# NIKE CODE LEADERSHIP STANDARDS

July 2025

# Contents

# About this Document

Throughout the document:

- NIKE and Nike Affiliates are referred to as *Nike*.
- Nike Code of Conduct is referred to as *Code*.
- Nike Code Leadership Standards is referred to as *the CLS*.
- Specific CLSs are referenced, for example, as *Code is Fully Implemented CLS*.
- Specific CLS requirements are referred to as *standards*.
- CLSs set minimum standards, except where specifically identified as a *Recommended Practice*.

**The most recent versions of the Code and CLS must be used for guidance, replacing all previous versions and commencing on the effective date of release to the facility.**

# ACTIVE

# 1. Code Is Fully Implemented

## 1.1 STANDARD

As a condition of doing business with Nike, the supplier facility must implement and integrate the Code, accompanying CLSs, and local laws into its business, including implementing effective management systems and undergoing verification and monitoring.

The facility must develop an internal code of conduct that includes, at a minimum, all requirements in the Code. The facility must post its code of conduct in all languages workers understand (native, preferred, or best understood) on the premises and share information about its code of conduct in worker training and orientation.

The facility must have effective grievance mechanism in place for potential Code and CLS concerns and make employees and subcontractors providing services to Nike aware of its existence. Further, the facility must be familiar with Nike's Speak Up Portal and share the portal with employees and subcontractors providing services to Nike.

## 1.2 REQUIREMENTS

### 1.2.1 Applicability

The Code applies to all facilities (including subcontractors) manufacturing and distributing Nike product as part of Nike's supply chain. Compliance with the Code is assessed against the requirements of the CLS.

As the employer, the facility is responsible for the employment relationship with workers and for fostering a safe and healthy workplace. The facility must comply with the more stringent of applicable local laws or the CLS, whichever provides greater protections, and is encouraged to continue developing practices that safeguard workers and the communities in which they operate.

All relevant provisions of the CLS apply to:

- Production / operations workers (including workers employed through a third party or any other relationship), referred to as "worker(s)" and/or "the facility's worker(s)" throughout this document. While specific focus is on production / operations workers, the fundamental human rights of all people at the facility must be protected under any applicable provisions of the CLS.
- Onsite contractors, onsite subcontractors, and other individuals on the facility's premises.
- Buildings (including non-manufacturing / storage facilities such as dormitories, canteens, childcare centers, and chemical and waste storage areas).
- Shared and multifloored facilities.

### RESOURCES

**Detailed guidance to help facilities comply with the Code Is Fully Implemented CLS includes:**

- The Code, accompanying CLSs, and all applicable local laws

## 1.2.2 Licensees & Agents

Licensees and agents must comply with the requirements stated in 1.2.1 Applicability. They must also comply with other requirements set forth in the licensee or agent agreement, manual, or policy.

## 1.2.3 Integrating Standards Into Facility's Business Practices

The facility must adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under local laws and international standards. More specific guidance is outlined in the Requirements section of each CLS.

### RECOMMENDED PRACTICE

**Nike encourages facilities to implement a process to review policies, procedures and their implementation strategies on a regular basis, and to amend them as needed.**

## 1.2.4 Employment Policies & Procedures

The facility must designate a responsible party who is adequately qualified through education and / or experience to administer human resources.

The facility must have written policies and maintain appropriate, accurate records governing all aspects of employment. This includes but is not limited to recruiting, hiring, discipline, retrenchment, and termination practices.

Please refer to applicable CLSs for further clarification of requirements and recommended practices for implementing these requirements.

## 1.2.5 Monitoring & Remediation

### Monitoring

The Facility must work cooperatively with Nike and / or designated third-party representatives to verify compliance with the CLS and local laws, with or without prior notice.

Verification and monitoring include:

- Granting auditors, verifiers, or other designated representatives physical access to the facility's premises – immediately upon request. This includes manufacturing and distribution sites; support areas such as canteens, dormitories, and storage; and any locations where pertinent documents may be located.

  When assessing working conditions on the premises, auditors may need to see areas of the workplace usually restricted from visitors for safety or intellectual property reasons.
- Facilitating unrestricted access to workers for purposes of confidential interviews. Management must not coach workers regarding potential questions or interfere with or retaliate against workers in connection with audits or verification visits.
- Providing CLS-mandated records to demonstrate compliance with the Code, the CLS, and applicable local laws.
- Uploading assessments and test results to Nike-specified platforms.

### Transparency

Nike expects the facility to be transparent (open and honest) regarding compliance with the Code and the CLS. Records must be maintained in their original, unaltered condition. Information and records must not be falsified or misrepresented. For example, management is prohibited from maintaining double books containing false or misleading information regarding wages paid or hours worked.

### Remediation

The facility must demonstrate good-faith efforts to remediate in a timely manner any concerns of noncompliance identified during an audit or verification. Failure to do so may result in sanctions within the framework of applicable facility or sourcing agreements, including a reduction in orders or possible divestment.

## 1.2.6 Unauthorized Subcontracting

Subcontracting the manufacture or distribution of Nike product to third parties or other facility-owned entities is prohibited unless Nike grants prior approval in writing.

## 1.2.7 Ethics

The facility must comply with all applicable anti-bribery and anti-corruption laws and regulations including but not limited to the U.S. Foreign Corrupt Practices Act.

- The facility must not offer, pay, promise to pay, authorize payment, request, agree to receive, or accept money or anything of value (including favors), to or from anyone to get an improper benefit in connection with business conducted with or services provided to Nike.
- The facility must not solicit or accept a bribe, kickback, or other improper benefit in connection with business conducted with or services provided to Nike.
- Even if bribery is common in local practice, facility personnel, Nike employees, and all third-party representatives must still comply with anti-corruption laws and the CLS.
- The facility must maintain an effective anti-bribery program to enable compliance with anti-corruption laws.
- The facility must maintain accurate and transparent books and records describing and documenting all payments. If management becomes aware of any violation of the foregoing or of any anti-bribery or anti-corruption laws in connection with the business conducted with or services provided to Nike, management will immediately notify Nike.
- When requested, the facility must provide Nike with assurances and certifications regarding activities that support compliance with anti-bribery and anti-corruption requirements.
- The facility must have a robust reporting system in place for potential Code and CLS concerns, as described in the Effective Grievance Process section in the Rights to Freedom of Association & Collective Bargaining CLS, and ensure that any employees and subcontractors providing services to Nike are aware of its existence.

### Gifts, Hospitality & Other Payments Policy

Unless more restrictive local laws apply, the facility is prohibited from offering gifts of any value, or hospitality in excess of $200 USD, to any person or entity in connection with a legitimate business purpose conducted with, or services provided, to Nike. For clarity, this is also applicable when interacting with Nike employees or its representatives.

### No Auditor or Verifier Bribery

Notwithstanding the above, the facility may not offer a gift of any value (including product or product samples) to any Nike employee or designated third-party representative performing activities to monitor compliance with the Code and CLS including the following:

- Gratuity
- Entertainment
- Favor
- Cash or cash equivalents.

## 1.2.8 Roles & Responsibilities

The following responsibilities apply to facility personnel. Documentation is required if a person occupies more than one role.

- **Facility managers.** Responsible for successful implementation and maintenance of the CLS, including defining roles and responsibilities and allocating required resources.
- **Subject matter professionals.** Establish, maintain, and introduce the CLS. Examples include Environment, Health & Safety (EHS) Professionals, EHS Practitioners, and HR professionals.
- **Supervisors.** Ensure that workers are trained and adhere to the requirements of CLSs.
- **Workers, onsite contractors, and onsite subcontractors.** Adhere to the requirements of CLSs.

## 1.2.9 Communication & Training

### Worker Communication

The facility must communicate workplace rules, policies, and practices, and provide training in all languages workers understand (native, preferred, or best understood). This includes languages spoken by migrant workers.

### Worker Orientation & Training

The facility must provide orientation and training for new workers at the time of hire that covers job roles and responsibilities; health and safety requirements; industrial relations; its internal code of conduct; rules, policies and procedures; culture; benefits and other entitlements; and human resources policies including respect for the right to freedom of association.

- Training should be updated on a regular basis and when policies and procedures are revised.
- Training should be conducted in all languages workers understand (native, preferred, or best understood).
- If a worker is transferred to a different role with different requirements, a new orientation should be provided.

### Supervisor Training

The facility must train supervisors in applicable local laws, the Code, and the CLS.

## 1.2.10 Worker Privacy Protection

The facility must protect workers' privacy and keep all personal information secure. Personal information may include health information, personnel files, and other documents or information related to a specific worker. This generally consists of principles including:

- Collecting personal information only as necessary.
- Providing appropriate notice and obtaining consent when collecting personal information.
- Using personal information only for the purpose it was collected.
- Storing personal information securely (e.g., limited access to electronic files, locked cabinets) and ensuring only appropriate personnel (i.e. human resources staff) have access to it.
- Retaining personal information only as long as required by law or other legal obligation and then securely dispose of it.

## 1.3 RECORD RETENTION REQUIREMENTS

To demonstrate compliance with the Code, the CLS, and applicable local laws, all records (physical and / or digital) must be maintained on the facility's premises and organized in such a way that they are easily identifiable and readily accessible by Nike employees or designated third-party representatives.

### 1.3.1 Current Business & Program Records

These types of records must be retained for at least 12 months or as required by local laws, whichever is longer. The facility must maintain all records developed in the course of its business activities including but not limited to:

- Reports
- Notices
- Announcements
- Computer files
- E-mail
- Production records

Further, CLSs identify additional types of records that must be retained including but not limited to:

- Current risk assessments
- Current programs, policies and procedures
- Current safety data sheets (SDSs), technical documents, and fact sheets
- Meeting minutes
- Service provider qualification forms
- Service contracts plus copies of licenses, certifications, and proof of liability insurance
- Proof of employee qualifications: training, experience, education, licenses, and certifications
- Parental consent forms for children attending facility-operated childcare
- Proof of certifications
- Current Nike playbooks

### 1.3.2 Archived Records

CLSs identify certain types of records that have longer retention requirements and must be archived including but not limited to:

- **Personnel files.** Duration of employment; files for workers who resign must be archived for at least three years after separation.
- **Payroll and time-keeping records.** Minimum of three years.
- **Confidential medical records.** Duration of employment plus 30 years. Medical records must be securely protected and cannot be disclosed without workers' written consent, except as required by local laws.
- **Incident records.** Minimum of five years.
- **Worker grievances and complaint resolutions.** Minimum of three years.
- **Training records.** Minimum of three years, documenting topics, dates, and attendees' names.
- **Calibration records for testing equipment.** Minimum of three years.
- **Maintenance records.** Life of the equipment.
- **Fire evacuation drills.** Minimum of three years.
- **Construction Safety.** See subsection 31.4 for daily, weekly, monthly, and quarterly requirements.

### 1.3.3 Traceability Records

Requirements for records detailed in the Nike Traceability Playbook are described in the Nike Traceability Playbook. See Traceability CLS.

# 2. Traceability

## 2.1 STANDARD

Nike's vision for traceability is to know the journey of every product from field to athlete* and back again. Specific traceability standards are provided separately.

- Tracing all inputs and outputs used in the value chain to their origins.
- Meeting traceability record-keeping requirements.
- Staying current with updated Nike traceability standards.

## 2.2 REQUIREMENTS

### 2.2.1 Policies & Procedures

- All facilities must communicate Nike traceability requirements to their upstream supply chains. We expect every level of our supply chain to be informed of our traceability objective and will cooperate in executing traceability.
- Facilities have seven business days to collect and submit traceability documentation upon request.
- Commodities with specific sourcing considerations need to comply with Nike raw materials standards. Additional certifications and documentation may be required.

### 2.2.2 Traceability Monitoring

Nike or a third party acting on our behalf will periodically validate adherence to the traceability standards.

### 2.2.3 Training

The Nike Digital Traceability Training enables facilities to comply with traceability requirements. Topics covered in this training include:

- Definition of traceability
- Traceability standards
- Nike's documentation standards
- Best practices and implementation tools

All facilities involved in manufacturing materials and products for Nike are required to complete the Nike Digital Traceability Training. At a minimum, a worker from each facility must complete the training. All individuals responsible for traceability at each location should complete the training and will receive a certificate of completion.

## 2.3 RECORD RETENTION REQUIREMENTS

See Nike traceability standards.

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

# 3. Environment, Health & Safety Management System

**Environment, Health & Safety Management System CLS is only applicable to EHS CLSs, aligned to Sustainable and Safe in the Code.**

## 3.1 STANDARD

The facility must develop and implement an Environmental, Health & Safety (EHS) management system to identify and eliminate or reduce risks associated with operations.

### RECOMMENDED PRACTICE

**The health and safety management system should be equivalent to the framework outlined in ISO 45001 or the ILO guidelines on Occupational Health and Safety. The environment management system should be equivalent to the framework outlined in ISO 14001.**

## 3.2 REQUIREMENTS

### 3.2.1 Risk Assessment

The facility must conduct a comprehensive risk assessment that aligns three types of analysis:

- **Enterprise risk assessment.** Provides a high-level, system-wide, forward-looking analysis of the organization to identify potential material threats, critical risks, and impacts when developing labor, environmental, and health and safety strategies.
- **Location-based risk assessment.** Provides a system-wide, forward-looking analysis of the built environment to identify potential material threats, critical risks, and impacts to address when developing building policies, procedures, and operations. Integrates into the enterprise risk assessment.
- **CLS-specific risk assessments.** Provides risk assessments specific to applicable CLSs. Integrates into the facility risk assessment.

### RESOURCES

**Detailed guidance to help facilities comply with the Environment, Health & Safety Management System CLS includes:**

- ILO-OSH 2001, ISO 45001, and ISO 14001 Guidelines on Occupational Safety and Health Management System

## 3.2.2 Policies & Procedures

The facility must have a valid operating license and all applicable permits.

The facility must have a written EHS policy with sign off from the senior location or general manager. The policy must include at a minimum:

- Statement of intent.
- Commitment from senior management to comply with relevant EHS regulations and other applicable requirements.
- Commitment to continuous improvement.
- Framework for setting and measuring EHS goals.

The EHS policy must be:

- Documented and reviewed every two years.
- Communicated to all workers.
- Available to the public.

### RECOMMENDED PRACTICE

**Facilities should implement a Management of Change system.**

## 3.2.3 Environment, Health & Safety Strategy

The facility must have a formal EHS strategic plan. EHS objectives must:

- Take into consideration high risks (as identified in the risk assessment); legal and other requirements; technology options; financial, operational, and business requirements; and stakeholder input.
- Be Specific, Measurable, Achievable, Realistic, and Time-bound (SMART).

The plan may be stand-alone or part of the facility's overall business plan. The plan must have an assigned owner responsible for implementation.

## 3.2.4 Document Control

The facility must have a formal document management plan for all EHS-related documents. Documents must be:

- **Legible.** Documents should be clear and easy to read.
- **Identifiable.** Documents should have a version number and the effective date for version control if applicable.
- **Accessible.** Staff should be able to locate a document's current version when needed.
- **Current.** Documents should be reviewed and revised as necessary by responsible parties at least every two years or when significant changes occur. Access to obsolete documents must be promptly removed to prevent unintended use and destroyed or archived in accordance with a written record-retention program.

## 3.2.5 Self-Assessment

The facility must have a documented self-assessment process to evaluate all aspects of its EHS management system. The frequency of the self-assessment should be determined by overall risk levels in the facility and may change as risks increase or decrease.

### 3.2.6 Noncompliance

The facility must develop and implement procedures for identifying, prioritizing, investigating, and resolving noncompliance with any aspect of the EHS management system. At a minimum, requirements include:

- Method for assigning responsible parties for corrective and preventive actions.
- Description of actions required to resolve and prevent noncompliance.
- Target completion dates for actions.
- Actual dates of completion.

### 3.2.7 Management Review

The facility must develop and implement procedures for conducting an annual review of the EHS management system. At a minimum, management must assess:

- Progress against the EHS strategic plan.
- Roles and responsibilities for implementing the EHS management system and EHS strategic plan.
- Implementation of processes and procedures.
- EHS policy (every two years).
- Audit results, recommendations, noncompliances, and corrective and preventive actions.
- Key performance indicators or metrics.
- The adequacy and effectiveness of the EHS management system.

### 3.2.8 Communication

Management must communicate EHS policy and procedures to workers. At a minimum, workplaces must:

- Have an EHS notice board or website for communicating EHS information.
- Communicate EHS information to all workers on a monthly basis.

### 3.2.9 Training

The facility must have a formal training plan that identifies all learning courses to make sure the EHS management system functions effectively. In addition, all workers must receive effective training on each written procedure developed as part of the EHS management system, as described in each CLS.

## 3.3 RECORD RETENTION REQUIREMENTS

**See 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Current EHS Policy
- Current EHS Strategic Plan Current Training Plan
- ISO 45001 or ILO-based Occupational Health and Safety Standard

**Nike additionally requires facilities to archive certain records:**

- **Internal audit records.** Minimum of three years.
- **Noncompliance records.** Minimum of three years.
- **Management review records and related documents.** Minimum of three years.

# 4. Environment, Health & Safety Committee

**Environment, Health & Safety Committee CLS is only applicable to EHS CLSs, aligned to Sustainable and Safe in the Code.**

## 4.1 STANDARD

The facility must convene an Environmental, Health & Safety (EHS) committee tasked with developing and implementing processes and procedures to improve EHS conditions in the workplace.

## 4.2 REQUIREMENTS

### 4.2.1 Policies & Procedures

#### Membership

- The EHS committee must have at least two members if the location has 20 people or less and at least four members if the location has more than 20 people.
- The EHS committee must be balanced, with roughly equal numbers of manager and worker representatives.
- The EHS committee should be comprised of representatives from all major work activities.
- EHS committee members should serve a continuous term of at least one year whenever possible.
- Temporary workers should be represented on the EHS committee with a member serving for at least a one-year term when possible.
- Participation on the committee must be voluntary through an application / selection process and must not be forced.

#### Committee Functions

The EHS committee will at a minimum:

- Elect a chairperson on an annual basis.
- Identify and elect other positions as needed to facilitate EHS committee functions.
- Conduct a site inspection at least once per quarter as described below.
- Hold a meeting once per month except those months when quarterly inspections are conducted.
- Document and maintain the agenda and minutes from the meeting; see 3.2.2 EHS Committee Meeting Agenda & Minutes for requirements.
- Identify effective ways to communicate about the committee's work and make meeting minutes available to all workers.

- Establish a process that enables the workforce to provide safety, health, and wellbeing suggestions to the committee.
- Implement procedures for investigating all EHS-related incidents including injuries, accidents, illnesses, deaths, chemical spills, and fires.
- Create a process whereby management responds to EHS committee recommendations before the next meeting or within 30 days, whichever is sooner.
- Assess the EHS committee's processes annually and make corrections as needed to improve efficiency and effectiveness.

### 4.2.2 EHS Committee Meeting Agenda & Minutes

The EHS committee must create a meeting agenda and take minutes for each meeting. It must cover and document at a minimum:

- Roll call of EHS committee members and list of attendees.
- Review open and resolved action items.
- Review outstanding concerns from workplace safety inspections.
- Review significant new incidents or trends.
- Review worker suggestions.
- Other topics.
- Select date for next meeting.

### 4.2.3 Quarterly Workplace Safety Inspections

The EHS Committee must conduct quarterly workplace inspections. At a minimum, the inspections must:

- Document the inspection results.
- Recommend how to eliminate hazards and unsafe work practices in the workplace.
- Track noncompliances until remediation is completed.

### 4.2.4 Training

All EHS Committee members must receive training that enables them to fulfill their duties including:

- Purpose of the EHS committee.
- Operational process for conducting EHS committee meetings.
- EHS committee procedures.
- How to access CLSs and local laws that apply to the facility.
- How to identify hazards in the workplace.
- How to conduct effective accident and incident investigations.

## 3.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to archive certain records:**

- **EHS committee meeting minutes.** Minimum of three years.

# SUSTAINABLE

# Air Emissions & Climate Impacts Are Minimized

**The facility follows all legal requirements and Nike-accepted industry standards for air emissions and energy systems management.**

Requirements for facilities include:

- Routine monitoring and reporting for greenhouse gases (GHGs), volatile organic compounds (VOCs), hazardous air pollutants, particulates, ammonia, ozone-depleting chemicals, and combustion by-products.
- Maintaining all relevant purchasing and inventory records.
- Routine performance monitoring of all emissions-generating processes and equipment.
- Striving to minimize emissions through improved efficiency and use of renewable energy sources.

This section includes:

- Air Emissions CLS
- Greenhouse Gas Emissions CLS

# 5. Air Emissions

## 5.1 STANDARD

The facility must implement a program to characterize, routinely monitor, control, and treat air emissions in accordance with legal requirements and Nike-accepted industry standards. The Air Emissions program must minimize indoor and outdoor air pollution through program development, policy implementation, and regular training for facility- and process-generated air emissions.

## 5.2 REQUIREMENTS

### 5.2.1 Risk Assessment

The facility must conduct and document an annual Air Emissions risk assessment that includes at a minimum:

- Identifying all air emissions, including locating sources and characterizing pollutants.
- Identifying air pollution-control equipment and then testing and / or calculating its impact on emissions.
- Calculating and testing the potential to emit (PTE) according to Zero Discharge of Hazardous Chemicals (ZDHC) Air Emissions Guidelines.
- Comparing tested and / or actual pollution levels to applicable legal requirements and industry standards.

### 5.2.2 Policies & Procedures

The facility must have procedures in place to reduce or eliminate the risks of air emissions including at a minimum:

- Maintaining compliance with all legal requirements for air emissions.
- Evaluating the effectiveness, at least annually, of all ventilation / exhaust systems and all air pollution control devices.
- Testing all point source emissions, at least annually, to verify that air emissions fall within legal requirements and meet accepted industry standards and human health guidelines.
- Testing all non-point source emissions as needed to verify that air emissions fall within legal requirements and meet accepted industry standards and human health guidelines.
- Incident reporting and investigation of any event or system failures that affect facility- or process-generated air emissions.

### 5.2.3 Training

Workers who work near chemicals or air-emissions systems must be trained when they are hired, annually, and anytime hazards, processes, or procedures change. This training must include:

- How to identify air-emission sources, their locations, and any pollution-control equipment in place.
- How to implement policies and procedures.
- How to create and implement an emergency-response plan for unplanned air emissions or ventilation and pollution-control failures.

#### Air Emissions Maintenance

Workers who maintain and analyze system performance of pollution-control equipment must receive training on specific operating requirements and protocols.

## 5.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to maintain records of:**

- Air Emissions risk assessment
- Point source inventory
- Pollution-control devices
- Safety data sheets (SDSs) for all chemicals emitted to air
- Emergency response plan
- Annual test reports for exhaust systems and pollution control devices

**Nike additionally requires facilities to archive certain records:**

- **SDSs.** Duration of chemical use plus 30 years.

# 6. Greenhouse Gas Emissions

**Energy production and use may result in air emissions, including greenhouse gas (GHG) emissions that cause climate change. Climate change affects athletes and communities around the world, and Nike is committed to reducing emissions across our operations and value chain, the broader footwear and apparel industries, and beyond. Nike supports efforts to reduce emissions, including the Science Based Targets initiative (SBTi), which aims to reduce GHG emissions in line with what is needed collectively to help avoid the worst impacts of climate change globally.**

## 6.1 STANDARDS

The facility must demonstrate a consistent and competent approach to GHG emissions management and reductions. Efforts to quantify, track, and report GHG emissions must be consistent with best practices and international standards.

The facility must make efforts to reduce energy consumption and be as efficient with resources as possible. Minimizing energy consumption has the double benefit of reducing GHG emissions while simultaneously providing cost savings.

To reduce GHG emissions that remain after maximizing opportunities for efficiencies, the facility must strive to maximize clean energy consumption. This effort includes following the principles outlined in Nike's Renewable Electricity Guide for Suppliers and additional guidance and program support as provided.

## 6.2 REQUIREMENTS

### 6.2.1 Risk Assessment

The facility must conduct and document an annual GHG Emissions risk assessment that includes at a minimum:

- **Hazard identification.** Identifying all potential Environment, Health & Safety (EHS) hazards associated with GHG emissions.
- **Risk evaluation.** Evaluating risks to human health and the environment associated with identified hazards.
- **Control measures.** Identifying and implementing control measures to prevent identified risks.
- Verifying subcontractors have not installed new coal-fired thermal systems after January 1, 2023.
- Verifying subcontractors are not using heavy fuel oil as a fuel source for any thermal systems.

## RESOURCES

**These resources provide detailed guidance to help facilities comply with the Greenhouse Gas Emissions CLS:**

- Nike Renewable Energy Guide for Suppliers
- Nike Sustainable Biomass Policy
- Nike Biomass Tool
- The Greenhouse Gas Protocol
- UN Framework Convention on Climate Change Paris Agreement
- UN Fashion Industry Charter for Climate Action
- Science Based Targets initiative
- The Montreal Protocol
- Air Emissions CLS
- Machine Safety CLS
- Chemicals Are Managed Properly CLS

**For more information on EHS hazards related to climate change, refer to:**

- Heat Stress Prevention CLS
- Occupational Health Management CLS
- Drinking Water CLS

## 6.2.2 Policies & Procedures

The facility should, to the extent possible, take actions to reduce GHG emissions in line with the goals of the United Nations Framework Convention on Climate Change (UNFCCC) Paris Agreement, the United Nations Environment Programme Montreal Protocol on Substances that Deplete the Ozone Layer, and the United Nations Fashion Industry Charter for Climate Action (UNFICCA). Together, these organizations and initiatives are spearheading action to reduce GHG emissions and avoid the worst impacts of climate change.

### RECOMMENDED PRACTICE

All facilities should implement and maintain adherence to ISO 50001 (Energy Management Systems) or, alternatively, a program that incorporates its principles, such as Nike's Energy Minimum Program.

In Nike's supply chain, this includes:

### Energy Management

The cornerstone of a GHG Emissions reduction program is a strong commitment to resource efficiency. When implemented properly, a high-performing energy efficiency program helps the facility achieve productivity gains, emissions reductions, and cost savings. These programs, also called energy management systems, bring together organizational capabilities, data analytics, and process management to achieve continuous improvement.

### Coal-fired Energy Systems

Installation of new coal-fired thermal systems, such as boilers, at any facility, including for materials and finished goods, has been prohibited since January 1, 2023, per UNFICCA.

Use of coal as a fuel source by any onsite energy system (e.g., boilers, and combined heat and power) used to supply heat, steam, or electricity at any facility, including for materials and finished goods, is prohibited beginning January 1, 2030, per UNFICCA.

### Heavy Fuel Oil

Use of heavy fuel oil (e.g., Fuel Oil No. 6 – Bunker C) as a fuel source by any onsite energy system (e.g., boilers and combined heat and power) to supply heat, steam, or electricity at any facility, including for materials and finished goods, is prohibited.

### CFCs

Use of chlorofluorocarbons (CFCs) at any facility is prohibited, including for cooling systems and machines, per the Montreal Protocol.

### HFCs

Use of hydrofluorocarbons (HFCs) at any facility is discouraged and should be phased out per amendments to the Montreal Protocol.

### HCFCs

Use of hydrochlorofluorocarbons (HCFCs) at any facility is prohibited in all countries beginning January 1, 2030, per amendments to the Montreal Protocol.

### GHG Inventory

Facilities must maintain an accurate electronic inventory of all Scope 1 and Scope 2 GHG emissions in accordance with GHG Protocol standards.

## Sustainable Biomass Procurement

If the facility uses biomass in onsite boilers, the procurement of biomass must adhere to the Nike Sustainable Biomass Policy, and facilities must use the Nike Biomass Sourcing Supplier Tool (Nike Biomass Tool) to score the sustainability attributes of the biomass. Biomass must meet or exceed a minimum score as described within the policy, and facilities should continually seek to procure higher-scoring biomass that can be sourced locally, where possible. Facilities are required to use the Nike Biomass Tool to assess their biomass at least once per year for all biomass sources in use and whenever a new feedstock is introduced.

## Biogas Flaring

Biogas is a typical by-product produced by facilities such as wastewater treatment plants, waste plants, and landfill sites. The main ingredients of biogas are methane and carbon dioxide, which constitute approximately 50% – 65% by volume and approximately 30% – 50% by volume, respectively. Biogas also contains many other ingredients, such as water vapor, hydrogen sulphide, ammonia, nitrogen, oxygen, siloxanes, and hydrocarbons.

Biogas not only pollutes the environment, it also causes serious potential safety hazards. As such, it must be properly processed and handled in accordance with local regulations and best practices. If a facility emits biogas, centralized processing of anaerobic methane is needed.

If the biogas output cannot be used to generate energy or upgraded to biomethane, the biogas or biomethane should be collected and combusted in a flare. Biogas flares help to improve workplace safety, understand the quality of biogas produced, reduce odor pollution, and reduce the greenhouse effect. Please refer to local regulations as well as ISO 20675 and ISO 22580 for industry standards and requirements.

## Environmental Attributes

Environmental attributes (EAs) must meet specified criteria to be admissible toward facility GHG emissions reductions. EAs can only be claimed for electricity consumed by the facility. Three common scenarios are:

- **Onsite generation.**
  - Onsite renewable energy sources such as rooftop solar photovoltaic (PV) system.
- **Offsite generation.**
  - A dedicated transmission that is not interconnected with local grid.
  - Electricity is sourced from the local grid, and EAs are obtained separately.

## RECOMMENDED PRACTICES

1. **When claiming EAs for renewable energy, facilities should follow this guidance:**

   Contracts must be written such that the electricity-consuming facility gets the EAs. In cases where the generation equipment is owned by a third party (e.g., developer-owned rooftop solar panels in the case of onsite projects or independent power producers in the case of offsite), the contract between the third-party and the electricity-consuming facility should explicitly state that the consuming facility takes ownership of all EAs (both now existing and those that may be recognized in the future). If no regulatory mechanism exists for EAs, the contract should stipulate that such third party will transfer, retire, or confer EAs to the consuming facility at the latter's reasonable request and that the third party will not take action that prevents the facility from claiming EAs associated with the use of generated renewable energy.

2. **When claiming EAs from offsite generation, Nike recommends the following guidelines:**

- The facility should use open-access regulatory frameworks for claiming EAs for offsite generation. These frameworks include open-access direct (sleeved) or virtual power purchase agreement (PPA) regulatory frameworks.
- When an open-access regulatory framework is not available, it may still be possible to recognize the EAs towards facility GHG emissions reduction, provided the generation point (renewable energy power plant) and consumption point (the facility) are in the same or interconnected grids within the same market. This arrangement follows GHG Protocol Scope 2 guidance as long as there are clear records that link the generated electricity, EAs, and consumed electricity.
- To enable traceability and reliable accounting as well as address the potential for future audits, the consuming facility should register the EAs with a registry where possible. With proper records, the facility can then retire those renewable energy certificates (RECs) to claim the GHG reduction.
- While unbundled RECs are recognized, they are a lower priority option as they are less likely to result in additionality, a transaction that creates a new renewable energy project or expands an existing one. Additionality is considered the highest level of environmental commitment. For this reason, Nike discourages relying on unbundled RECs to achieve renewable energy commitments. Unbundled RECs should only be considered a temporary measure where no other options are possible.

**Additional guidance is available in the** Nike Renewable Electricity Guide for Suppliers**.**

### 6.2.3 Training

Workers who maintain records and analyze GHG emissions information must be trained on how to develop a GHG emissions inventory following internationally recognized standards.

## 6.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- GHG risk assessment and mitigation plan
- Point source inventory
- Current pollution control devices
- Annual test results for exhaust systems and pollution-control devices

**Nike additionally requires facilities to archive certain data:**

- **GHG inventories and associated records.** Minimum of three years. Records must meet internationally recognized standards and / or guidelines. Review by a third-party assurance provider is recommended.

# Waste Is Minimized & Handled Properly

**The facility properly segregates, manages, transports, and disposes of all hazardous and solid waste in compliance with the CLS, local laws, and regulations.**

**The facility obtains all required permits and verifies hazardous and solid waste contractors are properly qualified and licensed.**

**The facility measures and continuously strives to minimize waste generation.**

This section includes:

- Hazardous Waste CLS
- Solid Waste (Non-Hazardous Waste) CLS

# 7. Hazardous Waste

## 7.1 STANDARD

The requirements in this section apply to the generation, storage, transportation, and disposal of hazardous waste.

- The facility must develop and implement processes and procedures for selecting licensed and qualified hazardous waste transporters, recyclers, and disposal facilities, and for verifying that these parties exercise responsible environmental management practices (such as not allowing open disposal to land or water).

## 7.2 REQUIREMENTS

### 7.2.1 Risk Assessment

The facility must conduct and document an annual Hazardous Waste risk assessment that includes at a minimum:

- **Hazard identification.** Identifying all potentially hazardous waste generated; determining the amount and location of hazardous waste generated.
- **Risk evaluation.** Evaluating risks to human health and the environment associated with identified hazards.

  **Control measures.** Identifying and implementing control measures to prevent identified risks.

### RESOURCES

**These resources provide detailed guidance to help facilities comply with the Hazardous Waste CLS:**

- Nike Waste Vendor Management and Evaluation Guidelines
- Chemicals Are Managed Properly CLS
- Fire Safety Management CLS

## 7.2.2 Policies & Procedures

Each facility generating or storing 100 kg (220 lbs.) or more of hazardous waste per month must implement procedures to reduce or eliminate the risks associated with hazardous waste.

Procedures must cover at a minimum:

### Hazardous Waste Management Program

The facility must implement a Hazardous Waste reduction and minimization program, including from building operations (such as paints or polychlorinated biphenyl [PCB]). The program must be reviewed and updated annually.

### Permits

The facility must obtain all required permits for hazardous waste generation, storage, and disposal in accordance with local laws and regulations.

