

Sustainability Accounting Standards Board

SASB is an independent, private sector standards-setting organization dedicated to enhancing the efficiency of the capital markets by fostering high-quality disclosure of material sustainability information that meets investor needs. The table below cross-references the SASB accounting metrics with where that information can be found in NIKE's FY18 Nike Impact Report and Purpose Website.

Topic	Accounting Metric	Category	Unit of Measure	Code	Data	Reference
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	N/A	CG-AA-250a.1		<ul style="list-style-type: none"> NIR: Chemistry (Measure: 100% Compliance with NIKE RSL) Approach to Chemistry Chemistry Playbook
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	N/A	CG-AA-250a.2		<ul style="list-style-type: none"> NIR: Chemistry (Target: Enable Zero Discharge of Hazardous Chemicals) Approach to Chemistry Chemistry Playbook
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	Quantitative	Percentage (%)	CG-AA-430a.1	In FY18, over 99% of focus suppliers met legal compliance, 69% met conventional wastewater parameter compliance and approximately 40% reported compliance to the new ZDHC wastewater requirements	<ul style="list-style-type: none"> NIR: Chemistry (Measure: 100% of focus suppliers meeting NIKE's wastewater quality requirements for textile dyeing and finishing processes) Approach to Chemistry Chemistry Playbook
	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Quantitative	Percentage (%)	CG-AA-430a.2	<p>100% of Tier 1 suppliers are audited to our Code of Conduct which includes environmental compliance. In addition, 23% of our facilities (representing all of our FTW production) report on a monthly basis their performance against NIKE Sustainability targets</p> <p>Suppliers beyond Tier 1, producing approximately 80% of our materials, have completed the 2017 Higg FEM assessment</p> <p>We disclose a number of strategic materials suppliers (Tier 2) on our Manufacturing Map along with finished goods factories</p>	<ul style="list-style-type: none"> NIR: Sustainable Sourcing (Target: Source 100% from factories that meet our definition of sustainable) NIKE's Sourcing and Manufacturing Standards Building Supplier Capabilities in Environmental Management
Labor Conditions in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	Quantitative	Percentage (%)	CG-AA-430b.1	<p>100% of Tier 1 suppliers audited to Code of Conduct</p> <ul style="list-style-type: none"> 11.9% of factories were audited by third-party auditor (FLA and Better Work) <p>We disclose a number of strategic material suppliers (Tier 2) on our Manufacturing Map along with finished goods factories</p>	<ul style="list-style-type: none"> NIR: Sustainable Sourcing (Target: Source 100% from factories that meet our definition of sustainable) NIKE's Sourcing and Manufacturing Standards
	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	Quantitative	Rate	CG-AA-430b.2	In FY18, 7% of audits were rated below Bronze (non-conformance)	<ul style="list-style-type: none"> NIR: Sustainable Sourcing (Target: Source 100% from factories that meet our definition of sustainable) NIKE's Sourcing and Manufacturing Standards
	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	Discussion and Analysis	N/A	CG-AA-430b.3		<ul style="list-style-type: none"> NIR: Sustainable Sourcing (Target: Source 100% from factories that meet our definition of sustainable) NIR: Employees (Target: Attract & develop and increasingly diverse, engaged & healthy workforce) NIR: Occupational Health & Safety NIR: Transform Manufacturing NIR: Minimize Environmental Footprint NIKE's Sourcing and Manufacturing Standards Protecting the Environment Making Product Responsibly



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Topic	Accounting Metric	Category	Unit of Measure	Code	Data	Reference
Raw Materials Sourcing	Description of environmental and social risks associated with sourcing priority raw materials	Discussion and Analysis	N/A	CG-AA-440a.1		<ul style="list-style-type: none"> NIR: Materials (Target: Increase use of more sustainable materials in footwear and apparel) NIR: Product (Target: Deliver products for maximum performance with minimum impact, with a 10% reduction in the average environmental footprint) Sustainable Materials Sustainable Materials Principles
	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	Quantitative	Percentage (%) by weight	CG-AA-440a.2	Materials (FY18) Rubber <u>92%</u> environmentally preferred Cotton <ul style="list-style-type: none"> <u>8%</u> certified organic <u>50%</u> Better Cotton Initiative <u><1%</u> recycled Polyester <u>19%</u> recycled Corrugate/Paper <u>84%</u> recycled EVA Foam <u><1%</u> recycled	<ul style="list-style-type: none"> NIR: Materials (Target: Increase use of more sustainable materials in footwear and apparel) NIR: Product (Target: Deliver products for maximum performance with minimum impact, with a 10% reduction in the average environmental footprint) Sustainable Materials Sustainable Materials Principles
Topic	Activity Metric	Category	Unit of Measure	Code	Data	Reference
	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	Quantitative	Number	CG-AA-000.A	<ul style="list-style-type: none"> <u>529</u> finished good factories <u>76</u> materials facilities 	<ul style="list-style-type: none"> Manufacturing Map

Learn more:
 FY18 Nike Impact Report:
purpose.nike.com/reports
 Nike Purpose Website:
purpose.nike.com

