

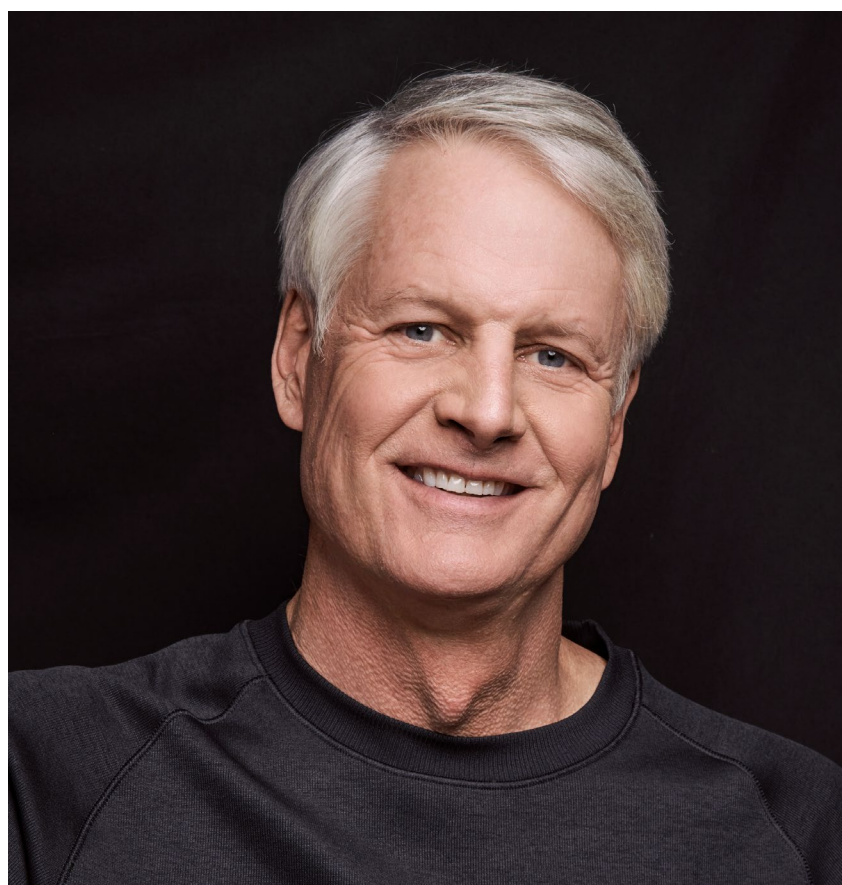
NIKE, Inc.
Impact Report
Executive Summary
FY22

GENERATION FOR THE NEXT GEN





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



*John Donahoe
President and CEO, NIKE, Inc.*

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

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

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

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

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

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

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

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

*John Donahoe
President and CEO
NIKE, Inc.*



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

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

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

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

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

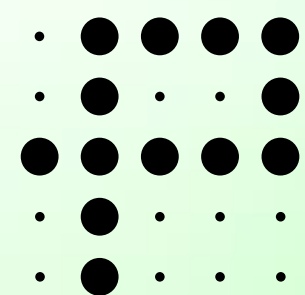
Michelle Peluso
Chair, Corporate Responsibility,
Sustainability & Governance Committee
NIKE, Inc. Board of Directors



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Introduction *Impact Summary*

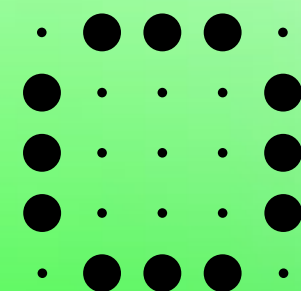


Play

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

375K

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

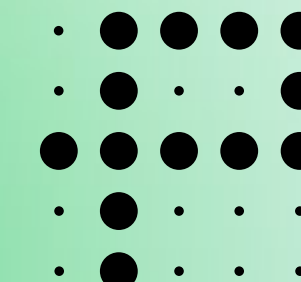


Planet

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

64%

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



Play

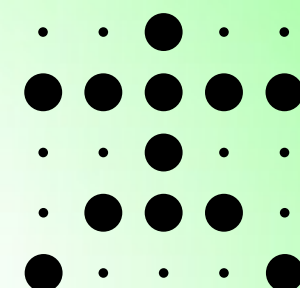
An inspiring female coach encourages a young trans athlete to join the team. They feel supported and included.

17K

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

MOVING THE WORLD FORWARD

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

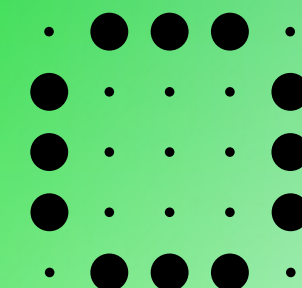


People

A colleague's promotion confirms your own path is just as possible as hers. Her mentorship and support of you has made all the difference.

51%

51% of our global corporate workforce are women.

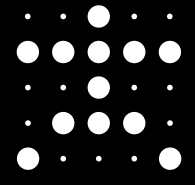


Planet

A world where waste is transformed into something new.

97%

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



PEOPLE



Target Progression *People*

Favorable Increase/Decrease
 Unfavorable Increase/Decrease

Target met



*Corporate***REPRESENTATION & HIRING**

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

PAY & BENEFITS

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

Target Progression *People*

 Favorable Increase/Decrease
 Unfavorable Increase/Decrease

 Target met

*Corporate***INCLUSIVE CULTURE & ENGAGEMENT**


Top quartile of benchmarked companies for both engagement⁷ and inclusion⁸

Average percent favorability engagement⁹

—

80%

79%

-1.0 p.p.


