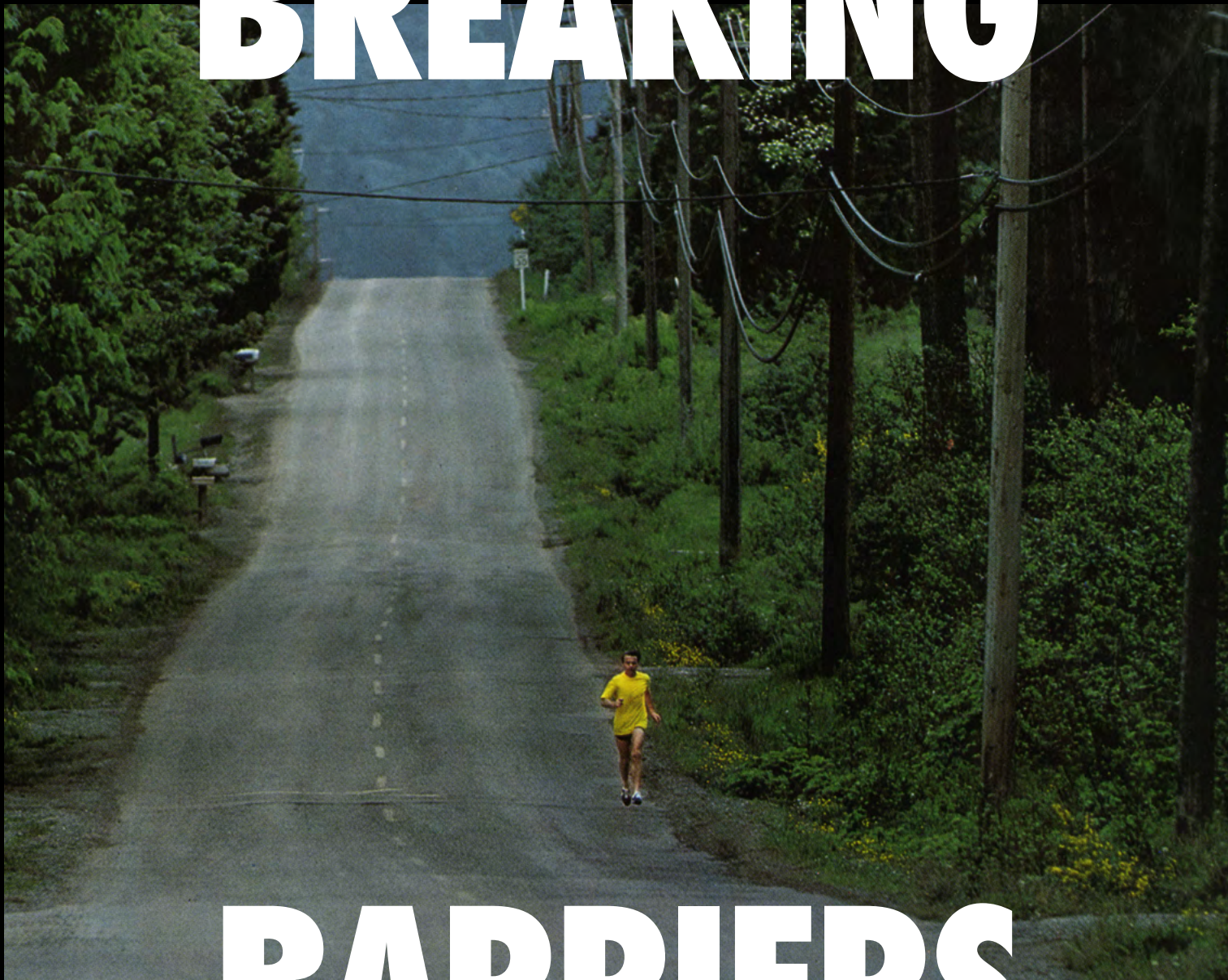


# BREAKING



# BARRIERS

FY21 NIKE, Inc. Impact Report  
Executive Summary





## Purpose Guides Us

This year, NIKE celebrates its 50th anniversary – and 50 years of moving the world forward through the power of sport.

Our journey started with Phil Knight and Bill Bowerman’s vision to build the best running shoes in the world. Our goal was simple: serve athletes. And our belief was clear: do the right thing.

Today, our passion for innovation still drives us. Our values continue to guide our growth. And our belief in sport will never, ever change. But now more than ever, we’re dreaming even bigger about the difference that NIKE can make.

