001</b>	<b>3,599</b>	<b>117,353</b>	<b>559,426</b>	<b>3,755</b>	<b>2,465</b>	<b>6,220</b>

## DATA TABLES

### Renewable Energy in Owned or Operated & Supply Chain (MWh)<sup>112</sup>

MANUFACTURING (TIER 1) AND TEXTILE DYEING AND FINISHING (TIER 2) <sup>113</sup>	FY20	FY21	FY22	FY23
Renewable Fuel Consumption	487,754	443,212	543,689	634,832
% of Total	20%	19%	22%	27%
Renewable Electricity Consumption	13,402	29,897	232,256	524,050
% of Total	0.40%	1%	7%	16%
Renewable Energy Consumption	531,010	479,774	798,393	1,158,882
% of Total	8%	8%	13%	19%
<b>OWNED OR OPERATED</b>				
Renewable Fuel Consumption	365	2,171	2,709	6,220 <sup>114</sup>
% of Total	0.20%	1%	1%	3% <sup>114</sup>
Renewable Electricity Consumption	310,798	459,127	542,540 <sup>115</sup>	559,426 <sup>114</sup>
% of Total	48%	78%	92% <sup>115</sup>	96% <sup>114</sup>
Renewable Energy Consumption	311,163	461,298	545,249 <sup>115</sup>	565,646 <sup>114</sup>
% of Total	36%	58%	67% <sup>115</sup>	73% <sup>114</sup>

<sup>112</sup> Tier 1 and 2 data includes renewable energy use across footwear and apparel focus suppliers. FY23 renewable energy increased vs. FY22 primarily due to: 1) the Indonesia RECs program in tiers 1 and 2 (launched in the second half of FY22; live for the entirety of FY23), and 2) tier 2 partners transitioning out of coal, increasing their biomass use 6% vs. FY22 as a proportion of biomass use to total fuel use.

<sup>113</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.

<sup>114</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, 2022, to May 31, 2023, as indicated in the Report of Independent Accountants.

<sup>115</sup> NIKE has corrected our renewable energy consumption and thus the related percentage for reporting, shifting FY22 renewable energy consumption from 550,114 MWh to 545,249 MWh; the related percentage remained at 67%. We believe the facts and circumstances associated with these changes are immaterial both quantitatively and qualitatively; however, we have corrected the amounts reported to reflect the accounting for energy attribute certificates that were (i) purchased and retired but not applied to electricity consumed and (ii) purchased and retired but over applied in relation to electricity consumed during our fiscal year ended May 31, 2022.

### Fuel Consumption by Fuel Type (MWh)

	FY23
Natural Gas	176,169
Jet Fuel	13,975
Sustainable Aviation Fuel	2,465
Hi-Sene	3,546
Gasoline	1,019
Diesel	1,659
Propane	11
<b>Total</b>	<b>198,845</b>

### Scope 1 Emissions by Gas (Metric Tons CO<sub>2</sub>e)

	FY23
CH <sub>4</sub>	95
CO <sub>2</sub>	41,317
N <sub>2</sub> O	46
Refrigerant CO <sub>2</sub> e	18,214
<b>Total</b>	<b>59,672</b>

### Steam, Heat, Cooling Consumption (MWh)

	FY23
Steam	0
Heat	0
Cooling	0



## DATA TABLES

### Biogenic Emissions (Metric Tons CO<sub>2</sub>e)

	FY23
Biomass Renewable Energy Credits	11,419
Biogenic Emissions from SAF	287
<b>Total</b>	<b>11,707</b>

### Additional Emissions Reductions Activities (Metric Tons CO<sub>2</sub>e)<sup>116</sup>

	FY23
Gross DC Scope 1 Emissions	19,696
Less: Renewable Natural Gas (RNG) Purchased	687
<b>DCs Scope 1 Emissions with RNG</b>	<b>19,009</b>
Gross Jets Scope 1 Emissions	4,263
Less: Sustainable Aviation Fuel (SAF) Purchased	204
<b>Jets Scope 1 Emissions with SAF</b>	<b>4,059</b>
Gross Inbound Transportation Scope 3 Emissions	443,381
Less: Biofuel Purchased	21,426
<b>Inbound Transportation Scope 3 Emissions with Biofuel</b>	<b>421,955</b>

<sup>116</sup> To achieve consistency with the WRI's current Greenhouse Gas Protocol Standard, as of FY23, NIKE no longer accounts for emissions reductions from its Renewable Natural Gas (RNG) and Sustainable Aviation Fuel (SAF) purchases within its Scope 1 emissions.

NIKE now reports emissions from these sources as if each was the conventional fuel instead (i.e., treating RNG as natural gas and treating SAF as jet kerosene). The impact of inclusion in years prior to FY23 is immaterial. Historical Scope 3 emissions did not include emissions reductions from maritime biodiesel (Fatty Acid Methyl Ester (FAME) and Used Cooking Oil Methyl Ester (UCOME) in transportation. Starting with the FY23 NIKE Impact Report, NIKE will begin reporting the emissions reductions associated with RNG, SAF, and FAME/UCOME usage for informational purposes only outside of the Greenhouse Gas Protocol scopes.

NIKE remains supportive of developing of low-carbon fuel markets. We continue to make purchases and explore new opportunities, despite the limits of current greenhouse gas accounting treatment.

These include:

- RNG purchased through a common-carrier pipeline, used indirectly at one distribution center in Belgium.
- SAF purchased for corporate jets which is blended and used indirectly.

WRI is leading a revision process for its Corporate Standard. We look forward to aligning our future reporting to resulting revisions to the Greenhouse Gas Protocol.