### Storage Areas

The facility must adhere to requirements for areas storing hazardous waste including:

- **Security.** Storage areas must be secured from unauthorized access.
- **Enclosure.**
  - Storage areas must be covered and enclosed on all five sides to protect and secure contents from weather and animals.
  - Hazardous waste must be stored on an impervious surface.
- **Hazard signage.** Storage areas must have appropriate signage. Signage must clearly state "Hazardous Waste" and include details about the specific hazard (e.g., flammable, corrosive, toxic), and a warning about proper disposal procedures, often accompanied by a standardized pictogram symbol indicating the hazard level.
- **Ventilation.** Storage areas must have adequate ventilation.
- **Decontamination.** Storage areas must have easily accessible emergency eyewash and / or shower stations.
- **Fire protection.**
  - Storage areas must have appropriate fire prevention and protection equipment.
  - Flammable and combustible materials must be stored away from ignition sources.
- **Banned activities.** Eating, smoking, and drinking are not permitted in storage areas.
- **Secondary containment.**
  - Storage areas must have secondary containment for materials greater than 55 gallons (approximately 200 liters).
  - Secondary containment must be at least 110% of the volume of the largest container.
- **Clearance.** Adequate aisle space must be maintained between containers.
- **Materials segregation.** Incompatible materials must be segregated.
- **Hazardous and solid waste segregation.** Hazardous and solid waste must be segregated and stored in separate, non-adjacent areas.
- **Spill-response equipment.** Spill-response equipment, including necessary personal protective equipment (PPE), must be located near storage areas.
- **PPE use.** Workers must use appropriate PPE when in storage areas.

## Storage Containers

- Containers with hazardous contents or chemicals must be stored on impervious surfaces.
- Containers and their contents must be compatible.
- Containers must be in good condition.
- Containers must be clearly labeled.
- Containers must be closed at all times when not in use.
- Containers for flammable material must be bonded and grounded / earthed.
- Containers must be stacked safely.
- Containers with hazardous contents must be secured to prevent falling.
- Containers with hazardous contents must be clearly labeled as hazardous and identify the contents and associated hazards.

## Weekly Inspections

The facility must conduct and document weekly inspections of hazardous waste storage areas to verify they consistently conform to CLS requirements.

## Timely Disposal

The facility must dispose of hazardous waste within reasonable time limits. If limits are not specified in local laws, refer to the United States Environmental Protection Agency (U.S. EPA) to enable disposal within 180 to 270 days if generating less than 1,000 kg/month (small-quantity generator) or within 90 days if generating more than 1,000 kg/month (large-quantity generator).

## Hazardous Waste Contractors

The facility must use licensed and permitted hazardous waste transporters and treatment and disposal facilities.

- Nike reserves the right to conduct its own review of the facility's hazardous waste contractors.
- Nike may require the facility to provide documented verification of observed disposal practices of its hazardous waste contractors.

## Waste Disposal

- The facility is prohibited from onsite burning or disposal of hazardous waste.
- The facility is prohibited from disposing of hazardous waste into the environment.

## RECOMMENDED PRACTICE

**The facility should use a thorough and consistent process for qualifying and monitoring hazardous waste contractors. This includes:**

- Establishing criteria for accepting and rejecting hazardous waste contractors. Criteria should include:
  - Historical performance.
  - Liability insurance coverage.
  - Evidence of legally required permits and licenses.
- Having potential hazardous waste contractors fill out a qualification form to determine if they comply with the established criteria.
- Conducting onsite inspections and evaluations of hazardous waste contractors' facilities.
- Conducting annual evaluations of hazardous waste contractors' operations to verify they are consistent with Nike Waste Vendor Management and Evaluation Guidelines.
- Conducting a periodic review of the selection process based on an annual evaluation of hazardous waste contractors and the Hazardous Waste risk assessment.

### 7.2.3 Training

**Hazardous Waste Management**

Workers engaged in managing hazardous waste must be trained upon hire, on an annually basis thereafter, and anytime hazards, processes, or procedures change. This training must include:

- How to identify all potentially hazardous waste.
- How to determine the amount and location of hazardous waste generated.
- How to determine the measures necessary to prevent identified risk.
- How to implement policies and procedures.
- How to properly handle, store, document, and dispose of solid waste.
- Specific operational procedures for source reduction.
- How to use PPE.
- How to create and implement a spill-response plan for hazardous waste.

## 7.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Hazardous Waste risk assessment
- Regulatory permits as required
- List of licensed / permitted hazardous waste contractors used
- Hazardous Waste inventory
- Spill-response plan

**Nike additionally requires facilities to archive certain records:**

- **Disposal Records.** Minimum of five years. Hazardous waste disposal records must include:
  - The material name.
  - Its physical state.
  - All associated hazards (e.g., flammable, corrosive, toxic, reactive).
  - Date and quantity shipped for treatment and / or disposal.
  - The business names and addresses of the hazardous waste generator, transporter, intermediate storage facility, and final disposal site.
  - Copy of the shipping manifest, signed by final disposal facility, certifying receipt of the shipment.

# 8. Solid Waste (Non-Hazardous Waste)

## 8.1 STANDARD

The requirements in this section apply to the generation, storage, transportation, and disposal of solid waste.

- The facility must develop and implement processes and procedures to minimize the generation of solid waste and to manage it safely.
- The facility must develop and implement processes and procedures for selecting licensed and qualified waste transporters, recyclers, and disposal facilities.
- The facility must verify that solid waste contractors exercise responsible environmental management practices; for example, not allowing open disposal to land or water, not disposing of waste byproducts such as incinerator ash or leachate improperly, and not allowing uncontrolled burning or emissions.

## 8.2 REQUIREMENTS

### 8.2.1 Risk Assessment

The facility must conduct and document an annual Solid Waste (non-hazardous waste) risk assessment that includes at a minimum:

- **Hazard identification.** Identifying all potential environment, health, and safety (EHS) hazards associated with the handling, storage, transportation, recycling, and disposal of solid waste.
- **Risk evaluation.** Determining risks to human health and the environment associated with identified hazards.
- **Control measures.** Identifying and implementing control measures to prevent identified risks.

## RESOURCES

**These resources provide detailed guidance to help facilities comply with the Solid Waste CLS:**

- Nike Waste Vendor Management and Evaluation Guidelines
- Nike E-Waste Recycler Standard
- Chemicals Are Managed Properly CLS
- Fire Safety Management CLS

## 8.2.2 Policies & Procedures

The facility must develop and implement policies and procedures to manage solid waste. Procedures must cover at a minimum:

### Solid Waste Management Program

Implement and document a Solid Waste reduction and minimization program.

### RECOMMENDED PRACTICE

**The facility should manage solid waste according to the Nike waste stewardship hierarchy, with waste reduction as the primary strategy and incineration as a last resort:**

1. Source reduction
2. Closed-loop recycling
3. Nike Sponsored Program Recycling
4. Downcycling
5. Energy recovery
6. Landfilling
7. Incineration

### Waste Stream Inventory

The facility must inventory all streams of solid waste. The inventory must include the types and quantities of waste generated, recycled, and disposed of, along with the names and locations of disposal facilities.

### Segregation

The facility must segregate waste into reusable, recyclable, and non-recyclable categories. Clean, dedicated containers must be provided for each waste category.

### Storage Areas

The facility must adhere to requirements for areas storing solid waste including:

- **Security.** Storage areas must be secured from unauthorized access.
- **Enclosure.**
  - Storage areas must be covered and enclosed on all five sides to protect and secure contents from weather and animals.
  - Solid waste must be stored on an impervious surface.
- **Hazard signage.** Storage areas must have appropriate signage.
- **Ventilation.** Storage areas must have adequate ventilation.
- **Decontamination.** Storage areas must have easily accessible emergency eyewash and / or shower stations.
- **Fire protection.**
  - Storage areas must have appropriate fire prevention and protection equipment.
- **Banned activities.** Eating, smoking, and drinking are not permitted in storage areas.
- **Secondary containment.**
  - Storage areas must have secondary containment for materials greater than 55 gallons (approximately 200 liters).
  - Secondary containment must be at least 110% of the volume of the largest container.
- **Clearance.** Adequate aisle space must be maintained between containers.
- **Materials segregation.** Incompatible materials must be segregated.
- **PPE use.** Workers must use appropriate PPE when in storage areas.

### Storage Containers

- Containers and their contents must be compatible.
- Containers must be in good condition.
- Containers must be clearly labeled.
- Containers must be stacked safely.

### Solid Waste Contractors

- The facility must use licensed and permitted solid waste transportation, recycling, and disposal companies.
  - Electronic waste (e-waste) must be recycled in accordance with Nike E-Waste Recycler Standard.

### Waste Disposal

- The facility is prohibited from onsite burning or disposal of solid waste.
- The facility is prohibited from disposing of solid waste into the environment.

## 8.2.3 Training

### Solid Waste Management

Workers engaged in solid waste management must be trained upon hire, on an annual basis, and anytime hazards, processes, or procedures change. Training must include:

- How to distinguish between solid waste and hazardous waste.
- How to identify and prevent contamination of materials collected for recycling.
- How to implement policies and procedures.
- How to properly handle, store, document, and dispose of solid waste.
- Specific operational procedures for source reduction.
- How to use PPE.

## 8.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Solid Waste risk assessment
- Regulatory permits as required
- List of licensed / permitted solid waste contractors used

**Nike additionally requires facilities to archive certain data:**

- **Disposal and Recycling Records.** Minimum of three years. Solid waste disposal and recycling records must include:
  - Shipping manifest with waste description
  - Volume
  - Date shipped
  - Shipping destination
  - Whether the waste was shipped to disposal or recycling

### RECOMMENDED PRACTICE

**Facilities generating more than 4,000 kg (8,818 lbs.) of solid waste per month should use a thorough and consistent process for qualifying and monitoring solid waste contractors. This includes:**

- Establishing criteria for accepting and rejecting solid waste contractors. Criteria should include:
  - Historical performance.
  - Liability insurance coverage.
  - Evidence of legally required permits and licenses.
- Having potential solid waste contractors fill out a qualification form to determine if they comply with the established criteria.
- Conducting onsite inspections and evaluations of solid waste contractors' facilities.
- Performing an annual evaluation of solid waste contractors' operations, consistent with Nike Waste Vendor Management and Evaluation Guidelines.
- Periodic review of selection criteria and process based on current risk assessment and annual evaluation of solid waste contractors.

# 9. Nature Is Valued

## 9.1 STANDARD

The facility minimizes freshwater withdrawals and manages wastewater responsibly to protect ecosystems, comply with local laws and regulations, and support Nike's focus on nature conservation.

- **Water stewardship.** Facilities must strive to understand and mitigate water-related risks by optimizing water efficiency, reducing consumption, and verifying wastewater is treated before discharge. This includes implementing water reuse strategies where feasible.
- **Ecosystem protection.** Operations must aim to avoid negative impacts on surrounding water bodies, wetlands, and watersheds and prioritize conservation efforts in sensitive natural areas.
- **Nature-based approach.** Facilities should integrate strategies that help minimize environmental degradation, support long-term ecosystems resilience, protect biodiversity, and prevent deforestation.

## 9.2 REQUIREMENTS

### 9.2.1 Risk Assessment

The facility must conduct and document an annual Hazardous Waste risk assessment that includes at a minimum:

- **Hazard identification.** Identifying all wastewater sources, including:
  - Domestic (e.g., dormitories, kitchens, showers, toilets)
  - Industrial
  - Those generated from other abatement systems (e.g., acid scrubbers and boiler stack scrubbers)
  - Stormwater
- **Risk evaluation.**
  - Understanding the quality and volumetric flowrate, and characterizing the Environment, Health & Safety (EHS) hazards of each type of wastewater discharge.
  - Understanding the potential downstream impacts of discharging non-compliant wastewater. For facilities with more than one discharge point at the property boundary, the facility must understand the downstream impact of each discharge.
- **Control measures.** Identifying and implementing control measures (e.g., training, inspection, wastewater treatment plant controls) to minimize environmental risks.

### RESOURCES

**These resources provide detailed guidance to help facilities comply with the Nature CLS:**

- Nike Wastewater CLS Requirement Guidance
- ZDHC Wastewater Guideline
- Raw materials standards

## 9.2.2 Policies & Procedures

The facility must define and implement policies procedures for managing wastewater. Procedures must include at a minimum:

### Reuse & Minimization
Implement water reuse and minimization strategies to reduce the quantity of wastewater.

### Licenses & Permits
- Have a valid operating license for wastewater.
- Obtain all required discharge permits and/or agreements.

### Sampling Plan
Develop and publish a sampling plan for wastewater and wastewater-related sludge.

### Post Test Limits
Post local requirements / parameters in a central location within the facility's wastewater treatment plant.

### Inventory of Wastewater Treatment Equipment
Maintain an inventory of wastewater treatment equipment and analytical test results to demonstrate compliance with all applicable regulations, standards, and permit requirements. The inventory must, at a minimum:

- List each type of wastewater treatment equipment used and demonstrate that it is suitable for treating the contaminants in the facility's wastewater.
- Confirm that wastewater is not diluted with freshwater, cooling water, stormwater, or clean rinse water from manufacturing processes. Dilution is not an acceptable means of pollution control.
- Include an accurate and up-to-date inspection and maintenance schedule for wastewater treatment equipment.
- Be reviewed on an annual basis.

### Testing
Sample and test wastewater in accordance with the authorities having jurisdiction.

### ZDHC Compliance
The facility must sample and test wastewater discharges in accordance with Nike Wastewater requirements, and any facility in scope for Zero Discharge of Hazardous Chemicals (ZDHC) must sample and test according to ZDHC Wastewater guidelines.

### Sludge Classification
Sample and test sludge in accordance with the authorities having jurisdiction, to determine if the sludge is classified as hazardous or non-hazardous per local regulations. Sludge of any kind cannot be used as compost, fertilizer, fill material, or any other land application without a regulatory permit specifically approving these uses.

### Discharge of Untreated Wastewater
Discharge of untreated wastewater to the environment is strictly prohibited. This includes unlined ponds and lagoons.

### Approved Testing Laboratories
Use an approved analytical testing laboratory with demonstrated proficiency in applicable standards-based methods for wastewater and sludge (i.e., the latest version of ISO 17025). If the facility needs to meet the requirements of the ZDHC Wastewater Guideline as part of Nike's Wastewater Requirement, testing must be performed by a laboratory that is approved by the ZDHC Foundation. In case there is no approved lab in country/region, the facility must consult the ZDHC Foundation to identify an appropriate laboratory.

### Remediation

Develop a process for resolving noncompliances. This process must include:

- Analyzing the root cause of the non-conformance.
- Developing a corrective-action plan to help prevent the nonconformance from reoccurring.
- Proactively notifying Nike of any water-related noncompliances.
- Notifying Nike and government authorities or agencies, as legally required, in cases of accidental discharge.

### 9.2.3 Training

The facility must provide basic freshwater conservation and wastewater awareness training as part of new worker orientation and onboarding training. Training must include:

- Types of wastewater discharges, discharge points, and sources.
- Consequences of untreated wastewater discharges into the environment.
- Emergency procedures, backup system activation, and compliance reporting.

In addition to the training outlined above, workers responsible for operating and maintaining wastewater treatment system(s) must receive training that includes:

- Use of personal protective equipment (PPE).
- Operation and maintenance of incoming freshwater treatment equipment, including freshwater recycling equipment.
- Operation and maintenance of wastewater treatment systems, including collection of operational data.
- Proper sampling techniques and procedures.
- Troubleshooting and root-cause analysis to address and resolve excursions that result in wastewater noncompliances.
- Development of corrective action plans to resolve process excursions and noncompliances.
- Use of a backup plan to be able to respond to emergencies related to wastewater.

## 9.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Wastewater risk assessment
- Inventory of discharges
- Inventory of pollution control equipment
- Wastewater discharge permits
- Wastewater analyses

**Nike additionally requires facilities to archive certain data:**

- **Training records.** Minimum of three years. Documentation must demonstrate that personnel responsible for operating and maintaining water and wastewater treatment equipment are trained and qualified to perform these duties (e.g., certificates issued from institutions qualified to teach water and wastewater treatment).
- **Inspections for pollution control equipment.** Minimum of three years.
- **Maintenance and repair records for pollution control equipment.** Life of the equipment.
- **Laboratory analytical results for wastewater testing.** Minimum of five years or most current results.
- **Disposal documents for accumulated sludge.** Minimum of five years.

# 10. Chemicals Are Managed Properly

## 10.1 STANDARD

The facility demonstrates a consistent, effective, and legally compliant approach to chemicals management. This approach guides procurement and the proper handling, storage, use, and disposal of chemicals to mitigate chemical risk to people and planet.

## 10.2 REQUIREMENTS

### 10.2.1 Risk Assessment

The facility must conduct and document an annual Chemicals Management risk assessment that includes at a minimum:

- **Hazard identification.** Identifying all chemicals, hazards, and potential restricted substances; documenting the amount and location of chemicals used and stored.
- **Risk evaluation.** Evaluating risks to human health and the environment associated with identified hazards.
- **Control measures.** Identifying and implementing control measures to prevent identified risks.

## RESOURCES

**These resources provide detailed guidance to help facilities comply with the Chemicals Management CLS:**

- Nike Chemistry Playbook & Restricted Substances List
- Nike Industrial Hygiene Playbook
- ZDHC Gateway sign up
- ZDHC MRSL
- ZDHC Chemical Management System (CMS)
- ZDHC Technical Industry Guidance (TIG)
- ZDHC Academy Trainings
- ZDHC Approved Service Providers
  *For facilities in-scope for Chemical visibility*
- FEM 4.0 How to Higg Guide

## 10.2.2 Policies & Procedures

The facility must implement policies and procedures to reduce or eliminate the risks associated with chemicals management, including procurement, proper handling, storage, use, and disposal.

Procedures must cover at a minimum:

### Chemical Management System

Any facility that uses chemicals in production or in facility operations must have a documented chemical management system and written policy that meets or exceeds the requirements and best practices outlined in the Zero Discharge of Hazardous Chemicals (ZDHC) Chemical Management System (CMS) and ZDHC Technical Industry Guidance (TIG). Additional requirements include:

- Connecting with Nike using the ZDHC Gateway.
- Designating a responsible party — a team/staff member with the authority to implement and maintain the chemical management system.

### RECOMMENDED PRACTICE

**To minimize chemical consumption, facilities should develop an annual plan to improve chemical productivity and efficiency.**

### Procurement Policy

The facility's procurement policy must specify which chemicals can and cannot be purchased, including:

- Identifying approved chemical suppliers.
- Identifying compliant formulations based on the ZDHC Manufacturing Restricted Substances List (MRSL) and chemical hazards.
- Identifying compliant formulations based on the Nike Restricted Substances List (RSL) and chemical hazards.
- Identifying items that may require special handling and safety procedures.

### Chemical Inventory List

The facility must maintain an accurate electronic chemical inventory list (CIL), including chemicals used in production and in facility operations. CIL data requirements include key information, such as:

- Chemical name and type
- Supplier / vendor name and type
- Manufacturer / formulator name
- Safety data sheet (SDS) information
- Function
- Hazard classification
- Where in the facility it is used
- Storage conditions and location
- Quantity present in the facility
- CAS number(s)
- Lot number (if applicable)
- MRSL and RSL conformity information (for chemicals used in production)
- Purchase date
- Expiration date (if applicable)

### Safety Data Sheet Inventory

Facility must maintain an accurate and up-to-date inventory of all SDSs, with SDS information available to all employees working with chemicals.

### Hazard Signage

Facility must display appropriate chemical hazard signage wherever chemicals are used.

### Protective & Safety Equipment

Facility must provide, maintain, and ensure the use of appropriate personal protective equipment (PPE), and any other safety equipment recommended by SDSs, wherever chemicals are used.

### Emergency Response Plan

Facility must deploy a chemical-spill and emergency-response plan. Workers should practice the plan periodically.

## Chemical Storage

Chemical storage and sub-storage areas must adhere to requirements for chemical storage including:

- **Legal compliance.** Must meet all local legal requirements
- **Enclosure.** Must be ventilated, dry, and protected from weather exposure and fire risk.
- **Security.** Must be secured from unauthorized access (i.e., locked).
- **Signage.** Must be clearly marked with easy-to-read signage.
- **Clearance.** Adequate aisle space to entries and exits must be maintained in case of emergency.
- **Chemical containers.** Chemical containers must be made of materials appropriate for their contents, in good condition, tightly closed, and clearly labeled with their contents.
- **Floor surfaces.** Floors must be solid and non-porous. Floors must not have water drains that chemicals could spill into and there should be no evidence of spilled chemicals.
- **Secondary containment.** Must have secondary containment available for liquid chemicals that meet all local legal requirements.
  - Secondary containers must be used, at a minimum, for any container greater than 55 gallons (approximately 200 liters) in volume.
  - Whenever secondary containment is required, it must be at least 110% of the volume of the primary chemical container.
- **Underground storage tanks.** Containers that are also underground storage tanks must have a functioning leak-detection system and an overfill protection device in place.
- **Materials segregation.** Incompatible substances (such as strong acids and strong bases) must be stored separately.
- **Fire protection.** Flammable substances must be kept away from sources of heat or ignition, including the use of grounding and explosion-proof lighting.
- T**emporary storage containers.** Temporary storage containers must be closed and labeled with contents, hazard class, and lot number (if applicable).
- **Spill-response equipment.** Storage areas must have health and safety measures in place (such as PPE, etc.)

## Nike Restricted Substances List

The facility and its subcontractors must comply with all requirements in the most up-to-date version of the Nike Chemistry Playbook & Restricted Substances List (RSL). These requirements include:

- Performing routine and random testing as described in the Playbook.
- Meeting test limits listed in the Nike RSL.
- Meeting all local and global regulatory requirements for chemical substances in materials and finished goods.
- Completing the RSL failure-resolution process (initiated in the Nike RSL Testing Application) for any RSL FAIL test report. This includes identifying and segregating any material, component, or product that does not meet Nike RSL requirements; documenting in detail the root cause of the failure; and successfully completing corrective actions.

### ZDHC Manufacturing Restricted Substances List

The facility and its subcontractors must comply with all requirements in the most up-to-date version of the ZDHC MRSL and use MRSL-conformant formulations. The facility must:

- Select and purchase chemicals that meet ZDHC MRSL conformity requirements, with a preference for ZDHC Level 3 conformity whenever possible.
- Identify and segregate from use any chemical formulation or process chemical that does not comply with the ZDHC MRSL.

### Chemical Inventories and the ZDHC Gateway

Facilities must upload chemical inventory information to the ZDHC Gateway on a monthly basis. Inventory uploads must be completed and shared with Nike using a ZDHC-approved service provider tool and the ZDHC Gateway.

## 10.2.3 Training

Nike provides RSL training and documents the participation of all facility employees who handle chemicals. Training should be given upon hire, annually, and any time hazards, processes, and / or procedures change.

- In addition to chemicals-management training, Nike RSL-specific training is required every two years for relevant staff.
- The responsible party overseeing the facility's chemicals management practices must complete the ZDHC Chemical Management System (CMS) and Technical Industry Guidance (TIG) trainings available through the ZDHC Academy.

Annual Chemicals Management training includes, but is not limited to:

- Chemical hazards and identification
- Chemical compatibility and risks
- How to use SDSs and manufacturing SDSs
- Signage and labeling
- Proper storage and handling
- Engineering controls
- Proper selection and use of appropriate PPE
- Procedures in the event of an emergency, accident, or spill
- Access restrictions to chemical storage areas
- Identifying responsible parties and duties for chemicals management

The following trainings are required for relevant workers:

- How to Manage Material and Product RSL Compliance. (Refer to the Nike Chemistry Playbook for Nike RSL training opportunities).
- How to Manage and Meet ZDHC MRSL Conformity Requirements. (Refer to the ZDHC MRSL.)

## 10.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Current risk assessment
- Chemical Management System (must meet or exceed ZDHC CMS and TIG requirements)
- Chemicals procurement policy
- Chemicals management training for responsible parties
- Current SDSs for all chemicals
- Current electronic CIL
- Current chemicals spill-response

**Nike additionally requires facilities to archive certain data:**

- **Chemicals inventory data.** Duration of chemical use plus 30 years.
- **SDSs.** Duration of chemical use plus 30 years.
- **Annual integrity testing for underground storage tanks.** Duration of occupancy plus 30 years.
- **Nike RSL test results.** Minimum of 10 years.
- **Chemical spill drills for responsible parties.** Minimum of 5 years.

# SAFE

# Workplace Is Safe

**The facility must provide a safe workplace setting and takes steps necessary to prevent accidents and injury arising out of, linked with, or occurring in the course of work or as a result of site operations.**

**The facility must have systems to detect, avoid, and respond to potential risks to the safety of all workers.**

This section includes:

- General Workplace Safety CLS
- Machine Safety CLS
- Machine Guarding CLS
- Confined Spaces CLS
- Contractor Safety CLS
- Control of Hazardous Energy — Lockout / Tagout (LOTO) CLS
- Electrical Safety CLS
- Fall Protection CLS
- Maintenance Safety CLS
- Injury & Illness Management CLS
- Pressure Vessels & Compressed Air CLS
- Traffic & Motorized Passenger Vehicle Management CLS
- Material Handling & Storage CLS

# 11. General Workplace Safety

## 11.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate risks associated with the workplace environment.

## 11.2 REQUIREMENTS

### 11.2.1 General Duty

The facility has a general duty to furnish workers with a place of employment that is free from recognized hazards causing or likely to cause death or serious physical harm to workers.

### 11.2.2 Housekeeping

The facility must keep all areas where workers, onsite contractors, and onsite subcontractors perform their jobs clear of hazards. At a minimum, the facility must:

- Keep all places of employment clean, dry, and in a state of good repair.
- Keep walkways clear of tripping hazards and other obstructions.
- Provide and maintain a minimum clearance of 0.9 m (3 ft) around all electrical panels, eyewash and shower stations, and other emergency equipment.
- Maintain exits to provide free and unobstructed egress from all parts of the building.
- Doors and passageways cannot be locked or fastened to prevent escape.
- Keep storage areas orderly.
- Maintain a 45 cm (18 in) clearance beneath ceilings or fire sprinklers (whichever is lower).
- Clean spills immediately and place warning signs on wet floors.
- Protect windows and transparent indoor surfaces from breakage. Doors and partitions must be marked with decals if there is a risk of people walking into them.

## RESOURCES

**These resources provide detailed guidance to help facilities comply with the General Workplace Safety CLS:**

- Traffic & Motorized Passenger Vehicle Management CLS
- Material Handling & Storage CLS
- Chemicals Are Managed Properly CLS
- Hazardous Waste CLS
- Solid Waste (Non-Hazardous Waste) CLS

### 11.2.3 Pest Control

The facility must establish procedures for insect and rodent control. At a minimum, the facility must:

- Use chemicals approved for use around people to treat pests and rodents. Chemicals must be managed in accordance with Chemicals Are Managed Properly CLS, Hazardous Waste CLS, and Solid Waste (Non-Hazardous Waste) CLS.
- Include in-scope non-manufacturing facilities such as dormitories, canteens, and childcare centers.
- Use a pest control service to inspect, treat, and control infestations of insects and rodents one time per month at a minimum.
- Use only approved applications in accordance with local law that are suitable for use around people.
- Dispose of traps that contain rodents, insects, or other vermin.
- Record all pest-control reports in a pest-control log. The log must include:
  - A site map.
  - Labels from chemicals used.
  - Safety data sheets (SDSs) for chemicals used.
  - Pest-control service contract with copies of certificate of insurance and license.
- Notify the facility manager regarding infestations and control measures.

### 11.2.4 Training

Workers must receive training that includes at a minimum the General Workplace Safety CLS.

## 11.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Training records
- Up-to-date pest-control log

# 12. Machine Safety

## 12.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate risks of injuries due to machine-related hazards. The Machine Safety CLS focuses on all aspects of machine design including Machine Guarding.

## 12.2 REQUIREMENTS

The facility must use the SAFE Machine framework to capture metrics about the overall safety of a machine. It calculates machine safety as a percentage of the total number of machines at the facility and considers whether the machine is qualified, the Machine Safety risk assessment (with machine impacts), job hazard analysis, safety standard work, job instruction training, and certification. These criteria cover both facility operations and maintenance.

### 12.2.1 Risk Assessment

The facility has a general duty to furnish workers with a place of employment that is free from recognized hazards causing or likely to cause death or serious physical harm to workers.

The facility must conduct and document an annual Machine Safety risk assessment that includes at a minimum:

- **Hazard identification.** Surveying all machines for hazards.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying and implementing control measures to reduce risks (e.g., fixed guards, interlocks, and two-handed controls).

## RESOURCES

**These resources provide detailed guidance to help facilities comply with the Machine Safety CLS:**

- Nike Machine Safety Playbook
- International Standards Organization ISO 12100 Safety of Machinery — General Principles for Design — Risk Assessment and Reduction
- European Union Machinery Directive — MD 2006/42/EC
- International Electrotechnical Commission IEC 60204-1 — Electrical Equipment of Machines — Part 1: General Requirements
- Control of Hazardous Energy (LOTO) CLS
- Building Design & Structure Safety CLS
- Occupational Noise Exposure CLS
- Maintenance Safety CLS
- Fire Safety Management CLS
- Emergency Action CLS
- Occupational Exposure Limits CLS
- Pressure Vessels & Compressed Air CLS

## 12.2.2 Policies & Procedures

The facility must implement procedures to reduce or eliminate the risks of injury from machine-related hazards. Procedures must cover at a minimum:

### Machine Purchases

- Purchases of new electric motors or electric motor replacements for sewing and stitching machines must be at least as energy efficient as servo type motors.

**RECOMMENDED PRACTICE**

Nike encourages facilities to phase out motors that are less energy efficient than servo type motors in sewing and stitching machines.

- After making a purchase, a certified inspector (internal or external) must compile a technical file that includes at a minimum:
  - Machine risk assessment (ISO 12100 or equivalent).
  - Documenting compliance with European standards (EIC 60204-1 Electrical, European Safety Directive 2006/42/EC – Machine Safety Annex I Essential Safety and Health Requirements, and any relevant Type C standards) or local regulatory standards, whichever is more stringent, as verified by a certified machine-safety inspector.
- Relevant functional test reports.
- Purchases of new electric motors or replacement motors (50 Hz or 60 Hz; 0.75 – 200 kW; 2-, 4-, 6-, and 8-pole) must meet IE3 – Premium Efficiency standards or better. Exceptions are 8-pole motors over 200 kW and motors behind a variable frequency drive where motors must meet the IE2 standard.

### Machine Installations

Prior to machine installation, the facility must develop a plan for reducing related health and safety risks that includes at a minimum:

- Assessing the machine to be installed including size, weight, and dimensions.
- Reviewing the facility's current Machine Safety risk assessment.
- Installation requirements – where on site the machine will be unloaded, demolition and / or construction, equipment, expertise, etc.
- Path clearances.
- Structural requirements for the building. Refer to the Building Design & Structure Safety CLS.
- Utility requirements.
- Erecting barriers to separate workers from installation activities.
- Reviewing and updating fire and emergency requirements, chemicals management requirements, or different health hazards (e.g., noise and chemical exposure).
- Validating that air extraction is designed and installed with proper capture velocity and correct materials.

## Machine Operations

For all machines, the facility must develop and update as necessary:

- Job hazard analysis.
- Safety standard work.
- In-job instruction.

## Machine Maintenance

For all machine maintenance, the facility must develop and update as necessary:

- Machine-specific LOTO procedures that address all energy sources.
- Job hazard analysis.
- Safety standard work.
- In-job instruction.

## Machine Decommission & Disposal

Prior to machine decommission and disposal, the facility must develop a plan for reducing related health and safety risks that includes at a minimum:

- Assessing the machine being readied for decommission including size, weight, and dimensions.
- Reviewing the facility's current Machine Safety risk assessment.
- Establishing onsite decommission requirements including where the machine will be loaded for transport off site, demolition, equipment, expertise, etc.
- Identifying offsite decommission and disposal requirements aligned with the CLS and local regulations.
- Path clearances.
- Assessing impact to connected utilities. Refer to the Building Design & Structure Safety CLS.
- Erecting barriers to separate workers from decommission activities.

## Internally Designed & Developed Machinery

If the facility designs and / or develops its own machines:

- All personnel who design and build machines must have expertise gained through education and / or experience in machine safety standards and safe design practices.
- Machines must undergo a documented design review that covers all aspects of machine safety.
- Machines must undergo a Machine Safety risk assessment.
- Machines must comply with European standards (IEC 60204-1 Electrical, European Safety Directive 2006/42/EC – Machine Safety Annex I Essential Safety and Health Requirements, and any relevant Type C standards) or local regulatory standards, whichever is more stringent, as verified by a certified machine-safety inspector.

### SAFE Machines

- **Metrics.** The facility must maintain records detailing the number and percentage of SAFE Machines.
- **Machine Safety strategic plan.** The facility must develop a Machine Safety strategic plan to reach the target of 100% SAFE Machines.

### 12.2.3 Training

- All workers who operate, maintain, install, decommission, or otherwise interact with machinery must receive Machine Safety training upon initial hire. Training must include at a minimum:
  - Machine hazards and how to protect against those hazards.
  - Safe operating procedures.
- All operators, including temporary workers, must be qualified through education and / or experience and receive machine-specific training before operating any machinery.
- Maintenance personnel must be qualified through education and / or experience and receive machine-specific training before performing maintenance service on the machine.

## 12.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Machine Safety risk assessment
- Machine Safety strategic plan
- Training records
- Certifications or degrees documenting professional expertise

**Nike requires facilities to archive certain records:**

- **Machine safety incident records.** Minimum of five years.
- **Technical files for machine safety demonstrating compliance with international machine safety standards.** Life of the machine.

# 13. Machine Guarding

## 13.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate risks of injuries due to moving machine parts by using machine guarding. The Machine Guarding CLS protects people who interact with machines from machine hazards while Machine Safety focuses on the design of the machine, which also includes machine guarding.

## 13.2 REQUIREMENTS

### 13.2.1 Risk Assessment

The facility must conduct and document a Machine Guarding risk assessment that includes at a minimum:

- **Hazard identification.** Surveying all machines for hazards.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying and implementing control measures to reduce risks (e.g., fixed guards, interlocks, two-handed controls).

### 13.2.2 Policies & Procedures

The facility must implement procedures to reduce or eliminate the risk of injury from hazardous machine parts. Procedures must cover at a minimum:

- Evaluating new and / or modified machinery, first considering elimination of hazards and then protection against them.
- Verifying guards are in good operating condition and securely in place.
- Verifying guards will not create additional hazards.
- Verifying fans and other rotating machinery located less than 2.1 m (7 ft) above working surfaces are guarded by a cover with openings less than 1.25 cm (0.5 in).
- Enclosing machines with rotating parts and interlocking with an automatic shut-off mechanism.
- Securing machines that can walk or move during operation.
- Conducting annual inspections of machine guards.
- Conducting preventative maintenance and repair of machine guards that meet lockout / tagout (LOTO) requirements.