Today, our ambition is to break barriers and build community to change the game for all. That means building a diverse, inclusive team and culture, and living the values that we share. It means innovating to protect our planet’s future – and the future of the communities we serve.

And it means moving people into action to create a better world – whether it’s helping more kids access the joy and power of play, partnering to shape more equitable communities, or lending our voice and our example to help drive bigger change.

Over the years, “Just Do It” has been a call to action for our team, too. We’re proud of the progress we’ve made. And we’re even more inspired by how much farther we can go.

Sport moves us forward. It always has. And it always will.



“I’ve logged close to 150,000 miles in my career, and I feel as though I’ve been a human barometer for change. I can see the changes in sport, in the world, in our environment. When I first started running, the so-called experts believed that if a woman ran more than a mile, she’d do bodily harm. Well, here I am, two kids later, and I see more women than men out running and chasing their dreams. I think that says a lot about how far we’ve come.”

Joan Benoit Samuelson, Long-distance runner



John Donahoe  
President and CEO, NIKE, Inc.

## Letter From John

If there is anything that NIKE’s story proves, it’s how powerful a shared purpose can be.

Fifty years ago, our journey began with a dream to serve athletes. As we grew, so did our belief in NIKE’s role and opportunity for impact in the world.

When we advocated for women’s right to compete on sport’s biggest stages, we saw the difference our voice could make. As we faced the threat of climate change, we realized that we couldn’t just wait for solutions – we had to help create them. And as our society reckoned with racial injustice, we understood our responsibility to act – in our communities, and inside NIKE.

Over the years, doing the right thing hasn’t always been easy. And we haven’t always gotten it right. But more than anything, what our journey has taught us is the importance of a bigger why.

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 today’s pressing challenges, I believe that NIKE’s potential to bring hope and inspiration matters more than ever.

Today, we’re redefining sport for a new generation. Whether it’s prioritizing mental health and well-being; expanding opportunity for women and girls; investing in youth sport and addressing barriers to access; or helping more kids and communities discover the power of play and movement, we’re working to shape a more equal, active and inclusive future.

We’re innovating to meet the challenges of climate change – designing products with circularity in mind, giving new life to worn footwear and apparel, and collaborating across the industry to reduce our collective footprint.

\* If you have a body, you are an athlete – Bill Bowerman, Cofounder, NIKE

Letter From John

We're more focused than ever on building a diverse, inclusive team and culture, because creating the change we want to see starts with us. And through our platforms and partnerships, we're inspiring and empowering others to join us in working toward a more equitable future.

NIKE's purpose is why I joined the company. And it's why I'm so honored to be a part of this incredible team.

NIKE is, and always will be, a brand of action. We don't just say we want to create positive change in the world – we set out to do it. And so long as we can help shape a brighter future, we will never stop working to do better.

For all the barriers that we have already broken, I believe our best chapters are ahead of us yet.

*President and CEO  
NIKE, Inc.*



“What I love about sport is the opportunity it provides for us to create change. If there's even one little girl who picks up a tennis racket, feels more confident in her skin, leads a more active life because she sees someone who looks like her step out onto the court, that's my greatest victory.”

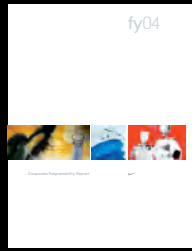
Naomi Osaka, Tennis player



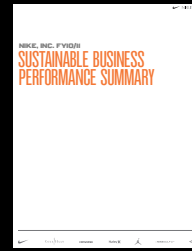
# 50

years of purpose

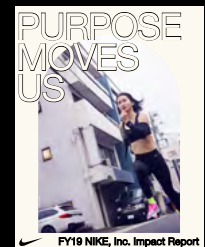
**LISTEN TO THE VOICE OF THE ATHLETE\*.**



**BE ON THE OFFENSE ALWAYS.**



**DO THE RIGHT THING.**



**THERE IS NO FINISH LINE.**

May 1 marks 50 years of NIKE relentlessly innovating for athletes. 2022 is also our 20th year reporting on our environmental and social impact. Like our history, our future will be rooted in transparency, accountability and the belief that progress is possible.