## DATA TABLES

### Waste (Metric Tons)

	FY20	FY21	FY22	FY23
<b>Distribution Centers (DCs)</b>				
Recycled	36,713	33,856	33,795	38,856
Composted	117	86	138	74
Waste to Energy	1,637	2,214	3,001	3,618
Landfilled	3,664	3,663	3,148	3,680
<b>Total</b>	<b>42,131</b>	<b>39,820</b>	<b>40,082</b>	<b>46,228</b>
<b>HQs</b>				
Recycled	1,661	1,157	1,946	1,646
Composted	1,043	696	1,003	1,467
Waste to Energy	0	2	111	82
Landfilled	2,142	844	883	970
<b>Total</b>	<b>4,846</b>	<b>2,700</b>	<b>3,942</b>	<b>4,166</b>
<b>FW Manufacturing<sup>117</sup></b>				
Recycled	49,629	51,584	59,067	68,495
Waste to Energy	60,675	50,968	50,078	49,916
Landfilled and Incinerated	429	–	–	–
<b>Total</b>	<b>110,733</b>	<b>102,553</b>	<b>109,144</b>	<b>118,411</b>

	FY20	FY21	FY22	FY23
<b>AP Manufacturing<sup>117</sup></b>				
Recycled	20,076	14,557	21,309	26,422
Waste to Energy	2,371	2,540	2,827	2,476
Landfilled and Incinerated	924	387	409	–
<b>Total</b>	<b>23,371</b>	<b>17,484</b>	<b>24,545</b>	<b>28,898</b>
<b>Air MI</b>				
Recycled	44,339	32,780	28,458	24,193
Waste to Energy	182	169	11	0
Landfilled and Incinerated	1,284	957	816	578
<b>Total</b>	<b>45,805</b>	<b>33,906</b>	<b>29,286</b>	<b>24,772</b>

### Total Weight of Hazardous Waste (Metric Tons) Generated in Manufacturing<sup>118</sup>

Total Weight	14,509
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117 Strategic Finished Goods Suppliers: Suppliers representing approximately 80% of total footwear and apparel production.

118 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. In prior NIKE Impact Reports, hazardous waste figures reflected what was generated in footwear manufacturing only. Starting with the FY23 NIKE Impact Report, hazardous waste is inclusive of both footwear and apparel manufacturing.

# NIKE, INC. MANAGEMENT ASSERTION

## FISCAL YEAR ENDED OR AS OF MAY 31, 2023

### Energy and Emissions

	FOR THE FISCAL YEAR ENDED MAY 31, 2023 (FY23)
Total Energy <sup>119</sup> Consumption (MWh)	779,386
Renewable Fuel Consumption (MWh/%)	6,220 / 3%
Renewable Electricity Consumption (MWh/%)	559,426 / 96%
Renewable Energy Consumption (MWh/%)	565,646 / 73%
Scope 1 (Direct) Emissions (Metric tons CO <sub>2</sub> e)	59,672
Scope 2 (Indirect) Location-Based Emissions (Metric tons CO <sub>2</sub> e)	222,647
Scope 2 (Indirect) Market-Based Emissions (Metric tons CO <sub>2</sub> e)	11,051
Scope 3 (Category 6) Emissions from Commercial Air Travel (Metric tons CO <sub>2</sub> e)	38,887

### Water Restoration Funding

	CUMULATIVE SINCE 2019 PROGRAM INCEPTION, AS OF MAY 31, 2023
Water Restoration project funding (Australia, India, Pakistan, Brazil, and United States) in NIKE's Extended Cotton Supply Chain (USD)	\$2,025,000

### 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 & 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.

<sup>119</sup> Includes direct fuel use and purchased or acquired electricity consumption.



# 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 metrics for 100% of the facilities where NIKE has operational control.

### SCOPE

Reporting coverage addressing NIKE’s Scope 1, 2, a subset of Scope 3 emissions (commercial air travel), total energy consumption, renewable energy consumption, and renewable electricity consumption is outlined in the following table.

RENEWABLE ENERGY SCOPE	SCOPE DESCRIPTION
Renewable Fuel Consumption	<p>Percentage of global fuel used sourced from renewable energy is calculated as follows: <math>(\text{Renewable Direct Fuel Use in MWh}) / (\text{Total Direct Fuel Use in MWh}) \times 100</math>.</p> <p>Renewable direct fuel includes sustainable aviation fuel (SAF) and renewable natural gas (RNG).</p> <p>Total direct fuel use includes natural gas, hi-sene, diesel, propane, gasoline, jet fuel, sustainable aviation fuel and RNG.</p> <p>Actual activity data is sourced from direct measurement or third-party invoices when possible. Where actual data is not available, consumption is estimated.</p>
Renewable Electricity Consumption	<p>Percentage of global electricity sourced from renewable electricity is calculated as follows: <math>(\text{Renewable Electricity in MWh}) / (\text{Total Electricity Consumption in MWh}) \times 100</math>.</p> <p>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 on <a href="#">page 185</a>.</p> <p>Total electricity consumption includes purchased electricity, onsite solar and onsite wind consumption.</p> <p>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 on <a href="#">page 183</a>.</p>
Renewable Energy Consumption	<p>Percentage of global energy sourced from renewable energy is calculated as follows: <math>(\text{Renewable Direct Fuel Use in MWh} + \text{Renewable Electricity in MWh}) / (\text{Total Direct Fuel Use in MWh} + \text{Total Electricity Consumption in MWh}) \times 100</math>.</p> <p>Renewable direct fuel includes sustainable aviation fuel (SAF) and RNG. Refer to <a href="#">page 179</a> for total renewable electricity consumption.</p> <p>Total direct fuel use includes natural gas, hi-sene, diesel, propane, gasoline, jet fuel, sustainable aviation fuel and RNG. Refer to <a href="#">page 162</a> for total electricity consumption.</p> <p>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 on <a href="#">page 183</a>.</p>