## RESOURCES

**This resource helps facilities comply with the Machine Guarding CLS:**

- Control of Hazardous Energy (LOTO) CLS

### 13.2.3 Elevators, Escalators & Material Lifts

The facility must conduct and document an annual risk assessment for elevators, escalators, and material lifts that includes at a minimum:

- **Hazard identification.** Identifying hazards associated with operating and maintaining elevators, escalators, and material lifts.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying and implementing control measures to reduce risks to acceptable levels (e.g., installing interlocks, preventative maintenance).

#### Program

The facility must develop and implement procedures for elevators, escalators, and material lifts that include at a minimum:

- Posting signage stating the safe lifting load and whether or not equipment is intended for human use.
- Positioning or installing equipment in such a way as to prevent the risk of injury to users and bystanders.
- Installing interlocks, barriers, and safety devices as appropriate to prevent injury.
- Performing regular preventative maintenance.
- Performing repair and maintenance activities that adhere to LOTO requirements.
- Erecting barriers and signage to prevent entry when equipment is inoperable.
- Addressing use of elevators, escalators, and material lifts in the event of an emergency.
- Conducting third-party inspections and certifications in compliance with local laws.
- Ensuring a vertical clearance to any overhead obstruction of at least 2.1 m (7 ft).

### 13.2.4 Training

All workers who interact with moving machinery must receive safety training upon initial hire. Training must include at a minimum:

- Machine hazards.
- Safe operating procedures.
- Information on the machine's guards and their proper use.
- Procedures for notifying appropriate parties if guarding is missing, damaged, inoperable, or other unsafe conditions exist.

## 13.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Machine Guarding risk assessment
- Elevators, Escalators, and Material Lifts risk assessment
- Training records

**Nike requires facilities to archive certain records:**

- **Evaluation records for new and modified equipment.** Life of the equipment.
- **Service and repair records.** Life of the equipment.

# 14. Confined Spaces

## 14.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate risks associated with entry into confined spaces.

## 14.2 REQUIREMENTS

### 14.2.1 Risk Assessment

The facility must conduct and document an annual Confined Spaces risk assessment that includes at a minimum:

- **Hazard identification.** Identifying all confined spaces and their associated hazards.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying control measures to reduce or eliminate risks (e.g., entry procedures, personal protective equipment (PPE), communication, and training)

## RESOURCES

**This resource helps facilities comply with the Confined Spaces CLS:**

- Contractor Safety CLS

### 14.2.2 Policies & Procedures

The facility must implement procedures for confined spaces that include completing an inventory of confined spaces and classifying them as restricted-access (requiring a permit to enter) or allowing unrestricted entry (non-permit).

- Confined spaces with medium or high risks as identified in the risk assessment require a permit for entry.
- Unauthorized workers are restricted from entering permit-required confined spaces.
- Warning signs must be posted at all access points. The signs must read DANGER – PERMIT-REQUIRED CONFINED SPACE, DO NOT ENTER.
- Defining the responsibilities of entrants, entry attendants, and entry supervisors for permit-required confined spaces.

- Entry permits must include:
  - Confined space name and location.
  - Entry purpose, date, and duration of work including expiry date and time.
  - List of authorized entrants, entry attendants, and entry supervisor.
  - The hazards associated with the confined space and how to control them.
  - Isolation procedures.
  - Acceptable entry conditions.
  - Required atmospheric testing and ongoing monitoring results.
  - Rescue and emergency requirements.
  - Communication procedures for attendants and entrants.
  - Required entry equipment (e.g., a tripod and winch, a full body harness).
  - Details of other permits (e.g., hot work).
- Annual calibration and pre-entry self-calibration for all monitoring and test equipment.
- Process for reviewing and updating confined-space entry procedures on an annual basis that covers workers, onsite contractors, and onsite subcontractors.

Requirements for classifying a confined space as a non-permit required confined space with unrestricted access include:

- Verifying that the confined space does not contain an actual or potentially hazardous atmosphere.
- Verifying that the confined space does not contain hazards capable of causing death or serious physical harm. This includes any recognized health or safety hazards (e.g., engulfment in solid or liquid material, electrical shock, moving parts).
- When people enter the confined space to remove hazards, it must be treated as a permit-required confined space until hazards have been eliminated.

The facility can reclassify a non-permit required confined space to a permit-required confined space, if necessary, when changes in the use or configuration of the space increase hazards to entrants.

### 14.2.3 Training

All workers involved in confined-space work (e.g., entrants, attendants, supervisors, rescue team) must receive training at the time of initial assignment and at least annually thereafter. Training must include:

- Confined space entry hazards and control measures.
- Required data elements for entry permits.
- Use of all equipment.
- Communication procedures.
- Rescue and emergency procedures.

## 14.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Confined Space risk assessment
- Confined space entry permits
- Training records

**Nike requires facilities to archive certain records:**

- **Monitoring records.** Minimum of three years.

# 15. Contractor Safety

## 15.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate Environment, Health & Safety (EHS) risks associated with onsite contractor and onsite subcontractor activities.

## 15.2 REQUIREMENTS

### 15.2.1 Risk Assessment

The facility must conduct and document an annual Contractor Safety risk assessment that includes at a minimum:

- **Hazard identification.** Identifying all tasks that may be contracted or subcontracted and their associated hazards.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying control measures to reduce or eliminate risks.

### 15.2.2 Qualification

The facility must have a qualification process for engaging any onsite contractor or onsite subcontractor to perform equipment or facility maintenance, or tasks identified as medium or high risk.

The qualification process must include at a minimum:

- Establishing criteria for accepting and rejecting onsite contractors and onsite subcontractors. Criteria should include:
  - Historical EHS performance.
  - Proof of sufficient liability insurance (broad coverage, as defined in each country, is recommended).
  - Evidence that the business has implemented applicable safety programs and training.
- Having potential onsite contractors and onsite subcontractors fill out a qualification form to determine if they comply with the established criteria.
- Creating a directory of qualified businesses.
- Evaluating directory of qualified businesses on an annual basis.
- Verifying that all licenses, permits, and approvals to perform the job are in place.
- Verifying that minimum liability insurance requirements (as defined by the appropriate jurisdiction, nature of work, best practice) are met.

### 15.2.3 Pre-Job Orientation & Review

The facility must conduct a pre-job review and orientation with onsite contractors and onsite subcontractors hired to perform a job that includes at a minimum:

- Providing an orientation tour of the facility, including emergency exits, how to recognize alarms, and actions to take in case of an emergency.
- Verifying required onsite contractor and onsite subcontractor training and / or certifications.
- Verifying safety data sheets (SDSs) are on hand for any chemicals brought on site.
- Inspecting the equipment brought on site to verify that it's in good condition and complies with all regulatory requirements.
- Reviewing all applicable EHS regulations as well as the facility's EHS policies and procedures.
- Reviewing general safety rules.
- Reviewing housekeeping, cleanup, and disposal requirements.
- Providing instructions for incident reporting.
- Provisions for noncompliance. See below.

### 15.2.4 Monitoring

The facility must monitor onsite contractors and onsite subcontractors. The level of monitoring must be determined by the levels of risk involved with tasks.

#### Provisions for Noncompliance

The contract between the facility and onsite contractors or onsite subcontractors must outline a process to monitor, identify, and find remedy for contractor-related noncompliances with any part of the facility's safety policies and procedures.

### 15.2.5 Training

All affected managers, supervisors, and workers must be trained on the facility's Contractor Safety policy and procedures.

## 15.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Contractor Safety risk assessment
- Contractor Safety qualification form
- Evaluations of onsite contractor and onsite subcontractor qualification forms
- Training records

**Nike requires facilities to archive certain records:**

- **Contractor Safety monitoring records.** Minimum of three years.

# 16. Control of Hazardous Energy (LOTO)

## 16.1 STANDARD

The facility must develop and implement processes and procedures for lockout / tagout (LOTO) of machinery and equipment to control hazardous energy.

## 16.2 REQUIREMENTS

### 16.2.1 Risk Assessment

The facility must conduct and document a Control of Hazardous Energy (LOTO) risk assessment each year that includes at a minimum:

- **Hazard identification.** Identifying equipment, tasks (e.g., installation, maintenance, inspection, cleaning, repair of machinery or equipment) and the associated hazards resulting from uncontrolled hazardous energy sources.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying control measures to reduce or eliminate risks (e.g., LOTO procedures).

### 16.2.2 Policies & Procedures

The facility must implement procedures to reduce or eliminate the risks associated with uncontrolled hazardous energy. Procedures must cover at a minimum:

- Documenting machine-specific LOTO procedures for equipment with multiple energy sources.
- Assigning individual workers locks, keys, and tags to secure energy-control devices. Only workers who install locks and tags can remove them.
- Isolating and de-energizing equipment:
  - Disconnecting or shutting down engines or motors that power mechanical systems.
  - De-energizing electrical circuits by disconnecting power / lockout.
  - Blocking gas or liquid flows in hydraulic, pneumatic, or stream systems.
  - Blocking machine parts against motion that may result from gravity.

- Dissipating stored energy after systems have been de-energized:
  - Venting gas or liquids from pressure vessels, tanks, or accumulators until internal pressure is at atmospheric pressure.
  - Discharging capacitors by grounding.
  - Releasing or blocking springs that are under tension or compression.
  - Dissipating inertial forces by allowing systems to come to a complete stop after shutting down and isolation.
- Verifying isolation and de-energization.
- Following correct procedures for re-energizing equipment:
  - Inspecting work, removing locks, safe start up, and re-energizing when workers are clear of danger points.
  - Providing adequate protection to workers when LOTO devices will be temporarily removed to test or position the machine or equipment.
  - Notifying workers when work is complete and equipment is running.
  - Monitoring re-energized equipment to verify safe operation.
- Using a tag alone when no other means of isolation exists.
- Using multiple lockout equipment and procedures when more than one worker is involved in the isolation process.
- Removing locks by force is only permissible when the location manager, in person, verifies that the machinery is safe and all workers are out of the danger area.

### 16.2.3 Monitoring

The facility must monitor and update its LOTO program and procedures on an annual basis.

### 16.2.4 Training

All workers must receive awareness training on LOTO procedures.

Workers involved in LOTO must be fully trained upon hire or after being assigned, with refresher training annually. Training must include:

- The where, what, and how of isolating all energy sources.
- Using locks and tags on control devices.
- Verifying isolation.
- Safe start up and re-energizing procedures.
- Hazard identification and control.

## 16.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Control of Hazardous Energy (LOTO) risk assessment
- Training records

  Control of Hazardous Energy (LOTO) procedures

**Nike requires facilities to archive certain records:**

- **Monitoring records.** Minimum of three years.

# 17. Electrical Safety

## 17.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate risks associated with electrical hazards.

## 17.2 REQUIREMENTS

### 17.2.1 Risk Assessment

The facility must conduct and document an annual Electrical Safety risk assessment that includes at a minimum:

- **Hazard identification.** Identifying electrical-related tasks and associated hazards.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying control measures to reduce or eliminate risks (e.g., personal protective equipment (PPE), operating procedures, training, and safe work practices).

### 17.2.2 Policies & Procedures

The facility must implement procedures to reduce or eliminate risks associated with electrical hazards. Procedures must cover at a minimum:

#### Arc Flash Analysis

- Studying the facility's power system to determine the incident energy available at specific electrical devices that workers would be exposed to while being near or working with the electrical equipment.

## RESOURCES

**This resource helps facilities comply with the Electrical Safety CLS:**

- Control of Hazardous Energy (LOTO) CLS

- Verifying only trained and authorized individuals conduct repairs on electrical equipment.
- Verifying individuals performing work on energized electrical circuits hold appropriate qualifications and are specifically authorized to perform such work.
- Guarding electrical distribution areas to protect against accidental damage (e.g., specifically designed rooms, using substantial guard posts and rails).
- Restricting access to electrical distribution rooms to authorized workers.
- Completely enclosing all electrical distribution panels, breakers, switches, and junction boxes to protect them from wet conditions.

- Labeling all electrical control devices to identify which equipment they control.
- Verifying all electrical distribution panels have 0.9 m (3 ft) clearance.
- Adequately supporting all conduits along their length. Non-electrical attachments to a conduit are prohibited.
- Verifying all electrical wiring and cables are in good condition with no exposed circuits.
- Using extension cords only on a temporary basis.
- Providing ground fault circuit interruption (GFCI) for wet locations. GFCI may be referred to by different names in different regions including but not limited to:
  - Residual current device (RCD)
  - Residual current circuit breaker (RCCB)
  - Residual current breaker with overload (RCBO)
  - Fault current protection switch (FI-Schalter)
  - Earth leakage circuit breaker (ELCB)
  - Earth leakage breaker (ELB)
  - Earth leakage protector (ELP)
- Verifying site-specific electrical safety rules are readily available.

### Electrical Inspections

The facility must have regularly scheduled electrical inspections and testing:

- The frequency of these inspections depends on the local law, the type of equipment in the facility, the environment where it is used, and the frequency of use.
- Major modifications to new and existing buildings must be inspected to verify compliance with local laws.
- The facility must have a process for prioritizing and correcting electrical deficiencies.

### Protective Equipment

When working on energized circuits, electricians must take certain safety measures:

- Electrical-rated goggles and safety shoes and / or boots must be worn as required in accordance with the risk assessment.
- All tools used for electrical work must be properly insulated.
- Electrical-rated matting must be installed in front of all distribution panels in electric utility rooms.

## 17.2.3 Training

All workers must be trained on Electrical Safety rules and reporting procedures for electrical deficiencies.

### Electrical Safety

Qualified individuals working on any electrical system or live circuits must, at a minimum, be trained in the following site-specific requirements:

- Recognizing the hazards associated with their work environment.
- Procedures for locking out and tagging out energized electrical circuits and equipment safely.
- Using appropriate procedures and personal protective equipment (PPE).
- Care and maintenance of PPE.

# 17.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Electrical Safety risk assessment
- Training records

**Nike requires facilities to archive certain records:**

- **Inspection records.** Minimum of five years.

# 18. Fall Protection

## 18.1 STANDARD

The facility must develop processes and implement procedures to reduce or eliminate risks associated with falling off, onto, or through working levels and to protect workers, onsite contractors, or onsite subcontractors from being struck by falling objects.

## 18.2 REQUIREMENTS

### 18.2.1 Risk Assessment

The facility must conduct and document an annual Fall Protection risk assessment that includes at a minimum:

- **Hazard identification.** Identifying job tasks that put workers or objects at risk of falling.
- **Risk evaluation.** Evaluating the risks associated with work at height.
- **Control measures.** Identifying and implementing control measures to reduce the risks.

### 18.2.2 Policies & Procedures

The facility must implement procedures to reduce or eliminate the risk of a fall or being struck by a falling object. Procedures must cover at a minimum:

- Requiring a full-body harness for any unprotected height of 1.2 m (4 ft) or greater.
- Inspecting fall-protection equipment before and after each use.
- Inspecting fall-protection equipment monthly.
- How to properly maintain, clean, and store fall-protection equipment.
- How to properly use fall-protection systems.
- How to properly handle, store, and secure tools and materials.
- Restricting access to areas where there is the risk of a fall or a falling object.
- Establishing emergency procedures for retrieving a fallen worker.

### Ladder Safety

Ladder safety policies and procedures must include:

- Inventory.
- Safe use.
- Inspection requirements.
- Fixed ladders that extend more than 2.1 m (7 ft) must be enclosed in a cage with a height of 2.1 m (7 ft).
- Fixed ladders extending more than 24 feet must be equipped with ladder safety or personal fall arrest systems in lieu of a cage.

### Floor & Wall Openings

- Any situation where a person can fall more than 1.2 m (4 ft) must be guarded by a standard railing and toe board on all open sides except where there is an entrance to a ramp, stairway, or fixed ladder.
- A standard railing consists of top rail, mid rail, and posts.
- The toe board must be a minimum height of 10.2 cm (4 in) tall with a gap of less than .66 cm (.25 in) at the bottom and the ability to withstand a weight of 22.67 kg (50 lbs.).
- Where there is a potential hazard of material or equipment falling through a wall or floor opening, the opening must be protected with a toe guard or enclosed screen.

## 18.2.3 Training

Anyone who could be exposed to fall hazards must receive training on fall-prevention techniques at the time of initial assignment and at least annually thereafter. Training must cover at a minimum:

### Overview

- Nature of fall hazards in the work area.
- How to recognize and minimize fall hazards.
- Correct procedures for maintaining and inspecting the fall protection system.
- Use and operation of fall-protection equipment.
- Maximum load limits for fall-protection components.

### Ladder Safety

- All affected workers must be trained on ladder safety covering safe use and inspection requirements.

# 18.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Fall Protection risk assessment
- Training records

**Nike requires facilities to archive certain records:**

- **Inspection forms for fall protection and ladders.** Minimum of three years.

# 19. Maintenance Safety

## 19.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate the risk of equipment failure or exposure to hazards associated with maintenance and repair activities.

## 19.2 RESPONSIBILITIES

**Maintenance representatives** must establish, maintain, and administer Maintenance Safety policy and procedures.

## 19.3 REQUIREMENTS

### 19.3.1 Risk Assessment

The facility must conduct and document an annual Maintenance Safety risk assessment that includes at a minimum:

- **Hazard identification.** Identifying hazards associated with maintenance and repair tasks.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying and implementing control measures to reduce or eliminate risks (e.g., personal protective equipment (PPE), hot work permits).

## RESOURCES

**These resources help facilities comply with the Maintenance Safety CLS:**

- Chemicals Are Managed Properly CLS
- Electrical Safety CLS
- Control of Hazardous Energy (LOTO) CLS
- Personal Protective Equipment (PPE) CLS

### 19.3.2 Policies & Procedures

The facility must implement Maintenance Safety procedures. Procedures must include at a minimum:

- Maintaining workshops in good and clean working order.
- Maintaining all tools and equipment in safe and proper working order.
- Facilitating access to manufacturers' equipment manuals.
- Providing PPE and requiring workers to use it.
- Requiring all maintenance personnel to wear risk-appropriate footwear.

- Deploying a preventative maintenance and repair system including:
- Scheduling and prioritizing.
- Documenting details of work completed.
- Documenting date and who completed the work.
  - Creating a maintenance / repair log for each piece of equipment and tool.
- Deploying safety procedures and a hot-work permit system whenever hot work is performed in any area not specifically designated for that operation and free of flammables and combustibles. The hot-work permit must include at a minimum:
  - Location and nature of the hot work.
  - Time and duration of the hot work.
  - Precautions to take before work starts, during, and after completion of the work.
  - Names of the supervisor and individual conducting work.
  - PPE required.
  - Firefighting equipment requirements
  - List of authorized persons who can sign hot work permits.

### 19.3.3 Training

#### Maintenance Workers

Maintenance workers must receive training that includes at a minimum:

- Specific requirements of the Maintenance Safety program.
- Use, storage, and maintenance of tools.
- Preventative maintenance requirements of equipment and tools.

#### Hot-Work-Authorized Workers

Workers authorized to perform hot work must receive annual training that includes at a minimum:

- Hot-work permit system and procedures.
- Use of equipment (including firefighting equipment).

## 19.4 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Maintenance Safety risk assessment
- Training records

**Nike requires facilities to archive certain records:**

- **Preventative maintenance records.** Minimum of three years.
- **Repair records.** Life of the equipment.
- **Hot work permits.** Minimum of three years.

# 20. Injury & Illness Management

## 20.1 STANDARD

The facility must develop and implement processes and procedures for incident reporting and managing injury and illness.

## 20.2 REQUIREMENTS

### 20.2.1 Policies & Procedures

The facility must implement policies and procedures to manage injury and illness. Procedures must cover at a minimum:

- Immediately reporting all incidents to management. This includes work-related injuries, near misses, illnesses, and accidents that result in property damage.
- Reporting all fatalities or serious injuries to Nike within eight hours of the incident. This includes injuries resulting in 24-hour inpatient hospitalization, permanent disfigurement, loss of any body part, or loss of sight.
- If an onsite contractor or onsite subcontractor sustains an injury on the facility's premises, the facility must clarify whether the contractor or the facility is logging the injury or illness.
- An investigation report must be submitted to facility management within 48 hours of the incident.
  The report must include at a minimum:
  - Name of facility.
  - Specific location and time of the incident.
  - Witness information.
  - Names of all deceased or hospitalized workers.
  - Facility contact person and phone number.
  - Complete description of the incident detailing all relevant facts and all contributing causes.
  - Corrective measures necessary to prevent recurrence.

## RESOURCES

**This resource helps facilities comply with the Injury & Illness Management CLS:**

- Nike Accident/Incident Report Form

- Injury and illness management procedures must include:
  - Ensuring the confidentiality of worker incidents.
  - Communicating with the injured worker (e.g., regarding wages and medical restrictions).
  - Return-to work-provisions (e.g., work restrictions, transitional work).
  - Enforcing any work restrictions.

### 20.2.2 Recordkeeping & Reporting

The facility must maintain a log of all work-related injuries and illnesses resulting in a fatality, hospitalization, lost workdays, medical treatment beyond first aid, job transfer or termination, or loss of consciousness. The log must include:

- A report of each incident, entered within six working days of receiving the information.
- Name of the worker, onsite contractor, or onsite subcontractor.
- Date of injury or illness.
- Where on the facility premises the injury or illness occurred.
- General description of the incident.
- Number of calendar days the person was or will be away from work due to injury or illness.
- Number of calendar days the person was or will be under work restrictions due to injury or illness.
- An annual summary of injuries and illnesses must be posted in areas accessible to workers including:
  - Total number of injuries and illnesses incidents
  - Total number of deaths
  - Total number of days away from work
  - Total number of cases of restricted work activity or job transfer
  - Incident Rate, which is calculated as follows:

    (Total number of days away from work + total number of cases with job transfer or restriction) x 200,000 / Total number of hours worked by all workers = Total Incident Rate
  - Facility must also report the above incident data to Nike on a quarterly basis unless directed to report monthly.

    **NOTE: Facilities with 10 or fewer workers are exempt from the quarterly data reporting requirement.**

Note that the facility is prohibited from taking disciplinary action against any worker due to reporting an incident or a near-miss.

### 20.2.3 Training

#### Injury & Illness Reporting

Workers must be trained on the facility's Injury and Illness Management program. Training must include at a minimum:

- The importance of immediately reporting any work-related injury or illness or near miss regardless of the severity.
- The importance of sharing information regarding any injury or illness that affects their ability to perform normal work duties.

#### Injury & Illness Management

Managers and supervisors must receive additional training that covers the facility's Injury and Illness Management program.

Training must include at a minimum:

- How to create an incident report in the injury, illness, and near-miss log.
- How to conduct an accident or near-miss investigation and root-cause analysis.
- The importance of maintaining confidentiality.
- Best practices for communicating with the worker, medical personnel, and other stakeholders.
- Best practices for integrating people back into work after injury or illness.

## 20.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Incident reporting policies and procedures
- Injury and illness management policies and procedures
- Training records

# 21. Pressure Vessels & Compressed Air

## 21.1 STANDARD

The facility must develop and implement processes and procedures to eliminate current and future risks related to pressure vessels and systems.

## 21.2 REQUIREMENTS

### 21.2.1 Risk Assessment

The facility must conduct and document an annual Pressure Vessels & Compressed Air risk assessment that includes at a minimum:

- **Hazard identification.** Identifying and classifying pressure vessels and systems according to their associated hazards.
- **Risk evaluation.** Evaluating risks associated with hazards derived from pressure vessels, boiler houses, steam pipelines, and other systems included in this CLS.
- **Control measures.** Identifying control measures to reduce risks (e.g., pressure-relief valves, monitoring, personal protective equipment (PPE) related to pressure vessels and systems).
- Risk assessments must be conducted for new pressure vessels and whenever existing systems undergo material or design changes.

### 21.2.2 Policies & Procedures

The facility must implement procedures to reduce or minimize the risks associated with each process and/or work area. Procedures must include at a minimum:

#### New Machine Installation

Pressure vessels and systems must be installed, calibrated, and tested in accordance with the manufacturers' recommendations. Steam-distribution systems must be properly maintained and insulated prior to operation.

#### Safe Operation

- All pressure vessels and systems must be used solely for the purposes for which they are designed.
- The monitoring system on pressure vessels must have early warning signs of any abnormal conditions.
- Operators must be trained and authorized.

## RESOURCES

**This resource helps facilities comply with the Pressure Vessels & Compressed Air CLS:**

- Machine Safety CLS

#### Preventative Maintenance Program

All pressure vessels and systems must be covered by an ongoing preventative maintenance program to avoid of safety-valve and warning-system failures. This includes at a minimum:

- The facility must conduct inspections — annually, monthly, weekly, or daily — based on the risk assessments for each type of pressure vessel and air compression system.
- Periodic inspections by third-party experts to comply with local regulations at least annually, prioritized based on internal inspections and the risk assessment for each type of pressure vessel.

- Tests on pressure regulators, switches, and safety valves for all pressure vessels.
- Non-destructive tests such as ultrasonic tests (UTs) and / or liquid penetration tests (PTs) for aging equipment to determine corrosion, fatigue, and remaining useful life.
- Surveying steam boiler system to verify existence and function of boiler house, steam pipelines, and condensate-recovery system including insulation coverage, steam-trap maintenance, and adequate water-storage tanks.
- Surveying compressed-air systems to verify compressed-air distribution system maintenance and pressure regulation as well as air leakage rates throughout the system.
- Proper maintenance procedures for compressed-air systems to repair and replace air-distribution pipes and to discover and eliminate air leaks.
- Proper maintenance procedures for steam boiler system for boiler houses, steam pipelines, condensate recovery systems including insulation coverage, steam traps, and adequate water storage tanks.

Steam boilers in cut-and-sew garment-finishing facilities have additional requirements including:

- Facilities must not make new purchases of centralized steam boilers.
- Procedures must be in place to eliminate current or future centralized steam boilers in ironing processes, including those at subcontractors' facilities. When eliminated, they must be labeled as non-operational and disposed of properly.
- Written policy stating that use of centralized steam boilers has been prohibited since January 1st, 2020.
- Disposal records must be maintained.

### 21.2.3 Training

#### Pressure Vessels

All authorized workers must receive training upon hire or assignment and annually thereafter. Training must cover at a minimum:

- Potential hazards of the equipment and system.
- Safe operating and maintenance procedures.
- Emergency procedures.

#### Steam Boilers & Compressed Air Systems

All authorized workers must receive training upon hire or assignment and annually thereafter. Training must cover at a minimum:

- Information specific to the type of steam boiler or compressed-air system present at the facility.
- How to obtain boiler operator license if applicable.

## 21.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Pressure Vessels & Compressed Air risk assessment
- Pressure Vessels & Compressed Air policies and procedures
- Training records
- Current diagrams of equipment and emergency supplies should be easily accessible including:
  - Steam system and compressed air system piping.
  - Steam trap locations, count, and type as well as maintenance records.
  - Location of pressure and temperature gauges.
  - Water storage location and type.

**Nike requires facilities to archive certain records:**

- **Disposal records.** Five years.
- **Inspection records.** Minimum of three years.

# 22. Traffic & Motorized Passenger Vehicle Management

## 22.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate the risks associated with pedestrian traffic and the operation of motorized passenger vehicles.

## 22.2 REQUIREMENTS

### 22.2.1 Risk Assessment

The facility must conduct and document an annual Traffic & Motorized Passenger Vehicle Management risk assessment that includes at a minimum:

- **Hazard identification.** Identifying all motorized passenger vehicles and associated hazards.
- **Risk evaluation.** Evaluating risks associated with identified hazards.
- **Control measures.** Identifying and implementing control measures to eliminate or reduce risks.

### 22.2.2 Policies & Procedures

The facility must implement a Traffic & Motorized Passenger Vehicle Management program that covers at a minimum:

- Prohibiting the operation of a motorized passenger vehicle on the company's behalf or on the facility property while under the influence of drugs or alcohol.
- Verifying all drivers, with the exception of microcar drivers, are licensed by the local authority to operate a motorized passenger vehicle on behalf of the facility and / or operate a motorized passenger vehicle on the facility property. If there are no laws requiring drivers to be licensed, the facility must verify that the driver can operate a motorized passenger vehicle safely and issue a driving permit.

## RESOURCES

**These resources help facilities comply with the Traffic & Motorized Passenger Vehicle Management CLS:**

- Better Work Cambodia
- AIP Foundation Collaboration
- Material Handling & Storage CLS

- Specifying motorized passenger vehicle safety requirements including:
  - Wearing a helmet while riding a motorbike.
  - Equipping motorized vehicles with restraint systems.
  - Equipping motorized vehicles with warning systems (e.g., lights, alarms, horns).
  - Protecting motorized vehicles from falling objects.
  - Training on safe operating procedures and behaviors.
- Periodic preventive maintenance (including any statutory inspections) including:
  - Immediately stopping use of and repairing faulty motorized passenger vehicles.
  - Requiring repairs to be carried out by trained and authorized workers.
- Inspecting motorized passenger vehicles prior to use to verify sure that it is in safe working condition.
- Developing rules for safe operation of all types of motorized passenger vehicles.
- Segregating pedestrians and motorized passenger vehicles.
- Reporting all incidents and near misses to managers.

## 22.2.3 Traffic Management

The facility must implement procedures for managing onsite traffic of all motorized passenger vehicles. Procedures must cover at a minimum:

- Considering one-way traffic patterns to reduce or eliminate the need to operate in reverse where possible.
- Equipping motorized vehicles with a reversing alarm.
- Protecting pedestrians in the area from motorized passenger vehicles in reverse by using a spotter. Spotter-specific duties include but are not limited to:
  - Inspecting the area where reversing activities will take place to verify safe walking and driving surfaces free of recognized hazards (e.g., pallets, debris, wheel chocks).
  - Discussing a traffic plan with the driver prior to putting the vehicle in reverse.
  - Discussing and agreeing upon hand signals with the driver prior to putting the vehicle in reverse.
  - Using agreed upon hand signals at all times while the driver is in reverse.
  - Maintaining eye contact with the driver at all times while the vehicle is in reverse. If the spotter enters a blind spot where the driver can no longer see the spotter, the driver must immediately stop reversing activities until communication and eye contact with the spotter have been re-established.
  - Maintaining ample separation (i.e., 2.5 to 3 meters) between the spotter and the vehicle during reversing activities to avoid collision.
  - Following safety procedures when the trailer is opened. If the trailer load was not properly packed and / or secured, opening the trailer doors may cause objects from the trailer to fall. If this occurs, the spotter should continue to maintain ample separation with the trailer and allow object(s) to fall.
  - Staying alert and focused while reversing activities are taking place. Distractions to avoid include using a mobile phone or conversing with anyone other than the driver.
- Posting onsite speed limits.
- Eliminating blind spots or placing convex mirrors at blind spots if they cannot be eliminated.
- Installing and maintaining external lighting.
- Providing personal protective equipment (PPE), (e.g., high-visibility jackets and safety shoes).
- Developing rules for safe operation of all types of motorized passenger vehicles.
- Controlling visiting drivers (e.g., posting site rules and identifying smoking and waiting areas).
- Keeping motorized passenger vehicles in good working order (e.g., properly maintaining the lights, brakes, tires).

- Protecting the safety of drivers and workers during loading and unloading.
- Protecting the safety of workers when entering the facility property. Examples include clearly marked parking areas, drop off areas, and walkways.

## 22.2.4 Transportation Safety Promotion Program

The facility must implement a safety practices program to promote, educate, and train workers on how to reduce or eliminate traffic-related incidents inside and outside the facility. The program must include provisions for:

- Seat belt and helmet usage.
- Pedestrian safety when entering and exiting the facility's property.
- Speed control.
- Child restraint.
- Drinking and driving.
- Insurance.

## 22.2.5 Medical Evaluation

All powered industrial truck (PIT) operators must be physically capable of operating motorized passenger vehicles in a safe manner.

## 22.2.6 Training for Microcar Drivers

### Microcars

Workers who drive microcars must receive training on the facility's traffic and vehicle management program and undergo a certification process. All training and evaluation must be completed before an operator is permitted to use a microcar without supervision.

Training must include:

- Classroom instruction and practical skills (demonstrated by the trainer and performed by the trainee) for each type of microcar the worker will operate.
- Site-specific rules and procedures.
- Overview of inspection, repair, and maintenance procedures.
- Evaluation of the operator's performance in the workplace.
- Policy for revoking certification for misuse and / or non-compliance with requirements.

### Refresher Training for Microcar Drivers

Operators must undertake refresher training and re-evaluation every three years. In addition, the facility must provide refresher training when:

- The operator has been observed using the microcar in an unsafe manner.
- The operator has been involved in an accident or near-miss incident.
- The operator has received an evaluation that reveals the operator is not operating the microcar safely.
- The operator is assigned to drive a different type of microcar.
- Changes occur in policies, procedures, or workplace conditions that could affect the safe operation of the microcar.

### Trainer Qualifications

Training must be conducted under the close supervision of a trainer approved by management. To become a trainer, the individual must have sufficient knowledge and skills with the microcar models in the facility's fleet.

## 22.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Traffic & Motorized Passenger Vehicle Management risk assessment
- Traffic & Motorized Passenger Vehicle Management policies and procedures
- Training records
- Third-party inspection records

**Nike requires facilities to archive certain records:**

- **Pre-use inspection forms.** Three months.
- **Maintenance and repair records.** Life of the microcar.

# 23. Material Handling & Storage

## 23.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate risks associated with Material Handling & Storage operations and equipment.

## 23.2 REQUIREMENTS

### 23.2.1 Risk Assessment

The facility must conduct and document an annual Material Handling & Storage operations and equipment risk assessment that includes at a minimum:

- **Hazard identification.**
  - Identifying material handling equipment (MHE), tasks, and their associated hazards (e.g., installation, maintenance, inspection, cleaning or repair of machinery or equipment).
  - Identifying loading / unloading and dock equipment and their associated hazards.
  - Assessing the impact of using industrial automatic guided vehicles (AGVs) and / or the automated functions of manned industrial vehicles on the current Material Handling & Storage system if applicable.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying control measures to reduce or eliminate risks.