# 20

years of reporting



# 50

years of purpose

## REPORTING HIGHLIGHTS

Click [links](#) to be taken to the highlight

**2002**  
[First report](#)

[Workforce diversity disclosure](#)

**2007**

[First set of 5-year targets \(FY11\)](#)

[GHG footprint](#)

[Tier 1 contract factories disclosure](#)

**2012**

[Meta trend analysis](#)

[Scope 3 carbon reporting](#)

[FY15/20 targets](#)

**2016**

[Issue Prioritization](#)

[FY20 targets](#)

**2019**

[Transition to annual reporting](#)

[Science-Based Targets commitment](#)

[External validation of data \(carbon\)](#)

[Formal multi-stakeholder feedback on reporting](#)

[First GRI Index](#)

**2005**

[Carbon footprint of a shoe](#)

**2010**

[Value chain footprint](#)

**2014**

[Pay equity disclosure](#)

[SASB Summary](#)

[Tier 2 suppliers disclosure](#)

**2018**

[Purpose targets connected to executive compensation](#)

[FY25 targets](#)

**2021**

# 20

years of reporting



## Letter from the Chair of the Corporate Responsibility, Sustainability & Governance Committee

Purpose is woven into NIKE’s DNA – and foundational to NIKE’s future.

Over the years, purpose has shaped how NIKE operates its business, delivers sustainable growth, and creates value for consumers and shareholders. More than twenty years ago, the NIKE, Inc. Board of Directors established a Corporate Responsibility Committee specifically to oversee topics including environmental and sustainability initiatives, labor practices, community affairs and charitable activities, and diversity and equal opportunity. Not long after, NIKE released its first Corporate Responsibility Report, reaffirming its commitment to transparency and accountability.

While the language has evolved over the decades, NIKE’s commitment to do the right thing has remained unchanged. And the Board of Directors continues to actively oversee the company’s purpose, because we know that strong governance supports and enhances NIKE’s capacity to make progress.

Today, the Board primarily exercises its oversight of NIKE’s purpose through the Corporate Responsibility, Sustainability & Governance Committee. The committee oversees both the opportunities and risks associated with NIKE’s three purpose pillars – people, planet and play. As a committee, we have been proud to monitor the development of NIKE’s purpose 2025 Targets and the company’s performance against these targets. We are pleased to share NIKE’s progress in this FY21 Impact Report.

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

# PEOPLE

NIKE is building a more diverse, inclusive team and a culture of belonging that reflects the diversity of the athletes\* and communities we work for.



**4.1** PERCENTAGE POINT

increase in U.S. racial and ethnic minorities at Director and above to 30.3%

**3.7** PERCENTAGE POINT

increase in women in leadership roles globally to 43%

**4**

new programs to support employee well-being, including expanded mental health support, free counseling, financial coaching and increasing access to the Crisis Text Line



People

# FY21 Performance Summary

▲ Favorable ▼ Unfavorable

## People

Representation & Hiring	Metric	FY21	FY21 Change vs. Baseline	
50% representation of women in global corporate workforce and 45% in leadership positions	% women in global workforce	<b>50.4%</b>	0.2 p.p. <sup>2</sup>	▲
	% women in leadership positions	<b>43.0%</b>	3.7 p.p.	▲
30% representation of U.S. racial and ethnic minorities at Director level and above	% U.S. racial and ethnic minorities at Director level and above	<b>30.3%</b>	4.1 p.p.	▲
35% representation of U.S. racial and ethnic minorities <sup>3</sup> in our U.S. corporate workforce <sup>4</sup>	% U.S. racial and ethnic minorities in U.S. corporate workforce	<b>34.3%</b>	2.8 p.p.	▲
\$10 million investment in Historically Black Colleges and Universities (HBCUs) and Hispanic-Serving Institutions (HSIs)	\$ invested	<b>\$450,000</b>	-	▲
Enhance opportunities and marketing of open roles for first-line athletes <sup>5</sup> to compete for corporate roles	Qualitative	-	-	-
100% of strategic suppliers <sup>6</sup> have gender equitable (GE) workplaces <sup>6,7</sup>	% suppliers achieving mature gender equitable capability	<b>0%</b>	-	-
<b>Pay &amp; Benefits</b>				
100% pay equity across all employee levels on an annual basis	\$ earned by men/women; \$ earned by white/U.S. racial and ethnic minorities	<b>100%</b>	-	▲
Provide competitive and equitable benefits for all employees	Qualitative	-	-	-
<b>Health &amp; Safety</b>				
100% of strategic suppliers are building healthy and safe workplaces <sup>6,8</sup>	% suppliers with Level 3 health and safety maturity	<b>27%</b>	5 p.p.	▲
<b>Inclusive Culture &amp; Engagement</b>				
Top quartile of benchmarked companies for both engagement <sup>9</sup> and inclusion <sup>10</sup>	Percentile ranking for engagement	<b>65%</b>	-2 p.p.	▼
	Percentile ranking for inclusion	<b>63%</b>	-	▲
Continue to focus on improving access to athletes* of all abilities for our brand, our experiences, our product, our facilities and our company	Qualitative	-	-	-
100% of strategic suppliers are measuring and improving worker engagement <sup>6,11</sup>	Strategic suppliers measuring and improving engagement	<b>0%</b>	-	-
<b>Education &amp; Professional Development</b>				
100% of Vice Presidents complete and be credentialed on Inclusive Leadership education <sup>12</sup>	% VPs completing training	<b>0%</b>	-	-
2x investments focused on professional development for racial and ethnic minorities in the U.S. and women globally	\$ invested on professional development	<b>\$85,000</b>	1.12x	▲
<b>Business Diversity &amp; Inclusion</b>				
\$1 billion cumulative spend on diverse suppliers <sup>13</sup>	\$ spent on diverse suppliers	<b>\$197M</b>	-	▲