## NIKE, INC. MANAGEMENT ASSERTION

# ENERGY AND EMISSIONS

SCOPE 1 & 2 EMISSIONS: FACILITIES & VEHICLES SCOPE	SCOPE DESCRIPTION
Retail	<p>Includes NIKE owned or operated NIKE Brand and Converse stores globally.</p> <p>Energy consumed 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 on <a href="#">page 183</a>.</p> <p>FY23 represents our first year including fugitive emissions from refrigerant gas loss for our retail facilities. Our estimation methodology is described on <a href="#">page 184</a>. In prior years, this source was reported as a known exclusion in NIKE's retail data.</p>
Distribution Centers (DCs)	<p>Includes top 37 NIKE-owned or operated Distribution Centers ("DCs") globally as of May 31, 2023, which represent approximately 83% of shipped units.</p> <p>Energy consumed includes natural gas, hi-sene, diesel, propane, electricity, onsite solar, and onsite wind.</p> <p>Diesel is used in backup generators.</p> <p>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 on <a href="#">page 183</a>.</p> <p>Reported figures include fugitive emissions from refrigerant gas loss. Our estimation methodology is described on <a href="#">page 184</a>.</p>
Offices	<p>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).</p> <p>Energy consumed within HQs includes natural gas, diesel, propane, electricity, and onsite solar; within non-HQ offices, energy consumed 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 on <a href="#">page 183</a>.</p> <p>Diesel is used in backup generators.</p> <p>Propane is used in food services, vendor landscaping services, and some forklifts.</p> <p>Reported figures include fugitive emissions from refrigerant gas loss. Our estimation methodology is described on <a href="#">page 184</a>.</p>
Air Manufacturing Innovation ("Air MI")	<p>Includes NIKE owned or operated manufacturing facilities and related warehousing facilities that are the primary producers of NIKE air units as well as compounders of NIKE React and ReactX foam.</p> <p>Energy consumed includes natural gas, diesel and electricity.</p> <p>Diesel is used in backup generators.</p> <p>Reported figures include fugitive emissions from refrigerant gas loss. Our estimation methodology is described on <a href="#">page 184</a>.</p>
Vehicles	<p>Vehicles include service vehicles at WHQ and GCHQ.</p> <p>Fuel consumed includes gasoline.</p> <p>Company-leased fleet vehicles for use by employees in other geographies are not included in reporting at this time.</p>
Jets	<p>Includes jet fuel and sustainable aviation fuel from our business travel using NIKE's corporate jets, operated from the U.S., presented in Scope 1 emissions.</p>

## NIKE, INC. MANAGEMENT ASSERTION

# ENERGY AND EMISSIONS

**SCOPE 3 EMISSIONS:  
TRAVEL & LOGISTICS SCOPE****SCOPE DESCRIPTION**

Commercial travel

Data represents commercial business air travel booked through NIKE's third party travel provider for all employees across 45 countries. Trips that are not booked through NIKE's third party travel provider are not reflected in reported data. This is estimated to be 4%.

Commercial air travel emissions are estimated based on mileage calculated from number and route distance of trips, presented in Scope 3 emissions.



# NIKE, INC. MANAGEMENT ASSERTION

## ENERGY AND EMISSIONS

### 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.

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 in the following table. 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 FY23, approximately 87% of retail natural gas consumption, and approximately 41% of office natural gas consumption, were estimated. Approximately 90% of reported retail Scope 1 emissions in FY23 were estimated, and approximately 46% of reported office Scope 1 emissions in FY23 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 FY23 square footage data, along with electricity intensity (kWh per square foot of known FY23 NIKE electricity usage in retail or non-HQ offices). In FY23, approximately 53% of retail electricity consumption, and approximately 22% of office electricity consumption, were estimated. 100% of reported retail Scope 2 market-based emissions and approximately 66% of reported retail Scope 2 location-based emissions in FY23 were estimated. 100% of reported office Scope 2 market-based emissions and approximately 33% of reported office Scope 2 location-based emissions in FY23 were estimated.
Diesel (Offices, DCs, and North America Air MI facilities)	Stationary diesel usage is estimated across offices, distribution centers, and North American Air MI facilities (Air MI Vietnam tracks actual diesel consumption), leveraging assumptions reflecting backup generator testing schedules, testing run times, and standard fuel burn during testing.
Propane (DC)	Propane usage at two DCs are estimated leveraging propane consumption intensity from a prior year at a comparable DC based on relative square footage.



# NIKE, INC. MANAGEMENT ASSERTION

## ENERGY AND EMISSIONS

EMISSIONS SOURCE	SCOPE DESCRIPTION
Fugitive emissions from refrigerant gas loss (DCs, Retail, HQ and non-HQ offices, Air MI)	<p>Air MI and WHQ: FY23 is calculated using an average of the prior three years' data. The prior three years were calculated using material balance<sup>120</sup> where possible. When total recharge amount<sup>121</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</i> published in December 2020 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, Retail, and DCs (excluding NALC DC): Refrigerant use intensity (2.0 x 10<sup>-7</sup> 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 2019</i> was applied to total facility square footage to calculate total facility refrigerant emissions. To calculate refrigerant use intensity, one ton of cooling per 500 ft<sup>2</sup> of facility space 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. For non-WHQ offices, FY23 is calculated using an average of the prior three years' data. The prior three years were calculated as described above.</p> <p>NALC DC: 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</i> published in December 2020) to the total system capacity across all units. 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>120</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 = (PN - CN) + Ps + (Cd - Rd)

- PN = purchases of refrigerant used to charge new equipment (omitted if the equipment has been pre-charged by the manufacturer)
- CN = total refrigerant capacity of the new equipment (omitted if the equipment has been pre-charged by the manufacturer)
- Ps = purchases of refrigerant used to service equipment
- Cd = total refrigerant capacity of retiring equipment
- Rd = refrigerant recovered from retiring equipment

<sup>121</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.





# NIKE, INC. MANAGEMENT ASSERTION

## ENERGY AND EMISSIONS

### 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 refrigerants including R123, R134A, R22, R32, R290, R404A, R407C, R410A, and R600A.

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.

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 51,349, 7.52, 0.71, and 9.47 of CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, and R-410A,<sup>122</sup> 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 tables on pages 185 and 186 describes the hierarchy and the relevance to NIKE for the current year reporting.<sup>123</sup>

EMISSION SOURCE TYPE	EMISSION FACTOR EMPLOYED
Direct Line Connection	Not applicable
Energy Attribute Certificates	Where NIKE purchases Energy Attribute Certificates (EACs) and retains environmental attributes, NIKE applies these EACs 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. EACs applied in calculating Scope 2 (market-based) emissions for fiscal year 2023 have been contracted and will be retired before June 1, 2024.
Electricity Contracts	Where EACs generated via (virtual) power purchase agreements are retained by NIKE, NIKE applies these EACs 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 next page.

<sup>122</sup> Refrigerant 410a is the most common refrigerant used in NIKE facilities, however, trace amounts of other refrigerant types (such as 4134a, R407c, R448a, R404, and R22) are included in this total.