## RESOURCES

**These resources help facilities comply with the Material Handling & Storage CLS:**

- ANSI/ITSDF B56.5
  Safety Standard for Driverless, Automatic Guided Industrial Vehicles and Automated Functions of Manned Industrial Vehicles
- ANSI/NFPA 505
  Fire Safety Standard for Powered Industrial Trucks Including Type Designations, Areas of Use, Conversions, Maintenance, and Operations
- ANSI/RIA R15:08-1-2020
  Safety Requirements — Requirements for the Industrial Mobile Robot
- Machine Safety CLS

## 23.2.2 Policies & Procedures

The facility must implement material handling and storage procedures. Procedures must include at a minimum:

### Material Handling

Facilities must develop and implement procedures for all activities related to the handling of materials. Procedures must cover at a minimum:

- How to select loads
- Securing loads
- Stacking and de-stacking containers
- Loading trucks and trailers
- Using equipment to lift and lower personnel
- Guardrail requirements
- Load requirements
- Lift equipment specifications
- Personal protective equipment (PPE)
- Driving-surface conditions

### Preventive Maintenance Program

All MHE operated within the facility on a regular basis must receive periodic preventative maintenance as recommended by the equipment manufacturer. Maintenance must be performed by a qualified technician with proper authorization.

### Nameplates, Equipment Markings & Modifications

All powered industrial truck (PIT) equipment markings (e.g., manufacturer nameplates, decals) and operating instructions must be installed and legible. Modifications that could affect the rated capacity, stability, safe operation, and / or emergency controls of a PIT require prior written approval from the equipment supplier. Modifications can only be made by personnel trained and authorized to complete the approved modifications. After PIT modifications, all nameplates, decals, equipment tags, and operating manuals must be updated accordingly.

### Battery Charging & Refueling Areas

Facilities must create, post, and implement safe operating procedures for battery charging and refueling areas, including proper ventilation requirements. Posted signage must identify:

- Required and recommended PPE.
- Spill kit locations.
- Eye wash and shower station locations.
- Rules about smoking in the vicinity.

Safety and security requirements must also include at a minimum:

- Chargers must be secured, covered, and protected from the elements.
- Appropriate PPE and spill-response equipment must be readily available.
- Eye wash and shower stations must be readily available.
- Smoking is prohibited within 30 m (100 ft) of battery charging and refueling areas.

### Traffic Management

The facility must develop and implement policies and procedures for managing MHE traffic that cover at a minimum:

- Appropriate PPE for MHE operators.
- Placing convex mirrors to address blind spots.
- Speed-limit signage.
- Marked pedestrian walkways.
- Motorized passenger vehicle reversing protection (e.g., reversing alarms and a spotter).
- Rules for driving PITs both with and without loads.
- When opening and closing doorways through which vehicles operate, bystanders in the vicinity must be alerted and /or access restricted.

## Material Storage

Facilities must develop and implement procedures for all activities related to material storage both on and off site. Because stored materials must be secured and stable from sliding, collapse, and / or any other recognized hazard, procedures must cover at a minimum:

- Stacking limits.
- Stacking stabilization (e.g., straps or other restraints).
- Material storage containers (e.g., bins, pallets, skids, or racks).
- Stacking obstruction avoidance (e.g., storing materials a sufficient distance from aisles, entrances, emergency exits, ventilation systems, fire extinguishers and first aid kits).
- Storage and stacking requirements for large containers and barrels.
- Maximum working load signage.
- Storage restrictions for combustible materials.
- Procedures for broken packages or containers.

## Racks

The facility must develop and implement procedures for all activities related to loading, unloading, and storing materials on racks. Procedures must cover at a minimum:

- Rack design and construction requirements for expected loads.
- Building foundation requirements.
- Rack identification-number signage.
- Rack installation and maintenance processes.
- Maximum working load signage.
- Annual inspection guidelines.
- Reporting protocols for structurally damaged racks.

## Loading Dock

If the facility has a loading dock, precautions must be taken to verify that trailers are secured and safe to enter. Before proceeding with loading or unloading trailers, workers must:

- Verify that the immediate area is free from hazards and all equipment is in good working order.
- Clear any debris from the floor.
- Inspect the trailer walls, floors, and ceiling to verify they are free of damage.
- Verify that dock lighting is working and adequately illuminates the entire trailer.
- Inspect the dock leveler to verify it is in good working order.
- Test trailer doors fitted with an International Code Council (ICC) compliant locking system to verify they are secured and working correctly.
- In cases where dock locks are not present, trailers must be secured by at least one wheel chock.

## AGVs & Automated Functions of Manned Industrial Vehicles

EHS professionals, managers, and supervisors must refer to the Machine Safety CLS and comply with those requirements prior to purchasing and deploying AGVs. If the facility operates AGVs and / or uses the automated functions of manned industrial vehicles, it must develop and implement procedures that cover at a minimum:

- Compliance with all requirements in the Material Handling & Storage CLS.
- Clearance of no less than 0.5 meters (1.64 feet) must be maintained along both sides of the vehicle guide path. If one side of the guide path is less than 0.1 meters (0.33 feet) due to a continuous fixed structure (e.g., a wall), then the other side must maintain clearance of no less than 0.5 meters (1.64 feet).
- Areas in which the vehicle is expected to travel that cannot meet the clearance requirements as described above must be designated hazard zones and clearly marked using appropriate signage and / or floor markings (per ANSI/NFPA 505).
- Floors must be marked clearly to identify non-restricted areas in which the vehicles (and their loads) may navigate.
- Vehicle speeds must be limited to 1.2 meters per second (3.9 feet per second) in hazard zones and 0.3 meters per second (0.98 feet per second) in restricted areas. (See ANSI/ITSDF B56.5 for more information on restricted areas.)
- Vehicles must be programmed to stop before reaching a fire door to avoid obstructing the door from functioning properly in the event of a fire.
- Only trained and authorized personnel are allowed to operate AGVs manually.
- Specific safety training must be provided for operators and bystanders who may come into contact with vehicles in a hazard zone or restricted area.
- Automatic audible and / or visual warning indicators must be used to alert personnel when the vehicle is in motion.
- Audible and / or visual alarms must be used for automatic doors through which vehicles travel.
- Verifying that vehicles are suitable for any hazardous environments in which they are expected to operate (per ANSI/NFPA 505). Vehicles permitted for use in hazardous environments must be properly identified.
- Safety devices must not be overridden when vehicles are in automatic or semiautomatic modes.

### NOTE

Autonomous mobile robots (AMRs) are a form of industrial mobile robot (IMR) that are distinct from AGVs and are not directly covered within the CLS. However, facilities that use AMRs must still verify that they are compliant with Nike CLSs and local laws, whichever is more stringent.

Sections of the CLS that apply to AMRs include but are not limited to:

- General Workplace Safety CLS
- Machine Safety CLS
- Machine Guarding CLS
- Control of Hazardous Energy (LOTO) CLS
- Electrical Safety CLS
- Maintenance Safety CLS
- Traffic & Motorized Passenger Vehicle Management CLS
- Personal Protective Equipment (PPE) CLS

If an AMR is operated using a defined guide path navigation system, it must comply with all requirements in the AGVs & Automated Functions of Manned Industrial Vehicles subsection of the Material Handling & Storage CLS.

### 23.2.3 Training

Workers who operate or work around PITs must receive training on the facility's policies and procedures as well as applicable laws. PIT operators must be evaluated and refresher training must be provided in any cases of non-conformance.

The training topics must include but are not limited to:

- Load capacity
- Fall prevention and protection
- Restraint system operations
- Loading / unloading materials
- Warning system operations
- Safe operating procedures
- Vehicle inspections
- Traffic rules
- Pedestrian safety
- PPE requirements for PIT operators
- Vehicle maintenance requirements

#### RECOMMENDED PRACTICES

When developing and implementing procedures related to AGVs and / or the automated functions of manned industrial vehicles, facilities should consider the following guidance:

- Sensors in the direction of travel should cover the vehicle's maximum length and width when the load extends beyond the length and / or width of the vehicle.
- Vehicle guide paths should only pass through doorways if there is sufficient aisle space (no less than 0.5 meters) provided.

## 23.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Material Handling & Storage operations and equipment risk assessments
- Material Handling & Storage operations and equipment policies and procedures

**Nike requires facilities to archive certain records:**

- **Inspection forms for PITs and racking.** One year.
- **Maintenance and repair records.** Three years.

# Canteen, Childcare & Dormitory Facilities Are Healthy and Safe

**All canteen, childcare, and dormitory areas are safe, hygienic, and healthy. Facilities, including childcare, adhere to local law and regulations and the CLSs that cover building construction and health and safety. The facility has robust safety-management systems in place to reduce or eliminate the health and safety risks of operating these non-manufacturing / distribution facilities.**

This section includes:

- Canteen Management CLS
- Childcare Management CLS
- Dormitory Management CLS
- Drinking Water CLS
- Sanitation CLS

# 24. Canteen Management

## 24.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate the risks associated with operating and maintaining safe, clean, and healthy food preparation and consumption areas.

## 24.2 REQUIREMENTS

### 24.2.1 Risk Assessment

The facility must conduct and document an annual Canteen Management risk assessment that includes at a minimum:

- **Hazard identification.** Identifying hazards related to foodborne illnesses and kitchen safety.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying and implementing control measures to reduce the risks.

### 24.2.2 Policies & Procedures

The facility must implement procedures to reduce or eliminate the risks associated with food service. Procedures must cover at a minimum:

- Establishing procedures in case of contamination, food poisoning, and/or gastroenteric diseases from meals served in the canteen.

## RESOURCES

**These resources help facilities comply with the Canteen Management CLS:**

- Fire Safety Management CLS
- Building Design & Structure Safety CLS
- Emergency Action CLS

### Food Service Workers

- Must undergo a medical examination and be certified as free from communicable diseases at least annually where required by local law.
- Must understand and follow procedures for reducing the transmission of communicable diseases.
- Must wear hair nets, gloves, and aprons while preparing and serving food.
- Must thoroughly wash and disinfect hands prior to working with food.

### Food Preparation & Consumption Areas

- Must be clean and disinfected.
- Must have mechanical refrigeration that can maintain a temperature of not more than 5° C (41° F) when perishable food items are stored on site.
- Must have washbasins that provide both hot and cold running water.
- Cooking, serving, and eating utensils must be washed and disinfected after each use.
- Tabletops and counters must be cleaned and disinfected after each use.
- Canteen must be free of rodent and insect infestations.
- Garbage and refuse must be stored in leakproof, non-absorbent containers that are emptied daily.
- Cooking oils must not be disposed of in sanitary or stormwater drains.
- Raw meats, raw poultry, raw fish, vegetables, and nuts must each have separate preparation areas, bowls, and utensils.
- Samples of all meals must be kept under refrigeration for 72 hours after being served.
- All food preparation and consumption areas must be designated as non-smoking areas.

### Restrooms

- All food-service workers must thoroughly wash and disinfect hands after using the restroom.
- Signage must be posted requiring handwashing after restroom use.

## 24.2.3 Training

Food service workers must receive information and training relating to risks resulting from improper food handling. Training must include:

- Review of the Canteen Management risk assessment and associated procedures.
- Food safety and storage requirements.
- Kitchen safety practices.
- Personal hygiene.
- Foodborne illness and communicable disease awareness.

# 24.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Canteen Management risk assessment
- Canteen Management policies and procedures
- Training records

# 25. Childcare Management

## 25.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate risks associated with working with children and childcare facilities.

## 25.2 REQUIREMENTS

### 25.2.1 Risk Assessment

The facility must conduct and document an annual Childcare Management risk assessment that includes at a minimum:

- **Hazard identification.** Identifying all potential hazards of working with children and childcare facilities (including soccer schools and events).
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying control measures to reduce risks (e.g., first aid training, cardio-pulmonary resuscitation (CPR) training, safe play areas).

## RESOURCES

**These resources help facilities comply with the Childcare Management CLS:**

- Fire Safety Management CLS
- Building Design & Structure Safety CLS
- Emergency Action CLS

## 25.2.2 Policies & Procedures

The facility must implement procedures to protect children when they are on facility premises or in the care of facility employees. Procedures must include at a minimum:

### Working with Children

- Anyone working with children at the facility must undergo screening prior to employment.
- Contact information for parents or guardians must be kept on file.
- Children may only be released to an authorized parent, guardian, or designated individual.
- Facility must have written parental or guardian consent on file to give first aid or medical treatment to a child.
- The facility must have written parental or guardian-consent on file to transport a child in automobiles, busses, or any other form of transportation.
- Individuals qualified in first aid and CPR for infants and children must be available.
- The facility must develop and implement procedures to address contagious diseases (e.g., chicken pox, measles, lice).
- When children participate in special events, the organizer must comply with local laws.

### Child Care Facilities

- The premises must always be clean and well maintained.
- Buildings must have heating and cooling systems to provide comfortable and safe temperature conditions.
- Electrical outlets within reach of children must be covered when not in use.
- Fireplaces must be guarded.
- All hot surfaces must be insulated so that children cannot touch them.
- Dining or food preparation areas must be available.
- Drinking cups and utensils must be child-safe.
- Potable drinking water must be available.
- Toilet facilities must be clean, suitable for children, and provide hand-washing facilities
- There must be one toilet and washbasin for every 15 children.
    - Lavatory fixtures accessible to children must supply hot and cold running water; hot water cannot exceed 43° C (110° F).
- There must be a sufficient number of appropriate changing stations for infants and toddlers.
- Medicines, poisons, and other dangerous substances must be stored in a locked cabinet.

- A clean crib, cot, or mat (suitable to the child's age and level of development) and clean linens must be provided for each child. Cribs, cots, and mats must be placed at least 0.9 m (3 ft) apart. For evening care, each child must be provided with a firm, waterproof mattress.
- Outdoor play areas must be safe and secure; any open water or pits must be fenced or covered.
- There must be a trained full-time facility director for all childcare facilities with more than 60 children.
- The facility must conduct a monthly fire evacuation drill while children are present.
- Health records must be maintained for each child including details of immunizations, medications, communicable diseases, unusual injuries, and evidence of neglect. Any unusual injuries or instances of neglect must be reported to the facility manager.

### 25.2.3 Training

All workers caring for or supervising children must receive training that includes at a minimum:

- An overview of the risk assessment including hazards, risks, and control measures.
- Recommended practices and local laws for working with children.
- First aid and CPR instruction.
- Written procedures.

## 25.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Current risk assessment
- Current worker screening records
- Current parent or guardian contact information
- Training records

# 26. Dormitory Management

## 26.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate risks of operating and maintaining dormitory facilities.

## 26.2 REQUIREMENTS

### 26.2.1 Risk Assessment

The facility must conduct and document, prior to occupancy and annually thereafter, a Dormitory Management risk assessment that includes at a minimum:

- **Hazard identification.** Identifying hazards associated with operating and maintaining dormitory facilities.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying control measures to reduce risks (e.g., heating and cooling systems, fire protection, security).

## RESOURCES

**These resources help facilities comply with the Dormitory Management CLS:**

- Fire Safety Management CLS
- Building Design & Structure Safety CLS
- Emergency Action CLS

## 26.2.2 Policies & Procedures

The facility must implement procedures for dormitory management. Procedures must cover at a minimum:

### General Amenities

- Housing must be structurally sound, in good repair, clean, secure, and provide occupants with safe protection from the elements.
- Housing must have heating and cooling systems to provide comfortable and safe temperature conditions.
- Each living area will provide for a minimum of 4 $m^2$ of living space per occupant, with provisions for private storage of personal effects.
- Adequate lighting and electric services must be provided in all living areas.
- Eating and food preparation areas must be provided.
- Provisions for the sanitary collection and disposal of garbage will be provided.
- Housing must have appropriate access for local emergency-response personnel including fire, medical and police agencies.

### Sleeping Quarters

- Individual beds, cots, or bunks must be provided to each occupant; no triple bunks are allowed.
- Bed linens provided by the facility must be clean and sanitary.
- Separate sleeping areas must be provided for each gender.

### Toilet Areas

- Toilet facilities must be within 50 m (164 ft) of each living unit.
- Toilet facilities must provide one toilet for each 15 occupants.
- Toilet facilities must be separated by gender with appropriate signage posted.
- Toilet facilities must be cleaned and sanitized daily.

### Shower & Washing Areas

- Shower and washing areas must be within 50 m (164 ft) of each living unit.
- All shower and washing areas must provide pressurized hot and cold potable water.
- Shower areas must provide one showerhead for each 15 occupants; showerheads must be placed a minimum of 1 m (3.3 ft) apart.
- Shower and washing facilities must be separated by gender with appropriate signage posted.
- Shower and washroom floors must be constructed of non-absorbent materials and sanitized daily.

### Fire Safety & First Aid

- Emergency action plans that include detailed evacuation procedures in the event of an emergency must be posted in conspicuous locations throughout the facility.
- Fire extinguishing equipment must be provided in a readily accessible location not more than 30 m (98.45 ft) from each living area.
- A minimum of two exits must be clearly marked on each floor.
- Annual fire drills must be conducted and documented.
- First aid kits must be provided and readily accessible; one kit per 50 occupants.
- Hazardous chemicals must be stored only in designated areas.

### Monthly Inspections

Regular inspections must take place to verify that common areas, stairwells, fire extinguishing equipment, and emergency exits are free from obstructions.

### Pest Control Program

- Each dormitory must establish procedures for insect and rodent control.
- The facility must contract with a pest control service. The pest control service is responsible for inspections, treatments, and placing traps a minimum of one time per month to control infestations of insects and rodents.
- The service must use approved applications in accordance with local laws that are suitable for use around people. In the event that rodents, insects, or other vermin enter the traps, the pest control contractor must take on the disposal responsibility and notify the dormitory manager/landlord.
- The facility must maintain pest-control reports in an onsite log. The pest-control log must include a map, labels from chemicals used, safety data sheets (SDSs) for chemicals used, the pest control contract, and current copies of the service's certificate of insurance and license.

## 26.2.3 Training

Dormitory occupants must receive information and training on how to respond in case of an emergency. Training must include:

- Emergency action plan.
- Locating the closest firefighting and first-aid equipment and knowing how to use it.

# 26.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to archive certain records:**

- **Fire evacuation drills.** Minimum of three years.

# 27. Drinking Water

## 27.1 STANDARD

The facility must develop and implement processes and procedures to provide safe drinking water that is easily and readily available for all workers.

## 27.2 REQUIREMENTS

### 27.2.1 Risk Assessment

The facility must conduct and document an annual Drinking Water risk assessment or meet local law if more frequent tests are required. This includes at a minimum:

- **Hazard identification.** Identifying hazards that could potentially contaminate workplace drinking water.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying control measures to reduce potential contamination of drinking water (e.g., sampling, treatment).

### 27.2.2 Policies & Procedures

The facility must implement water quality procedures. Procedures must cover at a minimum:

- Providing potable water for all workers.
- Labeling non-potable water sources as such.
- Locating water dispensers away from hazardous work environments.
- Providing sanitary washing and storage areas for workers' drinking cups and containers.
- Boiling or otherwise decontaminating non-potable water prior to using it for food preparation or cooking.
- Deploying response procedures for contamination or suspected contamination of facility drinking water sources.

## RESOURCES

**These resources help facilities comply with the Drinking Water CLS:**

- Fire Safety Management CLS
- Building Design & Structure Safety CLS
- Emergency Action CLS

### Water Sampling Program

Each facility using ground water (i.e., a well) or surface water as a source for facility-provided drinking water must have a water-quality sampling program in place. At a minimum, the facility must meet these requirements.

**Table 1.**

**SAMPLING FREQUENCY BASED ON USER POPULATION**

| Population | Minimum Samples per Quarter<br>Every third month |
|---|---|
| 25 – 999 | 1 |
| 1,000 – 4,999 | 10 |
| 5,000 – 9,999 | 15 |
| 10,000 – 19,999 | 20 |
| > 20,000 | 50 |

**BACTERIA & DISINFECTION ACCEPTANCE LEVELS**

- **Fecal coliforms.** 0.0 MPN/100 mL or none detected
- **Giardia lamblia cysts.** 99.9%
- **Inactivation of viruses.** 99.99%
- **Residential disinfectant concentration entering the system.** Cannot be less than 0.2mg/L
- **Measured total chlorine, combined chlorine, or chlorine dioxide.** Must be detectable in 95% of the samples each month.

If the facility uses water provided by a city or local jurisdiction, it must verify with the water supplier that water-quality specifications are met. If the city or local jurisdiction has not performed water testing, the facility must conduct testing as described.

**RECOMMENDED PRACTICE**

The minimum sampling period should be determined based on local risk.

## 27.2.3 TRAINING

### Water Quality Awareness

If the facility uses ground (well) or surface water, all workers must receive awareness training on water quality standards and procedures. Training must include at a minimum:

- Report procedures for any drinking water related illness that requires first aid or other medical assistance.
- Illness reporting procedures.

### Water Quality Training

All workers who are responsible for implementing and maintaining the water-quality program at the facility must receive training in emergency response in the event of a drinking water contamination event.

## 27.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Current risk assessment

**Nike requires facilities to archive certain records:**

- **Analytical water quality test results.** Minimum of three years.

# 28. Sanitation

## 28.1 STANDARD

The facility must develop and implement processes and procedures to minimize risks associated with sanitation in the workplace environment.

## 28.2 REQUIREMENTS

### 28.2.1 Risk Assessment

The facility must conduct and document an annual Sanitation risk assessment that includes at a minimum:

- **Hazard identification.** Identifying hazards associated with sanitation.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying and implementing control measures to reduce the risks (e.g., ventilation, cleaning).

## 28.2.2 Policies & Procedures

The facility must implement procedures to keep all areas where all employees, onsite contractors, and onsite subcontractors work free of sanitation hazards. Procedures must cover at a minimum:

- Keeping all places of employment clean, dry, and in a good state of repair.
- Constructing and maintaining every workplace so as to prevent the entrance of rodents, insects, or other vermin.
- Providing protection from a wet environment when work tasks result in wet conditions.
- Storing garbage and refuse in leakproof, non-absorbent containers that are emptied daily.
- Cleaning spills immediately, disposing of water properly, and placing warning signs on wet floors.
- Providing an adequate number of toilets for each gender by tallying the number of women and men and using the ratios in Table 2.
- Having adequate ventilation and enclosed drainage pipes in all toilet facilities.
- Cleaning and disinfecting all toilet facilities at least once per day.
- Providing washbasins with hand soap in all work areas.
- Providing individual paper towels, air blowers, or clean sections of continuous cloth toweling adjacent to all washbasin areas.

**Table 2.**

**MINIMUM NUMBER OF TOILETS & WASHBASINS BASED ON WORKER POPULATION**

| Number of Workers | Minimum Number of Toilets | Number of Washbasins |
|---|---|---|
| 1 – 15 | 1 | 1 |
| 16 – 36 | 2 | 2 |
| 36 – 55 | 3 | 3 |
| 56 – 80 | 4 | 4 |
| 81 – 110 | 5 | 5 |
| More than 110 | 1 additional toilet and washbasin for each additional 40 workers | |

## 27.2.3 TRAINING

### Water Quality Awareness

Workers must receive training in the following areas:

- Hygiene
- Housekeeping
- Sanitation procedures
- Food safety
- Appropriate PPE
- Personal precautions
- Environmental precautions
- Procedures for cleanup and containment of spills and leaks

## 27.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Sanitation risk assessment
- Training records
- Accident and contamination records

# Buildings Are Fit for Purpose

**The facility's building and load-bearing structures are constructed according to local laws or international standards with sign off from certified civil or structural engineers.**

**Multi-use occupancies are not allowed.**

This section includes:

- Building Design and Structure Safety CLS
- Asbestos CLS
- Construction Safety Program Management CLS

# 29. Building Design & Structure Safety

## 29.1 STANDARD

The facility must develop and implement policies and procedures to reduce or eliminate safety risks associated with the design, construction, use, and maintenance of buildings.

## 29.2 REQUIREMENTS

### 29.2.1 Risk Assessment

The facility must conduct and document a Building Design & Structure Safety risk assessment to determine if a building is safe for occupancy, which includes at a minimum:

- **Hazard identification.** Identifying hazards associated with building design, construction, and additional factors that could weaken the structural integrity of the building (e.g., potential natural and man-made hazards such as snow load on roof, water intrusion, earthquakes, vibration from machines, hazards from neighboring buildings).
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying and implementing control measures to reduce risks (e.g., periodic inspections, training, structural reinforcement, and earthquake retrofits).

## RESOURCES

**These resources help facilities comply with the Building Design & Structure Safety CLS:**

- International Building Code, current edition
- Section 1705 Required Verification and Inspection
- NFPA 1 and NFPA 101

## 29.2.2 Policies & Procedures

### General

- Buildings must be designed to comply with local building codes or International Building Codes, whichever is approved by local authority, or meet at a minimum all requirements of this CLS.
- Buildings must be designed and built for their intended use. For example, manufacturing facilities must be designed for industrial occupancy.
- The construction general contractor must obtain all permits required by the local building authority or jurisdiction as part of the design and build process (e.g., equipment permits, construction permit, occupancy permits).
- Building designs must be approved by the local building authority. If there is no local building authority, the building must be designed by a professional building design firm or civil / structural engineering firm.

### Building Design of Loads

- Buildings, mezzanines, and mezzanine structures must be designed and constructed to support all loads without exceeding the allowable stress or specified strengths of the materials used for structural members and connections. Design must include floor load rating, dead loads, and any additional loads from expected natural events or disasters identified in the risk assessment.
- Load ratings are marked on plates of approved designs and must be securely affixed in a conspicuous place.
- Lost, removed, or defaced plates must be replaced by the owner or its agent.

### Building Design of Workspace

- Each facility must provide adequate space to enable workers, onsite contractors, and onsite subcontractors to perform work without risk to health, safety, and wellbeing.

#### RECOMMENDED PRACTICE

The total number of occupants in the manufacturing area must not exceed the square footage of the manufacturing area divided by 200 $ft^2$ per person (~18.6 $m^2$ / person).

For example, the maximum number of occupants in 20,000 $ft^2$ of floor space (~1,860 $m^2$) is 100 workers (20,000 $ft^2$ ÷ 200 $ft^2$ / person).

### Building Design of Exits

Each facility must provide a safe means of exit in case of fire and other emergencies. At a minimum, the safe means of exit must be:

- Designed and marked so that routes of escape are obvious.
- Marked NO EXIT if doorways or passageways do not lead to a safe exit.
- Designed so that passageways that dead-end and do not lead to safe exit are shorter than 16.67 m (50 ft).
- Designed to provide at least two different exit paths from every workplace (may include building, structure, section, or area) so that there are alternate means of escape if an exit is blocked by fire or other emergency.

### Building Design of Lighting

- The building design must furnish adequate lighting for safe working conditions.

### Building Design of Stairs and Stairways

The facility must provide safe passage up and down stairs and stairways. At a minimum, the stairs and stairways must have:

- Standard railings (for four steps or more).
- Minimum width of 0.56 m (22 in).
- Treads with slip-resistant surfaces.
- Uniform step height and width throughout any flight of stairs.

### Load Capacity Is Not Exceeded

- The building must have a roof designed to sustain all stresses due to dead loads and live loads.
- Loads on roofs, stairs, and mezzanines must not exceed their design capacity or specified strength limits.

### Change in Use

- When an existing building is changed to a new use group classification, the building design must meet the requirements of the new use.

### Building Additions or Modifications

- Additions or modifications to existing buildings must comply with local building codes or meet at minimum all requirements of this CLS, whichever is more stringent.
- An independent third party must perform a structural analysis to verify that the existing building and any addition or alteration meet building code requirements.

### Maintenance & Inspections

- Buildings must be inspected per Section 1705 of the International Building Code or local law, whichever is more stringent.
- Inspections must include all load-bearing structures including the roof, mezzanine, and walls.
- Inspections must include soil tests as applicable.
- All applicable permits must be in place for maintenance work.

## 29.2.3 TRAINING

### General Training

Affected workers must receive basic training upon initial hire and refresher training as needed. Training must cover:

- Building rules prohibit putting, causing, or permitting to be put on any floor, roof, or other structure of a building a load greater than the capacity for which such floor, roof, or structure is designed.

### Maintenance Training

Workers who have building maintenance responsibilities must receive periodic training in addition to the general training described above. Training must include at a minimum:

- Local laws.
- Building hazards, natural hazards, and operational hazards affecting building structure.
- Load limits on structural elements.
- Additional roles and responsibilities.

## 29.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Building Design & Structure Safety risk assessment
- Building architectural drawings
- Building permits, if applicable
- Soil mechanics tests, including compacting, failure, and displacement

**Nike requires facilities to archive certain records:**

- **Inspection (including insurance inspection reports) and maintenance records.** Minimum of three years

# 30. Asbestos

## 30.1 STANDARD

The facility must develop and implement processes and procedures for identifying and managing asbestos containing material (ACM). The facility must establish guidelines and procedures in the management of ACM to protect all workers, onsite contractors, onsite subcontractors, visitors, and vendors from potential health hazards of asbestos-related diseases. This CLS applies to all buildings and structures owned by the facility. The CLS applies to routine work during which a worker might encounter asbestos, as well as work undertaken to repair or remove ACM.

## 30.2 REQUIREMENTS

### 30.2.1 Risk Assessment

The facility must conduct and document an ACM risk assessment that includes at a minimum:

- **Hazard identification.** Having a qualified individual identify the locations, quantities, types, conditions, and related hazards of known or suspected ACM on the facility's premises.
- **Risk evaluation.** Evaluating the risks associated with known or suspected ACM.
- **Control measures.** Identifying control measures to reduce the risks (e.g., labeling, access control, inspections).

### 30.2.2 Policies & Procedures

Any facility that has known or suspected ACM must implement procedures that include at a minimum:

- Communicating the presence of ACM, along with associated health hazards, to affected workers.
- Labeling ACM as containing asbestos, including dangers and precautions.
- Using a permit-to-work for all work on ACM.
- Ensuring that work on ACM is undertaken solely by trained and competent individuals.
- Making provisions for the proper use of PPE, engineering controls, housekeeping requirements, containment, and clean-up equipment when working with ACM.
- Disposing of ACM properly, in accordance with local law.
- Performing quarterly inspections to verify the condition of known or suspected ACM.
- Conducting medical surveillance for individuals working with ACM.

## RESOURCES

**This resource helps facilities comply with the Asbestos CLS:**

- Nike Asbestos Technical Bulletin

- When removing ACM:
  - An Asbestos management plan must be developed to outline the scope of work involved with any removal of ACM within a facility. The management plan must highlight all activities so that workers and contractors stay safe from potential exposure while removing ACM.
  - An enclosure or other suitable containment must be erected before the removal of ACM takes place to protect workers in adjacent areas from the risk of airborne asbestos caused by the removal.
  - After removing ACM, the area of work must undergo air sampling in accordance with local laws before the enclosure or containment can be taken down and the area released.

### 30.2.3 Training

#### Asbestos Awareness

Anyone working in the vicinity of known or suspected ACM must receive awareness training on an annual basis. Training must include:

- Basic recognition of ACM.
- Health hazards associated with ACM.
- Activities that could result in the release of asbestos fibers.
- Notification requirements in the event ACM is disturbed.
- Site-specific ACM policies and procedures.

#### ACM Maintenance Workers

All workers in direct contact with known or suspected ACM, such as maintenance or custodial staff, must receive additional training on an annual basis:

- How to avoid disturbing or damaging ACM.
- The use, fitting, care, and limitations of PPE.
- Procedures for maintenance of ACM.
- Signs of damage and deterioration to ACM.
- Response to an asbestos fiber release.

## 30.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- ACM risk assessment and inventory
- Building construction plans and/or bills of lading for the building materials, which indicates the presence or absence of ACM, if applicable

**Nike additionally requires facilities to archive certain records:**

- **Maintenance, repair, and disposal records (including permits and laboratory reports).** Duration of occupancy plus 30 years.
- **Quarterly inspections of known or suspected ACM.** Minimum of three years.

# 31. Construction Safety Program Management

## 31.1 STANDARD

The facility will develop and implement processes and procedures to reduce or eliminate risks associated with new construction activities.

## 31.2 RESPONSIBILITIES

A Construction Safety program manager (CSPM) is accountable for making sure that the Construction Safety program is successfully administered for all projects in the facility's construction portfolio. The CSPM is responsible for submitting risk analysis, periodical safety audit reports, and a monthly injury report to leadership. The CSPM also has the authority to stop work when health and safety hazards are not adequately controlled. The CSPM might oversee an additional project manager for support in implementing effective program governance.

## 31.3 REQUIREMENTS

### 31.3.1 Risk Assessment

The facility must conduct and document a Construction Safety risk assessment for each new construction project that includes at a minimum:

- **Hazard identification.** Identifying tasks, related hazards, and environmental impacts to the property and surrounding area for the construction project.
- **Risk evaluation.** Evaluating the risks of the hazards and environmental impacts.
- **Control measures.** Identifying control measures to reduce the risks (e.g., training).

## RESOURCES

**These resources help facilities comply with the Construction Safety Program Management CLS:**

- Supplier Construction Safety Playbook
- Fall Protection CLS
- Contractor Safety CLS
- Injury & Illness Management CLS

## 31.3.2 POLICIES & PROCEDURES

The facility must design and implement a Construction Safety program that includes at a minimum:

### Construction Safety Management Framework

- Creating a qualification process for hiring a general contractor and onsite subcontractors.
- Defining project size and complexity.
- Defining roles and responsibilities based on project size.

### Project-specific Safety Program

- Defining program elements.
- Certifications relevant to the project scope.

## 31.3.3 Project Size & Complexity

### Small Project Size & Complexity

Small-scale construction projects are characterized by factors such as:

- Short duration.
- Small team (up to 10 craft workers).
- Minimum use of space or land.

Small projects with minimal complexity include construction of simple facility buildouts in unoccupied spaces or landlord-run buildouts. They typically represent a lower level of risk.

### Medium Project Size & Complexity

Medium-scale construction projects are characterized by factors such as:

- Duration of three to six months.
- Broader team (10 to 100 skilled workers).
- Occupation of significant space.

Medium-sized projects include complex facility buildouts or construction in an occupied space. They typically represent a higher level of risk.

### Large Project Size & Complexity

Large scale construction projects are characterized by factors such as:

- Long duration of six months to years.
- Large team (more than 100 craft workers).
- Extensive use of space or land.

