NIKE RAW MATERIALS STANDARDS

RESPONSIBLE SUPPLY CHAIN

July 2025 | Version 1

RAW MATERIALS STRATEGY AT NIKE

The story of every NIKE[1] product — perfectly cushioned running shoes, performance-enhancing kit, brash streetwear, and the softest kids' gear — begins with how raw materials are sourced, traced, and transformed into Nike Footwear, Apparel, and Equipment.

These stories inspire lasting relationships between athletes* and our brand.

With tens of thousands of products manufactured by a complex global supply chain and sold in diverse markets, Nike must address three distinct challenges in raw materials sourcing:

- **Cultivating a world-class supply chain**, where facilities respect labor, health, safety, and environmental standards, and recognize the rights of workers.
- **Achieving traceability of all products**, enabling us to link finished goods to the individual batches of raw materials used in production.
- **Commodity-specific considerations** for sourcing key materials, helping to ensure they are produced responsibly and with respect for the environment.

To meet these challenges, we are continually evolving our materials, production methods, and reporting systems.

1 "Nike" means NIKE, Inc. and its direct and indirect subsidiaries, which include portfolio brands and divisions such as NIKE Brand, Jordan Brand, and Converse.

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

HUMAN RIGHTS & LABOR STANDARDS

At Nike, we believe a world-class supply chain is grounded in respect for the people who make and move our products. We focus on respect for human rights, inclusive of labor rights.[2] This is not only the right thing to do, it also promotes resiliency.

Our expectations are more specifically described in our policies, standards, and strategies.

FOSTERING A CULTURE OF HEALTH & SAFETY

Nike believes that the protection of life and health in the workplace is a fundamental right. We expect workers to be informed about the potential hazards of their jobs and adequately trained to perform their work safely. Our vision is that all workers have a safe, hygienic, and healthy workplace, with robust safety management systems that foster a strong culture of safety.

NATURE & BIODIVERSITY

Our approach to natural resources reflects our understanding of the importance of forest, water, land, and biodiversity conservation. We are committed to sourcing raw materials in a manner that respects the natural habitat and biodiversity, ensuring our operations foster environmental sustainability in and around the areas where we do business.

DEFORESTATION & CONVERSION-FREE POLICY

Nike is committed to eliminating deforestation and land conversion in our supply chains and expects suppliers globally to comply with the elements outlined in this policy. We align with the definitions of the Accountability Framework Initiative (Afi), and all suppliers must meet the AFi definitions of No-Deforestation and No-Conversion. These definitions can be found in Appendix A.

2 We look to the human rights defined in the Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Rights at Work. We also consider the U.N. Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises as best practice for understanding and managing human rights risks and impacts.

CERTIFICATIONS

Product and material certifications help Nike to trace certified materials, support product authenticity, drive environmental and social improvements deeper in the supply chain, and provide transparency when requested by consumers, regulators, and marketplace partners.

Nike supports the use of global industry standards wherever possible. Suppliers of recycled, organic, and responsible content must be certified to Nike-approved industry standards. At Nike's sole discretion, we may accept other equivalent methods of verification to meet our Raw Materials Standards.

VALIDATING ENVIRONMENTAL IMPACT CLAIMS

Life cycle assessment (LCA) uses quantitative assessment to evaluate the environmental impacts of each stage of a product's life — from raw materials, manufacturing and distribution to everyday use and eventual recycling or disposal. Potential environmental impacts can be quantified for a range of indicators including categories such as water use and global warming potential.

We use LCAs in three ways:

- To calculate material-level environmental impacts that can be used to develop and substantiate product sustainability claims.
- To direct our materials selection and development to reduce environmental impacts and help us reach our Science Based Targets.
- As a tool to help us collaborate with suppliers to target areas with the greatest potential for reducing our environmental footprint.

Nike encourages suppliers who wish to make water- or carbon-based claims to provide third-party validated LCA data and to submit their data through The Higg Materials Sustainability Index (The Higg MSI).

HIGG MATERIALS SUSTAINABILITY INDEX

The Higg MSI is a database of methodologically harmonized, peer-reviewed, and science-based LCA-derived raw materials emissions factors, including documentation of the LCAs from which they were derived. Nike uses these emissions factors in Nike environmental impact reporting as well as in the development of product environmental claims. It helps us to quantify the impact of material choices.

The Higg MSI helps us understand the cradle-to-gate impacts of different materials (such as textiles, plastics, metal, and leather). We combine this with primary Nike data on processing impacts and utilization to understand how different material choices, such as type and processing, change overall environmental impact. Built on trusted life cycle assessment data that's backed by science, leveraging the Higg MSI data enables comparison of environmental impacts between specific materials.

ANIMAL-DERIVED MATERIALS INCLUDING ANIMAL HIDES

This policy applies to all Nike products that contain Animal-Derived Material. If a material is not on the permitted list and is not specifically restricted, contact Sustainable.Product@nike.com to determine compliance with Nike's Animal-Derived Materials Policy.

Products made with Animal Hides must be accompanied by the appropriate Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) or other required export certificate where applicable.