<sup>123</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 FY23 reported data as Power Purchase Agreements initiated in FY20 and FY21 are used instead.

## NIKE, INC. MANAGEMENT ASSERTION

### ENERGY AND EMISSIONS

This table outlines the emission factor sources used in FY23 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 Emission Factors from Cross-Sector Tools March 2017
Scope 2	Electricity	Contractual instruments: (Virtual) Power Purchase Agreements (vPPA); energy attribute certificates (EAC). In FY23 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 APLA (Asia Pacific Latin America) that purchase solar and/or wind, biomass, or small scale 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 July 2022 (Updated October 2022) <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. and Canada)	eGRID (location-based) September 2023 <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 June 2023 <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) September 2022 <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>



# NIKE, INC. MANAGEMENT ASSERTION

## ENERGY AND EMISSIONS

### 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 remains 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 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

# 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, NIKE has funded \$2,025,000 to implement projects with NGO partners in India, Australia, Pakistan, Brazil, and the United States.

### 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.

The project types included in this volume of water restored include:

1. Agricultural water demand reduction measures (Beed District, Maharashtra State, India)
  - a. VWB (Volumetric Water Benefit) Indicator: Reduced consumption
  - b. Calculation Method: Consumption 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

9. Floodplain reconnection (Atchafalaya Basin, Louisiana, United States) – *project to kick off in FY24*
  - a. VWB Indicator: Change in flow conditions
  - b. Calculation Method: Hydrograph method

10. Land and vegetation restoration (Atlantic Forest, Brazil) – *project to kick off in FY24*
  - a. VWB Indicator: Potential maximum soil retention
  - b. Calculation Method: Curve Number method

## GRI

# 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	FY23 Form 10-K: Item 1. Business: pages 1–2 FY23 Form 10-K: Item 2. Properties: page 24		
2-2	Entities included in the organization's sustainability reporting	Reporting Methodology: <a href="#">page 142</a> FY23 Form 10-K: Item 1. Business: page 1		
2-3	Reporting period, frequency and contact point	Reporting Methodology: <a href="#">page 142</a> NIKE reports on an annual reporting cycle		
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 cumulative water restoration funding). More information can be found in the Appendix.</p> <p>COVID-19 Methodology 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>		

## GRI


GRI NUMBER	DISCLOSURE	LOCATION AND NOTES	OMISSION	UNGC PRINCIPLE/ SDG MAPPING
2-4	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 detail here.</a></p>		
2-5	External assurance	<p>Reporting Methodology: <a href="#">page 142</a> Assurance Report: <a href="#">page 209</a></p>		
2-6	Activities, value chain and other business relationships	<p>FY23 Form 10-K: Item 1. Business: pages 1–7 FY23 Form 10-K: Item 1A. Risk factors: page 15 FY23 Form 10-K: Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations: page 28 Supplier Code of Conduct: <a href="#">pages 66–68</a> Data Tables: <a href="#">pages 156–158</a></p>		



# GRI



GRI NUMBER	DISCLOSURE	LOCATION AND NOTES	OMISSION	UNGC PRINCIPLE/ SDG MAPPING																																								
2-7	Employees	<p>Data Tables: <a href="#">pages 149–158</a>                      NIKE, Inc. Management Assertion: <a href="#">page 179</a>                      FY23 Form 10-K: Item 7. Management’s discussion and analysis of financial condition and results of operations: page 28                      FY23 Form 10-K: Note 19 - Restructuring: page 90</p> <p>Additional Information</p> <table border="1"> <thead> <tr> <th>FY23 TOTAL EMPLOYEES BY EMPLOYMENT TYPE AND GENDER*</th> <th>UNKNOWN HC</th> <th>FEMALE HC</th> <th>FEMALE % OF TOTAL</th> <th>MALE HC</th> <th>MALE % OF TOTAL</th> </tr> </thead> <tbody> <tr> <td>Full-Time</td> <td>2</td> <td>28,410</td> <td>75.4%</td> <td>29,012</td> <td>76.2%</td> </tr> <tr> <td>Part-Time</td> <td>0</td> <td>9,270</td> <td>24.6%</td> <td>9,054</td> <td>23.8%</td> </tr> <tr> <td><b>Total Regular</b></td> <td><b>2</b></td> <td><b>37,680</b></td> <td><b>100.0%</b></td> <td><b>38,066</b></td> <td><b>100.0%</b></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>FY23 NIKE, INC. EMPLOYEE TOTALS BY ETHNICITY (U.S.)**</th> <th>ALL EMPLOYEES</th> <th>DIRECTORS+</th> <th>VPS</th> </tr> </thead> <tbody> <tr> <td>U.S. Racial and Ethnic Minorities</td> <td>64.2%</td> <td>34.0%</td> <td>35.3%</td> </tr> <tr> <td>Unknown</td> <td>2.0%</td> <td>1.5%</td> <td>1.7%</td> </tr> <tr> <td>White (Not Hispanic/Latino)</td> <td>33.8%</td> <td>64.5%</td> <td>62.9%</td> </tr> </tbody> </table>	FY23 TOTAL EMPLOYEES BY EMPLOYMENT TYPE AND GENDER*	UNKNOWN HC	FEMALE HC	FEMALE % OF TOTAL	MALE HC	MALE % OF TOTAL	Full-Time	2	28,410	75.4%	29,012	76.2%	Part-Time	0	9,270	24.6%	9,054	23.8%	<b>Total Regular</b>	<b>2</b>	<b>37,680</b>	<b>100.0%</b>	<b>38,066</b>	<b>100.0%</b>	FY23 NIKE, INC. EMPLOYEE TOTALS BY ETHNICITY (U.S.)**	ALL EMPLOYEES	DIRECTORS+	VPS	U.S. Racial and Ethnic Minorities	64.2%	34.0%	35.3%	Unknown	2.0%	1.5%	1.7%	White (Not Hispanic/Latino)	33.8%	64.5%	62.9%		
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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: <a href="#">page 147</a>                      Data Tables: <a href="#">pages 149–151</a> and <a href="#">154</a>                      FY23 Proxy Statement: page 5                      FY23 Proxy Statement: pages 21–23</p>		 																																								
2-10	Nomination and selection of the highest governance body	<p><a href="#">Nominating &amp; Corporate Governance Committee</a>                      2023 Proxy Statement: page 20</p>																																										
2-11	Chair of the highest governance body	<a href="#">Welcome to NIKE, Inc.</a>																																										