Large projects include complex, heavy machinery and facility and campus construction. They typically represent the highest level of risk.

## 31.3.4 Training

All workers who take part in new construction must receive training on construction site policies and procedures concerning the topics outlined in this CLS. Workers must be evaluated and, in cases of nonconformance or repeated nonconformances, they must take required refresher training on policies and procedures.

## 31.4 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

### Start of the Project

Documentation at the start of the project includes:

- Legal approval/permits.
- Risk assessment.
- Site-specific safety plan.
- Emergency response plan and contact list.
- Incident notification flowchart.
- Safety training records.
- Workforce information list.
- Maintenance records.
- Job safety analysis (JSA).
- Safe work plan (SWP).
- Integrated work plan (IWP).
- Method of procedure (MOP).

### Daily

Daily documentation during the project includes:

- Pre-task plans.
- Equipment inspection sheets.

### Weekly

Weekly documentation during the project includes:

- Safety report that includes weekly safety inspection results with corrective actions.
- Number of hazard recognitions.
- Safety briefs (or Toolbox Talks) topics and roster of attendees.
- Safety representative meeting minutes and roster.

### Monthly

Monthly documentation during the project includes:

- Completed project safety checklist.
- Number of safety inspections.
- Investigation report for all lost-time injuries and significant near misses.
- Waste disposal records.
- Total first aid cases.
- Total recordable injuries.
- Total near misses.

### Quarterly

Quarterly documentation during the project includes safety audit reports.

# Fire & Emergency Action Plans Are in Place

**The facility has a fire-prevention and emergency action plan to protect workers during normal working operations and emergency situations. The facility provides fire-detection systems to notify workers of emergencies, safe exit routes when workers need to leave the building, and safe shelter locations when workers are required to remain in the building during emergencies.**

This section includes:

- Emergency Action CLS
- Fire Safety Management CLS

# 32. Emergency Action

## 32.1 STANDARD

The facility must develop and implement processes and procedures to respond to emergencies.

## 32.2 REQUIREMENTS

### 32.2.1 Risk Assessment

The facility must conduct and document an annual Emergency Action risk assessment that includes at a minimum:

- **Hazard identification.** Identifying events that might lead to an emergency (e.g., fire, bomb threat, social dispute, air pollution, kidnapping / hostage situations, flood, tsunami, earthquake, hurricane, and medical issues.
- **Risk evaluation.** Evaluating the risks associated with identified emergencies.
- **Control measures.** Identifying and implementing control measures to reduce the risks (e.g., firefighting equipment, training, safe storage of flammables).

### 32.2.2 Policies & Procedures

The facility must develop and implement written Emergency Action and planning procedures. Procedures must cover at a minimum:

- Names or job titles of persons who can be contacted for further information or explanation of duties regarding the plan.
- Roles and responsibilities of emergency personnel (including command and control).
- Means to report emergencies including posting emergency telephone numbers.
- Evacuation procedures and posted plans if required.
- Identification and provisions for workers who remain to operate critical plant equipment or operations before they evacuate.
- Identification and provisions for assisting disabled individuals.
- Rescue and medical duties.

## RESOURCES

**These resources help facilities comply with the Emergency Action CLS:**

- Fire Safety Management CLS
- NFPA 101

- Provisions to account for all workers including:
  - Designating assembly areas outside the workplace and refuge areas inside the workplace.
  - Taking a head count after evacuation.
  - Identifying the name and last known location of anyone not accounted for and communicating this information to a supervisor.
  - Establishing a method to account for onsite contractors, onsite subcontractors, customers, visitors, and other non-employees.
  - Establishing procedures for evacuation to offsite locations as might be necessary.

- Communication process to update workers on emergency status (e.g., return-to-work and go-home status.
- Annual evacuation drills for all workers.
- Annual review of Emergency Action and planning program.
- Dependent on geography, developing a severe weather and natural disaster plan, which could include procedures for:
  - Floods
  - Hurricanes or typhoons
  - Tornadoes
  - Earthquakes
  - Volcanic eruptions
- Chemical and spill-response plan.
- Civil disturbance plan.
- Emergency shutdown procedures.
- Bomb threat evacuation procedures.

### 32.2.3 Notification / Alarm System

Notification systems must be established at each facility and include:

- Adequate warning to act per procedures including:
  - **Audible alarms.** Bells, horns, sirens, announcements, or a speaker system.
  - **Visual alarms.** Flashing lights or strobe lights.
- Audible and visual alarms must be perceivable above ambient noise and light levels.
- Audible and visual alarms must be distinctive and recognizable.
- A means for activating the notification / alarm system.
- System must always be operational except when testing or undergoing repairs or maintenance.
- Annual and periodic testing and maintenance must be performed by competent individuals.

### 32.2.4 Training

All workers must receive training upon hire, when assigned new job duties, and whenever Emergency Action and planning procedures are changed. Training must include at a minimum:

- Emergency procedures.
- Escape routes and procedures in accordance with the Life Safety Code from the National Fire Protection Agency (NFPA 101).
- How to report emergencies.
- Activating the notification / alarm system.

#### Emergency Personnel

All workers with designated roles and responsibilities in an emergency must receive annual training regarding their specific duties.

## 32.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Emergency Action plan
- Emergency Action and planning risk assessment

**Nike additionally requires facilities to archive certain records:**

- **Evacuation drill documentation.** Minimum of three years.
- **Notification/alarm system testing and maintenance documents.** Minimum of three years.

# 33. Fire Safety Management

## 33.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate risks associated with fire hazards.

## 33.2 REQUIREMENTS

### 33.2.1 Risk Assessment

The facility must conduct and document an annual Fire Safety Management risk assessment that includes at a minimum:

- **Hazard identification.** Identifying major fire hazards and ignition sources.
- **Risk evaluation.** Evaluating the risks associated with identified hazards. Identifying the people at risk due to identified hazards.
- **Control measures.** Identifying control measures to reduce or eliminate risk (e.g., fire alarm and alert systems, service and maintenance of electrical system and machines, emergency plans, training, alarm systems, designating a control center).

### 33.2.2 Policies & Procedures

The facility must implement procedures for fire safety that cover at a minimum:

#### Fire Prevention

- Minimizing the storage of flammable and combustible materials.
- Storing flammable substances in an approved cabinet.
- Implementing a smoking policy (e.g., smoking in designated areas only).
- Maintaining electrical equipment so it is safe and in good working condition.

#### Fire Protection

- Conducting an inventory of all fire equipment.
- Verifying that appropriate fire detectors and alarm systems are in place.
- Installing sprinkler systems where appropriate and developing procedures if they become impaired.
- Verifying that all areas have firefighting equipment that is suited for anticipated types of fire.
- Verifying that all firefighting equipment is easily accessible and simple to use.
- Installing signage to identify locations of firefighting equipment.
- Performing a visual inspection of fire extinguishers and hoses on a monthly basis.
- Developing and implementing an inspection and maintenance plan for all firefighting equipment.

### RESOURCES

**This resource helps facilities comply with the Fire Safety Management CLS:**

- Emergency Action CLS

### Fire Precautions

- Installing signage to identify emergency routes and exits to allow workers quick escape in the event of an emergency.
- Verifying that emergency routes and exits are always kept clear of obstructions.
- Verifying that emergency exits are unlocked during regular working hours and open outwards to provide quick escape in the event of an emergency
- Posting diagrams in work areas to show emergency routes and exits.
- Verifying that emergency lighting is available, tested, and maintained.

### Review

The facility must review the Fire Safety Management risk assessment annually or when the following occurs:

- A fire or near miss.
- Structural changes to any part of the building.
- Changes in operation or layout of the building.
- New chemicals are purchased and stored onsite.
- Any change to electrical load and usage.

## 33.2.3 Training

All workers must receive Fire Safety training upon initial hire and at least annually thereafter. Training must include at a minimum:

- Fire hazards.
- Emergency routes and exits.
- Roles and responsibilities.

### Firefighting

Workers who have firefighting responsibilities must receive additional annual training. Training must include at a minimum:

- Use of firefighting equipment appropriate to their roles.
- Techniques in firefighting.
- Personal protective equipment (PPE) for firefighting.
- Additional roles and responsibilities.

# 33.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Fire Safety Management risk assessment
- Current map with location of fire-protection equipment

**Nike additionally requires facilities to archive certain records:**

- **Inspection and maintenance records.** Minimum of three years.

# Occupational Health & Hygiene Hazards Are Controlled

**The facility anticipates, recognizes, evaluates, and controls occupational health and hygiene hazards in the workplace. The facility uses routine monitoring and analytical methods to determine the potential health effects of hazards that are present in the workplace. Workers are not exposed to physical, chemical, or biological hazards above occupational exposure limits.**

This section includes:

- Respiratory Protection CLS
- Laser Safety CLS
- Ergonomics CLS
- Heat Stress Prevention CLS
- Radiation Safety CLS
- Occupational Exposure Limits CLS
- Occupational Noise Exposure CLS
- Personal Protective Equipment (PPE) CLS
- Occupational Health Management CLS
- Bloodborne Pathogens CLS
- Medical Services & First Aid CLS

# 34. Respiratory Protection

## 34.1 STANDARD

The facility must develop and implement a respiratory protection program to protect workers, onsite contractors, and onsite subcontractors from over-exposures to regulated chemicals that could affect their respiratory systems.

## 34.2 REQUIREMENTS

### 34.2.1 Risk Assessment

The facility must conduct and document an annual Respiratory Protection risk assessment that includes at a minimum:

- **Hazard identification.** Identifying tasks and associated potential hazards that may require respiratory protection.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying and implementing control measures that consider engineering controls first, administrative controls second, and use of respiratory protection last.

### 34.2.2 Policies & Procedures

If the facility uses cartridge or supplied-air respirators, it must develop and implement procedures to reduce or eliminate the risk of respiratory conditions. Procedures must cover at a minimum:

- If respirators are used to reduce workers' exposure to hazardous air contaminants, the facility must develop and implement a formal Respiratory Protection program with worksite-specific procedures. The program must include:
  - Designating a qualified administrator to oversee program.
  - Evaluating job assignments to determine the need for respiratory protection.
  - Jobs in which workers may breathe air contaminated with harmful levels of dusts, fumes, sprays mists, fogs, smokes, vapors, gases, or radioactive material must be identified as potential situations needing respiratory protection.
  - Determining eligibility and medical evaluation requirements to wear a respirator.

## RESOURCES

**These resources help facilities comply with the Respiratory Protection CLS:**

- Chemicals Are Managed Properly CLS
- Occupational Exposure Limits CLS
- Personal Protective Equipment (PPE) CLS

## Identifying Filters, Cartridges & Canisters

- All filters, cartridges, and canisters used in the workplace must be labeled and color-coded with the National Institute for Occupational Safety and Health (NIOSH) approval label.
- The NIOSH label must not be removed and must remain legible.
- Cartridges must be appropriate for the environment in which they are used.

## Maintenance & Care of Respirators

The facility must provide guidance on the maintenance and care of respirators. Respirators must be cleaned and disinfected as follows:

- **Exclusive-use respirators.** As often as necessary to maintain a sanitary condition.
- **Multi-use respirators.** Before being worn by a different individual when used by more than one worker.
- **Emergency respirators.** After each use.
- **Fit-testing and training respirators**. After each use.

## Exchange Schedules

- Filters, cartridges, and canisters must be monitored and exchanged based on a set schedule with consideration for contaminant type and related exposures.
- Exchange schedules can be set using either experimental or analytical methods, manufacturer's recommendations, or applicable mathematical models.

## Selection of Respirators

- The facility must select NIOSH-certified respirators; use must comply with the conditions of its certifications.
- The facility must identify and evaluate respiratory hazards in the workplace. This includes estimating reasonable worker exposures and identifying contaminants' chemical states and physical forms.
- Where exposure cannot be reasonably estimated or identified, the atmosphere must be considered immediately dangerous to life or health (IDLH).

## Medical Evaluations

- Prior to fit testing and use, the facility must provide medical evaluations to determine if workers can safely use a respirator.
- The facility must identify a physician or other licensed or certified health care professional (PLHCP) to perform medical evaluations. The PLHCP can use a medical questionnaire or a medical examination to obtain the relevant health information.
- The facility must obtain a written recommendation from the PLHCP regarding each worker's ability to safely use the respirator.
- Additional medical evaluations are required under certain circumstances:
  - If a worker reports medical signs or symptoms related to ability to safely use a respirator.
  - If a PLHCP, program administrator, or supervisor recommends reevaluation.
  - If information from the respirator program, including observations made during fit testing and program evaluation, indicates a need.
  - If workplace conditions change, substantially increasing the physiological burden on a worker.
  - Workers in the Respiratory Protection program must undergo an annual review of medical status.

## Fit Testing

- All workers using a negative or positive pressure tight-fitting face piece respirator must pass an appropriate qualitative fit test (QLFT) or quantitative fit test (QNFT).
- Fit testing is required before initial use, whenever a different respirator face piece is used, and at least annually thereafter.

## 34.2.3 Training

### Respiratory Protection Training

Workers who are required to wear respirators to safely perform their job functions must receive training at the time of initial assignment and at least annually thereafter. Training must include at a minimum:

- Proper procedures for putting on and taking off respirators (including seal-check process).
- How to clean and store a respirator properly.
- Cartridge replacement procedures where applicable.
- Why respirators are necessary and how improper fit, use, or maintenance can compromise the protective effect of the respirator.
- Capabilities and imitations of respirators.
- How to use respirators in emergency situations.
- How to recognize medical signs and symptoms that may limit or prevent effective use.
- General requirements of this Respiratory Protection CLS.
- Retraining is required annually and when:
  - Workplace conditions change or new types of respirators are placed into service.
  - It becomes apparent that a worker's understanding or use are inadequate.

### Program Evaluation

The facility must evaluate the workplace as necessary to verify the program is being implemented properly. Workers must be monitored and receive ongoing guidance on proper use.

## 34.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Respiratory Protection risk assessment
- Respiratory Protection program documentation.

**Nike additionally requires facilities to archive certain records:**

- **Current fit-test records for respirators.** Until the worker's next fit test.
- **Inspection records.** Minimum of three years.
- **Worker respiratory management records.** Duration of employment.

# 35. Laser Safety

## 35.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate risk of occupational exposure to lasers.

## 35.2 REQUIREMENTS

### 35.2.1 Risk Assessment

The facility must conduct and document an annual Laser Safety risk assessment that includes at a minimum:

- **Hazard identification.** Identifying and classifying lasers and their associated hazards.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying control measures to reduce risk (e.g., monitoring and personal protective equipment [PPE]). Assessing the risk of emissions based on varying material types and determining if additional controls are needed for air emissions or worker exposure.

### 35.2.2 Policies & Procedures

The facility must implement procedures to reduce or eliminate the risk of occupational exposure to lasers. Procedures must cover at a minimum:

- Installing lasers with guarding and interlocks to prevent exposure to the beam.
- Restricting work areas with lasers to authorized personnel only.
- Verifying work areas with lasers have signage identifying them as such.
- Ensuring that workers use appropriate PPE per laser classification.
- Implementing formal job-specific procedures for handling or working with lasers.
- Implementing formal emergency procedures including fire-prevention and control measures.
- Verifying laser systems are calibrated and tested per manufacturer's recommendations.
- Correcting all laser system deficiencies prior to operation.

### 35.2.3 Training

#### Laser Safety Awareness

Affected workers who work with or near lasers must receive Laser Safety awareness training at the time of initial assignment. Training must cover at a minimum:

- The effects of laser radiation, the specific hazards to which workers may be exposed, and how those hazards are controlled.
- Safe work practices.
- Emergency procedures.

#### Laser Safety

Authorized workers training to use lasers must receive Laser Safety training upon assignment and annually thereafter. Training must cover at a minimum:

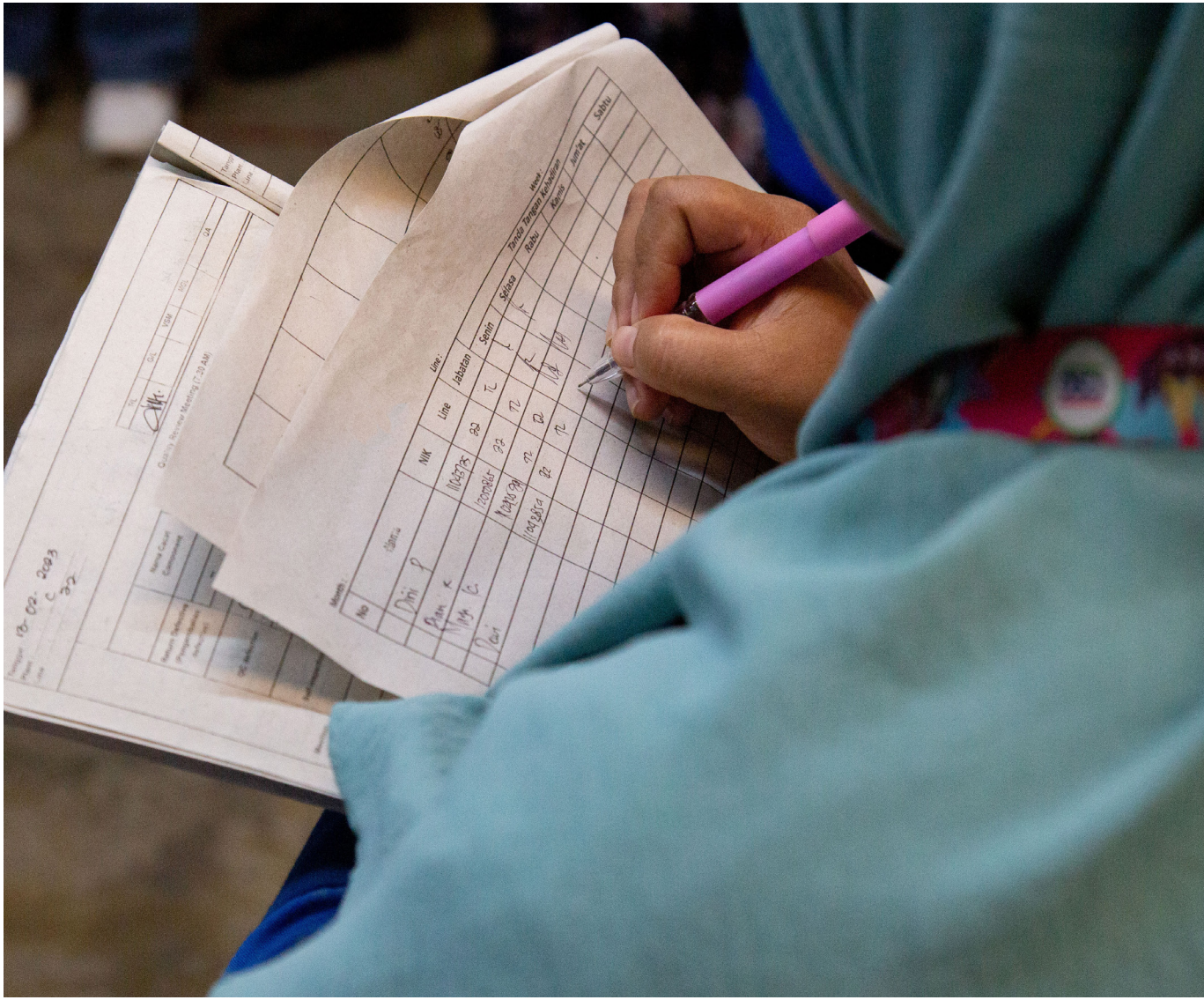
- The types of lasers present at the facility.
- Potential hazards of exposure to lasers present at the facility.
- Exposure levels and resulting risks.
- Results of the evaluation of risks associated with hazards.
- Safe work practices.
- Emergency procedures.

## 35.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Laser Safety risk assessment



# 36. Ergonomics

## 36.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate risks associated with ergonomic hazards.

## 36.2 REQUIREMENTS

### 36.2.1 Risk Assessment

The facility must conduct and document an Ergonomics risk assessment of workplace tasks to determine if they should be defined as ergonomic risks. This includes at a minimum:

- **Hazard identification.** Identifying tasks and associated ergonomic hazards.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying controls to reduce risks (e.g., work area design, job rotation).

### 36.2.2 Policies & Procedures

The facility must implement procedures to address ergonomic hazards. Procedures must cover at a minimum:

- Early reporting of musculoskeletal disorders (MSDs), their signs and symptoms, and MSD hazards.
- Developing a process that values worker involvement including periodic communications about ergonomics and reviewing worker suggestions related to ergonomic concerns.
- Developing a process to correct ergonomic problems that are presented via reporting of ergonomic hazards or injury trends.
- Providing opportunities for breaks or changes in activity for workers engaged in repetitive activities.
- Assessment of individual workstations.
- Incorporating ergonomics into design of equipment and processes.
- Making accommodations for protected groups. Examples of protected groups include pregnant women, older workers, and workers with disabilities.

## RESOURCES

**These resources help facilities comply with the Ergonomics CLS:**

- Injury & Illness Management CLS

### RECOMMENDED PRACTICE

The facility should use a functional capacity evaluation (FCE) to:

- Define job requirements and environmental demands.
- Assess fitness for work in an objective manner.
- Inform and develop effective safety training, safety programs, and worker accommodations to address ergonomic hazards.

The FCE must follow local laws and other requirements to support fair hiring and employment practices.

### 36.2.3 Training

All persons performing tasks with ergonomic-related hazards must undergo training that includes:

- Job-specific ergonomic hazard and standard work procedures to reduce ergonomic risk factors.
- Signs and symptoms of common MSDs.
- The importance of reporting the signs and symptoms of MSDs early and the consequences of failing to do so.
- How to report the signs and symptoms of MSDs in the workplace.
- The jobs, work activities, and risk factors associated with MSD hazards.
- Methods, tools, or equipment used to mitigate risk factors.
- Specifics of site's Ergonomics program.

## 36.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Ergonomic risk assessment
- Individual ergonomic workstation assessments

# 37. Heat Stress Prevention

## 37.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate risks associated with heat stress in the workplace.

## 37.2 REQUIREMENTS

### 37.2.1 Risk Assessment

The facility must conduct and document a Heat Stress Prevention risk assessment that includes at a minimum:

- **Hazard identification.** Identifying heat-related hazards.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying control measures to reduce risk (e.g., mechanical ventilation, hydration, preventative recovery periods [PRPs]).

### 37.2.2 Policies & Procedures

The facility must implement procedures to reduce or eliminate the risks associated with heat-induced illnesses and injuries. Procedures must cover at a minimum:

- Identifying workplaces and work assignments where a potential for heat stress exists.
- Environmental conditions (e.g., air temperature, humidity, sunlight, air speed), especially on sequential days.
- Presence of heat sources (e.g., hot ovens, furnaces) in the work area.
- Developing and implementing a formal Heat Stress Prevention program, including:
  - Identifying risk factors related to heat hazards.
  - Designating roles and responsibilities for the program.
  - Determining when the program will be implemented.
  - Developing and deploying control measures to eliminate or reduce risks.
  - Selecting and distributing protective clothing.

- Identifying practices to eliminate or reduce the risk of heat-induced illnesses, including:
  - Water replenishment during shifts as needed.
  - Access to shade for preventative recovery periods.
  - Use of clothing or protective gear that may impact a worker's ability to get rid of excess heat.
  - Responding promptly to symptoms of possible heat illness.
  - Contact provisions for emergency medical services.
  - Training requirements.
- Providing comfortable and safe temperature conditions in the workplace using the following guidance:
  - **Sedentary work.** 16° C – 30° C (60° F – 86° F).
  - **Work involving physical effort.** 13° C – 27° C (55° F – 81° F).
  - If workplace temperature ranges cannot be maintained, heat / cold stress procedures must be implemented including engineering controls, administrative controls, and / or PPE to minimize the effects of heat stress.
  - Provisioning accessible potable drinking water sufficient to provide each worker up to one liter (quart) per hour. When temperatures exceed 30° C (86° F) ice must be provided to cool the water.
  - Workers must have access to shade during the entire shift. There must be sufficient shade to accommodate 25% of the workers on a shift simultaneously.
  - If the interior of a vehicle is used to provide shade, it must have a working air conditioner.
  - Metal storage sheds and other outbuildings cannot be considered shady environments unless they provide a cooling environment comparable to shade in open air (i.e., they must be mechanically ventilated or open to air movement).
  - Shade must be accessible — within 200 m or 5 minutes distance by walking.
  - Provisions must be made for preventative recovery periods (PRPs). A PRP is necessary if a worker believes that a rest break is needed to recover from the heat or if a worker exhibits signs and symptoms of heat illness.

## 37.2.3 Training

### All Workers

Non-supervisory and supervisory workers must receive training that covers:

- Environmental and personal risk factors associated with heat illness.
- The facility's procedures for complying with heat illness standards.
- Importance of drinking water.
- Importance of acclimatization, how to develop it, and how the facility's procedures address it.
- Prevention, symptoms, and identification of heat illness.

Non-supervisory workers must also be trained to:

- Inform a supervisor if they are not acclimatized to heat. Workers may need more frequent breaks until their bodies adjust, which usually takes 4 to 14 days.
- Drink water in small amounts, three to four 240 ml (8 oz) cups per hour.
- Take breaks in the shaded area and allow time to recover from the heat.
- Avoid or limit the use of alcohol and caffeine during times of extreme heat because both dehydrate the body.

- Inform a supervisor if they, or another worker, begin feeling dizzy, nauseous, weak, or fatigued. Seek medical attention if the problem persists.
- Wear appropriate clothing, sunscreen, and hats.
- Understand procedures for responding to symptoms of possible heat illness, including how emergency medical services will be provided if necessary.
- Contact emergency services, and if necessary, how to transport workers to a place where they can be reached by emergency medical services. A nearby hospital or emergency care facility will be clearly identified in worksite postings.
- Understand procedures for providing clear and precise directions to the worksite to emergency medical services. Workers must have access to road maps with field locations clearly marked so that directions can be provided to emergency responders.
- Have refresher trainings or meetings to share brief safety reminders about heat illness. These must be conducted frequently, especially during high temperatures.

### Supervisory Workers

Supervisory workers must additionally be trained on:

- Supervisors' responsibilities to make sure that heat-stress regulations are followed.
- What supervisors must do when workers exhibit symptoms of possible heat illness.
- How emergency medical services will be provided if they become necessary.
- How emergency medical service providers will be contacted.
- How workers will be transported to a point where they can be reached by an emergency medical service provider if necessary.
- How, in the event of an emergency, clear and precise directions to the worksite will be provided as needed to the emergency responder.

## 37.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

# 38. Radiation Safety

## 38.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate risks associated with ionizing radiation (IR) and non-ionizing radiation (NIR) sources.

## 38.2 REQUIREMENTS

### 38.2.1 Risk Assessment

The facility must conduct and document an annual Radiation Safety risk assessment that includes at a minimum:

- **Hazard identification.** Identifying sources of IR and NIR and related hazards.
  - Sources of IR include equipment containing radioactive sources that emit alpha, beta, gamma (X-ray), or neutron particles. Equipment includes density gauges, X-ray fluorescence (XRF) devices, medical X-ray machines.
  - NIR examples include ultraviolet (UV) light, infrared light, visible light, microwaves, radio waves, and electric and magnetic fields (EMFs). Equipment includes lasers, magnets, and power lines.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying control measures required to reduce or eliminate risks of exposure (e.g., monitoring, guarding, personal protective equipment [PPE]).

### 38.2.2 Policies & Procedures

The facility must implement procedures to reduce or eliminate risks of bodily injury due to radiation. Procedures must cover at a minimum:

- Radiation sources must be installed with guarding and interlocks to prevent overexposure.
- Annual occupational whole-body radiation exposure for an individual is not to exceed 3 rem per year.
- Work areas with must be restricted to authorized personnel only.
- Work areas with radiation sources must have signage identifying it as such.
- Medical surveillance must be provided for high-exposure workers as required by regulations.
- Response procedures in the event of a damaged radiation source.
- The facility must have formal job-specific procedures for handling or working with radiation sources.

- The facility must have formal emergency procedures.
- Radiating equipment must be maintained and calibrated per manufacturer's recommendations.
- The facility must design safe work practices to minimize radiation exposure.

### 38.2.3 Annual Review

The facility must conduct reviews of the Radiation Safety program annually and upon receipt of new equipment, moving, or major alteration to include:

- Procedures
- Radiation survey
- Interlocks
- Leakage and shielding
- Dosimetry (if required)
- Worker evaluation

### 38.2.4 Training

#### Radiation Safety Awareness

Affected workers must receive Radiation Safety awareness training at the time of initial assignment. Training must cover at a minimum:

- Effects of radiation.
- Specific hazards to which workers may be exposed and how those hazards are controlled.
- Safe work practices.
- Emergency procedures.

#### Radiation Safety

Persons working directly with radiation sources must receive Radiation Safety training at the time of initial assignment and annually thereafter. Training must cover at a minimum:

- Types of radiation present at the facility.
- Potential hazards of exposure to radiation sources present at the facility.
- Exposure levels and resulting risks.
- Results of hazard evaluations.
- Safe work practices.
- Emergency procedures.

## 38.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Radiation Safety risk assessment

**Nike additionally requires facilities to archive certain records:**

- **Annual review.** Minimum of three years.

# 39. Occupational Exposure Limits

## 39.1 STANDARD

The facility must develop and implement processes and procedures to reduce or minimize the risks associated with worker physical, biological, and chemical exposures. This includes maintaining exposures at levels protective of worker health and, at a minimum, reducing exposures to below established occupational exposure limits (OELs) where available or as defined by local and international thresholds.

## 39.2 REQUIREMENTS

### 39.2.1 Risk Assessment

The facility must conduct and document an OELs risk assessment that includes at a minimum:

- **Hazard identification.** Identifying hazards associated with the process and / or work area (including physical, biological, and chemical hazards).
- **Risk evaluation.** Evaluating the risks associated with identified hazards (including sampling for comparison to available OELs as necessary).
- **Control measures.** Evaluating the risks associated with identified hazards (including sampling for comparison to available OELs as necessary).

## RESOURCES

**These resources help facilities comply with the Occupational Exposure Limits CLS:**

- Nike Industrial Hygiene Playbook
- Nike Chemistry Playbook
- American Conference of Governmental Industrial Hygienists (ACGIH)
- Threshold Limit Values (TLVs)
- Biological Exposure Indices (BEIs)
- Chemicals Are Managed Properly CLS
- Personal Protective Equipment (PPE) CLS
- Occupational Health Management CLS
- Respiratory Protection CLS

## 39.2.2 Policies & Procedures

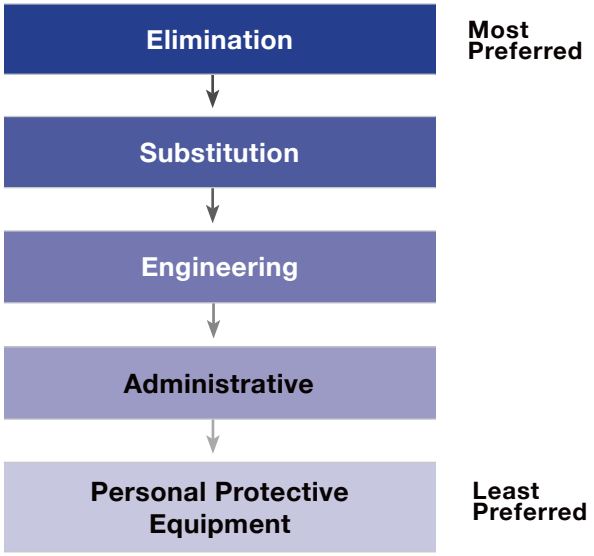
The facility must implement procedures to reduce or minimize the risks associated with each process and / or work area. Procedures must cover at a minimum:

- Preventing hazards
  - Establish a formal process for approval of all materials, processes, and equipment that may impact worker exposures, including building operations (e.g., asbestos, PCB).
  - Substitute less hazardous or non-hazardous materials and processes. Refer to the Chemicals Are Managed Properly CLS.
- Establishing an exposure assessment program with qualitative and quantitative analysis for all physical, biological, and chemical hazards.
- Establishing an exposure monitoring program with periodical sampling and evaluation of long-term average concentrations to keep individual exposure under time weighted average (TWA) limit and short-term exposure limit (STEL) or ceiling limit (CL).
- Verifying exposure monitoring and testing equipment is calibrated, inspected, and maintained
- Reviewing worker complaints and health surveillance records to investigate the possibility of exposure-related health problems.
- For permissible exposure limits, the facility must select and comply with standards that provide the greatest level of protection to workers in the workplace:
  - Their country's laws and / or health requirements
  - American Conference of Governmental Industrial Hygienists (ACGIH)
  - Threshold limit values (TLVs)
  - Biological Exposure Indices (BEIs)
  - U.S. Occupational Safety and Health Administration (OSHA)
- Engineering controls (e.g., local exhaust or general ventilation) must be considered for maintaining contaminants below exposure limits before use of PPE. (See the Hierarchy of Controls, Figure 1.) When engineering controls are provided:
  - Local exhaust must be vented directly outdoors or to pollution-control equipment.
  - Heating, ventilation, and air conditioning (HVAC) outdoor air intakes and other vents must not be near potential sources of contamination (e.g., downwind of exhausts, near places where motor vehicle emissions collect).
- Exposure-control equipment must be inspected and maintained to keep it in good working order.
- The facility must have a treatment plan for biological hazards (e.g., legionella, mold) when testing determines they are present at unacceptable levels.

**Figure 1.**

**HIERARCHY OF CONTROLS**

Moving down the hierarchy, the effectiveness and reliability of health hazard controls decrease.



## Occupational Hygiene Program

The Occupational Hygiene program must include at a minimum:

- Hazard identification
- Exposure assessment process
  - Qualitative
  - Quantitative
- Hierarchy of controls:
  - Elimination
  - Substitution
  - Engineering
  - Administrative
  - PPE
- Medical (health surveillance)
- Training
- Record keeping

## Mold

The facility must establish procedures for mold control and prevention. At a minimum procedures must include:

- Taking every reasonable precaution to prevent the buildup of excess moisture in the facility. Verifying that windows and roofs do not leak to minimize the growth and spread of mold.
- Visually inspecting both suspected and known high-risk areas regularly.
- Using a third-party contractor to perform indoor air quality (IAQ) and mold sampling on an annual basis, or as needed, in accordance with local legislation.
- Investigating visible mold locations thoroughly, as mold may be hidden inside walls, under wallpaper, in sub-floors, under carpets, and other hard-to-assess areas.
- Performing remediation tasks as soon as possible after the source of moisture is identified and eliminated. Containment (enclosure) must be erected prior to remediation to prevent the release of mold, mold spores, and debris into surrounding areas.
- Notifying building occupants of the presence of mold and any remedial action being taken. Occupants must be evacuated from the immediate area.
- Conducting clearance testing in accordance with local laws after the completion of mold remediation and before the enclosure or containment is taken down and the area released.