PERMITTED ANIMAL HIDES

The following Animal Hides are permitted for use in products:

- Sheep (leather + hair-on hides / shearling; includes lamb)
- Cow (leather + hair-on hides)
- Goat
- Porcine

PERMITTED ANIMAL-DERIVED MATERIALS

The following Animal-Derived Materials are permitted for use in products:

- Wool
- Down
- Cashmere
- Mohair
- Alpaca

RESTRICTIONS

Animal Hides

- Animal Hides (specifically cow) must not be sourced in the Amazon biome.
- Animal Hides must not be considered exotic or protected. Examples include, but are not limited to, alligator, cheetah, crocodile, elephant, fish, horse, kangaroo, leopard, lion, lizard, marine mammals, ostrich, shark, snake, tiger, rays, rhinoceros, etc.
- Animal Hides must not be derived from any species of domesticated or feral dog or cat.
- Animal Hides must not be "fur," except that cow "hair-on" hides or sheep shearling are permitted as provided above.

Wool

Nike opposes the practice of mulesing and requires suppliers to source 100% mulesed-free wool.

Down

Nike supports down sourced from suppliers that produce it as a by-product of the meat industry. Suppliers must not supply down harvested from live birds nor sourced as a by-product of the foie gras industry. This requirement precludes the use of live plucking.

RESTRICTED BIOMES FOR LEATHER SOURCING

Raw hides / leather used in products must not be produced from cattle raised in the Amazon, Cerrado, or Gran Chaco biomes, as defined by Brazil's National Institute of Geography and Statistics (IBGE).

- Brazilian hide / leather suppliers are required to certify, in writing, that they are supplying hides / leather for products from cattle raised outside of the Amazon, Cerrado, and Gran Chaco biomes.
- Suppliers of Brazilian hides / leather for products must have an ongoing, traceable, and transparent system to provide credible assurances that hides / leather used for products are from cattle raised outside of the Amazon biome.

If suppliers are unable to provide credible assurances that hides / leather used for products are from cattle raised outside the Amazon biome, Nike will consider increasing the exclusion area to include all of the Amazon Legal (as defined by IBGE).

RELATED GUIDANCE

ANIMAL WELFARE

Suppliers must source Animal Hides from processors that use sound animal husbandry and humane animal treatment / slaughtering practices whether farmed, domesticated, or wild (managed). We expect our suppliers to adhere to verified animal welfare standards such as the American Humane Society's Five Animal Welfare Freedoms or equivalent:

- Freedom from hunger and thirst
- Freedom from discomfort
- Freedom from pain, injury, and disease
- Freedom to express normal behavior
- Freedom from fear and distress

Upon request, suppliers must provide documentation to verify adherence with these standards.

LEATHER WORKING GROUP (LWG)

Leather suppliers must screen tanning processes against the LWG Protocol to enable adherence to best environmental practices. For more information, visit www.leatherworkinggroup.com.

NIKE RESTRICTED SUBSTANCES LIST

Suppliers of Animal Hides must comply with the Nike Restricted Substances List (RSL).

TRACEABILITY

Suppliers must have the ability to trace raw hides, skins, and other materials back to their country of origin.

INTEGRITY

Identification of Animal Hide species must be accurate (i.e. scientific, Latin and common names) as appropriate for legal import/export of materials and product.

DEFINITIONS

- **Raised.** Refers to the entire life of cattle.
- **IBGE.** Brazil's National Institute of Geography and Statistics.
- **Amazon Biome.** Amazon rainforest and its related ecosystem. The boundary of the Amazon Biome within Brazil is defined by the Brazilian Institute of Geography and Statistics (IBGE).
- **Amazon Legal.** The entirety of the nine Brazilian states that contain portions of the Amazon Biome (Acre, Amazonas, Roraima, Amapá, Pará, Rondônia, Mato Grosso, Tocantins and Maranhão).

ACCOUNTABILITY FRAMEWORK INITIATIVE DEFINITIONS

NO-DEFORESTATION

(Synonym: deforestation-free): Commodity production, sourcing, or financial investments that do not cause or contribute to deforestation (as defined by the Accountability Framework).

- No-deforestation refers to no gross deforestation of natural forests.
- In the context of the Accountability Framework, "deforestation" refers to the loss of natural forest as a result of:
  - Conversion to agriculture or other non-forest land use;
  - conversion to a tree plantation, or
  - severe and sustained degradation.
- The AFi recognizes the High Carbon Stock Approach (HCSA) as a practical tool to implement no-deforestation in the tropics, in contexts where the tool has been validated.

NO-CONVERSION

(Synonym: conversion-free): Commodity production, sourcing, or financial investments that do not cause or contribute to the conversion of natural ecosystems (as defined by the Accountability Framework).

- "No-conversion" refers to no gross conversion of natural ecosystems.
- AFi defines "conversion" as the change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure, or function.
  - Deforestation is one form of conversion (conversion of natural forests).
  - Conversion includes severe degradation or the introduction of management practices that result in a substantial and sustained change in the ecosystem's former species composition, structure, or function.
  - Change to natural ecosystems that meets this definition is considered to be conversion regardless of whether or not it is legal.

Degradation. Changes within a natural ecosystem that significantly and negatively affect its species composition, structure, and/or function and reduce the ecosystem's capacity to supply products, support biodiversity, and/or deliver ecosystem services.

Degradation may be considered conversion if it:

- Is large-scale and progressive or enduring.
- Alters ecosystem composition, structure, and function to the extent that regeneration to a previous state is unlikely.