## GRI

GRI NUMBER	DISCLOSURE	LOCATION AND NOTES	OMISSION	UNGC PRINCIPLE/ SDG MAPPING
2-12	Role of the highest governance body in overseeing the management of impacts	Governance: <a href="#">page 147</a> FY23 Proxy Statement: page 24 <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: <a href="#">page 147</a>		
2-14	Role of the highest governance body in sustainability reporting	Reporting Methodology: <a href="#">page 142</a>		
2-15	Conflicts of interest	Supplier Code of Conduct: <a href="#">pages 66–68</a>		
2-16	Communication of critical concerns	Supplier Code of Conduct: <a href="#">pages 66–68</a> <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> FY23 Proxy Statement: page 23		
2-19	Remuneration policies	FY23 Proxy Statement: pages 42–43		
2-20	Process to determine remuneration	<a href="#">Compensation Committee</a> FY23 Proxy Statement: pages 29–40		
2-21	Annual total compensation ratio	2023 Proxy Statement: pages 52–53 Pay & Benefits: <a href="#">pages 41–44</a>		
2-22	Statement on sustainable development strategy	Letter from Our CEO: <a href="#">page 2</a>		



## GRI

GRI NUMBER	DISCLOSURE	LOCATION AND NOTES	OMISSION	UNGC PRINCIPLE/ SDG MAPPING
2-23	Policy commitments	<a href="#">Sustainability Commitments</a> <a href="#">Sustainability Policies</a> <a href="#">Human Rights and Labor Compliance Standards (2018)</a> <a href="#">Supplier Code of Conduct: pages 66–68</a> <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> <a href="#">Supplier Code of Conduct: pages 66–68</a> <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	<a href="#">Supplier Code of Conduct: pages 66–68</a> <a href="#">Human Rights and Labor Compliance Standards (2018)</a>		
2-26	Mechanisms for seeking advice and raising concerns	<a href="#">Supplier Code of Conduct: pages 66–68</a> <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: <a href="#">pages 149–187</a>		
2-28	Membership associations	<a href="#">Impact Partnerships and Collaborations</a>		
2-29	Approach to stakeholder engagement	Issue Prioritization: <a href="#">pages 143–146</a> <a href="#">Impact Partnerships and Collaborations</a>		
2-30	Collective bargaining agreements	FY23 Form 10-K: page 6		UNGC Principle 3




# GRI

## Material topics

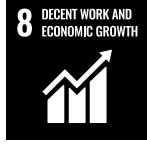





GRI STANDARD	GRI NUMBER	DISCLOSURE	LOCATION AND NOTES	OMISSION	UNGC PRINCIPLE / SDG MAPPING
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Issue Prioritization: <a href="#">page 143</a>		
	3-2	List of material topics	Issue Prioritization: <a href="#">page 144</a>		

## Economic performance

GRI 3: Material Topics 2021	3-3	Management of material topics	2023 Form 10-K: Item 1A. Risk Factors page 11		
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	2023 Form 10-K: Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations pages 28–29		
	201-2	Financial implications and other risks and opportunities due to climate change	2023 Form 10-K: pages 11–12 2023 CDP Climate Change Response		




# GRI

GRI STANDARD	GRI NUMBER	DISCLOSURE	LOCATION AND NOTES	OMISSION	UNGC PRINCIPLE / SDG MAPPING
<b>Materials</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	Carbon: <a href="#">pages 88–91</a> <a href="#">Sustainability Commitments</a>		
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Carbon: <a href="#">page 91</a> 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.		  UNGC Principle 8
	301-2	Recycled input materials used	Carbon: <a href="#">pages 88–91</a>		
	301-3	Reclaimed products and their packaging materials	Waste: <a href="#">pages 97–103</a>		
<b>Energy</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	Carbon: <a href="#">pages 75–87</a> <a href="#">Sustainability Commitments</a> <a href="#">NIKE Code Leadership Standards: pages 22–23</a> 2023 CDP Climate Change Response		
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Data Tables: <a href="#">page 160</a> 2023 CDP Climate Change Response, C8.2a		    UNGC Principle 8
	302-2	Energy consumption outside of the organization	Carbon: <a href="#">pages 84–87</a> Data Tables: <a href="#">pages 171–173</a>		
	302-3	Energy intensity	Appendix: <a href="#">page 183</a>		
	302-4	Reduction of energy consumption	Carbon: <a href="#">page 75</a> Data Tables: <a href="#">pages 160–162</a>		
	302-5	Reductions in energy requirements of products and services	NIKE does not currently measure reductions in energy requirements of products and services.		







# GRI

GRI STANDARD	GRI NUMBER	DISCLOSURE	LOCATION AND NOTES	OMISSION	UNGC PRINCIPLE / SDG MAPPING
<b>Water and effluents</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	Water: <a href="#">pages 106–109</a> <a href="#">Sustainability Commitments</a> <a href="#">NIKE Code Leadership Standards: pages 32–37</a>		
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water: <a href="#">pages 107–109</a> 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: <a href="#">pages 106–109</a>		
	303-4	Water withdrawal	Appendix: <a href="#">page 188</a> 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: <a href="#">pages 106–107</a>		



# GRI

GRI STANDARD	GRI NUMBER	DISCLOSURE	LOCATION AND NOTES	OMISSION	UNGC PRINCIPLE / SDG MAPPING
<b>Emissions</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	Carbon: <a href="#">pages 73–93</a> <a href="#">Sustainability Commitments</a> <a href="#">NIKE Code Leadership Standards: pages 23–25</a>		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Data Tables: <a href="#">pages 159–162</a> NIKE, Inc. Management Assertion: <a href="#">page 179</a> 2023 CDP Climate Change Response: C6.1a Additional Information NIKE converts all energy consumption to kWh using net calorific value of the direct fuel consumption, including transportation fuels. Emissions data for HFCs, PFCs and SF6 are not reported. NIKE has phased out SF6 and therefore doesn't have SF6 emissions. Emissions for other greenhouse gases are either not relevant, immaterial or data is not available. 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. Additional breakdowns of Scope 1 and 2 emissions are shown on the following two pages.		   