# PLAY

At NIKE, we're investing in initiatives and programs that help all kids access play and sport.



## \$97.7M

in community investment

## 38%

increase in donations directed by employees year over year

## ~600K

reached through programs to get kids moving, 55% of whom were girls



# FY21 Performance Summary

▲ Favorable ▼ Unfavorable

## Play

Active Kids	Metric	FY21	FY21 Change vs. Baseline	
Drive sustained community impact by getting kids moving in our key cities and sourcing backyards with 50% girl participation	% girl participation	<b>55%</b>	-	▲
<b>Inclusive Community</b>				
Invest \$125 million to support organizations working to level playing field and addressing racial inequality	\$ invested	<b>\$36.6M</b>	-	▲
<b>Employee Engagement</b>				
Increase the number of employees engaged in their communities to a minimum of 35%	% of employees engaged in their communities	<b>35%</b>	-2 p.p.	-
<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	<b>3.4%</b>	1.51 p.p.	▲

## Foundational Expectations

Foundational Expectations	Metric	FY21	FY21 Change vs. Baseline	
100% of facilities in our extended supply chain meet NIKE's foundational labor, health, safety and environmental standards	% compliance with foundational expectations	<b>85%</b>	-9 p.p.	▼
	% of facilities measured for compliance of anticipated total scope	<b>79%</b>	13 p.p.	▲



“The dream for me is that every kid has the same opportunities and chances in life.”

Nafi Thiam, Track and field athlete

# PLANET

We have a responsibility to develop more sustainable innovations that reduce our impact on the planet.



## 78%

renewable energy  
in our owned or  
operated facilities

## 100%

of manufacturing scraps  
diverted from landfill  
for our Tier 1 finished goods  
footwear suppliers

## 6.7 PERCENTAGE POINT

reduction in freshwater  
use for textile dyeing  
and finishing factories

# FY21 Performance Summary

▲ Favorable ▼ Unfavorable

## Planet

Carbon	Metric	FY21	FY21 Change vs. Baseline	
70% absolute reduction of greenhouse gas (GHG) emissions in owned or operated facilities through 100% renewable electricity and fleet electrification <sup>14,15</sup>	Owned or operated facility GHG emissions (metric tons CO <sub>2</sub> e)	<b>119,141<sup>16</sup></b>	-43%	▼
	% renewable electricity	<b>78%<sup>16</sup></b>	+64% <sup>17</sup>	▲
0% emissions change in manufacturing and transportation <sup>18</sup>	Manufacturing and transportation GHG emissions (metric tons CO <sub>2</sub> e)	<b>2,864,812</b>	-22%	▼
0.5M metric tons emissions reduction through 50% environmentally preferred materials <sup>19</sup>	Materials GHG emissions reduced (metric tons CO <sub>2</sub> e)	<b>123,367</b>	28%	▲
	% environmentally preferred materials (EPM)	<b>32%</b>	1 p.p.	▲
<b>Waste</b>				
10% waste reduction per unit in manufacturing, distribution centers (DCs) and headquarters (HQs) <sup>20</sup>	Waste/unit (g/unit)	<b>277.89</b>	-4%	▼
	% waste diverted from landfill and incineration	<b>97%</b>	1 p.p.	▲
100% waste diverted; 80% recycled in manufacturing, packaging, DCs and HQs <sup>21</sup>	% waste recycled	<b>69%</b>	1 p.p.	▲
	10x finished product waste (FPW) refurbished, recycled or donated <sup>22</sup>	FPW collected and recycled or donated (units)	<b>2,347,576</b>	1.8x
<b>Water</b>				
25% reduction in freshwater usage per kg textile dyeing and finishing <sup>23</sup>	Freshwater use/kg textile dyeing and finishing (L/kg)	<b>79.10</b>	-6%	▼
13B liters water restored in our extended cotton supply chain <sup>24</sup>	Water restored (L)	<b>2.06B<sup>25</sup></b>	-	▲
<b>Chemistry</b>				
Adopt clean chemistry alternatives for our 10 priority chemistries across our supply chain	# priority chemistries with clean chemistry alternative	<b>0</b>	-	-