### 39.2.3 Training

All workers with management and supervisory oversight for occupational exposure must be provided with foundational OEL management training at the time of initial assignment and annually thereafter. Training must cover at a minimum:

- Selecting standards for exposure limits that provide the greatest level of protection to workers in the workplace: their country's laws and / or health requirements, ACGIH, TLVs, or OSHA.
- Recognizing physical, biological, and chemical hazards.
- Exposure pathways (e.g., inhalation, dermal absorption, by open wound).
- Hazard evaluation: risk assessment and exposure assessment.
- Methods for exposure monitoring.
- Controlling physical, biological, and chemical hazards using the Hierarchy of Controls:
  - Engineering controls, administrative controls, PPE, and respirators
- Understanding and using safety data sheets (SDSs).

Workers who operate and maintain exposure control equipment must receive training that includes at a minimum:

- Specific operational and maintenance procedures for HVAC systems and local exhaust equipment.
- The use and maintenance of PPE.

## 39.3 ABRASIVE BLASTING ADDENDUM

**This addendum specifies additional requirements related to abrasive blasting on apparel products. Abrasive blasting as a finishing technique is prohibited on all Nike apparel products because of the high risk for silicosis in abrasives and the difficulty in controlling exposures.**

The facility must develop and implement processes and procedures to eliminate current and future worker health and safety risks related to abrasive blasting on apparel products.

## 39.4 REQUIREMENTS

### 39.4.1 Risk Assessment

The facility must conduct and document an Abrasive Blasting risk assessment that includes at a minimum:

- Identifying and listing all onsite subcontractors, including those who supply parts, products, or services.
- Establishing a process to verify onsite subcontractors are not using abrasive blasting as a finishing technique.

### 39.4.2 Policies & Procedures

The facility must implement procedures to reduce or minimize risks associated with each process and / or work area. Procedures must cover at a minimum:

- Developing a written policy stating that abrasive blasting is not allowed.
- Preventing hazards:
  - Abrasive blasting equipment must be identified, dismantled, and made non-operational.
  - Abrasives must be identified and disposed of properly. Records of disposal must be maintained for five years.

## 39.5 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

- Refer to Risk Assessment in section 39.4.1.

# 40. Occupational Noise Exposure

## 40.1 STANDARD

The facility must develop and implement an Occupational Noise Exposure and Hearing-Conservation program to reduce noise levels in the workplace. The program must protect workers, onsite contractors, and onsite subcontractors from excessive noise levels that can cause hearing loss.

## 40.2 REQUIREMENTS

### 40.2.1 Risk Assessment

The facility must conduct and document an annual Occupational Noise Exposure risk assessment that includes at a minimum:

- **Hazard identification.** Conducting a noise assessment to identify high-noise areas. High-noise areas are defined as 85 dB(A) or greater.
- **Risk evaluation.** Evaluating the risks associated with identified hazards (e.g., loss of hearing, loss of concentration, inability to hear fire alarms).
- **Control measures.** Evaluating controls to reduce noise exposure to less than 85 dB(A) following the Hierarchy of Controls (listed below from most to least effective):
  - Elimination
  - Substitution
  - Engineering
  - Administrative
  - Personal protective equipment (PPE)

## RESOURCES

**These resources help facilities comply with the Occupational Noise Exposure CLS:**

- Nike Industrial Hygiene Playbook
- Nike Chemistry Playbook
- American Conference of Governmental Industrial Hygienists (ACGIH)
- Threshold Limit Values (TLVs)
- Chemicals Are Managed Properly CLS
- Personal Protective Equipment (PPE) CLS
- Occupational Health Management CLS
- Respiratory Protection CLS

### 40.2.2 Policies & Procedures

The facility must have a Hearing Conservation program and implement related procedures to address potential noise levels above 85 dB(A) and reduce or eliminate the risk of hearing loss. Policies must cover at a minimum:

- Periodic monitoring of noise exposure levels to accurately identify workers exposed to noise at or above 85 dB(A), averaged over eight working hours or an eight-hour time weighted average (TWA).
- Re-evaluating noise exposure levels when the workspace experiences a significant change in machinery or production processes.
- Posting signage indicating areas where hearing protection is required.
- Making hearing protection available in areas where it is required and encouraging its use.
- Evaluating hearing protection to determine its effectiveness for indicated noise levels.
- Noise sampling must be completed every 1.5 years or according to local laws, whichever is more stringent.

  NOTE: Updated noise sampling should be conducted at a more frequent interval if new equipment is introduced to the site as part of the Management of Change (MoC) process.

### 40.2.3 Hearing Testing

As a part of the Hearing Conservation program, the facility must provide hearing tests for affected workers.

- No cost to workers.
- Conducted by a certified medical professional.
- Audiometric testing conducted at hire and repeated annually.
- Notification of test results.
- Follow up / corrective action with any change in hearing as identified by the certified medical professional.

### 40.2.4 Training

Training must be conducted for all affected workers at the time of initial assignment and at least annually thereafter. Training must cover at a minimum:

- Effects of noise on hearing.
- Purpose of hearing protection.
- Advantages, disadvantages, and attenuation of various types of hearing protection.
- Instructions on the selection, fitting, use, and care of hearing protection.
- Purpose of audiometric testing and an explanation of the testing process.

## 40.6 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Occupational Noise Exposure risk assessment
- Hearing Conservation program

**Nike additionally requires facilities to archive certain records:**

- **Noise assessment measurements.** Minimum of five years.

# 41. Personal Protective Equipment (PPE)

## 41.1 STANDARD

The facility must develop and implement a PPE program to protect workers, contractors, and vendors from workplace hazards that may cause bodily injury or impairment.

## 41.2 REQUIREMENTS

### 41.2.1 Risk Assessment

The facility must conduct and document an annual PPE risk assessment that includes at a minimum:

- **Hazard identification.** Identifying tasks and potential hazards that may require PPE.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying and implementing control measures, taking into consideration engineering controls first, administrative controls second, and use of PPE last.

## 41.2.2 Policies & Procedures

The facility must implement procedures for all workers and visitors to reduce or eliminate the risks of bodily injury through the use of PPE. Additional or alternative PPE (e.g., fall protection, neoprene gloves, respirators) must be made available as necessary for the task and / or when recommended on a product's safety data sheet (SDS). The facility's PPE policy and procedures must cover at a minimum:

- Providing appropriate PPE free of charge to workers.
- Maintaining PPE in clean, good working condition and storing properly.
- Reporting damaged PPE.
- Repairing or replacing damaged PPE free of charge to workers.
- Inspecting PPE quarterly at a minimum.
- Donning PPE per appropriate use applications and not creating an additional risk.
- Determining the suitability of PPE currently available and, as necessary, selecting new or additional equipment that provides protection from hazards greater than the minimum required by the PPE assessment.
- Where exposure to multiple and simultaneous hazards is possible, providing or recommending for purchase adequate protection against the highest level of hazard.
- Purchasing PPE that meets the relevant, applicable safety standards of the National Institute for Occupational Safety and Health (NIOSH), American National Standards Institute (ANSI), and local laws.

### Eye & Face Protection

Prevention of eye injuries requires that all workers who may be in eye hazard areas wear protective eyewear.

- To provide protection for affected personnel, the facility must procure sufficient goggles and/ or polycarbonate eye protectors to meet the protective criteria set by the American National Standards Institute (ANSI) Z.87.1-2003 standard.
- Suitable protectors (including side protectors) must be used when workers are exposed to hazards from flying particles, molten metal, acids or caustic liquids, chemical liquids, gases or vapors, bio-aerosols, or potentially injurious light radiation.

- Protection, such as goggles and face shields, must be used when there is a hazard from a chemical splash.
- Face shields must only be worn over primary eye protection (i.e., safety glasses and goggles).
- For workers who wear prescription lenses, eye protectors must either incorporate the prescription in the design or fit properly over the prescription lenses.
- Contact lens wearers must also wear appropriate eye and face protection devices in a hazardous environment.
- Equipment fitted with appropriate filter lenses must be used to protect against light radiation. Tinted and shaded lenses are not filter lenses unless they are identified as such.

## Emergency Eye Wash Stations

- Emergency eye wash stations, including eye wash fountains and deluge showers, must be provided in all areas where the eyes of any worker could be exposed to small flying objects or corrosive materials. Facilities must meet applicable local laws.
- All emergency eye wash stations must be located where they are easily accessible in case of an emergency. Safety showers must be located in battery charging areas.

## Hearing Protection

- Hearing protection is required in areas of the facility where noises levels have been demonstrated to exceed 85 dB(A) over an eight-hour time period.
- In-ear style earplugs should be the primary hearing protection for affected personnel as they are suitable for a variety of work processes and do not impede workers.
- Posting signage at all approaches to areas in which hearing protection is required.
- Hearing protection made available must have a minimum noise reduction rating (NRR) factor sufficient to reduce the time-weighted average (TWA) noise exposure to 85 dB(A) or lower.

## Head Protection

- Head protection must be furnished to, and used by, all workers and contractors engaged in construction and other hazardous work that can cause head injuries as identified in the risk assessment.
- Engineers, inspectors, and visitors to construction sites are also required to wear head protection when hazards from fixed or falling objects or electrical shock are present.
- Bump caps and / or skull guards must be issued and worn for protection against scalp lacerations from contact with sharp objects, and to keep hair from being caught in machinery or while working in areas with low ceilings. They cannot be worn as substitutes for safety caps or hats because they do not afford protection from high-impact forces or penetration by a falling object.

## Respiratory Protection

- Where required, appropriate NIOSH-approved respiratory protection and training must be provided.
- All affected workers must be individually fitted for respiratory protection, and masks must be tested prior to use in the workplace.
- The exposure the worker faces determines the type of mask that is necessary — particulate, air purifying, or supplied air.
- When working with chemicals, it is important to consult the SDS to determine if wearing a mask is necessary.

## Foot Protection

- Foot protection requirements are based upon the assessment of risk.
- Safety shoes or boots with impact protection must be worn when workers handle items such as packages, parts, heavy tools, etc. that could be dropped, or when they engage in other activities where objects might fall onto the feet.
- Safety shoes or boots with compression protection must be worn when workers use pallet jacks (manual materials-handling cars), or when they engage in other activities where materials or equipment could potentially roll over the feet.
- Safety shoes or boots with puncture protection are required in areas where workers could step on sharp objects (e.g., nails, wire, tacks, screws, large staples, scrap metal), causing a foot injury.

## Fall Protection

- Refer to the Fall Protection CLS.

## Hand Protection

- Suitable gloves must be worn when hazards from chemicals, cuts, lacerations, abrasions, punctures, burns, biological agents, and harmful temperature extremes are present.
- Appropriate glove selection is based on the performance characteristics of the gloves, conditions, duration of use, and hazards present; one type of glove will not work in all situations.

## Skin Protection (Other Than Gloves)

- Skin protection must be used when there is a possibility of chemical splashes to the body; when the atmosphere may contain contaminants that could damage or be absorbed by the skin; or when contaminants could remain on a worker's street clothes. The required coverage depends on the area of the body likely to be exposed. For a small, controlled process, an apron may be sufficient. For work above the head, a full body coverall may be required.
- Workers must wear protective coveralls, jackets, vests, aprons, or full-body suits as appropriate to guard the trunk of the body from cuts, impacts, or other hazards.

### 41.2.3 Training

Training must be conducted at the time of initial assignment and at least annually thereafter. Training must cover at a minimum:

- Worker must demonstrate that they understand the training and can use PPE appropriately before being allowed to perform work requiring the use of PPE.
  - **Who.** Jobs or roles with requirements for wearing PPE.
  - **What.** Types of PPE that are required for different jobs and areas, and the limitations of PPE.
  - **Where.** Areas onsite that require wearing PPE.
  - **Why.** The protections PPE provides.
- Proper use, care, maintenance, useful life, and disposal of PPE.
- How to properly don, doff, adjust, and wear PPE.
- Laboratory and mixing personnel must be instructed to remove gloves and lab coats prior to entering common areas (e.g., hallways, elevators, eating areas, restrooms, offices).
- Secondary containers must be used to transport potentially hazardous materials or agents.
- Periodic retraining must be offered to workers as necessary:
  - PPE requirements must be reassessed when new equipment or processes are introduced that could create new or additional hazards.
  - If a manager or supervisor has reason to believe someone who has already undergone training does not have the understanding or skills required to use PPE properly.
  - When the workplace or the PPE available have undergone changes sufficient to render previous training obsolete.

## 41.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- PPE risk assessment

**Nike additionally requires facilities to archive certain records:**

- **Inspection records.** Minimum of three years.

# 42. Occupational Health Management

## 42.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate risks to physical and mental health and social wellbeing.

## 42.2 REQUIREMENTS

### 42.2.1 Risk Assessment

The facility must conduct and document an annual Occupational Health Management risk assessment that includes at a minimum:

- **Hazard identification.** Identifying occupational health hazards for the workforce including physical, biological, chemical, ergonomic, and psychosocial hazards in the workplace.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying and implementing control measures to reduce health risks (e.g., exposure monitoring program, hazard communication program, engineering controls, personal protective equipment (PPE) program, and psychosocial hazard prevention).

## RESOURCES

**These resources help facilities comply with the Occupational Health Management CLS:**

- Personal Protective Equipment (PPE) CLS
- Occupational Exposure Limits CLS
- Occupational Noise Exposure CLS
- Respiratory Protection CLS
- Ergonomics CLS
- Medical Services & First Aid CLS
- Bloodborne Pathogens CLS
- Sanitation CLS

## 42.2.2 Policies & Procedures

The facility must implement procedures to reduce or eliminate health hazards. Procedures must cover at a minimum:

### Clinics

Onsite clinics must be provided in compliance with local laws. The capacity and scope of onsite care must be defined according to the risk assessment, number of workers at the facility, and accessibility to the nearest hospital. When onsite clinics are provided (examples include locations with more than 1,000 workers), policy and procedures must include at minimum:

- Healthcare staff must be qualified and trained in the practice of occupational and emergency medicine.
- Admission, treatment, transportation, and discharge of patients.
- Use, testing, maintenance, and calibration of medical and surveillance instruments.
- Return to work for personnel who have been absent.
- Response to and treatment of all infectious or contagious diseases.
- Medical equipment and supplies appropriate to the level of treatment provided in the facility (e.g., sterile gloves, disposable needles, suture kits, cardiopulmonary resuscitation [CPR] barrier masks, autoclave sterilizer).
- Strict adherence to sanitation standards.
- A minimum of one private bed for each 1,000 workers.
- A mechanical ventilation system capable of maintaining the clinic at a temperature between 21° C – 27° C (70° F – 80° F).

### Response to Infectious & Contagious Diseases

The facility's infectious and contagious disease preparedness and response plan for the workplace and dormitories must include at a minimum:

- Assessing the levels of risk associated with various buildings, departments, and tasks.
- Non-occupational risk factors at home and in community settings.
- Controls necessary to address those risks.
- In case of an epidemic:
  - Staying aware of and following guidance from local public health authorities.
  - Incorporating CLS recommendations and resources into workplace-specific plans and implementing all workplace safety requirements.
  - Reviewing protocols contractors and visitor.
- Emergency response and isolation protocols in case an outbreak of disease.

### Health Surveillance

The facility must have a health surveillance program based on the results of the Occupational Health Management risk assessment, with policy and procedures that cover:

- Evaluating of the general health of workers at all stages of employment (pre-employment, baseline testing, pre-assignment, post sickness).
- Providing workers with access to their health records.
- Appointing a physician, occupational healthcare professional, or other competent authority to administer the health surveillance program.
- Developing a system to analyze the results of the surveillance program and provide guidance for corrective action and medical treatment.

### Health Promotion

Preventative measures must be in place to help reduce the overall health risks of the workforce (e.g., smoking cessation, tetanus vaccinations, Hepatitis B vaccinations, and women's health month activities).

### Mental Health & Wellbeing

The facility must take measures to address mental health as part of creating a positive workplace culture.

### Special Health Provisions

Special health provisions for facility's foreign migrant workers must include at a minimum:

- Providing medical examinations and vaccinations free of cost to workers before starting employment.
- Providing medical insurance in the host country during the period of employment.
- Providing compensation coverage for injury and illness during the employment period.

## 42.2.3 Training

All workers must receive information and / or training related to physical and mental health and social wellbeing.

### Health Care Workers

Health care workers must be certified to provide care.

### RECOMMENDED PRACTICE

Preventing psychosocial hazards and promoting mental health and wellbeing should be approached in three ways:

- Protecting mental health by addressing sources of workplace hazards that increase the risk of mental harm to reduce work-related risk factors.
- Promoting mental health by focusing on the positive aspects of work and the strengths of workers (e.g., work-life balance, stress-management programs).
- Addressing mental-health problems regardless of cause (e.g., supporting appropriate treatment, promoting mental health programs).

# 42.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Occupational Health Management risk assessment

# 43. Bloodborne Pathogens

## 43.1 STANDARD

The facility must develop and implement processes and procedures to reduce or eliminate risks of occupational exposure to bloodborne pathogens.

## 43.2 REQUIREMENTS

### 43.2.1 Risk Assessment

The facility must conduct and document an annual Bloodborne Pathogens risk assessment that includes at a minimum:

- **Hazard identification.** Identifying hazards associated with occupational exposure to bloodborne pathogens including individuals, tasks, and areas at risk of occupational exposure.
- **Risk evaluation.** Evaluating the risks associated with identified hazards.
- **Control measures.** Identifying control measures required to reduce or eliminate risks of exposure.

### 43.2.2 Policies & Procedures

The facility must implement procedures to reduce or eliminate the risk of occupational exposure to bloodborne pathogens. Procedures must cover at a minimum:

- Preventing contact with blood and all other body fluids or other potentially infectious materials.
- Providing readily available hand-washing facilities.
- Providing readily available disinfectants to clean potential bloodborne pathogen contaminated spills.
- Providing personal protective equipment (PPE) (e.g., disposable gloves, cardiopulmonary reanimation (CPR) mouth guards).
- Providing disposal containers for sharp objects (e.g., glass, blades, and sewing needles).

- Disposing of equipment, product, or materials suspected being contaminated with bloodborne pathogens in closable, biohazard-labeled bags and containers.
- Disposing of bloodborne material must be carried out by a licensed, registered, or competent provider. Refer to the Hazardous Waste CLS.
- Disposing of contaminated materials safely in accordance with applicable waste regulations.

### 43.2.3 Medical Requirements

The facility must implement medical procedures to reduce or eliminate the risk of infection in the event of occupational exposure. Medical procedures must include at a minimum:

- Vaccination programs and follow up must be performed by or under the supervision of a licensed physician or by or under the supervision of another licensed health care professional at no cost to workers.
- Hepatitis B vaccination series must be provided to all workers who have occupational exposure.
- Post-exposure evaluation and follow-up to all workers who have had an exposure incident.
- Within 15 days of medical procedures, affected workers must receive a copy of examination and test results as well as a medical opinion.

### 43.2.4 Training

All workers with potential occupational exposure risk must receive bloodborne pathogen training at the time of initial assignment and annually thereafter. Training must cover at a minimum:

- Applicable regulations and procedures.
- General explanation of bloodborne diseases.
- Exposure pathways (e.g., inhalation, by open wound).
- Tasks that might cause exposure.
- Control methods and their limitations.
- Proper use and location of PPE.
- Medical and post-exposure procedures.
- Signage and labels.
- Disposal procedures for contaminated product, equipment, or materials.

## 43.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Bloodborne Pathogens risk assessment

# 44. Medical Services & First Aid

## 44.1 STANDARD

The facility must develop and implement processes and procedures to respond to incidents that require first aid or other medical attention.

## 44.2 REQUIREMENTS

### 44.2.1 Risk Assessment

The facility must conduct and document an annual Medical Services & First Aid risk assessment that includes at a minimum:

- **Hazard identification.** Identifying hazards and locations in the facility that could result in an incident.
- **Risk evaluation.** Evaluating the risks associated with identified hazards (including the number of workers at each location).
- **Control measures.** Identifying control measures to reduce the risks (e.g., first aid supplies, equipment, responders).

### RESOURCES

**These resources help facilities comply with the Medical Services & First Aid CLS:**

- Bloodborne Pathogens CLS
- Injury & Illness Management CLS

### 44.2.2 Policies & Procedures

The facility must implement first-aid procedures that cover at a minimum:

- Establishing the resources available (internally or externally) to respond to any medical emergency.
- Placing clearly marked emergency telephone numbers near each telephone.
- Location and availability of medical facilities and emergency services.
- Maintaining records of first aid and medical treatments.

## 44.2.3 First-Aid Responders

A first-aid responder is someone who is certified in first aid. The facility must have an adequate number of first-aid responders to cover the number of workers and types of hazards that can be anticipated in each work area. The facility must verify that all designated first-aid responders receive annual first-aid training or certification. Additionally, the facility must communicate to workers the names, locations, and contact information for certified first-aid responders.

## 44.2.4 First Aid Materials

Each facility must have first aid materials available based on the risk. Examples include first aid kits, automated external defibrillators (AEDs) and stretchers. First aid kits must be inspected monthly to meet requirements and signage must identify locations of the kits. First aid kits must be restocked when supplies from the kit have been used or when supplies expire.

### RECOMMENDED PRACTICES

1. The facility should assess risks within the work environment and designate and train first-aid responders based on the minimum values outlined below. (Local requirements may necessitate a higher number.)
   - **Low-risk environments.** One first aid responder for every 50 workers.
   - **Medium-risk environments.** One first aid responder for every 25 workers.
   - **High-risk environments.** One first aid responder for every 10 workers.

2. The facility should maintain first-aid kits and supplies using this guidance:
   - In low-risk areas, such as offices, first aid kits should meet **Class A** quantity requirements (or any additional local laws) to have the equipment needed to deal with common workplace injuries like sprains and minor cuts and scrapes.
   - In high-risk areas, which may include areas where equipment or chemicals are used, first-aid kits should meet **Class B** quantity requirements (or any additional local laws) to deal with potentially more serious injuries.

**Table 3.**

**QUANTITY REQUIREMENTS FOR MAINTAINING FIRST AID KITS**

| SUPPLIES | CLASS A QUANTITIES | CLASS B QUANTITIES |
|---|---|---|
| **Sterile adhesive bandages** (assorted sizes) | 16 | 50 |
| **Absorbent compresses** | 2 | 4 |
| **Sterile eye pads** | 2 | 2 |
| **Triangular bandages** | 1 | 2 |
| **Disposable gloves** | 2 | 2 |
| **Burn treatment** (single use packets) | 10 | 25 |
| **Burn dressing, gel-soaked** 10 cm. x 10 cm. (4 in. x 4 in.) | 1 | 2 |

### 44.2.5 Eyewash & Shower Stations

When there is a risk of chemical exposure to eyes, face, or body, eyewash and shower stations are required. The equipment must meet minimum requirements including:

- Water must be potable (drinkable).
- Velocity of water must be such that no injury occurs.
- Minimum flow rate is 1.5 L / min (3.1 pt / min) for a minimum of 15 minutes.
- There cannot be any sharp projections.
- Nozzles must be covered to prevent airborne contamination.
- Control valves are easily located and, when activated, remain ON until turned OFF.
- Stations must be within 30 m (100 ft) of hazardous materials.
- Stations must be accessible and identifiable with highly visible signage.
- Water nozzles must be positioned between 83.8 cm (33 in) and 114.3 cm (45 in) from the floor.
- Self-contained units containing a reservoir of flushing fluid must be constructed of materials that will not corrode. The flushing fluid must be protected from airborne contaminants.
- Water temperature in stations must be maintained between 15° C – 35° C (60° F – 90° F).
- All equipment and piping will be insulated to protect from freezing temperatures.

  Plumbed eyewash stations must be activated weekly to flush the lines and verify proper operation. Self-contained stations must be inspected according to the manufacturer's specification.

### 44.2.6 Training

All workers must receive training on the location's first-aid processes and procedures. Training must include at a minimum:

- The contact person for any incident that requires first aid or other medical assistance.
- How to report any work-related incidents that require first aid or other medical assistance.
- Locations of first-aid equipment in work areas.
- How to use emergency eyewash and shower stations if workers are exposed to hazardous materials resulting in eye, face, or body injury.

#### First-Aid Responders

All workers designated as first-aid responders must receive first-aid responder training conducted by a certified first aid/AED trainer. Training must include at a minimum:

- First-aid skills needed to help adults and children during different emergency situations.
- Skills needed to perform cardiopulmonary reanimation (CPR) on a person experiencing a cardiac or breathing emergency.
- Skills needed to use an AED on a person experiencing a cardiac emergency.
- Safe practices required to clean up blood and other body fluids that may contain bloodborne pathogens.

First-aid responders will receive a certificate of completion after receiving training and must renew certification annually or in accordance with local laws.

## 44.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

**Nike requires facilities to retain:**

- Medical Service and First Aid risk assessment

**Nike additionally requires facilities to archive certain records:**

- **Inspection records.** Minimum of one year.
- **First-aid kit records.** Minimum of one year.

# RESPECTED

# 45. Employment Is Voluntary

## 45.1 STANDARD

The facility does not engage in any type of modern slavery, including forced labor (prison, indentured, bonded, or otherwise) or human trafficking.

The facility is responsible for paying the employment eligibility fees of all workers, including recruitment fees and related costs.

The facility complies with all requirements in the CLSs to address key risks of forced labor, such as ensuring freedom of movement for workers, prohibiting requirements to post bonds or make deposits as a condition of employment, and providing safeguards to workers with unique vulnerabilities.

## RESOURCES

**This resource helps facilities comply with the Employment Is Voluntary CLS:**

- ILO Convention No. 29, Concerning Forced Labor (1930)
- ILO Convention No. 105, Abolition of Forced Labor Convention (1957)
- ILO Convention No. 181, Private Employment Agencies Convention (1997)
- ILO General principles and operational guidelines for fair recruitment & Definition of recruitment fees and related costs (2019)
- Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children (Trafficking Protocol) (2000)
- U.S. Law, The Trafficking Victims Protection Act (2000), as amended

## 45.2 REQUIREMENTS

### 45.2.1 Use of Prison Labor Is Prohibited

The facility must not use prison labor or subcontract work to prisons. This includes procurement of any materials, goods, or services used to manufacture products.

### 45.2.2 Forced Labor Is Prohibited

The facility must not use or participate in recruitment or employment practices that indentures or bonds a worker to the workplace or that obtains labor or services using force, fraud, or coercion.

#### Worker Document Retention

Workers must not be required to turn over original documents (e.g., passports, visas, work permits, travel or residency permits, national IDs, school certificates, or other personal documents) to an employer, labor agent, or other third party as a condition of employment. Workers must not be required to make deposits to gain access to their documents.

The facility, labor agent, or other third party cannot hold workers' personal documents on behalf of workers for safekeeping, even with their consent. The facility can temporarily collect original identity documents as required by local law to process required forms or applications (e.g., residence permits, bank accounts, visa extensions). These original identity documents must be returned to workers immediately afterwards.

#### Deposits

Workers must not be required to make deposits, post bonds, or participate in mandatory savings schemes as a condition of employment.

#### Workers Must Not Pay for Employment

Workers must not be required to pay employment eligibility fees, including costs or fees associated with recruitment and employment.

### 45.2.3 Freedom of Movement

The facility must allow workers to move freely within their designated work areas during work hours, including access to drinking water and toilet facilities. Workers must be allowed to leave the facility during meal periods or after work shifts.

A facility that provides dormitories for workers must communicate security practices, including curfew policies, to applicable workers. Curfews must be reasonable and allow workers enough time for relaxation and to participate in personal activities during non-working hours. Curfews must only be enforced when necessary for legitimate security and personal safety reasons. Where curfews do exist, they must apply equally to both local workers and migrant workers.

## 45.2.4 Special Provisions for Migrant Workers

If the facility hires migrant workers it must have special provisions in place and follow all general CLS requirements:

### Migrant Worker Policy

The facility must have a written policy that addresses specific protections for migrant workers throughout the employment cycle of recruitment, employment, and repatriation. The policy must, at a minimum, include the requirements on prohibition of forced labor, fair treatment, prohibition of recruitment fees and related costs to workers, non-discrimination, freedom of movement, freedom of association, non-retaliation, grievance systems, and any other requirements under local law.

The facility must effectively communicate its migrant worker policy to labor agents and sub-agents, as well as migrant workers themselves, so that they are aware of their rights under the policy.

The facility must train staff on their roles and responsibilities for implementing and enforcing the migrant worker policy.

### Prohibition of Forced Labor

Apart from general prohibitions on forced labor, migrant workers (and their family members) must not be threatened into involuntary employment or prevented from voluntarily termination of employment.

### Fair Treatment

The facility must treat migrant workers fairly and provide the same terms and conditions of employment as local workers, including compensation, holidays and leaves of absence, and any employer-provided housing except where local law requires different benefits (e.g., payment of social security benefits).

### Non-Retaliation

The facility must prohibit all retaliation against migrant workers who provide information on concerns regarding their experiences during the recruitment, selection, or employment processes, including but not limited to recruitment fees and related costs paid.

### Grievance Systems

The facility must provide safe, anonymous, confidential mechanisms for migrant workers to lodge complaints or report non-compliance (such as payment of or requests for fees) without fear of discrimination, intimidation, or retaliation. Grievance mechanisms must be provided in all languages that migrant workers understand (native, preferred, or best understood). Refer to the Effective Grievance Process section in the Rights to Freedom of Association & Collective Bargaining CLSs.

### RECOMMENDED PRACTICES

1. The facility is encouraged to employ or make available an onsite coordinator who speaks the languages of both migrant workers and management.

2. Additionally, the facility is encouraged to set up a worker committee that is representative of all nationalities in the facility. Workers should select the members of the committee. Committees can also be set up in dormitories for migrant workers.

## Payment of Recruitment Fees & Related Costs

Except where otherwise noted, the facility must directly pay all fees and costs associated with recruitment, (including costs incurred to secure employment or placement) and employment (including uniforms, job tools, and safety gear). Fees to be paid directly by the facility include but are not limited to:

- Passports, required visas, work and residence permits, and other administrative costs to fulfill recruitment requirements such as background checks and banking services.
- Payment for recruitment services including but not limited to, application, recommendation, recruitment, reservation, commitment, or placement fees in both the sending and receiving countries, recruitment agent service fees (both one-time and recurring) and fees incurred by sub-agents.
- Costs related to medical examinations, tests, or vaccinations including health exams required for repatriation.
- Mandatory government insurance costs, including worker health or medical insurance and enrollment in migrant welfare funds for which the facility is responsible.
- Costs for tests to verify workers' skill levels and qualifications or to obtain job-related certifications.
- Expenses for required trainings, including onsite job orientation and pre-departure or post-arrival orientations for newly recruited workers.

Employment eligibility fees must not be deducted from wages by way of garnishments, levies, deposits, guarantee monies, or otherwise. Refer to the Compensation & Benefits Are Paid on Time CLS.

When it is not possible to directly pay fees in advance, if workers are legally required to pay any fees, or in the event it is discovered that workers paid fees at any point during employment, the facility must promptly and fully reimburse workers for those fees. Such fees must be reimbursed within one month of the worker's arrival in the receiving country or within one month of learning that workers paid the fees.

## Travel & Lodging Costs During Recruitment

If the facility hires migrant workers from another country or region, the facility is responsible for travel and lodging costs including departure taxes and fees. Travel and lodging costs include incurred expenses for travel, lodging, and subsistence within the sending country for screening and recruitment purposes and in-bound transportation from workers' habitual places of residence in the sending country or region to the facility or provided accommodations in the receiving country or region.

Facilities are not required to pay the inbound transportation costs for migrant workers who apply at the place of work with valid working documents.

## Labor Agent Management

The facility must use legally approved / registered labor agencies in accordance with local laws.

## Labor Agent Due Diligence

The facility is responsible for performing thorough due diligence on any labor agents, including sub-agents, used for recruiting and employing migrant workers. Such diligence must be performed when selecting new labor agents / sub-agents and when conducting regular audits of existing labor agents / sub-agents to verify they meet, at a minimum, the requirements contained in these CLSs. The due diligence process should include a risk assessment and review of the labor agent's legal status, ethical practices, and any complaints lodged against them.

Service agreements or legal contracts between the facility and its labor agent(s) must be in place to comply with legal requirements (of both sending and receiving countries), facility policy, and CLS requirements (such as a prohibition of fees charged to workers). These agreements should cover all services provided by the labor agents, along with itemized fees and other costs incurred during recruitment.

The facility's migrant worker policy must be communicated clearly, in writing, to all new labor agents. The policy should be re-stated when renewing service agreements or when changing or updating terms of service.

## Migrant Worker Selection, Orientation & Training

The facility should be directly involved in the recruitment of migrant workers throughout the recruitment process where possible, but at a minimum should make the final selection of migrant workers for employment.

During the recruitment process, the facility must clearly communicate the terms and conditions of recruitment and employment to all job seekers. Prior to signing employment contracts and departing the sending country or region, migrant workers must receive pre-departure training that is gender-sensitive and clearly describes their rights.

The employing facility must provide migrant workers with orientation training in languages they understand (native, preferred, or best understood) after arrival at the receiving country or region and before they commence assigned job tasks.

Further, all orientations and trainings must be conducted in languages migrant workers understand (native, preferred or best understood) including but not limited to:

- General trainings (e.g., onboarding, company policy and procedures).
- Migrant worker-specific trainings (e.g., migrant worker policy, non-retaliation policy if they report paying fees, etc.).
- Grievance system for migrant workers.
- Rights of workers to join or participate in unions, committees, or other forms of worker representation.
- Job-related trainings.
- Safety trainings.