UNGC Principle 8






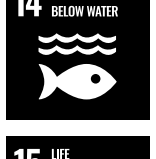

# GRI

GRI STANDARD	GRI NUMBER	DISCLOSURE	LOCATION AND NOTES	OMISSION	UNGC PRINCIPLE / SDG MAPPING
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	Data Tables: <a href="#">pages 159–162</a> NIKE, Inc. Management Assertion: <a href="#">page 179</a> 2023 CDP Climate Change Response: C6.3		
	305-3	Other indirect (Scope 3) GHG emissions	<p>Data Tables: <a href="#">pages 163; 165</a> NIKE, Inc. Management Assertion: <a href="#">page 179</a> 2023 CDP Climate Change Response: C6.5</p> <p>Scope 3 Emissions: Since the publication of the FY22 NIKE Impact Report in March 2023, NIKE updated the methodology used to calculate a subset of Scope 3 emissions, starting with FY23 data. These updates did not have a material impact on emissions and thus were not deployed to prior years. More information on these methodological changes is provided below.</p> <p>Category 1 – Purchased Goods And Services Materials used in Product 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>Socks As of the FY23 scope 3 datasets reported, NIKE updated the emissions factor used to calculate the impact of socks manufacturing and raw material sourcing by incorporating NIKE specific product data, leveraging materials derived from cost breakdowns.</p> <p>Tiers 3 and 4 (Raw Materials) The source system used to determine the count of units employed to estimate raw materials emissions shifted from a legacy source to a new enterprise data solution.</p> <p>Additionally, and consistent with previous years, we continue to strive to improve accuracy of mapping business material level attributes to environmental process data in Higg.</p> <p>Materials used in Packaging NIKE shifted the data source used for packaging volume and weight in distribution centers, from internal surveys to systems-based data. Extrapolations have been used for the distribution centers not captured within the system.</p> <p>Additionally, and consistent with previous years, we continue to strive to improve accuracy of modelling packaging materials and manufacturing processes to the appropriate environmental impact data.</p>		

UNGC Principle 8








# GRI

GRI STANDARD	GRI NUMBER	DISCLOSURE	LOCATION AND NOTES	OMISSION	UNGC PRINCIPLE / SDG MAPPING
GRI 305: Emissions 2016	305-3	Other indirect (Scope 3) GHG emissions	<p>Scope 3 emissions: Category 12 – End-Of-Life (EOL)</p> <p>Product See note on Tiers 3 and 4 (Raw Materials) changes above in Category 1, which are also applicable for Category 12, Product EOL.</p> <p>Packaging EOL impacts of Packaging are reported in category 12 as of FY22. See note on Packaging changes above in Category 1, which are also applicable for Category 12, Packaging EOL.</p> <p>Other Emissions from landfilled waste in finished goods manufacturing were eliminated as no waste is being sent to landfill as of FY23.</p> <p>Assumptions reflecting COVID impacts in employee commuting have been adjusted as full return to work was in place for the entirety of FY23.</p>		    
	305-4	GHG emissions intensity	NIKE, Inc. Management Assertion: <a href="#">page 179</a>		UNGC Principle 8



# GRI








GRI STANDARD	GRI NUMBER	DISCLOSURE	LOCATION AND NOTES	OMISSION	UNGC PRINCIPLE / SDG MAPPING
GRI 305: Emissions 2016	305-5	Reduction of GHG emissions	Carbon: <a href="#">page 75</a>		    
	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.		

UNGC Principle 8





# GRI

GRI STANDARD	GRI NUMBER	DISCLOSURE	LOCATION AND NOTES	OMISSION	UNGC PRINCIPLE / SDG MAPPING
<b>Waste</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	Waste: <a href="#">pages 94–103 Sustainability Commitments</a> <a href="#">NIKE Code Leadership Standards: pages 26–31</a>		
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste: <a href="#">pages 94–103</a>		   
	306-2	Management of significant waste-related impacts	Waste: <a href="#">pages 94–103</a>		   <p>UNGC Principle 8</p>



# GRI

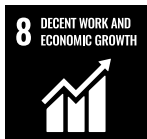

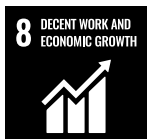

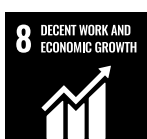



GRI STANDARD	GRI NUMBER	DISCLOSURE	LOCATION AND NOTES	OMISSION	UNGC PRINCIPLE / SDG MAPPING
GRI 306: Waste 2020	306-3	Waste generated	Data Tables: <a href="#">page 178</a> Most DC, office and Air MI waste disposal data and method has been determined by information provided by waste disposal contractors. In some facilities, NIKE directly contracts with disposal providers for material-specific streams or specific containers. In other facilities, NIKE uses one provider for all waste streams. Contract manufacturers report their solid waste generation and disposal method to NIKE in accordance with NIKE’s Waste Program, which outlines separation and handling practices for non-hazardous waste and defines waste items and management methods.		    
	306-4	Waste diverted from disposal	Waste: <a href="#">pages 97–100</a>		
	306-5	Waste directed to disposal	Waste: <a href="#">page 100</a>		

## Occupational health and safety

GRI 3: Material Topics 2021	3-3	Management of material topics	Health and Safety: <a href="#">pages 58–61</a> <a href="#">NIKE Code Leadership Standards: pages 83–105</a>		
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Health and Safety: <a href="#">page 60</a> <a href="#">NIKE Code Leadership Standards: pages 17–20, 83–105</a>		
	403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety: <a href="#">page 60</a>		
	403-3	Occupational health services	Health and Safety: <a href="#">page 60</a> <a href="#">NIKE Code Leadership Standards: pages 83–105</a>		