—


Top Quartile
FY22: 83%

Average percent favorability inclusion⁹

—

75%

77%

+2.0 p.p.


—

Top Quartile
FY22: 82%

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

Qualitative

—

—

—

—

—

—

EDUCATION & PROFESSIONAL DEVELOPMENT

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

% VPs completing training

—

0%

45%¹⁰

+45 p.p.


—

100%

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


\$ invested in professional development

\$76K

\$85K
1.1x

\$685K
9.0x

\$600K


\$609K


2x

**BUSINESS DIVERSITY & INCLUSION**

\$1 billion cumulative spend on diverse suppliers¹¹


\$ spent on diverse suppliers (cumulative)

—

\$282M¹²

\$777M

+\$495M


\$777M


\$1B



Target Progression *People*

Favorable Increase/Decrease
 Unfavorable Increase/Decrease

Target met

*Supplier*¹³

HEALTH & SAFETY

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

GENDER EQUITY

	Metric	FY20	FY21	FY22	FY22 change vs FY21	FY22 change vs Baseline	FY25 target
100% of strategic suppliers ¹⁴ have gender equitable workplaces ¹⁶	% suppliers achieving mature gender-equitable capability	—	0%	2%	+2 p.p. 	+2 p.p. 	100%

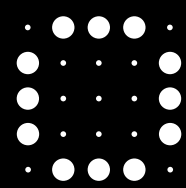
WORKER ENGAGEMENT

	Metric	FY20	FY21	FY22	FY22 change vs FY21	FY22 change vs Baseline	FY25 target
100% of strategic suppliers ¹⁴ are measuring and improving worker engagement ¹⁷	Strategic suppliers measuring and improving engagement	—	0%	21%	+21 p.p. 	+21 p.p. 	100%

*Foundational Expectations*¹⁸

CODE OF CONDUCT¹⁹

	Metric	FY20	FY21	FY22	FY22 change vs FY21	FY22 change vs Baseline	FY25 target
100% of facilities in our extended supply chain meet NIKE's foundational labor, health, safety and environmental standards	% compliance with Foundational Expectations	94%	85%	60%	-25 p.p. 	-34 p.p. 	100%
	% of facilities measured for compliance of anticipated total scope	66%	79%	97%	+18 p.p. 	+31 p.p. 	100%



PLANET



Target Progression *Planet*

Favorable Increase/Decrease
 Unfavorable Increase/Decrease

Target met

CARBON

70% absolute reduction of greenhouse gas (GHG) emissions in owned or operated facilities through 100% renewable electricity and fleet electrification^{20, 21}

Metric	FY20	FY21	FY22	FY22 change vs FY21	FY22 change vs Baseline	FY25 target
Owned or operated facility GHG emissions (metric tons CO ₂ e)	213,152	122,882	75,768 ²²	-38% 	-64% 	-70%
% renewable electricity	48%	78%	93% ²²	+15 p.p. 	+45 p.p. ²³ 	100%
Manufacturing and transportation GHG emissions (metric tons CO ₂ e)	3,650,162	2,864,812	3,086,965	+8% 	-15% 	0% change
Materials GHG emissions reduced (metric tons CO ₂ e)	96,020	123,367	182,611	48% 	90% 	500,000
% EPM	31%	32%	39%	+7 p.p. 	+8 p.p. 	50%

0% emissions change in manufacturing and transportation²⁴

0.5M metric tons emissions reduction through 50% environmentally preferred materials (EPM)²⁵

Target Progression *Planet*

Favorable Increase/Decrease
 Unfavorable Increase/Decrease

Target met

WASTE

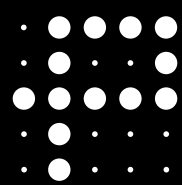
	Metric	FY20	FY21	FY22	FY22 change vs FY21	FY22 change vs Baseline	FY25 target
10% waste reduction per unit in manufacturing, distribution centers (DCs) and headquarters (HQs) ²⁶	Waste/unit (g/unit)	292.38	274.58	269.40	-2% 	-8% 	-10%
100% waste diverted; 80% recycled in manufacturing, packaging, DCs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

WATER

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

CHEMISTRY

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





Target Progression *Play*

Favorable Increase/Decrease
 Unfavorable Increase/Decrease

Target met

ACTIVE KIDS

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

Metric	FY20	FY21	FY22	FY22 change vs FY21	FY22 change vs baseline	FY25 target
% girl participation	—	52% ³¹	50%	-2 p.p. 	—	50%

INCLUSIVE COMMUNITY

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

\$ invested (cumulative)	—	\$36.6M	\$69.6M	\$33M 	\$69.6M 	\$125M
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EMPLOYEE ENGAGEMENT

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

% of employees engaged in their communities	37%	35%	35%	—	—	35%	
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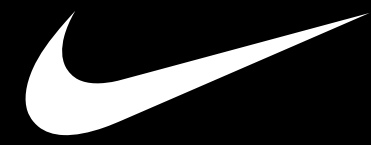
COMMUNITY INVESTMENT

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

% of prior-year, pre-tax income invested	1.9%	3.4%	2.2%	-1.2 p.p. 	+0.3 p.p. 	2%	
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Target Progression *Footnotes*

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



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