“Life and the world are like the marathon. You have flat courses and free moments. And you can also have hilly courses and face challenges. Running a good marathon is not a one-day event – it’s years and months of training and consistency. The same is true for climate change. It’s good to think big. It’s good to dream big. But consistency and commitment will win this most important race.”

Eliud Kipchoge, Long-distance runner

## Purpose 2025 Targets: 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 9 Planet targets and the 3 Supply Chain targets, the target year (in which the target value is expected to be achieved) 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 U.S. corporate workforce includes all U.S.-based full-time employees who do not work in our retail stores, distribution centers and Nike Air manufacturing innovation (Air MI).
- 5 First-line athletes include full-time employees who work in our retail stores, distribution centers or Nike Air manufacturing innovation (Air MI).
- 6 Strategic Suppliers: Strategic Finished Goods Suppliers; Suppliers representing approximately 80% of total footwear and apparel production.
- 7 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 SDT’s 10 domains. This target baselined in FY21 as the tools to measure didn’t exist when the target period started. While none of the strategic suppliers reached a mature level of gender equity in FY21, more than 95% of suppliers met our FY21 milestone to deploy and validate the Gender Equity Diagnostic Tool, develop an action plan and implement actions.
- 8 Healthy and safe workplaces: Supplier must reach Level 3 safety and health maturity on Culture of Safety Maturity Assessment (CoSMA).
- 9 This index measures the emotional commitment our team members have for NIKE, influenced by their day-to-day experiences.
- 10 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.
- 11 Criteria for measuring and improving engagement must be met for the factory to count toward the target KPI 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 target baselined in FY21 and wasn’t measured in FY20.
- 12 At the end of FY21, no Vice Presidents had been credentialed because of the program launching in April 2021.
- 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 defined as African-American, Hispanic, Asian-American, Native-American, Pacific Islander or other types of ethnic minorities here in the United States.
- 14 Target represents NIKE’s Scope 1 and 2 emissions footprint, including facilities and HQ fleet vehicles, and corporate jets.
- 15 FY15 is the baseline for NIKE’s RE100 target, which was 14% renewable energy.
- 16 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, 2020, to May 31, 2021, as indicated in the Report of Independent Accountants.
- 17 Renewable electricity use was 14% when this target baselined in FY15.
- 18 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.
- 19 Footwear EPMS: Recycled Polyester, Recycled Rubber, Leather that reduces NIKE’s enterprise carbon impact; currently includes synthetic leather and Flyleather. Apparel EPMS: Recycled Polyester, Organic Cotton, Recycled Cotton, Third Party Certified Cotton.
- 20 Scope includes packaging applied in finished goods manufacturing; suppliers representing approximately 95% of total footwear production; Air Manufacturing Innovation; distribution centers; and Headquarter locations. Apparel manufacturing waste not yet included in reporting scope as data sources for target tracking are under establishment.
- 21 Scope includes suppliers representing approximately 95% of total footwear production and about 60% of apparel; Air Manufacturing Innovation; distribution centers; and Headquarter locations. Diverted: Includes waste to energy incineration, recycled waste and composted waste. Recycled: Includes recycled and composted waste.
- 22 Finished Product Waste 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.
- 23 Scope includes suppliers representing approximately 80% of total footwear upper materials and apparel textiles production.
- 24 Restored through a portfolio of projects that support long-term resilience for water-stressed ecosystems and communities within our extended cotton supply chain.
- 25 This metric is based on more than \$550,000 in funding from NIKE which is part of Management’s Assertion on select sustainability metrics, for which PwC has performed limited assurance over the cumulative funding since inception through May 31, 2021, as indicated in the Report of Independent Accountants.

FY21 NIKE, Inc. Impact Report

Executive Summary

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