# GRI

GRI STANDARD	GRI NUMBER	DISCLOSURE	LOCATION AND NOTES	OMISSION	UNGC PRINCIPLE / SDG MAPPING
GRI 403: Occupational Health and Safety 2018	403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety: <a href="#">page 59</a> <a href="#">NIKE Code Leadership Standards: pages 83–105</a>		 
	403-5	Worker training on occupational health and safety	Health and Safety: <a href="#">pages 60–61</a> <a href="#">NIKE Code Leadership Standards: pages 83–105</a> <a href="#">Supply Chain Health and Safety</a>		
	403-6	Promotion of worker health	Health and Safety: <a href="#">pages 58–61</a> <a href="#">NIKE Code Leadership Standards: pages 83–105</a> <a href="#">Supply Chain Health and Safety</a>		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety: <a href="#">pages 58–61</a> <a href="#">NIKE Code Leadership Standards: pages 83–105</a> <a href="#">Supply Chain Health and Safety</a>		
	403-8	Workers covered by an occupational health and safety management system	Health and Safety: <a href="#">pages 58–61</a> <a href="#">NIKE Code Leadership Standards: pages 83–105</a> <a href="#">Supply Chain Health and Safety</a>		
	403-9	Work-related injuries	Data Tables: <a href="#">page 155</a>		
	403-10	Work-related ill health	Pay and Benefits: <a href="#">pages 43–44</a> <a href="#">NIKE Code Leadership Standards: pages 83–105</a> Data Tables: <a href="#">pages 155–156</a> <a href="#">Supply Chain Health and Safety</a>		 



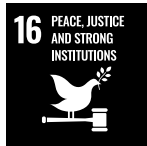


# GRI

GRI STANDARD	GRI NUMBER	DISCLOSURE	LOCATION AND NOTES	OMISSION	UNGC PRINCIPLE / SDG MAPPING
<b>Diversity and equal opportunity</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	Representation: <a href="#">pages 19–29</a> Pay & Benefits: <a href="#">pages 41–44</a> Inclusive Culture & Engagement: <a href="#">pages 30–35</a> <a href="#">Sustainability Commitments</a> <a href="#">NIKE Code Leadership Standards: pages 112–114</a>		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Data Tables: <a href="#">pages 151; 155</a> Representation: <a href="#">pages 19–20, 28–29</a>		   UNGC Principle 6
	405-2	Ratio of basic salary and remuneration of women to men	Pay & Benefits: <a href="#">page 41</a>		
<b>Forced or compulsory labor</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	Supplier Code of Conduct: <a href="#">pages 66–68</a> <a href="#">Sustainability Commitments</a> <a href="#">NIKE Code Leadership Standards: pages 106–112</a>		
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Data Tables: <a href="#">page 157</a> Supplier Code of Conduct: <a href="#">pages 66–68</a>		  UNGC Principle 4



# GRI

GRI STANDARD	GRI NUMBER	DISCLOSURE	LOCATION AND NOTES	OMISSION	UNGC PRINCIPLE / SDG MAPPING
<b>Supplier social assessment</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	Health and Safety: <a href="#">pages 58–61</a> NIKE Code Leadership Standard: <a href="#">pages 63–71</a>		
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Supplier Code of Conduct: <a href="#">pages 66–68</a>		  
	414-2	Negative social impacts in the supply chain and actions taken	Supplier Code of Conduct: <a href="#">pages 66–68</a> Data Tables: <a href="#">pages 157–158</a>		

# GRI

## Reference GRI 2-4: Restatements of information

DATASET	PAGE	REASON
Target: 70% Emissions Reduction in Owned or Operated Facilities  Metrics: Scope 1 Emissions; Scope 2 Market-Based Emissions; Renewable Electricity; Renewable Energy	12, 75, 159, 166	<p>Historical revisions on this target and underlying datasets stemmed from the following changes:</p> <p>Refrigerants – Expanded the scope 1 boundary to include retail and a broader scope of distribution center refrigerants than previously captured.</p> <p>Renewable Electricity and Energy – Corrected the amounts reported for FY22 to reflect the accounting for energy attribute certificates that were (i) purchased and retired but not applied to electricity consumed and (ii) purchased and retired but over applied in relation to electricity consumed during our fiscal year ended May 31, 2022.</p> <p>Prior to the revisions:</p> <p>FY20-22 Inc. scope 1 emissions (metric tons): 52,312, 46,462, and 50,868</p> <p>FY20-22 Retail scope 1 emissions (metric tons): 18,210, 17,761, and 18,611</p> <p>FY20-22 DC scope 1 emissions (metric tons): 9,676, 11,224, and 12,149</p> <p>FY22 Inc. scope 2 market-based emissions (metric tons): 24,900</p> <p>FY22 Retail scope 2 market-based emissions (metric tons): 10,178</p> <p>FY22 Offices scope 2 market-based emissions (metric tons): 4,062</p> <p>FY22 DC scope 2 market-based emissions (metric tons): 7,708</p> <p>FY22 Inc. renewable electricity (MWh / %): 547,406 / 93%</p> <p>FY22 Inc. renewable energy (MWh ): 550,114 (% did not change)</p>
Target: 0.5M metric tons of GHG emissions reduced through increasing our use of environmentally preferred materials to 50% of all key materials  Metrics: Emissions Reduced; % Environmentally Preferred Materials )	12, 88, 89, 90, 159	<p>FFY22 emissions savings via EPM and % EPM figures have been updated, resulting from revisions to underlying leather and third-party certified cotton data.</p> <p>Leather - Volume data were revised due to the integration of Lower Carbon Impact Leather. The reduced carbon impact associated with the Lower Carbon Impact Leather materials resulted from enhancements in both data and operational changes such as the reduction of waste, incorporation of renewable energy, and increased efficiencies in the material production process, reflected via individual vendor life cycle assessments (LCAs) specific to their operations and manufacturing and effective for FY22. The LCAs dictated that the emissions intensity of relevant vendors falls within the criteria NIKE established when setting FY25 targets to enable the addition of potential new lower carbon impact leather options. NIKE's approach to defining the effective date upon which updated materials emissions factors are applied is aligned with NIKE's approach to making grid emissions factor updates, using publication year rather than data year as the basis of the application.</p> <p>Criteria qualifying leather as an EPM: leather that 1) reduces NIKE's enterprise carbon impact vs. conventional leather, 2) has an emissions intensity differential vs. conventional leather that is greater than or equal to Flyleather's emissions intensity differential vs. conventional leather, and 3) is incremental volume when compared to FY20 volume of the specific preferred leather, when 4) the ratio of preferred leather to conventional leather has increased vs. FY20. Preferred leather currently includes synthetic leather, Flyleather, and Lower Carbon Impact Leather that has been quantified via a validated LCA. Apparel EPMs - recycled polyester, organic cotton, recycled cotton, and third-party certified cotton.</p> <p>Third-party certified cotton - Data were revised due to a methodology adjustment that recalibrated annual performance calculations by releasing a quarterly cap on the amount of third-party credits that can be claimed, which is applied for internal quarterly reporting to prevent over claiming credits, and instead applying an annual cap. This cap ensures that the volume of third-party credits claimed within a fiscal year do not exceed the volume of conventional cotton used and acknowledges the lag that exists between producing cotton and procuring credits.</p> <p>Prior to the revisions:</p> <p>FY22 Inc. Emissions Reduced (metric tons): 0.183M</p> <p>FY22 Inc. Environmentally Preferred Materials (%): 39%</p> <p>FY20-22 Third-party Certified Cotton (metric tons / %): 85,139 / 75%, 66,776 / 58%, 94,417 / 66%</p>
Target: 13B L Water Restored in Our Extended Cotton Supply Chain  Metrics: Liters of Water Restored	13, 108	<p>NIKE's technical partner in water restoration provided NIKE with an updated assessment of the India project's water savings due to an error in the initial calculation. Irrigation efficiency estimates were revised, leading to water savings estimates for this project shifting.</p> <p>Prior to the revision:</p> <p>FY21 – 22 Total Liters of Water Restored: 2.06B, 3.72B</p> <p>FY21 – 22 India Liters of Water Restored: 11.7M, 11.7M</p>