## Migrant Workers' Contracts of Employment

In addition to general requirements regarding employment contracts (refer to the Regular Employment Is Provided CLS), when employing migrant workers:

- Employment contracts must be written in languages workers understand (native, preferred or best understood).
- Employment contracts must be signed by both the facility and the migrant workers at least five days prior to departure from the sending country or region. A copy of the employment contract must be provided to workers in advance to allow adequate time for them to review and request clarification if needed before signing.
  - The terms outlined in written employment contracts must be fully explained prior to departure from the sending country or region. Explanations must be accurate, complete, and use terms workers understand. This includes conditions of employment and reasons for termination.
  - Upon review and clarification, the employing facility and migrant workers sign employment contracts.
- Employment contracts must be written such that they are legally enforceable in the receiving country.

### RECOMMENDED PRACTICES

1. **The facility is encouraged to hire and employ migrant workers directly, minimizing the use of labor agents and other third parties to recruit and manage workers.**
2. **The facility is also encouraged to incorporate migrant workers' feedback and grievances into ongoing performance reviews of labor agents.**
3. **The facility should include a clause in contracts with labor agents that the relationship is subject to termination if the agent refuses to undergo due diligence audits or is unwilling to remedy violations of facility policy on recruitment.**

- Employment contracts must not be changed upon arrival in the receiving country or region, unless changes are required to comply with local law or to provide equal or better terms to migrant workers.
- For domestic migrant workers, these requirements apply in situations where migrants are recruited in another region or area. These requirements do not apply for walk-ins who first travel on their own and then apply for work in the facility's location.

## Repatriation

Migrant workers can freely choose to return to the sending country or region, change employment if legally allowed, or extend employment at the facility. Migrant workers must not be penalized for terminating employment contracts at any time with reasonable notice (according to local law but not more than 30 days).

In addition to any legal requirements (of the receiving country or region and the sending country or region) regarding repatriation of migrant workers, at the completion of the employment relationship, or earlier upon termination of employment, the facility must cover return travel and lodging costs for migrant workers hired or recruited from another country or region. The facility is responsible for transportation, lodging, and subsistence costs from the facility or provided accommodation to the worker's place of residence. The facility must comply with this requirement irrespective of the terms of the worker's employment contract.

The requirement to pay for repatriation does not apply if the worker:

- Is terminated for illegal conduct.
- Obtains other legal employment within the country or region.

The facility must pay for return transportation even if the worker terminates employment prior to conclusion of the employment contract in cases where:

- The facility breaches a material term of the employment contract.
- The worker is subject to harassment or abuse that is not remedied in a timely manner upon lodging a complaint. Refer to the Facility Does Not Discriminate CLS and the Harassment & Abuse Are Not Tolerated CLS.

Where legally required by the receiving country or country of origin, or as agreed upon in the employment contract, the facility is required to provide transportation to and from the migrant worker's place of origin during the employment period at the frequency specified by law or the contract.

### RECOMMENDED PRACTICE

**The facility is encouraged to provide return transportation prior to the conclusion of the employment contract in response to special circumstances such as serious illness or other family emergency, or returning to the sending country to participate in elections.**

### Pregnancy Protections

Migrant workers who are pregnant must be guaranteed all applicable protections under the law and CLS requirements, receiving the same benefits as local workers at a minimum.

In the event repatriation of a migrant worker for pregnancy is mandated by law, the facility is required to cover repatriation cost in accordance with repatriation section.

### RECOMMENDED PRACTICE

**The facility is encouraged to provide return transportation prior to the conclusion of employment if a migrant worker who becomes pregnant chooses to return to their sending country to give birth.**

### Storage

The facility must provide all migrant workers housed in employer-provided accommodation with individual, secure, and lockable storage for safekeeping of personal documents and other valuables. Workers must be able to access storage without interference at all times.

### Illegal Workers

The facility must not use migrant workers who are not legally authorized to work within the receiving country. Illegal migrant workers knowingly hired by the facility, or hired due to inadequate hiring practices, are entitled to repatriation in accordance with the Repatriation subsection above.

### Hiring Migrant Workers Within the Receiving Country

Before offering employment, the facility must verify that migrant workers who are already in the receiving country are legally authorized to work. The facility is responsible for all costs associated with changing employment visas or other documentation authorizing employment. The facility also assumes responsibility for repatriation in accordance with the Repatriation subsection above.

The facility is responsible for all fees and related costs related to government-authorized programs for regularizing undocumented migrant workers for purposes of employment.

## 45.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

# 46. Minimum Working Age Is 16

## 46.1 STANDARD

Nike forbids the use of child labor in facilities contracted to make or move Nike products.

Workers must be at least 16 years of age, over the age for completion of compulsory education, or the country legal working age — whichever is higher.

Workers younger than 18 years of age must not be employed in hazardous conditions, such as working at night, working with chemicals, or working with heavy machinery.

## 46.2 REQUIREMENTS

### 46.2.1 Minimum Age Requirement

Nike reserves the right to establish higher minimum age standards in certain industries or countries, which Nike will communicate to the facilities concerned.

The facility must implement and maintain human resource systems and practices adequate to verify that applicants meet minimum age requirements. Such systems and practices include a written hiring policy, training for hiring personnel, and requiring proof of age at the time of hire.

### 46.2.2 Proof of Age

The facility must require proof of age at time of hire (e.g., birth certificates, family books, personal registration [ID] cards, drivers' licenses, voter registration cards). Copies of these documents must be kept on file throughout the term of employment.

The facility must take reasonable measures to verify that proof-of-age documents are accurate and complete. In cases where proof-of-age documents are unreliable or unavailable, the facility can find other ways to verify the worker's age (e.g., official stamped copy of a school certificate, affidavit from local government representative).

Because proof-of-age documents are easy to forge or alter, the facility may need to use a licensed physician to accurately verify a worker's age through a physical examination. Exam results must be attached to at least one other proof-of-age document listed herein.

## RESOURCES

**These resources help facilities comply with the Minimum Working Age Is 16 CLS:**

- ILO Convention No. 138
  Minimum Age Convention (1973)
- ILO Convention No. 182
  Elimination of the Worst Forms of Child Labor Convention (1999)

### 46.2.3 Remedying Underage Employment

The facility must establish, document, maintain, and effectively communicate to workers and other interested parties the remediation policies and procedures in place for dealing with underage workers found working in situations prohibited by local laws or this CLS.

If the facility is found employing a worker younger than the minimum age standard, consistent with the overall best interests of the worker and within the requirements of local laws, the facility is required to:

- Remove the underage worker from the workplace.
- Provide adequate support, financial or otherwise, to enable the underage worker to attend and remain in school or a vocational training program until the age of 16 or the minimum legal working age, whichever is older.
- If the underage worker provides records stating that he / she is enrolled in and attending school or a vocational training program, the facility must continue to pay the underage worker base wages until he / she either finishes school or training or reaches the age of 16 or the minimum legal working age, whichever is older.
- When the underage worker reaches the age of 16 or the legal minimum working age, whichever is older, he / she must be given the opportunity for employment at the facility.
- If the underage worker voluntarily chooses not to attend school or a vocational training program, he / she forfeits the right to receive continued financial compensation from the facility. This decision must be documented.

The facility and Nike (or its designated representative) may agree to an additional or different program of remediation appropriate to the situation and the best interests of the worker.

### 46.2.4 Protecting Young Workers from Hazardous Conditions

The facility must not expose workers under the age of 18 to hazardous conditions — situations in or outside of the workplace that are likely to jeopardize the worker's health, safety, or morals. Refer to the Hazardous Waste CLS and the Asbestos CLS.

The facility must establish a process to identify work assignments that are or may be hazardous (e.g., working with or near hazardous chemicals, working with dangerous machinery, night work, or as identified by local laws).

## 46.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

# 47. Facility Does Not Discriminate

## 47.1 STANDARD

The facility must not subject workers to discrimination in employment — including in hiring, compensation, promotion, or discipline, or based on gender, race, religion, age, disability, sexual orientation, pregnancy or marital status, political opinion, trade union affiliation, nationality, social or ethnic origin, caste, or other status protected by local laws.

All workers, regardless of gender, must receive equal pay for work of equal value.

## 47.2 REQUIREMENTS

### 47.2.1 Non-Discrimination Policy

The facility must have a written policy prohibiting workplace discrimination. The non-discrimination policy must include at a minimum:

- A statement prohibiting discrimination in employment consistent with this Facility Does Not Discriminate CLS and applicable local laws.
- Methods for voicing workforce grievances or complaints regarding discrimination.
  - Refer to the grievance provisions in the Rights to Freedom of Association & Collective Bargaining Are Respected CLS.
- A statement that no worker will experience punishment or retaliation for reporting in good faith discriminatory treatment or behavior.

#### Communication

The facility must effectively communicate its non-discrimination policy to workers so they are aware of their right to be free from discrimination.

Effective communication includes:

- New-hire orientation and regular refresher training.
- Supervisor and/or management training.
- Posting the policy on notice boards or other appropriate locations where workers can easily find it.

#### Staff Training

The facility must train all staff responsible for implementing and enforcing the non-discrimination policy on their roles and responsibilities.

### RESOURCES

**These resources help facilities comply with the Facility Does Not Discriminate CLS:**

- ILO Convention No. 100, Convention Concerning Equal Remuneration for Men and Women Workers for Work of Equal Value (1951)
- ILO Convention No. 111, Discrimination (Employment and Occupation) Convention (1958)

## 47.2.2 Non-Discriminatory Employment Practices

Employment decisions must be made based on employment-related criteria (e.g., workers' qualifications, skills, abilities, productivity, overall job performance).

Blacklisting based on political affiliation, trade union status, or any other legally protected status or non- employment-related criteria is specifically prohibited.

The facility must comply with local laws when employing designated categories of workers; for example, laws requiring preferential or special treatment for the physically impaired, veterans, and protected minorities.

### RECOMMENDED PRACTICES

1. Even where not required by local law, the facility is encouraged to provide disabled workers reasonable accommodations, including access to restrooms and other amenities.
2. The facility is also encouraged to provide workers with reasonable accommodations for religious practices.

### Equal Pay for Equal Work

All workers, regardless of gender, must receive equal pay for work of equal value, equal evaluation on the quality of their work, and equal opportunities to fill open positions.

### Favoritism & Bribes

Management personnel must not accept gifts, payments, or other favors from workers or prospective workers in return for jobs or special treatment.

## 47.2.3 Women's Rights

### Safe Work

The facility must provide appropriate and reasonable accommodations for female workers in connection with pregnancy, childbirth, and nursing. The facility must comply with any limits on working hours or other restrictions for pregnant and nursing workers required by local laws. They must also take reasonable measures to protect pregnant women from hazardous work, including restricted work hours if recommended by a licensed physician or other certified health care provider in the facility's clinic.

### Pregnancy Testing

Pregnancy tests cannot be a condition of employment, nor can they be demanded of workers unless required by local law. Voluntary pregnancy tests may be provided, but only at the request of the worker, and each such request must be documented, confidential, and only disclosed with the worker's prior written authorization.

### Contraception

The facility must not force or pressure workers to use contraception.

### Maternity Leave

Female workers are entitled to maternity leave in accordance with local laws or the Compensation & Benefits Are Paid on Time CLS, whichever provides greater benefit.

Women who take maternity leave must not face dismissal or the threat of dismissal, loss of seniority, or deduction of wages, and must be able to return to their former employment at the same rate of pay and benefits after the maternity leave has ended.

## 47.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

# 48. Rights to Freedom of Association & Collective Bargaining Are Respected

## 48.1 STANDARD

The facility recognizes and respects the rights to freedom of association and collective bargaining.

The facility honors prohibitions on interference with workers seeking to organize or carry out union activities, as well as prohibitions on any sort of activity that seeks to intimidate, harass, or retaliate against workers for participation in a union or other representative organization.

Where the right to freedom of association and collective bargaining is restricted under local law, the facility allows the development of parallel means for independent and free association and bargaining.

## RESOURCES

**These resources help facilities comply with the Rights to Freedom of Association & Collective Bargaining Are Respected CLS:**

- ILO Convention No. 87, Freedom of Association and Protection of the Right to Organize Convention (1948)
- ILO Convention No. 98, Right to Organize and Collective Bargaining Convention (1949)
- ILO Convention No. 135, Workers Representatives Convention (1971)
- Universal Declaration of Human Rights (1948) (Articles 20(1) and (2) and 23(4))

## 48.2 REQUIREMENTS

### 48.2.1 Right to Freely Associate

In countries where local laws recognize workers' rights to form and join trade unions and other worker organizations of their choosing without interference and to bargain collectively, the facility will comply with local laws and the requirements of this Rights to Freedom of Association & Collective Bargaining Are Respected CLS. These rights continue throughout the course of employment, including eventual termination of employment.

Workers have the right to join, or not to join, trade unions or other worker organizations of their own choosing.

Where local laws substantially restrict freedom of association, the facility must facilitate alternative means to engage with workers individually and collectively. Workers must be able to express their grievances and protect their rights regarding working conditions and terms of employment. At a minimum, this means having an effective grievance process. Refer to the Effective Grievance Process subsection.

The facility cannot deduct union membership dues, fees, fines, or other assessments from workers' wages without the express and written consent of the individual worker, unless otherwise specified in a freely negotiated and valid collective bargaining agreement or when required by law.

Union representatives must have access to their members under conditions established by local laws or by mutual agreement between the facility and the union.

### 48.2.2 Non-Interference

Workers have the right to elect union leaders and representatives and to conduct activities without facility interference — including acts that establish or promote employer domination, financing, or control of a trade union.

Consistent with local law, in cases where a single union represents workers, the facility must not attempt to influence or interfere in workers' ability to form other organizations to represent them. The facility must not interfere with the right to freedom of association by favoring one union over another.

#### RECOMMENDED PRACTICES

1. To the extent permitted by local law, the facility is encouraged to support workers' participation in committees they freely chose.
2. The facility is encouraged to allow reasonable time off with pay for union representatives to carry out their duties (e.g., handling grievances and representing members) and to provide facilities as may be required to enable representatives to function effectively. Employer facilities, and time off that is appropriate, may vary depending upon several factors (e.g., the number of workers represented, number of union representatives, provisions in the collective agreement).

## 48.2.3 Harassment & Retaliation Prohibited

The facility must not threaten or use violence or a police or military presence to intimidate workers or to prevent, disrupt, or break up any activities that constitute a lawful and peaceful exercise of the right of freedom of association. This includes union meetings, organizing activities, assemblies, and lawful strikes.

Workers or prospective workers cannot be subject to dismissal, discrimination, harassment, intimidation, or retaliation for reason of membership in a union or worker association, or for participation in lawful trade-union or other activities protected by the right to freedom of association, including exercising the right to form a union.

The use of blacklists to intervene in the right to freely associate is specifically prohibited (e.g., blacklists based on union membership or participation in lawful union activity).

The facility must comply with all relevant provisions in local laws that provide special protection to workers or worker representatives engaged in a union activity (such as union formation) or to worker representatives with a status (such as union founding members or current union office holders).

The facility cannot impose sanctions on workers organizing or participating in a lawful strike nor can the facility hire replacement workers in an attempt to end a lawful strike or to avoid negotiating in good faith.

Workers found to have been unjustly dismissed, demoted, or who have otherwise suffered a loss of rights and privileges at work due to an act of union discrimination are entitled to restoration of all the rights and privileges lost if the worker so desires, subject to the requirements of local law. This includes reinstatement to the same or similar job at the same wage and seniority.

Workers and their union representatives must be free to raise concerns to management about compliance with a collective bargaining agreement without retaliation.

## 48.2.4 Collective Bargaining

The facility must recognize the right of organized workers to engage freely in collective bargaining. The facility must bargain in good faith.

The facility must honor in good faith the terms of any signed collective bargaining agreement for the duration of that agreement.

Where local laws specify certain unions as the exclusive bargaining agent, the facility is not required to engage in collective bargaining with other worker groups or organizations on matters covered by a valid collective agreement.

### RECOMMENDED PRACTICE

**Where a collective bargaining agreement exists, the facility is encouraged to make copies of the agreement available to all workers covered by the agreement.**

## 48.2.5 Effective Grievance Process

The facility must establish an effective grievance process that enables workers to raise concerns about their experiences on the job (e.g., working conditions, company policies and procedures, terms and conditions of employment). Specific grievance processes may vary among facilities depending upon factors such as their size, local laws, and culture; however, an effective grievance process includes at a minimum:

### Grievance Policy & Procedures

- Developing and implementing a formal, documented grievance policy and associated procedures that include:
  - The facility's commitment to a confidential, time-bound, non-retaliatory, and transparent grievance process. The policy must include purpose, scope, guiding principles, roles and responsibilities, grievance procedures, and appeals process.
  - A clear process to handle grievances with time-bound commitment to resolution, worker involvement, feedback from management, actions taken in response to grievances (such as policy updates) and follow-up communication to workers and involved parties to verify the resolution is handled properly and an opportunity to appeal is offered if needed.
  - Multiple channels for workers to raise concerns and provide input to management:
    - Grievance or suggestion boxes.
    - Supervisors or team leaders.
    - HR department or counselors.
    - Open-door policy.
    - Company hotlines.
    - Third parties, such as worker committees, trade unions, worker representatives, and contracted third-party service providers.
  - The ability to raise concerns confidentially and / or anonymously if the worker so desires, subject to the requirements of local laws, without fear of retaliation.
- The facility must provide direct communication and a process for appeal, involving worker representatives where applicable, in cases of discipline or termination.
- In addition to the mechanisms outlined above, the facility maintains familiarity with Nike's Speak Up Portal and makes it generally available to employees and subcontractors providing services to Nike for reporting Code and CLS concerns. (Note that this process is intended to supplement and not replace or undermine the facility's existing grievance channels or legal remedies available at the country level.)

### Communication & Training

- The facility must effectively communicate the grievance policy to workers to make them aware of the grievance process and their right to raise concerns.
- The facility must provide training for personnel responsible for responding to grievances and for all people managers and supervisors regarding their roles and responsibilities in rolling out and maintaining the policy as intended.

### Grievance Resolution

- Responsible personnel must offer transparency on the status for each grievance (e.g., grievance received, investigated, in leadership review (pending policy change), resolved, closed).
- Where appropriate, posting and sharing grievance resolutions with workers.
- Involving worker representatives and encouraging worker participation in resolving grievances, where applicable.
- Where applicable, forming a grievance committee with worker representation.
- The facility must have a data-driven approach to measuring the effectiveness of its grievance process (e.g., how frequently each grievance channel is used, how many grievances are resolved within the expected timeframe, worker feedback after resolution, appeal records).
- Developing a method to document and track grievances to make sure workers receive a timely response.

## 48.2.6 Training

All workers must receive training on their rights as outlined in this Rights to Freedom of Association & Collective Bargaining Are Respected CLS, acknowledging that these rights may vary by location.

### RECOMMENDED PRACTICE

The facility is encouraged to identify and develop plans to respond to systemic concerns raised by workers through the grievance process.

## 48.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

# FAIR

# 49. Harassment & Abuse Are Not Tolerated

## 49.1 STANDARD

The facility treats workers with dignity and respect, and does not engage in or tolerate physical, sexual, psychological, or verbal harassment or abuse.

## 49.2 REQUIREMENTS

### 49.2.1 Harassment & Abuse Policy

The facility, in consultation with worker or union representatives, must assess specific risks of harassment and abuse in the facility, including risks of gender-based violence, and develop a written policy against harassment and abuse to address these risks.

The Harassment & Abuse policy must include at a minimum:

- A statement that all reported cases of harassment and abuse will be investigated.
- A statement prohibiting harassment and abuse consistent with this Harassment & Abuse Are not Tolerated CLS and applicable local laws.
- Methods for voicing grievances or complaints regarding harassment and abusive behavior in the workplace and all other areas on the facility's property. (Refer to the Rights to Freedom of Association & Collective Bargaining Are Respected CLS).
- A statement that offensive behavior may lead to discipline up to and including termination of employment or prosecution by legal authorities.
- A statement that no worker will be subject to punishment or retaliation for reporting in good faith harassment or abusive treatment or behavior.

#### Communication

The facility must effectively communicate its Harassment & Abuse policy to workers so that they are aware of their right to be free from harassment and abuse. Effective communication includes:

- New-hire orientation and regular refresher training.
- Supervisor and/or management training.
- Posting the policy on notice boards or other appropriate locations where workers can easily find it.

#### Staff Training

The facility must train all staff responsible for implementing and enforcing the Harassment & Abuse policy on their roles and responsibilities.

## 49.2.2 Security Personnel

Onsite security personnel, whether full-time facility employees or contractors from a service provider, must conduct routine and emergency activities to deliver the highest levels of safety and security while also protecting workers' dignity. Security personnel must follow these requirements.

### Written Policy

The facility must have a written security policy for security personnel that includes requirements for appearance, personal conduct, responsibilities, and knowledge of local laws. Security personnel must be trained on their roles and responsibilities.

### Use of Force

Security personnel must conduct their daily duties with courtesy and respect for all workers and visitors. No force should be used in routine job performance except in situations when self-defense is necessary (i.e., there is clear and present danger to themselves or other workers). The use of force in these limited circumstances must be proportional to the situation and within the parameters of local laws.

### Crisis Management

When a crisis occurs involving violence or potential violence against workers or property, security personnel must immediately notify facility management. Such crisis situations must be documented.

### Use of Weapons

Carrying weapons of any kind is not recommended unless necessary for security personnel to protect workers and property in countries where violence is frequent. In such cases, the facility or security service provider must have a system in place that delivers training for the proper handling and maintenance of such weapons. Personal weapons cannot be brought to the facility's premises at any time.

### Worker Searches

If the facility believes worker searches are necessary to guard against theft or illegal activities, the facility must first consult with the local labor bureau or other appropriate government agency regarding regulations for conducting such searches. Worker searches, which may include pat downs and opening handbags, must be applied equally to all workers regardless of position. All worker searches must be conducted in the open and any physical searches (e.g., pat downs) must be performed by security personnel who are the same gender as the worker and with respect for his or her dignity.

### Dormitories

Security personnel in dormitories are to provide security services for the protection of workers and to maintain separate spaces for men and women. If a curfew exists, it must be reasonable and applied on a non-discriminatory basis; workers must be informed of the roles of security personnel in enforcing the curfew.

### Training

All security personnel must receive training on the facility's written security policy and Harassment & Abuse policy. All job-related training must be documented.

## 49.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

The facility must maintain and, upon request, make available to Nike or designated third-party representatives such as auditors or verifiers, all documentation regarding allegations of harassment and abuse.

# 50. Working Hours Are Not Excessive

## 50.1 STANDARD

The facility must not require workers to work more than the regular and overtime hours allowed by the laws of the country where workers are employed.

- The regular work week must not exceed 48 hours.
- The facility must allow workers at least 24 consecutive hours of rest in every seven-day period.
- All overtime work must be consensual.
- The facility must not request overtime on a regular basis and must compensate all overtime work at a premium rate.
- Other than in extraordinary circumstances, the sum of regular and overtime hours in a week must not exceed 60 hours.

## 50.2 REQUIREMENTS

### 50.2.1 Regular Working Hours

#### Hours Worked

Hourly workers must be paid at least the minimum wage for all hours worked. Hours worked is defined by local laws. Refer to the Compensation & Benefits Are Paid on Time CLS.

#### Time-Keeping System

The facility must maintain an adequate time-keeping system that accurately records the daily start and stop times for all hourly workers in a timely manner, typically to within 15 minutes before and after the shift. Workers must perform the clock-in and clock-out themselves. Clock-in or clock-out on behalf of another person is not allowed, unless approved by Nike.

Both regular and overtime hours must be recorded on the same time record using the same system. While timely provides an allowance of 15 minutes to clock in or out facilitating entry to and exit from the work site, all work performed, including time to attend meetings or trainings, must be recorded as time worked and compensated accordingly.

Recording workers' daily work hours to within 30 minutes before or after a shift can be considered timely provided:

- Workers are engaging in significant pre- and post-work activities (e.g., a highly automated manufacturing process requires technicians to work in a clean-room environment that necessitates wearing special uniforms and undergoing security screening before and after the shift.

- It is consistent with the definition of hours worked in local laws, including any requirement regarding compensation for preparation time.
- A supporting factor would be the extent to which being able to clock in/out within a 30-minute window before or after the shift is for the convenience of workers.
- Workers are informed of clock-in / clock-out procedures.
- Nike approves the exception in writing.

To maintain accuracy, reliability, and transparency, time-keeping systems must be mechanical or electronic. Nike must approve any other type of time-keeping system (e.g., hand-written timecards).

### Change in Shift or Working Hours

If a worker's working hours change, workers must be provided at least 24 hours prior notice. Examples of changed working hours include from normal shift to multishift and shift rotation.

## 50.2.2 Overtime & Limits On Work Hours

The facility must comply with local laws regarding daily, weekly, monthly, and annual limits on hours of work and overtime hours.

### Premium Rate

Overtime must be paid at a premium rate of 125% of workers' base hourly rates or the requirements of local laws, whichever is higher.

Total work hours, including overtime, cannot exceed 60 hours per week or the limits mandated by local laws, whichever is less, unless justified by extraordinary circumstances. A week is defined by local laws.

### Local Overtime Permits

If local laws entitle the facility to apply for permission for employees to work additional hours beyond those regularly allowed, the facility may apply for and use such a permit provided:

- The permit is obtained in accordance with the requirements of local laws, issued at the municipal level or higher.
- A copy is posted in the workplace.
- Additional overtime hours worked are voluntary.
- Except in extraordinary circumstances, total hours worked do not exceed 60 hours per week.

### Extraordinary Circumstances

In the limited situation of extraordinary circumstances, and where permitted by local laws, total hours of work may exceed 60 hours per week, provided:

- The facility immediately notifies and obtains prior written approval from Nike.
- The facility takes reasonable steps to minimize the need for additional overtime, and any additional overtime worked is limited to what is necessary to meet the extraordinary circumstances.
- Additional overtime hours worked are voluntary.

Nike reviews requests for additional overtime under claims of extraordinary circumstances on a case- by-case basis and determines the level and duration of additional overtime permitted under this exception, if any.

### 50.2.3 Days Off (Day of Rest)

The facility must comply with the requirements of local laws regarding breaks and days of rest.

Except in extraordinary circumstances or pursuant to the Switching Policy (set forth in this section), workers must be allowed at least 24 consecutive hours of rest (one day of rest) in every seven-day period.

#### Switching Policy

Facilities may switch the day of rest provided:

- It is in accordance with local law.
- Workers are provided at least 24 hours prior notice.
- Any applicable trade union or worker representatives are consulted.
- The switched day does not result in total work hours exceeding 60 hours per week or the limits mandated by local laws, whichever is less.

If the facility changes the day of rest with less than 24 hours' notice, the day worked must be paid at the premium overtime rate and be voluntary.

Country-specific switching policies may dictate additional requirements and protections for workers, which must be followed.

### 50.2.4 Overtime Hours Are Consensual

The facility must comply with local laws regarding workers' consent to overtime hours.
Where mandatory overtime is permitted under local law, workers must be notified of this requirement at time of hire and give their consent. Whenever the facility requires mandatory overtime, workers must be given at least 24 hours advanced notice whenever possible. Any overtime hours worked under a local overtime permit, as in the case of extraordinary circumstances or switched hours with less than 24 hours advance notice, must be voluntary.

## 50.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

#### RECOMMENDED PRACTICES

1. Whenever possible, the day of rest should be scheduled on the same day each week so workers can make plans during their time off.
2. The facility is encouraged to first attempt to meet its production needs by requesting workers who want overtime hours to volunteer.

# 51. Compensation & Benefits Are Paid on Time

## 51.1 STANDARD

The facility acknowledges that all workers, regardless of gender, have a right to compensation for a regular work week that is sufficient to meet their basic needs and provide some discretionary income.

When compensation does not meet workers' basic needs and provide discretionary income, the facility must develop, implement, and communicate strategies to progressively realize compensation that does.

Workers must be paid on time at least the minimum wage required by local laws or the prevailing wage, whichever is higher.

The facility must provide legally mandated benefits, including holidays, leaves, and statutory severance when employment ends.

Disciplinary deductions from pay are prohibited.

## 51.2 REQUIREMENTS

The facility acknowledges that every worker has a right to compensation for a regular work week that is enough to meet workers' basic needs and provide some discretionary income. When compensation does not meet these requirements, the facility must develop, implement, and communicate strategies to progressively realize compensation that does. Refer to the Progressive Realization of a Fair Wage subsection.

## RESOURCES

**These resources help facilities comply with the Compensation & Benefits Are Paid on Time CLS:**

- Fair Labor Association (FLA) Code of Conduct
- ILO Convention No. 158, Termination of Employment Convention (1982)

## 51.2.1 Basic Compensation Practices

At a minimum, workers must receive the legal minimum wage required by local laws where the facility is located, including the payment of overtime at a premium rate. Refer to the Working Hours Are not Excessive CLS.

Where an employment contract exists, workers must receive, at minimum, the basic wage stipulated under the contract, which must be equal to or more than the legal minimum wage. Wages must be paid and benefits provided on a regular and timely basis. Such compensation must be properly characterized and reported to appropriate governmental authorities correctly in accordance with the requirements of local law. For example, payment for hours worked cannot be mischaracterized as an allowance or other form of payment for the purpose of avoiding legally required taxes or required deductions.

Compensation must be paid directly to workers in the manner most convenient to them, such as cash, checks, or electronic deposits. If workers opt for direct electronic deposits, they must authorize such deposits with their banks and have sole control of their accounts.

### Piece Rates & Quotas

Regardless of piece-rate agreements or quota targets, the facility must make sure workers receive at least the legal minimum wage for hours worked and are paid overtime according to the requirements of local laws and this CLS.

### Back Wages

If the facility discovers that workers have not been properly paid their earned wages, including erroneous accounting of base and / or overtime wages, the facility is responsible for the back payment of those wages from the time of miscalculation or for a period of at least one year. Local laws may establish longer periods of obligation for back payments.

### Non-Discrimination

All workers, regardless of gender, must receive equal pay for work of equal value. Refer to the Facility Does Not Discriminate CLS.

## 51.2.2 Deductions

### Loss or Damage to Tools

Workers cannot be required to pay for tools to perform their job functions. As allowed by local law, workers found responsible for loss or damage of facility's tools or property may be held financially responsible for the direct costs of replacement or repair.

### Discretionary Deductions

Workers must expressly authorize the facility to take any voluntary deductions from pay that are not mandated by law but provided as an option for workers, such as additional benefits, insurance, and savings programs. These deductions must not result in workers receiving less than the applicable legal minimum wage in total take home pay. The facility must retain all documentation.

### Disciplinary Deductions

Deductions from wages cannot be made for disciplinary purposes. Performance or behavioral concerns must be dealt with using other performance-management methods, which may include counseling, warnings, and / or ongoing training.

This policy does not prevent the facility from restricting or eliminating discretionary bonuses based on facility or individual performance.

### Employment Eligibility Fees

The facility or a third party cannot deduct employment eligibility fees from wages.

### Union Dues

The facility must not deduct union membership dues, fees, fines, or other assessments from workers' wages without the express written authorization of affected individuals, unless otherwise specified in a valid collective bargaining agreement.

## 51.2.3 Retirement / Severance Funds

The facility must fully fund / pay into all legally required social security, unemployment, retirement, or severance funds (sometimes referred to as provident funds) and maintain adequate financial records of the payment into and / or maintenance of such funds.

The facility must have a procedure in place for determining all statutory severance and other separation benefits (termination payments) to which workers are entitled under local laws. The facility must fully make such payments to workers upon termination of employment.

## 51.2.4 Probationary & Training Wages

The facility must not pay a probationary wage that is below the legal minimum wage, including the payment of overtime at a premium rate.

Payment of training wages or participation in an apprenticeship program must comply with local laws and the requirements of the Regular Employment Is Provided CLS.

## 51.2.5 Communication & Social Dialogue

Workers must be provided with written information in languages they understand (native, preferred or best understood) about the terms and conditions of their employment, including wages and benefits, before entering employment.

### Pay Slips

The facility must provide employees with printed payment records in languages they understand (native, preferred or best understood) for the whole pay period each time they are paid. The facility may substitute printed payment records with an electronic payment record if workers consent to electronic delivery and have or are granted reasonable access.

Payment records must include at a minimum:

- Pay period and wage payment dates.
- All regular and overtime hours worked.
- Wage rates for hours of work.
- Running totals for regular and overtime compensation.
- All additional compensation such as individual / team bonuses.
- All deductions for insurance and / or other legally mandated deductions.
- Workers must receive training to help them understand the payment slip format.

### Collective Bargaining

To the extent permitted by local law, the facility agrees to recognize the rights of represented workers to engage in collective bargaining, to bargain in good faith, and to honor the terms of any signed collective bargaining agreement for the duration of that agreement. Refer to the Rights to Freedom of Association and Collective Bargaining Are Respected CLS.

## 51.2.6 Holiday & Leave Policies and Procedures

The facility must have clearly written policies and procedures regarding legally required holidays, sick leave, annual leave, maternity leave, paternity leave, emergency family leave, and other leaves as required by local law. The facility must train staff responsible for implementing its holiday and leave policy on their roles and responsibilities, including effectively communicating the policy to workers.

The facility must provide all legally required holidays and leaves and, to the extent not inconsistent with local laws, comply with the specific additional requirements below:

### Sick Leave

Workers must be provided sick leave in accordance with the requirements of local laws.

### Annual Leave

In countries where no annual leave is mandated by law, the facility is required to provide annual leave as part of workers' compensation and benefit packages.

### Maternity Leave

Even if not required by local law, female workers are entitled to unpaid maternity leave. Except in the case of extraordinary circumstances, such as retrenchment, female workers are entitled to return to their employment on the same or equivalent terms and conditions as applied to them prior to taking leave and will not be subject to any discrimination or loss of seniority.

### Menstrual Leave

The facility is prohibited from conducting physical exams to verify eligibility for menstrual leave if it is a benefit mandated by local laws.

### RECOMMENDED PRACTICES

1. Even if not required by local laws, workers should be provided time off to recover from sickness or injury as required by a licensed physician. When a diagnosis or recommended pathway to recovery is in dispute, the facility can require a second opinion from an alternate qualified medical provider at the facility's expense.

2. Where local law does not guarantee at least 14 weeks of maternity leave, the facility is encouraged to offer 14 weeks in line with International Labour Organization (ILO) guidance. Additionally, the facility is encouraged to develop a parental leave policy that also establishes paternity leave where not provided under local laws.

## 51.2.7 Facility Closure & Retrenchment

In the event of a facility closure or other corporate restructuring that will result in the retrenchment or termination of workers, the facility must adhere to the following guidance at a minimum:

### Notice

The facility must give workers, worker representatives (where applicable and in accordance with legal requirements), and relevant governmental authorities as much advance notice and relevant information regarding the redundancies / retrenchment as is possible under the circumstances.

Relevant information includes the rationale or criteria for the closure or retrenchment, the number and categories of workers likely to be affected, and the period of time over which the facility anticipates the terminations will be carried out.

At a minimum, the facility must provide such notice, or pay in lieu of notice (i.e., paying 30 days' wages instead of providing 30 days' notice), and information as is required under local law.

### Severance

The facility must fully pay all severance, social security, and other separation benefits to which workers are entitled under local law.

### RECOMMENDED PRACTICES

In the event of closure or retrenchment, in addition to what is required by local laws or a collective bargaining agreement, the facility is encouraged to follow these practices — directly or in coordination with governmental bodies, non-governmental organizations (NGOs), or other third parties.

### Consultation

The opportunity for workers and / or worker representa-tives, where applicable, to meet and consult on measures that can be taken to avert or minimize the redundancies / retrenchment as well as ways to mitigate the adverse effects of retrenchment on workers.

### Transfer

The opportunity to transfer to other employer-owned facilities within the country at a comparable wage,
if available.

### Appeals Process

A process whereby workers have an opportunity to reply, challenge, or make appeals during the retrenchment process.

### Outplacement & Retraining Assistance

Examples could include:

- Setting up job banks or otherwise helping workers find employment opportunities in nearby industries or within the community.
- Setting up a process to inform workers of potential job openings.
- Placing paid ads in local media calling on potential employers to support affected workers by giving them priority in new hiring.

### Medical Benefits

In addition to what is legally required, providing additional assistance for pregnant workers and workers with significant medical conditions, corresponding to their conditions.

### Assistance in Obtaining Government Benefits

Educating workers on their rights and coordinating with appropriate local government agencies. This might include hosting government agencies and appropriate NGOs at the facility or another convenient location to provide information and assist workers in filling out forms to obtain governmental assistance and to access government training programs.

### Release of Claims

The facility cannot require workers to sign declarations of good health, waivers, or releases of other rights as a condition of receiving severance pay or other benefits to which they are legally entitled. The facility may condition receipt of discretionary or additional severance and benefits on acknowledgment and / or release of claims.

### Collective Bargaining Agreement

In the event affected workers are represented by a trade union or worker organization, the facility must fully comply with all applicable requirements related to notice, consultation, payment of severance, outplacement, or other benefits provided for in the current collective bargaining agreement or otherwise agreed to between the facility and the trade union or worker organization.

## 51.2.8 Progressive Realization of a Fair Wage

The facility must commit to developing and implementing a process that moves worker compensation (wages and benefits) incrementally toward the goal meeting workers' basic needs and providing discretionary income. The following actions provide guidance to meet this obligation.

### Payment of Wages & Benefits

The facility must continue to comply with the requirements set forth in the Code and CLS to pay its workers accurately and promptly at least the minimum wage required by local law or the prevailing wage, whichever is higher; provide legally mandated benefits including holidays and leaves; and comply with all regulations on social insurance.

### Pay Systems

The facility must establish a pay system that regularly reviews and adjusts worker compensation based on the following considerations:

- The minimum wage required under local law.
- The facility's business needs.
- The different levels of education, skill, training, and professional experience workers are required to demonstrate for each position within the company.
- Compensation incentive programs that reward individual and collective performance.
- Payment of a competitive wage based on the compensation practices of similar companies and / or the facility's main competitors in the labor market.
- Monitoring wages against inflation and changes in consumer prices so that workers do not suffer an erosion of their wages in real terms.
- Providing equal pay for equal work and implementing non-discriminatory compensation practices.
- Taking care that workers are not required to work an excessive number of hours and that any overtime hours are paid at premium rates.

### Policies & Procedures

The facility must create a plan to establish or realign policies and procedures to reflect the commitments in this Compensation & Benefits Are Paid on Time CLS. The facility must train staff responsible for implementing compensation systems regarding their roles and responsibilities.

### Communication & Social Dialogue

Workers must be provided with adequate and ongoing information on compensation. Consistent with local laws, the facility must respect the rights of its workers to freedom of association and collective bargaining.

### Training & Development

The facility must offer training and worker development programs to improve worker performance at all levels of the company, including operators, supervisors (team and group leaders), staff, and managers.

## 51.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

# 52. Regular Employment Is Provided

## 52.1 STANDARD

Work must be performed on the basis of a recognized employment relationship established through local law and practice.

The facility must not use any form of home working arrangement for the manufacturing of Nike product.

## 52.2 REQUIREMENTS

### 52.2.1 Registration

The facility must comply with the requirements of local law regarding registration of workers.

### 52.2.2 Contracts of Employment

The facility must comply with local laws regarding use of employment contracts, including any requirement that workers have a written employment contract, as well as the terms, duration, and / or renewal of employment contracts.

The facility must fully explain the terms and conditions outlined in the worker's employment contract, which must be written in languages workers understand (native, preferred, or best understood).

Where employment contracts are used, workers must be given copies of their employment contracts in languages they understand (native, preferred, or best understood) before entering employment.

### 52.2.3 Use of Temporary Workers & Short-Term Contracts

The facility must not avoid the obligations it incurs under local labor or social security laws from regular employment relationships through the excessive use of temporary (labor-only contracting) or short- or fixed-term contracts.

Use of temporary workers, where legally permitted, should to the extent possible only be used to meet seasonal work, peak-season demands, or to fill short-term vacancies or staffing needs of less than one year.

Examples of possible excessive use of temporary workers or short-term contracts include:

- Widespread use of temporary workers for more than one year to meet an ongoing employment need.

- Widespread renewal of short-term contracts where such practice denies workers full entitlement to severance pay, social security tenure, and other benefits.
- Generally where more than 15% of workers at a facility are temporary workers or on short-term contract.

Employment laws and practices in this area are complex and vary significantly from country to country. Application of this CLS is determined in accordance with local law.

### 52.2.4 Apprentice Programs

As a rule, payment of training wages or participation in apprenticeship programs is not allowed where such programs result in the payment of wages or provision of worker benefits less than that provided to regular workers.

As an exception, such programs may be approved in writing on a case-by-case basis where the program is:

- Provided for and in compliance with local law.
- Designed for the benefit of trainees by imparting job skills and / or leading to regular employment.
- Trainee participation in the program is limited in duration (generally no more than six months).
- Trainees are compensated at the legal minimum wage or higher.
- The program is not used for the purpose of avoiding the facility's obligations under labor or social security laws arising from the employment relationship.

### 52.2.5 Home Working Arrangements Prohibited

To make sure that the facility complies with the Code and CLSs, the facility will not use any form of home working arrangement to produce Nike product. This means that workers must not perform Nike production work outside of the regular workplace.

Where the facility has established home working arrangements for other buyers (non-Nike production), the facility must be able to demonstrate that production of Nike product is not deliberately or inadvertently home worked.

## 52.3 RECORD RETENTION REQUIREMENTS

**Refer to 1.3 Record Retention Requirements.**

# Glossary

## A

**Abrasive blasting.** One of several finishing techniques used to create a worn look for denim and other apparel products. This process uses compressed air to accelerate the impact of a solid abrasive.

**Abrasive blasting equipment.** Machinery and tools used in the abrasive blasting process, including blasting cabinets, hopper bins, and spray hoses.

**Abrasives.** A solid substance that may contain crystalline silica, even in trace amounts, used to wear away a material. Examples of common abrasives include sand, aluminum oxide, garnet, aluminum silicate, copper slag, and iron slag.

**Acclimatization.** The body's adaptation to working in different environments (e.g., noise, smell, and temperature).

**Additionality.** A transaction that creates additional source of renewable energy capacity that would not have occurred otherwise.

**Affected workers.** Those working with hazards and special equipment that require additional controls.

**ANSI** American National Standards Institute

**Asbestos-containing material (ACM).** Any material that contains more than 1% asbestos by weight. Asbestos mineral types include crocidolite, amosite, chrysotile, anthophyllite, tremolite, and actinolite.

**Asbestos.** A naturally occurring mineral made of long thin fibers. These fibers can be dangerous if inhaled as dust and are known to contribute to increased risk of lung cancer.

## B

**Bargain in good faith.** To meet regularly and discuss an issue with a willingness to reach an agreement.

**Biological hazard.** An airborne organic contaminant that is either generated by, or is itself, a living organism (also known as a bio-aerosol). Common bio-aerosols include bacteria, viruses, fungi, molds, mildews, dust mites, spores, legionella, and pollen.

**Blacklisting.** Creating, maintaining, using, and / or communicating lists of workers or potential workers for the purpose of denying employment or any other penalty based on legally protected status or non-job-related criteria.

**Bloodborne pathogens.** Pathogenic microorganisms present in human blood that can cause disease in humans. These pathogens include but are not limited to Hepatitis B Virus (HBV) and Human Immunodeficiency Virus (HIV). In addition to blood, pathogens can also be found in other fluids like saliva, nasal secretion, sweat, urine, and feces.

**Bonded labor.** A form of indenture in which a loan or debt is repaid by the direct labor of a worker or family member, and the value of labor provided (as reasonably assessed) is not applied toward the liquidation of the debt, or the duration and nature of the labor is not appropriately limited or defined.

## C

**Canister or cartridge.** A container with a filter, sorbent, or catalyst, or combination of these items, which removes specific contaminants from the air passed through the container.

**Certified inspector.** A person who, based on training and experience, can evaluate a machine to international machine safety standards. Typically, this person has been certified by a reputable third party.

**Chemical hazard.** A hazard caused by a chemical; this can be a physical or health hazard.

**Chlorofluorocarbons (CFCs).** Fully or partly halogenated paraffin hydrocarbons that contain only carbon (C), chlorine (Cl), and fluorine (F). Commonly used as refrigerants in air conditioning units or chillers, examples of CFCs include R-11 and R-12. CFCs are potent greenhouse gases (GHGs) that are more effective at trapping heat than carbon dioxide ($CO_2$) and have a global warming potential hundreds to thousands of times greater than $CO_2$.

**Closed-loop recycling.** A form of recycling where scrap materials are processed to be reincorporated back into production. The factory or an external vendor can perform the processing (such as grinding, filming, etc.).

**Coal.** A combustible black or brownish-black sedimentary rock with a high amount of carbon and hydrocarbons. It is a non-renewable fuel commonly used in steam production.

**Compensation.** Wages and benefits (monetary and non-monetary) the facility provides to workers.

**Compressed air system.** A group of subsystems comprised of integrated sets of components, including air compressors, air treatment equipment, controls, piping, pneumatic tools, pneumatically powered machinery, and process applications using compressed air.

**Confined space.** Any space large enough for a person to enter, has limited means for entry and exit, and is not designed for continuous occupancy. Examples include manholes, sewers, tunnels, boilers, storage tanks, and pits.

**Construction project**. An organized process for constructing, renovating, or refurbishing a building, structure, or infrastructure. A construction project generally includes any construction activity as distinguished from manufacturing, furnishing materials, or maintenance and service work. A construction project refers to new buildings or other substantial improvements to be constructed, or the alteration of existing improvements, and may include greenfield, brownfield, expansion, and satellite facilities.

## D

**Dead load.** The load due to weight of all permanent structural and nonstructural components of a building or structure. Examples include walls, floors, roof, and fixed service equipment.

**Document or documentation.** Printed, written or electronically stored information. It includes but is not limited to contracts and agreements, reports, notices, announcements, workers' grievances and complaints, computer files, emails, personnel files, payroll and timekeeping records, production records, and other correspondence.

**Domestic migrant workers.** Production or operations workers who are recruited, either directly or through a third-party, and migrate or have migrated from their place of residence to another state or province within the same country of their permanent residences for the specific purpose of employment. These workers typically relocate on a contractually defined and temporary basis.

**Domestic wastewater.** Wastewater, also known as sanitary wastewater, generated from household activities including kitchens, dormitories, toilets, sinks, and showers, and is of insufficient quality for further use.

**Dormitory.** A housing facility in which a room contains multiple single beds, often with shared bathroom facilities.

**Downcycling.** A form of recycling where an external third-party recycles solid waste for use by parties other than Nike and Nike-sponsored partners.

## E

**EHS** Environment, Health & Safety

**EHS Competent Person.** A professional who can identify existing and predictable hazards (in the work environment or in working conditions) that are unsanitary, hazardous, or dangerous to workers. The Competent Person designation requires the individual to have the authority to take prompt corrective action to eliminate hazards.

**EHS Practitioner.** A professional who implements strategy and actions typically designed by an EHS Professional. The EHS Practitioner supports a safe working environment by maintaining EHS administrative processes, conducting training, and using a range of state-of-the-art tools, processes and common-practice solutions to EHS risks, and drives monitoring and compliance with technical requirements, applicable laws, and behavioral risk controls.

**EHS Professional.** Designs strategy relating to the organizational capabilities and management of EHS within the wider context of business processes and external regulatory, market, and societal influences. The EHS Professional provides broad-based advice, support, and analysis to the organization regarding enterprise and facility risks and has the responsibility to designate the organization's EHS Competent Person.

**Electronic waste or E-waste.** Electronic equipment that has reached the end of its useful life, including all components, sub-assemblies, and consumables that are parts of the electronics equipment at the time of discarding.

**Electric and magnetic field (EMF) radiation.** Electric and magnetic forces surrounding any electrical device. Research has found potential health effects associated with high levels of EMF radiation.

**Elevator.** A lifting device consisting of a platform or cage that is raised and lowered mechanically in a vertical shaft in order to move people or materials from one floor in a building to another.

**Employment eligibility fees.** All fees and costs associated with recruitment (including recruitment fees and related costs) and employment (such as uniforms, job tools, or safety gear).

**Energy recovery.** A process in which all or a part of solid waste is processed to use the heat content, or other forms of energy, from the material.

**Environmental attribute (EA).** Recognition of greenhouse gas (GHG) emission reductions from a particular project or instrument.

**Ergonomics.** The science of designing equipment and operating procedures to maximize the safe and efficient interaction between people and their work.

**Extraordinary circumstances.** Situations outside the control of the facility, typically understood as force majeure. This includes acts of nature (such as fire, flood, earthquake, or other natural disaster), hostilities or civil unrest, and interruption or failure of essential utilities such as electricity.

## F

**Fall protection system**. Multiple approved safety equipment components such as body harnesses, shock absorbing lanyards, deceleration devices, vertical lifelines, and anchorages, interconnected to stop a free fall.

**Finishing technique.** Changing the appearance or texture of a consumer product using a physical, biological, or chemical agent.

**First aid**. Minor medical treatment administered to an injured person. It may be used alone or as an initial treatment until the person can get professional medical care.

**Fit test.** Protocol to evaluate the fit of a respirator qualitatively or quantitatively on an individual. See also Qualitative Fit Test (QLFT) and Quantitative Fit Test (QNFT).

**Forced labor.** Any work or service obtained under the threat of penalty or for which the person concerned has not offered himself or herself voluntarily. Foreign migrant workers. Production or operations workers who are recruited, either directly or through a third-party, and migrate or have migrated from their country of origin to another country where they are not permanent residents for specific purposes of employment.

**Freshwater.** Sources of incoming water: total municipal / city water, ground water, surface water, rainwater, and condensate use where condensate is from an external steam source that is collected or obtained for use on site in operations.

**Fugitive emissions.** Unintentional releases of air pollutants from human activity. Examples include tank emissions, pipe leaks, and construction dust.

## G

**General contractor.** The main or prime contractor responsible for the day-to-day oversight of a construction site, managing vendors and tradespeople, and communicating information to all parties throughout the course of a construction project.

**Greenhouse gases (GHGs).** The atmospheric gases responsible for causing global warming and climate change. The major GHGs are carbon dioxide ($CO_2$), methane ($CH_4$) and nitrous oxide ($N_2O$). Less common but very potent GHGs are hydrofluorocarbons (HFCs), perfluorocarbons

(PFC), and sulfur hexafluoride ($SF_6$). GHG emissions are commonly associated with the combustion of fossil fuels, such as coal, oil, and natural gas, to produce electricity or thermal energy, as well as from industrial processes or unintended equipment leaks.

## H

**Hazardous energy.** Any stored or residual energy that could cause harm as a result of unexpected energizing start up or release of stored energy. This includes electrical energy, thermal energy, chemical reactions, hydraulic energy, mechanical motion, and any other form of potential or stored energy.

**Hazardous material.** A substance or material that presents a risk to health, safety, environment, or property when used, stored, or transported by itself or through interaction with other factors.

**Hazardous waste**. Waste that exhibits one or more characteristic property — ignitability, corrosivity, reactivity, or toxicity — and presents a risk to health, safety, environment, or property when improperly treated, stored, or transported.

**Hazardous waste contractor.** A third-party vendor that the facility contracts with for handling, managing, transporting, treating, or disposing of hazardous waste.

**Hearing conservation program**. A written plan designed to prevent initial occupational hearing loss, preserve and protect hearing, and equip workers with knowledge and hearing protection devices necessary to safeguard themselves.

**Heat stress.** The broad term for several medical conditions, such as heat exhaustion, heat cramps (muscle pain or spasms), and heat stroke, caused by working in hot areas.

**Heavy fuel oil.** The residual oil that remains after the distillation and subsequent cracking of crude oil. Compared to other types of fuel oil, carbon emissions during combustion of heavy fuel oil are much greater than other types of fuel oils. Heavy fuel oil is non-renewable and is often used for steam production in industrial applications.

**Hot work.** Any welding, cutting, grinding or other activity involving open flames, sparks, or other ignition sources that may cause smoke or fire, or trigger detection systems.

**Hourly workers.** Workers, such as production and operations workers, who are required by local law to be compensated on an hourly basis (non-exempt workers). Hourly workers do not include management staff or others paid on a salaried basis as allowed by local law.

**Hydrochlorofluorocarbons (HCFCs).** Fully or partly halogenated paraffin hydrocarbons that contain only carbon (C), hydrogen (H), chlorine (Cl), and fluorine (F). Commonly used as refrigerants in air conditioning units or chillers, examples of HCFCs include R-21 and R-22. HCFCs are potent GHGs that are more effective at trapping heat than carbon dioxide ($CO_2$) and have a global warming potential hundreds to thousands of times greater than $CO_2$.

**Hydrofluorocarbons (HFCs).** Fully or partly halogenated paraffin hydrocarbons that contain only carbon (C), hydrogen (H), and fluorine (F). Commonly used as refrigerants in air conditioning units or chillers, examples of HFCs include R-410A and R-134a. Unlike CFCs and HCFCs, HFCs do not destroy ozone. HFCs are potent GHGs that are more effective at trapping heat than carbon dioxide ($CO_2$) and have a global warming potential hundreds to thousands of times greater than $CO_2$.

## I

**Incineration.** A process in which solid waste is combusted without energy recovery. Combustion is controlled in chambers engineered to transform waste into ashes, fully oxidize combustion gases, and control air emissions.

**Indoor air quality.** The condition of the air inside buildings, including emissions caused by smoke, dust, fumes, mist, biological hazards, gases, and chemicals from materials, processes, and appliances.

**Infectious and contagious diseases.** Diseases caused by pathogenic microorganisms, such as bacteria, viruses, parasites, or fungi; the diseases can be spread, directly or indirectly, from one person to another.

**Involuntary servitude.** Work or services performed under the actual or perceived threat of serious harm, physical restraint, or abuse of the legal process.

**Ionizing radiation.** A form of radiation released as electromagnetic waves and / or subatomic particles with enough energy to break chemical bonds in molecules or remove tightly bound electrons from atoms. Examples include X-ray, alpha and beta particles, and gamma radiation.

## L

**Labor agents.** Private employment agencies, recruitment agencies, labor recruiters, dispatch agencies, labor brokers, and any other third parties involved in the recruitment, selection, hiring, transportation, and / or management of the facility's workers.

**Landfilling.** A solid-waste management method in which solid waste is placed on or below ground surface in an engineered facility designed, constructed, and operated in a manner that minimizes impacts to public health and the environment.

**Laser.** A device that produces a powerful narrow beam of light that differs from ordinary light in that it is monochromatic (one color), organized, and directional. Lasers are commonly used for cutting materials.

**Live load.** The load superimposed by the use and occupancy of a building.

**Local laws or legal requirements.** All applicable legal and regulatory requirements from the country level down that apply to a facility's operation in a specific location. Examples include federal, regional, state, provincial, and city legal and regulatory requirements.

**Lock-out / Tag-out (LOTO).** Specific practices and procedures to safeguard workers from the unexpected energization or startup of machinery and equipment or the release of hazardous energy during service or maintenance activities.

## M

**Machine guarding.** Physical devices used to protect the operator and other workers interacting with machines from hazards such as ingoing nip points, rotating parts, flying debris, and sparks. Examples of guarding methods are barrier guards, two-handed tripping devices, and interlocks.

**Machine safety.** The safe design of a machine, including electrical safety and machine guarding.

**Management of Change.** A systematic approach to ensuring that environmental, health, and safety risks are evaluated by subject matter experts prior to implementing significant changes.

**Manufacturing restricted substances list (MRSL).** A list of chemical substances banned from intentional use in the manufacturing environment.

**Material-handling equipment (MHE).** Mechanical devices used for handling and storing materials. MHE includes both manual (e.g., manual pallet jack) and powered (e.g., forklift) equipment used in material handling as well as the equipment used to store those materials (e.g., storage shelves or racks). MHE is also includes automatic powered industrial trucks (PITs) that do not require a driver, such as automatic guided vehicles (AGVs) and autonomous mobile robots (AMRs).

**Migrant workers.** Facility's production or operations workers who are recruited, either directly or through a third party, and migrate or have migrated from their country, state, or province of origin to another country, state, or province where they are not permanent residents for specific purposes of employment. *Migrant workers* is used in this document to represent both foreign migrant workers and domestic migrant workers

**Modern slavery.** An umbrella term covering practices such as forced labor, debt bondage, and human trafficking.

**Motorized passenger vehicle.** A motorized vehicle intended to carry passengers. Examples include microcars (golf carts and other vehicles that do not require a permit to be driven), taxis, passenger cars, passenger buses, pickup trucks, box trucks, semi-trucks, and motorbikes.

## N

**Near miss.** An unplanned event that does not result in injury, illness, or property or equipment damage but had the potential to do so.

**Night work.** In the absence of local legal definition, night work is defined as any work carried out, in whole or in part, between the hours of 22:00 and 05:00.

**Nike Restricted Substances List (RSL).** Nike's standard for chemical compliance in finished materials, products, and related items. The Nike RSL is available at https://chemistry.nike.com.

**NIOSH** National Institute for Occupational Safety and Health in the United States.

**Non-permit required confined space.** A confined space that does not contain any hazard capable of causing death or serious physical harm and has no actual or potential atmospheric hazard.

**Non-point source emissions.** Sources of emissions that are distributed from many diffuse sources and which may be either anthropogenic or natural in cause.

## O

**Occupational noise.** Sound in the workplace that is one of the most common occupational health and hygiene hazards. Prolonged exposure to excessive occupational noise can result in irreversible damage to a person's hearing and a reduction in their quality of life.

**Onsite contractor or onsite subcontractor.** A person or business performing work under a direct or indirect contract with the facility. An onsite subcontractor has a contractual agreement with the onsite contractor and performs work under the direction of the onsite contractor. Examples of typical work include cleaning, security, plumbing, or electrical installation.

**Operations worker.** A worker whose primary professional responsibility is the handling of product in the facility. This includes but is not limited to picking, packing, receiving, storage, and powered industrial truck (PIT) driving. Temporary operations workers employed through a third party are also included.

**OSHA** Occupational Safety and Health Administration in the United States.

**Overtime.** Work performed in addition to regular working hours as defined by local law.

## P

**Permit-required confined space.** A confined space that has one or more of the following characteristics:

- A potential to contain a hazardous atmosphere.
- Material that can cause the engulfment of a worker.
- An internal configuration that might cause a worker to be trapped or asphyxiated by inwardly converging walls or by a floor that slopes downward and tapers to a smaller cross section.
- Contains any other recognized serious health or safety hazard.

**Personal protective equipment (PPE)** Protective equipment for eyes, face, head, and extremities; protective clothing; and protective shields and barriers intended to protect workers from bodily harm through absorption or physical contact.

**Physical abuse.** Use or threat of physical discipline (corporal punishment).

**Physical hazards.** Unsafe conditions that can cause injury, illness, or death. Examples include unguarded machinery, electrical hazards, heat, excessive noise, and slip and fall hazards.

**Point source emissions.** Air flow controlled in some way and released to the atmosphere from a single source such as a stack.

**Pollutants.** Generally, any substance introduced into the environment that adversely affects the usefulness of a resource.

**Pollution-control equipment.** Any equipment or process that scrubs air exhausts or treats wastewater prior to final discharge. For air, the primary method is scrubbing using freshwater. For freshwater and wastewater treatment, the general methods include physical treatment (e.g., oil / freshwater separators), chemical treatment (e.g., pH neutralization), and biological treatment.

**Polychlorinated biphenyls (PCBs).** A group of synthetic organochlorine compounds that are nonflammable and stable. They were widely used as coolants and lubricants in electrical equipment (transformers, capacitors, light ballasts), hydraulic fluids, flame retardants, paints, inks, pesticides, and surface coatings. PCBs do not degrade in the environment and are extremely toxic to wildlife and humans.

**Potable water.** Water that is clean and healthy to drink.

**Potential to emit (PTE).** The maximum capacity of a stationary source to emit under its maximum physical and operational design (does not include treatment / abatement).

**Powered industrial truck (PIT).** Any mobile power-propelled vehicle used to carry, push, pull, lift, stack, or tier materials. Common examples include forklifts, pallet trucks, tractors, platform lift trucks, motorized hand trucks, automatic guided vehicles (AGVs), rider trucks, fork trucks, and lift trucks.

**Pressure vessel and system.** A container or pipeline designed to hold or transfer gases or liquids at a pressure substantially different from the ambient pressure. Equipment includes steam boilers and associated pipework, pressurized hot-water boilers, air compressors, air receivers and associated pipework, autoclaves, dye machines, gas storage tanks, and chemical reaction vessels.

**Prevailing wage.** The wage generally paid in the relevant country or region for work in the same sector and for comparable levels of responsibility and experience.

**Production worker.** A worker whose primary professional responsibility is to manufacture or directly support the manufacture of product. This includes workers in the following scenarios: line workers, packing, quality, sample room, warehouse, maintenance, and mechanic. This includes apprentices involved in production work and production workers employed through a third party or some other employment / contractual relationship.

**Psychological and verbal abuse.** Using words or actions that attempt to diminish worker self-esteem. Includes screaming, threatening, or use of demeaning words toward workers.

**Psychosocial hazard.** Any occupational factor that has the potential to harm the mental health and wellbeing of workers (also known as a workplace stressor). Psychosocial hazards may lead to a wide range of mental and related physical harm including burnout, depression, anxiety, social isolation, violence, psychosocial-related health symptoms such as fainting, musculoskeletal conditions, and disturbances of the gastrointestinal and cardiovascular system.

## Q

**Qualified machine.** A machine evaluated by a certified inspector following international machine safety standards that reduces machine-related risks to an acceptable level.

**Qualitative fit test (QLFT).** A pass / fail fit test that relies upon the individual's response to assess the adequacy of a respirator fit.

**Quantitative fit test (QNFT).** An assessment of the adequacy of respirator fit by numerically measuring the amount of leakage into the respirator. A QNFT is necessary for respirators that will achieve a fit factor greater than 10.

## R

**Radio frequency (RF) radiation.** Non-ionizing radiation between the frequencies of 300 kHz and 100 GHz. Thermal effects are the main health hazard. Examples industrial applications include heat sealers and high frequency welders.

**Raw wastewater.** Wastewater that has not been treated prior to direct or indirect discharge, or recycling efforts. This wastewater does not meet quality standards for beneficial use.

**Recycling.** Any process whereby solid waste is used as material to manufacture new products.

**Renewable energy certificate (REC)** A market-based instrument that represents the property rights to the environmental, social, and other non-power attributes of renewable electricity generation. RECs are issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource.

**Respirator.** A type of personal protective equipment (PPE) that covers the nose and mouth or the entire face or head to guard the wearer against hazardous atmospheres. Respirators may be:

- **Tight-fitting.** Half masks that cover the mouth and nose or full-face masks that cover the face from the hairline to below the chin.
- **Loose-fitting.** Hoods or helmets that cover the head completely.

In addition, there are two major classes of respirators:

- **Air-purifying**, which remove contaminants from the air.
- **Atmosphere-supplying**, which provide clean, breathable air from an uncontaminated source. As a general rule, atmosphere-supplying respirators are used for more hazardous exposures.

## S

**SAFE Machine.** The metric Nike uses to capture the overall safety of machines at a facility. It is calculated as:

- A percentage of total machines and is inclusive of machines that are qualified machines.
  + Facility risk assessment (with machine impacts)
  + Job hazard analysis
  + Safety standard work
  + Job instruction training / certification

  All elements include operations and maintenance.

**Safety data sheet (SDS).** A summary document, often required for sale and transport, that provides information about the hazards of a product, its chemical composition, legal requirements, safety precautions, and emergency measures for both workers and the environment.

**Sanitation.** The hygienic means of promoting health through prevention of human contact with the hazards of wastes. Hazards can either be physical, microbiological, biological, or chemical agents of disease. Wastes that can cause health problems are human and animal feces, solid wastes, domestic wastewater, industrial wastes, and agricultural wastes.

**Scope 1 GHG emissions.** Direct greenhouse gas (GHG) emissions that occur from sources that are owned or controlled by the company. For example, Scope 1 emissions include emissions from burning fuel in vehicles, boilers, or furnaces, as well as:

- Generation of electricity, heat, or steam.
- Physical or chemical processing.
- Transportation of materials, products, waste, and employees.
- Fugitive emissions and refrigerants.

**Scope 2 GHG emissions.** Indirect greenhouse gas (GHG) emissions from the purchase and use of electricity, steam, heat, or cooling. For example, Scope 2 emissions include emissions from electricity that is purchased from a utility and used in a building.

**Scope 3 GHG emissions.** All indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. For example, Nike's Scope 3 emissions include all supply chain manufacturers.

**Sexual harassment or abuse.** Includes, but is not limited to:

- Unwelcome sexual comments, including comments about a person's body, appearance, or sexual activity, and advances or propositions of a sexual nature.
- Unwelcome physical conduct including assault, impeding or blocking movement, physical interference, and offensive gestures.
- Offering preferential work assignments or treatment in actual or implied exchange for a sexual relationship.
- Subjecting workers to prejudicial treatment in retaliation for refused sexual advances.

**Short-term contract.** A contract one-year or less in duration in the absence of a definition in local laws.

**Solid waste.** Discarded material, generated at the facility, from the consumption of goods and services and the manufacture of goods. This definition does not include hazardous waste. Examples of solid waste include cutting and molding scraps, food and yard/garden waste, paper, cardboard, cloth, leather, product packaging, glass, and metal containers.

**Solid waste contractor.** A third-party vendor, such as a transporter, waste management center, down-cycler, or disposal facility, that the Facility contracts with to handle, manage, transport, treat, recycle, or dispose of solid waste.

**Source.** Where an emission originates. Examples include the ventilation system in a paint room, dryer vents, and boiler exhaust.

**Source reduction.** A solid-waste management method in which waste is prevented at the source. This includes repurposing or reusing the product or material before it reaches the end of its useful life and without changing its identity.

**Steam boiler.** A closed vessel in which water or other fluid is heated. The heated or vaporized fluid exits the boiler for use in various processes or heating applications, including manufacturing processes, water heating, central heating, and cooking.

**Stormwater.** Surface water resulting from precipitation such as heavy rainfall or snow. If collected and used, stormwater is considered a freshwater source.

**Subcontractor.** An offsite location, third-party operated, or supplier-owned facility involved in the manufacture of materials or finished goods.

**Suspected asbestos-containing material (Suspected ACM).** Any material that has not been confirmed as containing asbestos but is still believed to be asbestos-containing due to its characteristics. Suspected ACM includes but is not limited to materials (e.g., thermal system insulation, surfacing materials) used in buildings constructed prior to local asbestos bans and building construction materials believed to contain asbestos due to their characteristics, such as age or appearance.

## T

**Temporary worker.** A production or operations worker who works on the Facility's premises, but is paid by a third-party such as a temporary employment agency.

**Type A Standards.** International machine safety standards that cover general safe design requirements for all machinery (ISO12100 – Safety of Machinery).

**Type B Standards.** International machine safety standards that address specific aspects of safeguarding (EIC 60204-1 – Electrical Equipment of Machines).

**Type C Standards.** International machine safety standards that apply to specific types of machines (an example includes a sewing machine).

## U

**Unbundled renewable energy certificate (unbundled REC).** An instrument that sells the environmental attributes (EAs) of renewable generation separately from the underlying energy. Unbundled RECs can provide more flexibility in meeting renewable energy goals since they do not rely on local projects for sourcing; however, they typically do not result in additionality.

**Underage worker.** A worker whose age is below either the minimum legal working age established by local laws or the minimum age required by the applicable standard.

**Underground storage tank.** A tank used for storing fuels or other chemicals that has 10% or more of the structure (including underground piping) located beneath the ground surface.

**Union or trade union.** An organization formed by workers who join together in their workplace. Trade unions can represent workers to negotiate with employers over wages, benefits, workplace health and safety, and other work-related concerns.

## W

**Wastewater.** Water no longer considered usable for a given operational purpose that is directly or indirectly discharged from the Facility.

**Worker representative.** A person in a non-managerial position elected by peers to represent workers' points of view in joint labor / management committees.

**Work-related injury or illness.** An event or exposure in the workplace that caused or contributed to an injury or illness or aggravated a preexisting injury or illness.

## Z

**Zero Discharge of Hazardous Chemicals (ZDHC) Foundation.** A global multi-stakeholder organization of more than 320 contributors, including Nike, that aims to phase out hazardous chemicals from the textile, apparel, leather, and footwear value chains.

# Commitment Is Everything

**NIKE CODE LEADERSHIP STANDARDS**