## SUSTAINABLE ACCOUNTING STANDARDS BOARD (SASB) INDEX

TOPIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE
<b>Management of Chemicals in Products</b>					
Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	n/a	CG-AA-250a.1		Chemistry, <a href="#">pages 110–113</a> <a href="#">Approach to Chemistry Playbook</a>
Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-AA-250a.2		Chemistry, <a href="#">pages 110–113</a> <a href="#">Approach to Chemistry Playbook</a>
<b>Environmental Impacts in the Supply Chain</b>					
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	Quantitative	Percentage (%)	CG-AA-430a.1	In FY23, <b>100%</b> of facilities met legal compliance as assessed through FEM and 97% of facilities assessed through ZDHC wastewater testing reported compliance to the ZDHC wastewater guideline.	Foundational Expectations, <a href="#">pages 67–68</a> <a href="#">Water, pages 106–109</a> <a href="#">NIKE's Sourcing and Manufacturing Standards</a> <a href="#">Approach to Chemistry Playbook</a>
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Quantitative	Percentage (%)	CG-AA-430-a.2	In FY23, <b>86.6%</b> of Tier 1 supplier facilities completed either industry (Higg FEM) or NCAT assessments. In FY23, <b>100%</b> of in-scope Tier 2 facilities completed assessments. Tier 2 scope is defined as suppliers representing approximately 90% of total footwear upper materials and apparel textiles production.	Foundational Expectations, <a href="#">pages 67–68</a> <a href="#">NIKE's Sourcing and Manufacturing Standards</a> <a href="#">2025 Targets Summary</a>

## SUSTAINABLE ACCOUNTING STANDARDS BOARD (SASB) INDEX

TOPIC	CATEGORY	UNIT OF MEASURE	CODE	DATA	REFERENCE
<b>Labor Conditions in the Supply Chain</b>					
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	Quantitative	Percentage (%)	CG-AA-430b.1	In FY23, <b>86.6%</b> of Tier 1 supplier facilities have been audited to NIKE Code of Conduct, either on SLCP, BW or NCAT assessments.  In FY23, <b>96.1%</b> of in-scope Tier 2 facilities completed assessments. Tier 2 scope is defined as suppliers representing approximately 90% of total footwear upper materials and apparel textiles production.	Foundational Expectations, <a href="#">pages 67–68</a> <a href="#">NIKE’s Sourcing and Manufacturing Standards</a>
Priority non-conformance rate and associated corrective action rate for suppliers’ labor code of conduct audits	Quantitative	Rate	CG-AA-430b.2	In FY23, 28% of factories were rated below Bronze (baseline compliance with NIKE Code of Conduct).  When facilities receive a below-compliance rating, they are expected to remediate the issue with onsite verification of the remediation within six months. In all instances, full re-audits are conducted to verify corrective actions have been completed.	Foundational Expectations, <a href="#">page 68</a> <a href="#">NIKE’s Sourcing and Manufacturing Standards</a>
Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	Discussion and Analysis	n/a	CG-AA-430b.3		Risk Management, <a href="#">page 142</a> Issue Prioritization, <a href="#">pages 143–146</a>
<b>Raw Materials Sourcing</b>					
Description of environmental and social risks associated with sourcing priority raw materials	Discussion and Analysis	n/a	CG-AA-440a.1		Carbon (Target: 0.5M metric tons of GHG emissions reduced through increasing our use of environmentally preferred materials to 50% of all key materials), <a href="#">page 88</a>
Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	Quantitative	Percentage (%) by weight	CG-AA-440a.2	Materials (FY23) – Rubber: 3% recycled – Cotton: 12% certified organic, 72% third-party certified, and 1.8% recycled – Polyester: 56% recycled – EVA Foam: <1% recycled – Leather: <1% FlyLeather	Carbon (Target: 0.5M metric tons of GHG emissions reduced through increasing our use of environmentally preferred materials to 50% of all key materials), <a href="#">pages 88–91</a> Risk Management, <a href="#">page 142</a>
Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	Quantitative	Number	CG-AA-000.A	454 Tier 1 suppliers 180 total Tier 2 in scope of target	<a href="#">Manufacturing Map</a>



# ASSURANCE REPORT



Report of  
Independent  
Accountants

To the Board of Directors of NIKE, Inc.

We have reviewed the accompanying management assertion of NIKE, Inc. that the energy & emissions metrics for the year ended May 31, 2023 and the cumulative water restoration funding metric as of May 31, 2023 (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.

The firm applies the Statements on Quality Control Standards established by the AICPA.

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 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.

As discussed in management’s assertion, NIKE has estimated GHG emissions for certain emissions sources and consumption for energy metrics for which no primary usage data is available.

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 11, 2024

